

Stock Code : 4972

Tons:

TONS LIGHTOLOGY Inc.

2024 Annual Report

Notice to readers

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

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I. Letter to Shareholders

Dear Shareholders,

First of all, TONS LIGHOLOGY Inc. would like to thank you for your continuing support throughout the year as well as your participation in the 2025 annual meeting of shareholders.

Under the continuous impact of high interest rates and the underperformance of China's economy, plus constant geopolitical conflicts, the global economic and political uncertainties and instability have aggravated, leading to a global economic slowdown. As a result, the global economic performance for 2024 did not show significant improvement. Nonetheless, the recent disinflation and the interest rate easing cycles worldwide are likely to stimulate consumption and investment. It is expected that the 2025 economy will gradually grow prudently.

Facing the changing trends of global economy and coronavirus pandemic, the Company copes with the situation slowly but surely, and introduces the information system to accelerate the execution of lean policy, including substantially improving production efficiency internally, controlling costs, developing high value-added products, optimizing the quality of customers, and refining product portfolio. In terms of branding effort, the Company had won over many lighting engineering projects of Taiwan that had helped Tons Lightology Inc. secured a leading position in the lighting engineering of museum in Taiwan. The Company will continue this momentum to root in Taiwan's professional lighting market and to convey the experience to Chinese market in order to increase brand awareness. In addition, the Company will continue to enhance the working environment and employee benefits, and protect the stability of human resources so the Company can stay competitive while facing economic fluctuations and uncertainties externally.

Overall, our Company's 2024 revenue increased due to the merger of StrongLED Lighting Systems (Cayman) Co., Ltd., despite the intensely competitive market, inflation and the varying environment. Under full support of shareholders and the efforts exerted by all employees, we are motivated to move forward. We would like to show our appreciation for the support of the shareholders on behalf of the Board of Directors of the Company. The Company's 2024 business operation and 2025 operational plans are briefed as follows.

I. The 2024 business operation

(I) Operating plan results and operating income and expense

In 2024, the Company's individual and consolidated net operating revenue were NT\$619,473 thousand and NT\$1,216,401 thousand respectively, increase of 3.34% and 49.81% respectively compared with NT\$599,465 thousand and NT\$811,933 thousand in 2023. The Company's individual and consolidated net income after tax were the same as NT\$224 thousand, a decrease of NT\$48,844 thousand compared with NT\$49,068

thousand in 2023.

(II) Profitability analysis

The Company's operating revenue in 2024 was more than that in 2023. The gross profit margin of 28.61% was down 3.17%, compared with that of last year, mainly because of the decline in capacity utilization and rising production cost of the products, client portfolio and the merger of former Strong LED Lighting Systems (Cayman) Co., Ltd., due to the underperformance of China economy. The operating expenses could not be covered from the inadequate contribution of gross profit due to the increase in expenses for StrongLED Lighting Systems, resulting in an operating income of -4.93%. The non-operating income to operating revenue this year was 5.92%, resulting in a net income after tax of 0.02%, down 6.04% compared with the net income after tax of 2023.

(III) Research and development status

In 2024, the Company developed products and took out patents as follows. In terms of patents, multiple invention patents in lamps and lighting fixture with adjustable lighting angle, and power switch; multiple utility model patents in rotary lighting fixture and assembly lampshade structure, lighting fixture and lighting control system, floor lamp, in-grounds lights; and multiple design patents in lighting fixture rack and assembly, floor lamp combo, and om-ground lights, were acquired.

In prospect, the Company will continue to research and develop forward-looking technology and innovative applications, to substantiate product design, and commercialize research and systematic production management in order to continue to promote the brand and deepen the Company's core competence and secure the leading position.

II. The 2025 business plan outline

(I) The important marketing policy and business policy

1. Products

- A. Continuing to strengthen indoor lighting products: Continue to complete indoor lighting products and invest in the development of low-cost light fixtures for meeting customer's needs due to the emerging of LED mass market.
- B. Continuing to expand outdoor lighting products: Continue to complete the development of outdoor lighting series in order to create the Company's future growth momentum.

2. Marketing:

- A. Promote green lighting and continue to develop new products.
- B. Enhance product value and maintain price competitiveness.
- C. Secure the existing market and develop emerging market with potentials.
- D. Participate in international exhibitions and commit to promote the Company's brand.

3. Production:

- A. Simplify product lines, use common parts, and build safety stock for

the frequently used parts in order to shorten delivery lead time.

B. Strengthen automated production, improve manufacturing processes, increase efficiency, and reduce the impact of rising labor cost.

(II) Expected sales volume and basis

As major regions worldwide remain cautiously optimistic about the economic forecast, our Company's product application and economic undulation show a positive correlation and hence, we remain robustly optimistic about the expected sales volume.

(III) The Company's future development strategy

Continue the business model of OEM and branding. In terms of OEM business, continue to attract more big customers in Europe for cooperation currently. In terms of branding business, Due to our significant achievement in the cross-strait markets, more investment would be conducted in the Greater China Area in order to create a stable revenue source.

(IV) The impact on the external competitive environment, regulatory environment, and the overall business environment

The global economy is expected to rebound, but the environmental law in each country is increasingly stringent, and takes into serious consideration of sustainable development issues added with the continuing increase of production cost in China and fluctuations in raw material prices have us faced severe challenges. We have come up with the following responsive measures for the challenges faced by us:

1. Recruit professionals, enhance management, and improve the Company's business strength.
2. Introduce external technologies, enhance research and development capabilities, and improve product value.
3. Meet customer needs with innovative brand and professional services.
4. Pay attention to changes in domestic and foreign policies and laws with responsive measures proposed in due course.
5. In accordance with the materiality principle, conduct risk assessments pertaining to company operations and establish the relevant risk management policy.

Chairman : TANG, SHIH-CHUAN

CEO : HUNG, CHIA-CHENG

CFO : WANG, CHIH-YUAN

II. Corporate Governance Report

2.1 Directors and Management Team

2.1.1 Directors

03/25/2025

Title	Nationality/ Country of Origin	Name	Gender/ Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Chairman	R.O.C.	TANG, SHIH-CHUAN	Male / 51~60	05 25,2023	3	08/14, 1992	3,535,633	8.95%	3,535,633	6.10%	1,693,106	2.92%	-	-	Oriental Institute of Technology / Dept. of Clothes Manufacturing Tons Lightology Inc. / Founder	Tons Lightology Inc. Concurrent R&D Director Titan Lighting Co., Ltd. / Chairman ZhongshanTons Lighting Co., Ltd. / Chairman World Extend Holding Inc. / Director Greatsuper Technology Ltd. / Director Hong-Bo investment Co., Ltd. / Chairman Luminous Holding Incorporated/ Director Shanghai Tons Lightology Co., Ltd./ Chairman StrondLED Lighting Systems (Cayman) Co., Ltd / Director Mentality International Corp. / Director StrongLED Lighting Systems (Suzhou) Co., Ltd. / Chairman & GM Shanghai StrongLED Lighting Systems Co., Ltd. / Director & GM	-	-	-

Title	Nationality/ Country of Origin	Name	Gender/ Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Director	R.O.C.	HUNG, CHIA-CHENG	Male / 51~60	05 25,2023	3	03 08,2002	1,107,881	2.81%	1,125,381	1.94%	253,131	0.44%	-	-	Kainan Vocational High School / Dept. of Electronic Engineering Tons Lightology Inc. / Senior Executive Vice President	Tons Lightology Inc. / G.M. Titan Lighting Co., Ltd. / Director & G.M. ZhongshanTons Lighting Co., Ltd. / Director & G.M. Shanghai Tons Lightology Co., Ltd / Director	-	-	-
Director	R.O.C.	CHEN, MING-HSIN	Male / 61~70	05 25,2023	3	05 26,2017	-	-	-	-	-	-	-	-	Bachelor of Accounting, National Chengchi University Doctor of Business Administration, Nankai University Taiwan Stock Exchange- Listing Review and Chief Accountant Hung Mao Technology Co., Ltd.- President	Fu Burg Industrial Co., Ltd. / Director	-	-	-

Title	Nationality/ Country of Origin	Name	Gender/ Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Director	R.O.C.	HSIAO, CHEN-CHI	Male / 61~70	05 25,2023	3	05 28,2020	25,250	0.06%	25,250	0.04%	-	-	-	-	EMBA, Feng Chia University PwC Taiwan / Partner Dah Lih Puh Co.,Ltd.xxx	Honmyue Enterprise Co. Ltd. / Independent Director, Audit Committee Member and Remuneration Committee Member United Recommend International Co., Ltd./ Independent Director, Audit Committee Member and Remuneration Committee Member Horizon Securities Co., Ltd./ Independent Director , Audit Committee Member ,and Remuneration Committee Member ,Risk Management Committee Member Yao I Fabric Co., Ltd. / Independent Director , Audit Committee Member ,and Remuneration Committee Member Plum-Monix Industry Co., Ltd./ Director Ruopu Construction and Development Co., Ltd. / Supervisor Yeong Chin Machinery Industries Co. Ltd. / Supervisor Dah Lih Puh Co., Ltd. / Supervisor	-	-	-

Title	Nationality/ Country of Origin	Name	Gender/ Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Director	R.O.C.	CHANG, CHIA-JUI	Male / 61~70	05 29,2024	2	05 29,2024	-	-	2,906,976	5.01%	-	-	2,906,976	5.01%	The 14th Industrial Manager Research Class of Tunghai University. Founder of StrongLED Lighting Systems Co., Ltd. Executive Vice Chairman of China Shanghai Sign Association. Vice Chairman of the Building Electrical Committee of China Building Decoration Association. Member of the International Media Architecture Society (China). Chairman of Taiwan Compatriots Investment Enterprises Association, Wujiang District, Suzhou City, Jiangsu Province.	-	Assistant Vice President	CHANG CHUNG- WEI	Father and son

Title	Nationality/ Country of Origin	Name	Gender/ Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Independent Director	R.O.C.	CHOU, LIANG-CHENG	Female / 51~60	05 25,2023	3	05 26,2017	-	-	-	-	-	-	-	-	Bachelor of Laws, Fu Jen Catholic University Rootlaw Firm- Attorney Li Cheng Law Firm- Attorney Xin Fu International Law Firm- Attorney Jia Hua Attorneys-At-Law Firm,- Attorney	Jia Hua Attorneys-At-Law Firm, / Founding Attorney Shih-Kuen Plastics Co., Ltd. / Independent Director , Audit Committee Member ,and Remuneration Committee Member Chenming Electronic Tech Corp./ Independent Director , Audit Committee Member ,and Remuneration Committee Member Addcn Technology Co., Ltd / Director	-	-	-
Independent Director	R.O.C.	LEE, SHYH-CHIN	Male / 71~80	05 25,2023	3	05 28,2020	-	-	-	-	-	-	-	-	Master in Management Science, National Chiao Tung University Chunghwa Precision Test Tech. Co., Ltd. / Chairman Chunghwa Telecom / Vice President of Finance Chunghwa Investment Co., Ltd. / President, Chairman	Chunghwa Telecom / Consultant	-	-	-

Title	Nationality/ Country of Origin	Name	Gender/ Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Independent Director	R.O.C.	CHOU, TSUNG- NAN	Male / 61~70	05 25,2023	3	05 25,2023	-	-	-	-	-	-	-	-	Bachelor of Accounting, Tunghai University Everlight Electronics., Ltd. / Assistant Vice President Tons Lightology Inc. / CFO	Khgears International Limited / Independent Director , Audit Committee Member ,and Remuneration Committee Member Edison Opto Corporation / Independent Director , Audit Committee Member ,and Remuneration Committee Member Apistek International Technology Co., Ltd. / Independent Director , Audit Committee Member ,and Remuneration Committee Member	-	-	-

Professional qualifications and independence analysis of directors

04 30, 2025

Name \ Criteria	Professional Qualification and Work Experience (Note1)	Independence Criteria(Note2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
TANG, SHIH-CHUAN	Professionalism in Optoelectronics Industry with ability in operational management and leadership decision-making. Founder of the Company.	-	0
HUNG, CHIA-CHENG	Professionalism in Optoelectronics Industry with ability in operational management and leadership decision-making. President of the Company.	-	0
CHEN, MING-HSIN	Expertise in financial securities and investment. Served as the accountant in charge of the Taiwan Stock Exchange and president of Hung Mao Tech.	-	0
HSIAO, CHEN-CHI	Certified public accountant with a specialty in auditing and taxation. Previous partner of PwC Taiwan.	-	4
CHANG, CHIA-JUI	Professionalism in Optoelectronics Industry with ability in operational management and leadership decision-making.	-	0

Name \ Criteria	Professional Qualification and Work Experience (Note1)	Independence Criteria(Note2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
CHOU, LIANG-CHENG (Independent Director)	Certified attorney with specialty in asset management. Currently the attorney in charge at Jia Hua Attorneys-At-Law Firm. Not under the circumstances prescribed in Article 30 of Company Act.	<ol style="list-style-type: none"> 1. Not a person, spouse, relative within the second degree of kinship acting as the director, supervisor or employee of the Company or affiliated enterprise. 2. The person, spouse, or relative within the second degree of kinship does not hold company shares. 3. The person does not act as the director, supervisor or employee of an affiliated enterprise with specific relation with the Company. 4. Not a professional who provides commercial, legal, financial, accounting, or other related services with compensation with the past two years to the Company or affiliated enterprise. 	2
LEE, SHYH-CHIN (Independent Director)	Expertise in business, finance, and accounting professionalism with information and communication industries. Served as Vice President of Finance in Chunghwa Telecom and Chairman of CHPT. Not under the circumstances prescribed in Article 30 of Company Act.	<ol style="list-style-type: none"> 1. Not a person, spouse, relative within the second degree of kinship acting as the director, supervisor or employee of the Company or affiliated enterprise. 2. The person, spouse, or relative within the second degree of kinship does not hold company shares. 3. The person does not act as the director, supervisor or employee of an affiliated enterprise with specific relation with the Company. 4. Not a professional who provides commercial, legal, financial, accounting, or other related services with compensation with the past two years to the Company or affiliated enterprise. 	0

Name \ Criteria	Professional Qualification and Work Experience (Note1)	Independence Criteria(Note2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
CHOU, TSUNG-NAN (Independent Director)	Expertise in business, finance, and accounting professionalism with Optoelectronics Industry. Served as Assistant Vice President of Everlight Electronics Ltd. and CFO of Tons Lightology Inc. Not under the circumstances prescribed in Article 30 of Company Act.	1. Not a person, spouse, relative within the second degree of kinship acting as the director, supervisor or employee of the Company or affiliated enterprise. 2. The person, spouse, or relative within the second degree of kinship does not hold company shares. 3. The person does not act as the director, supervisor or employee of an affiliated enterprise with specific relation with the Company. 4. Not a professional who provides commercial, legal, financial, accounting, or other related services with compensation with the past two years to the Company or affiliated enterprise.	3

Note: 1. Professional qualification and experience: Describe the professional qualification and experience of individual director and supervisor. For member of Audit Committee with expertise in accounting or finance, describe their background in accounting or finance and work experience. Additionally, explain if the person is free from the circumstances prescribed under Article 30 of Company Act.

2. Describe conformance of independence required for independent director, including but not limited to if the person, spouse, and relative within the second degree of kinship serving as the director, supervisor, or employee of the Company and affiliated enterprise. The company shares and weight held by the person, spouse, and relative within second degree of kinship (or using other's name). Does the person serve as the director, supervisor or employee to the affiliated company with special relation to the Company (refer to Article 3, paragraph 1 and provisions 5~8 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). The person provides compensation to the Company or affiliated enterprise within the past two years by providing commercial, legal, financial, or other related services.

Diversification and Independence of Board of Directors

(1) Diversification of Board of Directors: The “Corporate Governance Best Practice Principles” of the Company is listed below and has implemented the following diversification guidelines. The composition of members of the Board of Directors shall be equipped with the knowledge, skills and qualities required for executing the tasks, who are not restricted by sex, age, nationality, culture, and other basic conditions, value and professional background, professional skills, and industry experience, as a result of diversification. The members of the 11th Board of Directors specialize in different professional domain, including optoelectronic industry, investment securities, audit and taxation, asset management, information and communication industry, law, financial accounting, managerial operation, and decision-making, with one female serving as the director, meeting the corporate objectives of director diversification.

The composition of the Company’s Board of Directors is primarily based on consideration of the candidates’ professional background, experience, participation in and contribution to the Company’s future development, etc., without restriction on the ratio of gender, but will work towards promoting gender diversity among Board members. The Company has set the long-term goal of having one-third of the directors be of different genders.

Implementation of Diversification of Members of Board of Directors

Core Diversified Items Name	Gender	Age	Term of Independent Directors	As an employee of the company	Operating and Management	Leadership and Decision-making	Industry Knowledge	Financial Accounting	Legal Affairs
TANG, SHIH-CHUAN	M	51-60		√	√	√	Optoelectronics industry		
HUNG, CHIA-CHENG	M	51-60		√	√	√	Optoelectronics industry		
CHEN, MING-HSIN	M	61-70			√	√	Investment securities	√	
HSIAO, CHEN-CHI	M	61-70			√	√	Audit & Tax Consultation	√	

Core Diversified Items Name	Gender	Age	Term of Independent Directors	As an employee of the company	Operating and Management	Leadership and Decision-making	Industry Knowledge	Financial Accounting	Legal Affairs
CHANG, CHIA-JUI	M	61-70			√	√	Optoelectronics industry		
CHOU, LIANG-CHENG	F	51-60	3				Asset management		√
LEE, SHYH-CHIN	M	71-80	2		√	√	Information and Communication Technology	√	
CHOU, TSUNG-NAN	M	61-70	1		√	√	Optoelectronics industry	√	

(2) Board of Directors Independence: The Company sets up independent directors and all directors in the ratio of 3:7, in accordance with the Articles of Incorporation. The three independent directors do not hold shares of the Company and have acquired Statement of Independent Director. The content of statement includes the provisions under Article 3 of “ Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.” None of the member of Board of Directors is the spouse or relative with second degree of kinship and therefore have not violated the incidents provisions under item 3 of Article 26-3 of Securities and Exchange Act (No more than majority of directors are spouses or relatives of second degree kinship).

2.1.2 Management Team

03 25, 2025

Title	Nationality/ Country of Origin	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
General Managem ent	R.O.C	HUNG, CHIA-CHE NG	male	08 01,2020	1,125,381	1.94%	253,131	0.44%	-	-	Kainan Vocational High School / Dept. of Electronic Engineering Tons Lightology Inc. / Senior Excutive Vice President	Titan Lighting Co., Ltd. / Director & G.M. ZhongshanTons Lighting Co., Ltd. / Director & G.M. Shanghai Tons Lightology Co., Ltd / Director	-	-	-
Senior Vice General Managem ent	R.O.C	HU, CHEN-KU ANG	male	08 01,2008	196,375	0.34%	-	-	-	-	WuFeng University/Department of Digital Electronics TÜV Rheinland Co., Ltd./Vice President TUV Rheinland Taiwan Manager Phihong Technology Co., Ltd./Deputy Manager	Titan Lighting Co., Ltd. / Senior Vice General Management	-	-	-
Vice General Managem ent / Director of Corporate Governan ce	R.O.C	WANG, CHIH-YUAN	male	08 01,2008	551,600	0.95%	-	-	-	-	Chung Yuan Christian University/Department of Accounting Evervision Electronics Co., Ltd./Manager U-Tech Media Corporation/Senior Manager Everlight Electronics., Ltd./Section Head Sampo Inc./Section Head	Titan Lighting Co., Ltd. / Vice General Management Hong-Bo Investment Co., Ltd. /Supervisor Shanghai Tons Lightology Co., Ltd/Supervisor Elit Fine Ceramics Co., Ltd/ Supervisor StrondLED Lighting Systems (Cayman) Co., Ltd / Director StrongLED Lighting Systems (Suzhou) Co., Ltd. / Supervisor Shanghai StrongLED Lighting Systems Co., Ltd. / Supervisor	-	-	-

Title	Nationality/ Country of Origin	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
R&D Director	R.O.C	TANG, SHIH-CHU AN	male	05 01,2008	3,535,633	8.95%	1,693,106	2.92%	-	-	Oriental Institute of Technology / Dept. of Clothes Manufacturing Tons Lightology Inc. / Founder	Tons Lightology Inc. Concurrent R&D Director Titan Lighting Co., Ltd. / Chairman ZhongshanTons Lighting Co., Ltd. / Chairman World Extend Holding Inc. / Director Greatsuper Technology Ltd. / Director Hong-Bo investment Co., Ltd. / Chairman Luminous Holding Incorporated/ Director Shanghai Tons Lightology Co., Ltd./ Chairman StrondLED Lighting Systems (Cayman) Co., Ltd / Director Mentality International Corp. / Director StrongLED Lighting Systems (Suzhou) Co., Ltd. / Chairman & GM Shanghai StrongLED Lighting Systems Co., Ltd. / Director & GM	-	-	-
Assistant Vice President of Research and Developm ent Dept.	R.O.C	KUO, CHING-HS ING	male	09 01,2012	302,374	0.52%	-	-	-	-	Nan Jeon University of Science and Technology/Department of Electronics QUATEK CO., LTD./R&D Manager Guo Xuan Industrial Co., Ltd./Manager	Titan Lighting Co., Ltd. / Assistant Vice President of Research and Development Dept.	-	-	-

Title	Nationality/ Country of Origin	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Assistant Vice President of Chairman office	R.O.C	CHAN, YI-CHEN	male	09 01,2012	285,214	0.49%	-	-	-	-	Ming Chuan University/Graduate Institute of Finance Horizon Securities/Assistant Vice President	Titan Lighting Co., Ltd. / Assistant Vice President of Chairman office Shanghai Tons Lightology Co., Ltd / Director StrondLED Lighting Systems (Cayman) Co., Ltd / Director StrongLED Lighting Systems (Suzhou) Co., Ltd. / Director	-	-	-
Assistant Vice President of Oversea Sales Dept.	R.O.C	KUO, CHUNG-TSU	male	09 01,2012	11,000	0.02%	-	-	-	-	National Central University/Department of Mechanical Engineering Drexel University(USA) MBA Shanghai Cheng Xin Electronics Company/Business Manager Dongguan BESDATA Company/Business Manager SPACIOUS INDUSTRIAL CO., LTD./Assistant Vice President	Titan Lighting Co., Ltd. / Assistant Vice President of Sales Dept.	-	-	-
Assistant Vice President of Grand China Sales Dept.	R.O.C	HUNG, YAO-YANG	male	10 01,2013	324,123	0.56%	10,100	0.02%	-	-	National Yuanlin Agricultural and Industrial Vocational High School/Department of Animal Husbandry TOPTRONIC INDUSTRIAL CO., LTD./Factory Manager CHAO-SHENG TEXTILE CO., LTD./QA Manager	Zhongshan Tons Lighting Co., Ltd. / Assistant Vice President of Sales Dept. Titan Lighting Co., Ltd. / Supervisor	-	-	-

Title	Nationality/ Country of Origin	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Assistant Vice President	R.O.C	CHANG CHUNG- WEI	male	11 01,2023	900,000	1.55%	-	-	-	-	Department of Economics, National Cheng Kung University StrongLED Lighting Systems (Suzhou) Co., Ltd. / Director	StrongLED Lighting Systems (Suzhou) Co., Ltd. / Director and Vice General Management	-	-	-

2.1.3 Remuneration of Directors, President, and Vice President

Remuneration of Directors

Unit: NT\$ thousands

Title	Name	Remuneration								Ratio and Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio and Total Compensation (A+B+C+D+E+ F+G) to Net Income (%)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary or Parent Company
		Base Compensation (A)		Severance Pay (B)		Bonus to Directors (C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Profit Sharing- Employee Bonus (G)						
		The company	All companies in the consolidate d financial statements	The company	Companies in the consolidate d financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidate d financial statements	The company	Companies in the consolidate d financial statements	The company	Companies in the consolidate d financial statements	The company	Companies in the consolidate d financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidate d financial statements	
Director	TANG, SHIH-CHUAN	0	0	0	0	14	14	21	21	35/ 15.63	35/ 15.63	3,247	4,895	0	0	0	0	0	0	3,282/ 1,465.18	4,930/ 2,200.89	0
Director	HUNG, CHIA-CHENG	0	0	0	0	14	14	18	18	32/ 14.28	32/ 14.28	1,730	3,131	0	0	39	0	39	0	1,801/ 804.027	3,202/ 1,429.46	0
Director	CHEN, MING-HSIN	0	0	0	0	14	14	21	21	35/ 15.63	35/ 15.63	0	0	0	0	0	0	0	0	35/ 15.63	35/ 15.63	0
Director	HSIAO, CHEN-CHI	0	0	0	0	14	14	21	21	35/ 15.63	35/ 15.63	0	0	0	0	0	0	0	0	35/ 15.63	35/ 15.636	0
Director	CHANG, CHIA-JUI (NOTE)	0	0	0	0	9	9	9	9	18/ 8.04	18/ 8.04	0	0	0	0	0	0	0	0	18/ 8.04	18/ 8.04	0
Independent Director	CHOU, LIANG-CHENG	720	720	0	0	0	0	24	24	744/ 332.14	744/ 332.14	0	0	0	0	0	0	0	0	744/ 332.14	744/ 332.14	0
Independent Director	LEE, SHYH-CHIN	720	720	0	0	0	0	24	24	744/ 332.14	744/ 332.14	0	0	0	0	0	0	0	0	744/ 332.14	744/ 332.14	0
Independent Director	CHOU, TSUNG-NAN	720	720	0	0	0	0	18	18	738/ 329.46	738/ 329.46	0	0	0	0	0	0	0	0	738/ 329.46	738/ 329.46	0
Total		2,160	2,160	0	0	65	65	156	156	2,381/ 1,062.95	2,381/ 1,062.95	4,977	8,026	0	0	39	0	39	0	7,397/ 3,302.23	10,446/ 4,663.39	0

1. Remuneration policies, systems, standards, and structures for independent directors and linkage thereof to powers, risks, and time spent:

The remuneration for independent directors are paid in accordance with the “Directors' Remuneration Regulations” approved by the Board of Directors and may be adjusted based on the industry standards and independent directors’ involvement in business operations and contributions; in addition, independent directors attending meetings in person may be granted transportation allowances.

2. Except for the above disclosure, the remuneration paid to the Company’s directors for all services rendered last year is NT\$255 thousand.

3. Director CHANG, CHIA-JUI office on May 29, 2024.

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The company	Companies in the consolidated financial statements	The company	Parent company and all investee companies
Under NT\$ 1,000,000	TANG,SHIH-CHUAN HUNG,CHIA-CHENG CHEN, MING-HSIN, HSIAO, CHEN-CHI CHANG, CHIA-JUI CHOU, LIANG-CHENG LEE, SHYH-CHIN CHOU, TSUNG-NAN	TANG,SHIH-CHUAN HUNG,CHIA-CHENG CHEN, MING-HSIN, HSIAO, CHEN-CHI CHANG, CHIA-JUI CHOU, LIANG-CHENG LEE, SHYH-CHIN CHOU, TSUNG-NAN	CHEN, MING-HSIN, HSIAO, CHEN-CHI CHANG, CHIA-JUI CHOU, LIANG-CHENG LEE, SHYH-CHIN CHOU, TSUNG-NAN	CHEN, MING-HSIN, HSIAO, CHEN-CHI CHANG, CHIA-JUI CHOU, LIANG-CHENG LEE, SHYH-CHIN CHOU, TSUNG-NAN
NT\$1,000,000 ~ Under NT\$2,000,000	-	-	HUNG,CHIA-CHENG	-
NT\$2,000,000 ~ Under NT\$3,500,000	-	-	TANG,SHIH-CHUAN	HUNG,CHIA-CHENG
NT\$3,500,000 ~ Under NT\$5,000,000	-	-	-	TANG,SHIH-CHUAN
NT\$5,000,000 ~ Under NT\$10,000,000	-	-	-	-
NT\$10,000,000 ~ Under NT\$15,000,000	-	-	-	-
NT\$15,000,000 ~ Under NT\$30,000,000	-	-	-	-
NT\$30,000,000~ Under NT\$50,000,000	-	-	-	-
NT\$50,000,000 ~ Under NT\$100,000,000	-	-	-	-
Over NT\$100,000,000	-	-	-	-
Total	8	8	8	8

Remuneration of the President and Vice President

Unit: NT\$ thousands

Title	Name	Salary(A)		Severance Pay (B)		Bonuses and Allowances (C)		Profit Sharing- Employee Bonus (D)				Ratio and total compensation (A+B+C+D) to net income (%)		Compensation paid to the President and Vice President from an Invested Company Other Than the Company's Subsidiary
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
General Manager	HUNG, CHIA-CHENG	4,932	6,983	187	187	277	765	102	-	102	-	5,498/ 2,454.46	8,037/ 3,587.94	-
Senior Vice General Manager	HU, CHEN-KUANG													
Vice General Management	WANG, CHIH-YUAN													

Range of Remuneration	Name of President and Vice President	
	The company	Parent company and all investee companies
Under NT\$ 1,000,000	-	-
NT\$1,000,000 ~ Under NT\$2,000,000	HU,CHEN-KUANG	-
NT\$2,000,000 ~ Under NT\$3,500,000	HUNG,CHIA-CHENG, WANG, CHIH-YUAN	WANG, CHIH-YUAN, HU,CHEN-KUANG, HUNG,CHIA-CHENG
NT\$3,500,000 ~ Under NT\$5,000,000	-	-
NT\$5,000,000 ~ Under NT\$10,000,000	-	-
NT\$10,000,000 ~ Under NT\$15,000,000	-	-
NT\$15,000,000 ~ Under NT\$30,000,000	-	-
NT\$30,000,000~ Under NT\$50,000,000	-	-
NT\$50,000,000 ~ Under NT\$100,000,000	-	-
Over NT\$100,000,000	-	-
Total	3	3

List of Managers Receiving Employee's Remuneration and Implemented Distribution

Unit: NT\$ thousands

	Title	Name	Employee's Remuneration - in Stock (Fair Market Value)	Employee's Remuneration - in Cash	Total	Ratio of Total Amount to Net Income (%)
Executive Officers	General Manager	HUNG, CHIA-CHENG	-	198	198	88.39
	Senior Vice General Manager	HU, CHEN-KUANG				
	Assistant Vice President	WANG, CHIH-YUAN				
	Assistant Vice President	KUO, CHING-HSING				
	Assistant Vice President	KUO, CHUNG-TSU				
	Assistant Vice President	CHAN, YI-CHEN				
	Assistant Vice President	HUNG, YAO-YANG				
	Assistant Vice President	CHANG CHUNG-WEI				

2.1.4 Comparison of Remuneration for Directors, Presidents and Vice Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, Presidents and Vice Presidents

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

Title	Ratio of total remuneration paid to directors, presidents and vice presidents to net income (%)			
	2023		2024	
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements
Directors	7.01%	7.01%	1,062.95%	1,062.95%
Presidents and Vice Presidents	16.09%	21.33%	2,454.46%	3,587.94%

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

The remuneration paid to directors included the remuneration, allowances and rewards paid to directors. The remuneration paid to directors was determined at the same level of the same trade. The allowances paid to directors were determined based on the attendance at the board meetings.

- a. With regard to the remuneration to general directors, it is stipulated in the Articles of Incorporation that 2.5% of the profit of the current year shall be appropriated as the total remuneration to the directors. The Board of Directors shall resolve and report to the Shareholders' Meeting. The individual directors shall be appraised for individual director performance according to the "Self-Evaluation or Peer Evaluation of the Board of Directors." According to the "Regulations Governing Director Remuneration and Remuneration Management," individual director shall be evaluated for the director involvement in corporate operation and the level of contribution as the basis of calculating the distribution proportion in individual salary and remuneration. The distribution results are submitted to the Salary and Remuneration Committee for review and then implemented after the Board of Directors have reached resolution.

b. The remuneration paid to independent directors is executed by the Board of Directors according to “Regulations Governing Remuneration to Directors and Remuneration Management.” The Company shall pay remuneration to independent directors and members of functional committee who execute the corporate tasks, regardless of the corporation operating with profit or loss. In addition to taking consideration of the remuneration level of the industries in Taiwan and abroad. The Board of Directors may make adjustment according to their involvement in corporate operation and value of contribution.

The remuneration paid to managers, including salaries, bonuses, employees’ remuneration, and employee stock option certificates, was determined based on the position and duties assumed and the level of the same position in the same trade and the individual performance appraisal of each managers based on “Regulations Governing the Operation of Performance Appraisal”, and the results would serve as calculation basis for remuneration based in the employee performance evaluation. The content of appraisal include the level of achievement in annual important objectives, plan execution and inspection analysis, and ability to improve, communicate, coordinate, and integrate, training of subordinates and cultivating/empowerment level, compliance with corporate regulation systems, growth and expression of professionalism and management knowledge, attendance, and merits and punishment for special incidents, as well as other important items of appraisal before generating the appraisal results. The separate distribution of employees’ remuneration and employee stock option certificates was submitted to the Remuneration Committee for review and resolved by the Board of Directors.

For the separate performance appraisal to directors and managers and the relevance and reasons of the contents and amounts of remuneration had been approved as “reasonable” after the review of the Remuneration Committee and the discussion of the Board of Directors on April 9, 2025, and would be submitted in the reports to the shareholders’ meeting of this annual period.

2.2 Implementation of Corporate Governance

2.2.1 Board of Directors

A total of 6 (A) meetings of the Board of Directors were held in the previous period.

The attendance of directors were as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【 B / A 】	Remarks
Chairman	TANG,SHIH-CHUAN	6	0	100.00%	
Director	HUNG,CHIA-CHENG	6	0	100.00%	
Director	CHEN,MING-HSIN	6	0	100.00%	
Director	HSIAO, CHEN-CHI	6	0	100.00%	
Director	CHANG, CHIA-JUI	3	0	100.00%	Elected on 05 29,2024
Independent Director	CHOU, LIANG-CHENG	6	0	100.00%	
Independent Director	LEE, SHYH-CHIN	6	0	100.00%	
Independent Director	CHOU, TSUNG-NAN	5	1	83.33%	

Other mentionable items:

1. If one of the following situations occurs, the date and period of the board meeting, the content of proposals, opinions given by all independent directors and the disposal of such opinions shall be specified:
 - (1) Matters specified in Article 14-3 of the Securities and Exchange Act.
 - (2) In addition to the above matters, other matters which independent directors object to or express reservations about in a record or a written statement.
2. If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified:
 - (1) For the distribution of 2023 managers' bonuses proposed on February 27, 2024, the acting chairman Chen, Ming-Hsin consulted all the attendees, except for Mr. Tang, Shih-Chuan and Mr. Hung, Chia-Cheng who were absent from the discussion and vote due to conflict of interest, without objection and passed the proposal.
 - (2) For the number of managers distributed with the 2023 employee's remuneration proposed on April 9, 2024, the chairman consulted all the attendees, except for Mr. Hung, Chia-Cheng who was absent from the discussion and vote due to conflict of interest, without objection and passed the proposal.
 - (3) For the distribution of 2023 incentives proposed on April 9, 2024, the chairman consulted all the attendees, except for Mr. Hung, Chia-Cheng who was absent from the discussion and vote due to conflict of interest, without objection and passed the proposal.
 - (4) For the proposal of the list of eligible subscribers for the 8th distribution of stock subscription certificates for employees of the Company on December 23, 2024, the chairman consulted all the attendees, except for Mr. Hung, Chia-Cheng who was absent from the discussion and vote due to conflict of interest, without objection and passed the proposal.
3. TWSE/TPEx listed companies should disclose the cycle and period, scope, method, and contents of self-evaluations (or peer evaluations) of the Board of Directors and file the implementation of the Board evaluations.
4. Measures taken to strengthen the functionality of the board:
 - (1) The Company has included the procedures for board meetings in the internal control system and the procedures will be audited by the audit unit on a regular basis.
 - (2) Last year, the Company's Directors participated in courses on corporate governance for 62 hours.
 - (3) The Company has formulated the Regulations Governing Evaluation of the Board's Performance on July 11, 2016(amended on July 31, 2020) to implement the performance evaluation. In 2024. The result of the peer evaluation was reported in the board meeting on December 23, 2024.
 - (4) The "Nomination Committee Charter" was stipulated in 2023 with the Nomination Committee established on 10.26.2023.

Independent directors’ opinions on major proposals and the disposal of such opinions last year are described as follows

Board Meeting	Proposal and Subsequent Disposal	Matters Specified in Article 14-3 of the Securities and Exchange Act	Objection or Reservation by Independent Directors
The 5 th Meeting of the 11 th Board of Directors on February 27, 2024	Proposal of distribution of wage to employees, Directors of 2023.	√	
	Proposal of the capital reduction of StrongLED Lighting Systems (Cayman) Co., Ltd. (referred to as “StrongLED” hereinafter) and Mentality International Corp (referred to as MI BVI).	√	
	Proposal of the modification of the terms of the investment in sustainable corporate bonds of Hongbo Investment Company, the subsidiary.	√	
	Opinions of independent directors: N/A		
	Disposal of opinions of independent directors: N/A		
	Resolution: Passed by all attendees		
The 6 th Meeting of the 11 th Board of Directors on April 9, 2024	Proposal of the 2023 separate distribution of remuneration to directors.	√	
	Proposal of the separate performance appraisal to directors and managers and the relevance and reasons of the contents and amounts of remuneration.	√	
	Proposal of the amendments to the Company’s “Audit Committee Charter.	√	
	Proposal of the amendments to the Company’s “Rules of Procedures for Board of Directors Meetings.”	√	
	Opinions of independent directors: N/A		
	Disposal of opinions of independent directors: N/A		
The 8 th Meeting of the 11 th Board of Directors on July 30, 2024	Resolution: Passed by all attendees		
	Proposal of the dissolution and liquidation of STRONGLED SMART LIGHTING (CAYMAN) CO., LTD. (hereinafter referred to as “SMART LIGHTING”).	√	
	Proposal of the capital increase from cash and additional paid-in capital of “StrongLED Smart Lighting (Suzhou) Company” (hereinafter referred to as “StrongLED”).	√	
	Disposal of the modification of the terms of the investment in sustainable corporate bonds of the	√	

Board Meeting	Proposal and Subsequent Disposal	Matters Specified in Article 14-3 of the Securities and Exchange Act	Objection or Reservation by Independent Directors
	subsidiary		
	Opinions of independent directors: N/A		
	Disposal of opinions of independent directors: N/A		
	Resolution: Passed by all attendees		
The 9 th Meeting of the 11 th Board of Directors on October 24, 2024	Proposal of the dissolution and liquidation of “Hongbo Investment Co., Ltd.,” a subsidiary of the Group.	√	
	Disposal of the proposal of “Regulations Governing the 8th Distribution of Stock Subscription Certificates for Employees” of the Company.	√	
	Disposal of the modification of the terms of the investment in sustainable corporate bonds of the subsidiary.	√	
	Disposal of the proposal of performance assessment indicators for Board of Directors and members as well as functional committees.	√	
	Opinions of independent directors: N/A		
	Disposal of opinions of independent directors: N/A		
	Resolution: Passed by all attendees		
The 10 th Meeting of the 11 th Board of Directors on Dec. 23, 2024	Disposal of the proposal of factory lease contract signed between Zhongshan Titan Lighting Co., Ltd. and Zhongshan TONS Lighting Co., Ltd.	√	
	Approved the dissolution and liquidation of Shanghai StrongLED Technology Corp. (hereinafter referred to as “Shanghai StrongLED”).	√	
	Approved the addition of the Company’s “Sustainability Report Preparation and Verification Procedures.”	√	
	Approved the addition of the Company’s “Internal Audit Enforcement Rules - Sustainability Information Management Operation Audit.”	√	
	Opinions of independent directors: N/A		
	Disposal of opinions of independent directors: N/A		
	Resolution: Passed by all attendees		

Implementation of the Board Evaluation

Cycle	Period	Scope	Method	Content
Once every year	Jan. 1, 2024~ Dec. 31, 2024	1. Board of Directors 2. Board members 3. Audit Committee 4. Remuneration Committee 5. Nomination Committee	Self-evaluations of the Board, Board members, Audit Committee, Remuneration Committee, and Nomination Committee	<p>1. Evaluation of Board performance: 30 evaluation items in 5 dimensions, namely Board's involvement in business operations, Board's decision-making quality, Board composition and structure, election and continuing education of directors, and internal control.</p> <p>2. Evaluation of Board members performance: 20 evaluation items in 6 dimensions, namely understanding of company goals and tasks, understanding of directors' duties, involvement in business operations, internal relationship management and communication, expertise and continuing education of directors, and internal control.</p> <p>3. Evaluation of Audit Committees performance: 20 evaluation items in 5 dimensions, namely involvement in business operations, understanding of Audit committees' duties, Audit committees' decision-making quality, Audit committees' composition and election of members, and internal control.</p> <p>4. Evaluation of Remuneration Committee performance: 18 evaluation items in 4 dimensions, namely involvement</p>

Cycle	Period	Scope	Method	Content
				<p>in business operations, understanding of Remuneration committees' duties, Remuneration committees' decision-making quality, Remuneration committees' composition, and election of members.</p> <p>5. Evaluation of Nomination Committee performance:</p> <p>18 evaluation items in 4 dimensions, namely involvement in business operations, understanding of Nomination committees' duties, Nomination committees' decision-making quality, Nomination committees' composition, and election of members.</p>

Independent Directors' Attendance of Meeting of the Board of Directors in 2024

Attending in person : √ ; Attending by proxy : *

2024	1st	2nd	3rd	4th	5th	6th
	2/27	4/9	4/25	7/30	10/24	12/23
CHOU, LIANG-CHENG	√	√	√	√	√	√
LEE, SHYH-CHIN	√	√	√	√	√	√
CHOU, TSUNG-NAN	√	√	√	√	*	√

Advanced studies and training organized for directors last year are described as follows

Title	Name	Date	Course Name	Hour
Director	TANG, SHIH-CHUAN	06 27, 2024	New Types of Securities Crime and Market Manipulation (Corporate Governance)	3
		09 26, 2024	The latest ESG trends and sustainability reporting framework	3
Director	HUNG, CHIA-CHENG	06 03, 2024	The necessary “corporate governance” qualities for internal auditors and the practice of financial report risk assessment	6
Director	CHEN, MING-HSIN	04 10, 2024	Corporate Governance and Corporate Sustainability Workshop - Domestic and Foreign Tax Trends and Corporate Sustainable Operation	3
		06 27, 2024	New Types of Securities Crime and Market Manipulation (Corporate Governance)	3
Director	HSIAO, CHEN-CHI	03 19, 2024	Matters and Attention and Frequently Asked Questions in the 2024 Board of Directors Meetings and Shareholders’ Meeting	3
		03 26, 2024	How to link to international carbon trading and promote corporate innovation	3
		05 31, 2024	The 2024 Securities Industry Sustainable Development Transformation Implementation Strategy Seminar	2
		06 19, 2024	(Taichung) International Development Trends and Practices in Anti-Money Laundering	3
		07 20, 2024	Corporate Governance and Business Sustainability Workshop	3
		07 22, 2024	ESG New Economy and New Opportunities for Enterprise Transformation	3
Director	CHANG, CHIA-JUI	06 27, 2024	New Types of Securities Crime and Market Manipulation (Corporate Governance)	3
		09 06, 2024	OTC Emerging Market Company Insider Equity Promotion Seminar - Taichung	3
Independent Director	LEE, SHYH-CHIN	04 10, 2024	Corporate Governance and Corporate Sustainability Workshop - Domestic and Foreign Tax Trends and Corporate Sustainable Operation	3

Title	Name	Date	Course Name	Hour
		06 27, 2024	New Types of Securities Crime and Market Manipulation (Corporate Governance)	3
Independent Director	CHOU, LIANG-CHENG	06 27, 2024	New Types of Securities Crime and Market Manipulation (Corporate Governance)	3
		05 14, 2024	Green supply chain optimization and e-maturity	3
Independent Director	CHOU, TSUNG-NAN	06 27, 2024	New Types of Securities Crime and Market Manipulation (Corporate Governance)	3
		07 03, 2024	The 2024 Cathay Pacific Sustainable Finance and Climate Change Summit	6

2.2.2 Audit Committee

Attendance of Independent Directors at Audit Committee Meetings

A total of 6 (A) meetings of the Audit Committee were held in the previous period.

The attendance of Independent Directors was as follows:

Title	Name	Attendance in Person (B)	Attendance Rate (%) 【 B / A 】	Remarks
Convener	LEE, SHYH-CHIN	6	100.00%	
Independent Director	CHOU, LIANG-CHENG	6	100.00%	
Independent Director	CHOU, TSUNG-NAN	5	83.33%	
<p>Other mentionable items:</p> <ol style="list-style-type: none"> The date, period, the contents of the proposal, the resolution of the Audit Committee and the Company's treatment of the Audit Committee's opinions shall be clarified when one of the following circumstances occurs during the operation of the Audit Committee. <ol style="list-style-type: none"> Items listed in Article 14-5 of Securities and Exchange Act. Items not passed by the Audit Committee but approved by more than two-thirds of all directors, except for the aforesaid ones. The names of independent directors, the contents of the motions, the reasons for the conflict of interest, and participation in voting shall be stated within the implementation of avoidance of independent directors due to conflict of interest: No such situation occurred. Communication between independent directors and managers of internal audit and accountants (shall include major events, methods, and conclusions in communicating the Company's financial and business conditions, etc.). 				

Key Jobs of Audit Committee

The Audit Committee of the Company consists of three Independent Directors. The Audit Committee aims to assist the Board of Directors in fulfilling the quality and integrity of the Company in supervising the accounting, auditing, financial reporting process and financial control. The scope of matters considered mainly includes

- (1) Policies and Procedures to Financial Statements Audit and Accounting.
- (2) Policies and Procedures to internal control system and related matters.
- (3) Major assets or derivatives transactions.
- (4) Major fund loaning and endorsements/guarantees.
- (5) Offering or issuing securities.
- (6) Derivative financial commodities and cash investment.
- (7) Legal compliance.
- (8) Potential relationships of related parties between the managers and Directors and conflicts of interest.
- (9) Appeal report.
- (10) Anti-fraud scheme and fraud investigation report.
- (11) Information security.
- (12) Corporate risk management.
- (13) Assessment and evaluation to qualification, independence and performance of CPA.
- (14) Appointment, dismissal or remuneration of CPA.
- (15) Appointment and dismissal of financing, accounting or internal audit directors.
- (16) Performance and Fulfillment of Duties of Audit Committee.
- (17) Self-assessment questionnaire to Audit Committee performance.

Opinions on Major Proposals or Results of Resolutions by Audit Committee of the Most Recent Annual Period

Audit Committee Meeting	Proposal and Subsequent Disposal	Matters Specified in Article 14-5 of the Securities and Exchange Act	Resolutions not passed by the Audited Committee but approved by more than two thirds of overall directors
The 4th Meeting of the 3rd Audit Committee Meeting on Feb. 27, 2024	Proposal of 2023 Statement of Internal Control Systems	√	
	The Company's 2023 Business Report, Individual Financial Report and Consolidated Financial Report	√	
	Proposal of the proposal of the distribution of 2023 earnings of the Company.	√	
	Proposal of the capital reduction of StrongLED Lighting Systems (Cayman) Co., Ltd. (referred to as "StrongLED" hereinafter) and Mentality International Corp (referred to as MI BVI).	√	
	Proposal of the modification of the terms of the investment in sustainable corporate bonds of Hongbo Investment Company, the subsidiary.	√	
	Audit Committee resolution results: all the attending members passed the resolutions without objection		
	The Company's handling of the opinions of the Audit Committee: all the attending directors passed the proposal without objection		
The 7th Meeting of the 3rd Audit Committee Meeting on Jul. 30, 2024	Approved the dissolution and liquidation of STRONGLED SMART LIGHTING (CAYMAN) CO., LTD. (hereinafter referred to as "SMART LIGHTING").	√	
	Approved the capital increase from cash and additional paid-in capital of "StrongLED Smart Lighting (Suzhou) Company" (hereinafter referred to as "StrongLED").	√	
	Proposal of the modification of the terms of the investment in sustainable corporate bonds of the subsidiary.	√	
	Audit Committee resolution results: all the attending members passed the resolutions without objection		

Audit Committee Meeting	Proposal and Subsequent Disposal	Matters Specified in Article 14-5 of the Securities and Exchange Act	Resolutions not passed by the Audited Committee but approved by more than two thirds of overall directors
	The Company's handling of the opinions of the Audit Committee: all the attending directors passed the proposal without objection		
The 8th Meeting of the 3rd Audit Committee Meeting on Oct. 24, 2024	Approved the dissolution and liquidation of “Hongbo Investment Co., Ltd.,” a subsidiary of the Group.	√	
	Proposal of the proposal of “Regulations Governing the 8th Distribution of Stock Subscription Certificates for Employees” of the Company.	√	
	Proposal of the modification of the terms of the investment in sustainable corporate bonds of the subsidiary.	√	
	Audit Committee resolution results: all the attending members passed the resolutions without objection		
	The Company's handling of the opinions of the Audit Committee: all the attending directors passed the proposal without objection		
The 9th Meeting of the 3rd Audit Committee Meeting on Dec. 23, 2024	Proposal of the proposal of factory lease contract signed between Zhongshan Titan Lighting Co., Ltd. and Zhongshan TONS Lighting Co., Ltd.	√	
	Approved the dissolution and liquidation of Shanghai StrongLED Technology Corp. (hereinafter referred to as “Shanghai StrongLED”).	√	
	Approved the addition of the Company’s “Sustainability Report Preparation and Verification Procedures.”	√	
	Approved the addition of the Company’s “Internal Audit Enforcement Rules - Sustainability Information Management Operation Audit.”	√	
	Audit Committee resolution results: all the attending members passed the resolutions without objection		
	The Company's handling of the opinions of the Audit Committee: all the attending directors passed the proposal without objection.		

Communication between Independent Directors and Managers of Internal Audit of the Most Recent Annual Period

Date	Major resolutions
10 24,2024	<ul style="list-style-type: none"> ● Description to Risk Assessment of 2025 Annual Audit Plan Describe the risk factors of various internal control procedures (level of care by the management/audit items to be reinforced/number of days since the previous audit) to conduct weighted scoring and to quantify the standard scores, apart from the audit items required by law, and include the first 24 items into the audit plan of 2025 based on scoring by quantified criteria.
	Opinions of Independent Directors: N/A.
12 23,2024	<ul style="list-style-type: none"> ● 2025 Annual Audit Plan Report 58 audit items for the 2025 Report including the first 23 items of risk factors of each operation cycle based on the scoring, 30 legally-mandatory items, and adding 5 items taking consideration of the circulation process risk and audit sequence.
	Opinions of Independent Directors: N/A.

Communication between Independent Directors and Accountants of the Most Recent Annual Period

Date	Major resolutions
02 27,2024 (Communication after the Audit Committee meeting)	<ul style="list-style-type: none"> ● Audit scope and materiality <ol style="list-style-type: none"> 1. Audit scope of the Group's consolidated financial statements 2. Materiality ● Audit reports and key audit matters <ol style="list-style-type: none"> 1. Audit report 2. Key Audit Matters - Consolidated and Standalone Financial Reports ● Description of key audit matters <ol style="list-style-type: none"> 1. Internal control audit/ adjustments, reclassifications, and unadjusted entries for the current period 2. Material adjustments, reclassifications, and unadjusted entries for the current period 3. Related parties and related party transactions 4. Choices and changes in material accounting policies / material accounting estimates 5. Material accounting estimates and changes in accounting

Date	Major resolutions
	<p>principles</p> <p>6. Mergers and acquisitions</p> <p>7. Earnings per share</p> <p>8. Special reserve appropriation</p> <ul style="list-style-type: none"> ● Other communication matters ● Independence of CPAs
	Opinions of Independent Directors: N/A.
12 20,2023 (Communication before the Audit Committee meeting)	<ul style="list-style-type: none"> ● Communication plan - communication schedule ● Role and responsibilities of the lead CPA ● Audit plan ● Independence of CPAs ● Audit quality indicator information - Purpose and aspects of audit quality <ul style="list-style-type: none"> 1. Professionalism 2. Quality control 3. Independence 4. Supervision 5. Innovation ability ● Quality management system of accounting firm ● Recent law and regulations updates <ul style="list-style-type: none"> 1. Update of accounting and auditing laws 2. Taiwan tax law updates and responses 3. Company Act and Securities Regulatory Law and Regulations Updates
	Opinions of Independent Directors: N/A.

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

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1.Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	✓		The Company has established the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” on 12/26/2014(amended on 04/07/2022). The information has been disclosed on the Company’s website http://www.tonslight.com/tw .	None
2.Shareholding structure & shareholders’ rights				
(1)Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?	✓		(1) The Company established a spokesperson system and an e-mail box to deal with shareholders’ suggestions, doubts, disputes and litigations.	None
(2)Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	✓		(2) The Company authorized the share agency to be in charge of the list of its major shareholders as well as the ultimate owners of those shares and followed up the change through monthly declaration.	None
(3)Does the company establish and execute the risk management and firewall system within its conglomerate structure?	✓		(3) The Company has formulated the Regulations Governing Supervision and Management of Subsidies and the Regulations Governing Transactions between Related Parties, Specific Companies and Conglomerates and	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(4)Does the company establish internal rules against insiders trading with undisclosed information?	✓		executed the risk management based on the internal control system. (4) The Company has formulated the Regulations Governing Insider Declaration, which expressly prohibit insiders from trading securities with undisclosed information.	None
3.Composition and Responsibilities of the Board of Directors (1)Does the Board develop and implement a diversified policy for the composition of its members?	✓		(1) The Company has developed and implemented a diversified policy for the composition of the Board’s members in the Corporate Governance Best Practice Principles: The composition of the Board’s members shall have the knowledge, skills, and experience necessary to perform their duties and shall not be limited to basic requirements and values, such as gender, age, nationality, and culture, and professional knowledge and skills, such as a professional background, professional skills, and industry experience, with the objective of comprising least one female of each. Directors of the 11 th Board of Directors have expertise in each professional field as optoelectronics industry, investment securities, Audit & Tax Consultation, Information and Communication Technology, laws, financial accounting, business management, and leadership decision-making, and one female director had been enlisted to the Board.	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(2)Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	✓		(2) The Company has established the Remuneration Committee and established the Audit Committee in 2017. The Nomination Committed was established voluntarily in October 2023.	None
(3)Does the company establish a standard to measure the performance of the Board, and implement it annually and report the results of evaluation to the Board of Directors and refer to the said results when determining each director’s compensation and reelection?	✓		(3) The Company has formulated the Regulations Governing Evaluation of the Board’s Performance approved by the Board of Directors on July 11, 2016 (amended on July 31, 2020)to implement the performance evaluation. In 2024, the evaluation of the Board’s performance was implemented through internal self-evaluation, peer evaluation and along with the self-evaluation of Audit Committee , Remuneration committee, and Nomination committee. The result of the self-evaluation showed that the Board met the standard operation in 30 items of five dimensions. The peer evaluation covered 20 items in 6 dimensions. Except for two directors who did not attend the shareholders’ meeting and failed to obtain the self-evaluation requirements, all the directors of the Company met the target indicators in 2024. A total of 158 out of the 160 requirements are achieved by 8 directors with an achievement rate of 98.75% documented. The self-evaluation of Audit committees’ performance met the standard operation in 20 evaluation items in 5 dimensions. The self-evaluation of Remuneration committees’ performance met the standard operation in 18 evaluation	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(4) Does the company regularly evaluate the independence of CPAs?	✓		<p>items in 4 dimensions. The self-evaluation of Nomination committees’ performance met the standard operation in 18 evaluation items in 4 dimensions. The self-evaluation results were reported to the Board of Directors on December 23, 2024, including an explanation for the non-compliance evaluation item. Each director’s compensation and reelection will be based on the evaluation results in accordance with the “Directors’ Remuneration Regulations.”</p> <p>(4) The Company evaluated the independence of CPAs once every year. The evaluation reviewed the requirements for the independence of CPAs (such as sharing of financial interests, a collateral relative within the second degree of kinship of any person of the Company assuming major duties, and other 12 items), the operation of the independence of CPAs (such as avoidance of conflict of interest that may affect impartiality and independence, substantive and formal independence of the audit and audit report, and other 6 items), and the competency of CPAs (such as CPA disciplinary record in the last 2 years, sufficient resources and area coverage in terms of the accounting firm’s audit service, and other 4 items). Also, the assessment is conducted in four aspects including audit quality indicators (including 22 assessment items) of the accounting firm. The result of the evaluation showed that CPAs Wang, Yu-Juan and Hung,</p>	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			Shu-Hua conformed to the standards. The result of the evaluation was reported in the board meeting and audit committee meeting on December 23, 2024.	
4. Does the Company set up adequate personnel and a corporate governance officer to be in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by directors and supervisors, helping directors and supervisors comply with laws and regulations, handling matters relating to board meetings and shareholders meetings according to laws, and producing minutes of board meetings and shareholders meetings)?	✓		The Company, under the approved by the Board of Directors on April 12, 2019, appointed Mr. WANG CHIH-YUAN, the Vice General Management, as the Director of Corporate Governance and employees of the Department of Financing as corporate governance personnel who are in charge of corporate governance and its related issues to protect shareholders' rights and enhance the functions of the Board of Directors. Mr. Wang has already had the working experience of more than 3 years as the Director of financing affairs in the public companies. Responsible for the provision of information required by directors for the implementation of the business operation and latest regulatory developments relating to company operation for assisting directors in complying with laws and regulations and conducting tasks related to meetings of the Board of Directors and shareholders in accordance with laws (six meetings of Board of Directors and one shareholder meeting), as well as assisting the Company in complying with relevant laws and regulations of meetings of the Board of Directors and shareholders, conducting registration and change of Company registration (two changes of registration), producing meeting minutes of meetings of the Board of Directors and shareholders (agenda and meeting	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			minutes for the meeting of the Board of Directors, meeting handbooks for shareholders' meetings of English and Chinese versions, and annual reports of shareholders' meetings of English and Chinese versions), conducting tasks related to investor relations (four investor conferences), arranging 62-hour for continuing education for directors, arranging meeting for independent directors, accountants (two times) and auditing managers (two times), and reporting the implementation to directors once an annual period. A 12-hour education course is implemented within one year. The implementation of the Company’s corporate governance in 2024 was reported to the Board of Directors on February 27, 2025.	
5. Does the Company set up channels of communication with stakeholders (including but not limited to its shareholders, employees, clients, and suppliers), designate a stakeholders section on its website, and properly reply to any major issues which stakeholders are concerned about regarding the corporate social responsibility?	✓		The Company has designate a stakeholders section on its website ((https://www.tonslight.com/tw/stakeholder/)) to facilitate an open and two-way channel of communication with shareholders and to properly reply to any issues which all stakeholders are concerned about. The stakeholders of the Company shall refer to internal or external groups or individuals that may affect the Company or be affected by the Company, including employees, clients, suppliers, investors, government organizations, and communities/non-government/non-profit organizations. In 2024, communication between the Company and stakeholders regarding important issues was reported to the Board of Directors on December 23, 2024.	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
6.Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The Company designates Horizon Securities CO., LTD. to deal with shareholder affairs.	None
7.Information Disclosure				
(1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	✓		(1) The Company has a corporate website (http://www.tonslight.com/tw) to disclose both financial standings and the status of corporate governance. Such information is also disclosed in the Market Observation Post System according to laws.	None
(2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	✓		(2) The Company has multiple ways of disclosing information, including appointing designated people to handle information collection and disclosure, building an English website and creating a spokesman system. In addition, the Company held four investor conferences (on March 8, 2024, May 8, 2024, August 08, 2024, and November 08, 2024) in a year.	None
(3) Does the Company announce and register the annual financial statements within two months after the close of each fiscal year and the quarterly financial statements and the monthly operating status within the given time limits?	✓		(3) The Company announced and registered the annual financial statements for 2023 on February 29, 2024 and quarterly financial statements for the 2024 on April 25, 2024, July 30, 2024, and November 1, 2024 respectively. The aforesaid financial statements were announced and registered within given time limits.	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
8. Is there any other important information to facilitate a better understanding of the company’s corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors’ and supervisors’ training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	✓		<p>The Company established the Remuneration Committee on December 28, 2011 and appointed 3 independent directors to serve as the members of the Remuneration Committee and operate in accordance with the Articles of Association of the Remuneration Committee.</p> <p>Other important information to facilitate a better understanding of the company’s corporate governance practices is described as follows (such as employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors’ and supervisors’ training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors):</p> <ol style="list-style-type: none"> 1. The Company values the labor relation. In addition to employee rights set up in accordance with the Labor Standards Act and related laws and regulations, the Company also established the Employee Welfare Committee and the Supervisory Committee of Workers' Retirement Fund to handle employees’ welfare and retirement funds. The employees’ rights and welfare are maintained and implemented according to laws. 2. The Company has maintained a good relationship with customers, suppliers, financial institutions and shareholders. 3. The Company’s directors participated in training courses on 	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>corporate governance for 62 hours in 2024.</p> <p>4. The Company conducted a risk management report, which includes risk assessment structure and responsibilities, risk assessment procedures, risk items, risk management and review of the effectiveness of the internal control system, and submitted the results to the Audit Committee and the Board of Directors on December 23, 2024.</p> <p>5. The Company has instituted internal management policies and implemented the risk evaluation of each operation before drafting the next year’s audit plan at the end of the year. The method of risk evaluation and the audit plan in 2025 were submitted to the independent directors for discussion in the internal audit meeting held on October 24, 2024 and December 23, 2024.</p> <p>6. The Company has purchased the liability insurance for directors at the amount of USD4 million and reported it to the Board of Directors on October 24, 2024.</p>	
<p>9. Explain the improvements made based on the evaluation results of the corporate governance published by Taiwan Stock Exchange Corporate Governance Center and the prioritized matters to be improved and the measures to be taken.</p> <p>The Company obtains the top 5% ranking of 10th corporate governance evaluation, matters lower than the index and improved in the 11th evaluation:</p> <ol style="list-style-type: none"> 1. The Company shall establish written rules and regulations for financial operations with related parties, which shall include procedures for managing transactions such as purchase and sale, acquisition or disposal of assets, etc., and relevant material transactions shall be submitted to the board of directors for approval and to the shareholders' meeting for approval or report. 2. The Company disclosed the annual greenhouse gas emissions over the last two years. 				

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>3. The Company formulates greenhouse gas reduction management policies, including reduction targets, promotion measures and achievement status, etc.</p> <p>4. The Company’s investing in green or social benefit investment projects and sustainable development financial products with substantial benefits. The Company continues to obtain the top 5% ranking of 11th corporate governance evaluation. Prioritized matters to be reviewed and improved for items which 12th corporate governance evaluation index:</p> <p>1. The Company formulates specific measures to enhance corporate value and submits them to the Board of Directors; also, discloses relevant information in the “Corporate Value Enhancement Plan” page of the Market Observation Post System.</p> <p>2. The Company’s sustainability report has been submitted to and approved by the Board of Directors.</p> <p>3. The Company discloses Scope 3 greenhouse gas emissions and annual emissions of the last year.</p> <p>4. The Company formulates employee training and development plans to enhance employees’ career capabilities with the contents and implementation status disclosed.</p> <p>5. The Company regularly conducts employee satisfaction surveys with the implementation status and improvement plans disclosed.</p> <p>6. The Company formulates a personal data protection policy with the contents and implementation disclosed.</p> <p>7. The Company has formulated relevant policies and complaint procedures to protect the rights of consumers or customers in relation to customer health and safety, marketing, and labeling of products and services.</p>				

2.2.4 Composition, Responsibilities and Operations of the Remuneration Committee

The Remuneration Committee assists the Board in discharging its responsibilities relating to the Company's compensation and benefits policies, plans and programs, and the evaluation of the directors' and executives' compensation.

A. Professional Qualifications and Independence Analysis of Remuneration Committee Members

Title	Criteria Name	Professional Qualification and Work Experience(Note1)	Independence Criteria(Note2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member
Independent Director (Convener)	CHOU, LIANG-CHEN G	Certified attorney with specialty in asset management. Currently the attorney in charge at Jia Hua Attorneys-At-Law Firm. (at least five years' work experience).	1. Not a person, spouse, relative within the second degree of kinship acting as the director, supervisor or employee of the Company or affiliated enterprise. 2. The person, spouse, or relative within the second degree of kinship does not hold company shares. 3. The person does not act as the director, supervisor or employee of an affiliated enterprise with specific relation with the Company. 4. Not a professional who provides commercial, legal, financial, accounting, or other related services with compensation with the past two years to the Company or affiliated enterprise.	2
Independent Director	LEE, SHYH-CHIN	Expertise in business, finance, and accounting professionalism with information and communication industries. Served as Vice President of Finance in Chunghwa Telecom and Chairman of CHPT (at least five years' work experience).	1. Not a person, spouse, relative within the second degree of kinship acting as the director, supervisor or employee of the Company or affiliated enterprise. 2. The person, spouse, or relative within the second degree of kinship does not hold company shares. 3. The person does not act as the director, supervisor or employee of an affiliated enterprise with specific relation with the Company. 4. Not a professional who provides commercial, legal, financial, accounting, or other related services with compensation with the past two years to the Company or affiliated enterprise.	0

Title	Criteria Name	Professional Qualification and Work Experience(Note1)	Independence Criteria(Note2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member
Independent Director	CHOU, TSUNG-NAN	Expertise in business, finance, and accounting professionalism with Optoelectronics Industry. Served as Assistant Vice President of Everlight Electronics Ltd. and CFO of Tons Lightology Inc. Not under the circumstances prescribed in Article 30 of Company Act.	1. Not a person, spouse, relative within the second degree of kinship acting as the director, supervisor or employee of the Company or affiliated enterprise. 2. The person, spouse, or relative within the second degree of kinship does not hold company shares. 3. The person does not act as the director, supervisor or employee of an affiliated enterprise with specific relation with the Company. 4. Not a professional who provides commercial, legal, financial, accounting, or other related services with compensation with the past two years to the Company or affiliated enterprise.	3

Note: 1. Professional qualification and experience: Describe the professional qualification and experience of individual member of salary and remuneration committee.

2. Conformance with independence: Describe the conformance of independence by members of the Salary and Remuneration Committee, including but not limited to the person, spouse, relative of second degree kinship serving as the director, supervisor, or employee of the Company or affiliated enterprises; The number of shares and weight held by the person, spouse and relative of second degree kinship (or holding through the name of others); Does the person serve as the director, supervisor or employee of the enterprises with special relation to the Company (Refer to the establishment of corporate salary and remuneration committee when the stocks go listing at Taiwan Stock Exchange and under the provisions 5~8 of paragraph 1, Article 6 of Regulations Governing the Exercise of Power); the amount of remuneration acquired from providing commercial, legal, financial, accounting services to the Company or other affiliated enterprises in recent 2 years.

B. Attendance of Members at Remuneration Committee Meetings

There are 3 members in the Remuneration Committee. A total of 3 (A) Remuneration Committee meetings were held in the previous period. The attendance record of the Remuneration Committee members was as follows:

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%) 【 B / A 】	Remarks
Convener	CHOU, LIANG-CHENG	5	0	100.00%	
Committee Member	LEE, SHYH-CHIN	5	0	100.00%	
Committee Member	CHOU, TSUNG-NAN	4	1	100.00%	
Other mentionable items:					
1. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (eg., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.					
2. Resolutions of the remuneration committee objected to by members or subject to a qualified opinion and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.					

C. The Comments and Resolutions by Remuneration Committee in the Most Recent Annual Period

Board Meeting	Proposal and Subsequent Disposal
The 5th Meeting of the 11th Board of Directors on February 27, 2024	1. Proposal of distribution of 2023 managers' bonuses.
	2. Proposal of distribution of 2023 remuneration of employees and directors.
	Resolutions by the Remuneration Committee (on Jan. 13, 2024 and Feb. 27, 2024): without objection and passed by all members in present
	The Company's treatment to comments of the Remuneration Committee: without objection and passed by all Directors in present
The 6th Meeting of the 11th Board of Directors on April 09, 2024	1. Proposal for distribution of compensation to each Director in 2023.
	2. Proposal for distribution employee's remuneration to each manager in 2023.
	3. Proposal of the proposal of 2023 amount of special incentives for managers.
	4. Proposal of the separate performance appraisal to directors and managers and the relevance and reasons of the contents and amounts of remuneration.
	Resolutions by the Remuneration Committee (on April 09, 2024): without objection and passed by all members in present
	The Company's treatment to comments of the Remuneration Committee: without objection and passed by all Directors in present
The 9th Meeting of the 11th Board of Directors on Oct. 24, 2024	1. Proposal of performance assessment indicators for Board of Directors and members as well as functional committees
	Resolutions by the Remuneration Committee (on Oct. 24, 2024): without objection and passed by all members in present
	The Company's treatment to comments of the Remuneration Committee: without objection and passed by all Directors in present
The 10th Meeting of the 11th Board of Directors on Dec. 23, 2024	1. Proposal of the proposal of the list of eligible subscribers for the 8th distribution of stock subscription certificates for employees.
	Resolutions by the Remuneration Committee (on Dec. 23, 2024): without objection and passed by all members in present
	The Company's treatment to comments of the Remuneration Committee: without objection and passed by all Directors in present

4. Nomination Committee member information and operational information

(1) Qualifications for appointment and responsibilities of the Company's Nomination Committee members

a. Composition of the Committee: The Board of Directors nominates at least three board directors to form the Nomination Committee, and the majority of the nominated directors must be independent directors. Unless otherwise provided by laws and the Company's Articles of Incorporation or rules, the term of office for a director to join the Nomination Committee is from the date of election by the Board of Directors until the expiration of the director's term, a resignation from the Committee or as a board director, or the member is replaced by the alternative person elected by the Board of Directors.

b. The Nomination Committee shall faithfully perform the following duties and powers in due diligence in accordance with the authorization of the Board of Directors, and shall submit suggestions to the Board of Directors for deliberation

I. Formulate standards for diverse backgrounds and independence in terms of professional knowledge, skills, experience, gender, etc. necessary for being a board director and senior manager, which shall be referred in searching, reviewing, and nominating candidates for directors and senior managers.

II. Construct and develop the organizational structure of the Board of Directors and committees, conduct performance evaluations of the Board of Directors, committees, directors, and senior managers, and evaluate the independence of independent directors.

III. Develop and regularly review directors' advanced study plans and succession plans for directors and senior managers.

IV. Stipulate the Company's "Corporate Governance Best Practice Principles."

(2) Stipulate the Company's "Corporate Governance Best Practice Principles."

a. The Company's Nomination Committee is composed with 3 members on board.

b. The term of office for the current Committee members: October 26, 2023 to May 24, 2026. The Nomination Committee held a total of 3 meeting (A)

in 2024. The professional qualifications, experience, and meeting attendance of the members, and discussion matters are as follows

Title	Name	Professional Qualification and Work Experience	Attendance in Person(B)	By Proxy	Attendance Rate (%) 【 B / A 】	Remarks
Convener	CHOU, TSUNG-NAN	Expertise in business, finance, and accounting professionalism with Optoelectronics Industry. Served as Assistant Vice President of Everlight Electronics Ltd. and CFO of Tons Lightology Inc.	3	0	100.00%	
Committee Member	CHOU, LIANG-CHENG	Certified attorney with specialty in asset management. Currently the attorney in charge at Jia Hua Attorneys-At-Law Firm.	3	0	100.00%	
Committee Member	LEE, SHYH-CHIN	Expertise in business, finance, and accounting professionalism with information and communication industries. Served as Vice President of Finance in Chunghwa Telecom and Chairman of CHPT.	3	0	100.00%	

- c. The date, term, and content of the main proposals of the Nomination Committee, the content of the suggestions or objections of the Nomination Committee members, the resolutions of the Nomination Committee, and the company's handling of the Committee member's opinions

Board Meeting	Proposal and Subsequent Disposal
The 5th Meeting of the 11th Board of Directors on Feb. 27, 2024	1. The Company's 2023 Managers performance evaluation proposal.
	Nomination Committee's resolutions (1.31.2024): Passed as proposed by all members present unanimously.
	The company's handling of the Nomination Committee's opinions: Passed as proposed by all directors present unanimously.
The 5th Meeting of the 11th Board of Directors on Feb. 27, 2024	1. Approved the list of director candidates nominated by the Nomination Committee.
	Nomination Committee's resolutions (2.27.2024): Passed as proposed by all members present unanimously.
	The company's handling of the Nomination Committee's opinions: Passed as proposed by all directors present unanimously.
The 5th Meeting of the 11th Board of Directors on Feb. 27, 2024	1. The Company's 2024 Board of Directors performance evaluation proposal.
	Nomination Committee's resolutions (12.23.2024): Passed as proposed by all members present unanimously.
	The company's handling of the Nomination Committee's opinions: Passed as proposed by all directors present unanimously.

2.2.5 Execution of Promotion in Sustainable Development and Deviations from “Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies”

Evaluation Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
1. Does the Company establish the governance framework for promoting sustainable development and establish the unit dedicated to the promotion of sustainable development full-time (part-time)? The board of directors authorize the senior management and report supervisions to the Board of Directors.	✓		The company has established the sustainable development (previously corporate social responsibility) promotion project organization on February 2017. Department of Administration serves as the concurrently dedicated unit in charge of preparing the annual related budget, assisting with proposal of sustainable development policy or system, with all execution units implementing the corporate governance, customer care, environmental protection, and employee and social care (charity) policies, thereby reporting the execution to the Board of Directors under the supervision of the Board of Directors. The result of implementing the 2024 sustainable development was reported to the Board of Directors on February 27, 2025.	None
2. Does the company conduct risk assessments on environmental, social, or corporate governance issues related to the company's operations in accordance with the principle of materiality and formulate relevant risk management policies or strategies?	✓		Implementation of corporate governance (1) The Company has established the “Corporate Social Responsibility Best-Practice Principles” and incorporated corporate social responsibility into its business activities and strategies. To strengthen corporate governance, the Company has formulated the effective corporate governance structure and related moral standards in accordance with the “Code of Ethical Conduct.” (2) The aforesaid regulations and standards have been publicized in major meetings and on the intranet.	None

Evaluation Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			<p>(3) To implement the corporate social responsibility policy, the Company has specified evaluations and rewards/punishments in the “Performance Management Regulations,” “Code of Ethical Conduct,” and “Work Rules.”</p> <p>Environmental Protection and Product Liability</p> <p>(1) The Company is continuously committed to developing energy-saving products, improving process technology, and reducing water resources and energy consumption. The “Utilities Conservation Management Regulations” have been formulated to define management approaches and units in charge at factories and are reviewed on a monthly basis.</p> <p>(2) The Company has formulated the “Environmental Protection Management System” to discharge production wastewater in compliance with local regulations and standards. The Company has successively invested in production wastewater treatment projects to automatically improve production wastewater and remove phosphorus and chromium.</p> <p>(3) The Company assesses the potential risks and opportunities of climate change for the future business operations while continuously improving production equipment and hardware processes and investing in the development of</p>	

Evaluation Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			<p>energy-saving products.</p> <p>(4) The Company strictly implements spot checks on materials or engages third-party organizations for verification to comply with relevant specifications and standards. All of our products meet the safety requirements of the importing countries and pass the labs’ certification. The Company also purchases product liability insurance to strengthen risk management and protect the life and property of global consumers.</p> <p>(5) The Company conducted a carbon inventory on March 2024 and gradually perfect the Company’s corporate sustainability plan for energy saving and carbon reduction.</p> <p>Protection of Labor Rights and Workplace Safety</p> <p>(1) The Company complies with applicable labor laws and labor rights standards, prohibits the employment of child labor and forced labor, rehires retired employees and hires middle-aged and elderly employees, and manages working hours and salaries in accordance with relevant regulations. The Company also pays attention to employment equality and has incorporated it into internal policies.</p> <p>(2) The Company regularly conducts office building safety inspections and fire safety seminars. In addition to organizing health examinations for employees in accordance with occupational safety and health regulations,</p>	

Evaluation Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			<p>we also hold environmental safety inspections and occupational disease checkups for high-risk workplaces and employees respectively every year to ensure the safety of our employees. To provide a work environment free of sexual harassment for employees and job seekers, we take preventive, corrective, disciplinary, and handling measures to protect the rights and privacy of people concerned.</p> <p>Investment in Social Welfare</p> <p>Upholding the idea of love without borders, the Company continues to invest in social welfare by sponsoring local cultural establishments and designer contests in the lighting industry. The Company donated lighting products to illuminate rural areas and cared for rural school children. The Company also invested manpower and funds to promote lighting knowledge (60H/20 person-times), funded social welfare institutions to support disadvantaged groups, hired local employees (accounted for 19.9% of all employees), and donated medical equipment to local hospitals and clinics to enhance community recognition, etc.</p> <p>The aforementioned risk assessment includes all companies within the group.</p>	
3. Environmental Issues (1) Does the company establish proper environmental management	✓		(1) According to the Company’s operational guidelines and EU regulations, environmentally hazardous substances, such as	None

Evaluation Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
<p>systems based on the characteristics of their industries?</p> <p>(2) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?</p>	✓		<p>lead, cadmium, mercury, hexavalent chromium, brominated flame retardants - PBBs and PBDEs and other hazardous substances, were prohibited from using in products to inhibit the damage to the environment and society caused in the product life cycle. With the Company’s design and inspection, products met the requirements of RoHS and REACH. The Company will continue to comply with RoHS. The Company has conducted voluntary greenhouse gas inventories in accordance with ISO14064-1 since the year of 2024.</p> <p>(2) The Company has authorized qualified suppliers to be in charge of waste recycling and handling. The Company also set up recycling bins to collect resources and advised employees on recycling. Wastewater is recycled through vibration polishing and grinding. Coating powder collection tower, waste gas sprinkler maintenance and repair, and sewage treatment system projects. Also, the factory monitors the pre-discharge pool of each batch of production wastewater, which will be sent to a third-party agency for comparison and testing every month so to avoid discharge of wastewater in error that exceeds the discharge standard and to comply with local environmental protection</p>	None

Evaluation Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
(3) Does the company assess the potential risks and opportunities arising from climate change at present and in the future and take related countermeasures?	✓		regulations. (3) The Company has preliminarily identified climate-related risks, including unstable supply of hydropower, the development cost of energy-saving and carbon-reducing products, and the risks and opportunities of natural disasters (typhoons and floods). Corresponding measures include production equipment and hardware process changes, continuous investment in the development of energy-saving products, and replacing outdated production machinery and pumping equipment with maintenance services performed regularly.	None
(4) Does the company calculate the greenhouse gas emissions, water consumption, and total weight of waste over the past two years and establish the policies with regard to energy conservation and carbon reduction, greenhouse gas reductions, water consumption, and waste management?	✓		(4) The company compiled the statistics on the greenhouse gas emission, water consumption and waste weight from the past 2 years. Please refer to the following Table 1~3 for statistics and explanation. The Utilities Conservation Management Regulations have been formulated to specify management approaches and units in charge at factories and set the target at 2%, and wastes at 5% for 2024. The Company has currently completed the introduction of hardware automation equipment and silane pre-Treatment for coating, electric control box alteration, carbonization furnace exhaust pipe, coating exhaust treatment,	None

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	Yes	No	Abstract Explanation	
			<p>improvement project on paint mixing room, installation of active charcoal filter, environmental protection projects such as paint exhaust gas treatment, changing the original photocatalyst decomposition method of the carbonization furnace to a secondary activated carbon box, pre-painting treatment, silane storage pool, replacement of glass fiber membrane, rainwater and sewage diversion project, purchase of a batch of updated equipment for stamping machines, and continuing commitment to process improvement operations, as well as environmental projects and continued to improve manufacturing processes. In addition, the Company has formulated the "Environmental Impact Management Procedures" to enhance energy conservation and carbon reduction, environmental protection, and waste reduction. The following information has not be verified by third party but the administration unit reports utilities consumption for analysis and review in monthly meetings.</p>	

Evaluation Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons																									
	Yes	No	Abstract Explanation																										
			<p>Table 1: Greenhouse Gas Emission in last 2 years (Scope 1 and Scope 2 include overseas plans)</p> <p style="text-align: right;">unit : ton/CO₂e</p> <table border="1"> <thead> <tr> <th>Year</th><th>Scope 1</th><th>Scope 2</th><th>Scope 1 + Scope 2</th><th>Emissions per unit output value (NT\$ thousand)</th></tr> </thead> <tbody> <tr> <td>2023</td><td>230.073</td><td>1,392.425</td><td>1,622.498</td><td>3.479</td></tr> <tr> <td>2024</td><td>894.456</td><td>2,365.215</td><td>3,259.671</td><td>4.751</td></tr> <tr> <td>Difference</td><td>664.383</td><td>972.790</td><td>1,637.173</td><td>1.272</td></tr> <tr> <td>%</td><td>288.77%</td><td>69.86%</td><td>100.90%</td><td>36.59%</td></tr> </tbody> </table> <p>The total greenhouse emission in scope 1 and scope 2 of 2024 was 3,259.671ton/ CO₂e, the emission per unit output value is 4.751tonCO₂e/NT\$ million, which mainly came from the power emission in scope 2, accounting for 72.56% of the aforementioned emission, followed by the gas emission used for the processing of Scope 1, accounting for 7.30%. The 2024 greenhouse gas emission was increased by 1,637.173 tonCO₂e, up 100.90%, compared with that in 2023, which exceeded the annual ±2% predetermined target value. This was mainly due to the operating plant introduced in 2024, which helped increase the production capacity and</p>	Year	Scope 1	Scope 2	Scope 1 + Scope 2	Emissions per unit output value (NT\$ thousand)	2023	230.073	1,392.425	1,622.498	3.479	2024	894.456	2,365.215	3,259.671	4.751	Difference	664.383	972.790	1,637.173	1.272	%	288.77%	69.86%	100.90%	36.59%	
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	Yes	No	Abstract Explanation											
			<p>led to an increase in gas and electricity consumption throughout the process, and the relative greenhouse gas emissions also increased significantly. However, in terms of emissions per unit output value, there was an increase of 36.59% in 2024 compared with 2023.</p> <p>Table 2: Statistics of Water Consumption</p> <p style="text-align: right;">unit : m³</p> <table border="1"> <thead> <tr> <th>Year</th><th>2023</th><th>2024</th><th>Difference</th><th>%</th></tr> </thead> <tbody> <tr> <td>Water consumption</td><td>47,183</td><td>58,722</td><td>11,539</td><td>24.46%</td></tr> </tbody> </table> <p>Identification reveals that water consumption for hardware vibration and grinding, water consumption for pre-coating treatment, and employee living water ranked the top three water consumption. The water consumption for hardware vibrating and grinding has been introduced with waste water recycling equipment, where generated waste water undergoes flocculation, sludge separation, before returning. The two sand-blasters are introduced to polish some processing previously done by sand-blasters in order to reduce water consumption. The water consumption for pre-coating treatment cuts down the spillover water under operation standards to centralize the production process. At</p>	Year	2023	2024	Difference	%	Water consumption	47,183	58,722	11,539	24.46%	
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	Yes	No	Abstract Explanation																												
			<p>the same time, due to the introduction of an operating plant, with the production and the number of employees increased. Water consumption increased by 24.46% compared with 2023, which exceeded the annual $\pm 2\%$ predetermined target value.</p> <p>Table 3: Wastes Statistics</p> <p style="text-align: right;">unit : ton</p> <table border="1"> <thead> <tr> <th rowspan="2">Year</th><th colspan="2">Non-Hazardous Wastes</th><th rowspan="2">Hazardous Wastes</th><th rowspan="2">Total</th></tr> <tr> <th>Household waste</th><th>General production waste</th></tr> </thead> <tbody> <tr> <td>2023</td><td>64.10</td><td>22.02</td><td>26.55</td><td>112.67</td></tr> <tr> <td>2024</td><td>111.97</td><td>54.10</td><td>51.84</td><td>217.91</td></tr> <tr> <td>Difference</td><td>47.87</td><td>32.08</td><td>25.29</td><td>105.24</td></tr> <tr> <td>%</td><td>74.68%</td><td>145.69%</td><td>95.25%</td><td>93.41%</td></tr> </tbody> </table> <p>Corporate wastes are treated separately by non-hazardous wastes and hazardous wastes. In particular, the former accounts for the majority of treatment and the hazardous wastes mainly consist of the coating dregs and surface treatment sludge, which are consigned to external professional companies for cleaning and treatment. The</p>	Year	Non-Hazardous Wastes		Hazardous Wastes	Total	Household waste	General production waste	2023	64.10	22.02	26.55	112.67	2024	111.97	54.10	51.84	217.91	Difference	47.87	32.08	25.29	105.24	%	74.68%	145.69%	95.25%	93.41%	
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Evaluation Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			general production waste generated in 2024 was significantly increased from the year of 2023, mainly due to the introduction of an operating plant with the production increased in 2024; therefore, the total waste for the year increased significantly, and the total decrease exceed $\pm 5\%$ of the predetermined target value. Recently, the system of waste classification has been widely promoted in overseas plants in order to improve employees' awareness of environmental protection and developing habits of classifying the wastes. Meanwhile, the suppliers are encouraged to recycle the package for reuse, thereby to reduce the amount of wastes and recycle for reuse.	
4. Social Issues (1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		(1) The company has formulated human rights protection policies and concrete management plans based on international human rights conventions and disclosed them on the company's website. The Company strictly prohibits the use of child labor and discrimination in employment and includes them in relevant employee appointment regulations. The Company has set up an "Opinion Box" as a complaint channel to strengthen the labor-management relationship, and handles employee complaints in accordance with the "Employee Work Rules." A document	None

Evaluation Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
(2) Does the company establish and offer proper employee benefits (including compensation, leave, and other benefits) and reflect the business performance or results in employee compensation appropriately?	✓		<p>management website is also in place to promptly announce to employees the company's policies and regulations. The “Regulations for Establishing Measures on Prevention of Sexual Harassment in the Workplace” has been amended this year with complaint channels and handling procedures provided to ensure a safe employment environment.</p> <p>(2) Description of Employee Benefits</p> <p>a. Employee Remuneration</p> <p>The employee remuneration is appropriated from 5%~15% of the company surplus for current year, if any, in accordance with the provisions prescribed in Articles of Incorporation. The year-end bonus system takes comprehensive consideration of the operation conditions of the current year before determining the base of annual bonus, and is calculated and distributed to all employees according to the employee seniority and annual performance weight. The system will encourage all employees to work for the company objectives. A special budget connecting the company management and personal work performance will be appropriated to different staff in design, production and sales/marketing through various rewards. For example, the employee stock options,</p>	None

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	Yes	No	Abstract Explanation	
			<p>performance bonus and production bonus. Each revenue center takes revenue and product gross profit into consideration to stipulate different appropriation rate as performance commission bonuses.</p> <p>b. Other benefit measures</p> <p>To take full care of employees and protect their living conditions, the Company provides basic security by law and provide or sponsor the promotion of various benefit plan. The occupational welfare commission is incorporated to take charge of the planning and execution of different occupational welfare matters. For example, the three major lunar calendar holidays, labor’s day, birthdate, wedding, giving birth, emergency rescue, funeral subsidies, monthly birthday celebration, and employee travel subsidy as well as other occupational benefits. Additionally, free health examination programs for employees, supervisor health examination grants, and transportation allowance and free parking space for supervisors are also offered. For personnel dispatched overseas, their spouses will be offered subsidy for transportation and accommodation. The Company also offers incentive leave for female giving birth, birthday</p>	

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	Yes	No	Abstract Explanation	
			<p>leave, parental leave, only child care leave, senior employee rewards as well as other benefits.</p> <p>c. Workplace diversification and equality</p> <p>The Company is committed to implement the remuneration criteria for men and women with the same work and same pay, with equality in promotion. In 2024, the female employees account for 46.8% of all employees of the group. The number of female managers accounted for 33.3% among middle-level and senior-level managers and accounted for 45.4% among junior-level managers. At the same time, the Company considers the employment of mid-life and old-aged employees. The number of employees who are more than 50 years old accounted for 7.8%, those are 30~50 years old accounted for 69.4%, and those who are under 30 years old accounted for 22.8%, the proportion of ethnic minorities employed accounted for 9.9% of all employees. The Company values employees' rights by providing employee opinion response platform and sharing profits with employees, in order to maintain excellent work condition and environment.</p> <p>d. Total remuneration policy</p> <p>The Company takes consideration of the corporate finance</p>	

Evaluation Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		<p>and operation each year, consumer price index, and the salary base adjusted by the government each year to evaluate the annual salary adjustment program. Also, department heads may individually recommend outstanding employees for promotion in accordance with regulations in January and July every year, which will take effect in the following month.</p> <p>The average salary increase for the Company’s non-managerial employees was 3.0%~4.0% in 2024.</p> <p>(3) The Company organizes related activities on a regular basis. Inspection to public safety of buildings is conducted biennially (conducted in August, 2023), occupational disease hazardous factor testing in factory environment (conducted in Jan. and Jul.), secondary training for factory safety management personnel (conducted in Dec.), fire safety and emergency rescue seminar (conducted in May, Sep., and Nov.), and employee health checkup and occupational disease checkup at high-risk workstations (conducted in May and Aug.) are conducted annually to provide a safe and healthy working environment. The factory instituted the Regulations Governing Safety and Health Control, which was approved by the President. The Responsibility for Safe Production was implemented to</p>	None

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	Yes	No	Abstract Explanation	
			<p>clarify each department’s responsibility for safe production. This year, seminars on safety and 6S for a total of 2,108.5 hours were organized for China-based employees to improve their awareness of safety. There were four occupational safety accident occurred in overseas factory in 2024, and the injury of 4 people accounted for 0.59% of total employees. There is two incident more reported this year compared with 2023. Provide assistance to injured employees during the medical treatment period for them to get well. The ISO45001:2018 occupational health and safety management system was introduced in some factories in 2021 (Valid for three years and successfully renewed this year). According to the China’s Regulations Governing Prevention and Control of Occupational Diseases, workers holding special posts shall participate in the health examination every year to prevent occupational diseases. In addition, the Company regularly assign the third party to conduct factory environmental safety inspection (including noise, wastewater, and exhaust monitoring). Each month, the third party inspects the wastewater disposed of coating production and executes monthly safety production accident screening to prevent the working environment from health hazards. There has been zero (0) fire incident and casualty reported this year.</p>	

Evaluation Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
(4) Does the company provide its employees with career development and training sessions?	✓		(4) The Company encouraged employees to participate in in-service training sessions and job rotation to build up their competences and the second specialty. Every year, each department has a plan and budget for training sessions to conduct pre-work, on-the-job, and dispatch training, in order to provide training for employees and encourage employees with certification in work related competence. The total training hours for 2024 reached 6,610H.	None
(5) Does the company follow relevant laws, regulations and international guidelines for the customer health and safety, customer privacy, and marketing and labeling of its products and services and establish related consumer protection policies and grievance procedures?	✓		(5) The Company sold and labeled its products according to the requirements of customers’ countries, such as safety requirements and RoHS. To improve customer satisfaction, the Company complied with national safety regulations and ISO specifications covering every stage from R&D to sales. The Company also set up the regulations governing handling of customer complaints, which specify how to handle appeals and complaints against products, proposals or customer dissatisfaction. In addition, the Company will hold a survey of customer satisfaction every year to understand the level of recognition and opinions and issues provided by customers and to facilitate the relationship between the Company and customers. Meanwhile, the company also insures product liability insurance that applies	None

Evaluation Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
(6) Does the company establish the supplier management policies requesting suppliers to comply with laws and regulations related to environmental protection, occupational safety and health or labor rights and supervise their compliance?	✓		<p>to all sales region worldwide, in attempt to protect user interests in products.</p> <p>(6) Before establishing relationships or having dealings with suppliers, the Company has asked the suppliers to sign the "Supplier Code of Conduct," requiring that the suppliers should meet the regulations of the following standards: legal commitment, respect for employees' human rights, prohibiting the use of child labor, employee safety and health, and environmental protection. In case of violations, the Company can terminate the contract that has been signed or is being issued without any statutory compensation. Each year the suppliers will undergo evaluation.</p>	None
(7) Does the company assess the risks or opportunities to the community and take corresponding measures, and report the specific measures taken and the effectiveness of the implementation?			<p>(7) Although the Company is located in New Taipei City, we adhere to the principle of investing in social welfare and helping the disadvantaged regardless of region and borders, sponsoring relevant associations to promote lighting education, and giving back our products to colleges and social welfare organizations. The resources invested by the Company in social welfare projects in 2024 are illustrated as follows:</p> <p>1.Taiwan:</p>	None

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	Yes	No	Abstract Explanation	
			<p>(1) In January, donated NTD247,100 to the National Cheng Kung University Museum to improve the lighting environment.</p> <p>(2) In March, donated a batch of outdoor lighting equipment to Liang-shean Tang Social Welfare Foundation.</p> <p>(3) In May, welcomed 20 students from the Department of Interior Design of Chung Yuan Christian University for a lighting knowledge and lighting experience seminar (3 hours).</p> <p>(4) In July, donated NT\$200,000 to sponsor the lighting promotion seminars held by Lighting Society Taiwan.</p> <p>(5) In October, donated a batch of LED track lights for an amount of NT\$120,750 to the Department of Interior Design of China University of Technology.</p> <p>(6) In October, donated NTD50,000 to the “Andrew Yves Moal Home” affiliated with the Catholic Church Hualien Diocese to help the elderly and the disabled.</p> <p>(7) In October, donated NTD50,000 to Andrew Special Education affiliated with the Catholic Church Hualien Diocese.</p> <p>2.Overseas:</p> <p>(1) In February, donated CNY7,000 to support the expansion of the teaching building for Lisheng Primary School in Xiaolan Town, Zhongshan City, Guangdong Province.</p>	

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	Yes	No	Abstract Explanation	
			<p>(2) In August, donated CNY8,000 to the 2024 Elderly Care Activities of Baofeng Community in Xiaolan Town, Zhongshan City, Guangdong Province.</p> <p>(3) In October, donated CNY40,000 to the 14th Executives and Supervisors of Guangdong Zhongshan Taiwanese Investment Enterprises Association.</p> <p>The Company continues to fulfill its corporate social responsibilities and participate in the implementation of social welfare.</p>	
5. Does the company refer to the guidelines for the preparation of internationally accepted reports and prepare Sustainable Development reports that disclose its non-financial information? Does the company receive assurance or certification of the aforesaid reports from a third party accreditation institution?		✓	<p>The Company did not compile the report on the Sustainable Development but has disclosed its Sustainable Development in the annual report.</p> <p>In addition, the Company has the greenhouse gas inventory and verification and the initial meeting for the preparation of the sustainability report implemented on 3.22.2024. The greenhouse gas inventory report is expected to be complete in 2025Q1 as planned and the preparation of the sustainability report is expected to be completed in May 2025.</p>	The preparation of the sustainability report is expected to be completed in May 2025 as planned.
<p>6. If the Company has established the Sustainable Development principles based on “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies”, please describe any discrepancy between the Principles and their implementation: The Company has established its Sustainable Development Best Practice Principles according to the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and operated for the purpose of fulfilling its corporate social responsibility.</p>				
<p>7. Other important information to facilitate better understanding of the company’s Sustainable Development practices :</p> <p>1. The Company has established the environmental protection system to meet the local regulations of wastewater arising from production and</p>				

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	Yes	No	Abstract Explanation	
<p>has invested in the project for the wastewater treatment, including automated improvement in wastewater and phosphorus and chromium removal. The Company also purchased the wastewater inspection equipment to check the compliance before emission. In addition, the Company has invested in the projects for the reduction in exhaust and hazardous waste. The overseas plants have been selected by local governments as an “Environmentally Friendly Enterprise” and an “Environmentally Friendly and Ethical Enterprise” in the period from 2015 to 2021.</p> <p>2. The Company obtained ISO14001:2004 certification on October 26, 2010 and completed ISO14001:2015 certification renewal on October 26, 2022 (valid October 25, 2025). Some factories in Mainland China obtained ISO45001: 2018 certified and successfully renewed this year (validity: June 24, 2024 ~ June 23, 2027), in order to achieve the goals of "ISO14001:2015 Environmental Management System", "ISO45001:2018 Occupational Health and Safety Management" and "Cleaner Production". The Company has instituted the Handbook for Control of Quality and Environmentally Hazardous Substance to meet the local regulations in terms of environment, safety and health. Every year, the Company arranges the occupational health examination for workers that are likely to be exposed to occupational hazards and obtains the summary report on the occupational health examination.</p> <p>3. The Company has established the ACW-003 Guidelines for Supplier Control, Evaluation, and Assessment to conduct spot checks on materials or engage third-party organizations (e.g., SGS, TUV, and ITS) for verification. In accordance with the RoHS directive and REACH, new material samples provided by the suppliers should be fully tested by the Company's quality assurance department. The qualified suppliers are still required to undergo batch RoHS spot checks according to the risk level of the material every six months to ensure the compliance of the Company's products. If materials reviewed or tested do not comply with the RoHS directive or REACH, the suppliers should immediately improve the non-conforming items and provide an improvement report or test report. In addition to evaluating the suppliers twice a year, the Company conducts daily evaluations. When unqualified returns exceed 30% of a shipment, the Company should immediately ask the suppliers to improve within the deadline. If three material quality incidents occur consecutively, the partnership will be terminated. The company also requires suppliers of chemicals (paints, electroplating, anodes, etc.) to provide material certificates, material safety data sheets (MSDS), business licenses, pollutant discharge permits (exhaust gas, wastewater, and solid waste) and hazardous waste transfer orders in order to manage and control hazardous chemical suppliers. The suppliers are also required to conduct the self-evaluation with the "Environmental Impact Assessment Questionnaire" designed by the Company. The questionnaire will be used as a reference for supplier</p>				

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evaluation. The Company has established the Environmental Protection Proposal, which require suppliers to comply with environmental laws and regulations, and upholds the policy of prevention and control in terms of environmental protection and safety. 4. In response to environmental protection, the Company required that employees should replace paper with electronic files and start the electronic invoice operations in 2018, and gradually promoted the electronic approval process and paper recycling for reuse. 5. The Company has conducted a voluntary greenhouse gas inventory in accordance with ISO14064-1 since 2024; also, the Company has started preparing a sustainability report this year. 6. Subscribed for social responsibility bonds that were listed on the OTC market in November 2024. Bond name: P23SHB1, bond code: F16202, amount: USD500,000.				

Planning and building factories at dispersed locations

Implementation of Climate-Related Information

Item	Implementation status
1. Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.	The Company's Board of Directors is the highest decision-making unit for risk management and continues to pay attention to issues related to climate change and to recognize the risks and opportunities associated with climate change. The Company will establish a Sustainability Committee, with relevant members responsible for formulating, promoting, and strengthening action plans and capital expenditures for important policies on sustainable development (including climate-related issues), and reviewing, tracking, and revising the status of implementation and effectiveness of sustainable development, and will report them to the Board of Directors.

Item	Implementation status		
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	Risk Factors	Financial and Business Impact	Period and Response Strategy
	Extreme weather events	<ul style="list-style-type: none"> • Increase in operating costs • Decrease in revenue • Loss of assets • Disaster casualties 	<p>Short-term: Control meteorological information in real time and formulate emergency response plans for various types of extreme weather.</p> <p>Medium-term: Evaluate production sites to address extreme weather risks and implement mitigation measures.</p> <p>Long-term: When Planning and building factories at dispersed locations, incorporate climate change factors into the construction process.</p>

Item	Implementation status		
Continued	Risk Factors	Financial and Business Impact	Period and Response Strategy
<p>2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).</p>	<p>Transition risks such as revision of environment related laws and regulations</p>	<ul style="list-style-type: none"> • Increase in operating costs • Increase in R&D expenses • Increase in capital expenditure 	<p>Short-term: Greenhouse gas inventory and control, planning for low-carbon products and energy-saving equipment renewal programs, and material recycling..</p> <p>Medium-term: Invest in research and development of low-carbon products and purchase energy-saving equipment and low-carbon raw materials</p> <p>Long-term: Develop in the direction of zero carbon emissions.</p>

Item	Implementation status		
Continued 2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	Opportunity Factors	Financial and Business Impact	Response Strategy
	R&D and innovation of low-carbon products	<ul style="list-style-type: none"> • Increase in revenue due to higher demand for low-carbon products 	Continue to invest in the research and development of low-carbon products, and evaluate the use of raw materials with the low-carbon footprint when purchasing raw materials.
	Promotion of low-carbon production	<ul style="list-style-type: none"> • Reduction in operating costs due to savings in energy consumption 	Purchase energy-saving equipment, formulate energy-saving policies and improve energy efficiency to reduce energy consumption and save operating costs.

Item	Implementation status
<p>3. Describe the financial impact of extreme weather events and transformative actions.</p>	<p><u>Extreme weather events</u></p> <p>The Company has assessed that extreme weather events, such as water shortages, typhoons and heavy rainfall, may cause disruptions in plant operations, increase in operating costs, decrease in revenues and loss of assets in the financial aspect. The Company will formulate emergency contingency plans for various types of extreme weather events to avoid the risk of impacts, and will continue to pay attention to the impacts of the weather to respond to and review the situation in a timely manner.</p> <p><u>Transformative actions</u></p> <p>As environmental laws and regulations are becoming more stringent and low-carbon products are becoming a trend, low-carbon transformation has become an important goal. Among them, the control of carbon fees and total greenhouse gas emissions, the regulation of renewable energy, and changes in consumer preferences may increase production and research and development costs, or reduce sales volume. The Company will implement measures such as research and development of low-carbon products, formulating an energy policy, and upgrading energy-saving equipment, so as to comply with the regulations and move forward towards the goal of zero emission.</p>

Item	Implementation status
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	The Company's Board of Directors is the highest decision-making body for risk control and directly supervises the Company's risk governance structure. For the purpose of sound risk assessment and strengthening the management function, the company's management will be responsible for identifying and managing risks in various operations of the company, including physical and transition risks that may be brought about by climate change.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	As of the printing date of the annual report, the Company has not yet used the scenario analysis to evaluate the resilience to climate change risk, and the Company will disclose the implementation status in the annual report and ESG Sustainability Report in the future.
6. If there is a transition plan for managing climaterelated risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	As of the printing date of the annual report, the Company does not have a restructuring plan to manage climate-related risks, which will be disclosed in the annual report and ESG Sustainability Report based on the status of implementation in the future.

Item	Implementation status
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	As at the date of the annual report, the Company has not used internal carbon pricing as a planning tool.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	The company started up the greenhouse gas inventory plan in the base year of 2024 to identify emission sources and calculate carbon emissions for Categories 1, 2, and 3, so as to identify the hot emission sources to effectively control greenhouse gas emissions. The company also regularly reports the progress of the inventory plan to the board of directors and discloses the implementation status in the annual report.
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan.	The company implemented the greenhouse gas inventory plan in 2024, but has not yet planned to confirm the information, and will disclose the relevant information in accordance with the Sustainable Development Roadmap published by the Financial Supervisory Commission in the future.

2.2.6 Ethical Corporate Management and Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1.Establishment of ethical corporate management policies and programs				
(1) Does the company establish the ethical corporate management policies approved by the Board of Directors, and declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its board and senior management to implement the policies?	✓		(1) The Company has established the Ethical Corporate Management Best Practice Principles, which were approved in the shareholders’ meeting on May 23, 2011(amended on July 26, 2019), and has disclosed the Principles on its website and Market Observation Post System. The Board members and senior management have signed the commitment to actively implementing the ethical corporate management policies.	None
(2) Does the company establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly, which shall at least include the preventive	✓		(2) For business activities within its business scope which are at a higher risk of being involved in unethical conduct, the Company expressly stipulates in the employment agreement that unethical conduct set forth in "Subparagraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles." Major proposals are reviewed through the Board operation and in accordance with the principles of avoidance of	None

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>measures specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?</p> <p>(3) Does the company specify in its prevention programs the operating procedures, guidelines, punishments for violations, and a grievance system and implement them and review the prevention programs on a regular basis?</p>	✓		<p>conflicts of interest to ensure open and transparent decision-making. Additionally, the employees may not accept gifts or cash from customers or suppliers but should hand it over to the management for collective handling.</p> <p>(3) The Company has established the Procedures for Ethical Management and “Regulations Governing Handling Reported Illegal and Unethical or Dishonest Conduct.” The Company proposed the ethical management policy through training, combined the policy with the evaluation of employees’ performance, and set up the clear and effective reward and disciplinary policy. Anyone may file appealing to independent directors, managers of internal auditors, spokesmen or representatives of labor-management meeting when discovering any act violating integrity, which, upon verification, will impose the punishments in accordance with internal policies and related laws and regulations.</p>	None

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
2.Fulfill operations integrity policy				
(1) Does the company evaluate business partners’ ethical records and include ethics-related clauses in business contracts?	✓		(1) Before developing a commercial relationship with another party in commercial dealings, the Company shall evaluate the legality and ethical management policy of the party and ascertain whether the party has a record of involvement in unethical conduct, in order to ensure that the party conducts business in a fair and transparent manner and will not request, offer, or take bribes.	None
(2) Does the company establish an exclusively (or concurrently) dedicated unit supervised by the Board to be in charge of corporate integrity and regularly (at least once every year) report to the Board of Directors the implementation of the ethical corporate management policies and prevention programs against unethical conduct?	✓		(2) The Company has designated Administration Department as the concurrently dedicated unit in charge of the making and implementing of integrity management policy prevention plans, and reporting the result of implementation to the Board of Directors once a year on a regular basis. The implementation of corporate integrity in 2024 was reported to the Board of Directors on December 23, 2024. The dedicated unit mainly takes charge of the following: I. Assist in integrating integrity and moral values into the Company's business strategies and formulate anti-fraud measures in line with relevant laws and	None

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and	✓		<p>regulations to ensure ethical corporate management.</p> <p>II. Formulate prevention programs against unethical conduct and establish the standard operating procedures and code of conduct in each program.</p> <p>III. Plan internal organization, staffing, and responsibilities and establish mutual supervision mechanisms for business activities within the business scope which are at a higher risk of being involved in unethical conduct.</p> <p>IV, Promote and organize training on ethical corporate management policies.</p> <p>V. Develop a whistle-blowing system and ensure its effectiveness.</p> <p>VI. Assist the Board of Directors and management in checking and evaluating whether the preventive measures established are operating effectively, and regularly prepare reports on compliance with relevant business processes.</p> <p>(3) When the Company’s director attending or present at a board meeting, or the juristic person represented thereby, has a stake in a proposal at the meeting , that</p>	None

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>implement it?</p> <p>(4) Has the company established effective systems for both accounting and internal control to facilitate ethical corporate management, and had its internal audit unit, based on the results of assessment of the risk of involvement in unethical conduct, devised relevant audit plans and audited the compliance with the prevention programs accordingly or entrusted a CPA to conduct the audit?</p>	✓		<p>director shall recuse himself or herself from any discussion and voting, where there is a likelihood that the interests of this Corporation would be prejudiced. In 2024, some directors had a stake in 4 proposals at the board meeting and recused themselves from the voting.</p> <p>(4) The Internal Audit Room audited the implementation of the Company’s accounting system, internal control system, results of risk assessment on unethical conduct, and ethical management in accordance with the Regulations Governing Establishment of Internal Control Systems by Public Companies and the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.</p> <p>In addition, lighting imported by the Company was tested and certified by the Electronics Testing Center to ensure the safety of lighting. In 2024, the certification of 2 recessed lights and pendant lamps and approved for reference of 1 recessed light were added to the CNS product certification of the Company, and the</p>	None

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(5)Does the company regularly hold internal and external educational trainings on	✓		<p>verification of 1 Bluetooth module by NCC; the certificate renewal of 1 recessed light of 3C product in mainland China, and the product certification of 2 emergency lighting fixtures 3CF product were added.</p> <p>On April 7, 2022, the Company amended Article 10 of the Corporate Governance Code and regulated in Article 13-1 of the Procedures for Handling Internal Material Information that directors are not allowed to trade in the Company's shares during the book closure period 30 days before the announcement of the annual report and 15 days before the announcement of the quarterly report. In order to prevent non-compliance, the Company sent an email reminder 5 days before the book closure date. The publication dates of the Company's 2023Q4, 2024Q1, 2024Q2 and 2024Q3 financial reports were on February 29, April 25, July 30 and Nov. 1, 2024, and the Company sent email reminders on Feb. 2, April 7, July 10 and October 4, 2024, respectively.</p> <p>(5)In 2024, 443 personnel of the Company had attended internal and external education and courses regarding</p>	None

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
operational integrity?			<p>integrity management (including integrity management regulations and safety certification, accounting systems and internal control and other related ones) for 7554.5 hours.</p> <p>In 2024, the Company scheduled internal and external training courses for directors, managers, and related parties of material information. The content of the courses includes 59 hours in total of insider trading act, applicable investment, the framework of regulations, scope of material impact and information, and recognition and penalties of insider trading period. The presentation and video of internal training courses are uploaded to the internal employee system for review at any time.</p>	
<p>3.Operation of the integrity channel</p> <p>(1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?</p>	✓		<p>(1) The Company has established the Regulations Governing Handling of Reported Illegal and Unethical or Dishonest Cases and set up the unit in charge (spokesman, labor conference representative, and audit supervisor) based on the nature of reported cases. The</p>	None

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(2) Does the company establish the standard operating procedures for investigating reported misconduct, follow-up measures to be adopted after the investigation, and related confidentiality mechanisms?	✓		informant may report a case in person, by phone or by letter. If the case is verified to be true, the related persons will be punished and the informant will be rewarded appropriately. (2) According to Article 5 of the Reporting Regulations, if a case is reported with the informant’s name (anonymous reporting is allowed) and information required for verification through the channel specified in the Regulations, the unit in charge shall hold the entire process of the investigation confidential.	None
(3) Does the company provide proper whistleblower protection?	✓		(3) The unit in charge shall hold the process of handling the case confidential and carry out the investigation through a separate channel. The unit in charge is also required to keep documents and files used in the investigation in good condition and protect the identity of the informant.	None
4. Strengthening information disclosure Does the company disclose its ethical corporate management policies and the results of its implementation on the	✓		The Company disclosed its Ethical Corporate Management Best Practice Principles and corporate governance on the company’s website and appointed a dedicated person to post information on the Company’s website	None

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
company’s website and MOPS?			(http://www.tonslight.com/tw/csr/). The Company also set up the spokesperson system, which keeps shareholders, stakeholders, and competent authorities updated at any time.	
5.Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation. No differences.				
6. Other important information to facilitate a better understanding of the company’s ethical corporate management policies (e.g., review and amend its policies).None.				

2.2.7 Other Important Information Regarding Corporate Governance

The Company has instituted the Procedures for Handling Major Internal Information, which were approved by the Board of Directors on May 15, 2009 (amended on April 07, 2022) and specify that directors, managers, and employees shall not disclose to others the major internal information which they are aware of, or make an inquiry about major internal information or collect undisclosed major internal information that is irrelevant with their personal duties with those who are aware of such information and that directors, managers, and employees shall not disclose to others undisclosed major internal information which they are aware of due to reasons other than the performance of their duties.

Newly-hired employees of the Company were enrolled in the training program and the Procedures for Handling Major Internal Information were posted on the Intranet (document and information sharing system/internal control regulations) for reference. The Procedures were proposed in business meetings from time to time. Newly-elected managers and directors would receive regulation-related documents by e-mail to avoid the insider trading.

To fulfill Sustainable Development utmost, the Company had established a Sustainable Development organization structure in February of 2017. It has separately arranged and assigned work functions for corporate governance, customer care, environmental protection, and employee and social care issues.

2.2.8 Internal Control Systems

TONS LIGHTOLOGY INC. Statement of Internal Control Systems

February 27, 2025

The Statement and Self-appraisal to the Internal Control Systems of the Company in 2024 are as the following:

1. The Company has firmly acknowledged that the establishment, implementation and maintenance of its internal control systems shall be the responsibility of the Board of Directors and managers. The Company has established such systems with the purpose to provide assurance in terms of operational effectiveness and efficiency (including profitability, performance and asset security, etc.), reliability, timeliness and transparency of press release, and compliance with relevant regulations.
2. Due to inherent limitations within the nature of the internal control systems, regardless of how well it is designed, an internal control system which is considered to be effective and efficient can only provide reasonable assurance of the achievement of the aforesaid three objectives. In addition, the effectiveness of the internal control system may also vary due to changes of the overall environment and circumstances. However, the Company's internal control system is equipped with the self-monitoring mechanism. Once a defect is detected and identified, the Company would instantly take correction measures.
3. The Company determines the effectiveness and efficiency of designing and implementation of the internal control system based on the criteria specified in “Regulations Governing Establishment of Internal Control Systems by Public Companies” (referred as “Regulations Governing Internal Control Systems” herein after). The criteria adopted by the “Regulations Governing Internal Control Systems” for determination of effectiveness and efficiency of designing and implementation of the internal control systems shall be the following five elements from the process of management control: 1. control environment, 2. risk assessment, 3. control operations, 4. information and communication, and 5. supervision operations. Each element includes several items. Please refer to the “Regulations Governing Internal Control Systems” for details of these items.
4. The Company has adopted the preceding criteria of internal control system to determine the effectiveness and efficiency of designing and implementation of its internal control system.
5. Based on the results of the preceding assessment, the Company hereby assures that the internal control system (including its supervision and management to subsidiaries) of the Company on December 31, 2024 can reasonably achieve the preceding objectives including the comprehensive understanding of effectiveness of the business operation and the achievement of efficiency objectives, reliability, timeliness and transparency of press release, and compliance with relevant regulations.
6. The Statement shall be the main content of the Company's Annual Report and Prospectus which are publically available. If the any part of the content is found to be false or concealed, legal liabilities such those specified in Articles 20, 32, 171 and 174 of Securities and

Exchange Act shall be exerted.

7. This Statement has been approved by the Board of Directors of the Company at the meeting on February 27 of 2025 where 8 Directors attended in which 0 Directors objected and the rest approved the contents of this Statement.

TONS LIGHTOLOGY INC.

Chairman of the Board: TANG, SHIH-CHUAN

General Manager: HUNG, CHIA-CHENG

2.2.9 Major Resolutions of Shareholders' Meeting and Board Meetings

Date	Item	Major resolutions
02.27,2024	Board meeting	<ol style="list-style-type: none"> 1. Approved the proposal of distribution of 2023 managers' bonuses. 2. Approved the proposal of distribution of 2023 remuneration of employees and directors. 3. Approved the 2023 annual internal control system statement. 4. Approved the Company's 2023 annual business operating report, individual statement and consolidated financial reports. 5. Approved the proposal of the distribution of 2023 earnings of the Company. 6. Approved the proposal of the distribution of cash dividends of the Company. 7. Approved the election of an additional director, nomination of director candidates, and handling of related matters. 8. Approved the list of director candidates nominated by the Nomination Committee. 9. Approved the proposal of call for 2024 Shareholders' Meeting. 10. Approved the capital reduction of StrongLED Lighting Systems (Cayman) Co., Ltd. (referred to as "StrongLED" hereinafter) and Mentality International Corp (referred to as MI BVI). 11. Approved the modification of the terms of the investment in sustainable corporate bonds of Hongbo Investment Company, the subsidiary.
04.09,2024	Board meeting	<ol style="list-style-type: none"> 1. Approved the proposal of the 2023 separate distribution of remuneration to directors. 2. Approved the proposal of 2023 amount of employee remuneration for managers. 3. Approved the proposal of 2023 amount of special incentives for managers. 4. Approved the proposal of the separate performance appraisal to directors and managers and the relevance and reasons of the contents and amounts of remuneration. 5. Approved the proposal of call for 2024 Shareholders' Meeting. 6. Approved the amendments to the Company's "Audit Committee Charter." 7. Approved the amendments to the Company's "Rules of Procedures for Board of Directors Meetings."

Date	Item	Major resolutions
04.25,2024	Board meeting	1. Approved the proposal of 2024Q1 Consolidated Financial Statements.
05.29,2024	Shareholders' meeting	1. Adoption of the 2023 Business Report and Financial Statements. 2. Adoption of the Proposal for Distribution of 2023 Profits. 3. The case to vote 1 member of the board.
07.30,2024	Board meeting	1. Approved the proposal of 2024 Q2 Consolidated Financial Statements. 2. Approved the amendment to the Company's "Regulations Governing Transactions of Affiliates, Specific Companies, and Group Enterprises." 3. Approved the dissolution and liquidation of STRONGLLED SMART LIGHTING (CAYMAN) CO., LTD. (hereinafter referred to as "SMART LIGHTING"). 4. Approved the capital increase from cash and additional paid-in capital of "StrongLED Smart Lighting (Suzhou) Company" (hereinafter referred to as "StrongLED"). 5. Approved the modification of the terms of the investment in sustainable corporate bonds of the subsidiary.
10.24,2024	Board meeting	1. Approved the proposal of 2024 Q3 Consolidated Financial Statements. 2. Approved the dissolution and liquidation of "Hongbo Investment Co., Ltd.," a subsidiary of the Group. 3. Approved the proposal of "Regulations Governing the 8th Distribution of Stock Subscription Certificates for Employees" of the Company. 4. Approved the modification of the terms of the investment in sustainable corporate bonds of the subsidiary. 5. Approved the proposal of performance assessment indicators for Board of Directors and members as well as functional committees.
12.23,2024	Board meeting	1. Approved the proposal of 2025 annual budget. 2. Approved the proposal of 2025 audit projects. 3. Approved the proposal of the list of eligible subscribers for the 8th distribution of stock subscription certificates for employees. 4. Approved the proposal of factory lease contract signed between Zhongshan Titan Lighting Co., Ltd. and Zhongshan TONS

Date	Item	Major resolutions
		<p>Lighting Co., Ltd.</p> <p>5. Approved the dissolution and liquidation of Shanghai StrongLED Technology Corp. (hereinafter referred to as “Shanghai StrongLED”).</p> <p>6. Approved the addition of the Company’s “Sustainability Report Preparation and Verification Procedures.”</p> <p>7. Approved the addition of the Company’s “Internal Audit Enforcement Rules - Sustainability Information Management Operation Audit.”</p> <p>8. Approved the performance evaluation results of the Company’s Board of Directors.</p>
01.17,2025	Board meeting	1. Approved the proposal of distribution of the fourth repurchased treasury shares to employees of the Company.
02.27,2025	Board meeting	<p>1. Approved the proposal of distribution of 2024 managers’ bonuses.</p> <p>2. Approved the proposal of distribution of 2024 remuneration of employees and directors.</p> <p>3. Approved the 2024 annual internal control system statement.</p> <p>4. Approved the Company's 2024 annual business operating report, individual statement and consolidated financial reports.</p> <p>5. Approved the proposal of the distribution of 2024 earnings of the Company.</p> <p>6. Approved the proposal of the distribution of cash dividends of the Company.</p> <p>7. Approved the amendments to the Company’s “Articles of Incorporation.”</p> <p>8. Approved the amendments to the Company’s 「 Regulations Governing the Fourth Stock Repurchase and Transfer to Employees 」 .</p> <p>9. Approved the proposal of amendment to the Company’s “Director Remuneration and Remuneration Management Regulations.”</p> <p>10. Approved the proposal of call for 2025 Shareholders’ Meeting.</p> <p>11. Approved the increased investment in sustainable corporate bonds.</p> <p>12. Approved the proposal of applying for credit applying for credit lines to Mega International Commercial Bank by the Company.</p>
04.09,2025	Board	1. Approved the proposal of the 2024separate distribution of

Date	Item	Major resolutions
	meeting	<p>remuneration to directors.</p> <p>2. Approved the proposal of 2024 amount of employee remuneration for managers.</p> <p>3. Approved the proposal of 2024 amount of special incentives for managers.</p> <p>4. Approved the proposal of the separate performance appraisal to directors and managers and the relevance and reasons of the contents and amounts of remuneration.</p> <p>5. Approved the proposal of capital reduction of the second repurchased treasury shares.</p> <p>6. Approved the amendments to the Company's "Procedures for the Acquisition and Disposal of Assets."</p>
04.15,2025	Board meeting	<p>1. Approved the proposal of distribution of the fifth repurchased treasury shares to employees of the Company.</p>
04.30,2025	Board meeting	<p>1. Approved the proposal of 2025Q1 Consolidated Financial Statements.</p> <p>2. Approved the proposal of changing the purpose of the fourth repurchased treasury shares.</p> <p>3. Approved the proposal of pension payment to Hung, Yao-Yang, manager of the company.</p>

2.2.10 Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors

None

2.3 Information Regarding the Company's Audit Fee and Independence

2.3.1 Audit Fee

Unit: NT\$ thousands

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-audit Fee	Subtotal	Remarks
Pricewaterhouse Coopers Taiwan	WANG, YU-CHUAG	01 01, 2024-12 31, 2024	5,161		5,161	Quarterly report, annual report
	HUNG, SHU-HUA	01 01, 2024-12 31, 2024				
Pricewaterhouse Coopers Taiwan	WANG, YU-CHUAG	01 01, 2024-12 31, 2024		200	200	Tax return
Pricewaterhouse Coopers Taiwan	LEE, PEI-HSUAN	01 01, 2024-12 31, 2024		175	175	Registration of change
Pricewaterhouse Coopers Taiwan	LEE, PEI-HSUAN	01 01, 2024-12 31, 2024		421	421	Transfer pricing report
Pricewaterhouse Coopers Taiwan	WANG, YU-CHUAG	01 01, 2023-12 31, 2023		40	40	Payroll checklist

2.3.2 Replacement of CPA

None

2.3.3 Audit Independence

The Company's Chairman, Chief Executive Officer, Chief Financial Officer, and managers in charge of its finance and accounting operations did not hold any positions in the Company's independent auditing firm or its affiliates during 2024.

2.4 Changes in Shareholding of Directors, Managers and Major Shareholders

Unit: Shares

Title	Name	2024		As of April 30, 2025	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Director Chaieyman	TANG,SHIH-CHUAN	-	-	-	-
Director General Manager	HUNG,CHIA-CHENG	-	-	-	-
Director	CHEN,MING-HSIN	-	-	-	-
Director	HSIAO, CHEN-CHI	-	-	-	-
Director	CHANG, CHIA-JUI	2,906,976	-	-	-
Independent Director	CHOU,TSUNG-NAN	-	-	-	-
Independent Director	CHOU,LIANG-CHENG	-	-	-	-
Independent Director	LEE, SHYH-CHIN	-	-	-	-
Senior Vice President	HU,CHEN-KUANG	-	-	-	-
Vice General Management	WANG,CHIH-YUAN	-	-	-	-
Assistant Vice President	KUO,CHUNG-TSU	-	-	-	-
Assistant Vice President	KUO,CHING-HSING	-	-	-	-
Assistant Vice President	CHAN,YI-CHEN	(130,000)	-	(46,000)	-
Assistant Vice President	HUNG,YAO-YANG	-	-	-	-
Assistant Vice President	CHANG, CHUNG- WEI	-	-	200,000	-

2.4.1 Shares Trading with Related Parties

Unit: Shares

Name	Reason for Transfer	Date of Transaction	Transferee	Relationship between Transferee and Directors, Supervisors, Managers and Major Shareholders	Shares	Transaction Price (NT\$)
CHANG, CHUNG- WEI	Gift	Feb. 13, 2025	Ms. Lin.	Spouse	200,000	-
CHANG, CHIA-JUI	Transfer	Jun. 6, 2024	Apollo Star Group Ltd	Representative	2,906,976	-

2.4.2 Shares Pledge with Related Parties

None

2.5 Relationship among the Top Ten Shareholders

As of 03/25/2025

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
TANG, SHIH-CHUAN	3,535,633	6.10%	1,693,106	2.92%	-	-	1.YU, HUI-CHEN 2.TANG, CHENG-HAN 3.TANG, MIN 4.TANG, YUN	1.Spouse 2.Father and son 3.Father and daughter 4.Father and daughter	-
CHANG, CHIA-JUI	2,906,976	5.01%	-	-	2,906,976	5.01%	CHANG SHI, PEI-CHEN	Spouse	-
PEI-CHEN Investment Co. Representative CHANG SHI, PEI-CHEN	2,906,976	5.01%	-	-	-	-	CHANG SHI, PEI-CHEN	Director	-
	-	-	2,906,976	5.01%	-	-	CHANG, CHIA-JUI	Spouse	-
Chengmin Investment Corp.	1,950,182	3.36%	-	-	-	-	YU, HUI-CHEN	Director	-
Representative YU, HUI-CHEN	1,693,106	2.92%	3,535,633	6.10%	-	-	1.TANG, SHIH-CHUAN 2.TANG, CHENG-HAN 3.TANG, MIN 4.TANG, YUN	1.Spouse 2.Mother and son 3.Mother and daughter 4.Mother and daughter	-
TANG, CHENG-HAN	1,665,987	2.87%	-	-	-	-	1.TANG, SHIH-CHUAN 2.YU, HUI-CHEN 3.TANG, MIN 4.TANG, YUN	1.Father and son 2.Mother and son 3.Brother and sister 4.Brother and sister	-

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
TANG, YUN	1,564,631	2.70%	-	-	-	-	1.TANG, SHIH-CHUAN 2.YU, HUI-CHEN 3.TANG, CHENG-HAN 4. TANG, MIN	1. Father and daughter 2.Mother and daughter 3. Brother and sister 4. Sisters	-
TANG, MIN	1,563,468	2.70%	-	-	-	-	1.TANG, SHIH-CHUAN 2.YU, HUI-CHEN 3.TANG, CHENG-HAN 4.TANG,YUN	1. Father and daughter 2.Mother and daughter 3. Brother and sister 4. Sisters	-
Bank SinoPac is entrusted with the investment account of Chong-Fu Investment Co., Ltd.	1,155,232	1.99%	-	-	-	-	-	-	-
HUNG, CHIA-CHENG	1,125,381	1.94%	253,131	0.44%	-	-	-	-	-

Note : The data shown in the table is as of the book closure date on March 25, 2025. The paid-in share capital is 57,996,587 shares.

2.6 Ownership of Shares in Affiliated Enterprises

Unit: thousands shares/ %

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors, Supervisors, Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
WORLD EXTEND HOLDING INC.	18,333	100.00	-	-	18,333	100.00
GREATSUPER TECHNOLOGY LIMITED	-	-	28	100.00	28	100.00
LUMINOUS HOLDING INCORPORATED	-	-	3,250	100.00	3,250	100.00
TITAN LIGHTING CO., LTD.	-	-	-	100.00	-	100.00
ZHONGSHAN TONS LIGHTING CO., LTD.	-	-	-	100.00	-	100.00
SHANGHAI TONS LIGHTOLOGY CO., LTD.	-	-	-	100.00	-	100.00
HONG-BO INVESTMENT CO., LTD.	100	100.00	-	-	100	100.00
STRONGLIGHTED LIGHTING SYSTEMS (CAYMAN) CO., LTD.	37,010	100.00	-	-	37,010	100.00
MENTALITY INTERNATIONAL CORP.	-	-	8,872	100.00	8,872	100.00
STRONGLIGHTED LIGHTING SYSTEMS (SUZHOU) CO., LTD.	-	-	-	100.00	-	100.00
SHANGHAI GRANG CANYON LED LIGHTING SYSTEMS CO., LTD.	-	-	-	100.00	-	100.00

III. Capital Overview

3.1 Capital and Shares

3.1.1 Source of Capital

A. Issued Shares

As of 04/30/2025, Unit: thousand shares, NT\$ thousands

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (NT\$ thousands)	Shares	Amount (NT\$ thousands)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
08/1992	1,000	5	5,000	5	5,000	Establishment	-	Note1
12/2000	1,000	20	20,000	20	20,000	Increase in 15 thousand shares by cash	-	Note2
09/2006	10	10,000	100,000	10,000	100,000	Increase in 8,000 thousand shares by cash	-	Note3
12/2006	20	14,000	140,000	14,000	140,000	Increase in 4,000 thousand shares by cash	-	Note4
06/2007	35	15,000	150,000	15,000	150,000	Increase in 1,000 thousand shares by cash	-	Note5
08/2007	75	18,000	180,000	18,000	180,000	Increase in 3,000 thousand shares by cash	-	Note6
11/2007	30	24,000	240,000	19,000	190,000	Increase in 1,000 thousand shares by cash	-	Note7
08/2008	10	24,000	240,000	21,950	219,500	Increase in 2,660 thousand shares by earnings and 290 thousand shares by employees' bonuses	-	Note8
10/2009	10 27.49	30,000	300,000	23,100	231,000	Increase in 1,097.5 thousand shares by earnings and 52.5 thousand shares by employees' bonuses	-	Note9
01/2011	63 23.5~23.9	30,000	300,000	25,597	255,968	Increase in 2,000 thousand shares by cash and 496.8 thousand shares by employee stock options	-	Note10
10/2011	10 27.18	50,000	500,000	27,205	272,050	Increase in 1,535.8 thousand shares by earnings and 72.4 thousand shares by employees' bonuses	-	Note11
01/2012	21.5~21.8	50,000	500,000	27,340	273,401	Increase in 135.1 thousand shares by employee stock options	-	Note12
05/2012	21.5~21.8	50,000	500,000	27,499	274,989	Increase in 158.8 thousand shares by employee stock options	-	Note13

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (NT\$ thousands)	Shares	Amount (NT\$ thousands)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
10/2012	10 28.62	50,000	500,000	29,218	292,183	Increase in 1,649.9 thousand shares by earnings and 69.5 thousand shares by employees' bonuses	-	Note14
11/2012	19.3~25.0	50,000	500,000	29,424	294,249	Increase in 206.5 thousand shares by employee stock options	-	Note15
04/2013	19.60	50,000	500,000	29,469	294,689	Increase in 44 thousand shares by employee stock options	-	Note16
06/2013	31	50,000	500,000	33,399	333,989	Increase in 3,930 thousand shares by cash	-	Note17
08/2013	10	50,000	500,000	35,167	351,670	Increase in 1,768.1 thousand shares by earnings	-	Note18
12/2013	22.9	50,000	500,000	35,187	351,868	Increase in 19.8 thousand shares by employee stock options	-	Note19
05/2014	22.9 29	50,000	500,000	35,246	352,456	Increase in 58.8 thousand shares by employee stock options	-	Note20
08/2014	10	50,000	500,000	36,303	363,029	Increase in 1,057.4 thousand shares by earnings	-	Note21
12/2014	21.2 26.9	50,000	500,000	36,698	366,979	Increase in 395 thousand shares by employee stock options	-	Note22
03/2015	21.2 26.9	50,000	500,000	36,748	367,479	Increase in 50 thousand shares by employee stock options	-	Note23
04/2015	21.2 26.9	50,000	500,000	36,961	369,609	Increase in 213 thousand shares by employee stock options	-	Note24
07/2015	10	50,000	500,000	38,070	380,698	Increase in 1,108.8 thousand shares by earnings	-	Note25
11/2015	24.9	50,000	500,000	38,138	381,378	Increase in 68 thousand shares by employee stock options	-	Note26
03/2016	24.9 24	50,000	500,000	38,218	382,180	Increase in 80.25 thousand shares by employee stock options	-	Note27
08/2016	10	50,000	500,000	38,982	389,824	Increase in 764.36 thousand shares by earnings	-	Note28
11/2016	22.7 21.9	50,000	500,000	39,069	390,689	Increase in 86.5 thousand shares by employee stock options	-	Note29

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (NT\$ thousands)	Shares	Amount (NT\$ thousands)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
03/2017	22.7 21.9 23.8	50,000	500,000	39,418	394,176	Increase in 348.75 thousand shares by employee stock options	-	Note30
08/2017	10	50,000	500,000	39,812	398,118	Increase in 394.18 thousand shares by earnings	-	Note31
03/2018	21.7	50,000	500,000	39,895	398,948	Increase in 83 thousand shares by employee stock options	-	Note32
01/2019	20.5	50,000	500,000	39,963	399,628	Increase in 68 thousand shares by employee stock options	-	Note33
03/2019	20.5	50,000	500,000	40,041	400,408	Increase in 78 thousand shares by employee stock options	-	Note34
11/2019	19 27.8	50,000	500,000	40,125	401,253	Increase in 84.5 thousand shares by employee stock options	-	Note35
03/2020	19 27.8	50,000	500,000	40,253	402,533	Increase in 128 thousand shares by employee stock options	-	Note36
08/2020	-	50,000	500,000	39,653	396,533	Decrease in 600 thousand shares by the cancellation of stock repurchase	-	Note37
11/2020	25.7	50,000	500,000	39,672	396,723	Increase in 19 thousand shares by employee stock options	-	Note38
03/2021	25.7	50,000	500,000	39,961	399,615	Increase in 289.25 thousand shares by employee stock options	-	Note39
08/2021	23.6	50,000	500,000	40,161	401,615	Increase in 2005 thousand shares by employee stock options	-	Note40
11/2021	23.6	50,000	500,000	40,203	402,030	Increase in 41.5 thousand shares by employee stock options	-	Note41

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (NT\$ thousands)	Shares	Amount (NT\$ thousands)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
03/2022	23.6	50,000	500,000	40,372	403,720	Increase in 169 thousand shares by employee stock options	-	Note42
05/2022	-	50,000	500,000	39,372	393,720	Decrease in 1,000 thousand shares by the cancellation of stock repurchase	-	Note43
01/2023	22.1	50,000	500,000	39,422	394,223	Increase in 50 thousand shares by employee stock options	-	Note44
03/2023	22.1	50,000	500,000	39,495	394,955	Increase in 73 thousand shares by employee stock options	-	Note45
12/2023	-	80,000	800,000	57,885	578,850	Increase in 18,390 thousand shares by stock swap	-	Note46
02/2024	20.9	80,000	800,000	57,997	579,966	Increase in 112 thousand shares by employee stock options	-	Note47
04/2025	-	80,000	800,000	57,497	574,966	Decrease in 500 thousand shares by the cancellation of stock repurchase	-	Note48

Note 1: The issuance of 5,000 shares with the par value of NT\$1,000 was approved by Reconstruction Department of Taiwan Provincial Government Order (81) Jian-San-Zi No. 332995 dated August 20, 1992. The par value was changed from NT\$1,000 to NT\$10 with the approval of Ministry of Economic Affairs Order Jing-Shou-Zhong-Zi No. 09532806890 dated September 11, 2006.

Note 2: The issuance of 15 thousand shares with the par value of NT\$1,000 was approved by Ministry of Economic Affairs Order Jing-Shou-Zhong-Zi No. 89543100 dated December 15, 2000. The par value was changed from NT\$1,000 to NT\$10 with the approval of Ministry of Economic Affairs Order Jing-Shou-Zhong-Zi No. 09532806890 dated September 11, 2006.

Note 3: 20 thousand shares issued previously were changed to 2,000 thousand shares and the par value of NT\$1,000 was changed to NT\$10 with the approval of Ministry of Economic Affairs Order Jing-Shou-Zhong-Zi No. 09532806890 dated September 11, 2006. Plus the registration of the change in 8,000 thousand shares issued on September 11, 2006, the total number of common stock issued was 10,000 thousand with the par value of NT\$10 and the total paid-in capital of NT\$100,000 thousand.

Note 4: Approved by Ministry of Economic Affairs Order Jing-Shou-Zhong-Zi No. 09533276850 dated Dec. 12, 2006.

Note 5: Approved by Taipei City Government Fu-Jian-Shang-Zi No. 09686097700 dated June 27, 2007.

Note 6: Approved by Taipei City Government Fu-Jian-Shang-Zi No. 09688700200 dated August 28, 2007.

Note 7: Approved by Taipei City Government Fu-Chan-Ye-Shang-Zi No. 09691489300 dated November 8, 2007.

Note 8: Approved by Ministry of Economic Affairs Order Jing-Shou-Zhong-Zi No. 09732843240 dated August 12, 2008.

Note 9: Approved by Ministry of Economic Affairs Order Jing-Shou-Zhong-Zi No. 09833261900 dated Oct. 15, 2009.

Note 10: Approved by New Taipei City Order Bei-Fu-Jing-Deng-Zi No. 1005000963 dated January 21, 2011.

Note 11: Approved by New Taipei City Order Bei-Fu-Jing-Deng-Zi No. 1005064754 dated October 14, 2011.

Note 12: Approved by New Taipei City Order Bei-Fu-Jing-Deng-Zi No. 1015002252 dated January 12, 2012.

Note 13: Approved by New Taipei City Order Bei-Fu-Jing-Deng-Zi No. 1015029007 dated May 18, 2012.
Note 14: Approved by New Taipei City Order Bei-Fu-Jing-Deng-Zi No. 1015061849 dated October 1, 2012.
Note 15: Approved by New Taipei City Order Bei-Fu-Jing-Deng-Zi No. 1015074210 dated November 27, 2012.
Note 16: Approved by New Taipei City Order Bei-Fu-Jing-Deng-Zi No. 1025022702 dated April 23, 2013.
Note 17: Approved by New Taipei City Order Bei-Fu-Jing-Deng-Zi No. 1025038935 dated June 25, 2013.
Note 18: Approved by New Taipei City Order Bei-Fu-Jing-Deng-Zi No. 1025051230 dated August 15, 2013.
Note 19: Approved by New Taipei City Order Bei-Fu-Jing-Deng-Zi No. 1025079090 dated December 23, 2013.
Note 20: Approved by New Taipei City Order Bei-Fu-Jing-Deng-Zi No. 1035150087 dated May 19, 2014.
Note 21: Approved by New Taipei City Order Bei-Fu-Jing-Deng-Zi No. 1035171410 dated August 12, 2014.
Note 22: Approved by New Taipei City Order Bei-Fu-Jing-Deng-Zi No. 1035201178 dated December 12, 2014.
Note 23: Approved by New Taipei City Order Xin-Bei-Fu-Jing-Deng-Zi No. 1045134519 dated March 16, 2015.
Note 24: Approved by New Taipei City Order Xin-Bei-Fu-Jing-Deng-Zi No. 1045144890 dated April 29, 2015.
Note 25: Approved by New Taipei City Order Xin-Bei-Fu-Jing-Deng-Zi No. 1045167748 dated July 31, 2015.
Note 26: Approved by New Taipei City Order Xin-Bei-Fu-Jing-Deng-Zi No. 1045195683 dated November 24, 2015.
Note 27: Approved by New Taipei City Order Xin-Bei-Fu-Jing-Deng-Zi No. 1055151272 dated March 31, 2016.
Note 28: Approved by New Taipei City Order Xin-Bei-Fu-Jing-Deng-Zi No. 1055302995 dated August 16, 2016.
Note 29: Approved by New Taipei City Order Xin-Bei-Fu-Jing-Deng-Zi No. 1055325642 dated November 24, 2016.
Note 30: Approved by New Taipei City Order Xin-Bei-Fu-Jing-Deng-Zi No. 1068015582 dated March 17, 2017.
Note 31: Approved by New Taipei City Order Xin-Bei-Fu-Jing-Deng-Zi No. 1068049364 dated August 04, 2017.
Note 32: Approved by New Taipei City Order Xin-Bei-Fu-Jing-Deng-Zi No. 1078016307 dated March 20, 2018.
Note 33: Approved by New Taipei City Order Xin-Bei-Fu-Jing-Deng-Zi No. 1088001976 dated January 11, 2019.
Note 34: Approved by New Taipei City Order Xin-Bei-Fu-Jing-Deng-Zi No. 1088018188 dated March 25, 2019.
Note 35: Approved by New Taipei City Order Xin-Bei-Fu-Jing-Deng-Zi No. 1088078734 dated November 26, 2019.
Note 36: Approved by New Taipei City Order Xin-Bei-Fu-Jing-Deng-Zi No. 1098018921 dated March 30, 2020.
Note 37: Approved by New Taipei City Order Xin-Bei-Fu-Jing-Deng-Zi No. 1098057961 dated August 27, 2020.
Note 38: Approved by New Taipei City Order Xin-Bei-Fu-Jing-Deng-Zi No. 1098083442 dated November 24, 2020.
Note 39: Approved by New Taipei City Order Xin-Bei-Fu-Jing-Deng-Zi No. 1108018112 dated March 22, 2021.
Note 40: Approved by New Taipei City Order Xin-Bei-Fu-Jing-Deng-Zi No. 1108058495 dated August 23, 2021.
Note 41: Approved by New Taipei City Order Xin-Bei-Fu-Jing-Deng-Zi No. 1108082509 dated November 19, 2021.
Note 42: Approved by New Taipei City Order Xin-Bei-Fu-Jing-Deng-Zi No. 1118019905 dated March 22, 2022.
Note 43: Approved by New Taipei City Order Xin-Bei-Fu-Jing-Deng-Zi No. 1118032812 dated May 11, 2022.
Note 44: Approved by New Taipei City Order Xin-Bei-Fu-Jing-Deng-Zi No. 1128003410 dated January 16, 2023.
Note 45: Approved by New Taipei City Order Xin-Bei-Fu-Jing-Deng-Zi No. 1128016438 dated March 15, 2023.
Note 46: Approved by Ministry of Economic Affairs Jin-So-Shan-Zi No. 11230229180 dated December 26, 2023.
Note 47: Approved by Ministry of Economic Affairs Jin-So-Shan-Zi No. 11330006280 dated February 07, 2024.
Note 48: The Board of Directors approved the cancellation of 500 thousand treasury shares on April 9, 2025. The base date for capital reduction is April 21, 2025. The application for a change in paid-in capital is in process.

B. Type of Stock

As of 03/25/2025

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Common Shares	57,996,587	22,003,413	80,000,000	Shares of GTSM listed companies

C. Information for Shelf Registration

None

3.1.2 List of Major Shareholders

As of 03/25/2025

Shareholder's Name	Shares	Percentage
TANG,SHIH-CHUAN	3,535,633	6.10%
CHANG, CHIA-JUI	2,906,976	5.01%
PEI-CHEN Investment Co.	2,906,976	5.01%
Chengmin Investment Corp.	1,950,182	3.36%
YU, HUI-CHEN	1,693,106	2.92%
TANG, CHENG-HAN	1,665,987	2.87%
TANG, YUN	1,564,631	2.70%
TANG, MIN	1,563,468	2.70%
Bank SinoPac is entrusted with the investment account of Chong-Fu Investment Co., Ltd.	1,155,232	1.99%
HUNG, CHIA-CHENG	1,125,381	1.94%

3.1.3 Dividend Policy and Implementation Status

A. Dividend Policy

1. Dividend Policy set up in the Company's Articles of Incorporation

Any remaining balance of annual net income shall be appropriated in the following order:

- (1) Offset the deficit.
- (2) Set aside 10% of any remaining balance for legal reserve and set aside or reverse special reserve based on needs.
- (3) The remaining balance plus the undistributed earnings of last year is the distributable earnings. The Board of Directors proposes a distribution of earnings in the shareholders' meeting to decide whether to distribute or retain.

The industry that the Company engaged in is growing. In consideration of the current and future development plans, investment environment, capital needs, and domestic and international competition; also, taking into account the interests of shareholders, balanced dividends, and the Company's long-term financial planning, the earnings distribution is processed in conformity with the requirements stated in the preceding paragraph; also, the distribution of shareholder dividend shall not be

less than 50% of the accumulated distributable earnings. Cash dividend shall not be less than 10% of the total shareholder dividend distributed. However, the Board of Directors may have the said distribution ratio adjusted according to the overall business operation with a resolution reached in the shareholders' meeting.

The Board of Directors of the Company may distribute all or partial of the distributable dividends or bonuses, additional paid-in capital or legal reserve in cash approach under resolution made by more than half of the attended Board members (under circumstances that more than two thirds of the total Board members attend), and such resolution shall be reported at the Annual Shareholders Meeting. The regulations of the preceding Paragraph shall not apply.

B. Proposed Distribution of Dividend

	Unit: NT\$
Net income – 2024	\$223,714
Add: Retained earnings adjusted amount - 2024	729,000
Less: 10% legal reserve	(95,271)
Add: special reserve	48,603,884
Distributable amount - 2024	\$49,461,327
Add: Unappropriated earnings - beginning	40,062,461
Accumulated distributable amount - 2024	\$89,523,788
Distributions:	
Shareholder dividend - Cash	45,510,870
Unappropriated earnings - ending	\$44,012,918
Remark: Cash dividend: NT\$0.80 per share	

Note 1: The adjustment made to retained earnings for an amount of NT\$729,000 in 2024 was due to the remeasurement of defined benefit plans.

Note 2: The reversal of a special reserve for this period was NT\$48,603,884, which was the difference between the number of special reserves already appropriated and the net deductions of other rights.

Note 3: On February 27, 2025, the Board of Directors resolved to distribute cash dividends at NT\$0.80 per share.

Note 4: The cash dividend per share was calculated in accordance with the outstanding 56,888,587 shares on February 27, 2025.

C. Additional Descriptions Provided for Any Expected Major Changes to Dividends Policies

None

3.1.4 Employees' and Directors' Remuneration

A. Information Relating to Employees' and Directors' Remuneration in the Articles of Incorporation

According to Article 23-1 of the Company's Articles of Incorporation:

A company shall distribute 5%~15% of profits of the current year as employees' compensation and up to 2.5% as the compensation for directors. However, the company's accumulated losses shall have been covered.

A company may, by a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation distributed in the form of shares or in cash; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

Qualification requirements of employees, including the employees of subsidiaries of the company meeting certain specific requirements, entitled to receive shares or cash, may be set up by the Board of Directors.

The foregoing profit shall refer to pre-tax benefits before deducting compensation for employees, directors and shall be distributed all at a time.

B. The Estimated Basis for Calculating the Employee Bonus and Directors' Remuneration

The estimated amount of compensation for employees and directors is based on the current pre-tax net profit using the percentage specified in the Company's Articles of Incorporation and shall be recognized as operating expenses. If there is a difference between the actual amount of compensation paid and the estimated amount, the change in the accounting estimate occurs and shall be recognized as the next year's profit or loss.

C. Profit Distribution for Employee Bonus and Directors' Remuneration for Approved in Board of Directors Meeting

(a) Recommended Distribution of Employees' and Directors' Remuneration:

The proposal for the distribution of the 2024 compensation for employees and directors was approved by the Board of Directors on February 27, 2025. The compensation distributed to employees and directors is as follows:

Unit: NT\$

Distributed to	Amount of Distribution Resolved by the Board of Directors (A)	Estimate Recognized as Expense (B)	Difference (A)-(B)	Reason for Difference and Handling
Employees	407,000	407,000	0	N/A
Directors	65,000	65,000	0	N/A

(b) Ratio of Recommended Employee Stock Remuneration to Capitalization of Earnings:

The employees' compensation not distributed in the form of shares was distributed in the form of cash at the amount of NT\$ 407,000.

D. Information of 2023 Earnings Set Aside for Employee Bonus and Directors' Remuneration:

There was no difference between the actual amount of the 2023 compensation distributed to employees and directors and the estimate.

(a) Compensation distributed to employees: NT\$ 7,255,000.

(b) Compensation distributed to directors: NT\$ 1,208,000.

3.1.5 Buyback of Treasury Stock

A. Completed

As of 04/30/2025

Terms	Second term	Fourth term
Purposes	Distribution to employees	Maintenance of the Company's credibility and shareholders' equity
Period of Repurchase	Mar. 3, 2020 to Apr. 21, 2020	Jan. 21, 2025 to Feb. 26, 2025
Range of Price of Repurchase	25-35 NTD per share. However, the Company may continue repurchasing stock even if the stock price of the Company is below the lowest price specified for the range of price of repurchase	18-28 NTD per share. However, the Company may continue repurchasing stock even if the stock price of the Company is below the lowest price specified for the range of price of repurchase
Types and Quantity of Repurchased Stock	1,000,000 shares of common stock	608,000 shares of common stock
Amount of Repurchased Stock	28,744,269 NTD	15,321,256 NTD
Quantity of Cancelled and Transferred Stock	500,000 shares(Transferred)	-
Accrued Quantity of the Company's Stock Held	500,000 shares	1,108,000 shares
Percentage of Accrued Quantity of the Company's Stock Held to the Total Quantity of Issued Stock (%)	0.86%	1.91%

B. Ongoing

As of 04/30/2025

Terms	Fifth term
Purposes	Distribution to employees
Types of Repurchased Stock	common stock
Ceiling on Repurchased Stock	NT\$ 1,009,025 thousand
Scheduled Period of Repurchase	Apr. 16, 2025 to Jun. 15, 2025
Quantity of Scheduled Repurchase	500,000 shares
Range of Price of Repurchase	15-25 NTD per share. However, the Company may continue repurchasing stock even if the stock price of the Company is below the lowest price specified for the range of price of repurchase
Type and Quantity of Repurchased Stock	200,000 shares of common stock
Amount of Repurchased Stock	4,506,556 NTD
Ratio of Repurchased Stock to Scheduled Repurchase (%)	40.00%

3.2 Bonds

None

3.3 Global Depository Receipts

None

3.4 Employee Stock Options

3.4.1 Issuance of Employee Stock Options

As of 04/30/2025, Unit: NT, Share, %

Type of Stock Option	7 th Tranche	8 th Tranche
Approval date	09.07,2022	12.04,2024
Issue date	10.31,2022	12.23,2024
Units issued	600,000	600,000
Shares of stock options to be issued as a percentage of outstanding shares(Note 1)	1.03%	1.03%
Duration	5 years	5 years
Conversion measures	Issuance of new shares	Issuance of new shares
Conditional conversion periods and percentages	50% over 2 years	50% over 2 years
	75% over 3 years	75% over 3 years
	100% over 4 years	100% over 4 years
Converted shares	0	0
Exercised amount	0	0
Number of shares yet to be converted	538,950	548,000
Adjusted exercise price for those who have yet to exercise their rights	26.8	22.70
Unexercised shares as a percentage of total issued shares(Note 2)	0.93%	0.94%

Type of Stock Option	7 th Tranche	8 th Tranche
Impact on possible dilution of shareholdings (Note 3)	If 100% employee stock options are converted, the share capital will increase NT\$5,390 thousand with the equity dilution rate of 0.92%. According to grant conditions, the employee stock option certificate was executed by batch over 2~5 years from the date of grant, which had no significant or immediate impact on shareholders' equity.	If 100% employee stock options are converted, the share capital will increase NT\$5,480 thousand with the equity dilution rate of 0.94%. According to grant conditions, the employee stock option certificate was executed by batch over 2~5 years from the date of grant, which had no significant or immediate impact on shareholders' equity.
<p>Note 1 : Each unit may subscribe 1 share of common stock; refer to the percentage of shares originally granted to total issued shares as of the date of publication.</p> <p>Note 2 : Refer to the percentage of unexercised shares to total issued shares as of the date of publication</p> <p>Note 3 : The dilution rate of shareholders' equity is calculated as follows: (Number of shares increased after the exercise of all employee stock options) ÷ (Number of total issued shares before conversion + Number of shares increased after the exercise of all employee stock options).</p>		

3.4.2 List of Executives Receiving Employee Stock Options and the Top Ten Employees with Stock Options

As of 04/30/2025, Unit: NT\$, Share, %

	Title	Name	No. of Stock Options	Stock Options as a Percentage of Shares Issued	Exercised				Unexercised			
					No. of Shares Converted	Strike Price	Amount	Converted Shares as a Percentage of Shares Issued	No. of Shares Converted	Strike Price	Amount	Converted Shares as a Percentage of Shares Issued
Executives	General Manager	HUNG, CHIA-CHENG	546,000	0.94%	0		0	0%	233,000	26.80	6,244,40	0.80%
	Senior Vice General Manager	HU, CHEN-KUANG							233,000	22.70	5,289,100	
	Vice General Manager	WANG, CHIH-YUAN										
	Assistant Vice President	CHAN, YI-CHEN										
	Assistant Vice President	HUNG, YAO-YANG										
	Assistant Vice President	KUO, CHING-HSING										
	Assistant Vice President	KUO, CHUNG-TSU										
	Assistant Vice President	CHANG CHUNG-WEI										

	Title	Name	No. of Stock Options	Stock Options as a Percentage of Shares Issued	Exercised				Unexercised			
					No. of Shares Converted	Strike Price	Amount	Converted Shares as a Percentage of Shares Issued	No. of Shares Converted	Strike Price	Amount	Converted Shares as a Percentage of Shares Issued
Top Ten Employees	Manager	CHANG, HUNG-YU	342,000	0.59%	0		0	0%	176,000	26.80	4,716,800	0.59%
	Manager	LEE, CHING-WEN							166,000	22.70	3,768,200	
	Manager	YANG, JENG-REN										
	Manager	LEE, CHING-KUN										
	Manager	LAI, YEN-ZI										
	Manager	LIN, CHING-WEI										
	Manager	CHEN, PO-CHOU										
	Assistant Manager	CHIEN, JENG-DAN										
	Assistant Manager	CHEN, JIAN-HAO										
	Special Assistant	YU, HUI-CHEN										

3.4.3 Issuance of New Restricted Employee Shares

None

3.4.4 List of Executives Receiving New Restricted Employee Shares and the Top Ten Employees with New Restricted Employee Shares

None

3.5 Status of New Shares Issuance in Connection with Mergers and Acquisitions

None

3.6 Financing Plans and Implementation

3.6.1 Finance Plans

A. For each uncompleted public issue or private placement of securities, and for such issues and placements that were completed in the most recent three years but have not yet fully yielded the planned benefits.

None

B. Source of funds

None

3.6.2 Implementation

None

IV. Operational Highlights

4.1 Business Activities

4.1.1 Business Scope

A. Main areas of business operations

- 1.CC01030 Electrical appliances and audio-visual electronic products manufacturing business
- 2.CC01040 Lighting equipment manufacturing business
- 3.CC01080 Electronic components manufacturing business
- 4.CH01010 Sporting goods manufacturing business
- 5.F106010 Hardware wholesale business
- 6.F106030 Mold wholesale business
- 7.F109070 Cultural, educational, musical instruments, and recreational supplies wholesale business
- 8.F113020 Electrical appliances wholesale business
- 9.F119010 Electronic materials wholesale business
- 10.F206010 Hardware retail business
- 11.F209060 Cultural, educational, musical instruments, and recreational supplies retail business
- 12.F213010 Electric appliances retail business
- 13.F219010 Electronic materials retail business
- 14.F401010 International trade business
- 15.E601010 Electric Appliance Construction
- 16.ZZ99999 In addition to the chartered business, the business not-prohibited or not-restricted by law is also permitted for operation

B. Revenue distribution

Unit ; NT\$ thousands

Major Divisions	Total Sales in Year 2024	(%) of Total Sales
Lighting and parts	1,216,401	100%

C. Main products

The Company specializes in designing and manufacturing commercial lighting. Main products are high-efficient commercial lighting and are divided into the following categories based on different sources of light:

- a. Light-emitting diode (LED) lighting
- b. High-intensity discharge (HID) lighting
- c. Fluorescent lighting
- d. Halogen lighting

The above products are extensively applied to indoor and outdoor space and retail display.

D. New products development

In the future, the Company will focus on research and development of a variety of new sources of light and intend to design and manufacture lighting that best displays every source of light. The Company currently plans to develop the following new products:

- A. HT-121 with new version HT-1C1 developed
- B. 24V TU track new hidden power plug TU-2C3
- C. High voltage single circuit hidden track power plug series HT-3C6 series
- D. Track curved tube projection light development SA-2870B
- E. Showcase Cabinet Light CA-531A
- F. Anti-glare translucent panel recessed light/ceiling light WG-606FST series
- G. Ø 68 opening GU10 recessed light DH-802A
- H. SA-1860 Series Upgraded Zoom Series
- I. Small size Bollard lamp for home use OLG-244RST/ OLG-254RST
- J. OFA-207P Series Outdoor Projection Light Upgrade
- K. OBA-213R Series Outdoor Wall Light Upgrade
- L. Stainless steel outdoor in-Ground light ODA-613A-24V
- M. Outdoor small angle 3° projection light development
- N. Mini Ground ultra-thin in-Ground lamp development
- O. OLG-304R Round Floodlight Wall Light/ Courtyard Light
- P. Outdoor white light wall grazer high even underground lamp family series
- Q. Outdoor color light wall grazer high even and horizontal power control underground lamp family series
- R. Outdoor 75~150W high power projection light series
- S. Outdoor 48V serial connection linear lamp series
- T. Outdoor courtyard simple DMX synchronous control product
- U. Outdoor small angle projection light series
- V. Outdoor 100 lm/w high efficiency projection light series
- W. Outdoor Pole Projection Light

4.1.2 Industry Overview

A. Current Status and Future Development of Lighting Industry

a. Trends of Lighting

According to different lighting sources, the lighting fixtures can be divided into three major light source categories: thermal radiation illumination, gas discharge illumination, and spotlight electronic radiation illumination. The lighting source of products of the Company mainly includes thermal radiation illuminated incandescent light bulbs and halogen lamps, low-intensity discharged illuminated fluorescent lamps, high-intensity discharged illuminated HID lights, and electronic radiation illuminated LED lighting, etc. The overall lighting industry has been innovated with LED lighting in recent years, as well as the implementation of national governments' energy-saving and environmental protection policies, the importance of diverse lighting applications has been gradually changed.

Due to the poor luminous efficiency of incandescent light bulbs and most of the power consumption is released in the form of thermal energy, only few portion of the power is generated for illumination. Because of the relatively low luminous efficiency and coupled with the greenhouse effect and excessive energy consumption, people's awareness of environmental protection and energy conservation has been rising. Incandescent light bulbs products are being discarded actively by governments around the globe. The EU, Japan, Canada, Taiwan and India have banned such products since 2012. The mainland China is planning to fully ban them in 10 years from 2008 and use energy-efficient lighting to achieve the goal of avoiding over-consumption of energy and reducing greenhouse gas emissions. With the implementation of government policies worldwide, the market share of incandescent lamps in the lighting market will be significantly reduced, and will eventually be withdraw from the market.

Low-intensity discharged illuminated lamps such as fluorescent lamps T5 and T8, and those commonly known as CFLs, have been getting more attention from general public as the concept of energy saving and power efficiency are growing. The efficiency and production costs of fluorescent lamps and CFLs are being gradually improved and reduced, respectively. Commercial applications have been expanded to household lighting, which has a lower cost than other lighting sources and quickly replaces conventional lighting sources such as halogen lamps. Market shares of these kinds of products are getting larger as well.

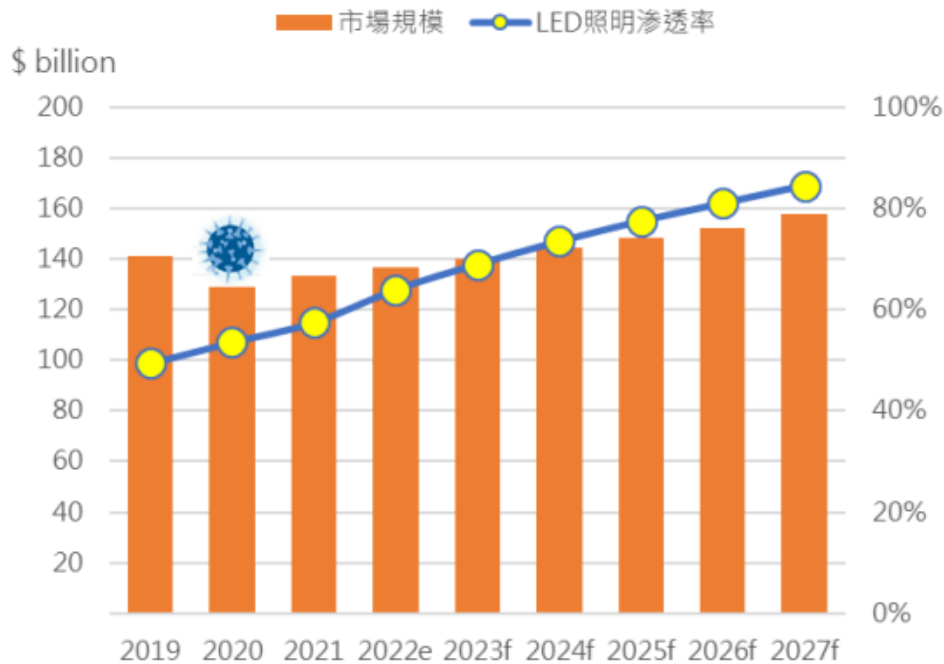
LED lighting is regarded as the illumination source of the century; it has advantages such as smaller sizes, lower energy consumption, longer durability,

easier controllability and better shock resistance. Almost every manufacturer is actively involved in the R&D of LED lighting, therefore the obstacles of luminous efficiency, and mechanical structure components, heat dissipation and electrical technology are being gradually overcome. In addition, with the continuous decline of LED costs, the product application field is rapidly expanded from mobile phone backlight, outdoor indicator light, small and medium sized backlight module, NB backlight module and LED TV to lighting. LED manufacturers and conventional lighting manufacturers also have entered into the LED lighting industry with their own professional technologies and different product development strategies.

b. Summary of LED Lighting Market

In 2011, the total value of LED lighting market reached 6.1 billion USD, accounting for about 5% of the global market penetration rate. The market share of LED lighting was minor and in 2011, the prices of LED lighting products were still relatively expensive which made consumers have little interest, so there was no significant growth momentum or market penetration rate improved. Since 2012, the policies by governments worldwide started to ban the usage of incandescent light bulbs. In terms of product prices, prices of LED had been declining and the luminous efficiency had been improved in recent years. The continuous improvement enabled LED products to enter into the lighting market. However, due to the prices were still at relatively high level, the uniformed industrial standards remained undetermined, and the technical problems of lighting types, durability and reliability not yet to be overcome, the value of LED lighting market was only about 6.07 billion USD. Despite that, in recent years, thanks to the continuous decline in LED prices and governmental policy support, the LED lighting market continued to grow. In 2015, the value of LED lighting market reached about 40 billion USD, and the market penetration rate reached 28%. In 2016, the value of LED lighting market reached 48.7 billion USD with the market penetration rate at 33%. In 2017, the value of LED lighting market reached 58.1 billion USD, and the market penetration rate reached 38%. It reached market penetration rate at 53.6% in 2020. It is estimated by 2021 that the market access rate will reach 57.5% and even 79% by 2025 and 80% by 2027. The LED lighting market is growing at a much higher rate than the one of the global lighting market. Driven by the improvement of LED functionality, price decline and energy-efficient policies, the growth of the LED lighting market will continue to be improved in the future.

Analysis to Global Market Scale of LED Lighting



資料來源：工研院 IEK 及高工產研所

In terms of manufacturer dynamics, LED-related manufacturers or professional lighting fixture manufacturers are actively entering into the lighting application fields by utilizing various professional technologies, competitive advantages and types of LED lighting products to master the future LED lighting development trends and market opportunities. In terms of product types, they can be divided into two main categories, LED fixtures and LED lighting.

c. Summary of Markets of LED Fixtures and LED Lighting

The components of LED fixture products are mainly LED lighting sources, substrates, optical lenses, circuit control, lampshades, heat dissipation structures, metal body structures and mechanical structures for steering adjustment. The fixture manufacturers use components such as optical lenses and lampshades in an approach of secondary optical techniques to precisely present the requested lighting quality. The parameters such as lighting types, illumination angles and cut-off angles are set during product development, the illumination angle adjustment of fixtures is assisted by the steering mechanism, and the structure is embedded by special patented design approach which allows the device to be moved and used on tracks. By utilizing the preceding development and design processes of various products, lighting manufacturers can meet the lighting of different spaces which

have high-quality requirements for lighting effects and efficiency or those requiring diverse adjustment features of fixtures. The main products include spotlights, track lights, cabinet lighting, recessed luminaires, table lamps and yard lamps and other diversified LED fixture products.

Most of the manufacturers entering into LED lighting applications fields with their LED fixture products were originally engaged in the development and design of conventional fixture products. With experienced and mature secondary optical techniques, as well as features of better color rendering and smaller size, lower power consumption and longer durability, LED lighting products are surely superior to conventional one., Therefore, it is able to design lighting products suitable for various space and application fields, allowing full display of characteristics of LED lighting sources and the competitive advantages of professional lighting manufacturers. It is expected under the trend of new generation light sources, the Company can seize the LED lighting market opportunities by combining with its own product technology and familiarity with the downstream application market.



Source: Provided by the Company

The components of LED lighting are mainly LED chips, optical lenses, heat dissipating fins and bases. Manufacturers achieves the lighting pattern almost identical to the one generated by conventional lighting by utilizing the illumination characteristics of the LED chips and optical lenses. They also adopt the same bases as the conventional ones for replacing the conventional lighting sources without replacing the external structure of the fixtures. The main product types include A-lamp (bulb type), PAR lamp, MR-16 and FL (bar type).

Most of the manufacturers entering into LED lighting applications fields with their LED fixture products are those related to the LED industry. For example, to replace the conventional lighting sources with LED ones, Taiwan's LED packaging manufacturers like Lextar and EVERLIGHT are reducing the LED cost, lowering retail prices and achieving production advantages via mass production approach.

Types of LED Lighting

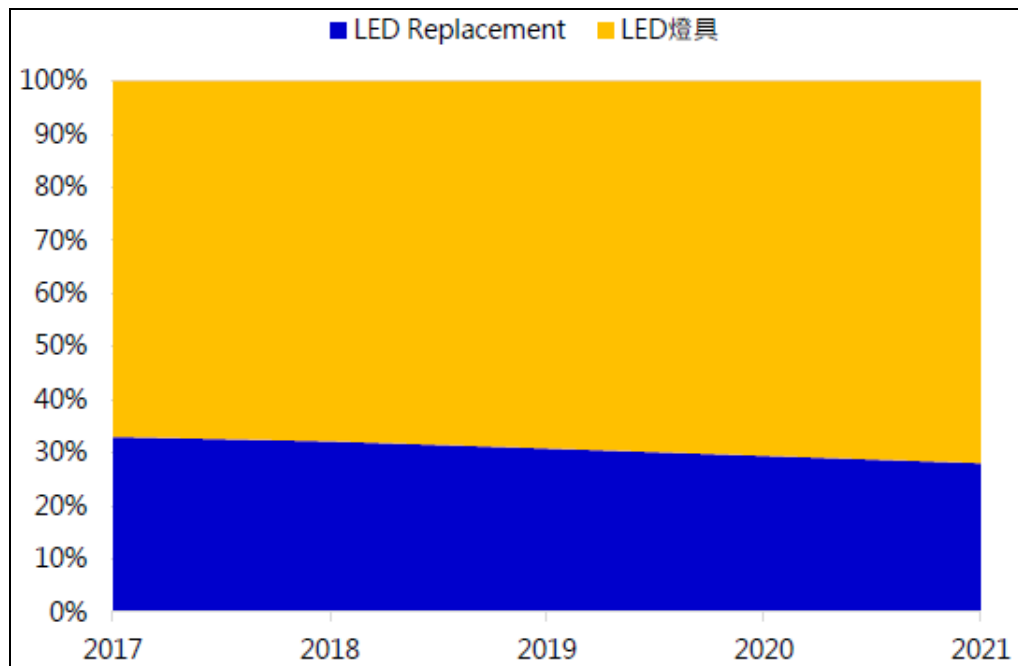


Source: IEK, March, 2011

In terms of changes of scales of markets of LED fixtures and LED lighting products, they are determined mainly by the user's sensitivity to prices and the prices of LED products. In addition to the basic lighting requirements, the requirements to LED lighting products are more rigorous in terms of lighting quality and effect. LED lighting products also have many functional design features which increase the added value of the products and reduce user's sensitivity to prices. Although until recently, the cost of LED lighting serving as the lighting source of fixtures remains at higher level than other lighting sources, the future market trend is in continuous and stable growth, and the timing of booming of market size will be earlier than the one of LED lighting source products.

LED lighting source products are mainly used to replace conventional ones. With the improvement of LED luminous efficiency and the rapid decrease of relevant cost, LED lighting source is being actively promoted by manufacturers. In the future, the cost is expected to be reduced at a stable pace, and will be at the same price level of conventional ones. Besides users of industrial or commercial applications, general price-sensitive consumers will also be willing to purchase and use LED lighting source products instead of conventional ones. Therefore, the market size is expected to increase significantly.

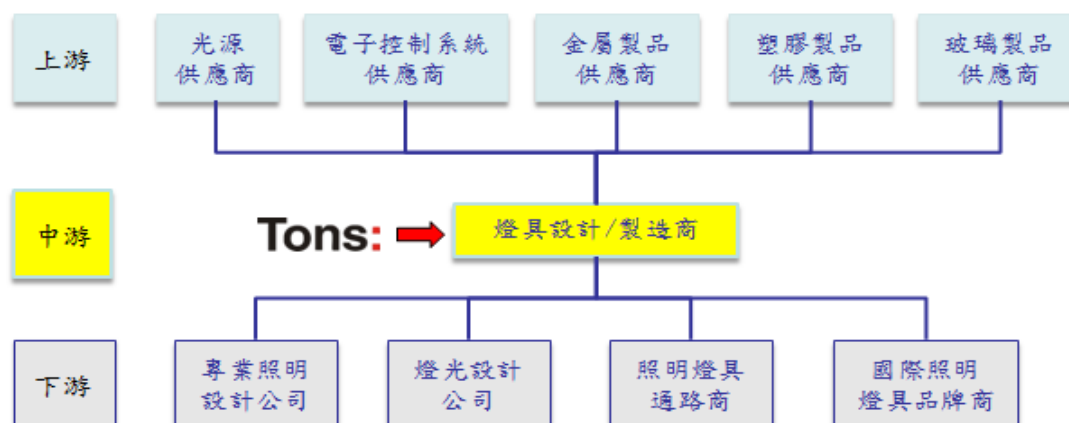
Market Scale of LED Fixtures and LED Lighting in Recent Years



Source: IEK

For the characteristics of the preceding two types of LED lighting products, there are differences in prices, lighting quality, product diversity and product development directions. Since the purpose of LED lighting source products is serving as an alternative and replacement of conventional ones, so the retail prices and the lighting quality must be at the same level of conventional ones. The product development approach is “high-mix low-volume” and could be applied to differences between products and relatively uniformed specifications. The LED lighting products mainly serve for professional lighting with better additional functions. The price would be increased due to increase of added values such as excellent lighting quality, craftsmanship, and diversified product functions. The product development approach is “high-mix low-volume” and the products are highly differentiated available for usage in different spaces. Therefore, under the differentiated product characteristics of the preceding products, the end application market will be segmented. It is expected that the future development of the LED lighting source products market will focus on the fields of general lighting application, and product development in the fields of commercial lighting for LED fixtures market. Although there are differences between LED fixtures and LED lighting source products in terms of product development and market application, in the future, joint expansion of coverage of the application fields by LED lighting in the overall lighting market is expected.

B. Relationship with Up-, Middle- and Downstream Companies



C. Product Trends

a. LED Lighting will Become the Mainstream Trend of the Future Lighting Industry

In recent years, the global energy demand has increased, crude oil prices have risen, and power generation costs have increased. The problem of depletion of global resources has gradually emerged, and carbon dioxide emissions have increased dramatically, leading to a series of greenhouse effects such as global temperature rising and extreme climates. In addition to energy consumption, global environmental protection and energy conservation issues are also derived from the preceding phenomenon. In view of the excessive use of energy resources, governments worldwide have actively promoted the use of renewable energy and energy-efficient policies, such as banning incandescent light bulbs and actively seeking other lighting sources to replace conventional ones. At the time of rising voices of global energy conservation and environmental protection, adjustment to habits of lighting for general people and commercial activities is required, thus affecting the future development trend of the lighting industry.

For the future development of the lighting industry, incandescent light bulbs will be gradually banned and replaced. High-efficiency lighting sources such as fluorescent lamps, CFLs and LEDs are rapidly becoming the mainstream. Since 2008, the annual market share of conventional light bulbs has declined by nearly 80% in total. It is estimated that the fluorescent lamps and CFLs will take most market share with the advantage of lower prices in 2015, where the market share will increase to 50% with the banning of incandescent light bulbs and the timing of fully banning coming near. However, in the future, LEDs will continue to grow in luminous efficiency and product prices will decline year by year due to the

improvement of technology. Since 2012, LED lighting has been rapidly growing, and the market share of CFLs has been taken away. LEDs have features of better color render, smaller size and lower power consumption and longer durability, making them rapidly adopted by consumers and become the mainstream trend in next-generation lighting applications.

b. LED Lighting will Lead the Rapid Growth of Commercial Lighting Applications

Lighting applications can be divided into general lighting, industrial and commercial lighting, public lighting and other lighting applications according to their use and location. General lighting is mainly applied in household areas, and the daily lighting time is the shortest, so the price sensitivity is the highest. Price will be the primary factor for determination of preference of general consumers. Products with lower prices such as incandescent light bulbs and halogen lamps take most of the market shares, followed by fluorescent lamps (LFL) and CFLs, etc. For industrial and commercial lighting applications such as manufacturing plants, public spaces and exterior appearance of buildings, commercial buildings and office spaces, etc., users are focusing on whether the lighting can achieve the improvement of lighting efficiency or the quality and effect of anticipated lighting design, longer lighting time, further reduce the price sensitivity. Public lighting is mainly for public facilities such as parks, bridges and road lighting, which are conducted mostly via project construction or bidding.

Since the penetration rate of LED lighting will be gradually increased in recent years, manufacturers of LED industry are generally expecting LED lighting will be quickly adopted in various lighting application fields under the trend of strong promotion by manufacturers and increasing consumer acceptance, as well as the government subsidy policy. Under the characteristics of different types of light sources commonly used in various application fields, the timing of significant growth of LED lighting in various application fields will also result in different trend changes.

The average lighting hours per day for industrial and commercial lighting can reach 18 hours. The recycling period of LED lighting is significantly reduced by three times compared with conventional ones. In the case of long-term lighting, the effect of energy-efficient features of LED lighting is remarkable. The cost of LED lighting can be rapidly covered, and the features of high color rendering, innovative design and enhancement to corporate image of LED will raise the willingness to usage by enterprises. Hence the timing of adopting LED lighting products in commercial lighting will be significantly moved forward. The market share of LED products will be increased significantly in the future. The penetration rate of LED applications will also be rapidly increased so the timing of adopting LED lighting

by commercial lighting applications will be earlier than the one of industrial lighting. In terms of the overall LED lighting market, commercial and industrial lighting account for the largest market share, and will become the most important application market for LED lighting products.

D. Competition

With the rapid development of LED lighting, the original manufacturers of the lighting industry, such as Panasonic, Acuity Brands, Philips, Cooper, Zumtobel and other leading manufacturers have entered into the development and application of LED fixtures. In addition, the Company had entered into development and manufacturing of LED lighting applications in 2004, and was one of the first to use LED lighting source to develop professional lighting fixtures. The Company's R&D and product development processes according to the characteristics of LED lighting source as the optical design basis of lamps are ahead of the one of others. With solid product development capabilities, OEM and ODM orders of LED fixtures from the preceding leading manufacturers are acquired by the Company, which is a symbol of wide recognition by clients and other companies of the same trade to the Company's product competitiveness.

When comparing with domestic companies, Taiwan's LED product supply chains are comprehensive, but most of them are those of upper- and middle-stream companies of LED epitaxial and packaging. Its competitive advantage lies in the large-scale production and manufacturing of low-cost and retail price. Many other manufacturers are entering into LED lighting source product development to seize market opportunity of replacing conventional lighting sources with LED ones. Their products are mostly the lighting source types which are different from the ones of the Company, and are focusing on the design and development of professional lighting fixtures. In contrast, the Company has been operating in such field of lighting for a long period of time and has accumulated sufficient experience. Its product R&D and development strength have been recognized by international manufacturers. At present, the revenue of LED lighting fixture products has reached nearly the level of 65%. The revenue volume has reached 1 billion NTD since 2010. All these are indicating that the Company is at the industrial leading position with its LED lighting fixture product development capability and revenue volume.

4.1.3 Research and Development

A. Technical Levels and R&D of the Currently Operated Business

The design and integration of fixture systems requires interdisciplinary cooperation between fields such as optics, thermals, electronics, mechanical structure and industrial design. A good fixture system design can not only meet the originally set lighting requirements, but also improve energy efficiency and reduce light pollution. The following texts will describe the technical levels and summary of the Company in various technical fields

a. Optical

In general, higher luminance means higher energy consumption. In the lighting industry, since the lighting sources are relatively standardized products, when a general manufacturer obtains the standardized lighting source, it would conduct optical design for fixtures according to the optical parameters such as the beam angle and the cut-off angle set by the standards. For example, for the same LED lighting source, the Company will design a dedicated secondary optical reflectors and lenses for the LEDs by considering the feasibility of each angle, the overall appearance of the industrial design and the safety regulations. This is different from the standardized reflectors or lenses available on the market which are often unable to accurately and appropriately take into account the LED lighting characteristics of brands by different manufacturers. The Company's major secondary lighting optical reflectors have relatively accurate angles, and the features of angle application are relatively diverse, which can achieve illumination with a sense of full and richness and simultaneously process and adjust adequate lighting in a more delicate manner. For basic lighting, the patented high-efficiency optical diffusion technology can soften the lighting, and achieve high level of transmittance. The Company is also constantly developing new materials and optimizing the halo and efficiency. Because of the use of high-efficiency secondary optics and diffusion technology, when using the same LED to achieve the same lighting effect, fixtures manufactured by TONS can reduce the required number of LED fixtures, further achieving energy-efficient effect by reducing energy consumption and meet the needs of various applications.

b. Heat Dissipation Technology

For LED fixtures, effective heat dissipation is a major factor in maintaining the luminous efficiency and service life of products. For LED fixtures, the Company's self-developed diverse heat dissipation structure design, with continuous verification by laboratories with high reliability and validity, it is able

to according to reach economically efficient components and mitigation of potential risks which may occur during long-term non-stop operation by maintaining the temperature at a sufficient safety factor according to characteristics of different series of lighting fixtures products.

c. Electronic Drive and Circuit Design

The supply of the Company's major lighting source drive products is outsourced, but the Company also has the ability to develop on its own. For special applications and niche markets, when the general solution is not available on the market, the Company can develop on its own and provide clients with more options. For the overall system design, due to multiple factors such as specifications, cost, safety, etc., it is often necessary to carry out special circuit design on the ballast and the substrate, and the professional circuit design is not available to the conventional fixtures manufacturers. With professional capacity, the Company can gain more control over the verification and specification requirements of purchased parts.

In addition, the media architectural animation solution is based on an independently developed integrated control system that integrates the DC drive circuit and the DMX512 protocol decoding module in-depth to achieve precise driving of the LED chip while ensuring high synchronization and color consistency of dynamic images. In terms of the needs for medium and low power media applications, the core control circuit and LED light panel are modularly integrated to effectively reduce the product volume and enable small-size modules supporting high-density installation on building facades. The modular design not only simplifies the on-site installation process, but also supports the integration with the building curtain wall structure in-depth and is compatible with a variety of materials such as glass and metal. This solution has been successfully applied to many large-scale media construction projects. While ensuring the animation fluency meets professional standards, it helps reduce system complexity and form a solution that combines technological leadership and engineering practicality.

d. Mechanical Structure and Industrial Design

The Company has been manufacturing LED fixtures since 2004. Therefore, one can say that the Company has mastered the characteristics and technology of LED fixtures. The Company is also a conventional lighting company. Despite its revolutionary innovation of lighting technology, there is merely any change to lighting applications. Therefore, the Company is aware of the application needs of the lighting market. In terms of mechanical structure and industrial design, the following key features are considered for design, and thus forming the

Company's product competitive advantages.

- (a) Function: Different basic functions of the Company's products are required for different applications.
- (b) Family: The Company has accumulated an experience of more than 20 years in the development of fixtures, allowing its products with comprehensive series, and products with similar styles and features are available for various applications in the same space.
- (c) User and Environmental Friendly: The Company's products are designed from the user and environmental perspectives and made of green lighting source and environmental friendly materials. These are the products with features of Eco-Friendly and User-Friendly concepts.
- (d) Fashion: The appearances and styles of the Company's products are clean and gorgeous which have been recognized by many international design awards and Taiwan Excellence Awards. These products can create a sense of fashion for the overall environment.

In addition, the waterproof technology of outdoor LED lamps is centered on the glue curing process. The Company independently develops a variety of waterproof structures and conducts rigorous simulation tests on different product waterproof levels, including IP waterproof certification, 60°C/95% RH high humidity storage and hot and cold shock experiments to ensure the long-term reliability of the product in harsh outdoor environments. The full-process environmental control is adopted for the production process, and the glue process is strictly controlled in terms of temperature and humidity parameters to ensure that the curing conditions of the potting glue are accurately controllable. Rely on the failure mode and effects analysis (FMEA) capabilities of China National Accreditation Service for Conformity Assessment (CNAS) to conduct in-depth research on the glue curing mechanism, and establish a standardized curing process flow through material property testing and process parameter optimization. This quality control system effectively prevents problems such as bubbles and uneven shrinkage in the glue layer, ensures the integrity of the sealing structure, and enhances the long-term stability of the waterproof performance from a material science perspective.

e. Control System

The multi-building landscape lighting connected control system is the mainstream in the outdoor lighting industry currently. The technical focus of the control system is on how to quickly and efficiently control multiple buildings with a smooth communication maintained. The single-building control systems in early days was with optical fiber transmission equipped to extend signals to

super-high floors in order to ensure signal integrity. However, if optical fiber transmission solutions are used for the control of multiple buildings now, installation cost will go up and adjustment difficulties will surface. Therefore, the key technology of the connected control system is on the communication between buildings. A normal communication between buildings is secured by going through the Internet, which also helps reduce the installation cost of fiber optic.

Interactive landscape lighting control systems are implemented in medium and small projects. The Company can provide signal access or development for a variety of sensors, including but not limited to infrared sensors, image sensors, laser scanning sensors, Kinect motion interception sensors, microphone sensors, temperature and humidity sensors, etc.; also, data connection can be arranged through the mainstream API interfaces of major platforms, such as the interface for obtaining central weather information or extracting flow of people recognition information through cloud computing. Perceptual information is combined with the designer's games or interactive effects to achieve not only traditional lighting functions, but also to enhance the interactivity between buildings and people. The increase in the playability of game interaction helps bring additional added-value and advertising revenue to customers.

In sum, the Company's current technical level in the field of LED lighting is at the internationally advanced level, and in the future it will also adhere to the business philosophy of technological innovation to continue investing in R&D for creating more quality products.

B. The R&D expenses of the most recent FY and as of the printing date of this Annual Report

Unit: NT\$ thousands

Item	2024	2025 (As of March 31)
Expenses	89,127	19,039
Revenue	1,216,401	225,597
(%)	7.33	8.44

C. Research and Development Achievements of the company in the Past Years

Year	Specific R&D Results
2024	<ol style="list-style-type: none"> 1. External adjustable outdoor in-Ground light OGA-256R series 2. Stainless steel outdoor in-Ground light OGA-601R-24V series 3. Indoor products 120lm/W system efficiency upgrade 4. Economical GU10 projection light HSP-370E / ceiling light WA-370E

Year	Specific R&D Results
	5. Economical and efficient track projection light SA-1860B series
	6. LIGHT S family extension: recessed lights / ceiling lights / pendant lights series
	7. ModFun A Modular Ceiling Light WA-562R Series
	8. Accent Lighting IP65 Recessed Light DA-136R Series
	9. Stainless steel outdoor ground light OMA-005R-24V series
	10. Outdoor 48V serial connection linear lamp series OLV-C01-24V
	11. Research and development of projection light SA-H series (8 designs in total, including design and engineering models)
	12. Research and development of Grazer LW even color grazer products (3 models)
	13. Research and development of 48V point-line-surface linear light strip series (3 types)
	14. Research and development of asymmetric grazer optical lenses
	15. Research and development of angle 3° PC projection light lens

4.1.4 Long-term and Short-term Development

A. Short-term Development

- a. Create a market segmentation and develop various product niches.
- b. Strengthen the product lines to offer the one-stop service that meets customers' needs.
- c. Control the market trend and provide custom products to meet customers' needs in different areas; develop a pricing strategy and create competitive advantages for the purpose of maximizing the profit.
- d. Install leading lab equipment and create the verifiable standards for quality of products.

B. Long-term Development

- a. Draft the product and manpower development plan to reserve the talents required for the business expansion and develop internationalized human resources.
- b. Form a strategic alliance with major international light source manufacturers to control the updated trend and develop products that meet the market need.
- c. Develop our own brand in a new market to separate from an existing OEM market.
- d. Uphold a people-oriented spirit and promote the green lighting based on the core technology.

4.2 Market and Sales Overview

4.2.1 Market Analysis

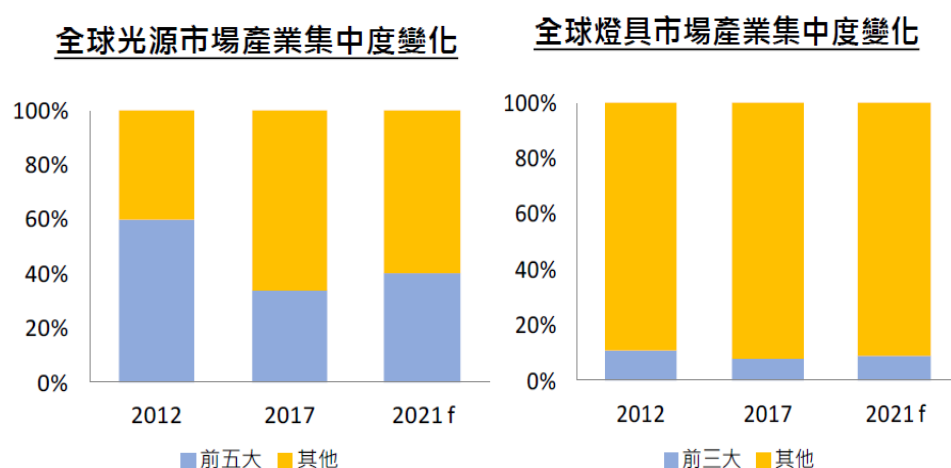
A. Sales (Service) Region

Area	2024	
	NT\$ thousands	%
Taiwan	70,233	5.77
Europe	459,096	37.74
Asia	634,129	52.14
Oceania	51,548	4.24
Other Area	1,395	0.11
Total	1,216,401	100.00

B. Market Share (%) of Major Product Categories

There are thousands of lighting manufacturers around the world selling different products in different areas; large multinational corporations are the leader in the market and enjoy economies of scale in terms of R&D, manufacturing, and channels of distribution; however, due to the diverse industrial characteristics of lighting, small manufacturers may occupy part of the market through product differentiation. According to HIS's statistics (2019/02), the top three manufacturers in the lighting market in 2021 will be under 10% of the market share. Due to a variety of products and the industrial characteristics of lighting, it is not suitable to measure the Company's position in the market using the market share.

Market Shares of Lighting and Lamps Manufacturers



Sources: IHS; IEK (Feb. 2019)

C. Future Supply and Demand and Growth of Market

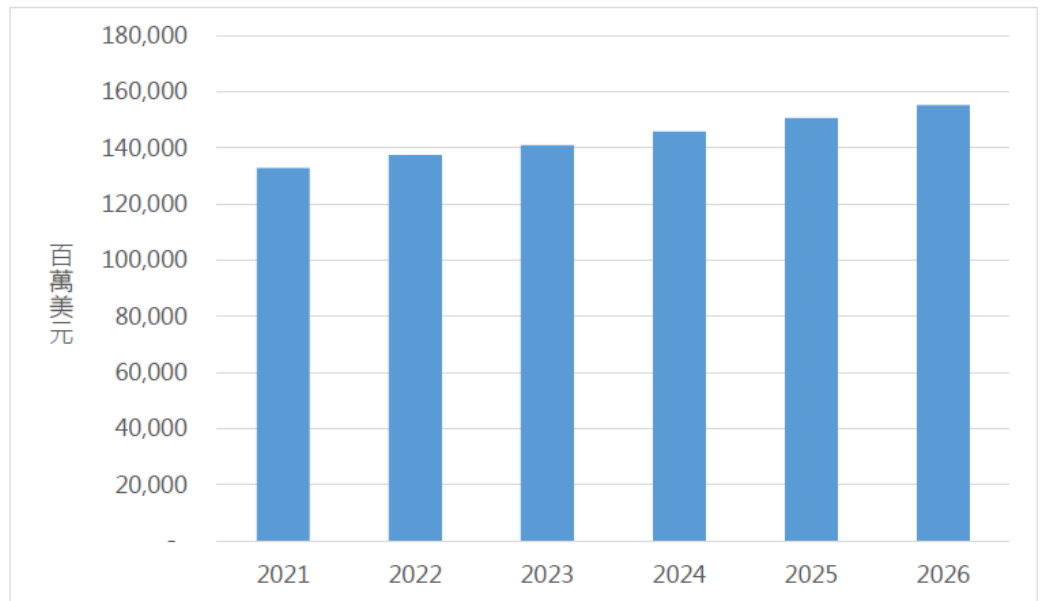
The foundation of the global lighting market is rather stable and sudden explosive growth is unlikely to take place. Its development is mainly affected by factors such as

overall economic growth, the prosperity of construction and of the automobile industries. In recent years, the sales value of the global lighting market has shown a steady growth trend, and the growth momentum has gradually increased, thanks to the economic growth of emerging countries, the active development of infrastructure, and the demand for lighting products; on the other hand, due to the depletion of global energy supply, along with technological innovation and environmental protection concepts, consumers' consumption preferences have changed. Energy-efficient and high-efficiency lighting have gradually attracted more attention. New products with high unit prices have driven the average sale prices of the overall products to be increased, further driving the sales growth of the overall lighting industry.

The Company has accumulated an industry experience of nearly 20 years in the design and development of lighting fixtures. It is familiar with the needs of downstream application space for lighting, illumination, color rendering and color temperature. For example, lighting applications in buildings and business spaces for business use must be illuminated with comfortable and soft lighting; in museum and exhibition spaces of ancient artifacts, the focus of the light shall be on the exhibited items, and UV radiation avoidance and lighting temperature reduction are necessary to reduce the damage to ancient artifacts; the lighting for building shall bring out the aesthetic design concept for the overall architectural appearance; the lighting for boutique display shall have high level of color rendering and spotlighting to highlight the coloring of products and their designing. Therefore, under diverse environmental and functional requirements, the Company develops products according to different space applications, and uses secondary optics technology to combine key technologies and product designs such as lighting types design, mechanical structure, heat dissipation structure and craftsmanship of lighting fixtures. The lighting source with different features can be used to produce the anticipated illumination effect of the lamps manufactured by the Company. The Company's products are oriented to professional lighting design and are developed for the use of space with precise lighting quality requirements.

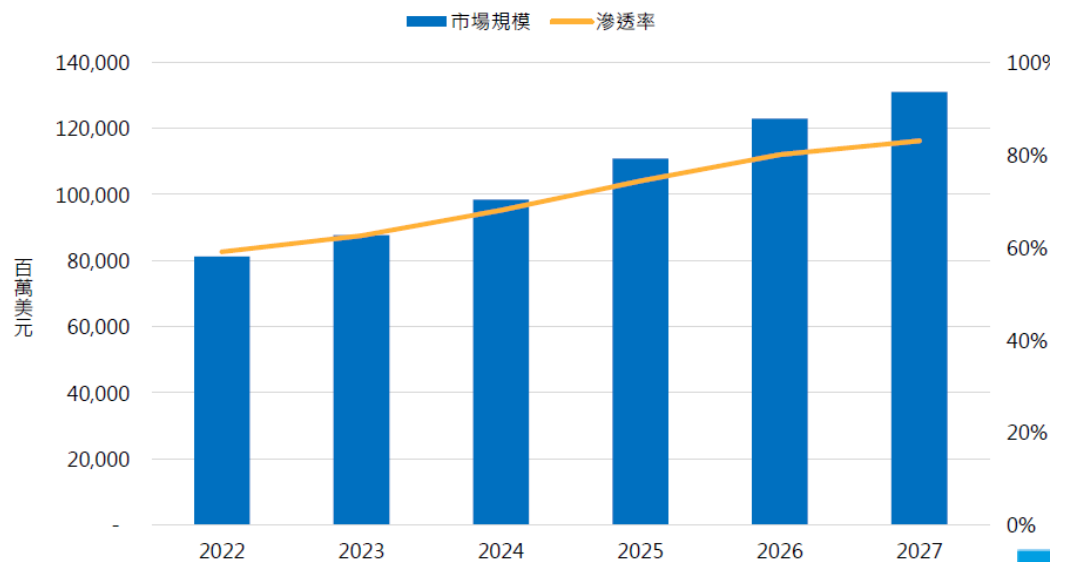
The Company's main clients are professional lighting designing and lighting engineering companies, and large international lighting fixtures manufacturers and distributors. The Company's products are distributed for daily lighting applications. With the trends of global economic growth and continuous urbanization, commercial activities will flourish and consumption of lighting products and services will increase, further triggering the growth of global lighting industry and the demand for professional lighting. According to the statistics and estimates by the Industry, Science and Technology International Strategy Center of the Industrial Technology Research Institute (hereinafter referred to as "IEK"), the global market for lighting sources and products is as follows

Estimation and Forecast of Global Lighting Market Scale



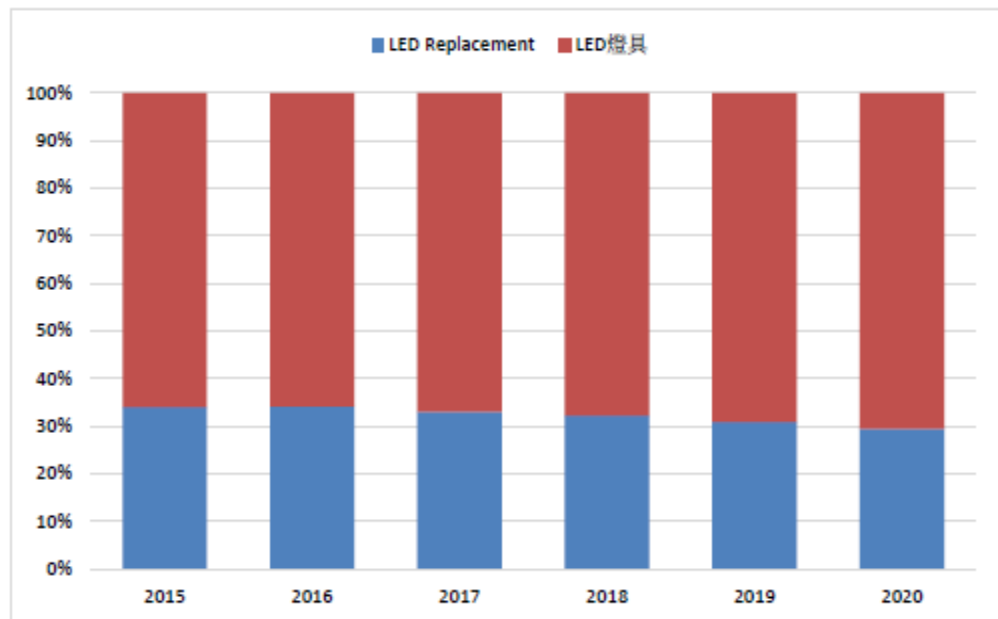
資料來源：工研院產科國際所 (2023/03)

Estimation and Forecast of Global LED Lighting Market Scale



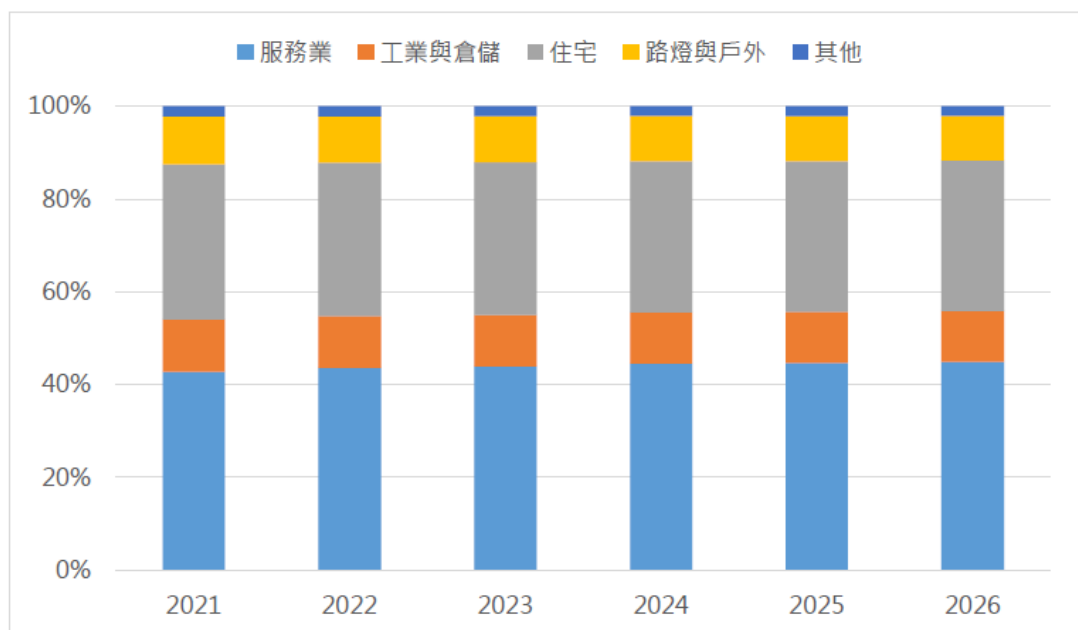
資料來源：工研院產科國際所

Product Analysis to Global LED Lighting Market



資料來源：IHS(2016/01)；工研院 IEK 整理(2016/05)

Global Lighting Market Forecast - Application Market



資料來源：工研院產科國際所 (2023/03)

The market size, driven by lighting energy-saving policies, of energy-saving LED lighting products continues to expand, and it is estimated that the market will reach US\$124.2 billion in 2026. In particular, the demand for Led lighting shifts to small quantity with diversification, which gross profit also becomes higher. In the future, the LED component price will continue to

decline while market accessibility increases eventually. The market scale will also grow, which is estimated to upgrade the market accessibility from 57.5% to 80% between 2021 and 2026. As the global lighting market grows steadily, the share of each applied lamps and their respective market share will vary according to the development of trends of lighting technology and the lighting industry.

D. Competitive Niche

- a. Have the underlying capacity for R&D and design of LED and traditional lighting, making the Company be able to provide diverse choices
- b. Have the key technology solutions to LED lighting, making the Company the leader of product development
- c. Have lasting marketing channels that allow the Company to respond to the needs of downstream application market
- d. Establish a well-equipped world-class lab which provides safe and quality products and facilitates product development

E. Favorable and Unfavorable Factors in the Long Term

a. Favorable Factors

(a) Profound Skills of Professional Lighting Fixtures Design and R&D

The Company has been operating business at professional lighting fixtures industry for nearly 20 years. Its product development and design capability has been cultivated and developed through years of industrial experience. The key members of the R&D team have extensive experience in the lighting industry, design and development, making Key technical integration for lighting design, mechanical structure, heat dissipation technology and aesthetics of exterior appearance able to be realized. The senior R&D supervisor is responsible for leading the whole team to conduct research and development tasks which involve the development and design for the Company's overall product series. The Company also actively recruits talents of lighting design and related techniques for maintaining and forming its solid technical foundation.

(b) Comprehensive Production Lines and Excellent Product Quality

The company has been adhering to the ideas of “professional design” and “global marketing” since its founding to supply lighting products of Halogen lamps, fluorescent lamps, HID lamps and LED lamps based on information provided by global clients and its advanced product design capacity. The

available types of lighting fixture products include various high-efficiency commercial lighting fixtures such as projection lamps, track lights, wall washers, cabinet lights, recessed lights and indoor/outdoor lighting. The style of each product family style series is comprehensive and able to meet the diverse client demands as well as the convenience of “one-time purchase”. In terms of quality management, the Company's key manufacturing processes can all be completed independently within its own factory, allowing fully mastering the production technology and stringent monitoring of product quality, achieving the requirements to its own product brands and providing good customer services.

(c) Comprehend the Latest Trend of Lighting Industry by Closely Cooperating with International Lighting Manufacturers

The growth of business of LED products has been rapid and its share of sales continued to increase since the Company entering into the field of LED lighting fixtures industry. With significantly increased demands for LED lighting, the Company has cultivated good business partnership with international LED lighting suppliers under the long-term cooperation which allows it to comprehend the latest development trend of LED lighting and obtain high-quality LED products in a timely manner. In addition, it also enables the Company to design and introduce high-efficiency professional LED lamps in advance to meet the characteristics of LED lighting fixture products of new generation and new types, and lead the development trend of LED lights, satisfy customers' demands for product quality, and seize the market share.

b. Unfavorable Factors

(a) Increasing Number of Competitors Entering LED Industry

Under the trend of rapid development of LED, more and more lighting fixtures manufacturers are investing in the development of LED lighting products. After a period of learning curve, their lighting design and product quality of the lighting products are bound to improve, so that the Company's advantages of technique and first-mover in terms of product lighting design will gradually decrease, and the competition among manufacturers will increase.

Countermeasures

The Company can comprehend the latest LED lighting development trend in advance and conduct development and design for LED lighting fixture products via its cooperation with international LED lighting manufacturers. The finished products can be verified at the Company's well-built laboratory

equipment to meet customer's product quality demands. Therefore, among all the other manufacturers, the Company's competitive advantage will be continuously improved through such development of LED lighting products. For the maintenance of sales and customer service, the Company maintains a high-quality customer service which provides customized products based on individual customer needs to maintain good business relations and increase competitive advantages against other competitors.

(b) Insufficient Supply of Domestic Talents of Lighting Industry

The scope of the lighting industry includes professional fields such as optical design, material application, industrial structure and electronic circuit which covers a wide range of professional techniques. However, the lighting industry has never been one of the focuses of domestic industrial development project. Therefore, the cultivation and training of talents of lighting techniques is relatively limited. Currently, the cultivation of industrial R&D talents is mainly by utilizing past field experience of "trial and error". Training from schools and vocational education for talents of lighting industry is relatively insufficient.

Countermeasures

The Company has always been focusing on the development and manufacture of lighting fixture products since its foundation. The current R&D team has accumulated abundant experience in product development in the lighting-related industries along with the expansion of the Company. For insufficient supply of domestic R&D talents, the Company will keep on recruiting talents with relevant working experience and cooperating with schools and professionals in lighting industries to conduct R&D talents training and product development. In addition, the Company intends to solidify the overall talent quality of R&D of staff through the experience and technical heritage from the current R&D team. By experience heritage, education and training, and field operation, the new recruits can quickly develop their R&D capabilities and seamlessly participate into team operations.

(c) Uneven Qualities of New Comers which Disrupt Normal Market Mechanism

Due to the large growth potential of the LED lighting market, in recent years many manufacturers have been attracted by it and entered into such industry. However, the quality of new comers is uneven, making product quality and efficiency difficult to be assessed. The price range is also unpredictable where high- and low-end products are piled up in the market, further disrupting the normal market mechanism and customer ability to

choose preferable products.

Countermeasures

Since it started to develop lighting fixtures, the Company has always been adhering to various safety regulations and optical inspections to achieve requirements of product quality and efficiency. The Company also focuses on the field of professional lighting fixture products in order to make product differentiation from other manufacturers. For marketing, instead of only clinging to one single regional market, the entry to global market and distribution channels is also achieved under ODM cooperation with internationally well-known lighting fixture manufacturers and cooperation with professional agents. Under the indispensable principle of adherence to production of high-quality products, the Company has been able to gain advantages in the highly competitive lighting fixture market through long-established marketing channels.

4.2.2 Production Procedures of Main Products

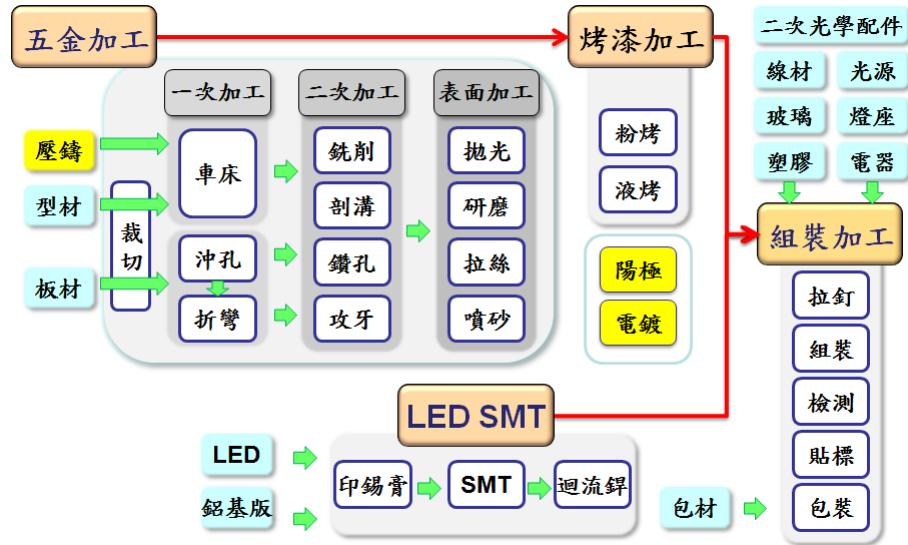
A. Major Products and Their Main Uses

Currently, the main products of the Company are LED lighting, HID lighting, fluorescent lighting and halogen lighting with extensive applications, as listed below.

- a. Architectural Lighting
- b. Retail Display Lighting
- c. Residential Lighting
- d. Entertainment Lighting
- e. Outdoor Area Lighting
- f. Commercial/Industrial Lighting

B. Major Products and Their Production Processes

The Production and Manufacturing Processes of Key Lighting Fixture Products of the Company are as below



4.2.3 Supply Status of Main Materials

Major Raw Materials	Source of Supply	Country	Supply Situation
Starters, transformers	Xiamen AcTEC Electronics , Tridonic	China	Good
LED light source	Bonjay Corp. (Zhejiang)	China	Good
Metal and plastic products	Jinhai, Jiangsheng Aluminum	China	Good

4.2.4 Major Suppliers and Clients

A. Major Suppliers in the Last Two Calendar Years

Unit: NT\$ thousands

Item	2023				2024				2025(As of March 31)			
	Company Name	Amount	%	Relation with Issuer	Company Name	Amount	%	Relation with Issuer	Company Name	Amount	%	Relation with Issuer
1	Vendor B	17,057	5.7	No	Vendor A	27,391	4.5	No	Vendor D	5,809	5.6	No
2	Vendor C	16,670	5.6	No	Vendor B	22,414	3.7	No	Vendor E	5,573	5.4	No
	Others	266,550	88.7	-	Others	562,481	91.8	-	Others	91,628	89.0	-
	Net Total Supplies	300,277	100	-	Net Total Supplies	612,286	100	-	Net Total Supplies	103,010	100	-

Note: Major suppliers refer to those commanding 10%-plus share of annual order volume.

B. Major Clients in the Last Two Calendar Years

Unit: NT\$ thousands

Item	2023				2024				2025 (As of March 31)			
	Company Name	Amount	%	Relation with Issuer	Company Name	Amount	%	Relation with Issuer	Company Name	Amount	%	Relation with Issuer
1	Clients B	136,501	16.8	No	Clients A	145,141	11.9	No	Clients B	37,967	16.8	No
2	Clients A	10,860	1.3	No	Clients B	141,310	11.6	No	Clients A	10,892	4.8	No
	Others	664,572	81.9	-	Others	929,950	76.5	-	Others	176,738	78.4	
	Net Sales	811,933	100	-	Net Sales	1,216,401	100	-	Net Sales	225,597	100	

Note: Major Clients refer to those commanding 10%-plus share of annual order volume.

4.3 Human Resources

The number, average age, average years of service and educational background of employees over the last two years and up to the printing date of this annual report are summarized below.

Year		2023	2024	2025 (As of March 31)
Number of Employees	Management and Sales	207	204	201
	R&D	80	65	66
	Technology & Operations	428	341	337
	Administration	77	77	70
	Total	792	680	674
Average Age		36.97	36.12	36.29
Average Years of Service		6.88	8.16	8.31
Education	Ph.D.	0	0	0
	Masters	1.01%	1.03%	0.89%
	Bachelor's Degree	33.96%	36.62%	36.80%
	Senior High School	21.46%	22.21%	21.96%
	Below Senior High School	43.57%	40.14%	40.35%

Note: The total number of employees does not include 142 temporary employees in 2023, 132 temporary employees in 2024 and 173 temporary employees as of March 31, 2025.

4.4 Environmental Protection Expenditure

4.4.1 Total Losses and Penalties

The loss or penalty caused by environmental pollution during the latest year and up to the printing date of this annual report: None

4.4.2 Countermeasures

The total amount of losses (including compensation) and penalties caused by environmental pollution during the latest year and up to the printing date of this annual report, countermeasures (including improvement measures) and possible expenses are described below

The Company has no loss or penalty caused by environmental pollution during the latest year and up to the printing date of this annual report.

4.5 Labor Relations

4.5.1 Status of implementation of employee welfares, education, training, retirement system, as well as agreements between labor and management and various employee rights maintenance measures

A. Employee Welfares

In order to fully guarantee the welfare and benefit of employees and their life quality, the Company not only provides the basic guarantees required by laws, but also provides or sponsors the promotion of each welfare programs and establishes the organization of Employees Welfare Committee which is responsible for the planning and implementation of employee welfare matters. The current welfares are as the following

Taiwanese Headquarter

- a. Employee's remuneration and stock subscription system
- b. Year-end bonus
- c. Bonus for efficient budget utilization
- d. Bonus for loyal employees (who never resign his/her job for a specific period of time)
- e. Holiday bonus, Labor's Day bonus, birthday cash gift, staff incentive distributed at the first working day after Chinese New Year Festival, Monthly birthday party
- f. Group insurance
- g. Meal gathering for staff of each department and company trip
- h. Employee education and training courses
- i. Annual subsidy for medical examination/house renting subsidy, family visit airfare subsidy for expatriates, transportation allowances for regular leave
- j. Free health examination for employees from time to time
- k. Cozy office environment
- l. Wedding cash gift, maternity benefit, funeral subsidy, and emergency allowance
- m. Transport allowance for managerial level

Mainland China branch

- a. Meal gathering for staff of each department
- b. Year-end bonus
- c. Bonus for efficient budget utilization, production bonus, department performance bonus, and sales bonus
- d. Bonus for senior employees, maternity leave for female employees, birthday leave
- e. Holiday (Dragon-boat Festival and Moon Festival), birthday cash gift,

staff incentive distributed at the first working day after Chinese New Year Festival

- f. Factory celebration (lottery and meal gathering)
- g. Cozy office and staff restaurant environment, Gym, and Basketball court
- h. Free accommodation and meals available
- i. Employee recreational activities (basketball games)
- j. Educational training and advanced studies for employees
- k. Free health examination for employees
- l. Employee referral bonuses, and transport allowance for returning to work during Chinese New Year holidays
- m. Bonus for loyal employees (who never resign his/her job for a specific period of time)
- n. Telephone subsidy

B. Status of implementation of Employee Education and Training

The employees of the Company may apply for external education training courses to satisfy their working demands. For the on-the-job training for employees, each department may arrange appropriate internal training courses according to their actual needs to provide complete professional skills development, and self-development of the second professional skills of employees.

Status of Implementation of Education and Training for Employees in 2024

Items	Classes	Total Admission	Total Hours	Total Expense (NTD)
New employees	17	108	141	299,115
Internal functional training	307	4,019	5,264	
External training	66	326	1,205	
Total	390	4,453	6,610	

C. Pension Plan

- a. There is a pension plan for employees who are formally employed by the Company, and those who apply the defined benefit plan and defined contribution plan will respectively contribute 2% and 6% of the total monthly salary which is recognized as the pension and contributed to the pension fund. The preceding contributed amount shall be deposited to the account in the Bank of Taiwan under the account name as the Labors' Pension Supervisory Committee. According to "Labor Standards Act", an amount of pension reserve shall be sufficiently

contributed for one time to employees who are retiring in next annual period and are eligible to apply the original pension plan. Any employee who is eligible to retire may apply to the Company for obtaining pension which is paid by the aforesaid account.

- b. The subsidiary of the Company in mainland China pays pension insurance premiums to the government on a monthly basis as required in accordance with the local social pension insurance regulations, which is accumulated as the social pension insurance fund. Any mainland China Branch employee who has an accumulated insured period of 15 years, and reaches an age of 50 years old (female) or 60 years old (males) is eligible to apply for monthly payment of pension. The governmental authority shall pay the basic pension and the personal account reserve shall pay the personal account pension. The governmental authority will continue to pay the pension at the original statutory standard after the deposit of the personal pension account is fully paid up. At the same time, the Company has appropriated housing funds on behalf of the employees and remitted it to a special government account for management in accordance with local government regulations, which will be used to purchase, build, renovate, overhaul, and decorate or to pay rent for the benefits of the employees.

D. Industrial Relations

The coordination of industrial relations has always been one of the focuses of the Company. The Company's policy promotion and understandings to employee's opinions all adopt an open two-way communication approach, and an employee's suggestion box is set to provide employees with a channel for expressing opinions in order to maintain harmony between managers and labors.

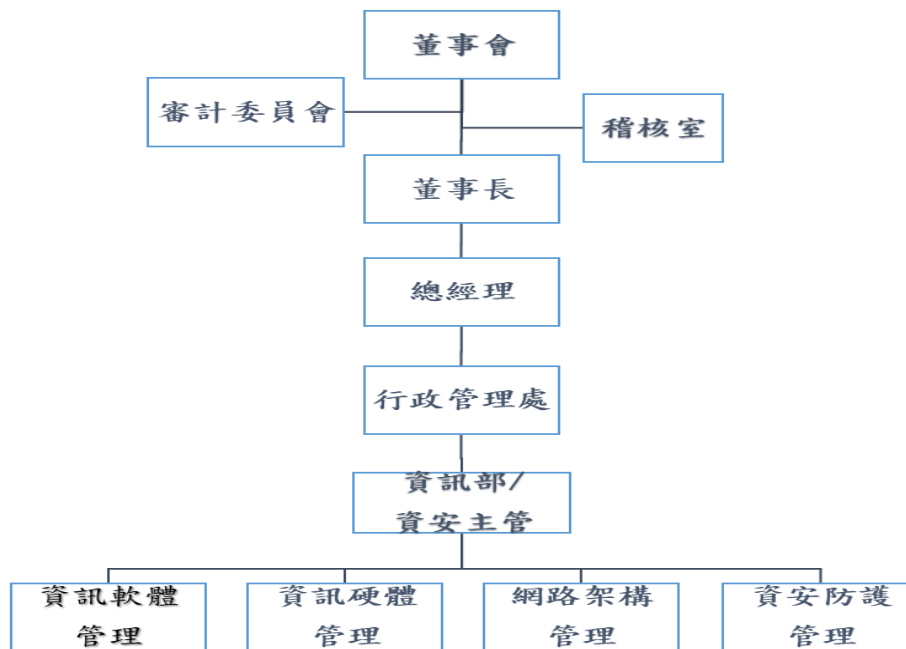
E. Measures and Implementation of Employee Right Protection

In addition to the establishment of the Employees Welfare Committee and the Labor Pension Reserve Supervision Committee based on mandatory legal requirements for conducting the planning, contribution, custody, utilization and mandatory matters regarding employee benefits and pension reserves, the Company also serves as the bridge for communication between labors and managers. The Company not only maintains each employee right and implements welfare system based on relevant legal regulations, but also obtains opinions both from managers and labors by convening labor-management meetings.

4.5.2 Is there any loss of the Company due to labor dispute in the most recent two annual periods (as of the printing date of this Annual Report)? If yeas, please disclose the current and future estimated loss amount and countermeasures. Please also disclose and explain any situations where the amount cannot be reasonably estimated: No such situation occurred.

4.6 Information communication security management

4.6.1 Information security risk management framework



4.6.2 Information communication security policy

- Reduce probability of being attacked and boost hacking difficulty as primary approach.
- Use backup data as basis to administer meaasures and reduce data disclosure.
- Establish internal audit mechanism for various operating procedures.

4.6.3 Specific management solutions

- Reduce unnecessary hacks: Avoid services placed on internet, including FTP or website. Hand over corporate website to professional service providers to avoid turning the corporate internet into a target of attack.
- Establish protective mechanism from external firewall to the internal antivirus software and encryption routes to boost difficulty for hacking.
 - a. Adopt MPLS VPN in offices of different locations as network connection to boost the security of data exchange in different locations.

- b. Set up firewall in Taiwan and China offices. Separate the internal and external networks and adopt online behavior control equipment (AC) to manager user behavior online through account and authority.
- c. Establishing the internal online antivirus control center, monitor the network computer antivirus software upgrade and deployment. Monitor the virus condition of computer and take necessary actions to avoid expansion of situation.
- d. Establishing Mail SPAN mechanism in mail server and make adjustment according to actual conditions. Establish DNS SPA rules to reduce likelihood of email fraud.
- e. Establishing WSUS mechanism to maintain online operation system with excellent upgrade.
- The complete backup mechanism is established to build the backup restoration mechanism and remote backup for File server, DB and important services.
- The online use by users shall be administered by authorization, including Email, instant messenger, general internet browsing all require the application with approval before releasing the authorization of use while monitoring and recording the user online behavior.
- If the online educational training conducted on users involve personal data, a declaration of personal data law will be addressed and shall require the verification by users before release.
- The access control of personnel in/out of computer room, server maintenance records, online behavior records, online accounts and system accounts authorization application/cancelation mechanism, with the exception of internal audit on the information security items, the equipment security control shall be authenticated and verified for the execution of system restoration test. The audit results should be reported to the Board of Directors (12 23, 2024) and the introduction of external audit such as ISO and CPA annual audit to verify the effective implementation of various mechanisms.

4.6.4 Resource invested in information communication safety management

- In 2021, in order to improve the backup mechanism and increase the difficulty of intrusion, we invested one NAS in Taiwan office and two NAS in China factory for backup mechanism automation and offline backup.
- In 2023, we upgraded the headquarters server room architecture from traditional host architecture to hyper-converged infrastructure. The factory in mainland China was completed in 2024.

- We introduced internal firewall in 2023 to separate the server group from other office computers to reduce the risk of server group exposure.
- The Zhongshan data center was with AC upgraded in response to more diverse network behaviors in 2024, improving risk identification capabilities and replacing old mail servers to reduce risks.
- The Suzhou data center was renovated to a hyper-converged architecture in 2024, and an internal firewall was introduced to separate the server from the internal network accordingly.
- In 2024, 5 colleagues attended 11 hours of information security-related training courses in total.

4.6.5 With respect to the most recent fiscal year as well as the current fiscal year up to the date of publication of the annual report, if the loss, possible impact and response measures could not be reasonable estimated due to material information communication safety incidents, explain the facts that could not be reasonable estimated: None.

4.7 Important Contracts

As of 04/30/2025

Agreement	Counterparty	Period	Major Contents	Restrictions
Loan contract	Mega International Commercial Bank Co., Ltd.	12.5,2024~12.4,2025	Working capital	-
House lease contract	ATW Technology Inc.	1.1,2023~12.31,2025	Office and factory leased by the Company	No subletting is allowed

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

5.1 Analysis of Financial Status

Unit: NT\$ thousands

Item	Year	2024	2023	Difference	
				Amount	%
Current Assets		1,425,655	1,424,432	1,223	0.09
Long term Investment (note1)		19,757	4,835	14,922	308.62
Property, Plant and Equipment		384,701	447,437	(62,736)	(14.02)
Right-of-use assets		94,657	103,130	(8,473)	(8.22)
Investment Property		161,802	115,956	45,846	39.54
Intangible assets		24,558	29,796	(5,238)	(17.58)
Other Assets		66,881	65,328	1,553	2.38
Total Assets		2,178,011	2,190,914	(12,903)	(0.59)
Current Liabilities		489,481	482,805	6,676	1.38
Non-current liabilities		68,400	98,266	(29,866)	(30.39)
Total Liabilities		557,881	581,071	(23,190)	(3.99)
Capital stock		579,966	579,966	0	0.00
Capital surplus		839,221	838,243	978	0.12
Retained Earnings		257,640	296,935	(39,295)	(13.23)
Other equity interest		(42,325)	(90,929)	48,604	(53.45)
Treasury shares		(14,372)	(14,372)	0	0.00
Total Stockholders' Equity		1,620,130	1,609,843	10,287	0.64
<p>Explanation of the major reason for the major changes in items of assets, liabilities and shareholders' equity (with the change of 20% or NT\$10 million), and their impact and countermeasures.</p> <ol style="list-style-type: none"> 1. Increase in Long term Investment: Invested NT\$17,091 thousand in social responsibility bonds. 2. Increase in Investment Property The amount of buildings and construction transferred from property, plant and equipment to investment property is NT\$49,551 thousand. 3. Increase in Other equity interest: Recognized the exchange difference of NT\$50,339 thousand from the translation of the financial statements of foreign operations. 					

Note1 : Long-term investment includes non-current financial assets at fair value through other comprehensive income and investments using equity method

- **Effect of changes on the company's financial condition:**

The Company's financial condition has not changed significantly.

- **Future response actions:** Not applicable

5.2 Analysis of Financial Performance

Unit: NT\$ thousands

Item	Year	2024	2023	Difference	
				Amount	%
Net Sales		1,216,401	811,933	404,468	49.82
Cost of Sales		868,349	553,832	314,517	56.79
Gross Profit		348,052	258,101	89,951	34.85
Operating Expenses		408,019	260,123	147,896	56.86
Operating Income		(59,967)	(2,022)	(57,945)	2,865.73
Non-operating Income and Loss		72,079	73,940	(1,861)	(2.52)
Income Before Tax		12,112	71,918	(59,806)	(83.16)
Tax Benefit (Expense)		(11,888)	(22,850)	10,962	(47.97)
Net income		224	49,068	(48,844)	(99.54)

The main reason for the change of 20% or NT\$10 million and its impact are analyzed as follows:

1. Increase in operating income, cost, and gross profit: Due to the merger of StrongLED KY by share conversion on October 31, 2023; the operation of such company has been included in the total amount since November 2023 with an increase of NT\$363,781 thousand, NT\$290,136 thousand, and NT\$73,645 thousand, respectively, in 2024.
2. Increase in operating expenses: Due to the merger of StrongLED KY by share conversion on October 31, 2023; the operation of such company has been included in the total amount since November 2023 with an increase of NT\$153,572 thousand in 2023.
3. Decrease in operating profit or loss: StrongLED KY's operating loss increased by NT\$79,927 thousand in 2024, but Tons' gross profit increased and the acquisition costs decreased; therefore, the operating loss was reduced to NT\$57,945 thousand.
4. Decrease in net income before tax: The net loss before tax of StrongLED KY increased by NT\$30,533 thousand in 2024. The operating profit of Tons Group in 2024 was NT\$22,221 thousand higher than that of 2023, and recognized a decrease in loss in Artso Group under the equity method for an amount of

NT\$30,986 thousand. However, the non-operating profit of the acquisition of StrongLED KY in 2023 for an amount of NT\$85,857 thousand was not recorded again in 2024, and StrongLED KY recognized income tax profit for an amount of NT\$9,965 thousand due to operating loss, which was the main reason for the decrease in net income before tax.

5. Decrease in income tax expense: mainly due to the operating loss of StrongLED KY in 2024 with income tax profit of NT\$9,965 thousand recognized.
6. Decrease in net income: mainly due to the increase in loss for an amount of NT\$34,764 thousand by StrongLED KY. The operating profit of Tons Group in 2024 was NT\$22,221 thousand higher than that of in 2023, and recognized a decrease of loss in Artso Group under the equity method for an amount of NT\$30,986 thousand. However, the non-operating profit of the acquisition of StrongLED KY in 2023 for an amount of NT\$85,857 thousand was not recorded again in 2024, and StrongLED KY recognized income tax profit for an amount of NT\$9,965 thousand due to operating loss, which was the main reason for the decrease in net income for an amount of NT\$48,844 thousand.

- **Effect of changes on the company's future business:** The Company's business scope has not changed significantly.
- **Future response actions:** Not applicable

The estimated sales volume in next annual period and the references, and potential effects on the company's future financial status and countermeasures are described as below

A. Estimated sales volume in Next Annual Period and the References

In recent years, with the continuously improved technology and the trend of development of energy-efficient and energy-saving lighting fixtures promoted by governments around the globe, the demand and market for replacing old products with lighting fixtures of new generations has been increased year by year. Due to the continuous changes and diversification of combinations of lighting fixtures and light, the Company continues to develop new products in order to satisfy demands from the industry trend. However, Under the continuous impact of high interest rates and the underperformance of China's economy, plus constant geopolitical conflicts, the global economic and political uncertainties and instability have aggravated, leading to a global economic slowdown. As a result, the global economic performance for 2024 did not show significant improvement. Nonetheless, the recent disinflation and the

interest rate easing cycles worldwide are likely to stimulate consumption and investment. It is expected that the 2025 economy will gradually grow prudently. In order to expand operational efficiency, the Company acquired StrongLED this year through a share conversion and issuance of new shares in 2023. It is possible to expand the Group's product applications and market share through the comprehensive integration of the resources of both parties.

B. Potential Effects on the Company's future Financial Status and Countermeasures

a. Products

- (a) Continue to enhance competitiveness of indoor lighting products: The Company will continue to complete the series of indoor lighting fixture products and invest in the development of low-cost light fixtures for meeting customer's needs due to the emerging of mass market of LED.
- (b) Continue to expand the market of outdoor lighting products: The Company will continue to complete the development of outdoor lighting fixtures series to create future growth momentum.

b. Marketing

- (a) Promote green lighting and continue to develop new products.
- (b) Enhance product value and maintain price competitiveness.
- (c) Secure the existing market and develop emerging market with potentials.
- (d) Participate in international exhibitions and commit to promote the Company's private brands.

c. Production

- (a) Simplify the product lines, use common parts, and build safety stock for the frequently used parts in order to shorten delivery lead time.
- (b) Enhance automated production, improve manufacturing processes, increase efficiency, and reduce the impact of rising labor cost.

d. Future Development Strategies of the Company

The business model of ODM and OEM and branding will be maintained and continued. In terms of ODM and OEM business, the Company will continue to attract more big customers in Europe for cooperation. In terms of branding business, due to our significant achievement in the cross-strait markets, more investment would be conducted in the Greater China Area in order to create a stable revenue source.

5.3 Analysis of Cash Flow

5.3.1 Cash Flow Analysis for the Current Year

Item	Year	2024	2023	Variance (%)
Cash Flow Ratio (%)		0.06	26.69	(99.78)
Cash Flow Adequacy Ratio (%)		106.74	131.21	(18.65)
Cash Reinvestment Ratio (%)		(1.70)	2.87	(159.23)
Analysis of financial ratio change: 1. Decrease in cash flow ratio and cash reinvestment ratio: Decrease in profits and increase in inventories cause operating cash flow decreased.				

5.3.2 Remedy for Cash Deficit and Liquidity Analysis

The Company had no cash deficit.

5.3.3 Cash Flow Analysis for the Coming Year

Unit: NT\$ thousands

Cash and Cash Equivalents, Beginning of Year (1)	Estimated Net Cash Flow from Operating Activities	Estimated Cash Outflow (3)	Cash Surplus (Deficit) (1)+(2)-(3)	Leverage of Cash Surplus (Deficit)	
				Investment Plans	Financing Plans
465,153	122,806	235,592	352,367	-	-
1. Analysis of change in cash flow in the coming year: (1) Operating activities: Refer to the estimated cash inflows arising from profits. (2) Investing and financing activities: Mainly due to the repayment of loans for an amount of NT\$114,839 thousand, purchase of equipment for an amount of NT\$59,544 thousand, distribution of cash dividends to shareholders for an amount of NT\$45,511 thousand, and repurchase of treasury shares for an amount of NT\$15,321 thousand. 2. Remedy for Cash Deficit and Liquidity Analysis: N/A.					

5.4 Major Capital Expenditure Items

None

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

5.5.1 Investment Policy

The purpose of the Company's investment policy is to reduce the cost of production, expand marketing channels, and improve the Company's competitiveness.

5.5.2 Investment in the Last Year, Main Causes for Profits or Losses and Improvement Plans

As of 12/31/2024 Unit: NT\$ thousands

Name of investor	Name of subsidiary	Amount of Profits made by Invested Companies in 2024	Amount of Profits (losses) recognized by the Company in 2024	Reasons for Gain or Loss	Action Plan
TONS LIGHTOLOGY INC.	WORLD EXTEND HOLDING INC.	(7,769)	(7,587)	Recognition of gains or losses on investment of GS and TL.	None
TONS LIGHTOLOGY INC.	HONG BO INVESTMENT CO., LTD.	449	449	Gains or losses arising from operation of investment business.	None
TONS LIGHTOLOGY INC.	STRONGLD LIGHTING SYSTEMS (CAYMAN) CO., LTD.	(38,913)	(37,833)	Investment profits and losses recognized after the merger with share conversion completed on October 31, 2023.	None
STRONGLD LIGHTING SYSTEMS (CAYMAN) CO., LTD.	MENTALITY INTERNATIONAL CORPORATION	(49,985)	-	Recognition of gains or losses on investment of StrongLED Lighting Systems (Suzhou) Co., Ltd.	None
STRONGLD LIGHTING SYSTEMS (CAYMAN) CO., LTD.	STRONGLD SMATR LIGHTING(CAYMAN)CO., LTD.	1,862	-	Recognition of gains or losses on investment	None
WORLD EXTEND HOLDING INC.	LUMINOUS HOLDING INCORPORATED	(7,738)	-	Recognition of investment profit/loss of invested business	None

Name of investor	Name of subsidiary	Amount of Profits made by Invested Companies in 2024	Amount of Profits (losses) recognized by the Company in 2024	Reasons for Gain or Loss	Action Plan
				Shanghai Tons.	
WORLD EXTEND HOLDING INC.	GREATSUPER TECHNOLOGY LIMITED	(2,067)	-	Recognition of gains or losses on investment of Titan Lighting Co., Ltd. and Zhongshan Tons Lighting Co., Ltd.	None
GREATSUPER TECHNOLOGY LIMITED	TITAN LIGHTING CO., LTD.	(1,729)	-	Production and delivery of products required by the parent company in Taiwan.	None
GREATSUPER TECHNOLOGY LIMITED	ZHONGSHAN TONS LIGHTING CO., LTD.	71	-	Production and delivery of products in mainland China and Taiwan	None
LUMINOUS HOLDING INCORPORATED	SHANGHAI TONS LIGHTOLOGY CO., LTD.	(7,753)	-	For taking orders and making delivery in mainland China.	None
MENTALITY INTERNATIONAL CORPORATION	STRONGLED LIGHTING SYSTEMS (SUZHOU) CO., LTD.	(49,827)	-	Production and delivery of products in mainland China.	None
STRONGLED LIGHTING SYSTEMS (SUZHOU) CO., LTD.	SHANGHAI GRANG CANYON LED LIGHTING SYSTEMS CO., LTD.	3,636	-	For taking orders and making delivery in mainland China.	None

5.5.3 Investment Plans for the Coming Year

None.

5.6 Analysis of Risk Management

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

A. Interest rate

Unit: NT\$ thousands

Item	2024	03/31/2025
Short-term Loan	79,845	56,558
Long-term Loan	-	-
Interest expense(1)	-	-
Operating Revenue(2)	2,286	337
Operating Profit(3)	1,216,401	225,597
(1)/(2)	(59,967)	(39,114)
(1)/(3)	0.19%	0.15%

The short-term loans of StrongLED was with an interest expense of NT\$1,997 thousand incurred since the Company's merging StrongLED, at the same time, an interest income of NT\$10,327 thousand was incurred as well. The interest rate of the time deposits in USD of StrongLED is higher than the interest rate of loans in RMB; therefore, changes in interest rates will not have an adverse impact on profits and losses. Interest expense arose from the adoption of IFRS 16 Leases for lease contracts were 289 thousand NTD

B. Foreign exchange rates

Unit: NT\$ thousands

Item	2024	03/31/2025
Exchange gains (losses) (1)	18,300	3,787
Operating Revenue(2)	1,216,401	225,597
Operating Profit(3)	(59,967)	(39,114)
(1)/(2)	1.50%	1.68%
(1)/(3)	-30.52%	-9.68%

The foreign exchange gain of NT\$18,300 thousand in 2024, was mainly

due to the appreciation of the US dollar and the RMB, which accounted for 1.50% and -30.52% of the operating income and operating loss, respectively. As the Company's foreign currency sales accounted for 90% of the total revenue, foreign currency capital allocation and conducting of forward exchange transaction (the recognized loss of forward exchange of 2024 were 1,318 thousand NTD) were adopted to balance most of the impact of exchange rate changes on profits or losses. The Company made a close contact with major banks to control the trend of exchange rate changes and timely adjust foreign currency assets and liabilities based on its future capital requirements.

C. Inflation

According to the data published by Directorate-General of Budget, Accounting and Statistics, Executive Yuan, the annual rate of increase in the consumer price index for March 2025 is 2.29%, With regards to the rising price of raw materials worldwide, the Company not only negotiates the price with suppliers by increasing materials for inventory but also increased the price to customers. The recent gross profit compared with the same period before shows no significant impact on the profit and loss of the Company.

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

A. Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments

The Company did not engage in any high-risk or high-leveraged investments.

B. Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to Lending or Endorsement Guarantees, and Derivatives Transactions

The transactions and procedures related to lending and endorsement are based on the Company's "Procedures for Lending" and "Procedures for Endorsement Guarantee". Furthermore, derivative transactions follow the "Procedures for Acquisition and Disposal of Assets".

a. Lending Funds to Others

There is no lending of funds to others by the Company in the most recent annual period and as of the printing date of this Annual Report.

b. Endorsement/Guarantee

There is no Endorsement/Guarantee to others by the Company in the most recent annual period and as of the printing date of this Annual Report.

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c. Derivatives Transactions

The amount (not written-off) of contracts executed by Zhongshan Titan Lighting Co., Ltd. as of December 31, 2024 and March 31, 2025 for forward exchange transaction is 1.8 million USD. Such amount is utilized for working capital in areas at mainland China by fixing the USD-RMB exchange rate. The recognized loss and gain are 1,318 thousand NTD and 580 thousand NTD, respectively.

In addition, the Company does not adopt hedge accounting as the basis for entries due to the relevant transactions by the Company is not consistent to the definitions of hedge accounting.

7.6.3 Future Research & Development Projects and Corresponding Budget

A. Future Research & Development Projects

a. Development of LED Indoor Fixture Products

With broad application of high-efficiency COB LED lighting and the increasing demand for reading quality, the Company will continue to invest in the R&D of recessed lamps and spotlights. In addition to maintaining the appearance and structure of current products, the design concepts of professional lighting will be utilized to expand product values of innovation such as providing clients with comfortable lighting by designing the user-friendly cut-off angle to provide customers with a comfortable lighting experience.

b. Development of LED Outdoor Fixture Products

The Company's outdoor lighting product development is with a focus on high-power and high-efficiency grazer and spotlights. The Company provides diversified application test accessories and enhances the multi-angle combination flexibility of optical lenses and secondary optical films through family-based module design. The research and development of high-power projection lights is closely linked to the needs of outdoor floodlighting. While ensuring high light efficiency, the Company also enhances waterproof effect and safety, and improves the ability to shape space atmosphere. The constant power control algorithm ensures color consistency and optimizes the flexibility of architectural scene lighting design, helping designers achieve the

expected lighting effect. The Company will continue to deepen the research and development of lighting control algorithms in the future, expand light environment solutions through functional parameter innovation, and provide more accurate optical support for urban landscape and architectural lighting.

c. Development of Alternative LED Lighting

By using high-efficiency COB LED, considering the different alternative habits and occasions of users, implementing excellent design capability and sophisticated manufacturing processes, the alternative lighting modules for conventional lighting would be developed. The Company hopes while the aesthetics and quality of lighting will keep on benefiting the public, more cost-effective products will be available for clients for expanding the market of alternative lighting.

d. Development of switchable color temperature/power LED lamps

International market is more cautious about preparing inventory of finished lamps due to the overall economic downturn. In order to adapt to the current market situation, the Company focuses on the development of switchable color temperature/power LED lamps, so that a single product specification can meet the demand for multiple specifications. The said change in specifications allows customers to easily change the color temperature and power specifications of lamps through dial switches locally, allowing a flexible adjustment of the specifications of finished lamps in stock, reducing customers' pressure on preparing sufficient funds for material preparation, and improving the core competitiveness of products.

e. Development of LED Lighting Fixtures in Compliance with Zhaga Standards

To improve the convenience of user experience, the Zhaga Consortium will establish standards for LED module specifications in the future to increase the compatibility of LED lighting products between various manufacturers. Therefore, the Company will also invest in the development of LED lighting fixtures to be in compliance with Zhaga standards.

f. IoT product development of high/low track system

Smart lighting allows mobile App operation and can be portable through smart switch or on-push button. The sound control command to the smart box or through sensors as well as diversity of methods drive lighting environment to follow the pace of human and bring natural lighting environment indoor to provide the most comfortable living environment.

g. Extension for Various Product Types

In addition to LED products, the Company will continue to improve the diversity of other types of products such as providing fixtures of the same

product series which are compatible with conventional lighting, increasing the combination diversity of products, and providing clients with services of “one-time purchase”.

h. Economic Cycle Planning and Implementation

All products and processes are evaluated to replace the raw materials and processing with hazard to the environment, energy consumption and water consumption through non-toxic raw materials, cleaning energy and water-saving process. The recycling channels are well designed to maintain environmental-friendliness on the product supply chain, products and the recycling/recuse method. Under the premise of pursuing ecological effect, the nutrients of the materials are recycled as nutrients for materials while the use of renewable energy and carbon management encourage three principles of diversification and implements the design concept from cradle to cradle.

B. Future Research & Development Corresponding Budget

The Company's R&D expenses for 2023 and 2024 are 48,006 thousand NTD and 89,127 thousand NTD, accounting for 5.91% and 7.33% of the revenue, respectively. The estimated R&D investment in future product development plan is 86,788 thousand NTD.

Item	Research Projects	Completion	Expected Research Expenditure	Expected Completion Schedule	Major Risk Factors
1	HT-121 with new version HT-1C1 developed	Product verification	86,788 NT\$ thousands	2025/Q2	The Company has engaged in lighting for 20 years with the integration of key technologies; the Company has engaged in LED lighting for over a decade and manufactures 500 LED commercial lighting products that can satisfy various needs of commercial space. In addition, the Company has set up its own verification lab and the complete quality assurance system to provide quick verification and quality products. In addition, the Company has unique R&D ideas and
2	24V TU track new hidden power plug TU-2C3	Product verification		2025/Q4	
3	Track curved tube projection light development SA-2870B	Product verification		2025/Q3	
4	Showcase Cabinet Light CA-531A	Product design		2025/Q4	
5	Anti-glare translucent panel recessed light/ceiling light WG-606FST	Product design		2025/Q4	

Item	Research Projects	Completion	Expected Research Expenditure	Expected Completion Schedule	Major Risk Factors
	series				product map in the LED landscape lighting business, will continue to innovate LED landscape lighting fixtures and optical platforms, and maintains a leading position in the industry always. StrongLED (Suzhou) Co., Ltd. has been recognized as a “High-tech Enterprise” and “Jiangsu Province Foreign-Funded Enterprise R&D Institution” by the Chinese government. The Company values the importance of intellectual property rights with funds budgeted for patent application to secure the R&D results in accordance with the annual R&D plan every year in order to have the R&D results converted into the Company’s intellectual property rights.
6	Ø 68 opening GU10 recessed light DH-802A	Product verification		2025/Q3	
7	SA-1860 Series Upgraded Zoom Series	Product design		2025/Q3	
8	Small size Bollard lamp for home use OLG-244RST/ OLG-254RST	Product design		2025/Q3	
9	OFA-207P Series Outdoor Projection Light Upgrade	Product design		2025/Q4	
10	OBA-213R Series Outdoor Wall Light Upgrade	Product verification		2026/Q1	
11	Stainless steel outdoor underground light ODA-613A-24V	Product design		2025/Q4	
12	Outdoor small angle 3° projection light development	Product design		2025/Q4	
13	Mini Ground ultra-thin underground lamp development	Product verification		2025/Q3	
14	OLG-304R Round Floodlight Wall Lamp/ Courtyard Light	Product design		2025/Q4	
15	Round underground light GA 3, 5	Product design		2025/Q4	
16	Linear underground	Product		2025/Q2	

Item	Research Projects	Completion	Expected Research Expenditure	Expected Completion Schedule	Major Risk Factors
	lamp GW 5, 7	verification			
17	SA-H projection light power refurbishment	Product verification		2025Q3	
18	SA-A Projection Light 3, 5, 7	Product verification		2025Q2	
19	SA-D Projection Light 2, 4, 5, 7	Product design		2025Q3	
20	Controller T-BOX	Product verification		2025Q2	
21	Angle 3° PC Projection Light optical lens	Product verification		2025Q2	
22	Asymmetric grazer optical lenses	Product verification		2025Q2	
23	Color light Angle 12°PC optical lens	Product design		2025Q3	

Note: More investment in Group R&D expense for 2025 is required.

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

According to Financial Supervisory Commission's regulations, listed companies at the emerging stock market and TWSE/GTSM listed companies are required to compile the financial statements based on IFRSs starting from January 1, 2013. The Company has set up the cross-department task force, which was approved by the Board of Directors in April 2011, and instituted the countermeasures and expected progress of the adoption of IFRSs and reported the implementation to the Board of Directors on a regular basis. The Company will continuously pay close attention to the impact of the amendments to IFRSs and related supporting laws and regulations on the Company.

In addition, the daily operations of the Company comply with related regulations at home and abroad. The Company shall pay attention to the trend of important policies and changes in laws and regulations at any time in order to fully control the changes in the business environment.

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

Looking at the trend of lighting development, the most watched products are LED lighting in recent years. Compared with other sources of light, LED has rapidly growing applications, given the continuous improvement in luminous efficiency and the reduction in costs, and is viewed as a new-generation source of light that replaces traditional ones.

The Company has received results in the development of lighting products using the LED light source. Four key technologies, thus light, machinery, electricity, and heat, showed a considerable achievement. The Company installed a set of professional testing equipment and set up a safety certification lab to verify functional requirements for lighting, such as high light, high color rendering, low glare and stability of light source and offer quality products. With the trend of technological innovation and green lighting, the Company's insistence on quality of products allows the Company to obtain the market opportunities and make progress step by step.

The Company has established a complete set of network and computer security protection system for the security risks mitigation to control or maintain the functions of the Company's manufacturing, accounting and other important

business operations. However, such implementation cannot warrant the avoidance of any cyber-attack from any third party. The so-called cyber-attack may be hacking in an illegal approach (such as spam) to have computer virus infect the system which may damage the Company's important confidential files. Moreover, spam may also jam the flow of the Company's server, further decreasing the space and computing efficiency of CPU, server hard drives and end-user hard drives space, and disrupting the operation as well as damaging the goodwill of the Company. The cyber-attack may also be used to illegally extract business secrets, other intellectual property and confidential information such as proprietary information of clients or other stakeholders and personal information of employees.

To prevent severe cyber-attack which may cause losses to the Company, besides appointing external professional computer auditors who examines whether the network and information security precaution measures have significant deficiencies annually, the Company adopts offsite backups for archival documents on a regularly basis, network firewalls and anti-virus software as well as other precaution measures. Meanwhile, the education and training for IT staff have been enhanced. Promotion of cyber information security to employees is held on a random basis. However, such implementation cannot warrant the avoidance of any cyber-attack in the context of ever-changing network security threats.

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

The Company has focused on the market operation of lighting since its establishment and has always had a good corporate image. There was no adverse impact of changes in corporate image on the Company.

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

None

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

Any expansion of the Company's facilities will be subject to careful

evaluation by a special task force in accordance with the Company's internal control system.

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

A. Risks Relating to and Response to Excessive Concentration of Purchasing Sources

The suppliers of the Company (a consolidated entity) accounted for up to 5.68% and 4.47% in 2023 and 2024 respectively, both less than 20%. Thus, there was no risk related to excessive concentration of purchasing sources.

B. Risks Relating to and Response to Excessive Customer Concentration

The top customer of the Company accounted for 16.81% of the revenue in 2023. The sales amount of the top two customers accounted for 11.93% and 11.62% of the revenue in 2024, respectively. Other customers accounted for less than 10% of the revenue. Thus, there was no risk related to excessive customer concentration. In addition to maintaining a good relationship with existing customers, the Company actively expanded the sales market and developed new customers in order to reduce the risks related to excessive customer concentration.

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

The shareholdings of the Company's directors have been stable during the last few years, and there have been no major transfers or swaps of shares.

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

None

5.6.12 Litigation or Non-litigation Matters

- A. Major ongoing lawsuits, non-lawsuits or administrative lawsuit: None.
- B. Major ongoing lawsuits, non-lawsuits or administrative lawsuits caused by directors or shareholders with over 10% shareholdings: None.

5.6.13 Other Major Risks

Organization of Risk Management System

Board of Directors: Highest level of risk management policy with responsibilities in the approval, review, and monitoring of corporate risk management policies, thereby to assure risk validity and bear the ultimate responsibility of risk management.

Audit Committee: Monitor the group with the execution of risk management and propose improvement suggestions for risk management policy.

Chairman Office: The Chairman Office is the competent authority responsible for implementing risk assessment.

Affiliated Department: The supervisors of functional departments are responsible for risk management shall analyze and monitor the risks related to the department in charge.

Audit Office: Prepare audit program based on results of risk appraisal and implement auditing, and submit the auditing results and improvement to the Board of Directors to mitigate the overall operational risks.

Department of Financing and Accounting: Mitigate the Company's financial risk via capital and tax planning and client credit risk management and control mechanism.

Department of Information: Responsible for the security management and maintenance of the information network systems, and implementing the off-site backup mechanism for the Company's crucial information assets to mitigate the impact from operational risks.

Department of Management: Responsible for reviewing various contracts and intellectual property rights applications, and handling legal disputes or litigation to mitigate the legal risks to the Company's operations.

VI. Special Disclosure

6.1 Summary of Affiliated Companies

Please refer to page 112 of the Chinese annual report.

6.2 Private Placement Securities in the Most Recent Years

None

6.3 Other Matters Required to be Described

According to requirements from the Official Letter No. 1020100348 of Taipei Exchange issued on March 15, 2013, the Company hereby presents the Letter of Commitments and reports the performance status as of Q1 of 2025.

Commitments of Registering for Emerging Stock Market	Performance of Commitments
The Company undertakes to add the following wording “the Company shall not waive the annual capital increase to World Extend Holding Inc. (hereinafter referred to as “Yu-kuan”) in the future, and Yu-kuan shall not waive the annual capital increase to Tons Lighting Co., Ltd. and GreatSuper. Technology Limited (hereinafter referred to as “GS”), GS shall not waive the annual capital increase to Zhongshan Tons Lighting Co., Ltd. and Zhongshan Titan Lighting Co., Ltd. in future years. In the future, the resolution from the Board of Directors of TONS LIGHTOLOGY INC. is required for any waive of the preceding capital increase or treatment due to concerns of strategic alliance or approval by Taipei Exchange.” in the context of “Regulations Governing the Acquisition and Disposal of Assets”. Should there be any amendment to the Regulations, relevant disclosure shall be posted at the website of Mops and submitted to Taipei Exchange for reference.	Amendment to “Regulations Governing the Acquisition and Disposal of Assets” based on commitments of registering for emerging stock market has been ratified at the meeting of the Board of Directors on April 24, 2013 and approved at the resolution to the sixth proposal at the Shareholders’ Meeting on June 10, 2013. The status of performance has been reported in Official Letter of Tons FA No. 0702001 issued on July 2, 2013. The dissolution of Tons Lighting Co., Ltd. was approved by the Taipei Exchange in the Letter Zheng-Gui-Jian-Zi No. 108000688 dated July 5, 2019 and adopted by the Board of Directors through a special resolution on July 26, 2019. Moreover, the resolution and liquidation procedure was completed on December 15, 2020.

6.4 During the most recent annual period and as of the printing date of this Annual Report, upon any occurrence of matters specified in Subparagraph 2 of Paragraph 2 of Article 36 of the Act which would significantly affect the equities or securities prices

None.