

(3) Corporate Governance Implementation Status and Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons

Evaluation Items	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Y	N	Abstract Illustration	
1. Has the Company set and disclosed principles for practicing corporate governance according to the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?"	V		On October 6, 2014, the company amended the "Corporate Governance Best Practice Principles" in accordance with the "Listing and OTC Corporate Governance Best Practice Principles." The amendments were subsequently approved by the board of directors on March 8, 2022. The operational status was reported during the board of directors' meeting on May 9, 2023. Please refer to the company's website under Investor Services/Corporate Governance for more information on corporate governance policies and regulations.	No significant difference.
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?	V		To ensure smooth communication between the Company and its investors, the Company has established a system of spokespersons and proxies. These channels are available on the Market Observation Post System, the Company's website, as well as through designated contact telephone numbers and email addresses. These channels are dedicated to handling shareholders' suggestions, questions, and disputes.	No significant difference.
2) Does the Company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		A professional stock affairs agency is responsible for managing the Company's daily shareholder affairs, and dedicated personnel are responsible for handling related matters. The Company ensures compliance with legal requirements by reporting any changes in shareholdings of directors, managers, and substantial shareholders holding 10% or more of the shares on a monthly basis. In accordance with regulations, the quarterly financial reports disclose the names, amounts, and percentages of shareholders who own more than 5% of the shares.	No significant difference.

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3) Does the Company establish and implemented risk control/management and firewall mechanisms between it and affiliated corporations?	V		The Company conducts all business transactions with its affiliates based on fair and reasonable pricing and payment terms. To ensure compliance with these principles, the Company has established several procedures, including the "Procedures for Transactions with Related Parties, Specific Companies, and Groups," "Procedures for the Making of Endorsements and Guarantees," and "Procedures for Loaning Funds to Others." To maintain high standards of internal governance, the Company conducts annual internal audits of its subsidiaries. These audits are submitted to the management and independent directors for review on a regular basis.	No significant difference.
4) Does the Company establish internal rules against insiders trading with undisclosed information?	V		The Company takes insider trading seriously and has established several regulations to prevent it from occurring. These regulations include the "Regulations for Prevention of Insider Trading" and "Management of Insider Information Reporting." The regulations prohibit all employees, managers, and directors of the Company, as well as anyone who has knowledge of the Company through professional or control relationships, from engaging in any conduct that may involve insider trading. These measures ensure the integrity of the Company's operations and help maintain investor confidence. Please refer to the Company's website/Investor Services/Corporate Governance/Insider Trading Prohibition for details.	No significant difference.
3. Composition and Responsibilities of the Board of Directors 1) Does the Board develop and implement a diversified policy and specific objectives of management for the composition of its members?	V		On August 12, 2022, the Company established the "Nomination Committee" and in accordance with Articles of Incorporation, adopted a "Candidate Nomination System." All director candidates will be nominated and undergo qualification review according to the regulations. After approval by the board of directors, they will be submitted for election at the shareholders' meeting.	No significant difference.

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			Board members should generally possess the necessary knowledge, skills, and qualifications required for their duties. The overall capabilities that they should possess include: 1. Ability to make sound business judgments. 2. Ability to conduct accounting and financial analysis. 3. Ability to manage the business. 4. Ability to manage a crisis. 5. Industry knowledge. 6. An understanding of international markets. 7. Leadership ability. 8. Decision-making ability. 9. Risk management knowledge and ability. Among the directors, more than half of the seats should not be held by spouses or relatives within the second degree of kinship. The composition of the board of directors should be adjusted based on the results of performance evaluation. <u>Board Diversity Policy:</u> In order to strengthen corporate governance and promote the sound development of the board of directors' composition and structure, the composition of the board of directors should consider various needs such as the company's operational structure, business development direction, and future development trends. It should also assess various dimensions of diversity, including but not limited to the following criteria: 1. Basic conditions and values: Gender, nationality, age, and culture, etc. 2. Professional knowledge and skills: Professional background (e.g., accounting, risk management, production management, strategy, etc.)	

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			Industry experience (e.g., semiconductor, investment, education, Marketing, etc <u>The specific management goals of the board diversity policy and the current achievements are as follows:</u> The 9th Term's board of directors consists of nine members, including one female director and three independent directors. The directors possess extensive operational experience and management expertise in listed and OTC companies, or have professional academic backgrounds. The term of the Board of Directors runs through May 26, 2025. The specific management goals and achievements of diversity are as follows: Diversity goals: Adding one female director, one director with specialty in the semiconductor industry, and one director with ESG specialty. Goal setting achieved: All goals were achieved by the Ninth Board of Directors. (1) Adding one female director: Director TAN, MING-CHU. (2) Adding one semiconductor industry director: Director CHIU, MING-QIEN. (3) Reappointing one ESG professional director: Director CHIEN, RON-KUN. Future goals: Continuously monitor gender equality in the composition of the board of directors and strengthen directors' ESG backgrounds.	

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				姓名	職稱	國籍	性別	員工身分	獨立董事 任期年資		年紀區間			產業經驗				專業能力					
									3年 以下	3~9 年	55 以下	56 至 65	66 至 75	半 導 體	投 資	教 育	行 銷	會 計	風 險 管 理	生 產 管 理	策 略		
				官錦堃	董事長	中 華 民 國	男						V		V		V		V		V		
				王年清	董事		男	V					V		V			V			V	V	
				官天佑	董事	加 拿 大	男				V						V		V				
				邱銘乾	董事	中 華 民 國	男				V			V			V			V	V		
				曲榮福	董事		男						V			V		V				V	
				譚明珠	董事		女						V					V	V	V			
				何建德	獨立 董事		男				V		V				V			V			
				簡榮坤	獨立 董事		男				V		V					V		V	V		
				劉致宏	獨立 董事		男				V	V				V			V	V			
				Please refer to the company's website under Investor Services, Board of Directors, for more information on board diversity.																			
2) Does the Company voluntarily establish other functional committees in addition to the	V			In addition to the Remuneration Committee and Audit Committee, on August 12, 2022, the Company established the "Nomination Committee" and adopted a "Candidate Nomination System." All director candidates will be nominated and undergo qualification review according to the regulations. After approval																		No significant difference.	

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Compensation Committee and the Audit Committee?			by the board of directors, they will be submitted for election at the shareholders' meeting.	
3) Does the Company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of Directors and referenced when determining the compensation of individual directors and nominations for reelection?	V		On November 8, 2022, the board of directors revised and approved the "Board of Directors Performance Evaluation Methods." Please refer to the Public Information Observation System and the Company's website for details. The self-assessment performance evaluation questionnaire for the 2023 board of directors, board members, and members of functional committees was completed before the most recent board meeting. It was reported at the board meeting on February 23, 2024. Please refer to: "Operation of the Board of Directors" Section.	No significant difference.
4) Does the Company regularly evaluate the independence of CPAs?	V		The company conducts regular assessments of the independence of the auditing certified public accountants (CPAs) annually, carried out by the Audit Committee, and reports the evaluation results to the Board of Directors. The Company has prepared an "Audit CPA Review Evaluation Form" and obtained the "CPA Statement Auditors Independence" from the CPAs from Deloitte & Touche, confirming that both Mr. Chuang Wen-Yuan and Mr. Yang Qing-Zhen meet the Company's standards for independence and suitability, making them suitable to serve as the company's audit CPAs for the financial statements of the year 2023. This recommendation was presented and approved by the Audit Committee and the Board of Directors on May 9, 2023. Please refer to Note 1 for the evaluation criteria of CPA independence and Note 1-1 Summaries of AQIs	No significant difference.
4. Does the Company appoint a suitable number of competent personnel and a	V		On November 9, 2021, the Company established the position of Governance Supervisor, with Ms. Zhang Yuanzhen appointed to the role. Ms. Zhang has	No significant

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supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the board of directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?			more than 3 years of experience serving as an internal audit supervisor in publicly traded companies. <u>Primary responsibilities include:</u> 1. Handling matters related to the Board of Directors and shareholders' meetings in compliance with laws and regulations. 2. Preparing minutes of Board of Directors and shareholders' meetings. 3. Assisting directors in their appointment and continuing education. 4. Providing necessary information for directors to carry out their duties. 5. Assisting directors in compliance with laws and regulations. 6. Reporting to the Board of Directors on the qualification review of independent directors during the nomination, appointment, and tenure. 7. Managing matters related to changes in the Board of Directors. 8. Other matters specified in the company's articles of incorporation or contracts. <u>Execution of Governance Supervisor's Duties in 2023</u> 1. Assisting the Chairman and committee chairs in convening meetings, providing meeting agendas and sufficient materials, notifying members to review the materials, and reminding of conflicts of interest to ensure compliance with relevant regulations. 2. In 2023, held 7 Board of Directors meetings, 6 Audit Committee meetings, 4 Compensation Committee meetings, and 1 Nomination Committee meeting. 3. Presented reports to the Board of Directors on the operation of corporate governance, progress in sustainable development, adherence to ethical	difference.

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			business practices, and measures taken for 2022 on May 9, 2023. 4. Registered the shareholder's annual meeting scheduled for May 31, 2023, in compliance with legal requirements, and provided meeting materials and the annual report to protect shareholders' rights. 5. Completed annual professional development courses on May 31, 2023, based on business needs and director requirements. 6. Reported the execution results of the 2022 corporate governance assessment to the Board of Directors on May 9, 2023. 7. Provided governance-related regulatory materials to directors and internal personnel to ensure compliance with laws and regulations. 8. Conducted closed-door meetings with independent directors, auditors, and the internal audit supervisor to understand the implementation status of internal control systems. Meeting records can be found on the company's website. 9. Responded promptly and effectively to requests from directors to maintain smooth communication with directors and various executives. Please refer to Note 2 for information on the professional development of the Governance Supervisor in 2023. Please visit the company's website under Investor Services - Corporate Governance - Governance Supervisor for more details.	
5. Does the Company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the	V		The company has appointed a spokesperson and a proxy spokesperson as channels of communication with stakeholders. In addition to the investor service area, which has been set up to disclose information related to the Company's financial business and corporate governance information, an ESG area has been added this year to disclose the implementation of ESG.	No significant difference.

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issues they care for in terms of corporate social responsibilities?			Communication with stakeholders in 2023, which was reported to the Board of Directors on November 7, 2023 Please refer to the Company's website for ESG area.	
6. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The company has engaged Taishin Securities as a professional share agent to handle related matters.	No significant difference.
7. Information Disclosure 1) Does the Company have a corporate website to disclose both financial standings and the status of corporate governance?	V		The Company has set up Chinese and English websites with dedicated areas for investor services and ESG. Stakeholders can browse and learn about the Company's information and significant events on the Market Observation Post System or the Company's website.	No significant difference.
2) Has the company adopted other means of information disclosure (such as setting up an English website, designating a person responsible for the collection and disclosure of company information, implementing a spokesperson system, placing the company's website in the course of corporate meetings, etc.)?	V		To ensure smooth communication between the Company and its Stakeholder, the Company has established a system of spokespersons and proxies. These channels are available on the Market Observation Post System, the Company's website, as well as through designated contact telephone numbers and email addresses. A video of the earnings call is also available on the Company's website.	No significant difference.
3) Does the Company announce and report annual financial statements within two months after the end of	V		The Company announces and reports annual financial statements within two months after the end of each fiscal year, and announces and reports Q1, Q2, and Q3 financial statements before the prescribed time limit.	No significant difference.

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each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?			The financial statements for the fiscal year 2022 and the first, second, and third quarters of 2023 were announced ahead of schedule on February 24, 2023, May 9, 2023, August 11, 2023, and November 7, 2023, respectively. Monthly revenue figures are also announced and reported within the specified time frame.	
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)?	V		Other important information is as follows: 1. Director Training: All directors of the company possess relevant professional knowledge and comply with regulations by participating in training programs on securities regulations and other courses. All directors meet the required training hours. Please refer to Note 3 for the training status of directors and independent directors. 2. The Company's board of directors is the highest authority for risk management policies. It is responsible for approving, reviewing, and overseeing the company's risk management policies to ensure their effectiveness. A cross-departmental risk management team is established as the responsible unit for executing risk management. The Chief Operating Officer serves as the convener, and several deputy conveners are designated. The team members include designated responsible persons from various functional units (all departments within the company). The team is primarily responsible for monitoring, measuring, and evaluating company risks and operates independently from business units and operational activities. They report to the board of directors annually. The audit department formulates an annual audit plan based on the company's risk assessment results and conducts periodic audits to ensure the proper implementation of risk controls. Audit reports are issued based on the audit findings.	No significant difference.

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			On November 7, 2023, the 2023 risk management policy was reported to the Audit Committee and Board of Directors, and the 2023 policy and implementation situation was disclosed on the website. Please refer to our website / investor services / corporate governance / risk management policy. 3. Implementation of Customer Policy: In response to the trend of diversified customer demands, the company actively stays informed about the latest market information and develops a comprehensive range of products or services for customers to choose from. Maintaining stable and positive relationships with customers and adopting a customer-centric and flexible approach are core strategies in our customer retention efforts. To deliver promised service quality, regular visitation activities and customer feedback are prioritized in the daily maintenance of customer relationships. 4. Directors' Liability Insurance: The company has purchased liability insurance for current directors to mitigate and distribute legal risks associated with their scope of duties and to protect the company and shareholders from significant damages. The initial coverage was obtained in 2016, and the most recent renewal period started on April 17, 2023, for one year. Important details, such as the coverage amount of USD 5 million, coverage scope (all directors), and insurance premium rates, were reported to the board of directors on May 9, 2023. 5. The succession plan for the company's board of directors and key management personnel can be found on the company's website under the section "Investor Services" > "Corporate Governance" > "Succession Plan for Board Members and Key Management Personnel."	

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9. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures. (It is not necessary for a company which is not evaluated to fill this column)	V		The Company's ongoing corporate governance evaluation is summarized as follows: Improvements made: 1.1 Reporting of director remuneration in shareholder meetings 1.8 The Annual Report shall be uploaded 18 days before the shareholders' meeting 1.9 Simultaneous uploading of English version meeting notices 30 days before shareholder meetings 2.18 Internal performance evaluation of functional committees. 3.5 Whether the Company will upload the annual financial statements in English 16 days before shareholder meetings. 3.18 Establish an English Company website 4.14 The disclosure of identified stakeholders' identities, concerns, communication channels, and response methods that have yet to be improved, with priority given to the following items for enhancement: 4.11 Disclosure of greenhouse gas emissions, water usage, and total waste weight for the past two years 4.12 Development of policies for greenhouse gas reduction, water conservation, or waste management	No significant difference.

(Note 1) CPA Independence Evaluation Criteria

Evaluation Items	Article 47 of Certified Public Accountant Act	Result Yes/No	Compliance with independence
1. Does the auditor have any close business relationships or potential employment relationships with the company?	Item 1	No	Yes
2. Have the auditor or members of their audit team served as directors, executives, or held positions with significant influence over the audit work in the company within the current or past two years?	Item 2	No	Yes
3. Does the auditor have any relatives who hold positions of significant influence over the audit work in the company, such as directors or executives?	Item 3	No	Yes
4. Does the auditor have any direct or significant indirect financial interests in the company?	Item 4	No	Yes
5. Has the auditor engaged in any financing or guarantee activities with the company or its directors?	Item 5	No	Yes
6. Has the auditor provided any non-audit services that could directly impact the audit work for the company?	Item 6	No	Yes
7. Has the company retained the same auditor as the signing auditor for seven consecutive years, or has the signing auditor been subject to any disciplinary actions or events that may affect their independence?	Item 7	No	Yes
8. Has the auditor acted as an intermediary for the issuance of the company's stocks or other securities?	-	No	Yes
9. Has the auditor acted as a legal representative for the company or coordinated conflicts with third parties on behalf of the company?	-	No	Yes
10. Does the auditor have any inappropriate relationships with the company?	-	No	Yes

(Note 1-1) Summaries of AQIs

Evaluation Items - 5 aspects, 13 indicators		Result Yes/No	Compliance with suitability and independence
Aspect 1. Professionalism			
1-1. Audit experience	Sufficient audit experience to perform audit work, better than the average of the industry	Yes	Yes
1-2. Training hours	Adequate education and training of the audit team in terms of professional knowledge and expertise, better than the average of the industry	Yes	Yes
1-3. Turnover	The turnover rate of audit staff at the managerial level and above is lower than the industry average	Yes	Yes

Evaluation Items - 5 aspects, 13 indicators		Result Yes/No	Compliance with suitability and independence
1-4. Professional support	Support and engagement from professionals other than auditors	Yes	Yes
Aspect 2. Quality control			
2-1. CPA's work load	The number of companies of the CPAs and the number of hours invested are not excessive compared to the industry	Yes	Yes
2-2. Audit engagement	Whether the planning and execution hours of the audit team are appropriate	Yes	Yes
2-3. Engagement quality control review (EQCR) scenarios	Whether the EQCR team spend enough time for review	Yes	Yes
2-4. Quality control support capability	Whether the quality control staff is supportive to the audit team	Yes	Yes
Aspect 3. Independence			
3-1. Non-audit services	Whether the percentage of non-audit fees for audit cases has been reduced as compared with that of last year for compliance with the independence requirement	Yes	Yes
3-2. Customers familiarity	The cumulative number of years in which the annual financial statements of the same firm have been certified reaches 10 years (Note)	Yes	Yes
Aspect 4. Supervision			
4-1. External inspection deficiencies and sanctions	Good compliance with the law at the firm level and case level	Yes	Yes
4-2. Letter of improvement from the competent authority			
Aspect 5. Innovation			
5-1. Innovative planning or initiatives	Firm level: Programs adopted or planned in the last three years that have contributed to the improvement of audit quality 1. Introducing cloud-based audit platforms and tools 2. Applying digital technology 3. Expanding audit support center	Yes	Yes

(Note) The CPAs have not been continuously certified for more than seven years since the initial public offerings, and are in compliance with the rotation rules without affecting the independence of the CPAs.

(Note 2) Corporate Governance Officer Continuing Education for Year 2022

Course Duration	Organizer	Course Name	Hours	Total Hours for the Year
March 10	CGA	Shareholders' Meeting, Operating Rights and Equity Strategies	3 hours	18 hours
May 31	CGA	How to Negotiate a Successful M&A Deal	3 hours	
		5G to Shape Digital Transformation and Competitive Landscape of Enterprises	3 hours	
September 4	Financial Supervisory Commission	14th Taipei Corporate Governance Forum	6 hours	
November 22	SFI	2023 Annual Briefing on Legal Compliance in Insider Equity Transactions	3 hours	

(Note 3) Continuing education of directors and independent directors

Title	Name	Date of Appointment	Course Duration	Organizer	Course Name	Hours		
Chairman	KUAN, JIN-KUN	2022.05.27	2023.05.31	CGA	How to Negotiate a Successful M&A Deal	3 hours		
Director	WANG, NIEN-CHING					3 hours		
Director	KUAN, TIEN-YU					3 hours		
Director	QU, RON-FU					3 hours		
Director	TAN, MING-CHU					3 hours		
Independent Director	HE, JIAN-DE					3 hours		
Independent Director	JIAN, RONG-KUN					3 hours		
Chairman	KUAN, JIN-KUN	2022.05.27	2023.05.31	CGA	5G to Shape Digital Transformation and Competitive Landscape of Enterprises	3 hours		
Director	WANG, NIEN-CHING					3 hours		
Director	KUAN, TIEN-YU					3 hours		
Director	QU, RON-FU					3 hours		
Director	TAN, MING-CHU					3 hours		
Independent Director	HE, JIAN-DE					3 hours		
Independent Director	JIAN, RONG-KUN					3 hours		
Director	CHIU, MING-QIEN	2022.05.27	2023.08.09	CGA	M&A Strategy and Planning	3 hours		
					Insider Trading from an Investigative Perspective	3 hours		
Independent Director	LIU, ZHI-HONG		2023.09.25		Insider Trading Prevention and Countermeasures	3 hours		
					Risks and Opportunities of Business Operations from Climate Change and Net Zero Emissions Policies	3 hours		