

Stock Code: 3163



波若威科技股份有限公司

Browave Corporation

2024 Annual Report

Notice to readers

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

Printed on March 31, 2025

The annual report can be accessed at <http://mops.twse.com.tw>

The Company's website: <http://www.browave.com>

1. Name, title, contact telephone number and e-mail address of the spokesperson and acting spokesperson

Name of spokesperson: Chang Wen-Qiao

Title of spokesperson: Vice President of Marketing and Sales Department

Telephone number of spokesperson: (03) 563-0099

E-mail address: George.Chang@browave.com

Name of acting spokesperson: Huang Shu-Jun

Title of acting spokesperson: Assistant VP, Finance and Accounting Department

Telephone number of acting spokesperson: (03) 563-0099

E-mail address: Cindy.Huang@browave.com

2. Address and telephone number of head office, branch, and plant

Head office address: 3F, No.30, Industry East Road IX, Hsinchu Science Park, Hsinchu County, Taiwan, R.O.C.

TEL: (03)563-0099

3. Name, address, website, and telephone number of the stock transfer agency

Name: Stock Administration Department, KGI Securities Co., Ltd.

Address: 5F, No. 2, Section 1, Chongqing South Road, Zhongzheng District, Taipei City

TEL: (02) 2389-2999

Website: <http://www.kgiworld.com.tw>

4. Name, firm, address, website, and telephone number of the CPAs attesting the most recent annual financial statements

CPA name: Liu Chien-Yu, Hsieh Chih-Cheng

Name: PwC Taiwan

Address: 27F, No. 333, Section 1, Keelung Road, Xinyi District, Taipei City

TEL: (02) 2729-6666

Website: <http://www.pwc.tw>

5. The names of any exchanges where the Company's securities are listed offshore, and the method by which to access information on the offshore securities: None

6. Company website: <http://www.browave.com>



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I. Letter to Shareholders

1. 2024 Business Results

- (1) Implementation results of business plan:
Net sales in 2024 decreased 30% year over year to NT\$ 1.94 billion. Browave generated net income of NT\$ 463 million, or NT\$ 5.75 per share, in 2024.
- (2) State of 2024 budget implementation:
There was no projection for 2024 being made publicly.
- (3) Financial receipts and expenditures and profitability

(In NTD thousands, except share amounts)

	FY2024	FY2023
Results of Operations		
Net sales	1,941,270	2,779,058
Gross profit	278,771	556,418
Operating income	(5,152)	240,922
Net income	463,068	435,782
Profitability		
Return on Assets %	12.92	12.68
Return on Equity %	16.98	18.05
Profit before Interest & Taxes %	60.71	65.27
Profit margin %	23.85	15.68
Earnings per share (Basic)	5.75	5.63

- (4) Research and Development:

In the field of pluggable optical transceivers, Browave has successfully mass-produced fiber harnesses using optical-components automated packaging technology, which can be applied in DR and FR 400G/800G transceivers. With stable mass production of 400G/800G products, the plan is to further mass-produce 1.6T products in the fourth quarter of 2025. Besides, Browave continues to actively collaborate with customers to prepare various harnesses for 1.6T application, in response to the development of high-speed optical transmission.

In regard to CPO Optical I/O field, in spite of having no industry standards, Browave offers customized designs and samples to support customers' various demands. On the basis of customers' PIC design, Browave develops multi-channel fiber end-face processing technology, capable of controlling end-face height within 10um, ensuring excellent optical performance in chip alignment. Meanwhile, considering the convenience of fiber-to-chip alignment, pluggable fiber harnesses are developed, with samples being delivered continuously, it's expected to be mass-produced in 2026. Furthermore, with the development of CPO technology, Browave works with customers to develop fiber shuffle box applied in CPO products, accommodating multi-channel connections in higher density. Browave will further integrate WDM applications to enhance product performance.

In terms of automation techniques, Browave has collaborated with partners to carry out the development of micro-optical components automated load/unload system, which will be applied in existing production lines starting in 2025, aiming at full automation with shorter production cycle time and lower labor

demand.

2. Business Plan for 2025

Guidance:

The growth in 2025 is expected to be mainly driven by deployments in 3 major application fields, 800G/1.6T products for AI/DC server, next generation PON, and next generation CATV.

- (1) 800G/1.6T Fiber Harness products for AI/DC server:
Revolving around high-speed optical transceivers, DR and FR products are the focus. North America remains the main market.
- (2) 800G/1.6T Customized Jumper/ Cable for AI/DC server:
Centered on Multimode/ Single-Mode platform. However, with changes in end-customer application architecture slowing down the transition from copper to fiber as well as the more diversified AI supply chain, the demand is gradually evened out.
- (3) Next generation PON/ FTTH:
Focused on Branch modules, in addition to high channel count splitters (e.g. 1x64) for deployment in urban areas, low channel count splitters (e.g. 1x8+Tap) for rural areas has become the focus this year as well.
- (4) Next generation CATV:
Multiple System Operators (MSO) enhance competitiveness, to compete with telecom service providers, through increasing investments in upgrading HFC network to DOCSIS 4.0, which leads to increasing demand for WDM and Branch modules, especially DWDM modules. The business outlook this year though is relatively conservative due to the uncertainty of the North American telecom subsidy program and the ongoing depletion of end customer's inventory.

3. Competition, Government Regulations, and Macroeconomic Environment

Multiple System Operators (MSO) enhance competitiveness, to compete with telecom service providers, through increasing investments in upgrading HFC network to DOCSIS 4.0, which leads to increasing demand for WDM and Branch modules, especially DWDM modules. The business outlook this year though is relatively conservative due to the uncertainty of the North American telecom subsidy program and the ongoing depletion of end customer's inventory.

4. 2025 outlook

Browave will focus on the following segments:

- (1) 800G/1.6T Fiber Harness products for AI server.
- (2) 800G/1.6T Customized Jumper/Cable for AI server.
- (3) Branch products for Next-Gen PON/FTTH Upgrade.
- (4) WDM products for Next-Gen CATV Upgrade.

Fiber Harness and Shuffle Box products for CPO applications, which are expected to be qualified in the second half of 2025 and mass-produced in 2026.

Browave team will conduct the business with the utmost integrity and effort to achieve the Company's continued growth.

Chairperson: Cheng Wann-Lai

Managerial Officer: Hwang Yu-Wen

Accounting Officer: Huang Shu-Jun

Corporate Governance Report

II. Corporate Governance Report

1. Information on Directors, President, Vice President, Assistant VP, and Officers of Departments and Branches

(1) Information on the Members of the Board of Directors

1. Board members:

March 23, 2024; Unit: Share

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Term of Office (years)	First Elected Date	Shareholding When Elected		Shareholding at Present		Shareholding of Spouse and Minor Children now		Shareholding in the Name of Others		Major Experience (education)	Concurrent positions in the Company and other companies now	Spouse or Relatives Within Second Degree of Kinship Who Are Officers, Directors, or Supervisors of the Company		
							Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage			Title	Name	Relationship
Chairperson	R.O.C.	Cheng Wann-Lai	Male 71-80 years old	2023.6.19	3	2007.6.14	1,770,083	2.35%	1,770,083	2.2%	0	0%	0	0%	Department of Business Administration, Fu Jen Catholic University	Chairperson, Browave Holding Inc. Corporate director representative, LUMOSA THERAPEUTICS CO. LTD.	None	None	None
Director	R.O.C.	Chen Yu-Liang	Male 71-80 years old	2023.6.19	3	1998.4.30	2,176,090	2.89%	2,176,090	2.7%	0	0%	0	0%	Department of Electrical Engineering, National Taiwan University	Director, Spirox Corp. Director, RDC SEMICONDUCTOR CO., LTD. Director, Taiwan Oasis Technology Co., Ltd. Independent director, Wistron Corporation	None	None	None
Director	R.O.C.	National Development Fund, Executive Yuan	Not Applicable	2023.6.19	3	2001.9.20	3,033,125	4.03%	3,033,125	3.77%	0	0%	0	0%	None	None	None	None	None
		Corporate representative Teng, Wei-Chung	Male 51-60 years old	2023.6.19	3	2023.6.19	0	0%	0	0%	0	0%	0	0%	Doctor of Engineering, The University of Tokyo Commissioner of the National Communications Commission Director and Secretary-General of the Taiwan Alumni Association of the University of Tokyo	Professor and Department Chair, Taiwan University of Science and Technology, the Department of Computer Science and Information Engineering Vice Dean, Taiwan University of Science and Technology of the College of Electrical Engineering and Computer Science. Director of Human Resources, The Asia Silicon Valley Project	None	None	None
Director	R.O.C.	Hwang Yu-Wen	Male 51-60 years old	2023.6.19	3	2017.6.20	422,018	0.56%	369,018	0.46%	0	0%	0	0%	Master of Science in Optoelectronics, National Yang Ming Chiao Tung University Section Chief, ELECTRONIC & OPTOELECTRONIC SYSTEM RESEARCH LABORATORIES/INDUSTRIAL TECHNOLOGY RESEARCH INSTITUTE	President, Browave Corporation Director, Browave ZhongShan Corporation Director, Browave (Philippines) Corporation	None	None	None
Director	R.O.C.	Wu Jin-Hong	Male 61-70 years old	2023.6.19	3	2015.6.24	153,111	0.2%	80,111	0.09%	0	0%	0	0%	Electrical Engineering, Chin-Yi Institute of Technology Production Chief, Microelectronics Technology, Inc.	Chairperson, Browave ZhongShan Corporation	None	None	None
Director	R.O.C.	Wu Yu-Chun	Male 71-80 years old	2023.6.19	3	2020.6.18	0	0%	0	0%	0	0%	0	0%	Master of Advanced Public Administration, National Taiwan University President, TPEX	Independent director, Yuanta Securities Co., Ltd. Independent director, Yuanta Futures Co., Ltd. Independent director, Jing-Jan Retail Business Co.	None	None	None

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Term of Office (years)	First Elected Date	Shareholding When Elected		Shareholding at Present		Shareholding of Spouse and Minor Children now		Shareholding in the Name of Others		Major Experience (education)	Concurrent positions in the Company and other companies now	Spouse or Relatives Within Second Degree of Kinship Who Are Officers, Directors, or Supervisors of the Company		
							Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage			Title	Name	Relationship
Independent director	R.O.C.	Lin Chien-Chih	Male 61-70 years old	2023.6.19	3	2019.6.6	0	0%	0	0%	0	0%	0	0%	J.D., University of London, UK Chairperson, Financial Ombudsman Institution Executive Officer, Master Program of International Business Administration, National Chengchi University Chair, Department of Risk Management and Insurance, National Chengchi University	Professor, Department of Risk Management and Insurance, National Chengchi University Chairperson, Ji Yun Insurance Culture and Education Foundation Chairperson, Taiwan Insurance Law Association Vice Chairperson, Insurance Society of the Republic of China Director, Association Internationale de Droit des Assurances Independent director, Taiwan Life Insurance Co., Ltd. Independent director, Yunta Securities Co., Ltd.	None	None	None
Independent director	R.O.C.	Meng Ching-Li	Male 61-70 years old	2023.6.19	3	2020.6.18	0	0%	0	0%	0	0%	0	0%	President, Taiwan Depository & Clearing Corporation	Director, Jinan Acetate Chemical Co., LTD.	None	None	None
Independent director	R.O.C.	Fang Pei-Hua	Female 61-70 years old	2023.6.19	3	2020.6.18	0	0%	0	0%	0	0%	0	0%	President of Taiwan, SCOR Reinsurance Company (Asia) Limited Vice President of Taiwan Branch, Swiss Re-insurance Company	None	None	None	None

Note 1: The table shows the information on directors in service as of the date of publication of the annual report.

Major Shareholders of Corporate Shareholders

March 18, 2025

Name of corporate shareholder	Major shareholders of corporate shareholders
National Development Fund, Executive Yuan	Non-corporate organizations. Not applicable.

2. Disclosure of information on specialized qualifications and independence of independent directors

Criteria Name	Professional Qualifications and Experience	Status of Independence	Number of Other Public Companies in Which the Individual Is Concurrently Serving as an Independent Director
Chairperson Cheng Wann-Lai	More than five years of working experience in commerce, finance, and corporate business, and currently Chairperson of the Company and the corporate representative of several companies. No circumstances under Article 30 of the Company Act.	Not Applicable	0
Director Chen Yu-Liang	More than five years of working experience in commerce, finance, and corporate business, and is currently Director of several listed companies. No circumstances under Article 30 of the Company Act.		1
Director Representative of National Development Fund, Executive Yuan: Teng, Wei-Chung	More than five years of specialized experience as a professor at public and private universities in departments relevant to business and corporate operations, and specialized industry knowledge; currently, director of the Joint Research Center for Display Technology, National Yang Ming Chiao Tung University. No circumstances under Article 30 of the Company Act.		0
Director Wu Jin-Hong	More than five years of experience in commerce, finance and corporate business, and extensive industry experience; Currently serves as the Chairman of Browave (ZhongShan) Corporation and formerly the Production Chief of Microelectronics Technology, Inc. No circumstances under Article 30 of the Company Act.		0
Director Hwang Yu-Wen	More than five years of working experience in commerce, finance, and corporate business, and currently President of the Company. Formerly the person in charge of Optoplex Corporation with extensive industry experience and judgment of global specialized market competitions. No circumstances under Article 30 of the Company Act.		0

Criteria Name	Professional Qualifications and Experience	Status of Independence	Number of Other Public Companies in Which the Individual Is Concurrently Serving as an Independent Director
Director Wu Yu-Chun	More than five years of working experience in commerce, finance, and corporate business, and currently an independent director of Yuanta Securities Co., Ltd., and Independent director of Yuanta Futures Co., Ltd., and Independent director, Jing-Jan Retail Business Co. Work experience: served as Team Leader and Director Secretary of the Securities and Futures Commission, Ministry of Finance, Deputy Director of the Securities and Futures Bureau of the Financial Supervisory Commission, Executive Yuan, President of the Taipei Exchange, and Chairperson of Master Link Securities Investment Advisory Co. Ltd. No circumstances under Article 30 of the Company Act.		3
Independent director Lin Chien-Chih	More than five years of experience in commerce, finance, and corporate business, and specializing in the field of law and currently a professor in the Department of Risk Management and Insurance, National Chengchi University No circumstances under Article 30 of the Company Act.	The independent directors of the Company are in compliance with	2
Independent director Meng Ching-Li	More than five years of experience in commerce, finance, and corporate business, formerly the President of Taiwan Depository & Clearing Corporation No circumstances under Article 30 of the Company Act.	Paragraphs 1-9, Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". (Note)	0
Independent director Fang Pei-Hua	More than five years of working experience in commerce, finance, and corporate business. Formerly the President of SCOR Reinsurance Company (Asia) Limited, Vice President of Swiss Re-insurance Taiwan Branch, and Actuarial Assistant VP of MetLife Taiwan Branch No circumstances under Article 30 of the Company Act.		0

Note:

- (1) Not an employee of the Company or its affiliates.
- (2) Not a director or supervisor of the Company or its affiliates.
- (3) Not a natural-person shareholder holding more than 1% of the total number of issued shares or among the top 10 natural-person shareholders in the name of itself, its spouse, minor children, or others.
- (4) Not a managerial officer under (1) or a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship under (2), (3).
- (5) Not a director, supervisor, or employee of a corporate shareholder directly holding 5% or more of the total number of issued shares of the Company, or among the top 5 in shareholdings, or designating its representative to serve as a director or supervisor of the Company under Article 27, Paragraph 1 or 2 of the Company Act.
- (6) Not a director, supervisor, or employee of other company. If a majority of the Company's director seats or shares with voting rights and those of that other company are controlled by the same person.
- (7) Not a director, supervisor, or employee of the other company or institution who is or whose spouse is the chairperson, general manager, or equivalent positions of the

Company.

- (8) Not a director, supervisor, managerial officer, or shareholder holding 5% or more of the shares of a specific company or institution that has a financial or business relationship with the Company.
- (9) Not a specialized, sole proprietor, partner, owner of a company or institution, director, supervisor, managerial officer, or its spouse that provides the Company or affiliates with audit services or commercial, legal, financial, accounting or related services with cumulative amount of remuneration in the last two years exceeding NTD 500,000.

3. Diversity and Independence of the Board of Directors

(1) Diversity of the Board of Directors

In accordance with Article 20 of the Company's "Corporate Governance Best Practice Principles", diversity should be considered for the composition of the Board of Directors and its members should generally possess the knowledge, skills, and qualities necessary to perform its duties. In order to achieve the desired objectives of corporate governance, it is desirable that the Board of Directors as a whole have the following competencies: 1. The ability to make judgments about operations. 2. Accounting and financial analysis ability. 3. Business management ability. 4. Crisis management ability. 5. Industry knowledge. 6. International market perspective. 7. Leadership ability. 8. Decision-making ability.

The implementation status is as follows:

Core Diversity Items Title/Name		Gender	Part-time Employee	Term of Directors Office (years)				Judgments About Operations	Accounting and Financial Analysis Ability	Business Management	Crisis Management	Industry Knowledge	International Market Perspective	Leadership Ability	Decision-making Ability
				<3	3~6	6~9	>9								
Chairperson	Cheng Wann-Lai	Male					V	V	V	V	V	V	V	V	V
Director	Chen Yu-Liang	Male					V	V	-	V	V	V	V	V	V
Director	National Development Fund, Executive Yuan	-					V	V	-	V	V	V	V	V	V
	Representative: Teng, Wei-Chung	Male		V											
Director	Hwang Yu-Wen	Male	V			V		V	-	V	V	V	V	V	V
Director	Wu Jin-Hong	Male					V	V	-	V	V	V	V	V	V
Director	Wu Yu-Chun	Male			V			V	V	V	V	-	V	V	V
Independent Director	Lin Chien-Chih	Male			V			V	V	V	V	-	V	V	V
Independent Director	Meng Ching-Li	Male			V			V	V	V	V	-	V	V	V
Independent Director	Fang Pei-Hua	Female			V			V	V	V	V	-	V	V	V

The specific management objectives of the Board's diversity policy and their achievement are as follows:

Management Objectives	Achievement
The number of directors who are also managerial officers should not exceed one-third of the number of directors	Achieved
There is at least one female member in the Board of Directors	Achieved
No independent directors have served more than three terms	Achieved
No more than two members of the Board of Directors may be spouses or related to each other within the second degree of kinship, in accordance with applicable corporate governance regulations.	Achieved

(2) Independence of the Board of Directors: The 10th Board of Directors is composed of 9 directors, including 3 independent directors, accounting for 33% of the total board members. They are outstanding individuals with rich professional practical experience, leadership decision-making, and industry knowledge. The three independent directors have expertise in legal, financial accounting, and business management backgrounds respectively. Their tenure is as follows: 3 director have been in office for less than 6 years. Mr. Lin Chien-Chih was graduated with a PhD in Law from the University of London, currently serves as a professor in the Department of Risk Management and Insurance at National Chengchi University, Mr. Meng Ching-Li once served as the General Manager of the Taiwan Depository & Clearing Corporation, and Ms. Fang Pei-Hua once served as the General Manager of the French Reinsurance Taiwan Branch. The six directors each possess expertise in finance, technology, and industrial marketing, implementing a diversified board member policy, which helps to enhance corporate governance and management performance.

As of the end of 2024, all independent directors comply with the regulations regarding independent directors set by the Securities and Futures Bureau of the Financial Supervisory Commission, and there are no circumstances under Paragraphs 3 and 4 of Article 26-3 of the Securities Transaction Law among the directors and independent directors.

(2) Information on President, Vice President, Assistant VP, and Officers of Departments and Branches

March 18, 2025; Unit: Shares

Title	Nationality	Name	Gender	Elected Date	Shareholding		Shareholding of Spouse and Minor Children		Shareholding in the Name of Others		Major Experience (education)	Concurrent Positions in Other Companies	Spouse Relatives Within Second Degree of Kinship Who Are Managerial Officers of the Company		
					Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage			Title	Name	Relationship
President	R.O.C.	Hwang Yu-Wen	Male	2015.8.10	369,018	0.46%	0	0%	0	0%	Master of Science in Optoelectronics, National Chiao Tung University Section Chief, ELECTRONIC & OPTOELECTRONIC SYSTEM RESEARCH LABORATORIES/INDUSTRIAL TECHNOLOGY RESEARCH INSTITUTE	Director, Browave (Zhongshan) Corporation and Browave (Philippines) Corporation	None	None	None
Product Management Department Vice President	R.O.C.	Chen Yong-He	Male	2015.8.10	97,688	0.12%	0	0%	0	0%	Ph.D., Institute of Electronics, National Chiao Tung University Engineer ELECTRONIC & OPTOELECTRONIC SYSTEM RESEARCH LABORATORIES/INDUSTRIAL TECHNOLOGY RESEARCH INSTITUTE	None	None	None	None
R&D Engineering Department Vice President	R.O.C.	Chou Wei-Jen	Male	2016.12.1	115,000	0.14%	0	0%	0	0%	Institute of Optoelectronics, National Chiao Tung University R&D VP, AmTRAN Technology Co., Ltd.	None	None	None	None
Marketing and Sales Department Vice President	R.O.C.	Chang Wen-Chiao	Male	2015.8.10	118,081	0.15%	0	0%	0	0%	Master of Science in Applied Mechanics, National Taiwan University	Supervisor, Browave (ZhongShan) Corporation	None	None	None
Vice President of Material Resources Department	R.O.C.	Lin Jin-Xiong	Male	2019.3.7	230,000	0.29%	0	0%	0	0%	Mechanical Engineering, Taipei Institute of Technology Reliability Engineering Manager, Aetas Systems Incorporated Vice President, FOCI FIBER OPTIC COMMUNICATIONS, INC.	Director, Browave (ZhongShan) Corporation Chairperson, Browave (Philippines) Corporation	None	None	None

Title	Nationality	Name	Gender	Elected Date	Shareholding		Shareholding of Spouse and Minor Children		Shareholding in the Name of Others		Major Experience (education)	Concurrent Positions in Other Companies	Spouse Relatives Within Second Degree of Kinship Who Are Managerial Officers of the Company		
					Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage			Title	Name	Relationship
Operation Center Vice President	R.O.C.	Liu Bang-Zhen	Male	2009.9.1	40,000	0.05%	0	0%	0	0%	Electronic Engineering, Asia Eastern Institute of Technology	President, Browave (ZhongShan) Corporation President, Browave (Philippines) Corporation	None	None	None
Finance and Accounting Department Assistant VP	R.O.C.	Huang Shu-Jun	Female	2015.4.15	60,000	0.07%	0	0%	0	0%	Department of Accounting, Feng Chia University Accounting Manager, Macronix International Co., Ltd.	None	None	None	None
Corporate Governance Officer	R.O.C.	Yu Chen-Ni	Female	2023.5.4	0	0%	0	0%	0	0%	Master of Business Administration, College of Technology Management, Tsinghua University	None	None	None	None

Note 1: The table shows the information on managerial officers in service as of the date of publication of the annual report.

Note 2: There is no circumstances where the President or equivalent (top managerial officer) and the Chairperson of the Board of Directors are the same person.

2. Remuneration for Directors, Supervisors, President, and Vice President for the Most Recent Year

(1) Remuneration for regular directors and independent directors

Unit: In thousands of NTD

Title	Name	Total Remuneration to Directors								A, B, C and D as A % Of the Net Profit After Tax (Note 4)		Remuneration for a concurrent position as an employee								A, B, C, D, E, F and G as A % Of the Net Profit After Tax (Note 4)		Remuneration From Investees Outside Subsidiaries or From the Parent Company (Note 8)
		Base Remuneration (A) (Note 1)		Severance and Pension (B)		Remuneration for Directors (C) (Note 2)		Business Execution Expenses (D) (Note 3)				Salary, Bonus, Allowance (E) (Note 5)		Severance and pension (F)		Remuneration for Employees (G) (Note 6)						
		The Company	All companies in the Financial Statements (Note 7)	The Company	All companies in the Financial Statements (Note 7)	The Company	All companies in the Financial Statements (Note 7)	The Company	All companies in the Financial Statements (Note 7)	The Company	All companies in the Financial Statements (Note 7)	The Company	All companies in the Financial Statements (Note 7)	The Company	All companies in the Financial Statements (Note 7)	The Company		All companies in the Financial Statements (Note 6)		The Company	All companies in the Financial Statements (Note 7)	
																Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Chairperson	Cheng Wann-Lai	1,800	1,800	0	0	8,000	8,000	4,366	4,366	14,166 3.06%	14,166 3.06%	4,940	5,319	108	108	1,620	0	1,620	0	20,834 4.50%	21,214 4.58%	
Director	Chen Yu-Liang																					
Director	Representative of National Development Fund, Executive Yuan: Teng Wei-Chung																					
Director	Wu Jin-Hong																					
Director	Hwang Yu-Wen																					
Director	Wu Yu-Chun																					
Independent Director	Lin Chien-Chih	3,600	3,600	0	0	0	0	75	75	3,675 0.79%	3,675 0.79%	0	0	0	0	0	0	0	0	3,675 0.79%	3,675 0.79%	
Independent Director	Meng Ching-Li																					
Independent Director	Fang Pei-Hua																					
1. Please describe the policy, system, criteria and structure for the remuneration for independent directors, and the correlation to the amount of remuneration in terms of their responsibilities, risks, time spent and other factors: Please refer to page 16-17 of the Annual Report.																						
2. In addition to the disclosure above, the remuneration for the directors of the Company for providing services to all companies in the financial statements (such as serving as a non-employee consultant, etc.) in the most recent year: None.																						

Range of Remuneration

Remuneration Range for the Directors of the Company	Director's Name			
	Total Amount of the First Four Remunerations (A+B+C+D)		Total Amount of the First Seven Remunerations (A+B+C+D+E+F+G)	
	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements
Less than NTD 1,000,000				
\$1,000,000 (inclusive) to NTD 2,000,000	Chen Yu-Liang, National Development Fund, Executive Yuan, Wu Jin-Hong, Hwang Yu-Wen, Wu Yu-Chun, Lin Chien-Chih, Meng Ching-Li, Fang Pei-Hua	Chen Yu-Liang, National Development Fund, Executive Yuan, Wu Jin-Hong, Hwang Yu-Wen, Wu Yu-Chun, Lin Chien-Chih, Meng Ching-Li, Fang Pei-Hua	Chen Yu-Liang, National Development Fund, Executive Yuan, Wu Jin-Hong, Wu Yu-Chun, Lin Chien-Chih, Meng Ching-Li, Fang Pei-Hua	Chen Yu-Liang, National Development Fund, Executive Yuan, Wu Jin-Hong, Wu Yu-Chun, Lin Chien-Chih, Meng Ching-Li, Fang Pei-Hua
\$2,000,000 (inclusive) to NTD 3,500,000				
\$3,500,000 (inclusive) to NTD 5,000,000				
\$5,000,000 (inclusive) to NTD 10,000,000	Cheng Wann-Lai	Cheng Wann-Lai	Cheng Wann-Lai, Hwang Yu-Wen	Cheng Wann-Lai, Hwang Yu-Wen
\$10,000,000 (inclusive) to NTD 15,000,000				
\$15,000,000 (inclusive) to NTD 30,000,000				
\$30,000,000 (inclusive) to NTD 50,000,000				
\$50,000,000 (inclusive) to NTD 100,000,000				
More than NTD 100,000,000				
Total	9 seats	9 seats	9 seats	9 seats

Note 1: This refers to the remunerations for directors (including director's base salary, duty allowance, severance, various bonuses, and incentives, etc.) for the most recent year.

Note 2: This refers to the amount of directors' remunerations approved by the Board of Directors for the most recent year.

Note 3: This refers to directors' business execution expenses (including travel expenses, special allowances, various subsidies, dormitory, company car, etc.) for the most recent year.

Note 4: The net profit after tax refers to the net profit after tax of the standalone financial statements for the most recent year.

Note 5: This refers to the salaries, duty allowance, severance, bonuses, incentives, travel expenses, special allowances, various subsidies, dormitories, company cars, and other provisions received by directors for their concurrent positions as employees (including the president, vice presidents, other managerial officers, and employees) for the most recent year. Salary expenses recognized in accordance with IFRS 2, "Share-based Payment", include the acquisition of employee stock options, employee restricted stocks, and participation in cash capital increase subscriptions.

Note 6: This refers to the employee remuneration for the most recent year to directors who concurrently serve the Company as employees (including president, vice president, other managerial officers and employees). The amounts shown above are the proposed amounts.

Note 7: This refers to the total amount of remuneration paid to the directors of the Company by all companies in the consolidated statements (including the Company).

Note 8: This refers to the base and bonus remuneration (including bonus for employees, directors, and supervisors) and business execution expenses of the Company's directors in their capacity as directors, supervisors or managerial officers of the Company's investees outside of subsidiaries or the parent company.

(2) Remuneration for President and Vice President

Unit: In thousands of NTD

Title	Name	Salary (A)		Severance and Pension (B)		Bonus and Allowance (C)		Remuneration for Employees (D) (Note 2)				A, B, C and D as a % of the Net Profit after Tax		Remuneration from Investees Outside Subsidiaries or from the Parent Company (Note 3)
		The Company	All Companies in the Financial Statements (Note 1)	The Company	All Companies in the Financial Statements (Note 1)	The Company	All Companies in the Financial Statements (Note 1)	The Company		All companies in the financial statements (Note 1)		The Company	All Companies in the Financial Statements (Note 1)	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
President/ Dicrector of Subsidiary	Hwang Yu-Wen	12,156	13,044	639	639	7,253	7,341	5,940	0	5,940	0	25,988 5.61%	29,964 5.82%	0
Vice President	Chen Yong-He													
Vice President	Chou Wei-Jen													
Vice President	Chang Wen-Chiao													
Vice President/ Chairperson of Subsidiary	Lin Jin-Xiong													
Vice President/ President of Subsidiary	Liu Bang-Zhen													

Remuneration Range

Remuneration Range for Each President and Vice President of the Company	Name of President and Vice President	
	The Company	All Companies in the Financial Statements (Note 1)
Less than NTD 1,000,000		
\$1,000,000 (inclusive) to NTD 2,000,000		
\$2,000,000 (inclusive) to NTD 3,500,000		
\$3,500,000 (inclusive) to NTD 5,000,000	Chen Yong-He, Chou Wei-Jen, Chang Wen-Chiao, Lin Jin-Xiong, Liu Bang-Zhen	Chen Yong-He, Chou Wei-Jen, Chang Wen-Chiao, Lin Jin-Xiong, Liu Bang-Zhen
\$5,000,000 (inclusive) to NTD 10,000,000	Hwang Yu-Wen	Hwang Yu-Wen
\$10,000,000 (inclusive) to NTD 15,000,000		
\$15,000,000 (inclusive) to NTD 30,000,000		
\$30,000,000 (inclusive) to NTD 50,000,000		
\$50,000,000 (inclusive) to NTD 100,000,000		
More than NTD 100,000,000		
Total	6	6

Note 1: This refers to the total amount paid by all companies in the consolidated statements (including the Company).

Note 2: The amounts shown above are the proposed amounts.

Note 3: This refers to the base and bonus remuneration (including bonus for employees, and directors) and business execution expenses of the Company's president and vice president in their capacity as directors, or managerial officers of the Company's investees outside of subsidiaries or the parent company.

- (3) Name of managerial officers who received employee remuneration and the distribution status:

Unit: In thousands of NTD

	Title	Name	Stock Amount	Cash Amount (Note)	Total	Proportion of net income after tax (%)
Managerial Officer	President	Hwang Yu-Wen	0	6,750	6,750	1.46
	Vice President	Chen Yong-He				
	Vice President	Chou Wei-Jen				
	Vice President	Chang Wen-Chiao				
	Vice President	Lin Jin-Xiong				
	Vice President	Liu Bang-Zhen				
	Assistant VP	Huang Shu-Jun				
	Corporate Governance Office	Yu Chen-Ni				

Note : The amounts shown above are the proposed amounts.

- (4) Compare and describe the total remuneration paid to directors, president, and vice president for the most recent two years by the Company and all companies in the consolidated statements as a % of the net profit after tax, and explain the policies, criteria, combination, the procedures for determining remuneration and the correlation to operating performances and future risks:

1. Analysis of the total remuneration paid to the Company's directors, president, and vice president as a % of net profit after tax for most recent two years by the Company and all companies in the consolidated statements:

Unit: In thousands of NTD

Year Item	The Company				All Companies in the Financial Statements			
	2023(Actual)		2024(Proposed)		2023(Actual)		2024(Proposed)	
	Total Amount	Proportion of Net Profit After Tax (%)	Total Amount	Proportion of Net Profit After Tax (%)	Total Amount	Proportion of Net Profit After Tax (%)	Total Amount	Proportion of Net Profit After Tax (%)
Director	28,762	6.60%	24,509	5.29%	29,302	6.72%	24,889	5.37%
President and Vice President	28,075	6.44%	25,988	5.61%	29,603	6.79%	26,964	5.82%
Net Profit After Tax	435,782	-	463,068	-	435,782	-	463,068	-

2. Policies, criteria, combination, and the procedures for determining remuneration and the correlation to operating performances and future risks:

- (1) Description of the Company's Remuneration to Independent Directors
The independent directors of the Company are compensated based on the recommendation by the Remuneration Committee with reference taken from the industry standard and are not included in the

distribution of earnings and are paid after the resolution of the Board of Directors. They will also be paid travel expenses based on the number of meetings attended.

(2) Remuneration to Directors

In accordance with the Company's Articles of Incorporation, directors are entitled to receive fixed remuneration, the amount of which is determined by the Remuneration Committee with reference taken from the industry standard; when the Company earns a profit in the year, the remuneration of directors shall be no more than 3% of the Company's profitability for the year in accordance with the Company's Articles of Incorporation. In addition, travel expenses are paid based on the number of meetings attended. In summary, the remuneration of the Company's directors is highly correlated with the Company's operating performance.

(3) Description of Remuneration for the President and Vice President of the Company

The remuneration for the President and Vice President consists of a fixed salary and a variable salary, with the fixed salary being the monthly salary payment and the variable salary being the employee remuneration and immediate incentive payment, depending on the profitability of the Company and the performance appraisal of the individual.

In accordance with the Company's Articles of Incorporation, the Company shall allocate 5% to 15% as employees' remuneration based on the profitability of the year, among which the President and Vice President shall be compensated based on the recommendation by the Remuneration Committee with reference taken from the industry standard, personal performance appraisal and contribution to the Company's operation with approval by the Board of Directors. In summary, the overall remuneration of the President and Vice President of the Company is highly correlated with the operating performance of the Company.

3. The Operation of Corporate Governance

(1) The Operation of the Board of Directors

1. The term of office for this session is from June 19, 2023 to June 18, 2026.
2. The Board of Directors met five times (A) in 2024 and the attendance of directors was as follows:

Title	Name	Number of Attendance in Person (B)	Number of Attendance by Proxy	As a % of Attendance in Person [B/A]	Remarks
Chairperson	Cheng Wann-Lai	5	0	100%	Re-elected
Director	Chen Yu-Liang	5	0	100%	Re-elected
Director	National Development Fund, Executive Yuan Representative: Teng, Wei-Chung	5	0	100%	Newly elected
Director	Wu Jin-Hong	5	0	100%	Re-elected
Director	Hwang Yu-Wen	5	0	100%	Re-elected
Director	Wu Yu-Chun	5	0	100%	Re-elected
Independent director	Lin Chien-Chih	5	0	100%	Re-elected
Independent director	Meng Ching-Li	5	0	100%	Re-elected
Independent director	Fang Pei-Hua	5	0	100%	Re-elected

Other matters required to be recorded:

1. If the operation of the Board of Directors is under any of the following circumstances, the date, period, proposal content, all independent directors' opinions and the Company's handling of their opinions should be described:
 - (1) Matters listed in Article 14-3 of the Securities and Exchange Act: The related matters are listed below. As the Company has established an audit committee since June 18, 2020, the related matters under Article 14-5 of the Securities and Exchange Act are applicable; please refer to page 24 of the Annual Report for its operation.

Term and Session/ Date	Motion Content	The Opinions of Independent Directors	The Company's Handling of the Opinions of the Independent Directors	Resolution
10th Board 4th Session (2024.2.29)	1. 2023 Statement of Internal Control System. 2. Proposal for the 2023 Annual Business Report and Financial Statements. 3. Proposal for the Distribution of Profits for the Fiscal Year 2023. 4. Proposal for the Distribution of Employee and Director Remuneration for the Fiscal Year 2023. 5. Proposal for Allocation of Director Remuneration (Excluding Independent Directors) for the Fiscal Year 2023. 6. Implementation of Private Placement of Common Shares. 7. Amendments of certain provisions of the "Rules of Procedure for Board Meetings". 8. Amendments to Certain Provisions of the "Audit Committee Charter".	Agreed	Not Applicable	Approved as proposed without objection after the chair consulted all directors present

	9. Assessment of the Independence and Competence of CPAs Liu Chien-Yu and Hsieh Chih-Cheng of PwC Taiwan, and Proposal to Appoint Them to Audit the Company's Financial Statements for the Year 2024.			
10th Board 5th Session (2024.5.2)	Consolidated Financial Report for the First Quarter of Fiscal Year 2024.			
10th Board 6th Session (2024.8.1)	1. Consolidated Financial Report for the Second Quarter of Fiscal Year 2024. 2. Proposal for the Disposal of Marketable Securities.			
10th Board 7th Session (2024.11.5)	1. Consolidated Financial Report for the Third Quarter of Fiscal Year 2024. 2. Internal Audit Plan for Fiscal Year 2025. 3. Proposal to Amend the "Internal Control System" and the "Implementation Rules of Internal Audit" to Incorporate a New Internal Control Item on Sustainability Information Management, in Compliance with Regulatory Requirements. 4. Operational Plan for Fiscal Year 2025.			
10th Board 8th Session (2024.12.20)	Proposal to Participate in the Bidding for a Factory Property in Hsinchu Science Park.			
10th Board 9th Session (2025.2.26)	1. 2024 Statement of Internal Control System. 2. Proposal for the 2024 Annual Business Report and Financial Statements. 3. Proposal for the Distribution of Profits for the Fiscal Year 2024. 4. Proposal for the Distribution of Employee and Director Remuneration for the Fiscal Year 2024. 5. Proposal for Allocation of Director Remuneration (Excluding Independent Directors) for the Fiscal Year 2024. 6. Suspension of the private placement of common shares approved at the 2024 Annual Shareholders' Meeting. 7. Amendment of certain provisions of the 'Articles of Incorporation'. 8. Implementation of Private Placement of Common Shares for capital increase through cash. 9. Assessment of the Independence and Competence of CPAs Liu Chien-Yu and Hsieh Chih-Cheng of PwC Taiwan, and Proposal to Appoint Them to Audit the Company's Financial Statements for the Year 2025.			

- (2) In addition to the previous matters, other board meeting resolutions that have been opposed or reserved by independent directors with records or written statements: No such situation.
2. The recusal of directors from motions that involved a conflict of interest. Specify the names of the directors, the content of the motions, and reason for recusal, and their participation in voting:
- (1) Resolution of the 10 th meeting of the fourteen Board of Directors held on February 29, 2024:
- Name of directors: Mr. Hwang Yu-Wen .
Motion content: Distribution of 2023 employee remuneration to managerial officers

Reason for recusal: Interested party in this motion Participation in voting: The director who is an interested party in the motion recused himself in accordance with the law and did not participate in voting.				
2. Name of directors: Mr. Cheng Wann-Lai, Mr. Chen Yu-Liang, Representative of National Development Fund, Executive Yuan: Mr. Teng Wei-Chung, Mr. Wu Jin-Hong, Mr. Hwang Yu-Wen, Mr. Wu Yu-Chun Motion content: Distribution of 2023 director remuneration Reason for recusal: Interested party in this motion Participation in voting: The director who is an interested party in the motion recused himself in accordance with the law and did not participate in voting.				
(2) Resolution of the 10th meeting of the fourth Board of Directors held on February 26, 2025:				
1. Name of directors: Mr. Hwang Yu-Wen. Motion content: Distribution of 2024 employee remuneration to managerial officers Reason for recusal: Interested party in this motion Participation in voting: The director who is an interested party in the motion recused himself in accordance with the law and did not participate in voting.				
2. Name of directors: Mr. Cheng Wann-Lai, Mr. Chen Yu-Liang, Representative of National Development Fund, Executive Yuan: Mr. Teng Wei-Chung, Mr. Wu Jin-Hong, Mr. Hwang Yu-Wen, Mr. Wu Yu-Chun Motion content: Distribution of 2024 director remuneration Reason for recusal: Interested party in this motion Participation in voting: The director who is an interested party in the motion recused himself in accordance with the law and did not participate in voting.				
3. Listed companies should disclose information on the periodicity and period, scope, method, and content of the self-evaluation (or peer evaluation) by the Board of Directors and fill in the following table for the implementation of the Board of Directors' evaluation.				
Evaluation Periodicity	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content
Once a year	2024.1.1~2024.12.31	The entire Board of Directors	The evaluation is conducted by means of named questionnaire and the results are reported to the Board of Directors.	A. The extent of participation in the Company's operations. B. Improvement in the quality of the Board's decision-making. C. Composition and structure of the Board. D. Election and continuing education of directors. E. Internal control
Once a year	2024.1.1~2024.12.31	Members of the Board of Directors	The evaluation is conducted by means of named questionnaire and the results are reported to the Board of Directors.	A. Alignment of the Company's objectives and tasks. B. Perception of directors' responsibilities. C. The extent of participation in the Company's operations. D. Internal relationship management and communication.

				E. Professionalism and continuing education of directors. F. Internal control
Once a year	2024.1.1~2024.12.31	Audit Committee/ Remuneration Committee	The evaluation is conducted by means of named questionnaire and the results are reported to the Board of Directors.	A. The extent of participation in the Company's operations. B. Improvement in the quality of the functional committee's decision-making. C. Composition and election of the functional committee members D. Continuing education of functional committee members E. Internal control

Note 1: The results of the 2024 performance evaluation were included in the report of the Board of Directors on February 26, 2025. Board performance evaluation, board member performance evaluation, audit committee performance evaluation, and compensation committee performance evaluation are all excellent, with respective scores of 4.86, 4.93, 5.00, and 5.00.

4. Evaluation of the current and most recent year's objectives for enhancing the functions of the Board of Directors (e.g., establishing an audit committee, enhancing information transparency, etc.) and their implementation:

(1) Enhance the functions of the Board of Directors

1. In order to improve corporate governance and enhance the functions of the Board of Directors, the Company has established a remuneration committee to assist the Board of Directors in performing remuneration management. In addition, three independent directors were elected at the annual shareholders' meeting in 2020, and an audit committee was established to perform the duties and responsibilities required by laws and regulations.
2. The Company's Board of Directors has approved the "Procedures for Ethical Management and Guidelines for Conduct", "Corporate Governance Best Practice Principles", "Code of Ethical Conduct", "Sustainable Development Best Practice Principles", "Measures for Self-evaluation or Peer Evaluation of the Board of Directors", "Operational Risk Management and Control" and "Board of Directors Meeting Rules and Regulations" to strengthen the functions of the Board of Directors and enhance information transparency.
3. In order to protect directors and managerial officers from the risks they bear in carrying out their business, the Company purchases "Directors', Supervisors' and Managers' Liability Insurance" for directors and managerial officers every year, and the information on the contents of the insurance policy was submitted to the Board of Directors on November 5, 2024 to ensure that the contents meet the management needs of the Company.
4. The directors' continuing education in 2024 is as follows:

Title	Name	Organizer	Course Name	Number of Hours
Chairperson	Cheng Wann-Lai	Taiwan Corporate Governance Association	ESG and Corporate Sustainability	3
			Strengthening Corporate Governance Through Practical Case	3

				Studies: Food Safety and Environmental Safety Perspectives	
	Director	Chen Yu-Liang	Taiwan Corporate Governance Association	ESG and Corporate Sustainability	3
				Strengthening Corporate Governance Through Practical Case Studies: Food Safety and Environmental Safety Perspectives	3
	Representative of corporate director	Teng Wei-Chung	Taiwan Corporate Governance Association	ESG and Corporate Sustainability	3
				Strengthening Corporate Governance Through Practical Case Studies: Food Safety and Environmental Safety Perspectives	3
	Director	Wu Jin-Hong	Taiwan Corporate Governance Association	ESG and Corporate Sustainability	3
				Strengthening Corporate Governance Through Practical Case Studies: Food Safety and Environmental Safety Perspectives	3
	Director	Hwang Yu-Wen	Taiwan Corporate Governance Association	ESG and Corporate Sustainability	3
				Strengthening Corporate Governance Through Practical Case Studies: Food Safety and Environmental Safety Perspectives	3
	Director	Wu Yu-Chun	Taiwan Corporate Governance Association	ESG and Corporate Sustainability	3
				Strengthening Corporate Governance Through Practical Case Studies: Food Safety and Environmental Safety Perspectives	3
	Independent director	Lin Chien-Chih	Taiwan Corporate Governance Association	ESG and Corporate Sustainability	3
				Strengthening Corporate Governance Through Practical Case Studies: Food Safety and Environmental Safety Perspectives	3
	Independent director	Meng Ching-Li	Taiwan Corporate Governance Association	ESG and Corporate Sustainability	3
				Strengthening Corporate Governance Through Practical Case Studies: Food Safety and Environmental Safety Perspectives	3
	Independent director	Fang Pei-Hua	Taiwan Corporate Governance Association	ESG and Corporate Sustainability	3
				Strengthening Corporate Governance Through	3

				Practical Case Studies: Food Safety and Environmental Safety Perspectives	
<p>(2) Enhance information transparency The Company's financial information, significant resolutions, directors' attendance at board meetings and directors' continuing education programs are announced on the Market Observation Post System in a timely manner as required by law, and the Company's financial and business information is also disclosed on the Company's website so that the investing public can obtain the information immediately.</p>					

(2) The operation of the Audit Committee:

1. The operation of the Audit Committee:

(1) On June 18, 2020, the Company established the Audit Committee to replace the supervisor system. The Committee consists of three members and Current term of office: June 19, 2023 to June 18, 2026.

(2) The responsibilities of the Audit Committee are as follows:

- i. Establish or amend the internal control system in accordance with the provisions of Article 14-1 of the Securities and Exchange Act.
- ii. Evaluate the efficacy of the internal control system.
- iii. Establish or amend procedures for handling significant financial transactions involving the acquisition or disposal of assets, derivative transactions, loaning of funds to others, or endorsement or guarantee for others in accordance with Article 36-1 of the Securities and Exchange Act.
- iv. Matters involving directors' own interests.
- v. Significant asset or derivative transactions.
- vi. Significant loaning of funds, endorsements, or provisions of guarantees.
- vii. Raising, issuance or private placement of securities of an equity nature.
- viii. Appointment, dismissal, or compensation of attesting CPAs.
- ix. Appointment or dismissal of financial, accounting, or internal audit officers.
- x. Financial statements
- xi. Other significant matters as required by the Company or the competent authorities

(3) The Audit Committee met five times in 2024 (A), and the attendance of independent directors was as follows:

Title	Name	Number of Attendance in Person (B)	Number of Attendance by Proxy	% of Attendance in Person [B/A]	Remarks
Independent director	Lin Chien-Chih	5	0	100%	Re-elected
Independent director	Meng Ching-Li	5	0	100%	Re-elected
Independent director	Fang Pei-Hua	5	0	100%	Re-elected

Other matters required to be recorded:

1. If the operation of the Audit Committee is under any of the following circumstances, the date, period, proposal content, the results of the Audit Committee's resolution and the Company's handling of their opinions should be described:

(1) Matters listed in Article 14-5 of the Securities and Exchange Act.						
Session Date	Motion Content	Independent Directors' Objections, Reservations or Significant Recommendations	Results of the Audit Committee's Resolution	The Company's Handling of the Opinions of the Audit Committee	Resolution of the Board of Directors	
2st board 3th session (2024.2.29)	1. 2023 Statement of Internal Control System. 2. Proposal for the 2023 Annual Business Report and Financial Statements. 3. Proposal for the Distribution of Profits for the Fiscal Year 2023. 4. Implementation of Private Placement of Common Shares. 5. Assessment of the Independence and Competence of CPAs Liu Chien-Yu and Hsieh Chih-Cheng of PwC Taiwan, and Proposal to Appoint Them to Audit the Company's Financial Statements for the Year 2024.	None	Agreed	Not Applicable	Approved as proposed without objection by all directors present	
2st board 4th session (2024.5.2)	Consolidated Financial Report for the First Quarter of Fiscal Year 2024					
2st board 5th session (2024.8.1)	1. Consolidated Financial Report for the Second Quarter of Fiscal Year 2024. 2. Proposal for the Disposal of Marketable Securities.					
2st board 6th session (2024.11.5)	1. Consolidated Financial Report for the Third Quarter of Fiscal Year 2024. 2. Internal Audit Plan for Fiscal Year 2025. 3. Proposal to Amend the "Internal Control System" and the "Implementation Rules of Internal Audit" to Incorporate a New Internal Control Item on Sustainability Information Management, in Compliance with Regulatory Requirements. 4. Operational Plan for Fiscal Year 2025.					
2st board 7th session (2024.12.20)	Proposal to Participate in the Bidding for a Factory Property in Hsinchu Science Park.					
2st board 8th session	1. 2024 Statement of Internal Control System.					

(2025.2.26)	2. Proposal for the 2024 Annual Business Report and Financial Statements. 3. Proposal for the Distribution of Profits for the Fiscal Year 2024. 4. Implementation of Private Placement of Common Shares for capital increase through cash. 5. Assessment of the Independence and Competence of CPAs Liu Chien-Yu and Hsieh Chih-Cheng of PwC Taiwan, and Proposal to Appoint Them to Audit the Company's Financial Statements for the Year 2025.																
<p>(2) In addition to the preceding matters, other resolutions not approved by the Audit Committee and approved by two-thirds or more of all directors: No such situation.</p> <p>2. The recusal of independent directors from motions that involve a conflict of interest. Specify the names of the independent directors, the content of the motions, and reason for recusal, and their participation in voting: No such situation.</p> <p>3. Communication between the independent directors, internal audit officer and CPAs (major matters, methods and results of communication on the Company's financial and business conditions, etc. should be included):</p> <p>(1) Summary of communication between independent directors and internal audit officer for 2024.</p> <table><tr><th>Date of the Audit Committee Meeting</th><th>Highlights of Communication</th><th>The Opinions of Independent Directors</th></tr><tr><td>2024.2.29</td><td>1. From October to December 2023, a total of 11 internal audit reports were completed, covering areas such as derivative transaction procedures, endorsement and guarantee operations, lending of funds to others, financing cycle, sales and collection cycle, the management of Board meeting operations, the management of Compensation Committee meeting operations, the management of Audit Committee meeting operations, and the use of computerized information processing systems (including cybersecurity inspections).. 2. Statement of Internal Control System</td><td>No opinion</td></tr><tr><td>2024.5.2</td><td>From January to March 2024, a total of 9 internal audit reports were completed, covering areas such as derivative transaction procedures, endorsement and guarantee operations, lending of funds to others, investment cycle, acquisition or disposal of assets procedures, fixed asset cycle, and production cycle.</td><td>No opinion</td></tr><tr><td>2024.8.1</td><td>From April to June 2024, a total of 10 internal audit reports were completed, covering areas such as derivative transaction procedures.</td><td>No opinion</td></tr></table>						Date of the Audit Committee Meeting	Highlights of Communication	The Opinions of Independent Directors	2024.2.29	1. From October to December 2023, a total of 11 internal audit reports were completed, covering areas such as derivative transaction procedures, endorsement and guarantee operations, lending of funds to others, financing cycle, sales and collection cycle, the management of Board meeting operations, the management of Compensation Committee meeting operations, the management of Audit Committee meeting operations, and the use of computerized information processing systems (including cybersecurity inspections).. 2. Statement of Internal Control System	No opinion	2024.5.2	From January to March 2024, a total of 9 internal audit reports were completed, covering areas such as derivative transaction procedures, endorsement and guarantee operations, lending of funds to others, investment cycle, acquisition or disposal of assets procedures, fixed asset cycle, and production cycle.	No opinion	2024.8.1	From April to June 2024, a total of 10 internal audit reports were completed, covering areas such as derivative transaction procedures.	No opinion
Date of the Audit Committee Meeting	Highlights of Communication	The Opinions of Independent Directors															
2024.2.29	1. From October to December 2023, a total of 11 internal audit reports were completed, covering areas such as derivative transaction procedures, endorsement and guarantee operations, lending of funds to others, financing cycle, sales and collection cycle, the management of Board meeting operations, the management of Compensation Committee meeting operations, the management of Audit Committee meeting operations, and the use of computerized information processing systems (including cybersecurity inspections).. 2. Statement of Internal Control System	No opinion															
2024.5.2	From January to March 2024, a total of 9 internal audit reports were completed, covering areas such as derivative transaction procedures, endorsement and guarantee operations, lending of funds to others, investment cycle, acquisition or disposal of assets procedures, fixed asset cycle, and production cycle.	No opinion															
2024.8.1	From April to June 2024, a total of 10 internal audit reports were completed, covering areas such as derivative transaction procedures.	No opinion															

	endorsement and guarantee operations, lending of funds to others, supervision of subsidiaries, handling of material internal information and prevention of insider trading, payroll cycle, property management operations, and transactions among group enterprises, specified companies, and related parties.	
2024.11.5	1. From July to September 2024, a total of 10 internal audit reports were completed, covering areas such as derivative transaction procedures, endorsement and guarantee operations, lending of funds to others, management of the financial statement preparation process, compliance with International Financial Reporting Standards (IFRS) and applicable laws and regulations, accounting judgment procedures, processes for changes in accounting policies and estimates, the R&D cycle, and the procurement and payment cycle. 2. 2025 internal audit plan	No opinion

The audit officer communicates with the independent directors through the audit report on a monthly basis, reports at least once a quarter on the performance of the audit business through the Audit Committee and immediately reports to the Audit Committee if there are special circumstances. The Company's Audit Committee and the internal audit officer communicate well with each other.

(2) Summary of communication between independent directors and CPAs for 2024.

Date of	Communication meetings	Highlights of Communication	The Opinions of Independent Directors
2024.2.26	Individual meeting	Audit Quality Indicators(AQIs)	No opinion
2024.2.29	The Audit Committee meeting	1. Annual Individual and Consolidated Financial Statements for the Year 2023 2. Discussion on Audit Scope and Key Matters	No opinion
2024.5.2	The Audit Committee meeting	2024 results of the review of the consolidated financial statements for Q1	No opinion
2024.8.1	The Audit Committee meeting	2024 results of the review of the consolidated financial statements for Q2	No opinion
2024.11.5	The Audit Committee meeting	2024 results of the review of the consolidated financial statements for Q3	No opinion

The Company invites the attesting CPAs to sit in the Audit Committee meetings to communicate the results of the review or audit of financial reports and related legal regulations. Their interaction with each other is good.

4. Key tasks of the Audit Committee in 2024:

- (1) Audit of the 2023 Annual and 2024 First, Second, and Third Quarter Financial Reports.
- (2) Appointment and compensation of the attesting CPA's and the assessment of their independence.
- (3) Review of the annual audit plan.
- (4) Appraisal of the effectiveness of the internal control system and the review of the internal audit reports and tracking reports.

(3) The state of operation of the Company's corporate governance and the differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor

Evaluation Item	The State of Operations			Differences & Reasons
	Yes	No	Summary Description	
1. Has the Company formulated and disclosed its corporate governance practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies"?	V		Our company established the 'Corporate Governance Practices Guidelines' during the Fourth Meeting of the Sixth Board of Directors. Furthermore, partial amendments were approved during the Tenth and Fourteenth Meetings of the Ninth Board of Directors. We ensure compliance with relevant regulations and diligently carry out various information disclosures to safeguard the interests of investors, stakeholders, and employees.	No material difference
2. The Company's equity structure and shareholder equity				No material difference
(1) Has the Company established internal operating procedures to handle shareholder recommendations, doubts, disputes and litigations, and implemented them in accordance with the procedures?	V		(1) The Company has a spokesperson, an acting spokesperson, and an investor hotline to handle shareholder proposals and related matters, and discloses contact information on the Investor Relations Section of the Company's website.	
(2) Does the Company have a list of the major shareholders who actually control the Company and those who ultimately have control over the major shareholders?	V		(2) The Company keeps track of the shareholdings of its directors, managerial officers and shareholders holding more than 5% of the shares and discloses this information on a regular basis.	
(3) Has the Company established and implemented risk control and firewall mechanisms between affiliated companies?	V		(3) The Company has established "Procedures for Group Enterprises, Specific Companies and Related Party Transactions" and follows the laws and regulations and the internal	
(4) Has the Company				

Evaluation Item	The State of Operations			Differences & Reasons
	Yes	No	Summary Description	
formulated internal regulations to prevent insiders from trading securities using undisclosed information on the market?	V		control system. (4) The Company has established the “Procedures for Handling Material Inside Information and Prevention of Insider Trading” and “Procedures for Ethical Management and Guidelines for Conduct” to prevent improper disclosure of information and to ensure the consistency and correctness of information published by the Company to the outside world and strengthen the prevention of insider trading.	
3. Composition and Responsibilities of the Board of Directors (1) Has the Board of Directors formulated and implemented a membership diversity policy?	V		(1) The Company's “Corporate Governance Best Practice Principles” regulate the qualifications of directors and independent directors, and set up a diversity policy for the Company's operation, business model and development needs, and adopted a nomination system for candidates in accordance with the Company's Articles of Incorporation to ensure the diversity and independence of Board members. The 10th Board of Directors is composed of 8 male and 1 female member, including 7 directors with extensive management experience and 2 university professors with extensive academic experience. Please refer to page 8 of the Annual Report for the implementation of the Board's diversity policy.	No material difference
(2) In addition to the Remuneration Committee and the Audit Committee established in accordance		V	(2) Our company has established the Compensation Committee and the Audit Committee. In the future, we will set up other	

Evaluation Item	The State of Operations			Differences & Reasons
	Yes	No	Summary Description	
with law, has the Company voluntarily set up other functional committees?			functional committees as required by laws and the operational needs of the company.	
(3) Has the Company formulated board performance evaluation measures and methods, conducts performance evaluations annually and regularly, and reports the results of performance evaluations to the Board of Directors, and uses them as a reference for individual directors' remuneration and nomination for reappointment?	V		(3) The Company has established the "Measures for Self-evaluation or Peer Evaluation of the Board of Directors" to conduct annual performance evaluation (please refer to page 20 of the Annual Report), and the results of this year's evaluation are excellent. The results of the evaluation were presented to the Board of Directors on February 26, 2025, as a reference for directors' remuneration and future nomination for reappointment. On February 26, 2025, the 5th meeting of the 4th Remuneration Committee reported on the directors' and managers' performance and compensation for the year 2024.	
(4) Does the Company regularly evaluate the independence of attesting CPAs?	V		(4) The company's Audit Committee evaluates the independence and suitability of the external auditors annually. In addition to requesting the auditors to provide an "Independence Declaration" and "Audit Quality Indicators (AQIs)," the committee also assesses the independence of Ms. Liu Chien-Yu and Mr. Hsieh Chih-Cheng from Zhicheng & Associates, in accordance with the Independence Evaluation Checklist. The evaluation results for the most recent fiscal year were discussed and approved by the Audit Committee on February 26, 2025, and the resolution was presented to the Board of Directors on the same day.	
4. Does the Company as a listed enterprise have a	V		Company established the position of Corporate Governance Officer on	No material difference

Evaluation Item	The State of Operations			Differences & Reasons
	Yes	No	Summary Description	
suitable and appropriate number of corporate governance personnel and has it appointed a corporate governance officer to be responsible for corporate governance related matters (including but not limited to providing information necessary for directors and supervisors to perform their business, assisting directors and supervisors to comply with laws and regulations, conducting board meeting and shareholder meeting related matters in accordance with law, handling company registration and alteration registration, and preparing minutes of board meetings and shareholder meetings, etc.)?			May 4, 2023, as approved by the Board of Directors, in compliance with the law. The Corporate Governance Officer is responsible for handling corporate governance-related matters, facilitating Board of Directors and Shareholders' Meetings in accordance with legal requirements, preparing minutes of Board of Directors and Shareholders' Meetings, assisting directors in their appointments and ongoing education, providing necessary information for directors to carry out their duties, and any other matters stipulated in the company's articles of association or contracts.	
5. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers, etc.) and a special section for stakeholders on the Company's website, and responded appropriately to important corporate social responsibility issues that are of concern to stakeholders?	V		<p>1. Our website has a Stakeholder Inquiry Desk, including a contact window and a contact information mailbox, which provides a channel for communication with stakeholders such as investors, media, employees, customers, environmental protection and sustainability initiatives, and suppliers, in order to appropriately respond to the concerns of various stakeholders.</p> <p>2. The Company has an Employee Welfare Committee that meets quarterly to discuss issues related to employee welfare.</p>	No material difference
6. Has the Company appointed a specialized stock affairs agency to handle matters for shareholder meetings?	V		The Company has appointed KGI Securities Co., Ltd. as its stock affairs agency for shareholders' meetings.	No material difference

Evaluation Item	The State of Operations			Differences & Reasons
	Yes	No	Summary Description	
7. Information Disclosure				
(1) Has the Company set up a website to disclose finance and business matters and corporate governance information?	V		(1) The Company announces all financial, business, and corporate governance information in accordance with the regulations and discloses them on the Company's website. (http://www.browave.com)	No material difference
(2) Has the Company adopted other means of information disclosure (such as setting up an English website, appointing dedicated personnel responsible for the collection and disclosure of Company information, implementing a spokesperson system, posting the Company's earnings calls on its website, etc.)?	V		(2) The Company has set up a spokesperson and acting spokesperson system in accordance with the regulations, and discloses their names and contact information on the website, and holds a "corporate presentation" every year to enable investors to fully understand the Company's operation and future development, so as to achieve transparency of the Company's information.	
(3) Does the Company publicly announce and file annual financial statements within two months after the end of the fiscal year, and the financial statements for the first, second and third quarters and the monthly operating status before the prescribed deadline?	V		(3) The Company's financial reports and monthly operations are announced on the Market Observation Post System (MOPS) and disclosed on the Company's website within the prescribed period.	
8. Does the Company have other important information that is helpful to understand its implementation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, continuing education of directors and	V		<p>The Company's management actively promotes corporate governance, and the related systems, measures and their implementation status are as follows:</p> <ol style="list-style-type: none"> 1. The Company has purchased liability insurance for its directors and supervisors, and reported the important contents of the insurance amount, coverage, and rates to the Board of Directors on November 5, 2024. 2. The number of hours of 	No material difference

Evaluation Item	The State of Operations			Differences & Reasons
	Yes	No	Summary Description	
supervisors, Implementation of risk management policies and risk measurement standards, implementation of customer policies, the Company's purchase of liability insurance for directors and supervisors, etc.)?			<p>continuing education for directors is in accordance with the law and is disclosed on the MOPS.</p> <p>3. The Company has established work rules in accordance with the Labor Standards Act and related laws and regulations to protect the rights and interests of employees, and has established an employee welfare committee to serve as a channel of communication between management and employees, and has promoted various employee welfare policies to create a harmonious working environment and enrich the lives of employees. In order to implement safety, quality, hygiene and environmental management, we have obtained ISO 9001:2015 and ISO 14001 certifications, and regularly promote and monitor their implementation to provide a safe and quality working environment.</p> <p>4. The Company focuses on operating our core business and complies with relevant laws and regulations. We have established a Risk Management Review Committee to promote and implement the execution of various policies. We have also formulated the "Risk Control Management Regulations" to reduce and avoid any risks that may harm the interests of the company. Major operational policies, investment projects, asset acquisitions and disposals, and endorsement guarantees are all evaluated and analyzed by relevant departments before being submitted to the board of directors for resolution, in order to implement a supervision mechanism for risk control.</p>	

Evaluation Item	The State of Operations			Differences & Reasons
	Yes	No	Summary Description	
			<p>5. The Company has established a “succession ladder” development mechanism, guided by the Chairman, General Manager, and various professional consultants, to regularly hold strategic discussions on market marketing/operation integration/R&D engineering/financial risks and other areas of communication. The main targets are the Chairman, General Manager, and company-level (including) or higher-level executives. In addition to arranging education and training and setting agents, the company plans a succession timetable that spans 1 to 3 years of lateral or subordinate relationships, and conducts 270-degree performance assessments every quarter to understand the status of their core job functions. The training content includes:</p> <p>(1). Education and training: We provide new executives with courses that share the management experiences of the general manager. The content includes strategic thinking, performance management and talent management, high-performance leadership, organizational change, talent development, and leadership succession, in order to improve the management abilities of the executives and establish common rules.</p> <p>(2). The company implements the OKR performance management system on a quarterly basis, using an OKR management system to facilitate communication among team members and</p>	

Evaluation Item	The State of Operations			Differences & Reasons
	Yes	No	Summary Description	
			<p>ensure consistency in work objectives and performance. The system also helps to develop a management mindset among supervisors in managing departmental objectives.</p> <p>(3). Acting person system: Leaders of level 8 or above shall designate two acting persons who shall deputize for the leader during the leader's leave of absence for the purpose of developing the acting persons' specialized and management skills.</p> <p>(4). The strategy seminar and operation monthly report system: Participants include the chairman, professional consultants in various fields, the general manager, and the management level of managers and above; the total time for discussion and reporting is 48 hours.</p> <p>Implementation Results: The company has established and begun to use the OKR (Objectives and Key Results) management system to ensure the consistency of work objectives and performance. Through the OKR system, there is better communication between managers and employees, allowing them to understand each other's goals and work more clearly, thus improving work efficiency and effectiveness. Additionally, the OKR system enables managers to effectively monitor and evaluate employee performance and provide relevant feedback and rewards.</p>	
<p>9. Please describe the improvements that have been made in response to the corporate governance evaluation results issued by the Corporate Governance Center of the Taiwan Stock Exchange in the most recent year, and propose priorities and measures for those not yet improved</p>				

Evaluation Item	The State of Operations			Differences & Reasons
	Yes	No	Summary Description	
<p>The Company's most recent annual corporate governance evaluation ranking range is 21% to 35%, and the improvement status is as follows:</p> <p>a. Add the English version of material information.</p> <p>b. Upload internal personnel's shareholding changes before the 10th of each month.</p> <p>The unimproved items for improvement are prioritized as follows:</p> <p>a. Enhance disclosure of corporate social responsibility information such as the progress of ESG report preparation, recommendations for climate-related financial disclosures (TCFD), and the list of top ten shareholders by ownership percentage.</p> <p>b. Strengthen the promotion of social welfare initiatives in sustainability issues, such as employee care and welfare matters, channels for reporting workplace misconduct, and fulfilling corporate responsibilities.</p>				

Note: Our CPAs' independence is evaluated as follows:

1. Do the services provided to the Group by the attesting CPA, the practicing CPAs of his or her accounting firms and other alliance member firms meet the independence criteria.
2. Has the Company paid the attesting CPA or his or her accounting firm any contingent fees or referral fees, commissions, etc.
3. Does the attesting CPA serve as a director or independent director of the Company or its affiliates
4. Is the attesting CPA a shareholder of the Company or its affiliates.
5. Is the attesting CPA on the payroll of the Company or its affiliates.
6. Has attesting CPA provided audit services to the Company for seven consecutive years.
7. Does the attesting CPA confirm that his or her accounting firm has complied with the independence criteria.
8. Have the partner CPAs or audit team members of the attesting CPA's accounting firm served as a director, managerial officer, or had a significant influence on the audit within one year of his or her separation.
9. Is there a business relationship between the attesting CPA's accounting firm and the Company.
10. Is there any pending or potential litigation between the attesting CPA's accounting firm and the Company.
11. Does the Company still have outstanding fees from the previous year.

(4) Composition, Responsibilities and Operation of the Remuneration Committee

1. Membership Information

Criteria Status Name		Professional Qualifications, Experience and Independence	Number of Other Public Companies Where the Member Is Also a Member of Their Remuneration Committees
Independent director	Lin Chien- Chih	Please refer to page 5 of the Annual Report. And without violating the independence requirements set forth in Article 6 of the "Regulations Governing the Establishment and Exercise of Powers of the Compensation Committee of a Company Listed on the Stock Exchange or Traded Over the Counter by Securities Firms".	2
Independent director	Meng Ching- Li		0
Independent director	Fang Pei- Hua		0

2. Information on the operation of the Remuneration Committee

- (1) The Company's Remuneration Committee has three members
- (2) The term of office of the fourth Remuneration Committee member is from June 19, 2023 to June 18, 2026.
- (3) They met two(A) times in 2024 and the attendance of the members as follows:

Title	Name	Number of Attendance in Person (B)	Number of Attendance by Proxy	% Of Attendance in Person [B/A]	Remarks
Independent director	Lin Chien- Chih	2	0	100%	Re-elected
Independent director	Meng Ching- Li	2	0	100%	Re-elected
Independent director	Fang Pei- Hua	2	0	100%	Re-elected

Other matters required to be recorded:

1. The Remuneration Committee meetings convened in the most recent year and the main issues discussed are as follows:

Session Date	Motion Content	Results of the Remuneration Committee's Resolution	The Company's Handling of the Opinions of the Remuneration Committee	Resolution of the Board of Directors
5th board 2th session (2024.2.29)	1. Performance appraisal of managerial officers and remuneration payments for 2023. 2. Description of 2024 fixed remuneration for independent directors and directors (excluding the Chairperson). 3. Distribution of 2023 employee remuneration to managerial officers. 4. Distribution of 2023 director remuneration.	Agreed	Not Applicable	Passed without objection after discussions by the directors present (recusal due to conflict of interest). Passed without objection after discussion by the directors present.
5th board 3th session (2024.11.5)	Report on the Implementation Status of the Previous Meeting.			
5th board 4th session (2025.2.26)	1. Performance appraisal of managerial officers and remuneration payments for 2024. 2. Description of 2025 fixed remuneration for independent directors and directors (excluding the Chairperson). 3. Distribution of 2024 employee remuneration to managerial officers. 4. Distribution of 2024 director remuneration.			

2. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, it should state the date, period, proposal content, resolution of the board, and its handling of the committee's opinions (if the remuneration approved by the board is better than the recommendation proposed by the committee, the difference and reasons should be stated): No such situation.
3. For the resolutions by the Remuneration Committee. If any members have objections or reservations with records or written statements, the date, period, proposal content, the opinions of all members, its handling of the members' opinions should be stated: No such situation.
4. The scope of authority of the Compensation Committee is as follows:
 - (1). To conduct regular reviews of this organizational regulations and propose amendments when necessary.
 - (2). The committee shall establish and periodically review policies, systems, standards, and structures for the annual and long-term performance evaluation and compensation of directors and executives.
 - (3). The Committee shall periodically evaluate the performance of the Company's directors and executives in achieving their performance goals, and determine the content and amount of their individual compensation.

(5) Implementation status of the promotion of sustainable development, the differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor

Promotion Items	Implementation Status			Differences & Reasons
	Yes	No	Summary Description	
1. Has the Company established a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, which is authorized by the Board of Directors to be handled by senior management, and the supervision situation of the Board of Directors?	V		Our company's Chairman of the Board has authorized the Director concurrently serving as General Manager to act as the cross-departmental leader of the 'Sustainable Development Promotion Task Force.' This task force comprises the Finance and Accounting Department, Information Management Department, Operations Department, Marketing and Sales Department, and Management Department. Each department proposes and implements sustainable development policies and specific action plans based on its respective organizational functions. This includes advocating and providing education and training on the latest international information, as well as dedicating efforts to environmental sustainability and social welfare activities.	No material difference
2. Does the Company, in accordance with the principle of materiality, conduct risk assessments on environmental, social, and corporate governance issues related to the Company's operations, and formulate risk management policies or strategies?	V		Our company has formulated and had the "Risk Control Management Measures" approved by the Board of Directors to implement risk management and assessment. Regarding significant operational policies, investment projects, asset acquisitions and disposals, and endorsements and guarantees, all are evaluated and analyzed by relevant departments. They are then submitted to the Audit Committee for discussion and decided upon by the Board of Directors to implement oversight mechanisms such as risk control. Operation Overview: The Finance, Management Information, Operations, Marketing and Sales, and Management departments submit work reports at the beginning of each year for review by the Risk Management Review Committee. On February 26, 2025, the General Manager reported on the operation of risk management in various operational activities to the Board of Directors. Information Security Risk Management:	No material difference

Promotion Items	Implementation Status			Differences & Reasons
	Yes	No	Summary Description	
			<p>Information Security Management Organizational Structure: Our company established an information security team in 2016, responsible for supervising information security prevention, emergency reporting, and emergency response across all units. It is chaired by the Senior Manager of Information Management and executed by certified information security personnel.</p> <p>Information Security Policy: The company's information security policy covers domestic and overseas subsidiaries and is based on the following guidelines: "1. Establish information security management regulations that comply with regulations and customer requirements. 2. Achieve a consensus among all personnel that everyone is responsible for information security. 3. Protect the confidentiality, integrity, and availability of company and customer information. 4. Provide a secure production environment to ensure the sustainable operation of company business." The policy aims to establish antivirus, anti-hacking, and anti-leakage measures and various internal control systems to enhance the company's ability to defend against external attacks and ensure the protection of internal confidential information. Our company has complied with regulatory orders and appointed a dedicated information security manager, effective from November 1, 2023.</p>	
3. Environmental Issues				No material difference
(1) Has the Company set up an appropriate environmental management system based on the characteristics of its industry?	V		(1) The company adheres to the environmental policy of "cherishing resources, dedicating to environmental protection, pollution prevention, and continuous improvement." We obtained ISO 14001 certification in 2017 (valid until August 17, 2026), committing to becoming a member of the world's green enterprises. We are dedicated to reducing energy consumption and	

Promotion Items	Implementation Status			Differences & Reasons
	Yes	No	Summary Description	
(2) Is the Company committed to improving the efficiency of resource utilization and using recycled materials with low impact on the environment?	V		<p>improving its efficiency. Additionally, we actively manage waste generated during production activities through principles such as reduction, reuse, and recycling.</p> <p>(2) Based on the principle of cherishing resources, the Company continues to promote energy conservation and carbon reduction by controlling and compiling statistics on water and electricity consumption, promoting energy conservation, turning off lights and power during the noon break and at night, and program the air conditioning system to turn off after work. In addition, we assign dedicated personnel to carry out daily measures for waste recycling, sorting, and paper reduction to achieve the purpose of waste sorting, reduction, and resource recovery.</p> <p>Our company has implemented an environmental management system tailored to the characteristics of our industry. We have established an ISO 14001 Environmental Management System and obtained third-party certification.</p> <p>Our company specifically requires that raw material suppliers comply with ROHS and meet requirements for the absence of harmful substances to fulfill our long-term social responsibility for environmental protection.</p>	
(3) Does the Company evaluate the potential risks and opportunities of climate change to the Company now and in the future, and take corresponding measures to respond to climate related issues?	V		<p>(3) Climate change may bring the threat of resource shortage, which will impact on the Company's operations and cause losses. In order to mitigate and respond to the impact of climate change, the Company takes measures to reduce operating costs by conserving water, electricity, and recycling resources effectively.</p> <p>The General Manager serves as the highest-ranking executive of the</p>	

Promotion Items	Implementation Status			Differences & Reasons
	Yes	No	Summary Description	
			<p>“Sustainability Development Task Force.” An annual report is submitted to the Board of Directors. During the meeting, the General Manager designates the Corporate Governance Officer to present on ESG performance, climate-related impact assessments, and the progress toward achieving sustainability goals.</p> <p>The Company’s major climate-related risks primarily stem from increasing expectations by key stakeholders—including customers and investors—for corporate greenhouse gas reduction and compliance with energy efficiency standards for products.</p> <p>On the other hand, climate change also presents opportunities, particularly in the area of products and services. The Company’s diversified product portfolio aligns with sustainability trends and is expected to benefit from supportive policies and incentives. By offering energy-saving and waste-reducing products and services, the Company is positioned to meet market demand and explore new market opportunities.</p> <p>To address the risks arising from evolving compliance requirements and green standards, the Company proactively aligns with relevant international regulations and advances its green design initiatives. By developing high energy conversion efficiency and low-carbon product portfolios, the Company supports customers in reducing costs and improving performance.</p> <p>Green design is based on a life cycle perspective, integrating the 3R principles—Reduce, Reuse, and Recycle—into product development. The goal is to deliver environmentally friendly products that are non-toxic, easy to assemble and disassemble, and energy-efficient.</p>	

Promotion Items	Implementation Status			Differences & Reasons
	Yes	No	Summary Description	
(4) Does the Company make statistics on greenhouse gas emissions, water consumption and total weight of waste for the past two years, and formulate policies for energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction or other waste management?	V		<p>To mitigate the impact of drought events, the Company has gradually implemented water-saving infrastructure across its facilities, enhancing water recycling and reducing overall consumption. In addition, the scope of commercial insurance coverage has been expanded to include related climate risks. To reduce the impact of drought events, our relevant factory sites have gradually invested in comprehensive water-saving facilities to enhance water resource recycling and reduce water usage. Additionally, we have expanded commercial insurance coverage to include relevant protection areas.</p> <p>(4) The company has implemented proactive measures such as energy conservation, carbon reduction, greenhouse gas reduction, and water usage reduction. The Hsinchu plant has set quantified management goals for energy conservation and carbon reduction, using the greenhouse gas emissions in 2019 as the baseline. We aim to achieve a cumulative reduction of 120 tons in emissions from 2020 to 2024. In 2020, we reduced emissions by 74 tons, in 2021 by 6 tons, in 2022 we increased by 4.8 tons, in 2023 we reduced emissions by 143 tons, and in 2024 we increased by 6 tons, resulting in a total reduction of 212.2 tons. Additionally, we undergo annual audits by third-party certification bodies for ISO 14001 compliance.</p> <p>Regarding the power-saving project, the Hsinchu Plant completed the retrofit of its air compressors to variable-frequency screw compressors, reducing energy consumption.</p> <p>The increase or decrease of electricity, water consumption and business waste in the past two years are as follows:</p>	

Promotion Items	Implementation Status					Differences & Reasons																									
	Yes	No	Summary Description																												
			<table><tr><th>Item</th><th>Unit</th><th>2023</th><th>2024</th><th>Increase or decrease %</th></tr><tr><td>Electricity</td><td>CO2 tonnage</td><td>7,912</td><td>7,243</td><td>(8)</td></tr><tr><td>Water consumption</td><td>CO2 tonnage</td><td>11.53</td><td>10.19</td><td>(11)</td></tr><tr><td>General business waste</td><td>kg</td><td>6,130</td><td>15,770</td><td>157</td></tr><tr><td>Hazardous business waste</td><td>kg</td><td>7,057</td><td>8,506</td><td>21</td></tr></table> <p>Note:</p> <p>1. The relevant data includes the electricity and water consumption and the amount of industrial waste of related companies. The classification of industrial waste is carried out according to local government environmental regulations.</p> <p>2. In 2024, the statistical data includes output from the subsidiary in the Philippines. As a result, both general industrial waste and hazardous industrial waste increased. The increase in general industrial waste was mainly due to packaging material processing.</p>			Item	Unit	2023	2024	Increase or decrease %	Electricity	CO2 tonnage	7,912	7,243	(8)	Water consumption	CO2 tonnage	11.53	10.19	(11)	General business waste	kg	6,130	15,770	157	Hazardous business waste	kg	7,057	8,506	21	
Item	Unit	2023	2024	Increase or decrease %																											
Electricity	CO2 tonnage	7,912	7,243	(8)																											
Water consumption	CO2 tonnage	11.53	10.19	(11)																											
General business waste	kg	6,130	15,770	157																											
Hazardous business waste	kg	7,057	8,506	21																											
4. Social Issues (1) Has the company formulated management policies and procedures in accordance with laws and regulations as well as the International Bill of Human Rights?	V		(1) The Company complies with the Labor Standards Act, the labor laws and related regulations of its subsidiaries, to safeguard employee rights. There is no discrimination based on race or gender in recruitment or promotion; all individuals with the required qualifications and capabilities are granted equal opportunities. Regular labor-management meetings are held to promote corporate ethics and professional conduct. Employee attendance hours and overtime are reviewed monthly. If any irregularities are identified, supervisors are required to take immediate corrective action. In 2024, no abnormalities in employee attendance were reported. The Company strictly adheres to labor laws across all operating countries and does not employ child labor. The Company has been recognized as an outstanding supplier by overseas clients and is listed among the Top 1,000 Manufacturing Enterprises in Taiwan. It has earned positive			No material difference																									

Promotion Items	Implementation Status			Differences & Reasons
	Yes	No	Summary Description	
			recognition for its adherence to local labor laws and international human rights standards. The Company is committed to ensuring the occupational health and safety of its employees and fulfilling its corresponding social responsibilities.	
(2) Has the Company formulated and implemented reasonable employee welfare measures (including remuneration, vacation and other benefits, etc.), and appropriately reflects operating performance or results in employee remuneration?	V		(2) The Company complies with the labor laws and regulations and has established various employee welfare measures and retirement systems. Please refer to page 71 of the Annual Report for the details and implementation of these measures, and payroll is appropriately adjusted based on performance or results. In addition, Article 28-1 of the Company's Articles of Incorporation stipulates that employee remuneration shall be distributed at a rate of 5-15% of the current year's profitability.	
(3) Does the Company provide employees with a safe and healthy working environment, and related education?	V		(3) The Company conducts workplace environment monitoring in accordance with the laws and regulations of each country. At the Hsinchu Plant, sampling and testing are conducted every six months. In the China and Philippines subsidiaries, monitoring is carried out once a year. All monitoring activities are entrusted to third-party organizations, which perform environmental assessments and issue formal reports and public disclosures. These measures are implemented to ensure employee safety and a secure working environment. In compliance with occupational safety and health regulations, the Company regularly provides employee health examinations to ensure the safety and well-being of its workforce. CPR and AED training sessions are also arranged from time to time. At the Hsinchu Plant, on-site nurse visits are scheduled four	

Promotion Items	Implementation Status			Differences & Reasons
	Yes	No	Summary Description	
			<p>times a month, and physicians are stationed once per quarter to offer health education and consultations. In the Philippines subsidiary, an on-site nurse is employed in accordance with local laws to provide health consultation services to employees.</p> <p>Protective measures and their Protective Measures and Implementation in 2024:</p> <p>(1) Three training sessions were held covering topics such as health management, mental wellness, sexual harassment prevention, and workplace violence prevention, with a total of 25 participants.</p> <p>(2) A total of 716 employees participated in the annual health checkup. Additionally, 352 employees in special positions underwent job-specific medical examinations in accordance with local laws and operational requirements, ensuring continued health protection.</p> <p>(3) In compliance with the fire safety regulations of each country, annual or biannual fire safety training sessions are conducted to enhance employee awareness of disaster prevention and emergency evacuation. In 2024, the Hsinchu Plant held training sessions in June and December, while the China and Philippines subsidiaries each conducted one session. No fire incidents were reported during the year.</p> <p>(4) A dedicated hotline for reporting workplace misconduct has been established: (03)5630099 ext. 8900, and an email address: ADM.HR@browave.com.</p> <p>(5) As of 2024, the ratio of male to female employees was approximately 1:1.1.</p> <p>(6) There were zero cases of labor disputes, sexual harassment, or</p>	

Promotion Items	Implementation Status			Differences & Reasons
	Yes	No	Summary Description	
			illegal child labor reported in 2024.	
(4) Has the Company established an effective career development training program for employees?	V		(4) The Company has established internal and external education and training programs to actively train employees for career development. An annual survey on the training and education needs is conducted, and the progress of the implementation is reviewed every quarter to ensure the effectiveness of the training programs. For the 2024 execution results, please refer to page 93.	
(5) Does the Company comply with laws and regulations and international standards regarding customer health and safety, customer privacy, marketing and labeling of products and services, and establish customer rights protection policies and complaint procedures?	V		(5) We maintain good communication channels with our customers and provide effective customer complaint handling procedures based on the philosophy of specialized service. The Company has passed the RBA (Responsible Business Alliance) Code of Conduct questionnaire assessment conducted by global clients. Based on identified potential risks, a human rights control plan has been developed and is continuously monitored and improved to ensure effective implementation.	
(6) Has the Company formulated supplier management policies that require suppliers to follow regulations on issues such as environmental protection, occupational safety and health, or labor rights, and monitor their implementation?	V		(6) The Company requires all suppliers to provide written declarations of compliance with RoHS and the non-use of hazardous substances, as part of its long-term commitment to environmental protection and social responsibility. Quality agreements are signed with key suppliers, obligating them to comply with national and local labor laws, ensure the occupational health and safety of their employees, and uphold their social responsibilities. Suppliers are prohibited from employing child labor, engaging in forced labor, or practicing any form of discrimination.	

Promotion Items	Implementation Status			Differences & Reasons
	Yes	No	Summary Description	
			They must also ensure that employees receive lawful working hours and fair compensation. If a supplier is found to be in violation of its corporate social responsibility (CSR) policy and causes significant impact on the environment or society, the Company reserves the right to terminate or cancel the contract at any time.	
5. Does the Company take reference from international reporting standards or guidelines to prepare corporate social responsibility or other reports that disclose non-financial information about the Company? Has the confirmation or assurance opinion from third-party certifying institutions been obtained for the reports of the preceding paragraph?		V	Browave expects to finalize its 2025 Sustainability Report by August and will proceed with external assurance in compliance with the relevant regulatory requirements.	No material difference
6. If the Company has related practice principles of its own in accordance with the "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies", please state the differences between the two and the implementation status: Our company has established the "Sustainability Practice Guidelines". We recognize that as a corporate citizen, we have a responsibility to fulfill our social responsibility. Therefore, we have long considered sustainability-related issues in both the design of our corporate system and the direction of our operational strategies. We actively and concretely promote corporate governance, sustainable environmental development, and the maintenance of social welfare, and aim to integrate these efforts with our corporate culture. Our overall operations related to sustainability practices conform to the relevant principles of the guidelines without any significant differences.				
7. Other important information that is helpful to understand the implementation of sustainable development: (1) Our company places significant emphasis on areas such as occupational safety, environmental protection, and health and safety. To prevent major accidents and effectively protect the safety of employees in case of emergencies, in addition to providing education and training for new employees, we regularly conduct fire extinguisher training and disaster evacuation drills. (2) In order to enhance employee welfare and retention, the Board of Directors passed the				

Promotion Items	Implementation Status			Differences & Reasons
	Yes	No	Summary Description	
establishment of an Employee Stock Ownership Plan on November 1, 2023, which began implementation in 2024. Through the implementation of this plan, we aim to motivate employees to work together with the company to achieve excellent performance, thereby enhancing the corporate value of the company.				

(6) Implementation of Climate-Related Information

Item	Implementation Status
<ol style="list-style-type: none"> 1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities. 2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term). 3. Describe the financial impact of extreme weather events and transformative actions. 4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system. 5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described. 6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks. 7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated. 8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified. 9. Greenhouse gas inventory and assurance status. 	<p>According to the "Roadmap for the Sustainable Development of TWSE Listed and TPEX Listed Companies" published by the Financial Supervisory Commission in March 2022, the Company is one of the companies with a paid-in capital of less than NT\$5 billion and should apply the greenhouse gas inventory and verification in the third stage (i.e., complete the inventory in 2026 and complete the verification in 2028), and will follow the reference guidelines and relevant regulations of the competent authorities to implement the greenhouse gas inventory and verification operations.</p> <p>The Business Management Department and the Administration Department under the Company's Administration Division are designated as part-time units for greenhouse gas inventory operations related to climate change, and report to the Board of Directors on a quarterly basis on the detailed implementation schedule of each greenhouse gas inventory project, the preparation of complete inventory procedures and the Board of Directors' supervision and control of milestones and other implementation progress.</p> <p>The climate change issue is bound to have a significant impact and change on the industrial supply chain and sales conditions in the market. In addition to the implementation of internal design plans to conserve resources and reduce carbon emissions in the short term, the Company may also see a trend towards carbon pricing and carbon taxation in the medium to long term, which may lead to cost increases in the development, production and sales of its own products. Therefore, the transformation or adjustment of products and industries that may be brought about by climate change will be an issue that the Company must examine and plan for in its financial planning in the future, and it is also one of the business targets that needs to be systematically managed and evaluated for risk.</p>

(1) Greenhouse Gas Inventory and Assurance for the Past Two Fiscal Years: Not Applicable.

(2) GHG Reduction Targets, Strategies, and Action Plans: A disclosure of the GHG reduction baseline year and its emissions data, reduction targets, strategies, action plans, and the status of progress toward meeting the targets: Not Applicable.

(7) Implementation of ethical corporate management and the differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor

Evaluation Item	The State of Operations			Differences & Reasons
	Yes	No	Summary Description	
<p>1. The Formulation of Ethical Corporate Management Policy and Plan</p> <p>(1) Has the Company formulated an ethical corporate management policy approved by the Board of Directors, and are the policy and practice of ethical corporate management stated in the Company's regulations and external documents, as well as the commitment of the Board of Directors and the senior management to actively implement the policy?</p>	V		<p>(1) On March 20, 2012, the 2nd meeting of the 6th Board of Directors approved the "Procedures for Ethical Management and Guidelines for Conduct" to build a corporate culture of ethical management and sound development, and the Board of Directors and management are actively carrying through the commitment of the policy of ethical management. Recent execution status is as follows:</p> <p>(1) Supplier Commitment: A supply chain code of conduct has been established and the company's integrity policy has been disseminated through the company website (E-PR-PO). Currently with ongoing progress.</p> <p>(2) Training: New recruits and internal staff receive regular education courses totaling 15 hours per person; suppliers are sent electronic education and training materials.</p> <p>(3) Commitments: 100% of employees sign integrity commitment agreements upon joining the company; directors and senior managers sign integrity management declarations.</p> <p>(4) Promotion: Integrity and</p>	No material difference

Evaluation Item	The State of Operations			Differences & Reasons
	Yes	No	Summary Description	
			<p>confidentiality responsibilities are communicated to employees through bulletin boards and reminders from supervisors.</p> <p>(5) Reporting System: Reporting and complaint emails are directed to audit@browave.com and jeannette.yu@browave.com.</p>	
(2) Does the Company have a mechanism for evaluating the risk of unethical conduct, regularly analyzes and evaluates the activities in the scope of business with a higher risk of unethical conduct, and on the basis of this, has formulated a plan to prevent unethical conduct, which covers at least the preventive measures for the conduct set out in Paragraph 2 of Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”?	V		(2) The Company's Board of Directors approved the “Code of Ethical Conduct for Browave Corporation” on May 8, 2014, and is regularly audited by auditors. No director, managerial officer or employee of the Company or person having de facto control over the Company shall, in the course of engaging in business, directly or indirectly, offer, promise, demand or accept any improper benefit or engage in other violation of ethics.	
(3) Does the Company have specified operating procedures, conduct guidelines, and disciplinary and complaint systems for violations in the plan to prevent unethical conduct and implemented the plan as well as regularly reviews and amends it?	V		(3) The Company has established the “Procedures for Ethical Management and Guidelines for Conduct” and requires employees to follow the highest standards of ethics and to establish good corporate governance and risk control mechanisms. In order to strengthen and implement ethical management, the employment contracts of new employees include provisions on the principle of ethics, and education and training related to ethical management are	

Evaluation Item	The State of Operations			Differences & Reasons
	Yes	No	Summary Description	
			conducted regularly to internalize it as the value of employees.	
2. The Implementation of Ethical Corporate Management				No material difference
(1) Does the Company evaluate the ethical records of its counterparties and specify the ethical conduct clauses in the contracts signed with the counterparties?	V		(1) The Company will check whether the counterparty has an unethical record before business dealings, and will prevent transactions or contracts with those who have a record of unethical behavior, and may terminate or cancel contracts at any time if the counterparty is involved in unethical behaviors.	
(2) Does the Company have a dedicated unit under the Board of Directors to promote ethical corporate management, and report regularly (at least once a year) to the Board of Directors on its ethical management policy and plan to prevent unethical conduct and monitor their implementation?	V		(2) The company appoints a dedicated unit under the Corporate Governance Committee to drive corporate integrity operations. The Chairman designates the General Manager as the Chief Guidance Officer for the Risk Management Review Committee, leading department heads and corporate governance officers to promote corporate integrity operations. Risks arising from integrity operations will be incorporated into the report presented to the board.	
(3) Does the Company have a policy to prevent conflict of interest, provide appropriate channels for explanation, and implement it?	V		(3) The Company has established the "Code of Ethical Conduct for Browave Corporation" and its employees are expected to recuse themselves from any matters involving conflicts of interest when performing their duties. The Company also provide appropriate channels for the personnel to explain whether they have potential	

Evaluation Item	The State of Operations			Differences & Reasons
	Yes	No	Summary Description	
(4) Does the Company have an effective accounting system and internal control system for the implementation of ethical corporate management, and the internal audit unit draws up audit plans based on the evaluation results of risk of unethical conduct, and audits the compliance of the plan to prevent unethical conduct or entrusts a CPA to perform the audit?	V		<p>conflicts of interest with the Company.</p> <p>(4) The company has established effective accounting and internal control systems to implement integrity operations. The internal audit unit formulates relevant audit plans and regularly reports to the board of directors on the compliance status of the aforementioned systems. In case of suspicious behavior or potential violations of the company's code of ethics, reports can be made to the company's audit department through the whistleblowing mailbox. Whistleblowing mailbox: audit@browave.com</p>	
(5) Does the Company regularly organize internal and external education and training on ethical corporate management?	V		<p>(5) The Company's internal key units, including the Audit Office and the Financial and Accounting Department, have been required by law to take 48 hours of courses, including courses on information security and cloud security, operational and fraud risks, and training on new legal knowledge, codes of conduct and behavior for financial and accounting personnel, as well as internal promotional education for units involved. The company has specified "dedication and responsibility" as core competency and incorporated ethical management into employee performance appraisal and human resources policies. No corruption or anti-competitive behavior occurred</p>	

Evaluation Item	The State of Operations			Differences & Reasons
	Yes	No	Summary Description	
			in 2024.	
3. The Operation of the Company's Whistleblower Reporting System				No material difference
(1) Has the Company set up a specific whistleblower reporting and reward system and a convenient reporting channel, and designated appropriate personnel to deal with the reported matters?	V		(1) The Company has an employee whistleblower reporting system, and a review committee will be formed to consider the case according to the condition of the case, and the whistleblower may be rewarded or punished according to the reward and punishment rules. The company's whistleblowing channel accepts reports through external mail, internal email, or written reports. The designated whistleblowing email address is jeannette.yu@browave.com	
(2) Has the Company formulated standard operating procedures for the investigation of reported matters, follow-up measures to be taken after the completion of the investigation, and the confidentiality mechanisms?	V		(2) The Company provides confidentiality and protection to the identity of the whistleblower and the content of the report, and clearly stipulates the investigation procedures and the handling of the investigation results.	
(3) Has the Company taken measures to protect whistleblowers from being improperly handled due to reporting?	V		(3) The Company shall provide confidentiality and protection to the whistleblower, and the personnel involved in the investigation of the case shall not disclose the information without permission, so as to avoid unfair treatment, retaliation or threat to the whistleblower.	
4. Enhancement of Information Disclosure Does the Company disclose the content and efficacy of its	V		The Company disclose the "Procedures for Ethical Management and Guidelines for Conduct" and the "Code of Ethical	No material difference

Evaluation Item	The State of Operations			Differences & Reasons
	Yes	No	Summary Description	
Ethical Corporate Management Principles on its website and the Market Observation Post System?			Conduct for Browave Corporation” on the Company’s website and on the Market Observation Post System.	
5.	If the Company has related practice principles of its own in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”, please state the differences between the two and the state of implementation: The company has implemented the "Integrity Management Operating Procedures and Code of Conduct Guidelines" according to the established procedures.			
6.	Other important information that is helpful to understand the implementation of ethical corporate management (e.g., the Company's review and amendments to its Ethical Corporate Management Best Practice Principles): None			

- (8) Other important information for understanding of the operations of corporate governance may be disclosed:

Company Governance-related Training and Development for the Year 2024

Titles	Name	Entity	Course	Hours
Corporate Governance Officer	YU, CHEN-NI	National Tsing Hua University	ESG Sustainability Governance and Innovation Practices	76
		Industrial Development Administration, Ministry of Economic Affairs	“Big Leading Small” Low-Carbon and Smart Manufacturing Transformation Program	6

- (9) Implementation of the internal control system
1. Statement of Internal Control: Please refer to page 58 of the Annual Report.
 2. Where a CPA was entrusted to review the internal control system, the review report should be disclosed: Not applicable

Browave Corporation
Statement of Internal Control System

Date: February 26, 2025

The Company states the following for its internal control system for 2024, based on the results of self-evaluation:

1. The Company knows that establishing, implementing, and maintaining an internal control system is the responsibility of the Company's Board of Directors and management, and the Company has established this system. Its purpose is to provide reasonable assurance of the achievement of objectives such as the efficacy and efficiency of operations (including profitability, performance, and asset security, etc.), the reliability, timeliness, and transparency of reporting, as well as compliance with rulings, laws, and regulations, etc.
2. Internal control policies are prone to limitations. No matter how robustly designed, effective internal control policies merely provide reasonable assurance to the achievements of the three objectives above; moreover, due to changes in the environment and circumstances, the efficacy of the internal control system may change accordingly. However, the Company's internal control system has a self-monitoring mechanism. Once a defect is identified, the Company will take corrective actions.
3. The Company determines the efficacy of the design and implementation of its internal control system in accordance with the criteria of the efficacy of the internal control system stipulated in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The criteria of internal control system adopted in the "Regulations" are based on the process of managerial control and divide internal control system into five components: 1. Control Environment, 2. Risk Evaluation, 3. Control Operations, 4. Information and Communication, and 5. Monitoring Operations. Each component consists of a number of items. Please refer to the "Regulations" for these items.
4. The Company has adopted the aforementioned criteria of internal control system to evaluate the efficacy of the design and implementation of its internal control system.
5. Based on the evaluation results of the preceding paragraph, the Company believed that the design and implementation of its internal control system was effective as of December 31, 2024 (including the supervision and management of subsidiaries), with an understanding of the extent to which the objectives of efficacy and efficiency of operations were achieved, whether the reporting was reliable, timely, transparent, and if the compliance with rulings, laws and regulations is met, and a reasonable assurance of the achievement of these objectives.
6. This statement will become the main content of the Company's annual report and prospectus, and will be made public. If the above-mentioned disclosures have falsehood or concealment, legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act will be incurred.
7. This statement was approved by the Company's Board of Directors on February 26, 2025. Of the 9 directors present, 0 had objections, and the rest all agreed with the content of this statement and declare here.

Browave Corporation

Chairperson: Cheng Wann-Lai

President: Hwang Yu-Wen

(10) Important resolutions of the shareholders' meeting and board meeting during the most recent year or during the current year up to the date of publication of the Annual Report:

1. Important resolutions of the shareholders' meeting

Meeting Date	Important Resolution	Implementation Status
2024.5.21 regular shareholders' meeting	2023 Business Report and financial statements	It has been announced in accordance with Article 230 of the Company Act.
	2023 earnings distribution proposal	<ul style="list-style-type: none"> ● The cash dividend per share is 3.6 NT dollar. ● The ex-dividend date was set as July 3, 2024. ● The cash dividend was paid on July 19, 2024.
	Approval of the Private Placement Plan for Common Shares.	<ul style="list-style-type: none"> ● To execute as resolved

2. Important resolutions of the board meeting

Meeting Date	Important Resolution
10th board 4th session (2024.2.29)	<ol style="list-style-type: none"> 1. Approval of 2023 Statement of Internal Control System. 2. Approval of 2023 Business Report and financial statements. 3. Approval of 2023 earnings distribution proposal. 4. Approval of 2023 remuneration for employees and directors. 5. Approval of the Private Placement Plan for Common Shares. 6. Approval of the Convening of the 2024 Annual General Shareholders' Meeting and the Acceptance of Shareholder Proposals. 7. Approval of the assessment of the independence and suitability of auditors Liu Chien-Yu and Hsieh Chih-Cheng from PricewaterhouseCoopers, and appointing them to audit the company's financial statements for fiscal year of 2024 and other services.
10th board 5th session (2024.5.2)	Approval of the consolidated financial statements for the first quarter of 2024.
10th board 6th session (2024.8.1)	Approval of the consolidated financial statements for the second quarter of 2024.
10th board 7th session (2024.11.5)	<ol style="list-style-type: none"> 1. Approval of the consolidated financial statements for the third quarter of 2024. 2. Approval of 2025 internal audit plan. 3. Approval of 2025 operational plan.
10th board 8th session (2024.12.20)	Approval of the Proposed Participation in the Public Tender for a Factory Building in the Hsinchu Science Park.

Meeting Date	Important Resolution
10th board 9th session (2025.2.26)	<ol style="list-style-type: none"> 1. Approval of 2024 statement of internal control system. 2. Approval of 2024 business report and financial statements. 3. Approval of 2024 earnings distribution proposal. 4. Approval of 2024 remuneration for employees and directors. 5. Approval of the Suspension of the private placement of common shares approved at the 2024 Annual Shareholders' Meeting. 6. Approval of the Amendments to Certain Articles of the Company's Articles of Incorporation. 7. Approval of private placement of common shares for capital increase through cash. 8. Approval of the Convening of the 2025 Annual General Shareholders' Meeting and the Acceptance of Shareholder Proposals. 9. Approval of the evaluation of the independence of the attesting CPA Liu Chien-Yu and Hsieh Chih-Cheng from PwC Taiwan and the appointment of the CPAs to audit the Company's 2025 financial statements.

- (11) During the most recent year or during the current year up to the date of publication of the Annual Report, if board directors had different opinions on important resolutions approved by the Board of Directors with records or written statements, the main content of the opinions: None

4. Professional Fees of the Attesting CPAs

- (1) The amount of audit fees and non-audit fees paid to the attesting CPAs, their respective firms and affiliates, and the content of non-audit services.

Unit: In thousands of NTD

CPA Firm	CPA Name	Audit Period	Audit Fees	Non-audit Fees (Note)	Total	Remarks
PwC Taiwan	Liu Chien-Yu	2024.01.01~ 2024.12.31	2,960	1,200	4,160	-
	Hsieh Chih-Cheng					

Note : The non-audit fees service includes tax audit, transfer pricing and group master file report, and tax consulting service fees, etc.

- (2) Where the audit fee paid in the year of the replacement of CPA firm is less than the audit fee in the year before the change, the amount of audit fees before and after replacement should be disclosed and the reasons: None
- (3) Where the audit fee has decreased by 10% or more from the previous year, the amount, percentage, and reason for the decrease in the audit fee should be disclosed: None

5. Information on the Change of CPAs:

(1) About the predecessor CPAs

Date of Change	January 1, 2023		
Reason for Change and Explanation	The Company's predecessor attesting CPAs were Liu Chien-Yu and Lin Yu-Kuan. In order to meet the internal job rotation of the CPA firm PwC Taiwan, the attestation of the Company's financial statements have been handled by Liu Chien-Yu and Hsieh Chih-Cheng since 2023.		
Indicate Whether the Appointment is Terminated or Not Accepted by the Client or CPAs	The Party		
	Situation	CPA	Client
	Proactively terminated the appointment	-	-
	Not accepted (continued) the appointment	-	-
Opinions in and Reason for Audit Reports Issued Other Than Unqualified Opinion in the Last Two Years	None		
Any Disagreement with the Issuer	Yes	-	Accounting principles or practices
		-	Disclosure of financial statements
		-	Audit scope or procedures
		-	Others
	None	V	
	Explanation	-	
Other Disclosures (Disclosures deemed necessary under Items 1-4 to 1-7, Paragraph 6, Article 10 of The Regulations)	None		

(2) About the successor CPAs : Not Applicable.

(3) The predecessor CPA's reply to Item 1 of Paragraph 6 of Article 10 and Item 3 of Item 2 of the regulation: No such situation.

6. Any of the Company's Chairperson, President, or managers involved in financial or accounting affairs being employed by the CPA firm or any of its affiliated company within the most recent year: None
7. Changes in transfer and pledge of shares by directors, managerial officers, and shareholders with more than 10% shareholding in the most recent year up till the publication date of this Annual Report

- (1) Changes in shareholdings of directors, managerial officers, and major shareholders:
Unit: Shares

Title	Name	2024		2025 up to March 31	
		Increase/ Decrease in the Number of Shares Held	Increase/ Decrease in the Number of Shares Pledged	Increase/ Decrease in the Number of Shares Held	Increase/ Decrease in the Number of Shares Pledged
Chairperson	Cheng Wann-Lai	0	0	0	0
Director	Chen Yu-Liang	0	0	0	0
Director	National Development Fund, Executive Yuan	0	0	0	0
	Representative: Teng, Wei-Chung	0	0	0	0
Director	Wu Jin-Hong	(12,000)	0	0	0
Director/ President	Hwang Yu-Wen	(44,000)	0	0	0
Director	Wu Yu-Chun	0	0	0	0
Independent director	Lin Chien-Chih	0	0	0	0
Independent director	Meng Ching-Li	0	0	0	0
Independent director	Fang Pei-Hua	0	0	0	0
Vice President	Chen Yong-He	0	0	0	0
Vice President	Chou Wei-Jen	(35,000)	0	0	0
Vice President	Chang Wen-Chiao	0	0	0	0
Vice President	Lin Jin-Xiong	(10,000)	0	(5,000)	0
Vice President	Liu Bang-Zhen	(17,156)	0	(9,000)	0
Assistant VP	Huang Shu-Jun	(41,000)	0	0	0
Corporate Governance Office	Yu Chen-Ni	0	0	0	0

Note: The above is the information on those who were still employed on the publication date of the Annual Report.

- (2) Information on transfer of shares: None.
- (3) The counterparty to whom the shares are pledged is a related party: None.

8. Information on the top ten shareholders who are related to each other or as spouses or relatives within the second degree of kinship

March 18, 2025; Unit: Shares

Name	Shareholding of the Individual		Shareholding of Spouse and Minor Children		Total Shareholding in the Name of Others		The Name of and Relationship Among the Top 10 Shareholders if Anyone is a Related Party, a Spouse or a Relative Within Second Degree of Kinship of Another		Remarks
	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Name (or Surname)	Relationship	
National Development Fund, Executive Yuan	3,033,125	3.77%	Not Applicable	Not Applicable	Not Applicable	Not Applicable	None	None	None
National Development Fund, Executive Yuan Representative: Chen Jing-Qing	0	0%	0	0%	0	0%	None	None	None
Hua Nan Commercial Bank, Trust Department, as Custodian of the Allianz Taiwan Technology Equity Securities Investment Trust Fund	2,863,000	3.55%	Not Applicable	Not Applicable	Not Applicable	Not Applicable	None	None	None
Dedicated Account for the Nomura Quality Fund	2,405,000	2.99%	Not Applicable	Not Applicable	Not Applicable	Not Applicable	None	None	None
Chen Yu-Liang	2,176,090	2.70%	0	0%	0	0%	None	None	None
PRODIGY ASSET MANAGEMENT GROUP INC.	2,043,878	2.54%	Not Applicable	Not Applicable	Not Applicable	Not Applicable	None	None	None
Cheng Wann-Lai	1,770,083	2.20%	0	0%	0	0%	None	None	None
Chang Hwa Commercial Bank, Ltd., as Custodian of the Yuanta Taiwan High Dividend Quality Leading Securities Investment Trust Fund	1,461,000	1.81%	Not Applicable	Not Applicable	Not Applicable	Not Applicable	None	None	None
Tsai Wen-Shiang	1,235,000	1.53%	0	0%	0	0%	None	None	None
Hua Nan Commercial Bank, Ltd., acting as custodian for the dedicated account of the Cathay Little Dragon Securities Investment Trust Fund	1,115,000	1.38%	Not Applicable	Not Applicable	Not Applicable	Not Applicable	None	None	None
PRODISC TECHNOLOGY	1,025,600	1.27%	Not Applicable	Not Applicable	Not Applicable	Not Applicable	None	None	None

Name	Shareholding of the Individual		Shareholding of Spouse and Minor Children		Total Shareholding in the Name of Others		The Name of and Relationship Among the Top 10 Shareholders if Anyone is a Related Party, a Spouse or a Relative Within Second Degree of Kinship of Another		Remarks
	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Name (or Surname)	Relationship	
INC.									
PRODISC TECHNOLOGY INC. Representative: Lin Ming-Fa	0	0%	0	0%	Not Applicable	Not Applicable	None	None	None

9. The total number of shares and the consolidated shareholding percentage held in any single investee enterprise by the Company, its directors, supervisors, managerial officers, or any companies controlled either directly or indirectly by the Company

December 31, 2024; Unit: In thousands of shares; NTD

Investee (Note 1)	Investment of the Company		Investment of the directors, supervisors, managers and business under direct or indirect control		Total Investment	
	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage
Browave Holding Inc.	20,360	100%	0	0%	20,360	100%
Browave (ZhongShan) Corporation	None	100%	0	0%	None	100%
Browave (Philippines) Corporation	300,000	100%	0	0%	300,000	100%

Note 1: Investments Accounted for Using Equity Method

III. Capital Raising

1. Capital and Shares

(1) Source of capital

March 31, 2024; Unit: In thousands of shares; NTD

Month and Year	Issue Price	Authorized capital		Paid-in capital		Remarks		
		Number of Shares	Amount	Number of Shares	Amount	Source of Capital	Using Property Other than Cash as Payment of Shares	Others
1998.05	10	10,000	100,000	5,100	51,000	Registered capital	-	-
1998.09	10	18,000	180,000	12,000	120,000	Capital increase by cash of 6,900,000 shares	-	1999.01.15. Jing-Ba-Ba-Shang No. 101586.
1999.08	30	18,000	180,000	18,000	180,000	Capital increase by cash of 6,000,000 shares	-	1999.09.20 Jing-Ba-Ba-Shang No. 134106
2000.05	60	38,000	380,000	28,000	280,000	Capital increase by cash of 10,000,000 shares	-	2000.05.19. (2000) Yuan-Shang-Zi No. 010276.
2001.02	30	80,000	800,000	58,500	585,000	Capital increase by cash of 2,500,000 shares and from capital surplus of 28,000,000 shares	-	2001.03.05. (2001) Yuan-Shang-Zi No. 005290
2001.07	70	88,000	880,000	82,500	825,000	Capital increase by cash of 24,000,000 shares	-	2001.08.02. (2001) Yuan-Shang-Zi No. 019490
2007.10	10	88,000	880,000	54,681	546,810	Capital reduction for loss make-up of 27,817,000 shares	-	2007.11.05. (2007) Yuan-Shang-Zi No. 29754
2011.09	10	88,000	880,000	55,298	552,985	Conversion of employee stock options into common stock of 617,500 shares	-	2011.10.07. (2011) Yuan-Shang-Zi No. 29800
2012.04	10	88,000	880,000	56,484	564,846	Conversion of employee stock options into common stock of 1,186,100 shares	-	2012.04.17. (2012) Yuan-Shang-Zi No. 10960
2012.06	10	88,000	880,000	57,017	570,170	Conversion of employee stock options into common stock of 532,500 shares	-	2012.06.15. (2012) Yuan-Shang-Zi No. 17808
2012.08	10	88,000	880,000	57,217	572,175	Conversion of employee stock options into common stock of 200,400 shares	-	2012.08.13. (2012) Yuan-Shang-Zi No. 24893

Month and Year	Issue Price	Authorized capital		Paid-in capital		Remarks		
		Number of Shares	Amount	Number of Shares	Amount	Source of Capital	Using Property Other than Cash as Payment of Shares	Others
2012.09	10	88,000	880,000	62,369	623,690	Capital increase from earnings of 5,151,500 shares	-	2012.09.13. (2012) Yuan-Shang-Zi No. 28779
2012.12	23	88,000	880,000	68,292	682,929	Capital increase by cash of 5,924,000 shares	-	2012.12.10. (2012) Yuan-Shang-Zi No. 38292
2013.12	10	88,000	880,000	70,637	706,372	Conversion of corporate bonds of 2,344,000 shares	-	2013.12.04. (2013) Yuan-Shang-Zi No. 37133
2014.04	10	88,000	880,000	71,016	710,159	Conversion of corporate bonds of 379,000 shares	-	2014.04.02. (2014) Yuan-Shang-Zi No. 09141
2014.09	10	88,000	880,000	71,618	716,177	Conversion of corporate bonds of 602,000 shares	-	2014.09.02. (2014) Yuan-Shang-Zi No. 26262
2014.11	10	88,000	880,000	71,713	717,128	Conversion of employee stock options into common stock of 95,100 shares	-	2014.11.27. (2014) Yuan-Shang-Zi No. 34995
2015.04	10	88,000	880,000	71,838	718,381	Conversion of employee stock options into common stock of 117,000 shares and corporate bonds of 8,000 shares	-	2015.04.28. (2015) Yuan-Shang-Zi No. 11804
2015.09	10	100,000	1,000,000	72,921	729,211	Conversion of employee stock options into common stock of 48,000 shares and corporate bonds of 1,035,000 shares	-	2015.09.10. (2015) Yuan-Shang-Zi No. 26331
2015.11	10	100,000	1,000,000	72,926	729,265	Conversion of corporate bonds of 5,000 shares	-	2015.11.26. (2015) Yuan-Shang-Zi No. 34245
2016.09	10	100,000	1,000,000	74,426	744,265	Issuance of employee restricted stock of 1,500,000 shares	-	2016.09.21. (2016) Zhu-Shang-Zi No. 26544
2017.11	10	100,000	1,000,000	74,376	743,765	Capital reduction by purchase and cancellation of employee restricted stock of 50,000 shares	-	2017.11.23. (2017) Zhu-Shang-Zi No. 32042

Month and Year	Issue Price	Authorized capital		Paid-in capital		Remarks		
		Number of Shares	Amount	Number of Shares	Amount	Source of Capital	Using Property Other than Cash as Payment of Shares	Others
2018.03	10	100,000	1,000,000	74,352	743,525	Capital reduction by purchase and cancellation of employee restricted stock of 24,000 shares	-	2018.03.30. (2018) Zhu-Shang-Zi No. 9886
2018.08	10	100,000	1,000,000	75,300	753,004	Conversion of corporate bonds of 954,000 shares, capital reduction by purchase and cancellation of employee restricted stock of 6,000 shares	-	2018.08.20. (2018) Zhu-Shang-Zi No. 24210
2018.11	10	100,000	1,000,000	75,293	752,929	Capital reduction by purchase and cancellation of employee restricted stock of 7,500 shares	-	2018.11.27. (2018) Zhu-Shang-Zi No. 34398
2019.03	10	100,000	1,000,000	75,287	752,869	Capital reduction by purchase and cancellation of employee restricted stock of 6,000 shares	-	2019.03.18. (2019) Yuan-Shang-Zi No. 7492
2023.11	10	100,000	1,000,000	80,541	805,407	Conversion of corporate bonds of 5,254 thousands of shares		2023.11.29. (2023) Yuan-Shang-Zi No. 39588

March 31, 2025; Unit: Shares

Type of Shares	Authorized Capital			Remarks
	Outstanding Shares	Unissued Shares	Total	
Common stock	80,540,741	19,459,259	100,000,000	None

(2) List of Major Shareholders

March 18, 2025; Unit: Shares

Name of Major Shareholders	Shares	Shareholding Percentage
National Development Fund, Executive Yuan	3,033,125	3.77%
Hua Nan Commercial Bank, Trust Department, as Custodian of the Allianz Taiwan Technology Equity Securities Investment Trust Fund	2,863,000	3.55%
Dedicated Account for the Nomura Quality Fund	2,405,000	2.99%
Chen Yu-Liang	2,176,090	2.70%
PRODIGY ASSET MANAGEMENT GROUP INC	2,043,878	2.54%
Cheng Wann-Lai	1,770,083	2.20%
Chang Hwa Commercial Bank, Ltd., as Custodian of the Yuanta Taiwan High Dividend Quality Leading Securities Investment Trust Fund	1,461,000	1.81%
Tsai Wen-Shiang	1,235,000	1.53%
Hua Nan Commercial Bank, Ltd., acting as custodian for the dedicated account of the Cathay Little Dragon Securities Investment Trust Fund	1,115,000	1.38%
PRODISC TECHNOLOGY INC.	1,025,600	1.27%

(3) Dividend policy and implementation status

1. Dividend policy

The Company's dividend policy is based on the Company's current and future investment environment, capital requirements, domestic and foreign competition, and capital budget, considering the interests of shareholders and balancing dividends and the Company's long-term planning, etc. The Board of Directors shall prepare and submit the distribution plan to the shareholders' meeting annually in accordance with the law. The annual distribution of dividends to shareholders shall be no less than 50% of the net profit for the year. The Company may distribute dividends to shareholders in cash or in stock. However, the Company may not distribute dividends if the net profit for the year does not reach 10% of the paid-in capital. Cash dividends shall not be less than 10% of the total dividends paid, but the type and percentage for such earnings distribution may be adjusted by resolution of the shareholders' meeting depending on the actual profit and capital position of the year.

2. Dividend distribution

2024 earnings distribution proposal was approved by the Board of Directors on February 26, 2025, and the proposed distribution of cash dividends to shareholders is NTD 241,622,223 (approximately NTD 3.0 per share).

3. Description of expected change in dividend policy: None

(4) The effect of the proposed stock dividends by the shareholders' meeting on the

Company's business results and earnings per share: Not applicable

(5) Remuneration for employees, and directors

1. The percentage or range of remuneration for employees, and directors as stated in the Articles of Incorporation:

The Company shall distribute employees' remuneration at 5% to 15% of the current year's profitability and directors' and supervisors' remuneration at no more than 3% of the current year's profitability. However, the Company shall make up for accumulated losses, if any. Remuneration to employees may take the form of stock or cash and may be made to employees of subordinate companies who meet certain criteria.

The current year's profitability is defined as profit before tax for the year before the distribution of remuneration to employees, and directors. The distribution of remuneration to employees, directors and supervisors shall be made by a resolution of the Board of Directors with the attendance of at least two-thirds of the directors and the approval of a majority of the directors present, and reported to the shareholders' meeting.

2. The basis for estimating the amount of remuneration to employees, directors and supervisors, the basis for calculating the number of shares to be distributed as remuneration to employees, and accounting treatment for the difference between the actual distribution amount and the estimated amount: Not applicable.
3. Distribution of remuneration approved by the Board of Directors
 - (1) The proposed remuneration to employees is NTD 27,000,000 and remuneration to directors is NTD 8,000,000, both in cash.
 - (2) The amount of employee remuneration distributed in stock and its proportion to the sum of net profit after tax and total employee remuneration in the individual or standalone financial statements for the period: Not applicable
4. The actual distribution of the remuneration for employees, directors, and supervisors in the previous year:

The remuneration to employees was NTD 34,000,000 and remuneration to directors was NTD 11,000,000, both in cash.

(6) Repurchase of the Company's shares: None.

2. Issuance of Corporate Bonds: None.
3. Issuance of preferred stock: None.
4. Issuance of overseas depository receipts: None.
5. Employee stock option: None.
6. Employee restricted stock: None.
7. Issuance of new shares in connection with mergers or acquisitions of shares of other companies: None.
8. Capital planning and implementation: None.

IV. Business Overview

1. Business Category

(1) Business Scope

1. Main Business

The Company is engaged in the design, production and sales services of optical communication passive components, modules and subsystems related to 5G, data center, CATV (DOCSIS 3.1 ↑), PON and FTTH/FTTR.

2. The Company's current products and services

The Company's main products can be classified according to their applications as follows:

- (1) WDM Product: Including TFF DWDM device/module, TFF CWDM device/module, Miniature WDM module, and optical transceiver The TFF CWDM device/module, Miniature WDM module, and Array Waveguide Grating (AWG) components used in optical transceivers.
- (2) Branch Product: Including PLC splitter/module, Coupler/module, and Fiber Array components used in optical transceivers.
- (3) AMP Product: Including Integrated module, Gain Flat Filter (GFF), Hybrid device and Inline isolator, etc.
- (4) OIN Product: Including Patchcord, MPO/MTP, and 200G/400G high-speed active optical cable (AOC) and accessories, etc.

These products are mainly used in 5G, data center, CATV, PON, and FTTH/FTTR triple play networks.

3. Sales percentage of the Company's main products and services

Unit: In thousands of NTD

Year	2023		2024	
	Amount	Percentage	Amount	Percentage
Main products				
WDM Product	590,000	21.23%	556,722	28.68%
Branch Product	618,002	22.24%	576,568	29.70%
AMP Product	175,885	6.33%	99,583	5.13%
OIN Product	1,387,266	49.92%	698,638	35.99%
Others	7,905	0.28%	9,759	0.50%
Total	2,779,058	100.00%	1,941,270	100.00%

4. New products planned to be developed

- | |
|--|
| (1). Integrated fiber array with miniature thin-film filter array for wavelength multiplexing and demultiplexing |
| (2). High-channel-count (>40) 2D fiber array |
| (3). Non-contact pluggable fiber array connector |
| (4). Wafer-level fiber array testing and packaging |
| (5). Continuous development of automated active alignment workstations with auto-loading/unloading capabilities |

(2) Industry Overview

1. Current Status and Development of Industry

(1) Overview of Global Optical Communication Industry Development

Since the 1970s, when Dr. Charles K. Kao invented optical fiber, the industry has witnessed an important revolution in the field of communication due to the high speed of optical fiber transmission, which saves resources and brings people closer, triggering an important revolution in the field of communication. Since then, optical fiber has been used in long-haul communication backbones, such as submarine cables, to meet the bandwidth requirements for voice and data communications.

The technology of optical fiber communication continues to advance with the invention of the Erbium-Doped Fiber Amplifier (EDFA), which allows optical signals to be amplified for transmission without the need for optoelectronic conversion. Later, the invention of Dense Wavelength Division Multiplexer (DWDM) allowed different channels to be inserted into the same fiber, increasing the bandwidth of the same fiber. EDFA enhances the transmission distance of optical signals, and DWDM increases the transmission energy of optical fibers, thus increasing the capacity and efficiency of optical fiber networks. With the development of the Internet, the demand for bandwidth has increased greatly, and the deployment of optical fiber has taken off at a rapid pace.

With the spread of global communication network deployment, value-added services such as Internet Protocol Television (IPTV), high-definition digital TV, online games, and interactive video-on-demand (VOD) provided by telecommunications and multimedia operators are gradually diversified and complete. In addition, global technology leaders are promoting the formation of Cloud Computing operating framework. Besides, consumers are getting accustomed to downloading and watching videos using various terminal carriers, and online streaming video and audio sites, such as Netflix, Youtube, and Hulu, have started to replace the traditional way of renting videos with rapid growth of online streaming traffic. This leads to a significant increase in the demand for bandwidth on the application side and will prompt telecom and multimedia operators to upgrade and deploy network infrastructure.

With governments, telecom and multimedia operators actively promoting the deployment of optical fiber networks and the trend of increasing bandwidth demand, telecom infrastructure and network equipment such as Metropolitan Area Network (MAN), FTTB, FTTH, and Gigabit-capable PON (GPON), and next-generation passive optical fiber networks (XGS-PON) will continue to be built, bringing certain business opportunities to network equipment and system vendors. This will further drive the demand for active and passive components for optical fiber communication.

With the recent progress of 5G, more than 20 countries around the world officially took 5G into commercial operation in 2020, even including Nigeria and Egypt in Africa. In the 5G system architecture, besides focusing on components and module packaging technologies with SiP chips, Browave will further develop higher integration density optical input and output architectures and related technology products with customer's design in, including Fiber Array with more channels and WDM module with more

wavelengths. Compared with the original focus on the telecom industry, the current data center (Datacom) products are more likely to have short development time, single form factor, massive scale, and shorter product life cycle. Therefore, in addition to product technology development, Browave must also refine its process technology and incorporate ideas about process modularity and automation into the initial product design to strengthen its ability to respond to rapid market changes in the future.

(2) Optical Fiber Network Architecture and Equipment

Optical fiber network architecture is mainly divided into backbone network, access network, and local area network for general home use. A backbone network is a network formed by linking multiple access networks and local area networks, and the main transmission method is optical fiber cable. In terms of backbone technology, Next Generation SDH (Synchronous Digital Hierarchy), WDM (Wavelength Division Multiplexing) and GE (Gigabit Ethernet) are our core technologies for backbone networks.

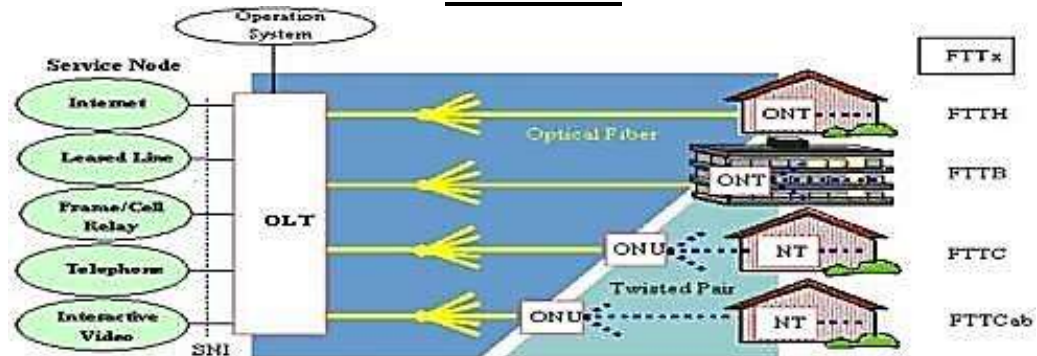
SDH transmission network, the earliest optical fiber backbone network, is composed of a number of SDH network units. The transmission and exchange of synchronous information can be performed between units through different transmission media such as optical fiber, microwave, or satellite, which can effectively manage the network and improve the utilization rate of network resources. However, because SDH uses time-division multiplexing (TDM) technology, it can only use a single optical fiber for transmission and cannot use multiple optical fibers for transmission at the same time, so its transmission rate is limited by the physical conditions of the cable itself.

In order to increase the bandwidth of the entire SDH network, the only way was to redeploy optical cables in the early days. However, the cost of redeploying optical cables and future maintenance is very high. In this context, the WDM technology was born, which can be combined with SDH technology. WDM (Wavelength Division Multiplexing) is a transmission technology in optical fiber communication. Optical fiber has the characteristics of transmitting different wavelengths of optical carriers at the same time, and the WDM technology sends out different wavelengths of optical carriers and then uses the same optical fiber to transmit them. In this way, even if there is only one optical fiber, it can transmit multiple signals at the same time, just like there are multiple optical fibers of the same speed at the same time. Depending on the technology, the transmission capacity will grow in different multiples, that is, if a single optical fiber is separated into N different bandwidths and transmits N different wavelengths of optical carriers using WDM technology, it is equivalent to N optical fibers, thus solving the problem of insufficient transmission capacity. In practice, currently the combination of SDH over WDM can increase the transmission rate of a single optical fiber by tens of times.

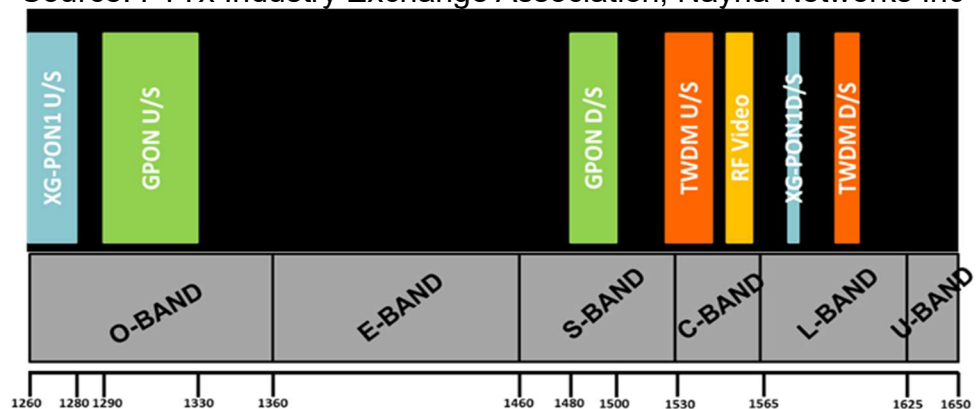
In the access network part, it is mainly the connection between users and the network service providers, and the main transmission methods are twisted pair, coaxial cable, and optical fiber. FTTx technology is mainly used to apply optical fiber to the access network, ranging from the center office equipment of the regional telecom server room to the user terminal equipment. Important local equipment includes Optical Line Terminal (OLT), and user terminal

equipment includes Optical Network Unit (ONU) or Optical Network Terminal (ONT). Based on the distance from the fiber to the user, it can be divided into four types of services, such as Fiber To The Cabinet (FTTCab) and Fiber To The Curb (FTTH). Verizon, a Nn U.S. operator, refers to FTTCab and FTTH together as Fiber To The Premise (FTTP). FTTCab, FTTC, FTTB, FTTH and other synthetic FTTx is the implementation strategy for building optical fiber access networks, rather than specific access technologies, and different FTTx networks will have different access technologies.

Optical fiber access network architecture / PON-like products bandwidth distribution



Source: FTTx Industry Exchange Association, Nayna Networks Inc



(3) Optical Communication Components Overview

Optical communication components can be divided into two major categories: active and passive components. Active components mainly include optical transmitters, optical receivers, optical transceiver modules and optical amplifiers. Optical transceiver modules (including optical transmitters and optical receivers) are essential components for data transmission and reception in optical fiber communication, mainly for optical signal conversion, and are commonly used in DWDM, SONET/SDH and PON network architectures. Optical amplifiers (such as EDFA-Erbium Doped Fiber Amplifier) are mainly used to increase the transmission distance and compensate for the additional optical loss caused during transmission. Optical passive components are mainly used for the connection components between optical line terminals (OLTs) and optical network units (ONUs) of cable TV (CATV), data networks (Datacom) and telecommunication networks (Telecom), the connection components between optical splitter equipment and chassis in between FTTx and the client, and the connection components between the main network equipment and optical cables of

telecommunication operators. The passive components of optical communication include optical fiber connector with optical signal connection function, patch cord, splitter, WDM, VOA which can adjust the size of the light signal, and optical isolator to make the optical signal travel in one direction and optical switch (Switch) and other components. The characteristics of optical passive components generally are required to be small size, low loss, resistance to environmental changes, and high reliability.

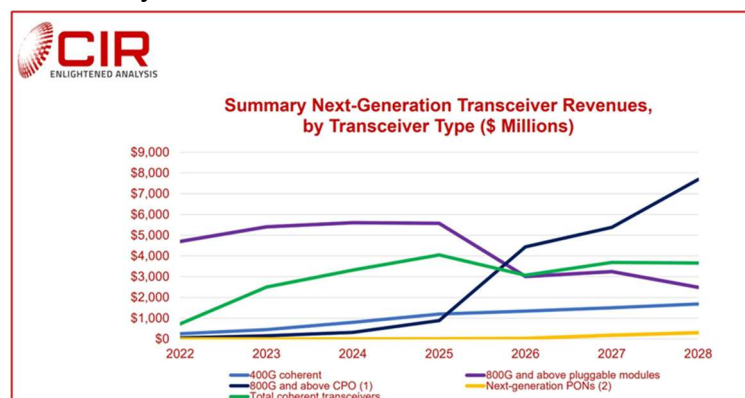
For the 5G networking architecture, Browave's product platform focuses more on the key optical components used in transceivers of SiP base, special optical connector, and ultra-low energy loss patchcord and WDM optical modules used in Fronthaul/Backhaul PON. The overall development trend of the platform continues to keep pace with the next-generation passive optical network progress.

The communication industry has become key to the national power of many countries. The development and application of 5G communications has even become a means of trade war, demonstrating the importance that governments place on the communications industry. Driven by advanced network services, such as cloud computing, self-driving car operation, telemedicine, etc., the construction of higher density and higher bandwidth hardware will be accelerated, which will further drive the demand for optical fiber communication related products. Browave will continue to focus on the response to the new trends and improve the quality of our products and manufacturing technologies to strengthen our competitiveness in the industry.

In the data center business, we will continue to focus on 100G/400G client design in, with platforms such as CWDM4, DR8, FR4 and 2xFR4. We will strengthen our core competency in the basic optical portfolio platform and focus on key components for silicon photonic products to increase the share of key components in optical transceivers. To meet the growing demand of the data center business, we provide vertical integration of optical module assembly with automatic assembly as the main axis of process technology.

(4) Coherent Network

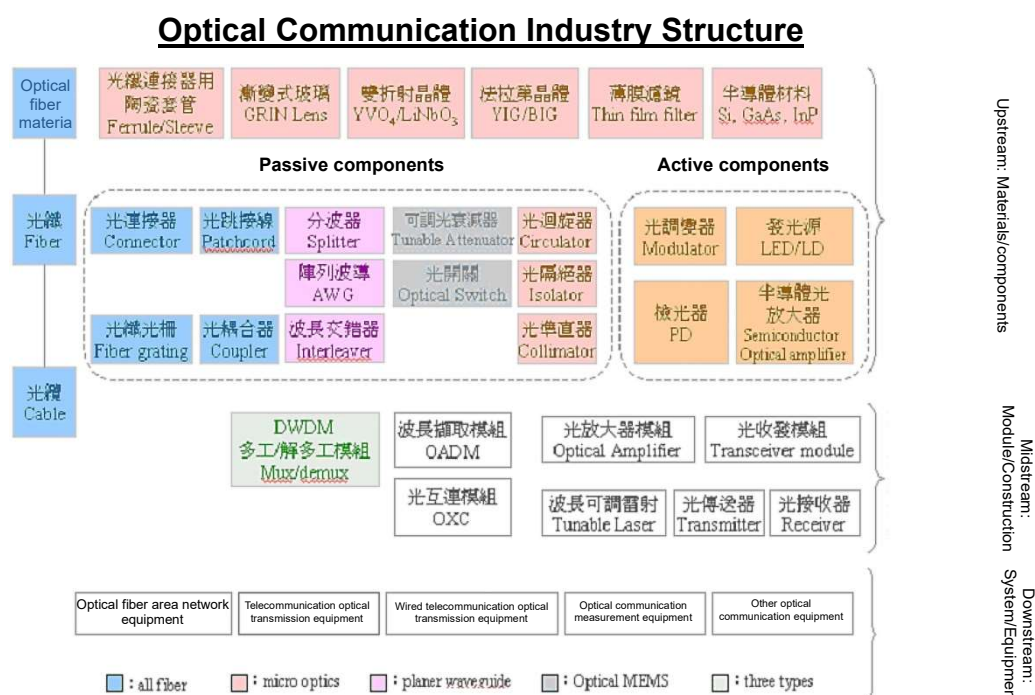
To cope with the requirements of 800G and above high-speed network transmission, communication systems and data centers use coherent optical modules for transmission, which results in higher optical losses in larger transmission systems. For systems with transmission distances over 10 km, some have started to consider using optical amplifiers to ensure the transmission of coherent optical network systems, which is also a trend for the next five years.



2. The correlation among the upstream, midstream, and downstream industries:

The optical communication industry can be divided into optical fiber materials, optical cables, optical communication components, and back-end transmission equipment, while optical communication components include optical passive components and optical active components. Optical active components involve the conversion of energy between light and electricity, while optical passive components do not involve the conversion of energy between light and electricity, and are mainly for transmission. Among the back-end access equipment technologies, broadband network operators can be divided into Broadband PON (BPON), Ethernet PON (EPON/GPON), Gigabit PON (GPON), and next generation PON (NG-PON) according to different transmission standards and specifications for the last mile of access technology.

We are a specialized R&D, manufacturing and sales vendor of optical communication components and modules, and expect to become a leading vendor of optical communication components and modules. The following diagram shows the upstream, midstream, and downstream industry structure of optical communications.



Source: Taiwan Optical Communication Industry Alliance (TOCIA)

3. Product Development Trends

With the rise of the Internet, the demand for network bandwidth is growing rapidly and the demand for network hardware upgrades is also rising, driven by applications such as digital video content, smart mobile devices, and online games. Especially when demand for DWDM/CWDM, EPON/GPON/ NG-PON, SONET/SDH network related equipment is increasing day by day, high bandwidth and integration has become the trend and direction of product development, and micro multi-functional optical components and micro optical modules have become the development trend. In recent years, telecommunications and

multimedia service operators have been promoting the rise of Triple Play applications that integrate data, audio, and video. Consumers' demand for audio and video download services has increased rapidly. Global industry leaders continue to promote cloud computing technology services. It is expected that fiber-to-the-home (FTTH), fiber-to-the-building (FTTB) and other related optical communication products will also become the main demand development direction.

Recently, 5G concept products continue to gain momentum. Investment in 5G and optical transmission-related fields continue to increase by various countries, and is expected to continue to increase. The ICT industry is facing a huge change, and the value of communication becomes more prominent. Currently, with the rise of emerging technologies such as cloud computing, Internet of Things, 5G, and AI, all industries are actively embracing the trend of digitalization, and the transformation of enterprises is still a matter of great urgency. In the face of strategic emerging industries, optical communication vendors are actively transforming and upgrading themselves, from specialized to broad, diversified, and all-round development, cultivating more new points, and building stronger comprehensive strength. The emergence of new technologies and applications such as 4K, 8K, autonomous driving, VR/AR and 5G will drive another wave of development in optical communications.

Starting from 2023, the high-speed transmission will use coherent technology to build 800G or above, which will also drive a new trend of miniaturized components for QSFP-DD and OSFP packaging.

4. Formation of the Silicon Photonics Ecosystem

In response to the demands of AI, machine learning, and deep learning applications, as well as energy efficiency requirements, CPO (Co-Packaged Optics) technology is being introduced into high-speed switch and server systems within data centers, gradually replacing the traditional design approach based on pluggable transceivers.

Following this design trend, an ecosystem centered around Taiwanese manufacturers for server production has steadily formed over the past few years. In addition, the key technology nodes—such as advanced chip manufacturing for GPUs and XPU's (led by TSMC) and advanced packaging (by TSMC, ASE Group, SPIL, etc.)—have also taken shape on the technology roadmap.

In March 2024, TSMC announced its 3D Optical Engine (Coupling technology). From the June 2024 Computex in Taipei to Semicon Taiwan in September 2024, the SiPhA (SEMI Silicon Photonics Industry Technology Alliance) was officially established, with participation from over 50 upstream, midstream, and downstream companies in the Silicon Photonics International Forum. Browave is a member of this alliance and believes this platform will become a major driver of technological advancement and ecosystem development in the next five years.

5. Market Competition

In the face of competition from Southeast Asian vendors, the Company combines the overall competitive advantages of Taiwan head office management, market research and development capabilities, and the high-quality, low-cost manufacturing of its overseas subsidiary to provide customers with products and services at a high cost-performance ratio. From basic component and module design to manufacturing engineering, production, and logistics services, we

provide proprietary iCM services and OEM and ODM business models to the industry. In terms of iCM, we provide “best manufacturing services” by planning dedicated process services and production lines for customers' and protecting the intellectual property rights of customers' products with strict personnel access control and systematic document management. In terms of ODM, we provide customers with high-quality, low-cost products with strong engineering execution and achieve the goal of quick response and on-time delivery. Over the years, we have gained the trust of our customers and have gradually gained an edge in the optical communication OEM market.

In order to continuously strengthen our competitiveness in the market, we are now dedicated to the design of small optical components and the trial production for products of high-end specifications. With the continuous improvement of technology, we can produce high quality modules of various specifications in large batch quantities according to customer requirements. With the marketing experience in many customers, the Company's innovative R&D technology, and the strong and solid engineering execution and manufacturing service capability, the continuous growth of sales and profit in recent years has proved that Browave is a design manufacturer that can bring value to customers and is highly competitive in the market.

In the highly competitive optical communication market, Browave has been able to maintain good interactions and relationships with optical component manufacturers in Europe, U.S., and Japan. With the full collaboration of equipment and material suppliers, Browave has been able to meet the various needs of customers, know well component specifications through product production, and reduce operational risks in order to reposition the Company in the global market. In the future, we will increase the percentage of automation in our manufacturing processes to achieve higher product advantages. In addition to continuing to provide quality products at low prices, we will also continue to develop and refine our manufacturing and personnel costs and technologies to maintain a high level of competitiveness. In addition, we intend to change the current make-to-order model to the collaborative development for research direction with upstream customers and downstream suppliers, and to replace the competitive mode of order snatching by low price with technology and product design oriented competition.

As a world-class specialized process manufacturer, Browave is able to provide quality products and services to customers all over the world with favorable prices and fast speed as a supplier in the optical passive component market.

(3) Technology and R&D Overview

1. Combined technology development and market direction

The optical communications market continues to evolve toward higher data rates, miniaturization, and increased functionality to meet the growing global demand for data transmission. In the application of optical transceiver modules, flexibility and cost-effectiveness remain mainstream market considerations. Currently, technologies utilizing 8- or 16-channel fiber arrays for 400Gbps and 800Gbps transmission are well-established. However, due to limitations in the fabrication processes of active components, single-channel transmission speeds beyond 200Gbps pose increasing challenges. To address future demands such as 1.6Tbps and beyond, higher-channel-count fiber array solutions are required,

along with compatibility with various silicon photonics (SiPh) chip interface designs. Browave is actively customizing its products to meet these diverse requirements.

Driven by artificial intelligence (AI), cloud computing, and data center expansion, optoelectronic integration technologies are becoming increasingly critical. Moving beyond the applications of traditional optical transceivers, packaging technologies related to Co-Packaged Optics (CPO) are advancing rapidly. In particular, Optical Input & Output (OIO) technologies that enable High-Density Optical Interconnects are being developed to support large-scale data processing. Browave continues to respond to market needs by advancing its technology for next-generation array-type products, targeting miniaturization and multifunctionality. To support customers' various SiPh chip architectures, Browave has also developed technologies such as multi-channel bare fiber end-face polishing, pluggable optical couplers, and fiber splitters for use in CPO applications, with samples already being provided to customers for validation. Furthermore, Browave actively collaborates with key suppliers to co-develop critical components, aiming to strengthen its technical integration and supply chain capabilities in the field of compact optical communication solutions—preparing to meet the opportunities and challenges of future market demands.

2. R&D expenses for the most recent year

Unit: In thousands of NTD		
Item \ Year	2023	2024
R&D expenses	97,642	84,134
Operating revenue	2,779,058	1,941,270
R&D expenses as a percentage of operating revenue	3.51%	4.33%

(4) Long- and short-term business development plans

1. Short-term development plan

Item	Development Plans
Product Strategy	<ol style="list-style-type: none"> 1. Continuously improve existing products and strictly strengthen quality control. 2. Continuously develop products that meet market needs to ensure that the Company's market share continues to grow.
Production Strategy	<ol style="list-style-type: none"> 1. Strengthen the control of cost and employee stability, implement quality policy to continuously improve the product production efficiency, and develop multi-functional skills of production staff to maximize the flexible adjustment of production capacity. 2. Select strategic suppliers to establish a good interaction model, in the spirit of mutual benefit, to obtain sufficient production capacity and bargaining space, and maintain a competitive cost advantage. 3. Integrate the management of outsourced vendors to promote the stability of quality and competitive advantage in the market. 4. Establish independent production efficiency and yield improvement technology, and move towards Lean Manufacturing.
Marketing Strategy	<ol style="list-style-type: none"> 1. Strengthen local distribution systems, build up market economies of scale, and expand global markets for mass-produced optical communication components.

Item	Development Plans
	<ol style="list-style-type: none"> 2. Refine the design service function and implement just-in-time supply policy to meet customers' product development and mass production needs. 3. Maintain good interaction with customers and take the initiative to understand their needs in depth to achieve the goal of customer satisfaction. Based on existing business, actively explore new customers and expand market share by utilizing existing product lines. 4. Focus on the OMI (Optical Manufacturing Integration) OEM model for optically dependent components, strive for an One Piece Flow production structure and continue to improve processes, expanding from optical component assembly to electromechanical integration to provide customers with the most complete OEM services.
Financial Strategy	<ol style="list-style-type: none"> 1. Adopt prudent management principles. 2. Use our own capital and operating earnings as the main operating capital, supplemented by bank financing.

2. Long-term development plan

Item	Development Plans
Product Strategy	<ol style="list-style-type: none"> 1. Continue to develop products related to the optical communication industry, and gradually expand product applications from telecom and network operators to the consumer product market. 2. Improve ODM/OEM/ICM collaboration with global industry leaders to develop mainstream products and become a major supplier or strategic alliance partner of global industry leaders to increase production scale, improve product quality, reduce costs, and enhance the Company's overall competitiveness. 3. Closely integrate new product development with the Company's core technologies and patented technologies to enhance the competitive edge of product technologies and increase the gap in technological capabilities between the Company and competitors. 4. Closely collaborate with strategic customers in product and application development, keep abreast of new technology development and application, and jointly develop products that meet market trends.
Production Strategy	<ol style="list-style-type: none"> 1. Improve manufacturing process to meet the trend of environmental protection and green product development to promote pollution-free manufacturing process. Establish a flexible production mechanism to respond to rapid changes in the market, improve production efficiency, and reduce the chance of errors, so as to meet the dual requirements of fast production and high quality. 2. Strengthen the division of work between the two sides of the Taiwan Strait, support customers' needs for economies of scale, and develop production aids and automated equipment to increase production efficiency, improve quality, and achieve cost reduction at the same time. 3. Implement total quality management to maintain the best internal operation process at all times and reduce the use of human

Item	Development Plans
	<p>resources through the introduction of intelligent information systems.</p> <p>4. In addition to the original headquarters in Hsinchu, Taiwan and the factory in Zhongshan, Guangdong, a new factory has been established in the Philippines to provide flexible scheduling and meet the diverse needs of end customers through production in the three locations.</p>
Marketing Strategy	<p>1. Provide the best service to our customers in all aspects throughout the process.</p> <p>2. Leverage the Company's existing core technology capabilities and the Company's determination and action to continuously improve technology.</p> <p>3. Continue to collaborate with international communication leaders, invest in research and development of new products/niche markets, and establish partnerships with each other so that the Company can become one of the mainstream product suppliers in the industry.</p>
Financial Strategy	<p>1. Strengthen foreign exchange management, appropriately use financial hedging instruments, and determine costs and profit to reduce foreign exchange risk and minimize foreign exchange losses.</p> <p>2. Pursue maximum profitability, accumulate operating capital, and provide cash for the Company's development.</p> <p>3. Expand capital raising channels in the capital market and obtain operating capital at the best cost to facilitate the development of various projects.</p>
R&D Strategy	<p>1. Continue to develop technology for future high-speed broadband products to build up core technologies and establish competitive advantages.</p> <p>2. Pursue product quality design and R&D to address the demand for quality products and develop related products for the future market.</p> <p>3. Strengthen R&D process, efficacy, and patent layout to support market growth.</p>

2. Market and Production & Sales Overview

(1) Market Analysis

1. Major Product Sales Regions

Unit: In thousands of NTD

Region \ Year		2023		2024	
		Amount	Percentage	Amount	Percentage
Domestic sales		4,817	0.17%	3,443	0.18%
Export Sales	Americas	939,193	33.80%	789,433	40.67%
	Europe	1,273,842	45.84%	241,230	12.43%
	Asia	553,117	19.90%	897,325	46.22%
	Others	8,089	0.29%	9,839	0.50%
	Subtotal	2,774,241	99.83%	1,937,827	99.82%
Total		2,779,058	100.00%	1,941,270	100.00%

2. Market Share

We are engaged in OEM/ODM/ICM production, sales and R&D of optical communication components and modules. The variety of optical communication components is vast, and the specifications are difficult to standardize due to different demands and applications. Most of the products produced by Browave Corporation are customized to meet specific technical requirements, making it challenging to estimate objective market share statistics.

3. Future Market Supply and Demand and Growth

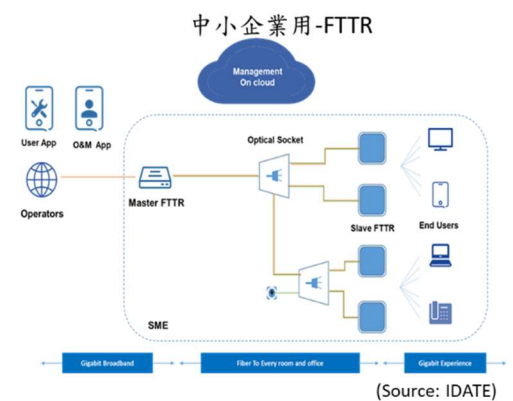
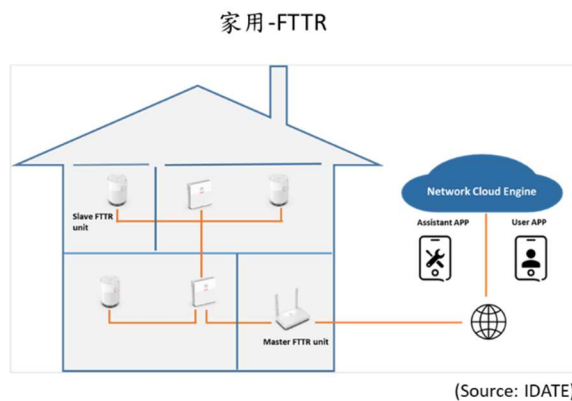
Optical communication equipment relies on the investment and drive of governments' telecommunications infrastructure and telecom companies' customer demand. This is a more stable market with less significant fluctuations compared to the consumer electronics market. Therefore, optical communication is a part of the necessary communication infrastructure, closely related to government policies and telecommunications service company strategies. As various countries expand their investment and deployment in infrastructure, the continuous drive for digital video and audio content, smartphones, cloud applications, and online gaming leads to a significant increase in bandwidth demand. Recently, the five major federal funding sources in the United States have continued to inject funds into broadband construction, and broadband investment continues to maintain its investment intensity, including related organizations such as CAA, ARPA, RDOF, and BEAD. Cable TV operators in North America are also working on the CableLabs broadband standard DOCSIS 3.1 or even DOCSIS 4.0 to standardize downlink and uplink to 10Gbps. In terms of PON development, major operators are currently focusing on 10G PON as the mainstream development, with XGS PON being the most prosperous market in Europe and the US.

(1) Optical Communication Industry Trend

FTTR(Fiber-To-The-Room):

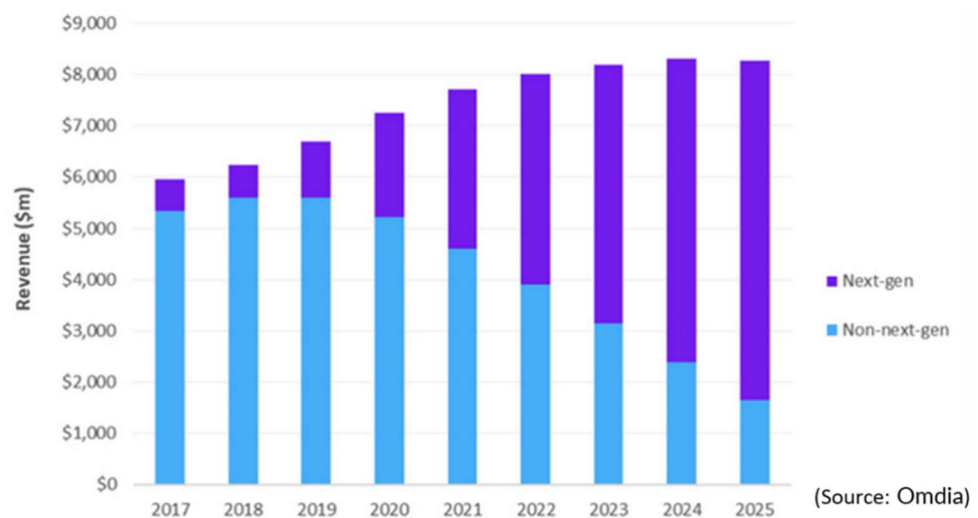
Simply put, it refers to achieving FTTH, "from the last mile to the last meter." Its access speed will reach the level of 1Gbps, which is ten times faster than the existing FTTH access speed (100Mbps). Additionally, in terms of energy

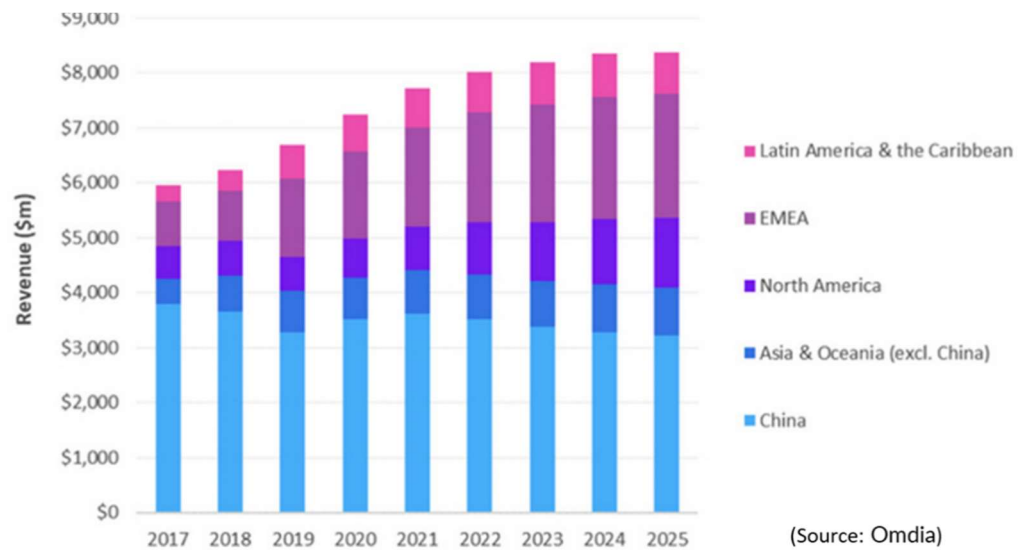
consumption, fiber optic can reduce energy loss by about 30%, making it a more environmentally friendly and green option.



Global PON Equipment Market Trend:

The PON equipment market is currently undergoing the transition from old to new generation and demand remains strong. The next generation PON includes 10G, 25G PON, 50G PON, etc. The main force is led by 10G PON. In addition to the original Japanese and Korean markets, European and North American regional Cable operators are also starting to increase their efforts towards 10G PON.





(2) CATV Market

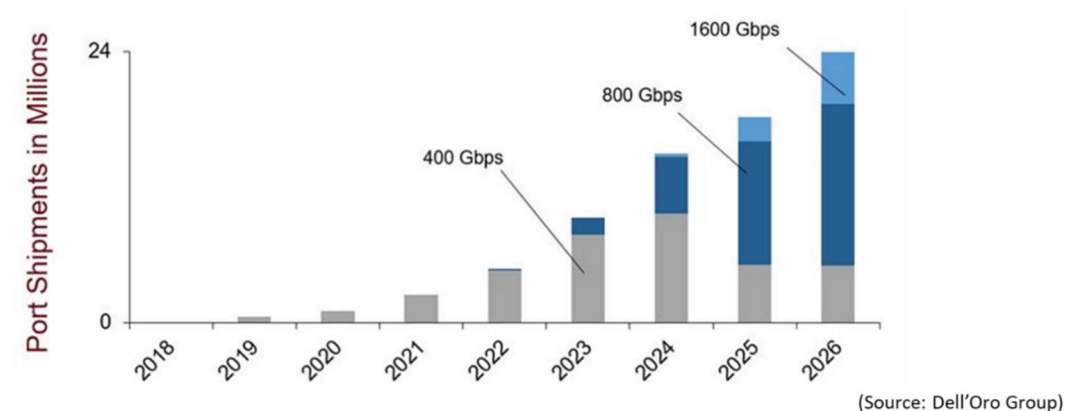
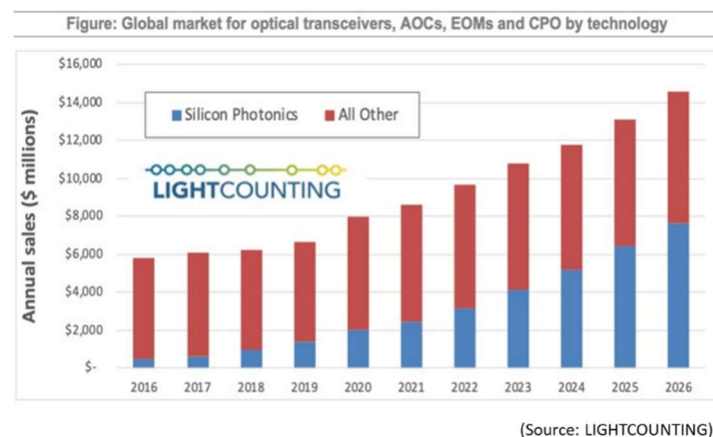
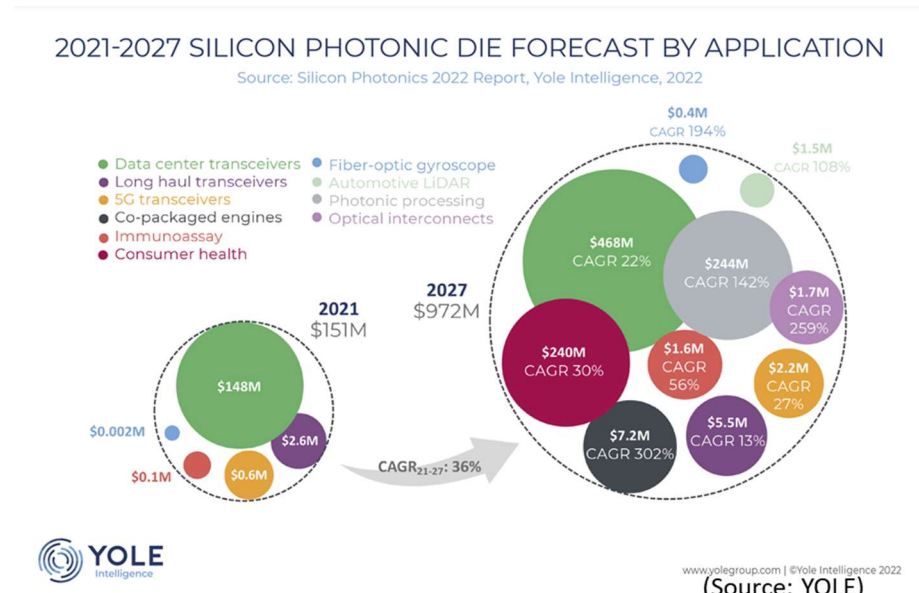
The Data Over Cable Service Interface Specification (DOCSIS) is the main axis of development for different stages of transmission interface specifications. DOCSIS is an international standard developed by CableLabs, the cable standards organization. DOCSIS defines the interface for communication and operating support required to provide data services over cable, and it was developed to enable high-speed data communications over existing cable systems. It is used by many cable operators to provide Internet access over existing HFC infrastructures. The earliest version 1.0 of DOCSIS standard (shown below) was announced in 1997 and supported 40Mbps/10Mbps (Down-stream/Up-stream speed). In October 2013, DOCSIS 3.1 was announced, which greatly enhanced the uplink and downlink speeds to support 10 Gbit/s downlink and 1 Gbit/s uplink, and reconstructed the channel specification. The latest DOCSIS 3.1 Full Duplex, released in October 2017, introduced uplink and downlink peering rates, supporting up to 10 Gbit/s. This specification will be transformed into DOCSIS 4.0, which will be adopted this year. All of these DOCSIS versions maintain cross-backward compatibility between the Cable Modem and Cable Model Termination System.

	DOCSIS 1.0	DOCSIS 1.1	DOCSIS 2.0	DOCSIS 3.0	DOCSIS 3.1	FULL DUPLEX DOCSIS 3.1
Highlights	Initial cable broadband technology	Added voice over IP service	Higher upstream speed	Greatly enhances capacity	Capacity and efficiency progression	Symmetrical streaming and increased upload speeds
Downstream Capacity	40 Mbps	40 Mbps	40 Mbps	1 Gbps	10 Gbps	10 Gbps
Upstream Capacity	10 Mbps	10 Mbps	30 Mbps	100 Mbps	1-2 Gbps	10 Gbps
Production Date	1997	2001	2002	2006	2013	2017

(3) Silicon Photonics Optical Transceiver Market

The silicon photonics chip market is expected to grow at a compound annual

growth rate of 36% from 2021 to 2027, with data centers, 5G, photonic computing, long-range optical transceivers, active optical cables, and automotive LiDAR being the major growth sources. In particular, the data center transceiver segment is expected to have the highest growth rate, reaching 22% by 2027, accounting for nearly half of the silicon photonics applications.



4. Competitive Edge

(1) Customized products with market competitiveness

We have strong engineering execution capabilities, including manufacturing engineering, basic component and module design, and production, which enable us to achieve the goals of rapid response and on-time delivery to provide customers with high-quality, low-cost products.

(2) Focus on increasing the proportion of process automation to be cost competitive

Focus on key core processes, introducing active or passive optical coupling algorithm mode, visual image judgment, packaging and curing processes. Increase process automation proportion to reduce manual adjustments to meet mass production volume requirements and cost competitiveness.

(3) Quality policy

The most important thing for us is customer-oriented quality improvement engineering, which is divided into resource management, production quality management and customer feedback management. The Company attaches great importance to the stability and compatibility of our products in terms of quality. We strictly implement the quality management system required by ISO 9001+ and TL9000 to ensure good communication, control and financial records of the work performed. Our products passed various verification such as the IECQ (International Electrotechnical Commission Quality Assessment System) reliability test and the internal certification of Telcordia (Bellcore) for miniaturized plug filters, and the certification of Telcordia GR-1221 and GR-326 for PLC optical splitters and fiber connectors, and the certification of CATV-EDFA by the National Radio and Television Administration of PRC, and the certification of Telcordia GR-1312 for module products, all ensure the quality reliability of the Company.

(4) With expertise in optical communication module components

The core of Browave's technology development includes optical component technology and module technology. They cover fiber fusion tapping, micro-optics, and planar waveguide technologies. In addition, with the trend of high bandwidth and integration, our micro and small component integration technology with multi-function is beginning to show strong competitiveness. We are currently working on the design of low-cost small optical components and the trial of high-end specification products. We have developed a high channel fiber splitter module (PLC-Splitter 1X64), a miniaturized multi-wavelength division multiplexer module (CCWDM/CDWDM), and a customized integrated miniaturized passive optical component for active optical transceiver modules. With this continuous improvement of technology, Browave is now able to produce high quality modules of various specifications in high volume according to customer requirements, and will engage in the manufacturing of high value-added multifunctional modules and subsystems.

(5) OMI (Optical Manufacture Integration) OEM model

Command key optical devices for SSI (Sub System Integration) module integration, thus simplifying the overall supply chain, realizing the concept of

total matching, and enhancing the competitiveness of module products.

5. Favorable Factors and Unfavorable Factors of Development and Countermeasures

(1) Favorable factors

- A. Large production base and sufficient production lines for emergent large shipments
The subsidiary's production base in Zhongshan Torch Development Zone, Guangdong, meets ISO 9000/ISO 14000 requirements for quality and environmental protection, and has become a stable and specialized OEM partner for important optical communication customers in Europe, the U.S. and Asia, providing them with perfect intellectual property protection. In order to achieve a favorable competitive position, Browave has developed complete product lines and a flexible production process to meet the needs of customers in a single purchase, and to reduce the risk of the product lines in the market through product diversification.
- B. Establishment of the Philippines Plant to Enhance Production Flexibility
The newly established facility in the Philippines obtained ISO 9001 and ISO 14001 management system certifications in 2023. Product lines at the plant have successfully passed reliability verification and entered full-scale mass production. This expansion enhances the Company's ability to meet diverse end-customer demands and enables flexible production allocation across three locations, thereby mitigating operational risks through geographic diversification.
- C. Complete products
We actively develop, manufacture and sell optical communication components and modules, such as optical fiber collimators, optical fiber isolators, optical fiber couplers, dense wavelength division multiplexers, coarse wavelength division multiplexers, doped optical fiber amplifiers, planar optical waveguide splitters, micro optical detectors, micro multifunctional components, etc. Use the most advanced all-fiber and micro-optical technology to provide a series of products and other special specification products to meet customer's needs. Customers' perception of the Company is that we are a specialized vendor in the R&D and production of optical fiber communication component modules.
- D. Have abundant quality policies and product reliability certifications
We are committed to providing quality products and services to our customers in order to meet the contract and requirements specified by our customers. We have been doing our best to meet the various reasonable requirements of our customers in terms of specifications, quality, etc. In order to maintain the high quality and stability of all our work, we strictly implement a quality management system that meets the requirements of ISO 9001, ensuring that we have good communication and control records of our work.

(2) Unfavorable factors and countermeasures

- A. Customized products are difficult to produce in large quantities in a standardized manner, which affects production efficiency
Since optical communication components and modules are highly

customized products, there is a wide variety of products and it is difficult to standardize the specifications, so customers' product demands are for small quantity and diverse. In order to quickly meet the diverse needs of customers, we must also consider short lead times and the large variation in product specifications, which makes the performance of the production lines more difficult to control.

Countermeasures:

- a. We are working on a standardization system for some products, and hold regular meetings to review and strengthen the standardization of products.
- b. Conduct regular and occasional production and sales meetings to discuss how to proceed for products that can be standardized and how to adjust production capacity for products that cannot be standardized to improve efficiency.
- c. Select customers and product applications, build automation capabilities year by year, and focus on mass production of specific products.

B. Optical fiber market is highly volatile

The optical fiber industry is greatly affected by market fluctuations, and optical communication has not yet been fully implemented in the consumer side, and was even affected by the downturn in 2009. The demand for optical fiber did not increase with the rise in bandwidth demand until 2010, when the economy recovered.

Countermeasures:

- a. The Company maintains high flexibility in its production lines, allowing timely adjustments in response to fluctuations in the fiber optic market. Regular production meetings are held to evaluate industry conditions and reallocate production resources accordingly.
- b. Production line employees are trained in multi-skilled manufacturing capabilities to adapt to changing market demands. This approach not only minimizes talent redundancy but also enables workforce flexibility in line with production adjustments.
- c. Production lines are continuously optimized for multifunctionality in alignment with evolving product processes, ensuring the Company's ability to meet diverse customer needs.

(2) Important applications and production process of major products

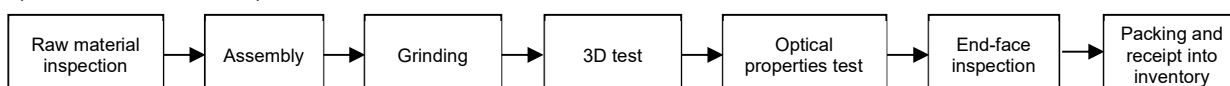
1. Important applications of major products

Product	Application
WDM Product	Wavelength division and multiplexing in optical fiber communication systems
Branch Product	Distribution of optical energy in optical fiber communication systems
AMP Product	Amplification of optical energy in optical fiber communication systems
OIN Product	Connection function of optical fiber communication systems

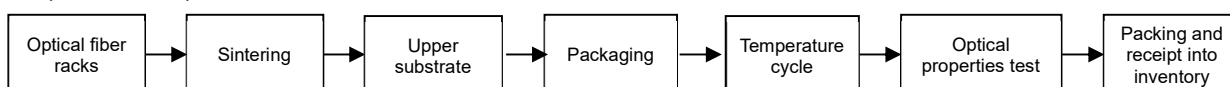
2. Production process of major products

Major products are divided into four categories according to different manufacturing processes.

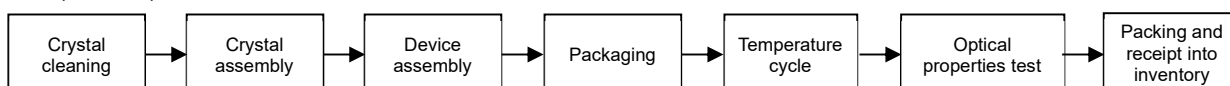
Optical Fiber Connection Components



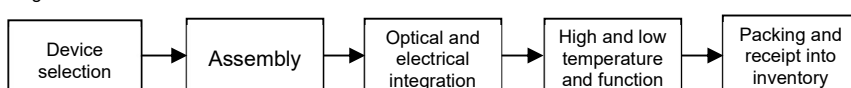
Full Optical Fiber Components



Micro-optical Components



Integrated Module



(3) Supply of main raw materials

The main raw materials of our products are optical parts and connector parts, which are supplied by well-known domestic and foreign vendors with stable supply and excellent quality.

(4) The names of suppliers and customers who accounted for more than 10% of the total purchases (sales) in any of the most recent two years, their purchases (sales) amount and proportion, and the reasons for the increase or decrease.

1. Information on Major Suppliers

Unit: In thousands of NTD

Item	2023				2024			
	Name	Amount	As a Percentage of the Annual Net Purchase Percentage (%)	Relationship with the Issuer	Name	Amount	As a Percentage of the Annual Net Purchase Percentage (%)	Relationship with the Issuer
1	Vendor D	547,323	37.36	Non-related party	Vendor D	88,658	9.03	Non-related party
6	Others	917,635	62.64	-	Others	893,582	90.97	-
	Net purchase	1,464,958	100.00	-	Net purchase	982,240	100.00	-

The reasons for the increase or decrease: Change in demand for materials purchase is affected by change in orders from major customers.

2. Information on Major Customers

Unit: In thousands of NTD

Item	2023				2024			
	Name	Amount	As a Percentage of the Annual Net Sales (%)	Relationship with the Issuer	Name	Amount	As a Percentage of the Annual Net Sales (%)	Relationship with the Issuer
1	Customer L	995,322	35.82	Non-related party	Customer C	496,371	25.57	Non-related party
2	Customer C	598,162	21.52	Non-related party	Customer J	340,538	17.54	Non-related party
3	Customer F	325,774	11.72	Non-related party	Customer F	192,873	9.94	Non-related party
4	Others	859,800	30.94	-	Others	911,488	46.95	-
	Net sales	2,779,058	100.00	-	Net sales	1,941,270	100.00	-

The reasons for the increase or decrease: Due to change in customer demand.

3. Information on Employees

Year		2023	2024	March 31, 2025
Number of Employees	Number of employees at the beginning of the period	1,442	1,135	1,137
	New employees during the period	302	331	315
	Separated employees during the period	609	329	157
	Number of employees at the end of the period	1,135	1,137	1,295
	Total	1,135	1,137	1,295
Average Age		33.27	35.23	31.61
Average Years of Service		6.21	7.68	5.25
Education Distribution (%)	Doctoral degree	0.2	0.3	0.2
	Master degree	3.5	3.4	2.8
	University or college	16.8	21.8	15.4
	Senior high school	30.2	30.6	22.2
	Below senior high school	49.3	43.9	59.4

4. Information on Environmental Protection Expenditures

- (1) The total amount of losses and penalties for environmental pollution in the last two years and as of December 31, 2024: None
- (2) Future countermeasures and possible expenditures: None

5. Labor Relations

- (1) List the Company's employee welfare measures, training, education and retirement systems and their implementation, as well as the agreements between management and employees and measures to protect the rights and interests of employees:

1. Employee Welfare Measures and Implementation

In addition to the implementation of Labor Standards Act and related laws and regulations, the Employee Welfare Committee coordinates employee benefits, including wedding, funeral, childbirth, travel subsidies, and festival gifts and coupons, etc. The Company also provides group insurance and regular health checks for employees. With a view to caring for the health of employees, maintaining the working environment, and attaching importance to environmental protection, the Company implements the "Safety and Health Management Plan" and has an access control monitoring system in the plant, connected with security companies at night and on holidays to jointly maintain safety; all machinery, equipment and appliances are regularly maintained and inspected, and contracted vendors are managed for safety maintenance. Disaster prevention and response measures are implemented in accordance with the "Disaster Recovery and Reconstruction Measures", and a protection team is established and safety protection drills are conducted regularly.

2. Continuing Education and Training

To enhance the specialized ability of employees, the Company holds internal training courses from time to time, and sends employees to attend training courses held by external organizations as needed.

Information on employee continuing education and training in 2024

Item	Total Number of Attendees	Total Hours	Total Spending (NTD)
On-the-job specialized training	43	421	84,711
New employee training	1,201	8,852	0
Fire drill	854	997	10,936
On-the-job training	1,401	1,193	0

3. Retirement System and Implementation

To enhance retirement security for employees and strengthen labor relations, the Company and its subsidiaries contribute to social insurance programs in accordance with local government regulations. The parent company complies with the Labor Pension Act by contributing 6% of employees' monthly salaries to a dedicated pension fund account managed by the Bureau of Labor Insurance. Furthermore, to promote employee welfare and foster organizational cohesion, Browave's Board of Directors approved the establishment of an Employee Stock Ownership Trust on November 1, 2023, which has been implemented starting in 2024. Through this initiative, the Company aims to encourage joint growth between employees and the organization, improve operational performance, and enhance overall corporate value—ultimately providing employees with long-term financial security.

4. Labor-Management Agreements and Various Measures to Protect Employees' Rights and Interests

Since the establishment of the Company, there has been no dispute requiring a labor-management agreement. The Company holds quarterly labor-management meetings to facilitate adequate communication between employees and management and to create a harmonious labor-management relationship.

- (2) The losses suffered by the Company due to labor disputes in the most recent two years and the current year up to the date of publication of the Annual Report, and the estimated amount of current and potential future losses and countermeasures and if the amount cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be stated: None

6. Cyber Security Management

- (1) Describe the risk management framework for cyber security, cyber security policies, specific management plans, and resources devoted to cyber security management:

1. Risk Management Framework for Cyber Security

The Company has established an information security team, responsible for supervising the implementation of information security prevention, crisis notification, emergency response handling and other related work in each unit.

The head of the Management Information Department is the convener of the team, and the members include personnel of the Management Information Department, and there are three groups: security prevention group, crisis handling group, and audit group.

In accordance with Article 9-1 of the Guidelines for Establishing Internal Control Systems for Publicly Issued Companies and the Directive No. 11003656544 issued by the Financial Supervisory Commission on December 28, 2021, our company appointed one dedicated security supervisor and one security specialist in November 2023. A senior manager from the Information Management Department was assigned as the dedicated security supervisor, while a senior engineer was appointed as the security specialist, responsible for overseeing the implementation and execution of information security policies.

2. Cyber Security Policies

- (1) The information security team plans and builds the overall protection environment for information system and network security, formulates information security management policies and systems, and implements security audits, network monitoring, and personnel security management mechanisms on a regular and irregular basis to strengthen the overall information security protection capabilities and reduce security threats and disaster losses.
- (2) The information security team performs real-time detection and prevention, monitoring and early warning. The team uses continuous monitoring tools to get the latest early warning information, and timely releases warning messages and controls the development trend within the unit to reduce the degree of damage.
- (3) Establish emergency response plans and related operating procedures to deal with information security incidents quickly and effectively.
- (4) Establish information system backup measures, regularly perform necessary data and system backup operations, and regularly conduct backup recovery exercises to verify the availability of backup data to ensure that the risk of information system operation interruption or loss of important data is reduced.

3. Specific Management Plans

- (1) Network security: Separate office and production network segments, configure independent wireless network controller and domain authentication mechanism.
Install firewalls between internal network segments to effectively manage cross-segment access security based on policies.
Upgrade the external gateway firewall to enhance advanced continuous threat prevention capabilities.
- (2) Endpoint security: Configure endpoint antivirus and security control software according to the types of information hosts to maintain endpoint security protection capabilities.
- (3) Application security: Configure mail gateway security system to maintain overall mail system operation security.
- (4) Backup recovery exercise: Perform backup operations according to backup plan and execute backup recovery exercise regularly to verify backup data

availability.

- (5) Application System Updates and Upgrades: To prevent potential cybersecurity threats and malicious attacks that could cause serious security incidents, the Company undertook and completed a series of system upgrades in 2024, including the personnel management system, electronic workflow approval system, and virtual platform.

4. Resources Invested for Cyber Security Management

- (1) The use of a remote work security monitoring and management system.
- (2) Utilize email gateway security systems along with endpoint antivirus and security management software to ensure continuous updates and maintain cybersecurity defense capabilities.
- (3) Implement backup policies and conduct regular backup and restore drills for critical information systems to ensure availability verification.
- (2) For the most recent year and the current year up to the publication date of the Annual Report: The possible impact and the countermeasures taken for losses suffered due to a major cyber security incident, and if the amount cannot be reasonably estimated, that fact shall be stated: None

7. Important Contracts

Nature of Contracts	The Party	Contract Starting and Ending Date	Main Contents	Restriction Clauses
Land leases	Hsinchu Science Park	2022/1/1~2040/12/31	Land leases	Agreed upon contract

V. Review and Analysis of Financial Position and Financial Performance and Risk

1. Financial Position

(1) Financial Position Analysis

Unit: In thousands of NTD

Item \ Year	2023	2024	Increase (Decrease) Amount	Change Percentage (%)
Current Assets	3,072,215	3,060,316	(11,899)	(0.39)
Property, Plant, and Equipment	388,322	349,590	(38,732)	(9.97)
Intangible Assets	3,154	2,889	(265)	(8.40)
Other Assets	99,209	226,764	127,555	128.57
Total Assets	3,562,900	3,639,559	76,659	2.15
Current Liabilities	895,576	630,347	(265,229)	(29.62)
Non-Current Liabilities	49,428	172,043	122,615	248.07
Total Liabilities	945,004	802,390	(142,614)	(15.09)
Stock Capital	805,407	805,407	-	-
Capital Surplus	601,382	601,382	-	-
Retained Earnings	1,283,885	1,457,006	173,121	13.48
Other Equity	(72,778)	(26,626)	46,152	(63.41)
Non-Controlling Interests	-	-	-	-
Total Shareholders' Equity	2,617,896	2,837,169	219,273	8.38
Explanation (For items with a variance of over 20% between periods and an amount exceeding NT\$10 million): 1. Increase in Other Assets was mainly due to the recognition of right-of-use assets. 2. Decrease in Current Liabilities was primarily due to a reduction in purchases. 3. Increase in Non-current Liabilities was attributed to an increase in lease liabilities. 4. Increase in Other Equity was mainly due to foreign currency appreciation.				

2. Financial Performance

- (1) The main reasons for the significant changes in operating revenue, net operating profit and net profit before tax for the last two years

Unit: In thousands of NTD

Item \ Year	2023	2024	Increase (Decrease) Amount	Change Percentage (%)
Net operating Revenue	2,779,058	1,941,270	(837,788)	(30.15)
Operating Costs	(2,222,640)	(1,662,499)	560,141	25.20
Operating gross profit	556,418	278,771	(277,647)	(49.90)
Operating Expenses	(315,496)	(283,923)	31,573	(10.01)
Operating profit	240,922	(5,152)	(246,074)	(102.14)
Non-Operating Income and Expenses	284,735	494,136	209,401	73.54
Net Profit (Net Loss) Before Tax	525,657	488,984	(36,673)	(6.98)
Income Tax Expenses	(89,875)	(25,916)	63,959	(71.16)
Net Profit (Net Loss) for the Period	435,782	463,068	27,286	6.26

Explanation (For items with a variance of over 20% between periods and an amount exceeding NT\$10 million):

1. Decrease in Operating revenue, cost of goods sold, gross profit, and operating income, primarily due to lower customer demand and changes in product mix.
2. Increase in Non-operating income and expenses, mainly due to the rise in the fair value of investments in marketable securities at the end of the period.
3. Decrease in Income tax expense as a result of the above combined factors.

The expected sales volume and its basis, the possible impact on the Company's future finance and business, and the corresponding plans:

For an overview of the 2025 business plan, please refer to page 1 of the annual report: "Letter to Shareholders."

3. Cash Flow

(1) Analysis of changes in cash flows for the most recent year

Unit: %

Item \ Year	2023	2024	Increase (Decrease) Percentage
Cash Flow Ratio	86.65	-	(100.00)
Cash Flow Adequacy Ratio	197.35	136.85	(30.66)
Cash Reinvestment Ratio	12.87	(7.48)	(158.12)
Analysis of changes in increase or decrease percentage: 1. Net cash outflows from operating activities in 2024 resulted in a decrease in overall cash flow.			

(2) Improvement plan for liquidity deficiency: None

(3) Cash flow analysis for the coming year

Unit: In thousands of NTD

Cash Balance at the Beginning of Period	Estimated Annual Net Cash Flows from Operating Activities	Estimated Annual Net Cash Flows from Investing and Financing Activities	Estimated Cash Surplus (shortage)	Remedy for Estimated Cash Shortage	
				Investing Plan	Financing Plan
954,759	150,023	(182,348)	922,434	None	None
1. Analysis of changes in cash flows for the coming year (1) Operating activities are primarily due to cash receipts from operations exceeding cash payments. (2) Investing activities are mainly attributable to the disposal of financial assets. (3) Financing activities are primarily due to the distribution of cash dividends. 2. Liquidity Shortage Improvement Plan and Liquidity Analysis: None. 3. Cash Liquidity Analysis for the Coming Year: Not Applicable.					

4. Impact of significant capital expenditures in the most recent year on finance and business:

In 2024, the consolidated company's capital expenditure amounted to approximately NTD 69,902 thousands. The main sources of funding were internal resources and financing from financial institutions. These funds were utilized for the purchase of machinery and equipment, expansion of production capacity, and other needs to meet developmental requirements.

5. Investment policy in the most recent year, main reasons for profit or loss, improvement plans and investment plan for the coming year

(1) The Company's investment policy:

The Company makes investments based on factors such as operational needs or considerations of the Company's future growth. After the unit provides specialized information and makes a recommendation to the responsible officer, the investment proposal is evaluated with respect to the investee's past and future outlook, market conditions and business quality, and is used as the basis for the decision-making authority to make investment decisions.

(2) Main reasons for gain or loss of the investment, improvement plans

Unit: In thousands of NTD

Investee Company	Investment Gain or Loss for the Most Recent Year	Gain or Loss and the Main Reasons	Improvement Plans	Other Future Investment Plans
Browave Holding Inc.	(9,537)	Exchange loss on capital repatriation from investments.	-	None
Browave (ZhongShan) Corporation	4,125	Operations remain relatively stable.	-	None
Browave (Philippines) Corporation	(27,508)	In the early stage of operations; production is in the process of stabilization.	-	None

(3) Investment plan for the coming year: None.

6. Risks

(1) Impact of interest and exchange rate changes and inflation on the profit and loss of the Company, and the future countermeasures:

1. Impact of interest rate change:

The Company's interest expense was NTD 4,776 thousand and NTD 2,809 thousand in 2023 and 2024, respectively, accounting for 0.17% and 0.14% of the Company's operating revenue in those years. Therefore, the change in interest rate had no significant impact on the Company. The Company will adjust the use of funds in accordance with the changes in financial interest rates in order to reduce the impact of changes in interest rates on the Company's profit or loss.

2. Impact of exchange rate change:

The Company's responses to exchange rate changes are based on the principle of hedging foreign exchange risk without affecting the stable operation of the Company's business, rather than earning foreign exchange gains. The Company collects quotations and information on international financial, exchange rate and interest rate products from banks at any time to keep abreast of the changes in exchange rates, and takes the following foreign exchange hedging measures in a timely manner:

- (1) We continue to strengthen the concept of foreign exchange hedging among our financial personnel, and through the online exchange rate real-time system and enhanced interaction with financial institutions, the Company is able to evaluate the trend of exchange rate movements in order to cope with the negative effects of exchange rate fluctuations.
- (2) Before providing quotations to customers, we will consider and evaluate future exchange rate trends and factors affecting exchange rates in order to determine appropriate and reasonable quotations and minimize the impact of exchange rate fluctuations.
- (3) We achieve a certain degree of natural hedge by controlling the offsetting of recurring foreign currency receivables and payables.
- (4) The Company evaluates the purchase of various derivative financial instruments that can effectively reduce the exchange rate risk in accordance with the Company's operating procedures and controls the hedging positions by the responsible officers in order to reduce the exchange rate loss arising from the exchange rate risk.

3. Impact of inflation:

The Company has no significant impact on profit or loss as a result of inflation up to now. In addition to closely monitoring market price fluctuations, the Company also maintains good interaction with suppliers and customers to adjust product prices and raw material inventories appropriately, so the Company should be able to effectively reduce the impact of inflation on the Company.

(2) Policies on high-risk, high-leverage investments, lending funds others, endorsement and guarantee, and derivatives transactions, main reasons for gain or loss, and future countermeasures:

1. Since its establishment, the Company has been dedicated to the operation of its

core business and has not engaged in high-risk and high-leverage investment activities.

2. The company has established the "Procedure for Lending Funds to Others," "Endorsement and Guarantee Procedure," and "Procedure for Engaging in Derivative Transactions" in accordance with legal requirements. Additionally, it has issued public notices and established a ledger for reference. The company conducts regular reviews of actual operations and will take necessary measures to improve as needed to control financial transaction risks.
 3. As of the publication date of the annual report, Browave has not engaged in any derivative financial instrument transactions or provided any endorsements and guarantees. The loans extended by the Company and its subsidiaries are made to wholly owned subsidiaries and are conducted in compliance with applicable laws and regulations.
- (3) Future research and development plans and estimated investment in research and development expenses

1. Future R&D plans:

Building upon its existing product technologies, Browave continues to enhance its capabilities in automated manufacturing. In recent years, the level of automation in the production process has been steadily increased—not only to accommodate more complex configurations and higher-channel fiber optic component assemblies, but also by gradually expanding the number of process steps that can be automated. This year, the Company successfully developed its first fully automated optical coupling workstation with auto-loading and unloading functionality. It is expected to be deployed across various mass production lines, aiming to reduce labor time and improve quality. In addition to its established fiber optic products for optical transceiver modules, Browave has also received a growing number of development requests related to Co-Packaged Optics (CPO). Unlike optical transceivers, which follow well-defined specifications, CPO remains in the early stages of product development. Each customer has its own unique design and requirements for fiber optic interfaces. Browave is currently collaborating with major clients and, while supporting their custom designs, is also actively developing its own proprietary CPO fiber optic packages. The Company plans to integrate its expertise in miniaturized TFF WDM (Thin-Film Filter Wavelength Division Multiplexing) into future CPO applications, reinforcing its technological leadership in this emerging field.

Future R&D plans include:

- (1) Integrated fiber array with miniature thin-film filter array for wavelength multiplexing and demultiplexing
 - (2) High-channel-count (>40) 2D fiber array
 - (3) Non-contact pluggable fiber array connector
 - (4) Wafer-level fiber array testing and packaging
 - (5) Continuous development of automated active alignment workstations with auto-loading/unloading capabilities
2. Estimated investment in research and development expenses:
Technological innovation and research and development are fundamental to the company's continuous growth and sustainable operation. Therefore, the

company allocates research and development expenses every year. The projected amount of investment in research and development expenses is based on the progress of new product and technology development. In the future, as the business expands, the research and development expenses will gradually increase. It is estimated that in 2025, the company will invest approximately NTD84,000 thousands in research and development expenses to support future research and development plans and enhance the company's market competitiveness.

- (4) The impact of important domestic and foreign policy and legal changes on the Company's finance and business and countermeasures:
The Company's operations are conducted in accordance with the domestic and foreign laws and regulations, and the Company pays attention to the development trend of domestic and foreign policies, and changes in laws and regulations at all times, and consults experts to fully understand and respond to changes in the market environment. Therefore, important domestic and foreign policy and legal changes should not have a material impact on the Company's finance and business.
- (5) The impact of important changes in technology (including cyber security risk) or industry on the Company's finance and business and countermeasures:
The demand for network bandwidth has increased further due to the continuous growth of digital content, smartphones, 5G cloud computing, broadband Internet access, Remote PHY, and online games. Coupled with the development of interactive audio and video technologies, governments and private organizations worldwide are more active than ever in promoting broadband construction projects, bringing opportunities for the growth of the optical communications industry. The Company continues to capture the growth momentum of the fiber-to-the-home market and continues to invest in the development of new technologies to maintain its competitiveness, while maintaining sound and flexible financial management to meet the challenges of changes in technology and the industry.
- (6) The impact of change in corporate image on corporate crisis management and countermeasures:
Since its establishment, the Company has adhered to the principle of operating with integrity and pragmatism, attaching importance to the image of the Company, while complying with laws and regulations, and maintaining harmonious labor and local relations. Therefore, there has been no corporate crisis or need for crisis management due to the change of corporate image.
- (7) Expected benefits and possible risks of mergers and acquisitions and countermeasures:
The Company has no plans to acquire other companies in the most recent year and the current year up to the publication date of the Annual Report. However, in the event of future mergers and acquisitions, the Company will assess the benefits and control the risks in a prudent manner to protect the interests of the Company and the shareholders in accordance with various operating regulations.
- (8) Expected benefits and possible risks of plant expansion and countermeasures:
The Company adopts a prudent operating strategy to adjust the expansion of existing plant capacity to meet customer demand.
- (9) Risks of concentrations of purchases or sales and countermeasures:
 1. Risks of concentrations of purchases and countermeasures:
The Company always maintains two or more suppliers for its major raw

materials to diversify the risk. In addition to maintaining good relationships with major suppliers, we are also actively developing new applications and new customer segments to ensure a stable source of supply.

2. Risks of concentrations of sales and countermeasures:

Except for the investees, there is no excessive concentration of the Company's purchases and sales. With strong R&D and manufacturing capabilities, we maintain long-term relationships with our existing customers. We also strive to develop new customers to expand and diversify our business sources, so that the risk of concentration of sales will not affect the stable growth of the Company.

(10) The impact on the Company and risks of the massive transfer or change of shares of the Company by directors, supervisors, or major shareholders with 10% stake or more and countermeasures: As of the date of publication of the Annual Report, there has been no massive transfer or change of ownership of the Company by directors, supervisors or major shareholders holding more than 10% of the shares.

(11) The impact on the Company and risks of change in management rights and countermeasures:

There was no change in management rights during the most recent year or during the current year up to the date of publication of the Annual Report.

(12) For litigation or non-litigation events, if the Company, its directors, supervisors, general managers, de facto persons in charge, major shareholders with more than 10% stakeholder, or subordinate companies have been convicted by final and binding judgments or are still bound by significant litigation, non-litigation or administrative disputes, the results of which may have a significant impact on shareholder interests or securities prices, then the facts of the dispute, the amount of the subject matter, the start date of the litigation, the main parties involved and the handling of the case as of the date of publication of the annual report shall be disclosed: None.

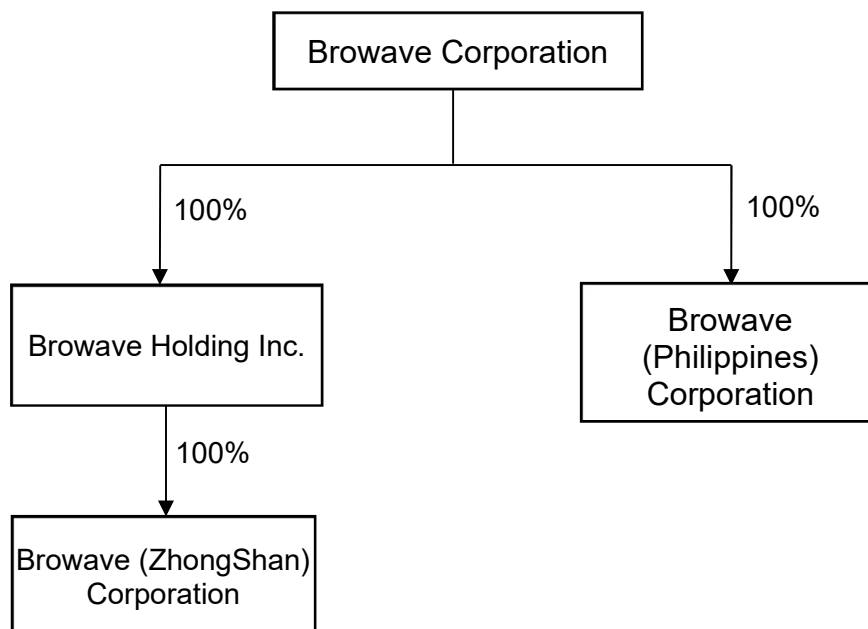
(13) Other major risks and countermeasures.

7. Other important matters: None.

VI. Special Matters

1. Information on Affiliates

(1) Organizational chart of affiliates



(2) Basic information on affiliates

December 31, 2024

Enterprise Name	Date of Establishment	Address	Paid-in Capital	Main Business or Production Items
Browave Holding Inc.	April 25, 2000	Citco Building, P.O. Box 662, Raod Town. Tortola, British, Virgin Islands	NT\$677,760	Investment business
Browave (ZhongShan) Corporation	July 6, 2000	No. 1 and No. 2, No. 39, Keji East Road, Torch Development Zone, Zhongshan City, Guangdong Province	US\$15,000	Production of optoelectronic devices, optical fiber couplers, micro-optical products, and optical fiber passive components.
Browave (Philippines) Corporation	August 16, 2022	No. 4 Rizal Highway cor. Aim High St., Subic Gateway Park, Subic Bay Freeport Zone, Zambales	PHP300,000	Production of optoelectronic devices, optical fiber couplers, micro-optical products, and optical fiber passive components.

(3) Information on the common shareholders of those presumed to be in a controlling and subordinate relationship: None

(4) The industries covered by the businesses of all affiliates:

The businesses of the Company and its affiliates include: Investment holding and optical communication business. The businesses of the Company's affiliates are mainly in the research, development, manufacturing, sales, and service of optical fiber

components. The Company is principally engaged in the overall operation direction, order processing, marketing, key product development, and administrative and financial operations. The Company's Mainland and Philippines subsidiary is engaged in manufacturing, processing, and local regional business marketing.

(5) Information on the directors, supervisors, and presidents of the affiliates:

December 31, 2024; Unit: Thousand's dollars

Enterprise Name	Title	Name or Representative	Shareholding	
			Stock Capital	Shareholding Percentage
Browave Holding Inc.	Chairperson	Cheng Wann-Lai	NT\$677,760	100%
Browave (ZhongShan) Corporation	Chairperson Director Director Supervisor President	Wu Jin-Hong Lin Jin-Xiong Hwang Yu-Wen Chang Wen-Chiao Liu Bang-Zhen	US\$15,000	100%
Browave (Philippines) Corporation	Chairperson Director President	Lin Jin-Xiong Hwang Yu-Wen Liu Bang-Zhen	PHP300,000	100%

(6) Affiliate Operations Overview:

December 31, 2024; Unit: In thousands of NTD

Enterprise Name	Capital	Total Assets	Total Liabilities	Net Worth	Operating Revenue	Net Profit (Net Loss) for the Period	Net Profit (Net Loss) for the Period	Earnings (Losses) Per Share (NTD)
Browave Holding Inc.	677,760	946,732	110	946,622	-	(110)	(9,537)	-
Browave (ZhongShan) Corporation	596,579	1,045,079	500,522	544,557	1,233,232	20,434	4,125	-
Browave (Philippines) Corporation	164,395	301,210	237,360	63,850	444,622	(24,432)	(27,508)	-

(7) Consolidated financial statements of affiliates:

Browave Corporation and Subsidiaries

Representation Letter

The companies to be included in the Consolidated Financial Statements of affiliated enterprises for 2024 (from January 1, 2024 to December 31, 2024) pursuant to the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises" are the same as those to be included in the Consolidated Financial Statements of the parent company and subsidiaries pursuant to the IAS No. 10. Further, the related information to be disclosed in the Consolidated Financial Statement of affiliated enterprises has been disclosed in said Consolidated Financial Statements of the parent company and subsidiaries. Accordingly, it is not necessary for the Company to prepare the Consolidated Financial Statements of affiliated enterprises separately.

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Declared By

Company Name: Browave Corporation

Person in Charge: Cheng Wann-Lai

February 26, 2025

(8) Report on Related Party Transactions: Not Applicable.

2. Private placement of marketable securities in the most recent year and the current year up till the publication date of this annual report: None.

3. Other matters that require additional explanation:

Tracking Schedule of Commitments for TPEX Listing

Commitments for TPEX Listing	Status of Commitments
<p>Under the “Procedures for Acquisition or Disposal of Assets”, the Company is committed to add that “the Company shall not forgo the capital increase to Browave Holding Inc. in each future year; Browave Holding Inc. shall not forgo the capital increase to Browave (ZhongShan) Corporation in each future year; Chuang Tong Investment Co., Ltd. shall not forgo the capital increase to Innovate Investment (BVI) Inc. in each future year. In the future, if the Company is required to forgo a capital increase or dispose of the above-mentioned companies due to strategic alliance consideration or others as approved by TPEX, a special resolution of the Company's Board of Directors is required.” If there is any subsequent amendment to the regulations, the Company shall disclose it as significant information on the Market Observation Post System and report it to TPEX by a letter for recordation.</p>	<p>In accordance with the instructions of TPEX</p>

VII. For the most recent year and the current year up to the publication date of the Annual Report, any of the events specified in Article 36 (3) (2) of the Act occurred with a material effect on shareholders' equity or the price of securities: None.