



O-TA Precision Industry CO.,LTD.



# 2024 Annual Report

O-TA Precision Industry annual report is available at <https://www.o-ta.com.tw>  
Taiwan Stock Exchange Market Observation Post System: <https://mops.twse.com.tw>  
**Printed on March 31,2025**

This report has been prepared in Mandarin and English respectively.  
In case of any discrepancy or inconsistency between the Mandarin and English versions,  
the Mandarin version shall prevail.



# **O-TA Precision Industry Co., Ltd.**

## **I. Contact Information of the Spokesperson and Deputy Spokesperson**

Spokesperson: CHUNG, CHENG-YI

Deputy Spokesperson: LEE, CHUNG-MU

Title: Supply Chain Integration Division Associate  
Vice President

Title: Finance Division Associate Vice President

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## **II. Contact Information of the Head Office, Branch Offices, and Factories**

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Tel: (08)778-3855

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## **III. Contact Information of the Stock Transfer Agency**

Name: KGI Securities Co., Ltd. Transfer Agency Department

Address: 5F., No. 2, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City 100502, Taiwan (R.O.C.)

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

Tel: (02)2389-2999

## **IV. Contact Information of the Certified Public Accountants for the Latest Financial Report**

Name: Accountant CHEN, CHENG-CHU CPA and LEE, FANG-WEN CPA

Firm: Ernst & Young, Taiwan

Address: 17F., No. 2, Zhongzheng 3rd Rd., Xinxing Dist., Kaohsiung City 800308, Taiwan (R.O.C.)

Website: <https://www.ey.com/taiwan>

Tel: (07)238-0011

## **V. Overseas Trade Places for Listed Negotiable Securities and Approach for Checking Information of Overseas Securities: None**

## **VI. Company Website: <https://www.o-ta.com.tw/>**

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# One. Report to the Shareholders

Dear Shareholders,

Thank you for your long-time attention, care, support, and feedback for O-TA.

O-TA operates steadily and is trusted and recognized by brand clients. In 2024, the revenue reached NT\$4.637 billion, a 6% increase from the previous year's NT\$4.368 billion. The net profit for this period was NT\$0.474 billion, a 17% increase from the previous year's NT\$0.407 billion, resulting in an EPS of NT\$5.66, a NT\$0.81 increase from the previous year's EPS of NT\$4.85! Looking ahead, new client development projects are ongoing, and the sales performance remains promising.

The Company's 2024 operating results, the impact of the external competitive environment, the regulatory environment, and the overall operating environment, the summary of 2025 business plan, and the future development strategies are reported as follow:

## I. 2024 Operating Results

### (I) 2024 Business Plan Implementation Results

In 2024, the Company recorded a consolidated operating revenue of NT\$4,637,473 thousand; consolidated post-tax profit of NT\$474,283 thousand; and basic earnings per share after tax NT\$5.66. It represents increased revenue and profit.

(II) Budgeting: The Company did not disclose its financial forecast for 2024, so no budgeting information was provided.

(III) An analysis of financial performance and profitability is as follows:

#### 1. Financial Performance

Unit: NT\$ thousands; %

Items		Years	2024	2023	Differences (%)
Revenue and Expenditure	Operating revenues		4,637,473	4,367,641	6.18
	Operating costs		3,898,847	3,643,553	7.01
	Gross profit		738,626	724,088	2.01
	Operating expenses		337,580	341,816	-1.24
	Operating income		401,046	382,272	4.91
	Non-operating income and expenses		178,818	160,314	11.54
	Net income from continuing operations before tax		579,864	542,586	6.87
	Net income from continuing operations		474,283	406,520	16.67
	Net income		474,283	406,520	16.67
	Net income attributable to shareholders of the parent		474,283	406,520	16.67

#### 2. Profitability Analysis

Items		Years	2024	2023
Solvency	Current ratio (%)		405.77%	348.15%
	Quick ratio (%)		345.39%	288.74%
	Times interest earned		66.40	49.50
Profitability	Return on total assets (%)		9.10%	7.20%
	Return on equity (%)		11.79%	9.74%
	Ratio of income before tax to paid-in capital Ratio (%)		69.20%	64.75%
	Net profit margin (%)		10.23%	9.31%
	Earnings per share (NT\$)		5.66	4.85

### (IV) 2024 R&D Results

1. New material technologies and mass production results for golf club heads: continuous development of high-strength titanium alloy plates, high-strength titanium-based casting materials, high-strength iron-based plates, high-strength iron-based casting materials, variable hardness casting materials, high-strength with low density materials, and other high-strength plates.
2. Results of new structure and new design and mass production of golf club head: the golf head structure design and manufacturing method with composite materials, exterior design of heterogeneous materials, the combination structure of heterogeneous materials, the application and production method, and the high-performance

golf head structure design, etc.

3. Development and mass production of golf club heads simulation analysis system technology: high MOI structure, high rebound, weight margin design, audio enhancement, weight distribution, structural stress analysis, aerodynamics, etc., used to accurately predict the performance of designed products.
4. Patents: 8 patents were granted in 2024 (as of March 31, 2025), including Taiwan invention patents for “Striking surface of golf club head, machining tool thereof, machining method,” “Carbon fiber golf club head,” “Golf club head,” “Golf club head including carbon fiber striking member,” “Manufacturing method of multi piece golf club head,” and “High-strength low-density titanium alloy plates and their manufacturing method;” China invention patents for “Martensitic steel plates and their manufacturing method;” Japan invention patents for “Carbon-fiber composite golf club head.” A total of 8 patent applications are under review.

## II. The Impact of the External Competitive Environment, the Regulatory Environment, and the Overall Operating Environment

The golf club manufacturing industry and the bicycle industry are subject to international economic conditions and weather influences.

According to the latest “World Economic Outlook” report from the International Monetary Fund (IMF), global growth is projected at 3.3% in 2025. This signals that, amid significant policy uncertainty, the growth paths of various countries are diverging, and there are divergent risks in the global economic outlook, with high levels of policy uncertainty. Countries need to find a balance between inflation and economic activities, and enhance their medium-term growth prospects through structural reforms as well as stronger multilateral cooperation.

The golf industry is expected to exhibit a more diversified development trend in 2025, including market expansion, technological innovation, and supply chain restructuring. The bicycle industry, driven by technological innovation, policy support, and changes in market demand, may also demonstrate new growth momentum.

Future industry observations will focus particularly on the impact of international policy trends and climate factors on the demand and end-market retail sales. The Company has many years of professional management experience in the golf industry and maintains ample and stable operational capacity. We believe that we can adapt to changes when facing various challenges (such as: demand fluctuations — economic cycles directly affecting consumer spending intentions, supply chain challenges & operating costs — tariffs, exchange rate fluctuations, changes in golf rules, technological breakthroughs, market opportunities, and inventory, etc.) by implementing effective countermeasures. Furthermore, the Company’s premium bicycle OEM and stainless steel faucet series offer unique differentiation, the Company must be able to cope with any challenges on sight.

## III. Summary of 2025 Business Plan

### (I) Operation policy:

Lean and innovative; pursue sustainable development.

### (II) Expected sales volume

Based on the supply and demand in the golf equipment market, the industry environment, and the Company's capability and development, the Company forecasts that the sales volume of golf equipment in 2025 are as follows: Approximately 4,210 thousand of golf heads and golf equipment, and approximately 680 thousand of golf clubs, for a total of approximately 4,890 thousand units.

### (III) Important sales and production policy

1. Being lean and innovative, the Company continuously provides clients with collaborative, tailor-made, high value-added design and manufacturing services, and pursue sustainable development.
2. Differentiated operation, strategic order acceptance.
3. Stabilizing key client relationships, explore new client opportunities for steady growth, and promote business growth.
4. Lean R&D management and stable end-to-end production processes.
5. Continue to strengthen the integration of production and sales, perfect the supply chain system, and improve pre-production readiness throughout the entire process.
6. Efforts are made towards low-carbon and smart manufacturing initiatives, gradually promoting green production, including supply chain green manufacturing.
7. Implement a market-oriented technology roadmap and deepen key independent core technological capabilities and the level of automation.
8. Talent sustainability, cultivation of key talents, stabilization of human capital of the production lines, and enhancing agile and flexible collaborative capabilities.
9. Promote ESG sustainable management and implements energy-saving and carbon reduction, as well as shifts towards to the whole process by means of reduction, recycling, and substitution as improvements, and for

the innovative breakthroughs of technologies and new workmanship; practice green research and development, green production, and green life; and fulfill corporate social responsibilities.

10. In order to meet client demands and diversify risks, the Company has increased investment in the Vietnam plant.

#### IV. Future Development Strategies of the Company

- (I) With Taiwan as its design, R&D, sales, and management center, the Company implements strategic production layouts to meet client demands, strives to build competitive manufacturing bases, continuously refines “manufacturing management,” “logistics management,” and “innovation and R&D,” constantly enhancing the added value of products, and creates an irreplaceable position in the market!
- (II) The Company is committed to striving for a sustainable operating environment, implementing comprehensive ESG management measures, and fulfilling its corporate responsibilities, aiming to become the most creative company in daily consumer goods and sports equipment, creating maximum value and the best services for our customers, employees, shareholders and the general public.
- (III) Upholding the ideal of “Integrity and Practicality; R&D and Innovation; Sustainable Development; and Serving the People,” the Company effectively consolidates and streamlines its operational processes and seeks innovation and breakthrough, so as to achieve a management synergy in terms of quality, delivery date, cost, service, and innovation, thereby creating irreplaceable, great competitiveness.
- (IV) Aiming to build itself as a “design and manufacturing service” that is client-oriented and provides clients with design and manufacturing services like “collaborative design” and “performance simulation” and of “high added value” and “customization.” In addition, aided by its all-process production capability, lean operating process management, and application and development of automatic technologies, the Company will deliver breaking and competitive innovation and R&D results to share with clients, to gain stable revenue in the long term.

For the 2025 business plan, the Company will make all efforts to achieve the target to create maximum value.

We would like to wish all shareholders good health and all the best.

Chairman   LEE, KUNG-WEN

President   HSU, JUNG-MIN

Accounting Officer   LEE, CHUNG-MU

## Two. Corporate Governance Report

### I. Information on the Company's Directors, President, Vice President, Associate Vice President, and the Supervisors of All the Company's Divisions and Branch Units

#### (I) Directors' Information (1)

##### 1. Directors' Information

March 31, 2025

Job title (Note 1)	Nationality or Place of Registration	Name	Gender	Age (Note 5)	Date of election/ appointment to current term	Term of office	Commencement date of first term (Note 2)	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor Children		Shares held through nominees		Principle work experience and academic qualifications (Note 3)	Positions held concurrently in the Company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Note (Note 4)
								No. of Shares	Shareholding ratio	No. of Shares	Shareholding ratio	No. of Shares	Shareholding ratio	No. of Shares	Shareholding ratio			Job title	Name	Relationship	
Chairman	R.O.C.	LEE, KUNG-WEN	Male	71-80	May 26, 2022	3 years	April 20, 1996	7,272,408	8.68%	7,272,408	8.68%	2,657,560	3.17%	0	0%	Honorary Doctorate, National Pingtung University of Science and Technology; Department of Accounting, Ling Tung University; Chairman, O-TA Precision Industry Co., Ltd.; President, Hsiang-Hsing Construction Co., Ltd.; Representative of Juristic Person Supervisor, Formosa International Hotels Corporation	Chairman, O-TA Precision Industry Co., Ltd. ; Representative of Juristic Person Director, O-TA Golf Group Co.,Ltd., Harvest Fair International Limited, Jiangxi O-TA Precision Technology Co., Ltd., and VGT Composite Technology (Huizhou) Co., Ltd. ; Statutory Representative, O-TA Precision Industry Viet Nam Co., Ltd.; Representative of Juristic Person Director, Formosa International Hotels Corporation; Director, Hanglong Information Technologies Co., Ltd.; Director, Dadi Health Technology Co., Ltd.	None	None	None	None
Vice Chairman	R.O.C.	LIN, CHON-CHEN	Male	71-80	May 26, 2022	3 years	June 13, 1988	529,065	0.63%	270,065	0.32%	0	0%	0	0%	Department of Industrial Engineering, National Taipei University of Technology; Vice Chairman, O-TA Precision Industry Co., Ltd.; Vice President, Da-Yu Precision Casting Co., Ltd.	Vice Chairman, O-TA Precision Industry Co., Ltd.; Representative of Juristic Person Director, O-TA Golf Group Co.,Ltd., Harvest Fair International Limited, Jiangxi O-TA Precision Technology Co., Ltd., and VGT Composite	None	None	None	None

Job title (Note 1)	Nationality or Place of Registration	Name	Gender	Age (Note 5)	Date of election/appointment to current term	Term of office	Commencement date of first term (Note 2)	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor Children		Shares held through nominees		Principle work experience and academic qualifications (Note 3)	Positions held concurrently in the Company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Note (Note 4)
								No. of Shares	Shareholding ratio	No. of Shares	Shareholding ratio	No. of Shares	Shareholding ratio	No. of Shares	Shareholding ratio			Job title	Name	Relationship	
																	Technology (Huizhou) Co., Ltd.; Chairman, Shanhua Industrial Co. Ltd. and Shan Lin Investment Co., Ltd.; Director, Yuncheng Chemical Industrial Co., Ltd.; Director, Sun Flower Gloves Co., Ltd.				
Corporate Director	R.O.C.	Nan Feng Xin Co., Ltd. Corporate	NA	NA	May 26, 2022	3 years	May 10, 2007	7,650,386	9.13%	3,850,386	4.59%	0	0%	0	0%	None	None	None	None	None	None
Representative	R.O.C.	LAUREN-JACQUELINE PAN	Female	Below 30	May 26, 2022	3 years	May 26, 2022	0	0%	0	0%	0	0%	0	0%	B.A. in Psychology, Columbia University; Specialist, Global Administration, CTBC Bank Co., Ltd.	Representative of Juristic Person Director, O-TA Precision Industry Co., Ltd. ; Manager, Investment Division, Taiwan Life Insurance Co., Ltd.	Director	KRISTEN-JULIA PAN	Sister	None
Representative	R.O.C.	KRISTEN-JULIA PAN	Female	Below 30	May 26, 2022	3 years	May 26, 2022	0	0%	0	0%	0	0%	0	0%	B.S. in Cognitive Science, University of Southern California; Assistant Manager, Marketing and Communications Division, Formosa International Hotels Corporation; Designer, Rich Honour International Designs Co., Ltd.	Representative of Juristic Person Director, O-TA Precision Industry Co., Ltd.; Brand and Design Manager, Formosa International Hotels Corporation	Director	LAUREN-JACQUELINE PAN	Sister	None

Job title (Note 1)	Nationality or Place of Registration	Name	Gender	Age (Note 5)	Date of election/appointment to current term	Term of office	Commencement date of first term (Note 2)	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor Children		Shares held through nominees		Principle work experience and academic qualifications (Note 3)	Positions held concurrently in the Company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Note (Note 4)
								No. of Shares	Shareholding ratio	No. of Shares	Shareholding ratio	No. of Shares	Shareholding ratio	No. of Shares	Shareholding ratio			Job title	Name	Relationship	
Director	R.O.C.	LIN, HUN-CHER	Male	71-80	May 26, 2022	3 years	June 1, 1994	2,266,088	2.7%	2,266,088	2.7%	51,564	0.06%	0	0%	MBA, University of Detroit Mercy; Special Assistant to President's Office, Great Industrial Co., Ltd.; Director, O-TA Precision Industry Co., Ltd.; chairman and President, Yun-cheng Chemical Industrial Co., Ltd.; Director, Sun Flower Gloves Co., Ltd.	Director, O-TA Precision Industry Co., Ltd.	None	None	None	None
Independent Director	R.O.C.	CHEN, SHUH	Male	71-80	May 26, 2022	3 years	May 26, 2022	0	0%	0	0%	0	0%	0	0%	Ph.D., Business Administration, National Taiwan University; Chairman, Financial Supervisory Commission, R.O.C.; Administrative Deputy Minister, Ministry of Finance, R.O.C.; Counselor, Director of the 4th Task Force and Secretary-General, Executive Yuan, R.O.C.; Chairman, Securities Commission, Ministry of Finance, R.O.C.; Chairman, Taiwan Stock Exchange Corporation; Chairman, Taipei Exchange, R.O.C.	Independent Director, O-TA Precision Industry Co., Ltd.; Chairman, Central Investment Co., Ltd.; Adjunct Professor, Department of Accounting, National Chengchi University; Chairman, China Daily News; Chairman, Zhong Dao Association of Leadership & Culture; Independent Director, Planet Technology Co., Ltd.; Independent Director, Asia Cement Co., Ltd.; Director, Hptron Precision Electronic Industrial Co., Ltd.	None	None	None	None

Job title (Note 1)	Nationality or Place of Registration	Name	Gender	Age (Note 5)	Date of election/appointment to current term	Term of office	Commencement date of first term (Note 2)	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor Children		Shares held through nominees		Principle work experience and academic qualifications (Note 3)	Positions held concurrently in the Company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Note (Note 4)
								No. of Shares	Shareholding ratio	No. of Shares	Shareholding ratio	No. of Shares	Shareholding ratio	No. of Shares	Shareholding ratio			Job title	Name	Relationship	
Independent Director	R.O.C.	HUANG, CHUNG-HUI	Male	61-70	May 26, 2022	3 years	June 23, 2016	0	0%	0	0%	0	0%	0	0%	Master of Management, College of Management at National Cheng Kung University; Department of Accountancy, National Cheng Kung University; Partner, EY Taiwan; Adjunct Professor, Southern Taiwan University of Science and Technology; Adjunct Lecturer, National Cheng Kung University; Independent Director, O-TA Precision Industry Co., Ltd.; Independent Director, T.Y.C. Brother Industrial Co., Ltd.	Independent Director, O-TA Precision Industry Co., Ltd.; Independent Director, Nam Liong Global Co., Ltd.; Independent Director, Fu Chun Shin Machinery Manufacture Co., Ltd.	None	None	None	None
Independent Director	R.O.C.	CHANG, TIEN-SHENG	Male	61-70	May 26, 2022	3 years	June 6, 2019	0	0%	0	0%	0	0%	0	0%	Ph.D., Mechanical Engineering, University of Maryland, college park; Department of Mechanical Engineering, National Chiao Tung University; Science and Technology Advisor, Department of Industrial Technology, MOEA; Chief, Center of Industrial Innovation Patent, National Pingtung University of Science and Technology; Professor and Chairman, Graduate Institute of Management of Innovation and Technology, National Pingtung University of	Independent Director, O-TA Precision Industry Co., Ltd.	None	None	None	None

Job title (Note 1)	Nationality or Place of Registration	Name	Gender	Age (Note 5)	Date of election/appointment to current term	Term of office	Commencement date of first term (Note 2)	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor Children		Shares held through nominees		Principle work experience and academic qualifications (Note 3)	Positions held concurrently in the Company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Note (Note 4)
								No. of Shares	Shareholding ratio	No. of Shares	Shareholding ratio	No. of Shares	Shareholding ratio	No. of Shares	Shareholding ratio			Job title	Name	Relationship	
																Science and Technology; Independent Director, O-TA Precision Industry Co., Ltd.					

Note 1: The names of the institutional shareholder and its representative should be listed separately (for the representative of the institutional shareholder, the name of the institutional shareholder should be indicated).

Note 2: Fill in the time when the director or supervisor was first elected for the Company, and include a note if there was an interruption.

Note 3: Experience related to current position is provided. If the director or supervisor have worked for a certified public accounting firm or a related company during the preceding period, the title and responsibilities of the position held should be specified.

Note 4: If the Chairman and the President or any equivalent person (the highest level manager) are the same person, spouses or relatives within one degree of kinship, the reasons, reasonableness, necessity and measures (such as increasing the number of seats of independent directors and having more than half of the directors who are not also employees or managerial officers, etc.) should be specified.

Note 5: Please state the actual age, or, alternatively, state the age interval into which the actual age falls, e.g., 41~50 years, 51~60 years.

## 2. Major Institutional Shareholders

March 31, 2025

Name of Institutional Shareholder (Note 1)	Name of Major Shareholders (Note 2)
Nan Feng Xin Co., Ltd.	World Commerce Co., Ltd. (BVI) (99.74%) PAN,SY-LIANG (0.26%)

Note 1: If the director or supervisor is a representative of a institutional shareholder, the name of the name of the institutional shareholder should be specified.

Note 2: Fill in the names of the major institutional shareholders (the top 10 shareholders in terms of their shareholding) and each of their percentage of shareholding. Fill in the names of the major institutional shareholders.

Note 3: If a institutional shareholder is not a corporate entity, the name of the shareholder and the percentage of shareholding disclosed in the preceding paragraph shall be the name of the contributor or donor (please refer to the announcement of the Judicial Yuan) and the percentage of contribution. If the contributor is deceased, "deceased" should be added.

## 3. Principal shareholder of corporate shareholders with a juridical person as its major shareholder

The Company is unable to disclose this information since World Commerce Co., Ltd. (BVI) has not provided the Company with its register of shareholders.

## (II) Directors' Information (2)

## 1. Directors' Professional Knowledge and Independent Information

March 31, 2025

Criteria Name	Professional Qualification and Experience (Note 1)	Independence Status (Note 2)	No. of other public companies at which the person concurrently serves as an independent director
Chairman LEE, KUNG- WEN	With an Honorary Doctorate of National Pingtung University of Science and Technology, he has extensive financial accounting experience and has been involved in the golf industry for more than 20 years. For more information on the education and work experience, please refer to the Directors' Information on p.4 of this annual report. There is no event under Article 30 of the Company Act.	(1) No event under Article 27 of the Company Act that prohibits an elected government official, juristic person, or their authorized representatives from being a director or supervisor of the Company.	None
Vice Chair- man LIN, CHON- CHEN	With more than 30 to 40 years of experience in the golf industry, he is one of the leading players in the golf industry in Taiwan and a celebrity in the golf industry in Japan. For more information on the education and work experience, please refer to the Directors' Information on p.4 of this annual report. There is no event under Article 30 of the Company Act.	(1) No compensation received for business, legal, financial, or accounting services provided to the Company or its affiliates in the last two years. (2) No event under Article 27 of the Company Act that prohibits an elected government official, juristic person, or their authorized representatives from being a director or supervisor of the Company.	None
Representa- tive Of Ju- ristic Person Director LAUREN- JACQUEL- INE PAN	She is currently the Manager of the Investment Division of Taiwan Life Insurance Co., Ltd., with previous experience at CTBC Bank Co., Ltd. as the Specialist of Global Administration Division. She possesses expertise in investment analysis. For more information on education and work experience, please refer to the Directors' Information on p.5 of this annual report. There is no event under Article 30 of the Company Act.	(1) Not a director, supervisor or employee of the Company or its affiliates. (2) Not holding any shares of the company. (3) Not a director, supervisor or employee of a company with which the Company has a specific relationship. (4) No compensation received for business, legal, financial, or accounting services provided to the Company or its affiliates in the last two years.	None
Representa- tive Of Ju- ristic Person Director KRISTEN- JULIA PAN	She is currently the Brand and Design Manager at Formosa International Hotels Corporation, with previous experience as the Assistant Manager of Marketing and Communications Division at Formosa International Hotels Corporation and the Designer of Rich Honour International Designs Co., Ltd.. She possesses expertise in design and marketing. For more information on education and work experience, please refer to the Directors' Information on p.5 of this annual report. There is no event under Article 30 of the Company Act.		None
Director LIN, HUN-CHER	He was formerly the Chairman and President of Yuncheng Chemical Industrial Co., Ltd. As the domestic pioneer in the production of nano-colloidal calcium carbonate and light calcium carbonate related product by chemical synthesis, he is actively promoting the automation process of the Company. For more information on education and work experience, please refer to the Directors' Information on p.6 of this annual report. There is no event under Article 30 of the Company Act.	(1) Not a director, supervisor or employee of the Company or its affiliates. (2) Not a director, supervisor or employee of a company with which the Company has a specific relationship. (3) No compensation received for business, legal, financial, or accounting services provided to the Company or its affiliates in the last two years. (4) No event under Article 27 of the Company Act that provides for the election of the government agency, juristic person or their authorized representatives as the director or supervisor of the Company.	None

Criteria Name	Professional Qualification and Experience (Note 1)	Independence Status (Note 2)	No. of other public companies at which the person concurrently serves as an independent director
Independent Director CHEN, SHUH	He is the Adjunct Professor of Department of Accounting at National Chengchi University with CPA qualification, and is currently the Chairman of Central Investment Co., Ltd and the Chairman of Zhong Dao Association of Leadership & Culture. For more information on education and work experience, please refer to the Directors' Information on p.6 of this annual report. The Company has obtained a declaration that there is no event under Article 30 of the Company Act.	The 3 independent directors listed on the left have met the qualifications set forth in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and Article 14-2 of the Securities and Exchange Act, both during the 2 years prior to their appointment and throughout their tenure. The independent directors have also been granted the power to fully participate in decision-making and express their opinions in accordance with Article 14-3 of the Securities and Exchange Act, thereby enabling them to independently execute their related duties.	2
Independent Director HUANG, CHUNG-HUI	As the Adjunct Lecturer of National Cheng Kung University and the Adjunct Professor of Southern Taiwan University of Science and Technology, he is a certified CPA and was formerly the Partner with EY Taiwan. For more information on education and work experience, please refer to the Directors' Information on p.7 of this annual report. The Company has obtained a declaration that there is no event under Article 30 of the Company Act.		2
Independent Director CHANG, TIEN-SHENG	He was formerly the Professor of Graduate Institute of Management of Innovation and Technology at National Pingtung University of Science and Technology and the Science and Technology Advisor of Department of Industrial Technology, MOEA. For more information on education and work experience, please refer to the Directors' Information on p.7~8 of this annual report. The Company has obtained a declaration that there is no event under Article 30 of the Company Act.		0

Note 1: Professional Qualifications and Experience: The professional qualifications and experience of individual directors and supervisors should be specified. If they are members of the Audit Committee and have expertise in accounting or finance, their accounting or financial background and work experience and whether they have any of the events described under Article 30 of the Company Act should be specified.

Note 2: For independent directors, their circumstances that satisfy the independence status should be specified.

## 2. Diversity and Independence within the Board of Directors

- (1) Diversity of the Board of Directors: The Company has specified in Article 20 of the "Corporate Governance Best Practice Principles" the policy of diversity in the composition of the members of the Board of Directors and the implementation of the diversity policy by the members of the Board of Directors.

Diversity Core Items Name of Directors	Gender	Nationality	With Employee Status	Age				Independent Director Tenure			Business Judgment Competency	Accounting and Financial Analysis Competency	Business Management Competency	Crisis Management Competency	Industry Knowledge	International Market Insights	Leadership Skills	Decision-making Skills	Law	ESG Expertise
				Below 30	:	61-70	71-80	Less than 3 years	3-9 years	More than 9 years										
LEE, KUNG-WEN	Male	R.O.C.	V				V				V	V	V	V	V	V	V	V		
LIN, CHUNG-CHIEN	Male	R.O.C.					V				V	V	V	V	V	V	V	V		
Nan Feng Xin Co., Ltd. – LAUREN-JACQUELINE PAN	Female	R.O.C.		V							V	V	V			V	V	V		V
Nan Feng Xin Co., Ltd. –	Female	R.O.C.		V							V	V	V			V	V	V		V

Diversity Core Items  Name of Directors	Gender	Nationality	With Employee Status	Age			Independent Director Tenure			Business Judgment Competency	Accounting and Financial Analysis Competency	Business Management Competency	Crisis Management Competency	Industry Knowledge	International Market Insights	Leadership Skills	Decision-making Skills	Law	ESG Expertise
				Below 30	:	61-70	71-80	Less than 3 years	3-9 years	More than 9 years									
KRISTEN-JULIA PAN																			
LIN, HUN-CHER	Male	R.O.C.					V				V	V	V		V	V	V	V	
CHEN, SHUH	Male	R.O.C.					V	V			V	V	V		V	V	V	V	V
HUANG, CHUNG-HUI	Male	R.O.C.				V			V		V	V	V		V		V	V	
CHANG, TIEN-SHENG	Male	R.O.C.				V			V		V	V	V	V	V		V		V

The 13<sup>th</sup> Board of Directors consists of 8 seats (including 3 seats of independent directors), each with a 3-year tenure of office which may be re-elected. All the members of the Board of Directors are nationals. The composition of the Board of Directors includes 37.5% of independent directors and 12.5% of directors with employee status; the age distribution of members is 25% below the age of 30, 25% aged 61-70 and 50% aged 71-80. In response to the promotion of ESG, the Board of Directors has made 50% of its members with ESG expertise. In consideration of gender equality and rejuvenation in the composition of the Board of Directors, the Company has made 25% of the directors female and 25% of directors under 30 years old, actively implementing the policy of diversity. The Company's board currently consists of 25% female directors and 75% male directors. Neither gender has yet reached the required threshold of one-third representation, primarily because the industry characteristics result in a higher number of male directors with the relevant expertise. We will continue to strive to meet the requirement of having at least one-third representation for each gender in the future.

The members of Board of Directors are distinguished people from both the industry and academia: Director LEE, KUNG-WEN and Director LIN, CHON-CHEN have extensive industry experience; Director LAUREN-JACQUELINE PAN has expertise in investment analysis; Director KRISTEN-JULIA PAN has expertise in marketing and design; Director LIN, HUN-CHER actively promotes automatic production; Independent Director CHEN, SHUH has extensive industry experience to assist the company in promoting ESG; Independent Director HUANG, CHUNG-HUI is qualified with a CPA license and has extensive experience in practice; Independent Director CHANG, TIEN-SHENG was formerly the Science and Technology Advisor of Department of Industrial Technology, MOEA, specializing in technology and patents. The directors of diverse backgrounds actively participate in the board of directors' meetings, creating maximum value for the Company.

- (2) Independence of the Board of Directors: The Board of Directors of the Company sets 8 seats of directors according to the scale of operations and the requirement of development, of which 3 seats are independent directors. The number of independent directors accounts for 37.5% of the total number of directors. None of the independent director has served more than 3 terms. For the independence status of independent directors, please refer to the Directors' Information (2) on p.9~10 of this annual report. Except for Director LAUREN-JACQUELINE PAN and Director KRISTEN-JULIA PAN, who are relatives within second degree of kinship, there are no spouses or relatives within second degree of kinship among the directors.

## (III) Information of the Directors, President, Vice President, Associate Vice President, and Managers of Each Division and Branch Office

March 31, 2025

Job Title (Note 1)	Nationality	Name	Gender	Date of appointment to position	Shares held		Shares held by spouses and minor children		Shares held through nominees		Principal work experience and academic qualifications (Note 2)	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Note (Note 3)
					No. of Shares	Shareholding ratio	No. of Shares	Shareholding ratio	No. of Shares	Shareholding ratio			Job title	Name	Relationship	
President	R.O.C.	HSU, JUNG-MIN	Male	January 1, 2017	0	0%	0	0%	0	0%	Graduate Studies in Technology Management (Doctoral Program), National Taiwan University of Science and Technology; Master, Business Administration, National Taiwan University; Master, Architecture, Tamkang University; Bachelor, Civil and Construction Engineering, National Taiwan University of Science and Technology; Chief Operating Officer, Globe Union Industrial Co., Ltd.; Chief Operating Officer, Air-mate Electrical (Shenzhen) Co., Ltd.; Business Manager, IBM Taiwan Corporation	Representative of Juristic Person Director, Jiangxi O-TA Precision Technology Co., Ltd.; President, Jiangxi O-TA Precision Technology Co., Ltd..	None	None	None	None
Technology Division Vice President	R.O.C.	WANG, SHIH-CHEN	Female	July 1, 2019	0	0%	0	0%	0	0%	Department of Chemical Engineering, Cheng Shiu University; Section Chief, Quality Management, Da-Cheng Precision Casting Co., Ltd.; Section Chief, Quality Management, Da-Yu Precision Casting Co., Ltd.; Factory Manager and Vice President, Qilitian Golf Products (Shenzhen) Co., Ltd.; President, Jiangxi O-TA Precision Technology Co., Ltd.; Vice President, President's Office, O-TA Precision Technology Co., Ltd.	None	Associate Vice President	WANG, SHIH-LAN	Sister	None
VGT Composite Material Sales Division Vice President	R.O.C.	CHEN, WEN-HSIANG	Male	April 1, 2020	0	0%	0	0%	0	0%	Ph.D., Engineering Science and Ocean Engineering, National Taiwan University; Master, Engineering Science and Ocean Engineering, National Taiwan University; Vice President, Chin Shang Industrial Co., Ltd.; Researcher and Technology Advisor, Material & Chemical Science, Industrial Technology Research Institute; Assistant Professor, Tungnan University; Associate Professor, National Kaohsiung Marine University; Manager, Material & Chemical Science, Industrial Technology Research Institute	Representative of Juristic Person Director, VGT Composite Technology (Huizhou) Co., Ltd.; President, VGT Composite Technology (Huizhou) Co., Ltd.	None	None	None	None

Job Title (Note 1)	Nationality	Name	Gender	Date of appointment to position	Shares held		Shares held by spouses and minor children		Shares held through nominees		Principal work experience and academic qualifications (Note 2)	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Note (Note 3)
					No. of Shares	Shareholding ratio	No. of Shares	Shareholding ratio	No. of Shares	Shareholding ratio			Job title	Name	Relationship	
Finance Division Associate Vice President (Concurrently serving as Head of Accounting, Finance, and Corporate Governance)	R.O.C.	LEE, CHUNG-MU	Male	September 1, 2017	10,000	0.01%	0	0%	0	0%	Bachelor, Accounting, Tamkang University; Manager, Auditing Division, UHY L&C Company, CPAs; Manager, Management Division, O-TA Precision Industry Co., Ltd.	Representative of Juristic Person Director, Harvest Fair International Limited; Supervisor, Jiangxi O-TA Precision Technology Co., Ltd.; Supervisor, VGT Composite Technology (Huizhou) Co., Ltd.	None	None	None	None
Jiangxi Overseas Sales Division Special Assistant to President's Office	R.O.C.	CHUNG, CHIN-FENG	Male	January 2, 2018	0	0%	0	0%	0	0%	Bachelor, Mechanical Engineering, Nanya Institute of Technology; Manager, Engineering Division, Bai-Na Plastic (Dongguan) Co., Ltd.; Manager, Manufacturing Division I, Jabil Green Point Tianjin Plastics Co., Ltd.; Vice Manager, MMI Sales Division, Ichia Electronics (Suzhou) Co., Ltd.; Manager, Management Division and Professional Factory Division, Globe Union Industrial Co., Ltd.	None	None	None	None	None
President's Office and Management Division Associate Vice President	R.O.C.	CHIEN, MEI-E	Female	June 1, 2021	8,000	0.01%	0	0%	0	0%	Diploma in International Business, Yung Ta Institute of Technology & Commerce; Clerk, Production Management Division, Mei Zhi Mei Co., Ltd.; Manager, Production Management Division, Qilitian Golf Products (Shenzhen) Co., Ltd.; Manager, Production and Sales Division and Supply Chain Management Center, O-TA Precision Industry Co., Ltd.	None	None	None	None	None
Sales Division I Associate Vice President	R.O.C.	WU, JOU-YING	Female	June 1, 2021	0	0%	0	0%	0	0%	Diploma in Japanese, Bunka Institute Of Language (Japan); Secretary, Chi Sheng Co., Ltd.; Assistant Manager, Sales Division, Chang Yaw Business Co., Ltd.; Manager, Sales Division I, O-TA Precision Industry Co., Ltd.	None	None	None	None	None

Job Title (Note 1)	Nationality	Name	Gender	Date of appointment to position	Shares held		Shares held by spouses and minor children		Shares held through nominees		Principal work experience and academic qualifications (Note 2)	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Note (Note 3)
					No. of Shares	Shareholding ratio	No. of Shares	Shareholding ratio	No. of Shares	Shareholding ratio			Job title	Name	Relationship	
Sales Division II Associate Vice President	R.O.C.	WANG, SHIH-LAN	Female	June 1, 2021	5,000	0.01%	0	0%	0	0%	Bachelor, German Language and Culture, Fu Jen Catholic University; Secretary to President, Jemmytex International Co., Ltd.; Floor Manager, Evergreen Department Co., Ltd.; Secretary to President, Audio & Electrical Supplies Ltd.; Sales clerk, Behavior Tech Computer Co., Ltd.; Manager, Sales Division II, O-TA Precision Industry Co., Ltd.	None	Vice President	WANG, SHIH-CHEN	Sister	None
Jiangxi Overseas Sales Division Associate Vice President	R.O.C.	FEI, YU-JEN	Male	November 11, 2022	5,129	0.01%	0	0%	0	0%	Master, Mechanical Engineering, National Pingtung University of Science and Technology; Quality Assurance Officer (before military service), Yi Shin Co., Ltd.; Lieutenant (discharge), Aviation and Special Forces Command (R.O.C. Army); Factory Manager, Jiangxi O-TA Precision Technology Co., Ltd.; Manager, Jiangxi Overseas Sales Division, O-TA Precision Industry Co., Ltd.	None	None	None	None	None
Supply Chain Integration Division Associate Vice President	R.O.C.	CHUNG, CHENG-YI	Male	November 11, 2022	10,080	0.01%	0	0%	0	0%	Master, Business Administration, National Pingtung University of Science and Technology; Management Associate (Specialist), Production Management Division, Feu Jang Enterprise Co., Ltd.; Head of Production Management Unit, O-TA Precision Industry Co., Ltd.; Manager, President's Office, O-TA Precision Industry Co., Ltd.; Manager, Purchasing Unit, O-TA Precision Industry Co., Ltd.	None	None	None	None	None

Note 1: Information of the President, Vice President, Associate Vice President, Managers of each division and branch office, and anyone whose position is equivalent to the President, Vice President or Associate Vice President, regardless of the title, shall be disclosed.

Note 2: Experience relatny equivalent person (the highest level manager) and the Chairman are the same person, spouses or relatives within one degree of kinship, the reasons, reasonableness, necessity, and measures (such as increasing the number of seats of independent directors and having more than half of the directors who are not also employees or managerial officer, etc.) should be specified.

Note 3: If the general manager or person of an equivalent post (the highest level manager) and the chairperson of the board of directors of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g. increasing the number of independent directors and ensuring that a majority of directors do not concurrently serve as an employee or managerial officer).

## II. Remuneration paid to Directors, President, and Vice President

If any of the circumstances listed below applies to the Company, it shall individually disclose the names and remuneration items paid to each director and supervisor. Otherwise, it may opt either to disclose aggregate remuneration information:

1. The Company posted an after-tax deficit in the parent company only financial reports or individual financial reports in any of the three most recent fiscal years. This requirement, however, shall not apply if the Company has posted net income after tax in the parent company only financial report or individual financial report for the most recent fiscal year and such net income after tax is sufficient to offset the accumulated deficits: None.
2. The Company that has had an insufficient director shareholding percentage for 3 consecutive months or longer during the most recent fiscal year shall disclose the remuneration of individual directors; one that has had an insufficient supervisor shareholding percentage for 3 consecutive months or more during the most recent fiscal year shall disclose the remuneration of individual supervisors: None.
3. The Company that has had an average ratio of share pledging by directors or supervisors in excess of 50 percent in any 3 months during the most recent fiscal year shall disclose the remuneration paid to each individual director or supervisor having a ratio of pledged shares in excess of 50 percent for each such month: None.
4. The total amount of remuneration received by all of the directors and supervisors in their capacities as directors or supervisors of all of the companies listed in the financial reports exceeds 2 percent of the net income after tax, and the remuneration received by any individual director or supervisor exceeds NT\$15 million: None.
5. The Company is ranked within the lowest two tiers in the corporate governance evaluation for the most recent fiscal year, or in the most recent fiscal year or up to the date of publication of the annual report for that year, the Company's securities have been placed under an altered trading method, suspended from trading, delisted from the TWSE or the TPEx, or the Corporate Governance Evaluation Committee has resolved that the Company shall be excluded from evaluation: None.
6. The average annual salary of the full-time non-management employees of the Company is less than NT\$500,000 in the most recent fiscal year: None.
7. The Company had an increase of 10 percent or more in net profit after tax for the most recent fiscal year, but the average annual salary of its full-time non-management employees did not increase relative to the preceding fiscal year: None.
8. The Company had a decline in after-tax net income reaching 10 percent and exceeding NT\$5 million for the most recent fiscal year, along with an increase in its average remuneration per director (not including the remuneration of those who are also employees) reaching 10 percent or more and exceeding NT\$100,000: None.

(I) Remuneration of Directors and Independent Directors

December 31, 2024 ; Unit: NT\$ thousands

December 31, 2024, Unit: NT\$ thousands

Job title	Name (Note 1)	Remuneration of Directors								Sum of A+B+C+D and ratio to net income (Note 10)		Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F+G and ratio to net income (Note 10)		Remuneration received from investee enterprises other than subsidiaries or from the parent company (Note 11)
		Base compensation (A) (Note 2)		Retirement pay and pension (B)		Director profit-sharing compensation (C) (Note 3)		Expenses and perquisites (D) (Note 4)				Salary, rewards, and special disbursements (E) (Note 5)		Retirement pay and pension (F)		Employee profit-sharing compensation (G) (Note 6)						
		The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company		All consolidated entities (Note 7)		The Company	All consolidated entities (Note 7)	
																Amount in cash	Amount in stock	Amount in cash	Amount in stock			
Directors	LEE, KUNG-WEN	3,113	3,113	0	0	8,503	8,503	377	377	11,993 2.53%	11,993 2.53%	0	0	0	0	0	0	0	0	11,993 2.53%	11,993 2.53%	None
	LIN, CHON-CHEN																					
	Nan Feng Xin Co., Ltd. Representative: LAUREN-JACQUELINE PAN																					
	Nan Feng Xin Co., Ltd. Representative: KRISTEN-JULIA PAN																					
Independent Directors	CHEN, SHUH	1,890	1,890	0	0	951	951	222	222	3,063 0.65%	3,063 0.65%	0	0	0	0	0	0	0	0	3,063 0.65%	3,063 0.65%	None
	HUANG, CHUNG-HUI																					
	CHANG, TIEN-SHENG																					
<p>1. Please describe the policy, system, standards and structure in place for paying remuneration to directors and describe the relationship of factors such as the duties and risks undertaken and time invested by the directors to the amount of remuneration paid:</p> <p>In accordance with Article 21 and 25 of the Company's Articles of Incorporation, the Remuneration Committee shall consider the extent of each director's participation in the Company's operations, the value of his or her contributions and the performance evaluation, and recommend a reasonable and fair amount of remuneration with reference to the industry standards, and submit the resolutions of remuneration to the Board of Directors for approval.</p> <p>2. In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non-employee consultant to the parent company /any consolidated entities / invested enterprises): None.</p>																						

Range of Remunerations for the President and Vice Presidents

Range of remunerations paid to each of the Company's directors	Name of Directors			
	Sum of A+B+C+D		Sum of A+B+C+D+E+F+G	
	The Company (Note 8)	All consolidated entities (Note 9) H	The Company (Note 8)	All consolidated entities (Note 9) I
Under NT\$1,000,000	Director: Nan Feng Xin Co., Ltd. Representatives: LAUREN-JACQUELINE PAN; KRISTEN-JULIA PAN	Director: Nan Xin Hsing Co., Ltd. Representatives: LAUREN-JACQUELINE PAN; KRISTEN-JULIA PAN	Director: Nan Feng Xin Co., Ltd. Representatives: LAUREN-JACQUELINE PAN; KRISTEN-JULIA PAN	Director: Nan Feng Xin Co., Ltd. Representatives: LAUREN-JACQUELINE PAN; KRISTEN-JULIA PAN
NT\$1,000,000 (included) ~ NT\$2,000,000 (excluded)	Directors: LIN, HUN-CHER Independent Directors: HUANG, CHUNG-HUI; CHANG, TIEN-SHENG; CHEN SHUH	Directors: LIN, HUN-CHER Independent Directors: HUANG, CHUNG-HUI; CHANG, TIEN-SHENG; CHEN SHUH	Directors: LIN, HUN-CHER Independent Directors: HUANG, CHUNG-HUI; CHANG, TIEN-SHENG; CHEN SHUH	Directors: LIN, HUN-CHER Independent Directors: HUANG, CHUNG-HUI; CHANG, TIEN-SHENG; CHEN SHUH
NT\$2,000,000 (included) ~ NT\$3,500,000 (excluded)	Directors: LIN, CHON-CHEN	Directors: LIN, CHON-CHEN	Directors: LIN, CHON-CHEN	Directors: LIN, CHON-CHEN
NT\$3,500,000 (included) ~ NT\$5,000,000 (excluded)				
NT\$5,000,000 (included) ~ NT\$10,000,000 (excluded)	Director: LEE, KUNG-WEN	Director: LEE, KUNG-WEN	Director: LEE, KUNG-WEN	Director: LEE, KUNG-WEN
NT\$10,000,000 (included)~NT\$15,000,000 (excluded)				
NT\$15,000,000 (included)~NT\$30,000,000 (excluded)				
NT\$30,000,000 (included)~NT\$50,000,000 (excluded)				
NT\$50,000,000 (included)~NT\$100,000,000 (excluded)				
Over NT\$100,000,000				
Total	8 directors	8 directors	8 directors	8 directors

Note 1: The names of directors should be listed separately (and the names of the institutional shareholder and its representative should be listed separately). The payment for each director should be disclosed in aggregate amount by listing the directors and independent directors separately. If a director is also the President or Vice President, he/she shall fill in this table and the table (III) below.

Note 2: Refers to the compensation of directors in the most recent year (including directors' salaries, salary allowance, severance pay, various bonuses and incentive payments, etc.).

Note 3: Fill in the amount of directors' remuneration approved by the Board of Directors for the most recent year, with the amount rounded to the nearest thousand dollars.

Note 4: Refers to the related expenses of the directors for the most recent year (including travel expenses, special expenses, various allowances, or in-kind payment such as housing, vehicles, etc.) When housing, vehicles and other transportation means or personal expenses are provided, the nature and the cost of the assets provided should be disclosed. The rental, the fuel cost and other payment of actual amount or the amount based on fair market value should be disclosed. If a driver is provided, please include a note disclosing the amount of compensation paid for the driver by the Company. The relevant compensation shall not be counted as directors' remuneration.

Note 5: Refers to the salaries, salary allowance, severance pay, bonuses, incentive payments, travel expenses, special expenses, various allowance and in-kind payments, such as housing and vehicles, received in the most recent year by a director who is also an employee (including the president, vice presidents, other managerial officer and employees). When housing, vehicles and other transportation means or personal expenses are provided, the nature and the cost of the assets provided should be disclosed. The rental, the fuel cost and other payment of actual amount or the amount based on fair market value should be disclosed. If a driver is provided, please include a note disclosing the amount of compensation paid for the driver by the Company. The relevant compensation shall not be counted as directors' remuneration. Salary expenses recognized in accordance with IFRS 2, "Share-based Payment," including the acquisition of employee share options, restricted stock awards, and

cash-settled share-based payment transactions, should also be included in the computation of remuneration.

Note 6: For the amount of employee compensation (including shares and cash) received by a director who is also an employee (including the president, vice president, other managerial officer and employees) in the most recent year, the distribution of employee compensation as approved by the Board of directors in the most recent year should be disclosed. If it is not possible to estimate the amount, the proposed distribution of compensation for this year shall be calculated in proportion to the actual distribution of compensation last year.

Note 7: The total amount of remuneration paid to the Company's directors by all companies involved in the consolidated financial statement (including the Company) should be disclosed.

Note 8: The total amount of remuneration paid by the Company to each director is disclosed in the name of the director at the remuneration range to which the director belongs.

Note 9: The total amount of remuneration paid to the Company's directors by all companies involved in the consolidated financial statement (including the Company) should be disclosed in the name of the director at the remuneration range to which the director belongs.

Note 10: Net income after tax refers to the net income after tax reported in the individual financial statement of the most recent year NT\$474,283 thousand.

Note 11: a. Please clearly disclose in this column the amount of remuneration received by the directors of the Company from businesses other than subsidiaries or from the parent company (if none of the above applies, please fill in "none").

b. If a director of the Company receives remuneration from the invested businesses other than subsidiaries or the parent company, the remuneration received by the director of the Company from the invested businesses other than subsidiaries or the parent company should be disclosed in Column I of the table of remuneration range, and the title of the column should be changed to "Parent Company and All Invested Businesses".

c. Remuneration refers to the compensation, remuneration (including remuneration to employees, directors and supervisors) and business-related expenses received by the directors of the Company in their capacity as directors, supervisors or managerial officer of the invested businesses other than subsidiaries or the parent companies.

The remuneration disclosed in this table is different from the income defined under the Income Tax Act. The purpose of this table is for information disclosure rather than for tax purposes.

## (II) Remuneration Paid to the President and Vice Presidents

December 31, 2024 ; Unit: NT\$ thousands

Job title	Name (Note 1)	Salary (A) (Note 2)		Retirement pay and pension (B)		Rewards and special disbursements (C) (Note 3)		Employee profit-sharing compensation (D) (Note 4)				Sum of A+B+C+D and ratio to net income (%) (Note 8)		Remuneration received from investee enterprises other than subsidiaries or from the parent company (Note 9)
		The Company	All consolidated entities (Note 5)	The Company	All consolidated entities (Note 5)	The Company	All consolidated entities (Note 5)	The Company		All consolidated entities (Note 5)		The Company	All consolidated entities (Note 5)	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
President	HSU, JUNG-MIN	6,743	6,743	411	411	554	554	2,713	0	2,713	0	10,421 2.20%	10,421 2.20%	None
Vice President	WANG, SHIH-CHEN													
Vice President	CHEN, WEN-HSIANG													

Note: This is the retirement allowance accrued in accordance with the law, hence there is no actual payment of retirement allowance.

\*Regardless of the title, any position equivalent to that of a president or vice president (e.g., president, chief executive officer, director, etc.) should be disclosed.

### Range of Remunerations for the Management Team

Ranges of remuneration paid to each of the Company's presidents and vice presidents	Names of President(s) and Vice President(s)	
	The Company (Note 6)	All consolidated entities (Note 7)
Under NT\$1,000,000		
NT\$1,000,000 (included) ~ NT\$2,000,000 (excluded)		
NT\$2,000,000 (included) ~ NT\$3,500,000 (excluded)	WANG, SHIH-CHEN; CHEN, WEN-HSIANG	WANG, SHIH-CHEN; CHEN, WEN-HSIANG
NT\$3,500,000 (included) ~ NT\$5,000,000 (excluded)		
NT\$5,000,000 (included) ~ NT\$10,000,000 (excluded)	HSU, JUNG-MIN	HSU, JUNG-MIN
NT\$10,000,000 (included) ~ NT\$15,000,000 (excluded)		
NT\$15,000,000 (included) ~ NT\$30,000,000 (excluded)		
NT\$30,000,000 (included) ~ NT\$50,000,000 (excluded)		
NT\$50,000,000 (included) ~ NT\$100,000,000 (excluded)		
Over NT\$100,000,000		
Total	3	3

Note 1: The names of presidents and vice presidents should be listed separately. The payment for each president and vice president should be disclosed in an aggregate amount. If a director is also the president or vice president, this table and table (I) above should be disclosed.

Note 2: Refers to the salaries, salary allowance, severance pay received by the presidents or vice presidents in the most recent year.

Note 3: Refers to the bonuses, incentive payments, travel expenses, special expenses, various allowance and in-kind payments, such as housing and vehicles, received in the most recent year by the presidents and vice presidents. When housing, vehicles and other transportation means or personal expenses are provided, the nature and the cost of the assets provided should be disclosed. The rental, the fuel cost and other payment of actual amount or the amount based on fair market value should be disclosed. If a driver is provided, please include a note disclosing the amount of compensation paid for the driver by the Company. The relevant compensation shall not be counted as directors' remuneration. Salary expenses recognized in accordance with IFRS 2, "Share-based Payment," including the acquisition of employee share options, restricted stock awards, and cash-settled share-based payment transactions, should also be included in the computation of remuneration.

Note 4: For the amount of employee compensation (including shares and cash) received by a president or a vice president in the most recent year, the distribution of employee compensation as approved by the Board of Directors in the most recent year should be disclosed. If it is not possible to estimate the amount, the proposed distribution of compensation for this year shall be calculated in proportion to the actual distribution of compensation last year, and please fill in table (III) below.

Note 5: The total amount of remuneration paid to the Company's presidents and vice presidents by all companies involved in the consolidated financial statement (including the Company) should be disclosed.

Note 6: The total amount of remuneration paid by the Company to each president and vice president is disclosed in the name of each president and vice president at the remuneration range to which the president and vice president belongs.

Note 7: The total amount of remuneration paid to the Company's directors by all companies involved in the consolidated financial statement (including the Company) should be disclosed in the name of each president and vice president at the remuneration range to which the president and vice president belongs.

Note 8: Net income after tax refers to the net income after tax reported in the individual financial statement of the most recent year.

Note 9: a. Please clearly disclose in this column the amount of remuneration received by the presidents and vice presidents of the Company from businesses other than subsidiaries or from the parent company (if none of the above applies, please fill in "none").

b. If a president and a vice president of the Company receive remuneration from the invested businesses other than subsidiaries or the parent company, the remuneration received by the president and vice president of the Company from the invested businesses other than subsidiaries or the parent company should be disclosed in Column E of the table of remuneration range, and the title of the column should be changed to "Parent Company and All Invested Businesses".

c. Remuneration refers to the compensation, remuneration (including remuneration to employees, directors and supervisors) and business-related expenses received by the presidents and vice presidents of the Company in their capacity as directors, supervisors or managerial officer of the invested businesses other than subsidiaries or the parent companies.

\*The remuneration disclosed in this table is different from the income defined under the Income Tax Act. The purpose of this table is for information disclosure rather than for tax purposes.

## (III) Employee Profit Sharing Granted to the Management Team

December 31, 2024 ; Unit: NT\$ thousands

	Jon title	Name	Amount in stock	Amount in cash (Note 1)	Total	As a % of net profit
Management Team	President	HSU, JUNG-MIN	0	8,973	8,973	1.89%
	Vice President	WANG, SHIH-CHEN				
	Vice President	CHEN, WEN-HSIANG				
	Associate Vice President	LEE, CHUNG-MU				
	Special Assistant to President's Office	CHUNG, CHIN-FENG				
	Associate Vice President	CHIEN, MEI-E				
	Associate Vice President	WU, JOU-YING				
	Associate Vice President	WANG, SHIH-LAN				
	Associate Vice President	FEI, YU-JEN				
	Associate Vice President	CHUNG, CHENG-YI				

Note 1: The amount of remuneration granted to employees has been resolved by the Board of Directors on March 11, 2025 and has not been paid as of the publication of this annual report. The amount of remuneration is presented as proposed.

(IV) Analysis of the proportion of the total remuneration of directors, supervisors, presidents and vice presidents of the Company paid by the Company and all companies in the consolidated financial statement to net profit after tax in individual financial statements of the past two fiscal years, and illustration of the policy, standards and portfolios for remuneration payments, the procedures for setting remuneration, and the correlations with business performance and future risks.

## 1. Analysis of the proportion in the past two years

December 31, 2024 ; Unit: NT\$ thousands ; %

Years	2024				2023			
Title	Total Compensation (Note 1)		The Percentage of Com- pensation to Net Income After Tax (%) (Note 2)		Total Compensation		The Percentage of Compensation to Net Income After Tax (%) (Note 2)	
	The Company	All companies involved in financial statement (Note 5)	The Company	All companies involved in financial statement (Note 5)	The Company	All companies involved in financial statement (Note 5)	The Company	All companies involved in financial statement (Note 5)
Director	11,993	11,993	2.53	2.53	11,230	11,230	2.76	2.76
Independent Director	3,063	3,063	0.65	0.65	3,008	3,008	0.74	0.74
Presidents and Vice Presidents	10,421	10,421	2.20	2.20	10,390	10,390	2.56	2.56
Total	25,066	25,066	5.29	5.29	24,628	24,628	6.06	6.06

Note 1: The amount of remuneration granted to directors and employees has been resolved by the Board of Directors on March 11, 2025 and has not been paid as of the publication of this annual report. The amount of remuneration is presented as proposed.

Note 2: Calculation is based on the net income after tax reported in the individual financial statements for 2023 and 2024.

In 2024, remuneration increased slightly compared to 2023, mainly due to the strong market performance of new client products in 2024, resulting in increased shipments and overall profit growth. Consequently, the allocated amounts for employee remuneration, at 6.5%, and director remuneration, capped at 1.5%, both increased as stipulated in Article 25 of the Company's Articles of Incorporation. This increase is deemed reasonable.

2. The Policies, Standards and Portfolios for Payment of Remuneration, Procedures for Setting Remuneration, and Correlations with Business Performance and Future Risks.

- (1) The Company has established a Remuneration Committee to evaluate the policies and systems of the compensation for directors and managerial officers of the Company as a whole from a professional and objective perspective.
- (2) The remuneration for the directors is granted in accordance with Articles 21 and 25 of the Company's Articles of Incorporation. The remuneration for the directors is decided based on reasonable compensation in consideration of the performance evaluation and procedures of the Board of Directors, and was approved by the Board of Directors upon the recommendation of the Remuneration Committee and submitted to the shareholders' meeting for approval. In accordance with the Company's "Performance Evaluation of Board of Directors", the remuneration for individual directors are decided based on the individual directors' performance evaluations. The evaluation contains six major aspects, including familiarity with the goals and missions of the company, awareness of the duties of a director, participation in the operation of the company, management of internal relationships and communication, directors' professionalism and continuing education, and internal control.
- (3) The appointment, removal and remuneration of the Company's managerial officers, including the Presidents and Vice Presidents, shall be submitted to the Board of Directors for approval in accordance with the Company's regulations. In accordance with the Company's "Policies and Procedures of Remuneration for the Managerial Officer", the managerial officers shall be paid for salary allowances, performance bonuses, and employee compensation other than their basic salaries according to their job levels. The managerial officer's performance evaluation and remuneration shall be based on the industry standards, considering the results of the individual performance evaluation, time spent, responsibilities, achievement of personal goals, performance in other positions, the compensation granted by the Company to the same level of position in recent years, as well as the reasonableness of the relationship between personal performance, Company's business performance and future risks which is assessed by the achievement of short-term and long-term business goals and the Company's financial position.
- (4) The amount of remuneration for directors and the management team, including the presidents and vice presidents, is closely related to the Company's business performance.

### III. The State of the Company's Implementation of Corporate Governance

(I) The State of Operations of the Board of Directors

The Board of Directors held 6 (A) meetings in 2024; the attendance status of directors is as follow:

Title	Name (Note 1)	No. of meetings attended in person (B)	No. of meetings at- tended by proxy	In-person attendance rate (%) (B/A)	Remarks
Chairman	LEE, KUNG-WEN	6	0	100%	
Vice Chairman	LIN, CHON-CHEN	5	1	83%	
Representative of Juristic Person Director	LAUREN- JACQUELINE PAN	0	6	0%	

Title	Name (Note 1)	No. of meetings attended in person (B)	No. of meetings at- tended by proxy	In-person attendance rate (%) (B/A)	Remarks
Representative of Juristic Person Director	KRISTEN- JULIA PAN	0	6	0%	
Director	LIN, HUN-CHER	6	0	100%	
Independent Director	CHEN, SHUH	6	0	100%	
Independent Director	HUANG, CHUNG-HUI	6	0	100%	
Independent Director	CHANG, TIEN-SHENG	6	0	100%	

Note 1: For the director who is a juristic person, the names of its shareholders and its representative shall be disclosed.

Other matters to be recorded:

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

(1) Matters referred to in Article 14-3 of the Securities and Exchange Act:

Board Meetings	Contents of Motions	Matters referred to in Article 14- 3 of the Securities and Exchange Act	Independent Directors' Opinions	Company's Response	Resolutions
The 10 <sup>th</sup> Meeting of the 13 <sup>th</sup> Session March 15, 2024	The 2023 consolidated financial statements and parent company only financial statements.	V	None	Not Applicable	Unanimous consent of all present directors has been obtained.
	The appointment of CPAs.	V	None	Not Applicable	
	The distribution of remuneration to employees and directors for 2023.	V	None	Not Applicable	
	The Company's 2023 Statement of Internal Control System.	V	None	Not Applicable	
The 11 <sup>th</sup> Meeting of the 13 <sup>th</sup> Session April 16, 2024	2023 execution of financial and business matters with related parties.	V	None	Not Applicable	Except for the Vice Chairman, Lin, Chon-Chen, recused himself as required by laws from discussion and voting, the rest of the present directors (proxies included) unanimously approved as proposed.
	The 2024 sales transaction between the Company and the related party, TAGA CO., LTD.	V	None	Not Applicable	
	The distribution of remuneration to independent directors for 2023.	V	None	Not Applicable	Except for Independent Director, Huang, Chung-Hui, Chang, Tien-Sheng and Chen, Shuh who recused themselves as required by laws from discussion and voting, the rest of the present directors (proxies included) unanimously approved as proposed.
	The amendment to the internal control system.	V	None	Not Applicable	Unanimous consent of all present directors has been obtained.
The 12 <sup>th</sup> Meeting of the 13 <sup>th</sup> Session May 7, 2024	The amendment to the internal control system.	V	None	Not Applicable	Unanimous consent of all present directors has been obtained.

Board Meetings	Contents of Motions	Matters referred to in Article 14-3 of the Securities and Exchange Act	Independent Directors' Opinions	Company's Response	Resolutions
The 13 <sup>th</sup> Meeting of the 13 <sup>th</sup> Session June 5, 2024	The payment for distribution of remuneration to independent directors for 2023.	V	None	Not Applicable	Except for Independent Director, Huang, Chung-Hui, Chen, Shuh and Chang, Tien-Sheng, who recused themselves as required by laws from discussion and voting, the rest of the present directors (proxies included) unanimously approved as proposed.
	The payment for distribution of remuneration to directors for 2023.	V	None	Not Applicable	Except for the directors who recused themselves as required by laws from discussion and voting due to conflicts of interest, the rest of the present directors (proxies included) unanimously approved as proposed.
The 14 <sup>th</sup> Meeting of the 13 <sup>th</sup> Session August 6, 2024	The amendment to the internal control system.	V	None	Not Applicable	Unanimous consent of all present directors has been obtained.
The 15 <sup>th</sup> Meeting of the 13 <sup>th</sup> Session November 5, 2024	The amendment to the internal control system.	V	None	Not Applicable	Unanimous consent of all present directors has been obtained.

(2) Other matters apart from the aforementioned where an independent director has a dissenting opinion or qualified opinion: None.

2. If there are directors' avoidance of motions due to conflicts of interest, the directors' names, contents of the motion, and voting results should be specified:

Dates of Board Meetings	Session	Names of directors, contents of motion, causes for avoidance and directors' participation in voting
March 15, 2024	The 10 <sup>th</sup> Meeting of the 13 <sup>th</sup> Session	1.Names of Directors: LEE, KUNG-WEN
		2. Contents of motion: The proposal of adjustment to the salary structure for the Company's managerial officers.
		3. Causes for avoidance: Being the chairman of the Company.
		4. Participation in voting: Recused as required by laws from discussion and voting.
April 16, 2024	The 11 <sup>th</sup> Meeting of the 13 <sup>th</sup> Session	1.Names of Directors: LIN, CHON-CHEN
		2. Contents of motion: 2023 execution of financial and business matters with related parties.
		3. Causes for avoidance: The person-in-charge of the said company is a relative within 2nd degree of kinship.
		4. Participation in voting: Recused as required by laws from discussion and voting.
April 16, 2024	The 11 <sup>th</sup> Meeting of the 13 <sup>th</sup> Session	1.Names of Directors: LIN, CHON-CHEN
		2. Contents of motion: The 2024 sales transaction between the Company and the related party, TAGA CO., LTD.
		3. Causes for avoidance: The person-in-charge of the said company is a relative within 2nd degree of kinship.
		4. Participation in voting: Recused as required by laws from discussion and voting.
April 16, 2024	The 11 <sup>th</sup> Meeting of the 13 <sup>th</sup> Session	1.Names of Directors: HUANG, CHUNG-HUI; CHEN, SHUH; CHANG, TIEN-SHENG
		2. Contents of motion: The distribution of remuneration to independent directors for 2023.

Dates of Board Meetings	Session	Names of directors, contents of motion, causes for avoidance and directors' participation in voting
		3. Causes for avoidance: Being the independent director of the Company.
		4. Participation in voting: Abstained from the discussion and the voting for remuneration proposal.
June 5, 2024	The 13 <sup>th</sup> Meeting of the 13 <sup>th</sup> Session	1.Names of Directors: HUANG, CHUNG-HUI; CHEN, SHUH; CHANG, TIEN-SHENG
		2. Contents of motion: The payment for distribution of remuneration to independent directors for 2023.
		3. Causes for avoidance: Being the independent director of the Company.
		4. Participation in voting: Abstained from the discussion and the voting for remuneration proposal.
June 5, 2024	The 13 <sup>th</sup> Meeting of the 13 <sup>th</sup> Session	1.Names of Directors: LEE, KUNG-WEN; LIN, CHON-CHEN; LIN, HUN-CHER; LAUREN-JACQUELINE PAN(Represented By LEE,KUNG-WEN); KRISTEN-JULIA PAN(Represented By LIN,CHON-CHEN)
		2. Contents of motion: The payment for distribution of remuneration to directors for 2023.
		3. Causes for avoidance: Being the director of the Company.
		4. Participation in voting: Abstained from the discussion and the voting for remuneration proposal.

3. Listing companies should disclose the information of evaluation cycles, periods, scope, method and content of self-evaluation (or peer-evaluation) of the Board of Directors, and complete the execution status of self-evaluation of the Board of Directors.

Evaluation Cycles	Evaluation Periods	Evaluation Scope	Evaluation Method	Evaluation Content	Implementation
Annually	January 1, 2024 ~ December 31, 2024	1. Board of Directors 2. Individual Board Members 3. Audit Committee 4. Remuneration Committee 5. Sustainable Development Committee	Self-evaluation of the board members	<p>(I) The criteria for evaluating the performance of the Board of Directors:</p> <ol style="list-style-type: none"> <li>1. Participation in the operation of the Company;</li> <li>2. Improvement of the quality of the board of directors' decision making;</li> <li>3. Composition and structure of the board of directors;</li> <li>4. Election and continuing education of the directors; and</li> <li>5. Internal control.</li> </ol> <p>(II) The criteria for evaluating the performance of the Board members:</p> <ol style="list-style-type: none"> <li>1. Alignment of the goals and missions of the Company;</li> <li>2. Awareness of the duties of a director;</li> <li>3. Participation in the operation of the company;</li> <li>4. Management of internal relationship and communication;</li> <li>5. The director's professionalism and continuing education; and</li> <li>6. Internal control.</li> </ol> <p>(III) The criteria for evaluating the performance of the Audit Committee:</p> <ol style="list-style-type: none"> <li>1. Participation in the operation of the Company;</li> <li>2. Awareness of the duties of the committee;</li> </ol>	<p>The Company has completed the performance evaluation of the Board of Directors, board members, Audit Committee, Remuneration Committee and Sustainable Development Committee for 2024 in February 2025 and proposed the evaluation to the meeting of the Board of Directors on March 11, 2025. Evaluation results are as follows:</p> <ol style="list-style-type: none"> <li>(I) Evaluation of the board of directors: Excellent</li> <li>(II) Evaluation of the board members: Excellent</li> <li>(III) Evaluation of the Audit Committee: Excellent</li> <li>(IV) Evaluation of the Remuneration Committee: Excellent</li> <li>(V) Evaluation of the Sustainable Development Committee: Excellent</li> </ol>

				3. Improvement of quality of decisions made by the committee; 4. Makeup of the committee and election of its members; and 5. Internal control. (IV) The criteria for evaluating the performance of the Remuneration Committee: 1. Participation in the operation of the Company; 2. Awareness of the duties of the committee; 3. Improvement of quality of decisions made by the committee; and 4. Makeup of the committee and election of its members. (V) The criteria for evaluating the performance of the Sustainable Development Committee: 1. Participation in the operation of the Company; 2. Awareness of the duties of the committee; 3. Improvement of quality of decisions made by the committee; and 4. Makeup of the committee and election of its members.	
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4. Measures taken to strengthen the functionality of the Board (e.g. to set up the Audit Committee, enhance the information transparency, etc.):

- (1) In addition to providing the directors with relevant regulations, the Company reports the current status of the Company's business to the directors during the board meeting, and provides the directors with relevant information and designated personnel for inspection.
- (2) The Company has established the Performance Evaluation of Board of Directors, and has implemented the performance evaluation for the Board of Directors, individual board members and functional committee since 2019.
- (3) To maintain transparent in operation and protect the rights of shareholders, the Company proactively discloses the resolutions made by the Board of Directors and other relevant information on the Market Observation Post System and the Company's website.
- (4) To practice corporate social responsibility and promote economic, environmental and social improvements to achieve the goal of sustainable development, the Company established the Sustainable Development Committee on May 26, 2022.
- (5) In consideration of gender equality, rejuvenation and succession of directors, the Company has made its Board of Directors composed of 25% female directors and 25% under the age of 30, actively promoting the diversity policy.

5. The attendance status of independent directors in each board meeting up to the date of printing of this annual report:

(1) Attendance status of independent directors in each board meeting

A. Attendance status of independent directors in each board meeting for the year of 2024 (Total: 6 board meetings):

✓ Attendance in person ; ☆: Attendance by proxy

Attendance Status Name	1 <sup>st</sup> meeting	2 <sup>nd</sup> meeting	3 <sup>rd</sup> meeting	4 <sup>th</sup> meeting	5 <sup>th</sup> meeting	6 <sup>th</sup> meeting
CHEN, SHUH	✓	✓	✓	✓	✓	✓
HUANG, CHUNG-HUI	✓	✓	✓	✓	✓	✓
CHANG, TIEN-SHENG	✓	✓	✓	✓	✓	✓

B. Attendance status of independent directors in each board meeting for the year of 2025 up to the publication of this annual report (Total: 1 board meeting):

✓: Attendance in person; ☆: Attendance by proxy

Attendance Status Name	1 <sup>st</sup> meeting
CHEN, SHUH	✓
HUANG, CHUNG-HUI	✓
CHANG, TIEN-SHENG	✓

## (II) The State of Operations of the Audit Committee

The Audit Committee held 5 (A) meetings in 2024; the attendance status of independent directors is as follow:

Title	Name	Attendance (B)	Number of Proxy Attendance	Actual Attendance Rate (%) (B / A)	Note
Independent Director	CHEN, SHUH	5	0	100%	
Independent Director	HUANG, CHUNG-HUI	5	0	100%	
Independent Director	CHANG, TIEN-SHENG	5	0	100%	

Other matters to be recorded:

- If the Audit Committee operates in any of the following circumstances, the date and session of the Audit Committee meeting, the content of motion, the independent directors' opinions expressing objections, reservations or major suggestions, the resolution of Audit Committee, and the company's response to the opinion of the Audit Committee should be specified:

(1) Items listed in Article 14-5 of Securities and Exchange Act:

Audit Committee	Contents of Motions	Items listed in Article 14-5 of Securities and Exchange Act	Independent directors' opinions expressing objections, reservations or major suggestions	Resolutions	Company's response to the opinion of the Audit Committee
The 7 <sup>th</sup> Meeting of the 2 <sup>nd</sup> Session March 15, 2024	The 2023 consolidated financial statements and parent company only financial statements.	V	None	All present members of the committee unanimously approved the resolution.	Submitted to the 10 <sup>th</sup> meeting of the 13 <sup>th</sup> Board of Directors for approval and carried out in accordance with the resolution of the Board of Directors.
	The appointment of CPAs.	V	None		

Audit Committee	Contents of Motions	Items listed in Article 14-5 of Securities and Exchange Act	Independent directors' opinions expressing objections, reservations or major suggestions	Resolutions	Company's response to the opinion of the Audit Committee
	The Company's 2023 Statement of Internal Control System.	V	None		
	The amendment to the internal control system.	V	None		
The 8 <sup>th</sup> Meeting of the 2 <sup>nd</sup> Session May 7, 2024	The 2024Q1 consolidated financial statements.	V	None	All present members of the committee unanimously approved the resolution.	Submitted to the 12 <sup>th</sup> meeting of the 13 <sup>th</sup> Board of Directors for approval and carried out in accordance with the resolution of the Board of Directors.
	The amendment to the internal control system.	V	None		
The 10 <sup>th</sup> Meeting of the 2 <sup>nd</sup> Session August 6, 2024	The 2024Q2 consolidated financial statements.	V	None	All present members of the committee unanimously approved the resolution.	Submitted to the 14 <sup>th</sup> meeting of the 13 <sup>th</sup> Board of Directors for approval and carried out in accordance with the resolution of the Board of Directors.
	The amendment to the internal control system.	V	None		
The 11 <sup>th</sup> Meeting of the 2 <sup>nd</sup> Session November 5, 2024	The 2024Q3 consolidated financial statements.	V	None	All present members of the committee unanimously approved the resolution.	Submitted to the 15 <sup>th</sup> meeting of the 13 <sup>th</sup> Board of Directors for approval and carried out in accordance with the resolution of the Board of Directors.
	The amendment to the internal control system.	V	None		

(2) Resolutions passed by two-thirds of all Directors but without approval of the Audit Committee except for the preceding item: None

- If there are independent directors' avoidance of motions in conflict of interest, the independent directors' names, contents of motion, causes of avoidance and voting should be specified: None.
- The communication channels between the independent directors, internal auditor officer, and CPAs (the material matters, methods and results of communication regarding the financial and business status of the Company should be included).

Date	Communication methods	Communication parties	Matters	Results
March 15, 2024	Audit Committee	1. Internal auditor officer of the Company 2. Accounting officer of the Company 3. CPAs of the Company	1. The 2023 consolidated financial statements and parent company only financial statements.	All present members of the committee unanimously approved the resolution after consultation with the chairman of the committee. The resolution will be proposed to the 10 <sup>th</sup> meeting of the 13 <sup>th</sup> Board of Directors for approval.
			2. The evaluation of the independence and qualification of CPAs.	
			3. The list of non-assurance services to be provided by Ernst & Young, Taiwan and its affiliates in 2024.	
			4. The appointment of CPAs.	

Date	Communication methods	Communication parties	Matters	Results
			5. The funding plan of overseas groups.	
			6. The 2023 cash dividend distribution.	
			7. The Company's 2023 Statement of Internal Control System.	
			8. The amendment to the internal control system.	
			9. The Proposal on the Company's Business Report.	
May 7, 2024	Audit Committee		1. The 2024Q1 consolidated financial statement.	All present members of the committee unanimously approved the resolution after consultation with the chairman of the committee. The resolution will be proposed to the 12 <sup>th</sup> meeting of the 13 <sup>th</sup> Board of Directors for approval.
			2. The Company's investment project in Vietnam to set up a factory.	In response to the Company's overall operational development needs and the scale analysis for the Vietnamese plant, please submit the discussion proposal at the next meeting. All present members of the committee unanimously approved the resolution after consultation with the chairman of the committee. The resolution will be proposed to the 12 <sup>th</sup> meeting of the 13 <sup>th</sup> Board of Directors for approval.
			3. The amendment to the internal control system.	All present members of the committee unanimously approved the resolution after consultation with the chairman of the committee. The resolution will be proposed to the 12 <sup>th</sup> meeting of the 13 <sup>th</sup> Board of Directors for approval.
June 5, 2024	Audit Committee	1. Internal auditor officer of the Company 2. Accounting officer of the Company	1. The Company's investment project in Vietnam to set up a factory.	All present members of the committee unanimously approved the resolution after consultation with the chairman of the committee. The resolution will be proposed to the 13 <sup>th</sup> meeting of the 13 <sup>th</sup> Board of Directors for approval.
			2. The amendments to the Company's "Rules Governing Financial and Business Matters Between the Company and Its Related Parties".	
August 6, 2024	Audit Committee	1. Internal auditor officer of the Company 2. Accounting officer of the Company	1. The 2024Q2 consolidated financial statement.	All present members of the committee unanimously approved the resolution after consultation with the chairman of the committee. The resolution will be proposed to the 14 <sup>th</sup> meeting of the 13 <sup>th</sup> Board of Directors for approval.
			2. The amendment to the internal control system.	
November 5, 2024	Audit Committee	3. CPAs of the Company	1. The 2024Q3 consolidated financial statement.	All present members of the committee unanimously approved the resolution after consultation with the chairman of the committee. The resolution will be proposed to the 15 <sup>th</sup> meeting of the 13 <sup>th</sup> Board of Directors for approval.

Date	Communication methods	Communication parties	Matters	Results
			2. Amendment to the internal control system.	Except for the recommendations, all present members of the committee unanimously approved the resolution after consultation with the chairman of the committee. The resolution will be proposed to the 15 <sup>th</sup> meeting of the 13 <sup>th</sup> Board of Directors for approval.
			3. The proposal of the 2025 annual audit plan.	All present members of the committee unanimously approved the resolution after consultation with the chairman of the committee. The resolution will be proposed to the 15 <sup>th</sup> meeting of the 13 <sup>th</sup> Board of Directors for approval.

4. Audit Committee annual major matters are as follows:

- (1) Amendment to the internal control system.
- (2) Assessment of the effectiveness of the internal control system.
- (3) Establishment or amendment to the procedures for the process of significant financial and business operations, such as the Operational Procedures for Acquisition and Disposal of Assets, Procedures for Derivative Transactions, Operational Procedures for Loaning of Funds, and Operational Procedures for Endorsements and Guarantees.
- (4) Matters involving the directors' own interests.
- (5) Material asset or derivative transactions.
- (6) Material cases of the loaning of funds to others and the endorsement or guarantees.
- (7) The offering, issuing or private placement of marketable equity securities.
- (8) Appointment, dismissal or remuneration of CPA.
- (9) Appointment and removal of the finance, accounting or internal auditor officers.
- (10) Review and discussion on the financial statements.

(III) The State of the Company's Implementation of Corporate Governance, any Variance from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the Reason for any such Variance

Evaluation Item	Corporate Governance			Variance from "The Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Description	
I. Has the Company established and disclosed its Corporate Governance Best Practice Principles based on Corporate Governance Best Practice Principles for TWSE/TPEX Listed companies?	V		The Company has established a "Corporate Governance Best Practice Principles" in accordance with "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and disclosed the code on the Company's website and the Market Observation Post System.	No Material Difference
II. Shareholding Structure & Shareholders' Rights				
(I) Does the Company have internal operating procedure for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	V		(I) The Company has set up a spokesperson and a deputy spokesperson to process the shareholders' suggestions, doubts, disputes and litigations, and has appointed a legal counselor to assist when necessary.	No Material Difference
(II) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	V		(II) The Company discloses changes in the shareholdings of insiders (directors, managerial officers, shareholders holding more than 10% of the total shares and those shareholders' relatives within second degree of kinship) on a monthly basis on the Market Observation Post System, and requests the shareholder service agency to assist in effectively keeping track of the list of list of the Company's major shareholders and the ultimate owners.	No Material Difference
(III) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	V		(III) The Company has formulated "Procedures for the Management of Related Party Transactions" and the monitoring systems for its subsidiaries; and discloses information on related parties in accordance with regulations.	No Material Difference
(IV) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	V		(IV) The Company has formulated the "Procedures for the Management and Prevention of Insiders Trading" and "Procedures for Handling Material Inside Information" to prohibit relevant personnel and insiders from trading marketable securities by using undisclosed information in the market.	No Material Difference
III. Composition and Responsibilities of the Board of Directors				
(I) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?	V		(I) The Company has established "Corporate Governance Best Practice Principles" to ensure diversity of the Board of Directors, including but not limited to the followings two aspects: 1. Conditions and values: gender, age, nationality and culture, etc. 2. Professional knowledge and skills: professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industrial experience, etc. The Company	No Material Difference

Evaluation Item	Corporate Governance			Variance from “The Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Description	
			<p>implements the diversified policy.</p> <p>For the Board of Directors, the Company has set 8 seats of directors according to its scale of operation and the requirement of development, of which 3 are independent directors, accounting for 37.5% of the total number of directors. 12.5% of the total number of directors are directors with employee status. None of the independent directors has served more than three terms.</p> <p>In response to the promotion of ESG, the Company aims to have 25% of directors with ESG expertise and has reached 50% so far. In consideration of gender equality and rejuvenation in the composition of the Board of Directors, the Company has planned to have 25% of female directors and 25% of directors under 30 years old in the Board of Directors, and has achieved this goal at the 13<sup>th</sup> session of the Board of Directors.</p> <p>The directors are experts with professional backgrounds including industry, finance, accounting, academia, law and management, with sufficient experience in corporate governance and industrial technology. Members of the Board of Directors actively attend the board meetings, achieving a 73% personal attendance rate in 2024, to monitor the implementation of the business plan. The Company's diversified policy of board members and the implementation of diversified policy are disclosed on the Company's website. Please refer to Diversity of the Board of Directors on p.10~11 of this annual report for our diversified policy of board members.</p>	
(II) Has the Company voluntarily established other functional committees in addition to the Remuneration Committee and the Audit Committee?	V		(II) In addition to the establishment of the Remuneration Committee and the Audit Committee in accordance with the laws, the Company has set the Sustainable Development Committee on May 26, 2022 to promote the implementation of sustainable development and sustainable management in order to strengthen the corporate governance, implement environmental protection and fulfill social responsibility. For the composition, responsibilities and implementation of the Sustainable Development Committee, please refer to p.39 of this annual report.	No Material Difference
(III) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as	V		(III) The Board of Directors has approved the “Performance Evaluation of Board of Directors” on May 11, 2018, which stipulates that the Board of Directors should conduct performance evaluation for the Board of Directors, the board members, and functional committees at least once a year. The self-evaluation is conducted by means of questionnaires and	No Material Difference

Evaluation Item	Corporate Governance			Variance from “The Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Description	
reference in determining salary/compensation for individual directors and their nomination and additional office terms?  (IV) Does the Company regularly evaluate the independence of CPAs?	V		<p>evaluated based on the statistical results. The results of self-evaluation will be proposed to the Board of Directors and used as a reference for review and improvement. The performance evaluation resolved by the Board of Directors will be used as a reference for the selection or nomination of directors (including independent directors), and the performance evaluation of individual director will be considered to determine each director’s remuneration in the future.</p> <p>The Company has completed the 2024 performance evaluation for the Board of Directors, the board members, the Audit Committee, the Remuneration Committee and the Sustainable Development Committee in February 2025. The evaluation results were generally excellent and were reported to the Board of Directors on March 11, 2025 and submitted to the Remuneration Committee for reference.</p> <p>For the information of the Company’s performance evaluation for the Board of Directors, please refer to p.24~25 of this annual report.</p> <p>(IV) The Company has established the “Reviewing Policies for the Appointment of Certified Public Accountants” and regularly evaluates the independence, qualification and professionalism of the certified public accountants on an annual basis. The Company obtains the “Statement of Independence” from the certified public accountants and confirms that the certified public accountants have no business relationship related to financial interests with the Company except for the auditing fees of the audit and tax engagement. In addition, the audit quality indicators (AQIs) provided by the attesting accounting firm are obtained and included in the appointment (re-appointment) evaluation for the attesting CPA.</p> <p>The assessment of CPAs for 2024 and 2025 was submitted to the Audit Committee meeting and the Board of Directors meeting dated March 15, 2024 and March 11, 2025, which reviewed and approved the results of assessment of the independence and suitability of attesting CPAs.</p>	No Material Difference
IV. Does the TWSE/TPEX listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying	V		<p>The Company has appointed the Chief Financial Officer as the Head of Corporate Governance from January 1, 2023, and the Corporate Governance Project Team is responsible for corporate governance related matters with duties as follows:</p> <p>(I) Handling of matters relating to board of directors meetings and shareholders meetings in compliance with law;</p> <p>(II) Preparation of minutes of the board of directors meetings and share-</p>	No Material Difference

Evaluation Item	Corporate Governance			Variance from “The Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Description	
with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?			holders meetings; (III) Assistance in onboarding and continuing education of the directors; (IV) Provision of information required for performance of duties by the directors; (V) Assistance in the directors’ compliance of law; and (VI) Other matters described or established in the Articles of Incorporation or under contract.	
V. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders’ questions and concerns on important corporate social responsibility issues?	V		(I) The Company has set a spokesperson and the delegated persons in charge of various business functions to establish a smooth communication channel and to protect the legal rights of each stakeholder. (II) The Company has built a “Stakeholder Section” on its website and disclosed the contact telephone number and email address for the spokesperson and delegated person of each relevant division. Stakeholders (including but not limited to shareholders, employees, customers, and suppliers) can communicate with each other via phone or email when necessary. The Company also handles important CSR issues which are concerned by stakeholders appropriately to respect and protect the stakeholders’ rights and interests. (III) Stakeholders can make proper use of the “Corporate Governance Information” on the Company's website and the “Market Observation Post System” to learn about the Company's related information. (IV) For detailed information, please refer to the “Stakeholder Section” on the Company's website.( <a href="https://www.o-ta.com.tw/利害關係人專區/">https://www.o-ta.com.tw/利害關係人專區/</a> )。	No Material Difference
VI. Has the Company appointed a professional shareholder service agent to handle matters related to its shareholder meetings?	V		The Company appointed “KGI Securities Co., Ltd. Transfer Agency Department” as shareholder service agency to deal with shareholder affairs.	No Material Difference
VII. Information Disclosure (I) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status?	V		(I) The company has set a corporate website and regularly discloses the updates on both financial standings and the status of corporate governance. (Website: <a href="https://www.o-ta.com.tw/">https://www.o-ta.com.tw/</a> )	No Material Difference
(II) Does the Company use other information disclosure channels (e.g. maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?	V		(II) The Company has appointed a spokesperson and deputy spokesperson(s) to communicate with the public, and has made good use of the Market Observation Post System for disclosure so that the shareholders and stakeholders can fully understand the Company's financial standings, business conditions and the implementation of corporate governance. The presentation slides in both English and Chinese for Investor	No Material Difference

Evaluation Item	Corporate Governance			Variance from “The Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Description	
(III) Does the Company publish and report its annual financial report within 2 months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?	V		Conference are available on the Market Observation Post System and the Company's website for reference. (III) The Q1, Q2 and Q3 financial statements and the business results for each month are announced and reported in advance to the prescribed deadline. The Company will make efforts to do the same for the annual financial statements.	No Material Difference
VIII. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	V		(I) Employee rights: In accordance with government regulations and the Company's personnel management policies, the Company provides employees with fundamental labor conditions, including the working hours mechanism and a well leave policy, a stable and safe working environment, and regular medical examination and a comprehensive retirement plan in addition to basic employee benefits such as labor insurance, health insurance and pension contributions. (II) Employee wellness: The Company has formulated the “Employee Appeal Management Policy”, “Proposal Management Policy” and “Consultation and Communication Procedures” to receive and deal with employees' suggestions, and to make the problems reported by employees visible in order to convey them to the top management of the Company to improve and solve the problems. (III) Investor relations: The Company's objective is to protect the interests of its shareholders. In addition to the “Procedures for Handling Material Inside Information”, the Company makes immediate and simultaneous disclosure of material information on the Market Observation Post System and the Company's website (please refer to “O-TA's website - Investor Section - Corporate Governance Information” ( <a href="https://www.o-ta.com.tw/">https://www.o-ta.com.tw/</a> ) for the Company's policies). In addition, the Company lists its email address and contact telephone number on its website in order to establish a smooth communication channel between investors and the Company. (IV) Supplier relations: The Company continues to promote ISO 9001, implement quality management and quality assurance policies, maintain good relationships with the suppliers, comply with relevant regulations in environmental protection, security and health related issues, contribute to corporate social responsibility, and perform regular evaluations for its suppliers on an annual basis.	No Material Difference

Evaluation Item	Corporate Governance			Variance from “The Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Description	
			<p>(V) Rights of stakeholders: The Company has formulated the “Corporate Governance Best Practice Principles” and maintains smooth communication channels with its stakeholders and protects their legitimate rights and interests in accordance with the code. In addition, a “Stakeholder Section” is set up on the Company’s website.</p> <p>(VI) For the Continuing Education of Directors in 2024, please refer to Note 1 on p.36 of this annual report and the “Market Observation Post System - Corporate Governance Information”.</p> <p>(VII) Risk management policies and risk evaluation measures: The Company has established various regulations and internal control systems in accordance with the law and performed risk management and risk assessment, which is audited by internal audit division on both regular and random basis.</p> <p>(VIII) Implementation of client relations policies: The company has established the procedures for handling the clients’ appeal and conducted client satisfaction surveys to properly deal with clients’ complaints and regularly evaluate clients’ satisfaction in order to provide desirable products and services for clients.</p> <p>(IX) Purchasing insurance for directors: The Company has purchased liability insurance for directors and managerial officers in terms of their liabilities under the law for their performance of business, and reported the details of insurance to the Board of Directors.</p> <p>(X) Status of internal auditors obtaining relevant licenses: The internal auditor officer of the Company obtains the license of Certified Internal Auditors.</p>	
<p>IX. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement.</p> <p>Measures adopted by the Company to improve the items listed in the 11<sup>th</sup> corporate governance evaluation result and the improvement plans for items yet to be improved are as follows:</p> <p>(I) Items improved: According to the corporate governance review result for the most recent year, major items improved by the Company are as follows:</p> <ol style="list-style-type: none"> <li>1. Disclose the interim financial report in English (3.6).</li> <li>2. Establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes (4.12).</li> <li>3. According to the framework of the Task Force on Climate-Related Financial Disclosures, we disclose information regarding the Company's governance, strategy, risk management, metrics, and targets related to climate-related risks and opportunities (4.18).</li> </ol> <p>(II) Priority items to be improved and the improvement measures: In response to the amendment of the corporate governance review, the Company's priority enhancements are as follows:</p> <ol style="list-style-type: none"> <li>1. The Company shall hold at least two investor conferences and disclose information with links to at least two complete meeting audio/video recordings.</li> <li>2. Disclose the Sustainability Reports in English.</li> <li>3. Disclose the links between the remuneration of executives and ESG-related performance evaluation.</li> </ol>				

Evaluation Item	Corporate Governance			Variance from “The Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Description	

(III) The Company will continue to evaluate the feasibility of future improvements for those indicators in which no points have been scored.

Note 1: Status of Continuing Education of Directors in 2024

Title	Name	Training Hours	Course	Sponsoring Organization
Director	LEE, KUNG-WEN	3 hrs	2024 Annual Insider Trading Prevention Seminar	Securities and Futures Institute
Director	LIN, CHON-CHEN	3 hrs	Corporate Governance Series Forum - 65th Session	Taiwan Academy of Banking and Finance
		3 hrs	Corporate Governance Series Forum - 84th Session	Taiwan Academy of Banking and Finance
Director	LIN, HUN-CHER	3 hrs	Corporate Governance Series Forum - 65th Session	Taiwan Academy of Banking and Finance
		3 hrs	Legal Responsibilities and Case Analysis Related to Control Contests	Accounting Research and Development Foundation
		3 hrs	Corporate Governance Series Forum - 84th Session	Taiwan Academy of Banking and Finance
Independent Director	CHEN, SHUH	3 hrs	Corporate Fraud Risks and Challenges	Taiwan Corporate Governance Association
		3 hrs	Memo to Taiwan 2030	Taiwan Corporate Governance Association
Independent Director	HUANG, CHUNG-HUI	3 hrs	Corporate Governance Series Forum - 65th Session	Taiwan Academy of Banking and Finance
		3 hrs	A Case Study on Sustainability Report Preparation	Taiwan Investor Relations Institute
		3 hrs	Corporate Governance Series Forum - 84th Session	Taiwan Academy of Banking and Finance
Independent Director	CHANG, TIEN-SHENG	3 hrs	Legal Responsibilities and Case Analysis Related to Control Contests	Accounting Research and Development Foundation
		3 hrs	ESG Development Trends and Regulations Related to Sustainability Information Disclosure	Accounting Research and Development Foundation

(IV) Information on the Composition, Duties and Operation of the Remuneration Committee:

The Company has established a Remuneration Committee on December 27, 2011. The committee is operated in accordance with the Remuneration Committee Charter. The function of this committee is to evaluate the remuneration policies and systems for the Company's directors and managerial officers from a professional and objective perspective, and to propose suggestions to the Board of Directors for reference in decision-making.

1. Information on the Members of the Remuneration Committee

March 31, 2025

Title	Criteria Name	Professional Qualification and Experience	Independence Status	Number of Other Public Companies Where the Member Concurrently Serves as a Member in the Remuneration Committee
Independent Director Convener	CHANG, TIEN-SHENG	Please refer to p.10 of this annual report for more information.	Please refer to p.10 of this annual report for more information.	0
Independent Director	HUANG, CHUNG-HUI			3
Independent Director	CHEN, SHUH			1

2. Information of the Remuneration Committee Operation

(1) The Company has a Remuneration Committee composed of three members.

(2) Term of the current Committee: From May 26, 2022 to May 25, 2025. The Company convened 3 (A)

Remuneration Committee meetings in 2024 with the following attendance:

Title	Name	Number of Actual Attendance (B)	Number of Proxy Attendance	Actual Attendance Rate (%) (B / A)	Note
Convener	CHANG, TIEN-SHENG	3	0	100%	
Committee Member	HUANG, CHUNG-HUI	3	0	100%	
Committee Member	CHEN, SHUH	3	0	100%	

Other matters to be recorded:

- I. If the board of directors does not accept, or amends, any recommendation of the remuneration committee, specify the board meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the board of directors, and the measures taken by the Company with respect to the opinions given by the remuneration committee (e.g., if the salary/compensation approved by the board is higher than the recommendation of the remuneration committee, specify the difference(s) and the reasons): None.
- II. With respect to any matter for resolution by the remuneration committee, if there is any dissenting or qualified opinion of a committee member that is on record or stated in writing, specify the remuneration committee meeting date, meeting session number, content of the motion, the opinions of all members, and the measures taken by the Company with respect to the members' opinion: None.

3. The session, contents of proposals, major resolutions and the responses to all members' opinions of the Remuneration Committee in the most recent year:

Remuneration Committee	Proposal and Follow-up	Resolutions	The Company's Handling of the Opinions of the Remuneration Committee
The 5 <sup>th</sup> Meeting of the 5 <sup>th</sup> Session January 18, 2024	1. The proposal of adjustment to the salary structure for the the Company's managerial officers.	All present members of the committee unanimously approved the resolution after consultation with the chairman of committee.	Submitted to the 10 <sup>th</sup> meeting of the 13 <sup>th</sup> Board of Directors for approval and carried out in accordance with the resolution of the Board of Directors.
	2. The resolution to distribute year-end bonus to the Company's managerial officers.		
	3. The proposal of adjustment		

Remuneration Committee	Proposal and Follow-up	Resolutions	The Company's Handling of the Opinions of the Remuneration Committee
	to the salary structure for the Company's managerial officers.		
The 6 <sup>th</sup> Meeting of the 5 <sup>th</sup> Session March 15, 2024	1. The distribution of remuneration to employees and directors for 2023.	Directors' remuneration to be paid at 1.5%, and the 6.5% as the employees' remuneration; pending the board's resolution.	Submitted to the 10 <sup>th</sup> meeting of the 13 <sup>th</sup> Board of Directors for approval and carried out in accordance with the resolution of the Board of Directors.
The 7 <sup>th</sup> Meeting of the 5 <sup>th</sup> Session June 5, 2024	1. The payment for distribution of remuneration to directors for 2023.	All present members of the committee unanimously approved the resolution after consultation with the chairman of committee.	Submitted to the 13 <sup>th</sup> meeting of the 13 <sup>th</sup> Board of Directors for approval and carried out in accordance with the resolution of the Board of Directors.
	2. The payment for distribution of remuneration to managerial officers for 2023.		

(V) Information on the Composition, Duties and Operation of the Sustainable Development Committee

To practice corporate social responsibility and promote economic, environmental and social improvements to achieve the goal of sustainable development, the Company established the Sustainable Development Committee under the Board of Directors on May 26, 2022 in accordance with Article 14 of the Company's Articles of Incorporation and Article 27 of the Corporate Governance Best Practice Principles.

1. Information on the Members of the Sustainable Development Committee

March 31, 2025

Title	Criteria Name	Professional Qualification and Experience	Independence Status	Number of Other Public Companies Where the Member Concurrently Serves as a Member in the Sustainable Development Committee
Independent Director Convener	CHEN, SHUH	Please refer to p.10 of this annual report for more information.	Please refer to p.10 of this annual report for more information.	2
Independent Director	HUANG, CHUNG-HUI			0
Independent Director	CHANG, TIEN-SHENG			0

2. Information of the Sustainable Development Committee Operation

- (1) The Company has a Sustainable Development Committee composed of three members.
- (2) The Company and its subsidiaries have set up a number of executive teams under the Sustainable Development Committee to implement related tasks, and the Presidents of the Company and its subsidiaries will report to the Committee on the progress of related work.
- (3) Term of the current Committee: From May 26, 2022 to May 25, 2025. The Company convened 1 (A) Sustainable Development Committee meetings in 2024 with the following attendance:

Title	Name	Number of Actual Attendance (B)	Number of Proxy Attendance	Actual Attendance Rate (%) (B/A)	Note
Convener	CHEN, SHUH	1	0	100%	
Committee Member	HUANG, CHUNG-HUI	1	0	100%	
Committee Member	CHANG, TIEN- SHENG	1	0	100%	

3. The session, contents of proposals, major resolutions and the responses to all members' opinions of the Sustainable Development Committee in the most recent year:

Sustainable Development Committee	Proposal and Follow-up	Resolutions	The Company's Handling of the Opinions of the Sustainable Development Committee
The 3 <sup>rd</sup> Meeting of the 1 <sup>st</sup> Session December 17, 2024	1. The amendment to the internal control system for the management of sustainability information.	All present members of the committee unanimously approved the resolution after consultation with the chairman of committee.	Was proposed to the 16 <sup>th</sup> meeting of the 13 <sup>th</sup> Board of Directors for approval and carried out in accordance with the resolution of the Board of Directors.
	2. Proposal to Prepare the Company's 2023 Sustainability Report.	The content of the report shall be in compliance with the law. It is recommended that the amended report be submitted to the committee members for review. The finalized version shall be treated as an internal document. The proposal was unanimously approved after the chair consulted all the attending committee members.	
	3. The progress of the implementation plan for greenhouse gas inventory and verification schedule	All present members of the committee unanimously approved the resolution after consultation with the chairman of committee.	

Sustainable Development Committee	Proposal and Follow-up	Resolutions	The Company's Handling of the Opinions of the Sustainable Development Committee
	4. The amendment to the Company's "Sustainable Development Committee Charter"	Except for the recommendations, all present members of the committee unanimously approved the resolution after consultation with the chairman of the committee.	

(VI) Promotion of Sustainable Development:

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

Evaluation Item	Implementation Status (Note 1)			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Description	
I. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	V		<p>The Company established the Sustainable Development Committee under the Board of Directors on May 26, 2022. The Company and its subsidiaries have set up a number of executive teams under the Sustainable Development Committee to implement related tasks, and the Presidents of the Company and its subsidiaries will report to the Committee on the progress of related work.</p> <p>The duties of this committee include: amendment to the policies and systems related to the Company's sustainable development, review on the Company's objective of sustainable development and the implementation plans or related management guidelines, review on the implementation and effectiveness of the Company's sustainable development operation, and the regular report to the Board of Directors. The latest report to the Board of Directors was on March 11, 2025.</p> <p>For the composition, responsibilities and implementation of the Sustainable Development Committee, please refer to p.39~40 of this annual report.</p> <p>The Board of Directors supervises the setting and implementation of sustainability-related goals, listens to reports on a regular basis, and gives relevant advices and guidance based on the content of the reports.</p>	No Material Difference
II. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies? (Note 2)	V		<p>The company pursues a sustainable business environment and is committed to implementing management measures in the aspects of environmental protection (E, environment), social responsibility (S, social) and corporate governance (G, governance) to fulfill its corporate social responsibility, aiming to become the most creative company in daily consumer goods and sports equipment, creating maximum value and the best services for our customers, employees, shareholders and the public.</p> <p>The Company has complied with the principles of "GRI 3:</p>	No Material Difference

Evaluation Item	Implementation Status (Note 1)			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Description	
			<p>Material Topics 2021" to disclose the principle of "the actual or potential impact caused by the operation of the Group's business activities on external economics, environment, and society (including human groups and human rights)" as the basis for identifying and assessing sustainable issues, while considering the "degree of impact that the Group's sustainable operation may produce" to conduct the evaluation, and comprehensively analyzing the positive and negative impacts that may occur during the Company's operating process as the basis for identifying material topics, and implemented procedures for risk assessment and corresponding measures on ESG sustainability management issues related to the Company's operations in order to fulfill its corporate social responsibility.</p> <p>(I) Environmental Protection</p> <ol style="list-style-type: none"> <li>1. Environmental protection is our manifested duty. The Company will commit itself to pollution prevention and continuous improvement in support of the global environmental campaign. For many a year the Company has been promoting measures to conserve energy and reduce carbon emissions and waste, to raise employees' environmental awareness, and to enhance the efficiency of utilizing various resources.</li> <li>2. To implement green R&amp;D and green production, the Company conducts source management at the R&amp;D end while making improvements throughout the whole process, aiming to move its R&amp;D and whole process towards the ideal of “reduction, recycling, and alternatives,” to save energy, reduce carbon emissions, and minimize pollution.</li> <li>3. The Company will continue to develop inorganic green processes to reduce the pollution made by organic chemicals, focusing on environmental friendliness to achieve energy saving and carbon reduction.</li> <li>4. Environmental advocacy by reducing energy consumption and carbon emissions through living a green life at the personal level: Love for the Earth by means of a lifestyle that features low carbon emission, a more vegetarian diet,</li> </ol>	

Evaluation Item	Implementation Status (Note 1)			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Description	
			<p>energy conservation, plastic and waste reduction.</p> <p>5. The Company will work and communicate with related groups on environmental issues.</p> <p>(II) Product Responsibility</p> <p>1. The Company pursues an environment facilitating sustainable operations and produces exquisite daily necessities and sporting equipment. All our products meet the regulatory requirements, including the environmental and safety requirements on suppliers.</p> <p>2. The Company has formulated its “Regulations for Assessment of Suppliers’ Safety Management,” by which suppliers are regularly assessed for their product safety and environmental safety, so as to ensure their compliance with the laws and regulations pertaining to environmental protection and safety.</p> <p>3. The Company implements an ESG-based sustainable management framework, under which raw materials are locally sourced and suppliers are encouraged to engage in environmental practices and provide a carbon footprint for their products, thereby gradually building a green supply chain.</p> <p>4. The Company continues to innovate and develop revolutionary new products and green products, to create unique and irreplaceable deep-level competitiveness.</p> <p>(III) Labor and Employment Relations</p> <p>1. The Company is committed to employee care by providing a friendly workplace, and salary and welfare package superior to what is required by law.</p> <p>2. Recruitment is based on the human capital needs of each department to look for outstanding talents meeting O-TA’s core values.</p> <p>3. The Company values talent retention, understands the reason for employees’ resignation through an exit interview, gathers relevant information, and analyzes the information for a future remedy plan.</p> <p>4. The Company stimulates employees with a sound reward and bonus system, to share operational</p>	

Evaluation Item	Implementation Status (Note 1)			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Description	
			<p>achievements with them. In addition, salary is adjusted depending on the macroeconomic conditions, to take care of employees so as to exempt them from economic worries. Salary was adjusted for the past three years. In addition, the Articles of Incorporation stipulated that 6.5% of an annual profit, if any, be allocated as employee compensation and a monthly pension contribution equal to 13% of an employee’s salary be provided as required by the Labor Standards Act. In this sense, the Company’s welfare measures are quite comprehensive.</p> <p>5. The Company follows the Regulations for Labor Health Protection to launch the various employee care and health promotion activities, so that employees can strike a work-life balance and remain healthy.</p> <p>(IV) Anti-corruption The Company implements anti-corruption measures by formulating its “Ethical Corporate Management Best Practice Principles,” “Procedures for Ethical Management and Guidelines for Conduct,” internal control system, authorization system, and division of competency functions along with internal audit operation, self-assessment of internal control, and provision of a channel for whistleblowing on unethical conduct.</p> <p>(V) Clients’ Privacy The Company keeps commercial secrets strictly confidential, bans inquiry about or gathering of suppliers’ or clients’ intellectual property like trade secrets, trademark, patent, and works, and prohibits confidence to any person. In addition, the Company has initiated an information security risk protection mechanism to protect trade secrets.</p> <p>(VI) Social Economic Regulations and Corporate Governance Compliance 1. By following the Regulations Governing Trade between the Taiwan Area and the Mainland Area and international standards, the Company ensures its business operations and environmental protection and complies with the code of ethics.</p>	

Evaluation Item	Implementation Status (Note 1)			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Description	
			<p>2. The Company has formulated its “Codes of Ethics for Employees” to provide a framework of ethical conduct for employees to follow.</p> <p>3. With a sound corporate governance mechanism, internal audit system, information security management measures, and a system that monitors industrial and regulatory changes, the Company is able to circumvent the impact of operating risks.</p>	
III. Environmental Issues				
(I) Has the Company set an environmental management system designed to industry characteristics?	V		(I) According to the Company’s industry features and production positions, the Company focuses the improvements on the working environment of production factories, such as increasing ventilation and exhaust facilities, and conducting pre-employment/in-service/post-employment medical examinations for employees in specific positions to avoid the risk of occupational hazards. For other related environmental management policies, please refer to the information of environmental expenditure on p.111~115 of this annual report.	No Material Difference
(II) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	V		(II) The Company is committed to improving the efficiency of the utilization of various resources and continues to facilitate “electronic process”. By utilizing the document management system, the Company makes the standardized documents fully available online, resulting in a decreasing amount of paper used for standardized documents. The Company also incorporates the concept of environmental protection into its product design; for related policies, please refer to the information of environmental expenditure on p.111~115 of this annual report.	No Material Difference
(III) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	V		(III) As a manufacturing company, the Company has utilized recycling materials to make a more efficient use of resources, in response to the climate change. The Company also reduces water consumption and adopts more efficient transportation methods as the corresponding measures for reducing its operating costs.	No Material Difference
(IV) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for	V		(IV) The Company has been actively controlling its water consumption and the production of waste in recent years. By executing the water-saving policy and installing a	No Material Difference

Evaluation Item	Implementation Status (Note 1)			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons		
	Yes	No	Description			
greenhouse gas reduction, reduction of water consumption, or management of other wastes?			wastewater treatment plant at the Jiangxi O-TA factory with the water reuse facilities added in 2019. In 2023, total water consumption decreased by approximately 55,178 tons compared to 2022, and in 2024, total water consumption decreased by approximately 17,678 tons compared to 2023. The Company promotes energy-saving and carbon-reducing measures by implementing the energy-efficient management policy in offices, factories and public areas. With the use of energy-efficient lighting, paperless electronic process in offices, energy-efficient equipment with regular power cuts and the switching off of lights during lunch break, the Company has reduced the waste on energy.			
			O-TA’s ESG information for 2023 is disclosed in the following table:			
			Greenhouse gas emissions (including only the statistics on annual electricity consumption of the parent company)		Direct GHG emissions (scope 1) (in tons of CO2e)	-
					Indirect emissions from energy consumption (scope 2) (in tons of CO2e)	257.10
					Indirect emissions from other sources (scope 3) (in tons of CO2e)	-
					GHG emissions intensity (tons of CO2e per capita)	1.52
			Water resources management (including only the statistics on annual water consumption in cubic meters of the parent company)		Water consumption (metric tons)	367.78
					Water consumption intensity (metric tons per capita)	2.17
			Waste management		Hazardous waste	0.4

Evaluation Item	Implementation Status (Note 1)					Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons		
	Yes	No	Description					
			(including only the statistics on the annual waste volume declared by the parent company [general domestic waste])	(metric tons)				
				Non-hazardous waste (metric tons)	10.56			
				Total waste (hazardous + non-hazardous) (metric tons)	10.96			
				Waste generation intensity (metric tons per capita)	0.06			
			O-TA’s ESG information for 2024 is disclosed in the following table:					
			Greenhouse gas emissions (including only the statistics on annual electricity consumption of the parent company)	Direct GHG emissions (scope 1) (in tons of CO2e)	-		190.29	
				Indirect emissions from energy consumption (scope 2) (in tons of CO2e)				
				Indirect emissions from other sources (scope 3) (in tons of CO2e)	-			
			Water resources management (including only the statistics on annual water consumption in cubic meters of the parent company)	Water consumption (metric tons)	362.29		2.21	
				Water consumption intensity (metric tons per capita)				
			Waste management (including only the statistics on the annual waste volume declared by the parent company [general domestic	Hazardous waste (metric tons)	0		4.9	
				Non-hazardous waste (metric tons)				
				Total waste (hazardous + non-hazardous) (metric tons)	4.9			

Evaluation Item	Implementation Status (Note 1)					Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Description			
			waste])	Waste generation intensity (metric tons per capita)	0.03	
			Jianxi O-TA ESG information for 2024 is disclosed in the following table:			
			Greenhouse gas emissions	Direct GHG emissions (scope 1) (in tons of CO2e)	31.49	
				Indirect emissions from energy consumption (scope 2) (in tons of CO2e)	12,138.56	
				Indirect emissions from other sources (scope 3) (in tons of CO2e)	-	
			Water resources management	Water consumption (metric tons)	215,864	
				Water consumption intensity (metric tons per capita)	113.14	
			Waste management	Hazardous waste (metric tons)	77.53	
				Non-hazardous waste (metric tons)	955.09	
				Total waste (hazardous + non-hazardous) (metric tons)	1,032.62	
				Waste generation intensity (metric tons per capita)	0.54	
			VGT’s ESG information for 2024 is disclosed in the following table:			
			Greenhouse gas emissions	Direct GHG emissions (scope 1)	10.27	

Evaluation Item	Implementation Status (Note 1)					Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons	
	Yes	No	Description				
				(in tons of CO2e)			
				Indirect emissions from energy consumption (scope 2) (in tons of CO2e)	1,382.28		
				Indirect emissions from other sources (scope 3) (in tons of CO2e)	0		
			Water resources management	Water consumption (metric tons)	15,187		
				Water consumption intensity (metric tons per capita)	87.79		
			Waste management	Hazardous waste (metric tons)	3.5		
				Non-hazardous waste (metric tons)	2.1		
				Total waste (hazardous + non-hazardous) (metric tons)	5.6		
				Waste generation intensity (metric tons per capita)	0.03		
IV. Social Issues (I) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	V		(I) The Company complies with the labor regulations of the government and the local authorities, and is dedicated to protecting employees’ rights and providing employees’ with the maximum rights and benefits. The Company has established various regulations and procedures as the basis of the Company’s standards. The Company carries out the appointment and remuneration of employees in accordance with the Company's “Policies for the Recruitment of Employees”, “Policies for the Appointment and Transfer of Employees”, "Policies for Attendance Management" and "Policies for the Retirement of Employees" to protect the legitimate rights and interests of employees.			No Material Difference	

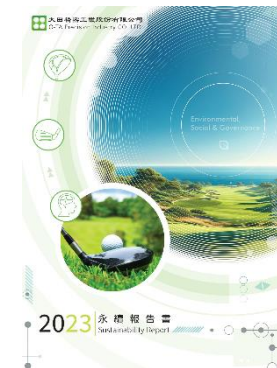
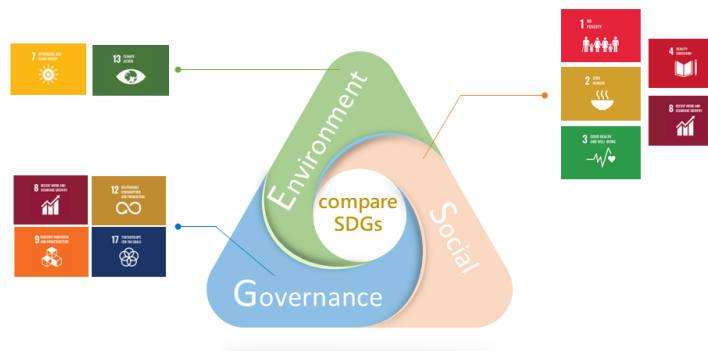
Evaluation Item	Implementation Status (Note 1)			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Description	
(II) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	V		(II) 1. The Company established the “Working Rules” in accordance with the “Labor Standards Act” and the “Employee Welfare Committee” in accordance with the “Employee Welfare Fund Act”, and established the “Organizational Regulations on the Employee Welfare Committee” to implement reasonable employee welfare measures. 2. The Company has established the “Policies for Performance Evaluation” to implement employees’ performance management through the performance evaluation system. Through performance management, the Company integrates the overall objectives of the Company and the individual occupational objectives of employees for subsequent employee training and development. 3. The Company's Articles of Incorporation stipulate that if the Company makes profits for the year, 6.5% of those profits should be appropriated as employee remuneration. 4. The Company is dedicated to providing a friendly working environment for the employees. As of the publication of this annual report, the number of female employees accounted for 48% of the total number of employees, and the number of female employees in senior management positions accounted for 42% of the total number of senior managers.	No Material Difference
(III) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	V		(III) 1. The Company provides a safe and healthy working environment for employees and is committed to reducing employees’ exposure to hazards in order to prevent occupational hazards. 2. The Company provides safety training for new employees or occasional safety-related training for all employees to enhance the professional knowledge of occupational health and safety. 3. The Company regularly monitors the working environment in each year to ensure that the working environment meets the regulatory requirements. 4. The Company requests doctors and nurses to provide the on-site employees’ health service programs to assist in	No Material Difference

Evaluation Item	Implementation Status (Note 1)			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Description	
(IV) Has the Company established effective career development training programs for employees?	V		<p>preventing occupational hazards and protecting the physical and mental health of employees.</p> <p>5. The Company provides the employees with annual medical examinations and the protective equipment that is necessary for protection in the workplace. Please refer to 5. on p.113 of this annual report for more information.</p> <p>6. There was no fire incident in the Company in 2024.</p> <p>7. The Company is committed to prevention measures, including conducting improvements to fire pipelines, listing and labeling of hazardous materials, emergency evacuation drills and self-defense fire drills, fire declarations, and public safety declarations for buildings. Strengthens measures such as fire facility and equipment maintenance management, fire prevention education and training, and fire hazard investigation at Jiangxi O-TA.</p> <p>8. In accordance with occupational health and safety related laws and regulations, the Company has stipulated the "Working Rules of Occupational Safety and Health," "Occupational Safety and Health Management Regulations," "Emergency Preparation and Response Procedures," "Fire Protection Plan and Procedures," "Procedures for Monitoring Operating Environment of Labors," among other things.</p> <p>(IV) The company has a comprehensive training system, including orientation training, on-the-job training (training for job skills, etc.) and the excellence-learning training, which can meet the requirements at each stage of training. The company has planned every year to send some employees to participate in excellence-learning training so as to enhance the employees' comprehensive ability. The Company has also established subsidy-related policies for the on-the-job training, such as the “Incentive Policies for Foreign Language Proficiency Certification”, to encourage employees to have advanced study and improve their working skills.</p>	No Material Difference
(V) Does the company comply with the relevant laws and international standards with regards to customer health and	V		(V) The marketing and labeling of the Company's products and services are conducted in accordance with relevant	No Material Difference

Evaluation Item	Implementation Status (Note 1)			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Description	
<p>safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?</p> <p>(VI) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?</p>	V		<p>regulations and international standards. (The company has obtained ISO9001:2015 International Quality Assurance Certification)</p> <p>(VI) The Company has established “Regulations for Assessment of Suppliers’ Safety Management” for the management of suppliers, which is led by O-TA’s Supply Chain Integration Division and assisted by Purchasing Division of Jiangxi O-TA in the management affairs. Annual assessments are conducted on the product safety, environmental safety and occupational safety management systems of major suppliers to ensure that the suppliers comply with regulations relevant to environmental protection and safety, and are qualified to be included in the list of qualified suppliers. Most of the local and overseas suppliers of the Company are long-term partners with the Company. If there is any possible negative impact on the environment, labor conditions, human rights and society, the Company may terminate or discharge the contract.</p> <p>The 2024 Supplier Safety Management Assessment was conducted based on the ranking of the suppliers’ accounts from the highest amount to the lowest amount. 10 suppliers are selected from the top suppliers in order of the amount of accounts and the assessment for selected suppliers has been completed.</p>	No Material Difference
V. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?		V	<p>The Company has built a “ESG Sustainability” and “Investor Section_Corporate Governance Information“ section on the Company's website and will continue to disclose information related to sustainable development in the future.</p> <p>The Company has prepared the 2023 Sustainability Report for the first time, and has not yet implemented third-party verification/assurance. The report was submitted to the Sustainability Committee on December 17, 2024. (Note: It has not been published; it is an internal document and has not been verified by a third party.) In accordance with the resolution passed by the Sustainability Development Committee, the content of the report shall be in compliance with the law. It is recommended that the amended report be submitted to the committee members</p>	The Company will implement corporate governance according to the practical requirements or the legal regulations.

Evaluation Item	Implementation Status (Note 1)			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Description	
			for review. The finalized version shall be treated as an internal document. The test version of the 2023 Sustainability Report was prepared in accordance with the latest version of the GRI Standards (GRI Standards 2021) published by the Global Sustainability Standards Board (GSSB) and the “Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies” while referring to the “Task Force on Climate-related Financial Disclosures (TCFD)” to disclose climate-related information.	

VI. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation from the principles in the Company's operations: None.



VII. Other important information to facilitate better understanding of the company's promotion of sustainable development:

O-TA pursues a sustainable operating environment, operates steadily and is trusted and recognized by brand clients. The Company has a Sustainable Development Committee in place, being committed to the management of issues such as sustainable environment, social welfare, corporate governance, and product responsibility among other aspects, to implement the Company's ESG sustainability activities better.

## (I) E\_Environment Protection

1. The entire process shifting towards “reduction, recycling, and substitution,” to save energy, practice green research and development, green production, and green life, and fulfill corporate social responsibilities.
2. Green R&D and production, with the R&D and entire process shifting towards “reduction, recycling, and substitution,” to save energy, reduce carbon emissions, and minimize pollution.
3. Through carbon inventory, examining the source and total amount of carbon emissions from the organization and products, to make improvements and innovations in each link, seeking to strengthen corporate competitiveness and completing the energy transition.
4. The green energy photovoltaic parking lot (photovoltaic power station) in O-TA was completed and commissioned in July 2023. The Company well takes the advantages of the land to invest the green energy power generation, to generate the power to be consumed in-house. In January 15, 2025, the Company has successfully obtained the batch of 233 REC\_renewable energy certificates (green energy certificate) (1000 degrees/1REC) from the National Renewable Energy Certificate Center of the Bureau of Standards, Metrology and Inspection, Ministry of Economic Affairs. From January to November 2024, the usage of green electricity was approximately 41% .
5. Energy-saving management, by using energy-saving lights, digitization for paperless office, power and energy-saving equipment, and no light-on during lunch breaks to save energy.
6. Environmental protection + Social welfare\_Green Living - Green Home\_Secondhand Market + Charity Donation, March - Lights off for a Sustainable Earth, I Act, I Don't Plastic, Responding to the 2024 World Earth Day theme, Q4 2024 Green Market Grand Opening.



台灣首大品牌  
大田精密工業股份有限公司  
O-TA PRECISION INDUSTRY CO., LTD.



## O-TA\*Happy Enterprise\*ESG

January 2024	February 2024	March 2024	April 2024	May 2024	June 2024
<b>National Pingtung University Industry-Academia Collaboration Presentation (Local Sustainability)</b>  	<b>*Green Home_Secondhand Market + Charity Donation</b> <b>*Old Treasures Do Good Deeds! Green Market Treasure Hunt - O-TA's Heart for Sustainable Action (Week One)</b> Assist in promoting green living & low-carbon travel at the 228 O-TA Family Day.  	<b>*Lights off for a Sustainable Earth</b> Practice eco-friendly habits in daily life by turning off the lights for one hour to make the world a better place with you. (Week Four)  	<b>I Act, I Don't Plastic_Essay &amp; Coloring Contest</b> Through engaging in writing and a parent-child coloring contest, we implement green living initiatives, collaboratively create an eco-friendly environment, and uphold sustainable consumption values. (Week Four)  	<b>28th O-TA Friendly Golf Cup</b> This event encourages everyone to enjoy the thrill of golf, embrace a lean and healthy lifestyle, and foster communication, skill exchange, camaraderie, and overall wellness among colleagues. (2024/05/01)  	<b>1. Health Seminar_Eat Well to Have the Energy to Get Slim (2024/06/11)</b> <b>2. 2024 - Dragon Comes to Healthy Slimming (6/11-10/31 ongoing event)</b> A Green Fat Reduction and Weight Loss Health Competition that aims to promote health and reduce the number of employees flagged for metabolic syndrome in their health check-ups.  
<b>July 2024</b>  <b>[Warmth to Rural Areas] Donation of Supplies Post-typhoon (Stress Relief &amp; Courses) Work-Life Balance (July-September)</b>  	<b>August 2024</b>  <b>Citizens Sports Games Sponsorship - Corporate Image Promotion</b>  	<b>September 2024</b>  <b>Love Taiwan Through Sports - Fitness Testing &amp; Training (September-October, in collaboration with National Pingtung University)</b>  	<b>October 2024</b>  <b>Dragon Comes to Healthy Slimming Results Review- Stay Away from Metabolic Syndrome!</b>  	<b>November 2024</b>  <b>*Obtained Sports Enterprise Certification</b> <b>*2024 Photography Contest: Discover the Beauty of O-TA's Culture * Happy O-TA 29th O-TA Friendly Golf Cup (Promoting GOLF + Inviting Elementary School Golf Athletes to Play Together)</b>  	<b>December 2024</b>  <b>*12/04 Green Market: Grand Opening! E + S Resource Recycling + Charity Sale</b> <b>*12/25 Spring Couplets Charity Sale</b> <b>*Planned Q4 Sponsorship of Environmental Education + Wilderness Beach Cleanup Activities (to be executed next year)</b>  

From Personal Carbon Reduction to Environmental Carbon Reduction, **An ESG Sustainable Enterprise** Fosters Daily ESG Practices Among Employees Invests in Health for a Sustainable Future



## (II) S\_Social responsibility

1. Promote positive culture(caring, sharing, gratefulness, and blessings) and managing the business with artistic aesthetics.
2. Promote Green lifestyle, the Company advocates for love for the Earth (low carbon emissions, a vegetarian diet, energy conservation, and plastic and waste reduction).
- 3.Green consumption (procurement of sustainable & food-safe local


- green products, fruits and vegetables with inferior appearance, and environmental awareness promotion).
4. Local Sustainability (Collaborating with local National Pingtung University and Pingtung University of Science and Technology through industry-academia partnerships, promoting golf, sponsoring grassroots school golf activities, maintaining a local procurement rate of at least 80% or more/80% local employees in Jiangxi, sponsoring small farmers, favoring locally produced products, supporting local small farmers' organic farming, natural farming methods, and environmentally friendly practices, pursuing a sustainable operating environment, and safeguarding the sustainable value of the land.)
  5. Friendly and happy workplace \_ Sustainable Green Living, Promoting an Active Lifestyle From Personal Carbon Reduction to Environmental Carbon Reduction, An ESG Sustainable Enterprise, Fosters Daily ESG Practices Among Employees \* Invests in Health for a Sustainable Future.
    - (1). Obtained Health Activation and Promotion Certification, implemented workplace tobacco harm prevention, provided health screenings exceeding legal standards, offered pandemic battlefield care, and conducted stress relief courses, etc.
    - (2). Promoting work-life balance and golf, and family-friendly and low-carbon activities, such as: O-TA Friendly Golf Cup Competition, and activities of O-TA Family Day combining with the Earth Day, Employee Family Day.
    - (3). The Company's Chairman provides scholarships for the schooling of employees' children, in addition to a big red envelope for childbirth to stimulate employees' willingness to have a baby, thereby improving, or, at least, reducing the decline in, the fertility rate.
    - (4). It is everyone's responsibility to promote ESG! The Company encourages employees to serve as sustainability volunteers (Social Engagement + Charity + Green Environmental Sustainability) and provides "paid volunteer leave" exceeding legal requirements, ensuring that all employees internalize ESG into their daily routines.
    - (5). Sports Enterprise Certification\_ Active Lifestyle, Sports Club, Health Station, etc.
    - (6). Cultural Creativity and Aesthetic Center, a wonderful venue to enjoy a healthy life with peace of mind! Employees are safe and healthy. Employees benefit from enhanced well-being with an AED (Automated External Defibrillator) that exceeds legal requirements.
    - (7). In 2024, the Dragon Comes to Healthy Slimming\_ Green Fat Reduction and Weight Loss Health Competition was held for two consecutive years, marking the second consecutive year of successful implementation with excellent outcomes. Reduce carbon emissions, love the Earth, and improve health.
    - (8). O-TA Cup Photography Contest, inviting colleagues to see the truth, goodness and beauty of the people and things in O-TA!



6.The Company's 2024 annual sponsorship or charity events:

Items	Event Overview	Items Sponsored by the Company
Donation to Huashan Social Welfare Foundation for the expenditures of local elders in Neipu of Pingtung.	Taiwan has become an aging society. Given so, Huashan takes care of the 3D elders (i.e., elders with dementia and disability and without dependence) by earmarking the donation to the elders in Neipu of Pingtung.	Funds: NT\$100,000
Donation of funds to Pingtung County 2024 Citizens Sports Games and Pingtung Sports Development	Based on social responsibility and local sustainability, we sponsor local sports events and future development, supporting the Pingtung County Government's 2024 Citizens Sports Games.	Fund: NT\$ 200,000
Donation of funds to Taiwan Fund for Children and Families - Pingtung Branch for children protection	Assist abused children and adolescents in escaping the nightmares of maltreatment and provide them with psychological rehabilitation counseling, so that the harm suffered by children and adolescents can be healed as quickly as possible.	Fund: NT\$ 50,000
Donation of funds to Taiwan Fund for Children and Families - Pingtung Branch for children protection and emergency relief fund.	Financial support for the poor families, supporting parents and children, and supporting the entire family.	Fund: NT\$ 50,000
Participation in the benefit event organized by Anue	The Company has been participating in the benefit event organized by Anue since 2020. In 2024, the Company participated in Anue's benefit project -the main theme of the 2024 Charity Project is "Rebuilding Hopeful Homes with Love," supporting the reconstruction efforts following the Hualien earthquake on April 3, 2024. This initiative aims to provide warm assistance to vulnerable groups affected by the disaster. The beneficiaries include the Kidsalive International, Taiwan, Tatung Autism Association, and Hualien County Autism Association's Fuxing Workshop.	NT\$63,000 inclusive of taxes and publication fee.
Promotion of local sustainability by means of industry-academia collaboration: The Company enters into a contract with National Pingtung University of Science and Technology to launch industry-academia collaboration projects.	"Carbon Management and Operational Process Optimization", the industry-academia collaboration with National Pingtung University of Science and Technology.	Funds: NT\$200,000



Evaluation Item	Implementation Status (Note 1)			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Description	
<b>(III) G_Governance</b> 1.O-TA’s operations are stable, in good health, and its client service is in place! The Company was established in 1988 as a blue-chip TPEX-listed company (Code: 8924), with stable operations, and trust and recognition by brand clients! O-TA is an important supplier to world-renowned golf and bicycle brands, and plays a pivotal role in the global supply chain! 2.The Company has a Sustainable Development Committee (sustainable environment, social welfare, corporate governance, and product responsibility). 3.The employees of the Company are treated with equal job opportunities regardless of gender, religion or political beliefs. The Company provides a good working environment to ensure that the employees are free from discrimination and harassment. 4.Starting from precision casting, with design and (manufacturing) service as the pillars, O-TA is a "design and manufacturing service industry" company, having the core manufacturing technologies of metal precision casting and the strength of cultural, creative, and aesthetic design, strong R&D strength, excellent product quality, and well-rounded customer services! The Company is client-oriented, and serves various clients, provides "exclusive" services with "one-stop shopping;" collaborates with customers to design, to continuously create added value for products and create an irreplaceable position in the market! 5.The Company was listed on TPEX (8924) in 2000, and rated A+ in the 2014 Information Disclosure Evaluation of TWSE/TPEX Listed Companies. O-TA is one of the Top 100 Brands in Taiwan, “Excellent Innovative Enterprises,” and "2006Top 100 Growth Companies." It is a specific demonstration of the soft power of "sports technology and cultural creativity." Today, O-TA is the invisible champion 2.0. in Taiwan.				
				

Note 1: With regard to “Implementation Status”, if the “Yes” column is checked, please specify the policies, strategies, measures and the implementation status. If the “No” column is checked, please specify the status and reasons for the differences in the column of “Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons”, and specify the future plans for the implementation of relevant policies, strategies and measures. However, for Items 1 and 2, the TWSE/TPEX listed company shall describe its governance and supervisory framework for sustainable development, including but not limited to management policy, strategy and goal formulation, review measures, etc. It additionally shall describe the company's risk management policies or strategies for operations-related environmental, social, and corporate governance issues, and their assessment status.

Note 2: Materiality principle refers to the environmental, social and corporate governance issues that have a significant impact on the Company's investors and other stakeholders.

(VII) Climate-Related Information of the Company

1. Implementation of Climate-Related Information

Item	Implementation status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	<p>In response to the potential crisis of climate change, the Company strengthens the adaption to climate resilience, reduces the possible impact of disasters, and continues to promote the reduction of greenhouse gas emissions.</p> <p>The Company has the "Sustainable Development Committee" in place under the board of directors. The board of directors supervises the implementation of sustainable development, reduces the risk of climate change, and catch the opportunities for corporate development to achieve the goal of sustainable development.</p> <p>The committee consists of three members, who shall be appointed by resolution of the board of directors. More than half of the committee members shall be independent directors. The Company and its subsidiaries have established several implementation teams as necessary to cooperate with the Sustainable Development Committee in promoting related tasks. Each team is lead by the officer of each function, and the president reports to the committee on the progress of related work.</p> <p>The responsibilities of the Sustainable Development Committee include reviewing the implementation and effects of the Company's sustainable development, and reporting to the board of directors on a regular basis. The most recent report was made to the Board of Directors on March 11, 2025.</p>
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	Please refer to the description below.
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.	<p>Global climate risk trends are understood through meetings, education and training, and the relevant departments assess the climate change risks and opportunities in the operations. In response to climate risks and opportunities with high risks and high impacts, we compile responding strategies for climate management.</p> <p>In order to effectively manage climate risks and opportunities, we continue monitor the climate risks that have an impact on the Company's operations, including international regulations and extreme weather events.</p>
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 describe.	Not Applicable.

Item	Implementation status
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.	Not Applicable.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Not Applicable.
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 off-set should be specified.	Not Applicable.
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).	Not Applicable.

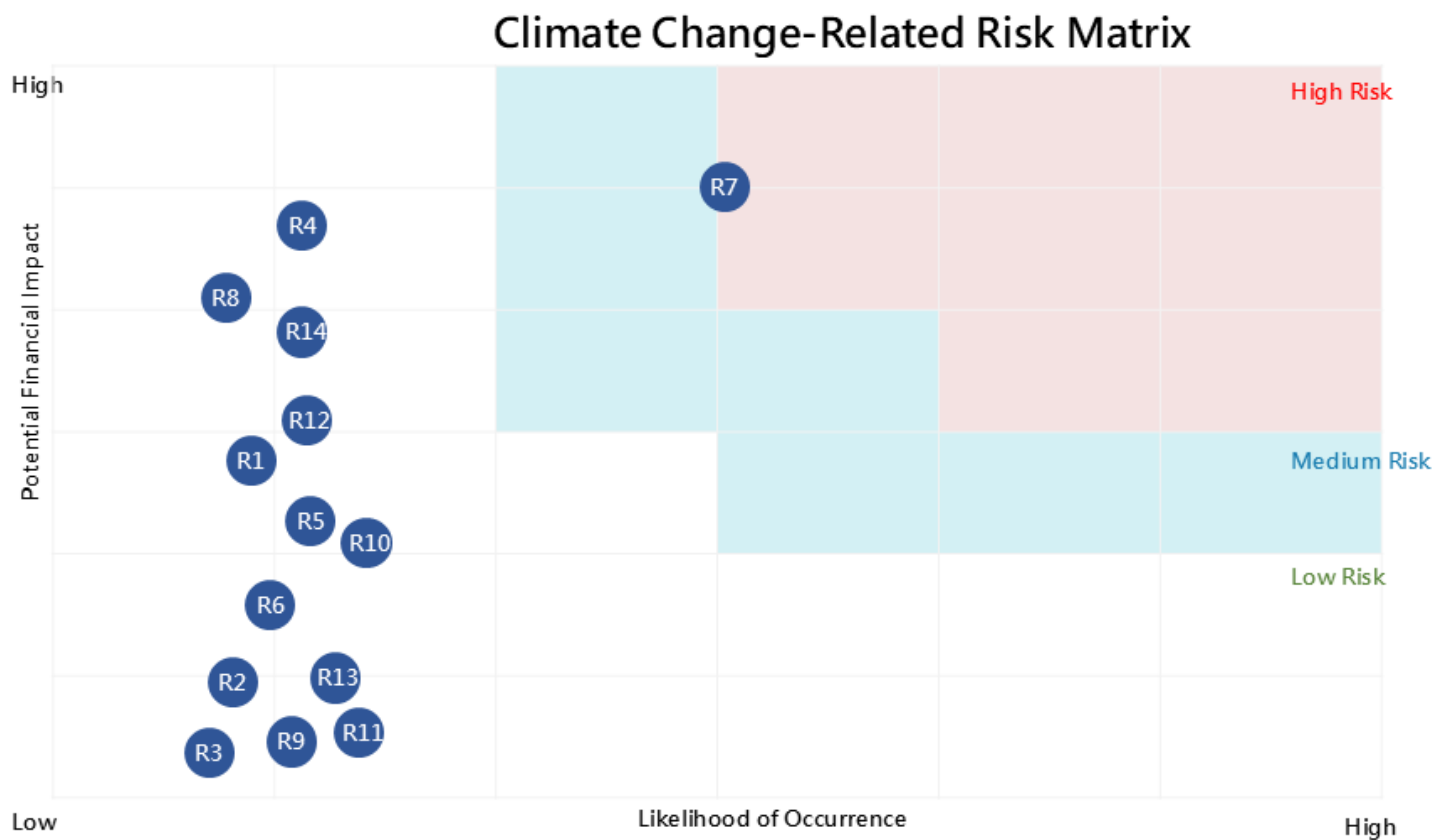
Description: The Company identifies the possible climate risks and opportunities on the business, strategy and finance, as well as the action plan of transformation as follows:

(1) Supervision and Governance of Climate Actions

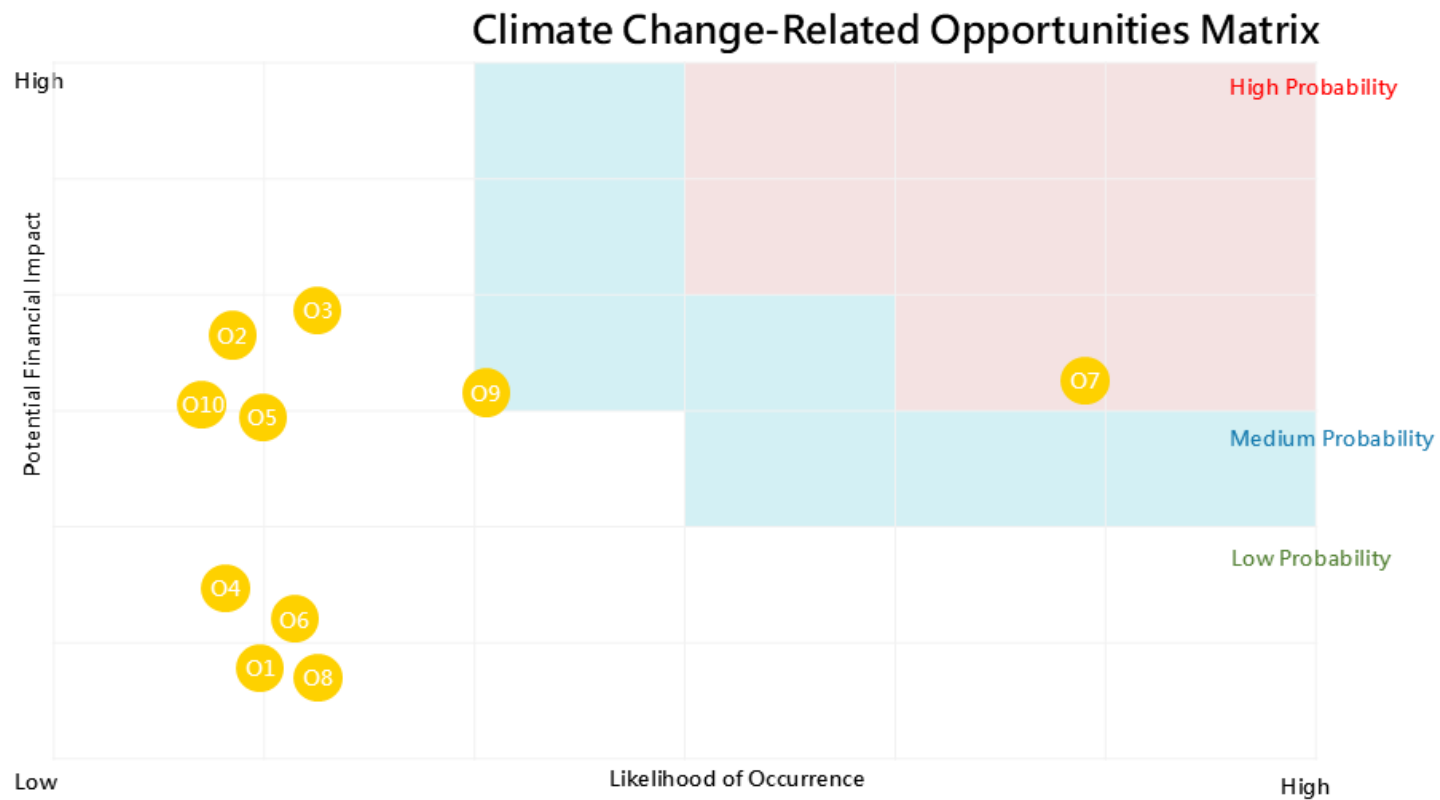
In response to the potential crisis of climate change, the Company strengthens the adaption to climate resilience, reduces the possible impact of disasters, and continues to promote the reduction of greenhouse gas emissions. The Company has the "Sustainable Development Committee" in place under the Board of Directors. The Board of Directors supervises the implementation of sustainable development, reduces the risk of climate change, and catch the opportunities for corporate development to achieve the goal of sustainable development.

(2) Risk Management for Climate Actions

To effectively identify climate-related risks and opportunities relevant to O-TA, the Company referenced the risk and opportunity issue sources recommended by the TCFD, compiling a total of 9 transition risks, 5 physical risks, and 10 opportunities. The ESG project execution team members evaluated these based on "likelihood of occurrence" and "degree of financial impact" and assessed the potential timeline for each (short-term: 1–2 years, mid-term: 3–5 years, long-term: 6 years or more). For the key risks and opportunities identified, corresponding response strategies were further developed. This year, we identified one high-risk and one high-opportunity item: the transition risk of “demand for low-carbon product and service transformation” and the opportunity of "low-carbon product service opportunity.” In order to effectively manage climate risks and opportunities, the Company will continue to monitor the climate risks that have an impact on the Company’s operations, including international regulations and extreme weather events.



R1	Carbon Border Adjustment Tax	R5	Carbon Fee	R9	Reputation Risk	R13	Sea Level Rise
R2	Demands from Major Energy Consumers	R6	Fuel Price Increase	R10	Flooding	R14	Unstable Energy Supply (Power Outages/Restrictions)
R3	Levying of Water Conservation Charge	R7	Demand for Low-Carbon Products and Service Transformation	R11	Water Shortage		
R4	Compulsory Reporting Requirements	R8	Changes in Client Demand	R12	Extreme Climate Events		



O1	Adopting More Efficient Transportation Methods	O5	Using Low-Carbon Energy	O9	Venture into New Markets
O2	Using More Efficient Production Methods	O6	Participating in the Carbon Trading Market	O10	Financial Institution Incentives – Sustainability-Linked Loans
O3	Increasing Recycling and Reuse Rate	O7	Low-Carbon Products and Service Opportunities		
O4	Constructing Green Factories (Green Buildings)	O8	Leveraging Public Sector Incentive Programs		

★ Strategy

Risk/Opportunity Type	Topic Name	Potential Timeline of Occurrences	Description of Business Impacts	Potential Financial Impact	Potential Impact Scope	Responding Strategies
Transition Risk - Technology	Demand for Low-Carbon Products and Service Transformation	Short-term	<p>*Use of recycled materials, investment in new technologies, low-carbon technology research and development, green R&amp;D expenses, etc.</p> <ol style="list-style-type: none"> <li>Currently, our key clients on the Japanese business side are promoting low-carbon policies and expect O-TA to comply. They require that the cushioning material in the packaging be changed from plastic bubble bags to reusable paper products to achieve low-carbon practices. Clients are very interested in eco-friendly carbon fiber materials. Although these materials are not yet being used in our products, as low-carbon practices are an international trend, they will inevitably be demanded in the future.</li> <li>Currently, there is no significant increase in technical transformation cost caused by the low-carbon product demand of clients, and the Company will continue to work with clients in design to develop new low-carbon environmental protection materials.</li> <li>Jiangxi O-TA: The Chinese government requires the replacement of dichloromethane with another substance, so the Company needs to develop alternative raw materials or pivot its R&amp;D technology.</li> <li>Future client requirements may become increasingly stringent.</li> </ol>	<p>Decrease in operating revenue Increase in operating costs Increase of procurement cost Increase in occupational safety and health costs</p>	The Company, upstream suppliers and downstream clients	<p>R&amp;D innovation Green production Client service Sustainable supply chain</p>
Opportunities	Low-Carbon Products and Service Opportunities	Short-term	Currently, there is no obvious benefit, but since O-TA has actively invested in low-carbon product R&D and built a strong ESG image, there is potential to meet market trends and client requirements in the future.	<p>Increase in operating revenue Decrease in operating costs Decrease in procurement costs Decrease in occupational health and safety costs</p>	The Company, upstream suppliers and downstream clients	<p>R&amp;D innovation Green production Sustainable supply chain Clients service</p>

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

### 1-1-1 Greenhouse Gas Inventory Information

Describe the emission volume (metric tons CO <sub>2</sub> e), intensity (metric tons CO <sub>2</sub> e/NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.
1. Not applicable to the Company in accordance with the schedule set out in Article 10, Paragraph 2 of the Regulations Governing Information to be Published in Annual Reports of Public Companies.
2. The Company is a company with paid-in capital of less than NT\$5 billion. The parent company shall conduct the greenhouse gas inventory at stage 3, and a consolidated subsidiaries shall conduct the greenhouse gas inventory at stage 4.

Note 1: Direct emissions (scope 1, i.e., emissions directly from sources owned or controlled by the Company), indirect energy emissions (scope 2, i.e., indirect greenhouse gas emissions from electricity, heat, or steam) and other indirect emissions (scope 3, i.e., emissions from company activities that are not indirect energy emissions, but originate from sources owned or controlled by other companies).

Note 2: The data coverage scope for direct emissions and indirect energy emissions shall comply with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. Other indirect emissions information may be voluntarily disclosed.

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

Note 4: The intensity of greenhouse gas emissions may be calculated per unit of product/service or revenue, but at least the data calculated in terms of revenue (NT\$ 1 million) shall be disclosed.

### 1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.
Not applicable to the Company in accordance with the schedule set out in Article 10, Paragraph 2 of the Regulations Governing Information to be Published in Annual Reports of Public Companies.

Note 1: This information shall be disclosed in compliance with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. If the Company has not obtained a complete greenhouse gas assurance opinion by the date of printing of the annual report, it shall note that "Complete assurance information will be disclosed in the sustainability report." If the Company does not prepare a sustainability report, it shall note that "Complete assurance information will be disclosed on the Market Observation Post System (MOPS)," and shall disclose the complete assurance information in the annual report of the following fiscal year.

Note 2: The assurance institutions shall meet the directions regarding assurance of sustainability reports prescribed by the TWSE and the TPEx.

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

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.
Not applicable to the Company in accordance with the schedule set out in Article 10, Paragraph 2 of the Regulations Governing Information to be Published in Annual Reports of Public Companies.

Note 1: This information shall be disclosed in compliance with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations.

Note 2: The base year shall be the fiscal year in which the greenhouse gas inventory is completed based on the consolidated financial reporting boundary. If a company has disclosed its inventory in its consolidated financial report in an earlier year, it may take the earlier fiscal year as its base year. Also, the data for the base year may be calculated based on a single fiscal year or the average of multiple fiscal years.

(VIII) The State of the Company's Performance in the Area of Ethical Corporate Management and the Company's Measures:

## Ethical Corporate Management and Variance from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and the Reason for any Such Variance

Evaluation Item	Implementation Status (Note)			Variance from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Description	
I. Establishment of ethical corporate management policies and programs				
(I) Does the Company have an Ethical Corporate Management Best Practice Principles approved by the Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	V		(I) The Company has established the “Ethical Corporate Management Best Practice Principles” and the “Codes of Ethics for Directors and Managerial Officers” to specifically regulate the matters of which all employees, including directors and managerial officers, should take notice in their conduct of business.	No Material Difference
(II) Whether the Company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?	V		(II) The Company has formulated the “Ethical Corporate Management Best Practice Principles” and the “Codes of Ethics for Directors and Managerial Officers” and has enhanced the precautionary measures through the announcement and reporting of material information and related party transactions details, etc. The Company has also formulated the “Codes of Ethics for Employees” and the “Working Rules” as regulatory guidelines for the penalty mechanism for employees who seek to obtain improper interests by concealing information in an opportunistic manner. The Company also encourages internal and external personnel to report the unethical conduct in order to implement the ethical corporate management and to protect the legal rights and interests of the whistleblowers and the parties involved in unethical conduct.	No Material Difference
(III) Does the Company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?	V		(III) The Company has formulated the “Procedures for Ethical Management and Guidelines for Conduct” and has provided educational training for its employees to ensure that the employees fully understand the relevant regulations and the punitive measures. (In 2024, the Company organized courses on “Ethical Corporate Management” and “Internal Control System”, with a total of 162 attendees and a total of 161.49 hours. )	No Material Difference
II. Ethical Management Practice				
(I) Does the Company assess the ethics records of those it has	V		(I) The Company has established the “Ethical Corporate	No Material Difference

Evaluation Item	Implementation Status (Note)			Variance from “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Description	
business relationships with and include ethical conduct related clauses in the business contracts?			Management Best Practice Principles” and conducts its business activities in a fair and transparent manner in accordance with the policy to avoid making transactions with parties involved in the unethical conduct. The contracts signed between the Company and its agencies, suppliers, clients or other business counterparties contain provisions for compliance with the Ethical Corporate Management Best Practice Principles and for termination of the contracts at the time when the business counterparties are involved in unethical conduct.	
(II) Has the Company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?	V		(II) The Company has set up the unit that is composed of the Human Resource Unit, the Auditing Office and the Legal Affairs Unit under the R&D Division, responsible for the planning and implementation of the Ethical Corporate Management Best Practice Principles. The Auditing Office reports to the Board of Directors on a regular basis. The implementation status of the most recent period was reported at the Board of Directors meeting dated November 5, 2024.	No Material Difference
(III) Has the Company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?	V		(III) The Company has established the “Ethical Corporate Management Best Practice Principles” to prevent conflicts of interest and provides appropriate communication channels (e.g., the telephone numbers and e-mail addresses listed on the “Stakeholder Section” of the Company's website). In addition, a system designed for the directors’ avoidance of motions in conflict of interest is provided in the Company’s “Rules of Procedure for Board of Directors Meetings”. A director who has an interest with himself/ herself or the juristic person he/she represents in the motions of the board meeting should clarify the important details of his/her stakes at the board meeting. If such case has a harmful impact on the Company's interests, the director should not join the discussion or voting and should not act as a proxy to exercise the voting rights on behalf of other directors.	No Material Difference
(IV) Does the Company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of	V		(IV) The Company has set up an effective accounting standard, internal control standard and other related standards. The establishment and amendment of these standards are	No Material Difference

Evaluation Item	Implementation Status (Note)			Variance from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Description	
<p>unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?</p> <p>(V) Does the Company provide internal and external ethical corporate management training programs on a regular basis?</p>	V		<p>proposed to the Board of Directors for approval. The Company also set up an Auditing Office and appointed certified public accountants to perform audits for the Company on a regular basis. Non-scheduled project audits will be conducted according to the requirements.</p> <p>(V) In addition to promoting the concept of ethical corporate management in meetings from time to time, the Company provides courses related to ethical corporate management in the training of new recruited employees in order to implement the concept.</p>	No Material Difference
III. Implementation of Complaint Procedures				
(I) Has the Company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistleblowers?	V		(I) The Company has a smooth whistle-blowing channel and has set a designated unit to handle related matters in accordance with the legal regulations.	No Material Difference
(II) Has the Company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?	V		(II) The Company has the responsibility to keep information of the whistleblower confidential.	No Material Difference
(III) Has the Company adopted proper measures to protect whistleblowers from retaliation for filing complaints?	V		(III) The Company protects whistleblowers from any penalty or punishment due to their report of complaints.	No Material Difference
IV.Strengthening Information Disclosure Does the Company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?	V		The Company has disclosed the relevant information of “Ethical Corporate Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct” on the Company’s website and the Market Observation Post System.	No Material Difference
V. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviations between the principles and their implementation: The Company has formulated the “ Ethical Corporate Management Best Practice Principles” and disclosed relevant information on the Company’s website. The Company’s operations on ethical corporate management are consistent with the policy.				
VI. Other important information to facilitate a better understanding of the status of operation of the company’s ethical corporate management policies (e.g., the company’s reviewing and amending of its ethical corporate management best practice principles): None.				

Note: For the column of “Implementation Status”, regardless of whether the column "Yes" or "No" is checked, the implementation status should be described in the columns of Description.

(IX) Other significant information that will provide a better understanding of the state of the Company’s implementation of corporate governance may also be disclosed: None.

(X) The section on the state of implementation of the Company's internal control system shall furnish the following:

1. Statement on Internal Control System

The Company's Internal Control Statement has been reported to the "Market Observation Post System." Please refer to the "Market Observation Post System > Single Company > Corporate Governance > Company Regulations/Internal Control > Statement on Internal Control System."

2. Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report:

None.

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

1. Important Resolutions Made by the Shareholders' Meeting

Date	Important Resolutions	Implementation Status
June 5, 2024	Approved the 2023 business report and financial statements.	Approved by voting.
	Approved the 2023 earnings distribution.	The Company's earnings for 2023 have been fully distributed. The ex-dividend date was set for June 15, 2024 and the cash dividends were paid on June 26, 2024 with the distribution of NT\$4.3 per share.
	Approved the amendment to the Company's "Rules of Procedure for Shareholders' Meetings".	Approved by voting.

2. Importation Resolutions Made by the Board of Directors' Meeting

Date	Important Resolutions
March 15, 2024	<ol style="list-style-type: none"> <li>1. Approved the 2023 consolidated financial statements and parent company only financial statements.</li> <li>2. Approved the evaluation of the independence and qualification of CPAs.</li> <li>3. Approved the list of non-assurance services to be provided by Ernst &amp; Young, Taiwan and its affiliates in 2024.</li> <li>4. Approved the appointment of CPAs.</li> <li>5. Approved funding plan of overseas groups.</li> <li>6. Approved bank credit line proposal.</li> <li>7. Approved the 2023 cash dividend distribution.</li> <li>8. Approved the distribution of remuneration to employees and directors for 2023.</li> <li>9. Approved the 2023 earnings distribution of the Company.</li> <li>10. Approved the proposal on the standard for distributing remuneration to employees.</li> <li>11. Approved the resolution to distribute year-end bonus to the Company's managerial officers of 2023.</li> <li>12. Approved the proposal of adjustment to the salary structure for the Company's managerial officers.</li> <li>13. Approved the proposal of the ratification of the Company's salary structure adjustment.</li> <li>14. Approved the Company's 2023 Statement of Internal Control System.</li> <li>15. Approved the proposal on the convening of the 2024 Annual General Meeting, and the rights of shareholders to submit a proposal.</li> <li>16. Approved the amendment to the Company's "Rules of Procedure for Board of Directors Meetings".</li> <li>17. Approved the amendment to the Company's "Audit Committee Charter".</li> <li>18. Approved the amendment to the Company's "Corporate Governance Best Practice Principles".</li> <li>19. Approved the proposal on the Company's Business Report.</li> </ol>
April 16, 2024	<ol style="list-style-type: none"> <li>1. Approved 2023 execution of financial and business matters with related parties.</li> <li>2. Approved the 2024 sales transaction between the Company and the related party, TAGA CO., LTD.</li> <li>3. Approved the distribution of remuneration to independent directors for 2023.</li> <li>4. Approved the amendment to the Company's "Rules of Procedure for Shareholders'</li> </ol>

Date	Important Resolutions
	Meetings”. 5. Approved the amendment to the agenda of the 2024 Annual General Meeting. 6. Approved the amendment to the internal control system.
May 7, 2024	1. Approved the 2024Q1 consolidated financial statements. 2. Approved the Company's investment project in Vietnam to set up a factory. 3. Approved the amendment to the internal control system.
June 5, 2024	1. Approved the Company's investment plan in Vietnam to set up a factory. 2. Approved the payment for distribution of remuneration to employees for 2023. 3. Approved the payment for distribution of remuneration to independent directors for 2023. 4. Approved the payment for distribution of remuneration to directors for 2023. 5. Approved the amendments to the Company's “Rules Governing Financial and Business Matters Between the Company and Its Related Parties”.
August 6, 2024	1. Approved the 2024Q2 consolidated financial statements. 2. Approved the amendment to the internal control system.
November 5, 2024	1. Approved the 2024Q3 consolidated financial statements. 2. Approved the amendment to the internal control system. 3. Approved the the proposal of the 2025 annual audit plan. 4. Approved the performance evaluation criteria for the managerial officers.
March 11, 2025	1. Approved the 2024 consolidated financial statements and parent company only financial statements. 2. Approved the evaluation of the independence and qualification of CPAs. 3. Approved the list of non-assurance services to be provided by Ernst & Young, Taiwan and its affiliates in 2025. 4. Approved the appointment of CPAs. 5. Approved the funding plan of overseas groups. 6. Approved bank credit line proposal. 7. Approved the 2024 cash dividend distribution from earnings. 8. Approved the 2024 employee and director remuneration distribution. 9. Approved the 2024 earnings distribution of the Company. 10. Approved the proposal on the standard for distributing remuneration to employees in 2024. 11. Approved 2024 execution of financial and business matters with related parties. 12. Approved the 2025 sales transaction between the Company and the related party, TAGA CO., LTD. 13. Approved the Company's 2024 Statement of Internal Control System. 14. Approved the proposal on the convening of the 2025 Annual General Meeting, and the rights of shareholders to submit submit nominations and proposals. 15. Approved the amendment to the Company's “Articles of Incorporation”. 16. Approved the amendment to the Company's “Corporate Governance Best Practice Principles”. 17. Approved the annual business report. 18. Approved the resolution on the organizational changes of the major subsidiary. 19. Approved the resolution to distribute year-end bonus to the Company's managerial officers of 2024. 20. Approved the resolution on the Company's salary adjustment. 21. Approved the Company's 2023 Sustainability Reports. 22. Approved the the progress of the implementation plan for greenhouse gas inventory and verification schedule. 23. Approved the amendment to the Company's “Sustainable Development Committee Charter”.

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

#### IV. Information on the Professional Fees of the Attesting CPAs (External Auditors)

Unit: NT\$ thousands

Name of Accounting Firm	Name of CPAs	Period covered by the CPA audit	Audit Fee	Non-audit Fees	Total	Note
Ernst & Young, Taiwan	CHEN, CHENG-CHU	2024/01/01~2024/12/31	2,600	300	2,900	
	LEE, FANG-WEN	2024/01/01~2024/12/31				
	WU, WEN-PIN	2024/01/01~2024/12/31	-	400	400	

1. The Company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year: None.
2. When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed: None.
3. Non-audit fees: tax audit fee NT\$300 thousand, and transfer pricing & master file documentation fee NT\$400 thousand.

V. Where the Company's Chairman, President, or Any Managerial Officer in Charge of Finance or Accounting Matters Has in the Most Recent Year Held a Position at the Accounting Firm of Its Certified Public Accountant or at an Affiliated Enterprise of Such Accounting Firm, the Name and Position of the Person, and the Period During Which the Position Was Held, Shall Be Disclosed: None.

## VI. Any Transfer of Equity Interests and/or Pledge of or Change in Equity Interests of a Director, Managerial Officer, or Shareholder with a Stake of More Than 10 Percent

### (I) Change in Shareholding of Directors, Managerial Officers and Major Shareholders

The change in shareholding of directors, managerial officers and major shareholders of the Company has been reported to the “Market Observation Post System.” Please refer to “Market Observation Post System > Single Company > Shareholding Changes / Securities Issuance > Share Transfer Information Search > Post-declaration of Insider Shareholding Changes.”

(II) Information on Equity Transfer: Not applicable.

(III) Information on Equity Pledge: Not applicable.

VII. Relationship Information, if Among the Company's 10 Largest Shareholders Any One is a Related Party or a Relative within the Second Degree of Kinship of Another

March 31, 2025

Name	Shareholding		Shareholding of spouse and minor children		Total shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree, His/ Her/Its Title (or Name) and Relationship		Note
	Shares	%	Shares	%	Shares	%	Title (or Name)	Relationship	-
LEE, KUNG-WEN	7,272,408	8.68%	2,657,560	3.17%	0	0%	Pan, Pi-Chen Pan, Sy-Lian	Spouse Relatives-in-law	-
Nan Feng Xin Co., Ltd.	3,850,386	4.95%	0	0%	0	0%	None	None	-
Chairman PAN, SY-LIAN	554,612	0.66%	0	0%	0	0%	Lee, Kung-Wen Pan, Pi-Chen	Relatives-in-law Siblings	-
Qing Sheng Investment Co., Ltd.	2,806,358	3.35%	0	0%	0	0%	None	None	-
PAN, PI-CHEN	2,657,560	3.17%	7,272,408	8.68%	0	0%	Lee, Kung-Wen Pan, Sy-Lian	Spouse Siblings	-
LIN, HUN-CHER	2,266,088	2.70%	51,564	0.06%	0	0%	None	None	
Hong Bin Investment Co., Ltd.	1,892,000	2.26%	0	0%	0	0%	None	None	-
Jing Miao Investment Co., Ltd.	1,700,000	2.03%	0	0%	0	0%	None	None	-
Standard Chartered Custody Cambria Emerging Shareholder Yield Etf	1,482,993	1.77%	0	0%	0	0%	None	None	-
Dian Chiang Chia Investment Co. Ltd.	1,308,000	1.56%	0	0%	0	0%	None	None	-
Chen Lin Investment Co., Ltd.	906,164	1.08%	0	0%	0	0%	None	None	-

VIII. The Total Number of Shares and Total Equity Stake Held in Any Single Enterprise by the Company, Its Directors, Managerial Officers, and Any Companies Controlled Either Directly or Indirectly by the Company

December 31, 2024; Unit: shares; %

Investee enterprise	Investment by the Company		Investment by the Directors, Supervisors, Managerial Officers and Directly or Indirectly Controlled Entities of the Company		Total investment	
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio
British Virgin Islands O-TA Golf Group Co., Ltd.	50,000	100%	-	-	50,000	100%
Hong Kong Harvest Fair International Limited	-	-	10,000	100%	10,000	100%
Jiangxi O-TA Precision Technology Co., Ltd.	-	-	-	100%	-	100%
VGT Composite Technology (Huizhou) Co., Ltd.	-	-	-	100%	-	100%

Note 1: Invested by the Company using the equity method.

## Three. Capital Overview

### I. Capital and Shares

#### (I) Source of Capital Stock

##### 1. Formation of Capital

Unit: NT\$; shares

Month, Year	Issue Price	Authorized Capital		Paid-in Capital		Note		
		Number of Shares	Amount	Number of Shares	Amount	Source of Capital	Capital Increased by Assets Other than Cash	Other
July, 1988	10	6,850,000	68,500,000	6,850,000	68,500,000	Establishment by cash	None	Omit- ted
June, 1993	10	13,400,000	134,000,000	13,400,000	134,000,000	Capital increase of NT\$65,500 thousand from debt to equity	None	Omit- ted
December, 1996	10	16,400,000	164,000,000	16,400,000	164,000,000	Capital increase of NT\$30,000 thousand through cash	None	Omit- ted
December, 1997	10	18,204,000	182,040,000	18,204,000	182,040,000	Capital increase of NT\$18,040 thousand through capitalization of capital surplus	None	Note 1
March, 1998	10	27,470,000	274,700,000	27,470,000	274,700,000	Capital increase of NT\$30,000 thousand through cash; and Capital increase of NT\$62,660 thousand through capitalization of earnings	None	Note 2
June, 1999	10	39,600,000	396,000,000	39,600,000	396,000,000	Capital increase of NT\$105,760 thousand through capitalization of earnings; and Capital increase of NT\$15,540 thousand through capitalization of earnings and capital surplus	None	Note 3
May, 2000	10	53,460,000	534,600,000	53,460,000	534,600,000	Capital increase of NT\$138,600 thousand through capitalization of earnings	None	Note 4
June, 2001	10	100,000,000	1,000,000,000	61,689,970	616,899,700	Capital increase of NT\$77,784 thousand through capitalization of earnings; and Capital increase of NT\$4,516 thousand through capitalization of capital surplus	None	Note 5
August, 2002	10	100,000,000	1,000,000,000	74,516,343	745,163,430	Capital increase of NT\$123,380 thousand through capitalization of earnings; and Capital increase of NT\$4,884 thousand through the transferring of employees' bonus	None	Note 6
January, 2003	10	100,000,000	1,000,000,000	74,671,620	746,716,200	Capital increase of NT\$1,553 thousand converted from convertible bonds	None	Note 7
March, 2003	10	100,000,000	1,000,000,000	74,674,725	746,747,250	Capital increase of NT\$31 thousand converted from convertible bonds	None	Note 8
September, 2003	10	100,000,000	1,000,000,000	82,795,601	827,956,010	Capital increase of NT\$74,674,720 through capitalization of earnings; and Capital increase of NT\$6,534,040	None	Note 9

Month, Year	Issue Price	Authorized Capital		Paid-in Capital		Note		
		Number of Shares	Amount	Number of Shares	Amount	Source of Capital	Capital Increased by Assets Other than Cash	Other
						through the transferring of employees' bonus		
October, 2003	10	100,000,000	1,000,000,000	82,883,939	828,839,390	Capital increase of NT\$883,380 converted from convertible bonds	None	Note 10
January, 2004	10	100,000,000	1,000,000,000	84,094,183	840,941,830	Capital increase of NT\$12,102 thousand converted from convertible bonds	None	Note 11
April, 2004	10	100,000,000	1,000,000,000	85,315,020	853,150,200	Capital increase of NT\$12,208 thousand converted from convertible bonds	None	Note 12
August, 2004	10	102,702,798	1,027,027,980	90,380,599	903,805,990	Capital increase of NT\$50,655,790 through capitalization of earnings (including NT\$7,998,280 through the transferring of employees' bonus)	None	Note 13
November, 2004	10	102,702,798	1,027,027,980	92,145,714	921,457,140	Capital increase of NT\$17,651,150 converted from convertible bonds	None	Note 14
January, 2005	10	102,702,798	1,027,027,980	92,458,821	924,588,210	Capital increase of NT\$3,131,070 converted from convertible bonds	None	Note 15
March, 2005	10	102,702,798	1,027,027,980	92,632,982	926,329,820	Capital increase of NT\$1,741,610 converted from convertible bonds	None	Note 16
July, 2005	10	112,952,631	1,129,526,310	103,107,859	1,031,078,590	Capital increase of NT\$56,083,990 through capitalization of earnings (including NT\$9,669,650 through the transferring of employees' bonus); Capital increase of NT\$46,414,340 through capitalization of capital surplus; and Capital increase of NT\$2,250,440 converted from convertible bonds	None	Note 17
December, 2005	10	112,952,631	1,129,526,310	103,281,064	1,032,810,640	Capital increase of NT\$1,732,050 converted from convertible bonds	None	Note 18
January, 2006	10	112,952,631	1,129,526,310	103,828,384	1,038,283,840	Capital increase of NT\$5,473,200 converted from convertible bonds	None	Note 19
March, 2006	10	112,952,631	1,129,526,310	103,830,693	1,038,306,930	Capital increase of NT\$23,090 converted from convertible bonds	None	Note 20
July, 2006	10	124,655,216	1,246,552,160	115,554,063	1,155,540,630	Capital increase of NT\$65,110,500 through capitalization of earnings (including NT\$13,195,150 through the transferring of employees' bonus); Capital increase of NT\$51,915,350 through capitalization of capital surplus; and Capital increase of NT\$207,850 converted from convertible bonds	None	Note 21
October, 2006	10	124,655,216	1,246,552,160	117,355,189	1,173,551,890	Capital increase of NT\$18,011,260 converted from convertible bonds	None	Note 22
March, 2007	10	124,655,216	1,246,552,160	118,065,416	1,180,654,160	Capital increase of NT\$7,102,270 converted from convertible bonds	None	Note 23

Month, Year	Issue Price	Authorized Capital		Paid-in Capital		Note		
		Number of Shares	Amount	Number of Shares	Amount	Source of Capital	Capital Increased by Assets Other than Cash	Other
July, 2007	10	124,655,216	1,246,552,160	120,734,186	1,207,341,860	Capital increase of NT\$20,784,430 thousand through capitalization of earnings (including NT\$14,881,160 through the transferring of employees' bonus); and Capital increase of NT\$5,903,270 through capitalization of capital surplus	None	Note 24
July, 2008	10	140,000,000	1,400,000,000	123,463,282	1,234,632,820	Capital increase of NT\$21,254,250 through capitalization of earnings (including NT\$15,217,540 through the transferring of employees' bonus); and Capital increase of NT\$6,036,710 through capitalization of capital surplus	None	Note 25
November, 2008	10	140,000,000	1,400,000,000	121,263,282	1,212,632,820	Capital reduction of NT\$22,000,000 by repurchasing treasury stock	None	Note 26
July, 2018	10	140,000,000	1,400,000,000	83,800,000	838,000,000	Capital reduction of NT\$374,632,820 by returning cash to shareholders	None	Note 27

Note 1: The capital increase was approved by the Ministry of Economic Affairs (MOEA) by Letter Jing-(86)-Shang-Zi No.124432 dated December 11, 1997.

Note 3: The capital increase was approved by the MOF by Letter (88)Tai-Cai-Jheng(1) No.56520 dated June 22, 1999.

Note 5: The capital increase was approved by the MOF by Letter (90)Tai-Cai-Jheng(1) No.138545 dated June 27, 2001.

Note 7: The capital increase was approved by the MOEA by Letter Jing-Shou-Shang-Zi No.09201031150 dated January 30, 2003.

Note 9: The capital increase was approved by the MOF by Letter Tai-Cai-Jheng(I) No.0920136548 dated August 13, 2003.

Note 11: The capital increase was approved by the MOEA by Letter Jing-Shou-Shang-Zi No.09301003310 dated January 9, 2004.

Note 13: The capital increase was approved by the MOEA by Letter Jing-Shou-Shang-Zi No.09301138980 dated August 13, 2004.

Note 15: The capital increase was approved by the MOEA by Letter Jing-Shou-Shang-Zi No.09401006050 dated January 18, 2005.

Note 17: The capital increase was approved by the MOEA by Letter Jing-Shou-Shang-Zi No.09401134720 dated July 19, 2005.

Note 19: The capital increase was approved by the MOEA by Letter Jing-Shou-Shang-Zi No.09501007820 dated January 16, 2006.

Note 21: The capital increase was approved by the MOEA by Letter Jing-Shou-Shang-Zi No.09501157060 dated July 24, 2006.

Note 23: The capital increase was approved by the MOEA by Letter Jing-Shou-Shang-Zi No.09601053210 dated March 22, 2007.

Note 25: The capital increase was approved by the MOEA by Letter Jing-Shou-Shang-Zi No.09701181290 dated July 22, 2008.

Note 27: The capital reduction was approved by the MOEA by Letter Jing-Shou-Shang-Zi No.10701076030 dated July 20, 2018.

Note 2: The capital increase was approved by the Ministry of Finance (MOF) by Letter (87)Tai-Cai-Jheng(1) No.28244 dated March 24, 1998.

Note 4: The capital increase was approved by the MOF by Letter (89)Tai-Cai-Jheng(1) No.46978 dated May 31, 2000.

Note 6: The capital increase was approved by the MOF by Letter Tai-Cai-Jheng(I) No.0910133426 dated June 20, 2002.

Note 8: The capital increase was approved by the MOEA by Letter Jing-Shou-Shang-Zi No.09201090180 dated March 26, 2003.

Note 10: The capital increase was approved by the MOEA by Letter Jing-Shou-Shang-Zi No.09201292780 dated October 21, 2003.

Note 12: The capital increase was approved by the MOEA by Letter Jing-Shou-Shang-Zi No.09301052330 dated April 1, 2004.

Note 14: The capital increase was approved by the MOEA by Letter Jing-Shou-Shang-Zi No.09301211720 dated November 5, 2004.

Note 16: The capital increase was approved by the MOEA by Letter Jing-Shou-Shang-Zi No.09401040870 dated March 28, 2005.

Note 18: The capital increase was approved by the MOEA by Letter Jing-Shou-Shang-Zi No.09401235830 dated December 1, 2005.

Note 20: The capital increase was approved by the MOEA by Letter Jing-Shou-Shang-Zi No.09501052850 dated March 27, 2006.

Note 22: The capital increase was approved by the MOEA by Letter Jing-Shou-Shang-Zi No.09501232850 dated October 17, 2006.

Note 24: The capital increase was approved by the MOEA by Letter Jing-Shou-Shang-Zi No.09601153680 dated July 9, 2007.

Note 26: The capital reduction was approved by the MOEA by Letter Jing-Shou-Shang-Zi No.09701301130 dated November 25, 2008.

## 2. Type of Shares

March 31, 2025; Unit: shares

Type of Shares	Authorized Capital			Note
	Outstanding Shares (Note)	Unissued Shares	Total	
Common Shares	83,800,000	56,200,000	140,000,000	

Note: refer to the listed stock.

## 3. Information for Shelf Registration: Not applicable.

### (II) List of Major Shareholders (with shareholding of 5% or more, or the top 10 shareholders)

March 31, 2025

Names of major shareholders	Shares	Shareholding (shares)	Shareholding (%)
LEE, KUNG-WEN		7,272,408	8.68%
Nan Feng Xin Co., Ltd.		3,850,386	4.59%
Qing Sheng Investment Co., Ltd.		2,806,358	3.35%
PAN, PI-CHEN		2,657,560	3.17%
LIN, HUN-CHER		2,266,088	2.70%
Hong Bin Investment Co., Ltd.		1,892,000	2.26%
Jing Miao Investment Co., Ltd.		1,700,000	2.03%
Standard Chartered Custody Cambria Emerging Shareholder Yield Etf		1,482,993	1.77%
Dian Chiang Chia Investment Co. Ltd.		1,308,000	1.56%
Chen Lin Investment Co., Ltd.		906,164	1.08%

### (III) Dividend Policy and Implementation Status

#### 1. Dividend Policy Stipulated in the Articles of Incorporation

In accordance with Article 26, Paragraph 5 of the Company's Articles of Incorporation, the Company's operations continue to develop steadily, considering the Company's future capital needs and the shareholders' demand for cash inflow, when the Company distributes the dividends as described in the preceding paragraph (Article 26, Paragraph 4 of the Articles of Incorporation), the dividends may be distributed in cash or in shares. However, the percentage of cash dividends shall not be less than 50% of the total dividends of the year.

With the approval by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, the Company will report to the Shareholders' Meeting regarding the proposal that all or part of the distributable dividends shall be paid in cash.

The annual dividend rate is expected to be no less than 50% for the next three years.

#### 2. Proposed Distribution of Cash Dividends at the Shareholders' Meeting

(1) The Company strives for a sustainable operating environment and aims to become the most creative company in daily consumer goods and sports equipment, creating maximum value and the best services for our customers, employees, shareholders and the general public. Therefore, the Company adopts a balancing dividend policy, taking into account the Company's future business growth and demands for capital, to improve its financial structure and to protect the interests of shareholders for their long-term investment.

(2) The Company proposed to distribute cash dividends of NT\$4.3 per share, with a total of NT\$360,340,000, from the distributable earnings for 2024 to the shareholders recorded in the register of shareholders on the ex-dividend date in proportion to their shareholdings.

# O-TA Precision Industry Co., Ltd.

## Earnings Distribution Chart

For the Year of 2024

Unit: NT\$

Description	Amount
Undistributed earnings, at the beginning of the period	1,343,402,210
Add: Net income after tax	474,283,373
2024 Gains (losses) on remeasurement of defined benefit plans after tax	5,778,160
Less: 10% of legal reserve	(48,006,153)
Distributable earnings	1,775,457,590
Distributed items:	
Cash dividends for common shares (NT\$4.3 per share)	(360,340,000)
Undistributed earnings, at the end of the period	1,415,117,590

Chairman: LEE, KUNG-WEN President: HSU, JUNG-MIN Accounting Officer: LEE, CHUNG-MU

3. Expected Significant Changes in Dividend Policy: Not applicable.

(IV) Effect Upon Business Performance and Earnings Per Share of Any Stock Dividend Distribution Proposed or Adopted at the Most Recent Shareholders' Meeting: Not applicable.

(V) Employees' and Directors' Remuneration

1. The Percentages or Ranges with respect to Employee and Directors Remuneration, As Set Forth In the Company's Articles of Incorporation:

According to Article 25 of the Company's Articles of Incorporation, the Company shall distribute at least 6.5% of distributable profit of the current year, if any, as remuneration to employees for each profitable fiscal year, and the appropriated amount of remuneration to directors should not be more than 1.5% of the annual profit. However, in case of the accumulated losses, certain profits shall first be reserved to

cover them.

The Company may, by a resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, decide the way of distribution for employees' remuneration and the proportion of profits distributed as directors' remuneration for the fiscal year, and report to the shareholders' meeting for such distribution.

The remuneration for directors is recommended by the Remuneration Committee and proposed to the Board of Directors for approval.

The Company's profitable fiscal year, as mentioned in the first paragraph, refers to the year with profits calculated based on the net income before tax and the distribution of employees' and directors' remuneration for the year.

2. The Basis for Estimating the Amount of Employees and Directors' Remuneration, for Calculating the Number of Shares to Be Distributed as Employee Remuneration, and the Accounting Treatment of the Discrepancy, if any, Between the Actual Distributed and the Estimated Figure, for the Current Period:

In accordance with the aforementioned Articles of Incorporation, the Company estimates to distribute NT\$40,969 thousand as employees' remuneration and NT\$9,454 thousand as directors' and supervisors' remuneration for 2024. If the actual amount of distributed remuneration resolved at the shareholders' meeting in the following year is different from the estimated amount, the difference amount will be recorded as profit or loss in the year of resolution. If the Board of Directors resolves to distribute employee compensation through stock, the number of stock distributed is calculated based on the closing price of the day before the board meeting.

3. Distribution of Remuneration Approved by the Board of Directors for 2024:

(1) Proposed amount of employees' and directors' remuneration distributed in cash:

Unit: NT\$ thousands

Proposed Distributed Items	Distributed Amount
Employees' Remuneration	40,969
Directors' Remuneration	9,454

Difference between the actual distributed amount and the amount recognized in 2024 of the aforementioned employees' and directors' remuneration: None.

(2) The amount of any employee remuneration distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee remuneration: Not applicable for the Company since the employees' remuneration is distributed in cash.

4. Actual Distribution of Remuneration for Employees, Directors and Supervisors for 2023:

Unit: NT\$ thousands

Proposed Distributed Items	Distributed Amount
Employees' Remuneration	38,020
Directors' Remuneration	8,773

Difference between the actual distributed amount and the amount recognized in 2023 of the aforementioned employees' and directors' remuneration: None.

(VI) Repurchases of Treasury Stock For the Most Recent Fiscal Year and Up to the Publication of this Annual Report: None.

## II. Issuance of Corporate Bonds

(I) Unretired bonds and unissued bonds for which an issue is currently under preparation: None.

(II) Issued exchangeable corporate bonds: None.

(III) Common corporate bonds raised and issued by the shelf registration method: None.

(IV) Issued corporate bonds with warrants: None.

(V) Any private placement of corporate bonds during the 3 most recent fiscal years: None.

## III. Preferred Shares: None.

## IV. Global Depositary Receipts: None.

## V. Employee Share Subscription Warrants: None.

## VI. Issuance of New Restricted Employee Shares: None.

## VII. Status of Mergers, Acquisitions and Divisions: None.

## VIII. Implementation of the Company's Capital Allocation Plans

Up to the publication of this annual report, the Company has no uncompleted issuance plan or completed plan with unrealized benefit within the latest three years.

## Four. Overview of Business Operations



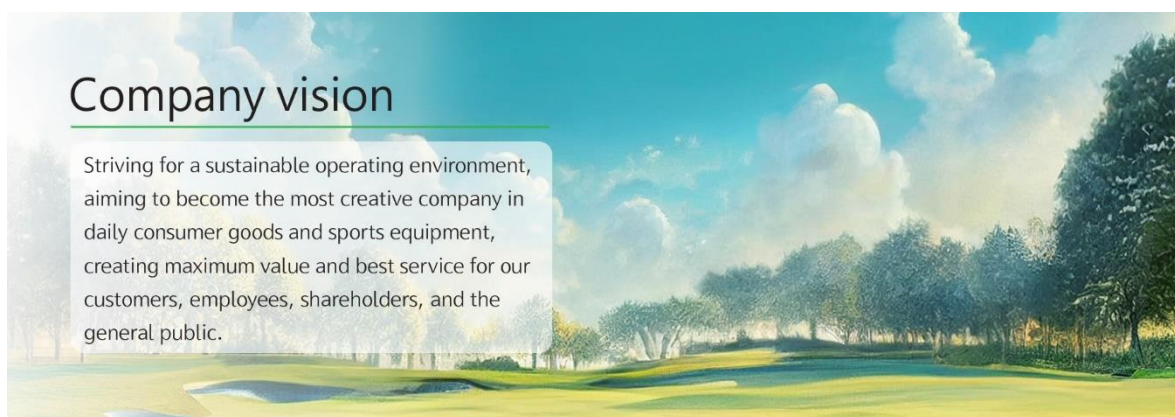
### I. Description of the Business

O-TA Precision Industry Co., Ltd. is an important supplier to world-renowned golf and bicycle brands, and plays a pivotal role in the global supply chain. Established in 1988, and starting from precision casting, O-TA has the core manufacturing technologies of metal precision casting and the strength of cultural, creative, and aesthetic design, strong R&D strength, excellent product quality, and well-rounded client services. With design and (manufacturing) service as the pillars, the Company is a "design and manufacturing service industry company and client-oriented, serves various clients, provides "exclusive" services with "one-stop shopping;" collaborates with clients to design, to continuously create added value for products and create an irreplaceable position in the market! The golf products are mainly exported to the U.S. and Japanese market and serve world-renowned brands, e.g. PXG and Titleist in the U.S., Bridgestone, Majesty, Mizuno, YAMAHA, Mitsubishi in Japan. Since 2003, we expanded the application of golf precision technologies and composite material technologies to the field of premium carbon fiber bicycles. The investee subsidiary, VGT (previously INDIA) launched into bicycle OEM, and produces the great tool for championship of the top-tier clients (carbon bike), which is the most light-weighted bicycle. Just in several years, it has won the favor of many world-renowned bicycle brands, such as EU: WILIER, ORBEA, DE ROSA, DT-SWISS; JP&US: BRIDGESTONE, FELT, IBIS, etc. The in-house premium bicycle brand **VOLANDO** and the new craftsmanship and aesthetics brand - **ALLTAS** (premium stainless steel faucet series)" demonstrate the value energy of innovative design. O-TA is one of the top 100 brands in Taiwan, stable operations and a deep commitment to "cultural and creative aesthetic design" have earned the trust and recognition of our brand clients!

Recognized with the "Outstanding Innovative Enterprise Award" at the National Industry Innovation Awards, as well as multiple Taiwan Excellence Awards, German Red Dot Design Awards, Golden Pin Design Awards, China Red Star Design Awards, and Asia Design Silver Awards, the Company has demonstrated its "sports technology and cultural creativity" soft power. It has also been featured by CommonWealth Magazine as one of Taiwan's Hidden Champions 2.0.

O-TA upholds the principles of integrity and pragmatism, the spirit of innovative R&D, the concept of sustainable operation, and a people-centered service attitude. Step by step, we continuously strive for excellence in our professional field, reaching new heights in our efforts, all in the hope of fulfilling the Company's vision "striving for a sustainable operating environment, aiming to become the most creative company in daily consumer goods and sports equipment, creating maximum value and the best services for our customers, employees, shareholders and the general public."





Based on O-TA's vision of "striving for a sustainable operating environment, aiming to become the most creative company in daily consumer goods and sports equipment, creating maximum value and the best services for our customers, employees, shareholders and the general public," O-TA has been strengthening its capabilities through research and development and replacing tradition with innovation. O-TA not only continuously refines its materials used and its craftsmanship, but also integrates the cultural and artistic aesthetic energy into its product design, creates its own product style and builds its unique competitive advantages.

## (I) Business Scope

### 1. Major Lines of Business of the Company

- (1) The manufacturing, contract processing, assembly and sales of golf club heads and those work-in-process products.
- (2) The manufacturing, processing and sales of casting art sculptures (with stainless steel and copper).
- (3) The import and export trading of the aforementioned products.
- (4) Wholesale and Retail sale of Bicycle and Component Parts Thereof. (provides bicycle-related products, sales and leasing services)
- (5) Premium stainless steel faucets and the wholesale and retail business of their accessories.

### 2. Relative Weight of Each Line of Business

In 2024, the Company is mainly engaged in the research and development, production, manufacturing, and processing golf club heads, shafts, golf equipment and other accessories, and the sales of complete bikes and their parts.

Item	2024 Sales Mix
Iron head	46.88%
Metal wood	31.68%
Assembly (shipment of golf equipment)	5.44%
Golf club	4.59%
Bicycle	7.48%
Other	3.93%
Total	100.00%

### 3. Current Products and Services Provided by the Company

The company is not merely a manufacturer but also a design and manufacturing service provider which is client-oriented and provides clients with exclusive "One-stop Shopping" services.

Main products provided by the Company are as follows:

- (1) Metal Wood : Casting or forged Metal Woods made of stainless steel, titanium alloy, or composite

materials.

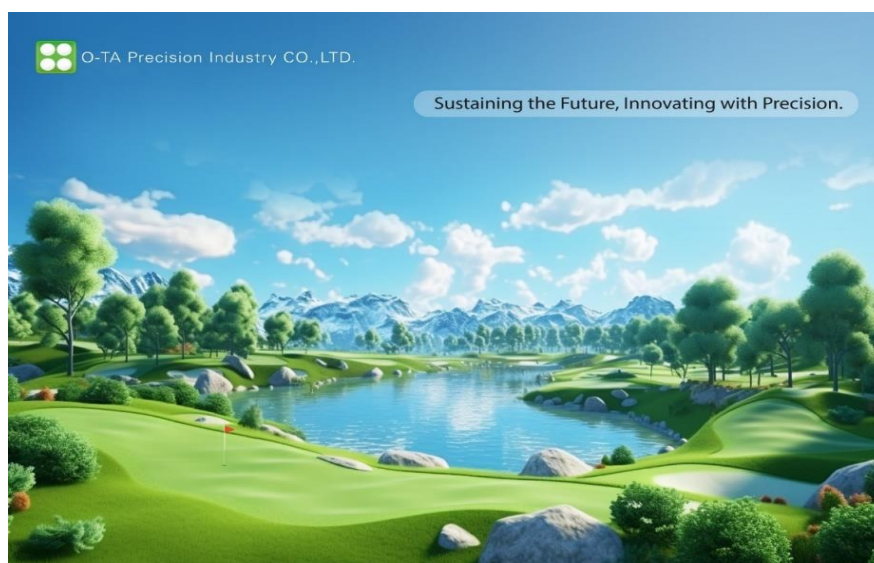
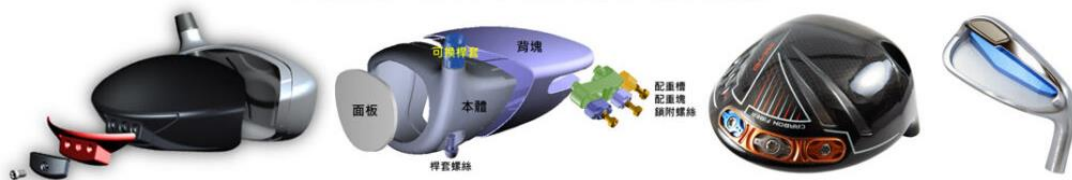
- (2) Iron Head : Casting or forged Iron Heads made of stainless steel, titanium alloy, or composite materials.
- (3) Putter : CNC Putters, or the casting or forged Putters made of stainless steel, titanium alloy, or composite materials.
- (4) Golf Shaft : Carbon Fiber Golf Club.
- (5) Assembly: the assembly services for golf club heads.
- (6) Sales of complete bikes and frame sets of the Company's bicycle brand and bicycle rental services.
- (7) Innovative design and casting art sculpture.
- (8) Premium stainless steel faucet products.

The product materials include titanium alloy (centrifugal casting), steel alloy (gravity casting), carbon fiber (from nonwoven fabric), and tungsten-nickel (powder metallurgy).



O-TA is committed to the research and development of innovative and high-tech materials and structural design!

It is also required to have the highest ethical standards in business operations and client service!



With 30 years of craftsmanship in GOLF, the Company has made the operating results:

1. In terms of **GOLF**, the Company continues to make innovations and has possessed the soft powers of “**sports technology and cultural creativity**” and “cultural innovation and aesthetic design”, which have demonstrated the results and won the customers. With the success in winning awards for consecutive years, O-TA has proved itself to be a company not only in the manufacturing industry, but also in the “design, manufacturing and service industry”.

※In 2011, the Company received the "Outstanding Enterprise Innovation Award" in the 1st National Industrial Innovation Award.

※At the end of 2012, the Company launched the “Super lightweight golf club- AE-1/AE-2”, demonstrating its strong capability in “cultural innovation and aesthetic design”.

※At the end of 2013, the Company creatively launched the classic "Bamboo Weaving" putter, which amazed the judges to achieve the Taiwan Excellence Award. The innovative “Bamboo Weaving Putter” is made of “Taiwan Makino Bamboo” with a special weaving method and color interlacing that surpasses the limitations of manufacturing traditional golf equipment and fascinates people so much.

※O-TA’s design team was recognized by the Red Dot Design Awards in Germany in 2013, 2015, 2017, 2018 and 2021.



## 2. Premium Bicycle OEM

In 2003, O-TA expanded the application of golf precision technologies and composite material technologies to the field of premium carbon fiber bicycles. The investee subsidiary, INDA Composite Technology Company (now known as VGT) launched into bicycle OEM, and produces the great tool for championship of the top-tier clients (carbon bike), which is the most light-weighted premium bicycle. Our premium OEM bicycles are supplied to world-renowned brands, such as EU: WILIER, ORBEA, DE ROSA, DT-SWISS; JP&US: BRIDGESTONE, FELT, IBIS, etc.



3. **VOLANDO** is a premium bicycle, and is the achievement of O-TA applying its renowned and sophisticated craftsmanship in the golf industry to the making of premium carbon fiber bicycles.

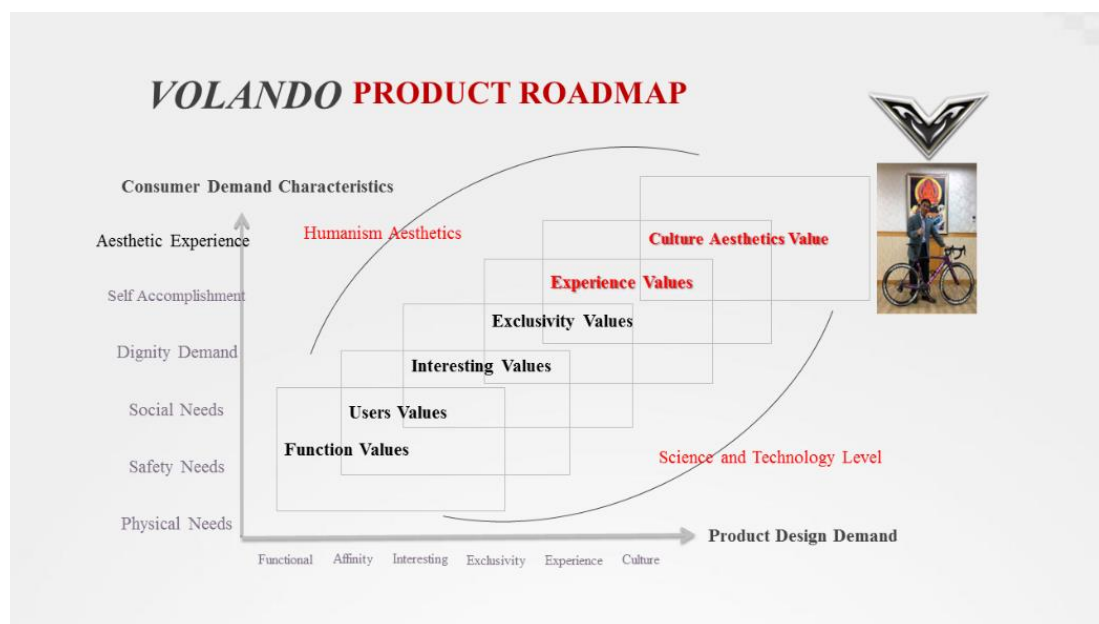
Encouraged by many parties, O-TA realized the dream of creating its own brand “**VOLANDO** Carbon-Fiber Bicycle” with the design concept of creative aesthetics in August 2009. **VOLANDO**’s brand spirit “Luxury Freedom” is taken from the Italian “fly, surf”. Since the brand was founded, 17 bikes have been recognized with Taiwan Excellence Award in 10 years.

\*Premium Frame Set designated for collection: The Taiwan Premium Road Bike ARLEX and Taiwan Pre-mium Road Bike Frame Set were designated by National Science and Technology Museum for collection.

\*Other award records: The **VOLANDO** bike “Charming Snow” has won the 2013 Golden Pin Design Award and 2014 China Red Star Design Award. V1 TEAM has won the silver medal in 2015 Design For Asia Awards. (Design For Asia Awards › DFA)



**VOLANDO** is an artistic premium bicycle. It is also the best approach to realize one’s self-worth. **VOLANDO** specializes in the research and development of carbon fiber technology, using its exquisite craftsmanship and top-quality materials to form a partnership with each person that matches his or her vision.



**VOLANDO** is made of high-tech nano-carbon fiber by O-TA to form a lightweight and fashionable shape, with the use of the same grade of graphite fiber as aerospace components which is 30% higher in specific stiffness than traditional carbon fiber! This high-performance composite material has many advantages, such as high specific stiffness, high degree of design freedom, corrosion resistance, shock absorption, fatigue resistance, etc., demonstrating both performance and fashion!

**Product development process - conforms with fluid dynamics and ergonomics to provide the best structural performance and product quality for customer as a commitment.**

Carbon Fiber Technology	VOLANDO's Advantages in Frame Set
Using the same grade of graphite fiber as the aerospace components used in the A380 and the Boeing 787 .	With high temperature resistance, wear resistance and high tensile strength, the frame sets are able to withstand the pressure from different directions, increasing safety for a more secure ride.
High stiffness, high degree of design freedom, corrosion resistance, shock absorption, and fatigue resistance.	With good elongation, the frame can be made into a streamlined shape to improve the aesthetic look of product. With corrosion resistance and fatigue resistance, the product can resist the influence of environmental factors, making the product's useful life longer; the frame set has the ability of strong shock absorption, which can reduce vibrations while riding on the road and make the customer more comfortable!
Graphite fibers of the most advanced “46 tons HS40 High Modulus” and “60 tons E60 Super High Modulus” in Japan, with newly developed nanoscale resin base material.	With the high modulus/strength graphite fiber, the frame's wall can be made thinner with less deformation and less weight, allowing customers to experience a lighter carbon fiber bike!
30% higher in specific stiffness than the traditional carbon fiber frame set.	Specific stiffness = stiffness/density. Product with high specific stiffness means that it can withstand more pressure and be made into thinner pipe to achieve the purpose of <b>light weight</b> .

#### 4. Premium stainless steel faucets & Innovative design and cast art pieces

The Company's innovative design team provides quality design services and has been recognized by the German Red Dot Design Award for many years, deeply cultivating the soft power of O-TA.

In 2015, the Company proudly launched the innovative aesthetic craftsmanship brand - “ALLTAS Stainless Steel Faucet Premium Series”, with a concern for taking good care of the water safety and environmental protection. The Company is the first brand in Taiwan to pass with a score of 100% the Mandatory Inspection

in the Drinking Water Faucet Commodities conducted by the Bureau of Standards, Metrology and Inspection, MOEA. The Company views “Nature, Environmental Protection, Safety and Health” as the brand's core value, emphasizing “Top Quality, Innovative Design, Health Inheritance, Sustainable Management and Top Reliable Choice”.

Having the designs made by designers awarded with German Red Dot Design Award, the technology patents and the environmentally friendly food grade 304 stainless steel base materials, the Company demonstrates its concentrated attention to brand management. ALLTAS insists on the use food grade 304 stainless steel on all our products. It is remarkable for its durability, corrosion resistance, temperature resistance, oxidation resistance and sanitary, and it is lead-free and non-toxic. Throughout the whole production process, the Company does not use the plating process in order to be environmental friendly - a way of environmental protection with no pollution produced. It is in line with the high-standard requirements worldwide for environmental protection, safety and sustainability. This is our responsibility to the environment and a concept of green environmental protection.



## 5. Newly Planning Products and Services for Development

### (1) Golf products

The development projects are designed by three main core features of technology, including “process and structure”, “performance improvement” and “new material development”. The Company’s development goal is to provide clients and the market with high-quality golf equipment of superior performance and modern appearance while being eco-friendly and low carbon emission by combining automated manufacturing processes into production to reduce production costs and improve process yields, with the introduction of carbon reducing process. °

- A. The Company exploits the resources, and integrate the core technologies of structural designs and material develop, to continuously develop innovative, shock-absorbing products with the best “sense of strike”, “sound of strike” and “sense of control”, along with “physical performance” and “high-added value”, pursuing the lightweight golf equipment and competitive products exceeding the functional performance in the market.
- B. Developing novel materials, innovative structures, processes, and technologies, including considering green energy and carbon reduction processes and upgrades for automation of production line equipment, to improve yields, reduce costs, and be friendly to the environment.
- C. The Company is developing new customized materials for clients.
- D. The Company is developing golf heads with low specific gravity and high-strength alloy or golf heads with low cost and high strength. Both types of golf heads will be forged or cast by various materials and assembled with tungsten, nickel, copper alloy and screws on the bottom.
- E. Titanium alloys, iron alloys, composite materials and other products.
- F. Development of the combination of heterogeneous materials applicable to golf heads.
- G. High quality, high value-added golf clubs.
- H. The Company provides not only the R&D services on the function, technology and materials of golf heads, but also the support for clients on development of external design. It also provides clients with the ideas of ID creativity and aesthetic culture.
- I. The Company continues to provide clients with “customized design” and “manufacturing services”, including “collaborative design”, “performance simulation” and “cost reduction”.

(2) Premium Bicycle OEM: Carbon-fiber made, lightweight, distinctive, high-quality, high value-added “Premium” frame sets and complete bikes.

(3) Stainless Steel Faucets Premium Products

(4) Innovative Design and Casting Artwork

### (II) Industry Overview

Health issues provide endless business opportunities! Modern consumers are increasingly prioritizing health issues, and the sports and leisure industry represents a huge market opportunity. In particular, golf is not only a sport that benefits both mind and body but also offers substantial business potential. In 2025, the golf industry will face multiple changes and opportunities, with the main trends and impacts as follows:

1. Launch of new products: International brands have launched new products to boost the market demand. These new offerings not only spark consumer interest but are also expected to drive overall market growth.
2. Diversification of Supply Chain Layout: Due to new U.S. tariff policies, brand manufacturers are shifting contract production to Southeast Asia, particularly Vietnam. This change will lead to a diversity of supply

chain layouts.

3. Growth in Market Demand: With the post-pandemic recovery in demand, especially in North American and Southeast Asian markets, the golf equipment market is expected to continue growing.

4. Technological Innovation: The application of AI and other technologies is transforming the golf industry. For example, the development of virtual golf training systems and smart golf equipment is enhancing both the sporting experience and training effectiveness.

Overall, the golf industry in 2025 is poised to reveal a new landscape driven by new product launches and supply chain adjustments.

## 1. Current Status and Development of the Golf Industry

### (1) Current Status and Development of the Golf Industry

The sport of golf originated in Europe and is a long-established sport that is prevalent in the US, Japan and Europe. So far, golf is a mature and growing industry and has been prevalent in North America, Japan and Europe.

In the global competitive market, Taiwan's golf industry plays an indispensable role in golf equipment supply chain. More than 80% of golf club output are covered by Taiwanese manufacturers on OEM/ODM basis, with production sites located in Taiwan, which is now the most important base to provide golf equipment worldwide. Most well-known brand names in the golf industry worldwide have contracted with Taiwanese manufacturers, which can be viewed as the top manufactures for golf equipment around the globe.

Golf club heads are the highest value-added component, with the most complicated technology required, during the manufacturing process of golf equipment. Its manufacturing flow is mainly divided into two segments. The front-end process is technology-intensive, requiring precision casting or forging capabilities, while the back-end process is labor-intensive, needed to be equipped by trained and skilled workers. The design of golf club heads, regardless of material, structure and external design, must strictly comply with the golf rules and undergo the challenges resulted from the limitations in innovative design and technology. Such kinds of challenges are in favor of Taiwanese manufacturers, due to decades of manufacturing experience they have accumulated. These Taiwanese manufacturers also own adequate capital, rich skilled manpower, advanced manufacturing technologies, excellent design capacities, long experience in golf head manufacturing and excellent management system. With the excellent product quality, coupled with the rich experience in supply chain management and the satisfactory delivery time for clients, Taiwan has become the largest supply base for golf club heads in the world. Moreover, since a complete supply chain system is required for the process of design, development, production and sales, and the capabilities of technology and development of Taiwanese manufacturers have been long recognized by the major brands, the Taiwanese manufacturers and major brands have established an inseparable long-term partnership, creating barriers for new competitors to enter the market.

Due to the business model which profitability is determined by how close and long-term the manufacturers work with their clients, the manufacturers in the industry have been moving towards the provision of manufacturing services, rather than just simply receiving orders, manufacturing, and delivering goods as in previous time. The collaborative development or collaborative design with clients, as well as the research and development of new process technologies, new materials, new

structures, and new styles have become indispensable in the golf industry. Facing the trend of complex design and manufacturing for golf equipment, the major brands are also actively seeking a supply chain system that can make collaborate design and cooperation together in order to co-exist in the market. The golf equipment market has been stable and mature, and the Taiwanese golf manufacturers have mastered the keys to success: client relationships, R&D capabilities, and economies of scale, resulting in its achievement of indispensable role.

The COVID-19 pandemic in 2020 has brought about a period of prosperity to the golf industry, changing the life pattern as it subsided. The change in composition of players of golf, a type of safe and healthy outdoor sport, has brought a turning point for the industry, boosting the demand. According to data of The R&A and Sport Motivation Scale (SMS), golf has gained popularity worldwide since 2016 in that the number of golfers worldwide has increased from 61 million to 66.6 million, among whom the increase in younger population and women are the most notable; this is conducive to the development of the industry. As the world is gradually removing its pandemic control restrictions, diversified leisure options, inventory adjustment, and economic growth inhibited by inflation will become the three major issues that still bring some challenges to the golf club head OEM industry in the future. In the future, the golf industry has returned to its pre-pandemic pattern, which features alternate peak-seasons and off-seasons and seasonal marketing. Fortunately, since the golf industry has scaled up compared to its pre-pandemic level, the market potential in the future is still expected.

According to the latest market forecast in the “Golf Club Market: Global Industry Analysis, Size, Share, Growth, Trends, and Forecast, 2024-2031” report, global golf participation is expected to continue growing in 2025. It is projected that the number of global golf participants will reach approximately 70 million in 2025, a significant increase from 66 million in 2023. North America and the Asia-Pacific region remain the areas with the highest golf participation rates. This growth is primarily attributed to the increased participation of younger generations (18 to 34 years old) and female participants (with female golfers' participation rate expected to reach approximately 25%). Trends indicate a continuous rise in golf's popularity globally.

## (2) Relationship between the Upstream, Midstream and Downstream Sectors in the Golf Industry

Upstream Industry	Steel refining industry, metal manufacturing industry, carbon fiber fabricating industry (including suppliers of various materials)
Midstream Industry	Manufacturing industry for golf heads, golf clubs and golf equipment (including various production process such as precision casting, forging, injection molding, composite molding, machining, grinding, coating, assembling, club making, etc.) )
Down-stream Industry	Major brand names for golf equipment For example: AKIRA, Bridgestone, Callaway, Cleveland, Cobra Puma, Dunlop, HONMA, KASCO, Majesty, Maruman, Mizuno, Ping, PXG, S-Yard, Taylor Made, Titleist, Tour Edge, TSURUYA, Wilson, YAMAHA, Yokohama, etc.

## (3) Golf Product Development Trends and Competition

The golf club heads could be divided into three categories: Metal wood, Iron head and Putter.

### A. Metal Wood

The 1-wood (“Driver”) is used to launch the ball. Its goal is to get the ball as far as possible towards the green with a nice sound. In order to broaden the sweet spot, the driver is designed to be bigger and more lightweight. As is known, titanium is stronger, stiffer and lighter than other metals.

Therefore, the driver with a titanium club head, with a higher CT rate, a nicer sound and an improved sweet spot, enables a golfer to hit the ball faster, farther, and straighter. Drivers with titanium club heads have become the mainstream product in the market, and some of these drivers have added with new composite materials. As for the “Fairway” wood, stainless steel is its mainstream material. In terms of the development of metal woods, the composite metal woods with the combination of heterogeneous materials has recently become a trend due to its best effects of creation and counterweight, and also because of its characteristics of customized elasticity and multiple combinations for the best performance. New materials, new structures, and new styles are used to refine the sense of strike and sound of the golf head, creating the best sense, sound, accuracy, and sense of control. Golf equipment designed with physical functions, customized features and light weight is still an important development trend in the future.

More features in terms of the “sense of control” have been put into driver products, such as “adjustable shaft”, “adjustable weight”, “adjustable angle” and “aerodynamics”. Meanwhile, golf equipment also emphasizes the “aesthetic creativity” of “sound” and “beauty”. Therefore, the exterior colors used for products are also moving towards bold and lively, with three-dimensional painting and three-dimensional shapes. The design of the golf head is also moving towards a more fashionable, high-end design in order to attract more customers and encourage customers’ willingness to try new golf clubs.

#### B. Iron Head

The irons are mainly focused on enabling ball to travel much straighter and accurately after contact. Its major material is stainless steel and its appearance is oriented to both beauty and control, targeting a high rebound, high speed and a precise hitting distance. Therefore features such as advanced metal materials, new joint structures, composite materials, vibration absorption and wear resistance, are major development trends now when designing irons.

#### C. Putter

The putter is used on the green to roll the ball into the hole, so it is important to control the direction and distance to stably and accurately hit the ball. In terms of external shape, although there is still no general standard, the beauty of the shape and the center of gravity are the main concerns in terms of design and function. How to keep the striking surface from rotating while using the putter. In terms of manufacturing, precision casting is the main method, and the use of a CNC golf head can stabilize the center of gravity and maintain its uniformity. In terms of materials, the main focus has been on the combination of composite materials to achieve stability and good control while hitting ball.

The current trend for drivers and irons is to purchase them individually rather than as a complete set, in order to let customers enjoy the infinite charm of distance. However, brands will still make adjustments according to the economy. Making the products large, lightweight, customized (adjustable shaft, adjustable weight, adjustable angle, etc.), beautiful and user-friendly with high performance and better sound is the unchanging trend for development. Since golf club head is a highly designed product regulated by the rules of golf, the manufacturers must develop new products under the challenge of limits for various materials, structures and technologies. Hence, the manufacturers must attract customers’ attention by designing the unique features and rapidly changing the design of the golf head,

resulting in the importance of computer-aided golf head design technology and golf swing simulation technology. In addition, the development of rapid product development technology and automated, technological and high-precision processes are also important factors in maintaining the industry's competitive edge.

## 2. Current Status and Development of the Bicycle Industry

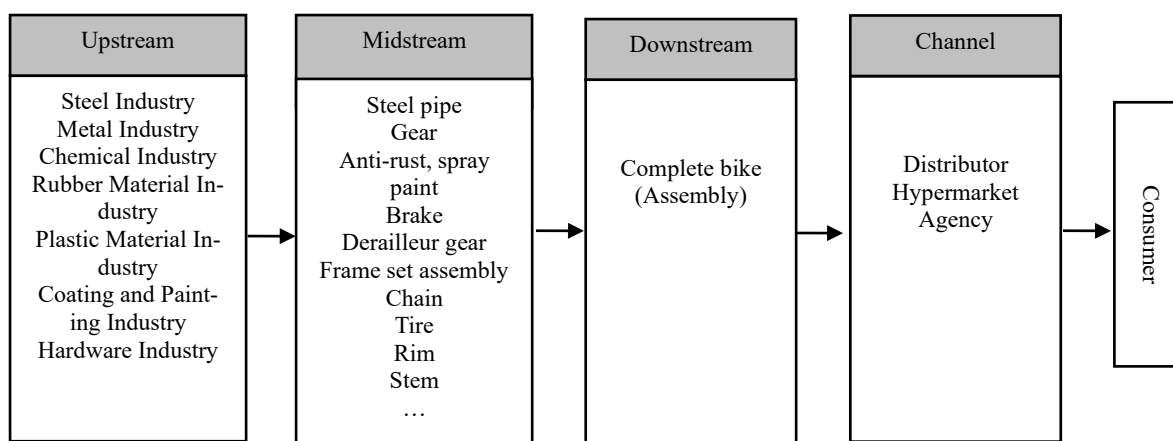
### (1) Current Status and Development of the Bicycle Industry

In order to maintain a safe social distance and avoid the risk of intensive contact on the public transportation during the pandemic, the sales of bicycles exploded in 2021 and 2022; however, after the lockdowns were lifted, the bicycle industry in 2023 encountered shipping jams at ports and repeated orders by distributors during the pandemic resulting in the bottleneck of over-high inventory level. The European and the U.S. markets are in the closeout process. In addition, the Russia-Ukraine war and inflationary factors have affected the spending power of European and American people. As a result, bicycle brands have slashed orders for new bicycles, impacting the performance of Taiwan's bicycle industry. The bicycle industry is expected to exhibit new growth momentum in 2025 driven by technological innovation (e.g., the use of high-tech AI), policy support (such as European subsidies for e-bikes), shifts in market demand (practical applications), and supply chain challenges (global economic fluctuations and changes in trade policies).

### (2) Relationship between the Upstream, Midstream and Downstream Sectors in the Bicycle Industry

Taiwan's bicycle industry chain is led by the major manufacturers, which then drives the development of upstream, midstream and downstream manufacturers, resulting in horizontal and vertical collaborative relationships. Please refer to the following diagram for the main relationship of bicycle industry. In the supply chain of the bicycle industry, the midstream industry, which purchases related raw materials and produces frame set systems, transmission systems, wheel systems, control systems, and other related parts, is the most complicated among all industries. Moreover, the downstream complete bike industry purchases components, produces and sells complete bikes through assembly lines. Therefore, there is a detailed division of labor and process in the bicycle industry, and each kind of parts has its own professional manufacturers. For the complete bike manufacturers, while some of them produce frame sets, most of the others purchase manufacturing parts from professional manufacturers for assembly.

Each bike needs to be assembled with more than 2,000 primary and secondary parts. The bicycle industry can be divided into the complete bike industry and the parts industry, and the scope of the industry covers metal, rubber, alloy and chemical industry, etc. Its technological development and market can drive the development of related basic industries and other industries in the surrounding areas.



### (3) Bike Product Development Trends and Competition

Since its start in the 1950s, Taiwan’s bicycle industry has been developing for 70 years. Developing from the early OEM business model, Taiwan’s bicycle industry now has several well-known brands. For example, the bikes of Giant have been selling worldwide and the brand Giant has obtained the most market share in the global bicycle market; Merida is one of the top three complete bike manufacturers in the world, marketing with its own brand “MERIDA”, joint-venture American brand “SPECIALIZED” and European brand “CENTURION”. Merida mainly produces and sells middle and premium bikes, being one of the prestigious leading brands for premium bicycles around the world. VGT Composite Technology (Huizhou) Co., Ltd., a subsidiary 100% invested by the Company, is a premium bike OEM with clients of renowned brands located in Europe, America and Japan, such as EU:WILIER, ORBEA, DE ROSA, DT-SWISS, JP&US:BRIDGESTONE, FELT, IBIS, etc.

## 3. Current Status and Development of the Plumbing Hardware Industry

### (1) Current Status and Development of the Plumbing Hardware Industry

According to reports compiled by IHS Markit (July 2022), the Organisation for Economic Co-operation and Development (OECD) (September 2022), and the Metal Center MII-ITIS research team (October 2022), the plumbing hardware industry has undergone multiple changes and challenges in recent years. In 2022, the global plumbing hardware market was affected by the pandemic, Russia-Ukraine War, and inflation. The consumption demand in major import countries such as the US, Europe, and China has declined. However, as the pandemic has gradually eased, the market demand has gradually recovered. In response to the global emphasis on environmental protection and sustainable development, and the development of technology innovation, the application of AIoT (Internet of Things) technology, and the active development of environmental protection products are changing the plumbing hardware industry. The development of smart faucets and water-saving equipment not only improves the functionality of products, but also satisfies the needs of consumers for environmental protection and energy saving. The demand for water purification equipment is also increasing. Due to the increase in geopolitical risks, many hardware manufacturers have begun to adjust their supply chain deployment, and have some of their production sites relocated to regions with lower risks to improve the resilience of the supply chain. As the global economy gradually recovers — especially with the rebound in the real estate market — the demand for plumbing hardware products is also increasing. In the first half of

2024, Taiwan's plumbing hardware industry has already shown signs of recovery, with export volumes growing by 7.7% compared to the same period last year. Overall, while the plumbing hardware industry continues to face challenges, it is also encountering new development opportunities.

(2) Relationship between the Upstream, Midstream and Downstream Sectors in the Plumbing Hardware Industry

Upstream Industry	Steel refining industry, metal manufacturing industry, plastic material manufacturing industry (manufacturers of mandrel, rod, parts package, etc.), rubber material (water-seal and oil-seal manufacturers).
Midstream Industry	Plumbing hardware industry, valves assembly (including various production process such as precision casting, forging, machining, grinding, coating, etc.) )
Downstream Industry	Hotels, trading companies, agency, building materials firms, hardware chain stores, household goods chain stores, construction companies, electrical and plumbing stores, etc.

(3) Plumbing Hardware Product Development Trends and Competition

Faucets are the most widely used appliance at home, especially in the kitchen and bathroom, and are therefore indispensable to consumers of the general public for washing, cooking, face cleansing, brushing, and cleaning. Although faucets don't look it, they are essential to drinking water safety and people's health. Inferior faucets with excessive lead content wield immense adverse impacts.

Due to the competition from manufacturers in mainland China, traditional plumbing hardware has become abundant in volume and is increasingly cheaper. Taiwan's plumbing hardware industry, thanks to its solid foundation of good quality as always, has aptly responded by actively expanding its product portfolio, adding functional, artistic, and ornamental elements, and providing a wide range of after-sale services. This not only brings the industry to life, but also delivers more diverse development possibilities while completing the supply chain. Judging from the rising unit price of exported Taiwanese faucets in recent years, the industry is gradually transitioning towards high added-value and high unit prices.

The essentials to plumbing hardware innovation are the requirements of energy- and water-efficiency, assurance and reliability, high quality, zero-contamination, long lifespan, resistance to wear and tear, lead-free, resistance to bacteria, and pleasant visual appeal. In addition, advancing electronic application technologies have increased the volume of digital control products and sensor-controlled products (smart temperature control), making it more convenient to apply plumbing hardware.

Developing to date, the plumbing hardware industry has focused on the important issues of water safety, energy saving and the regulation issues of heavy metal contained in products. With the successive implementation of relevant drinking water regulations, the plumbing hardware industry will significantly increase the use of stainless steel materials into its products after the regulations come into effect, which will better meet the global high standards for "environmental protection, safety, health and sustainability".

With 30 years of experience in manufacturing high-grade stainless steel golf club heads and the top-notch casting technology of "one-piece molding without welding", O-TA has actively grasped the business opportunities in plumbing hardware industry and established its innovative aesthetic craftsmanship brand "**ALLTAS**". With the spirit of "Safe Water, Toxic Free", **ALLTAS** insists on using food-grade 304 stainless steel, which is lead-free, non-toxic and complies with the requirements set by

the Bureau of Standards, Metrology and Inspection, MOEA for drinking health. **ALLTAS** was the first brand in Taiwan to submit its faucets products to the Bureau of Standards for testing. **ALLTAS** has recently obtained certificates for 13 relevant products. Since the products' specifications are much higher than the qualified standards, **ALLTAS** was the first brand in Taiwan to pass with 100% the Mandatory Inspection in the Drinking Water Faucet Commodities conducted by the Bureau of Standards, Metrology and Inspection, MOEA. Before that, **ALLTAS** has also been awarded the Water Efficiency Label and recognized by several U.S. UPC certifications, and has obtained many patents for the direct drinking faucet products. **ALLTAS** hopes to build a non-toxic environment for healthy water usage and for the general public to have a choice in "nature, environmental protection, safety and health", making itself a role model for the plumbing hardware industry.

### (III) Technology and R&D Overview

1. R&D expenses and percentage of R&D expenses to net sales for the most recent year and the current year as of March 31, 2025

Item / Year	Unit: NT\$ thousands; %	
	2024	March 31, 2025
R&D Expense	25,111	5,905
Net Sales	4,637,473	875,722
Percentage	0.54	0.67

Note: The amount for current year as of March 31, 2025 is the Company's self-assessed amount.

#### 2. 2024 R&D Results

The 2024 R&D results are as follows:

- (1) New material technologies and mass production results for golf club heads: continuous development of high-strength titanium alloy plates, high-strength titanium-based casting materials, high-strength iron-based plates, high-strength iron-based casting materials, variable hardness casting materials, high-strength with low density materials, and other high-strength plates.
- (2) Results of new structure and new design and mass production of golf club head: the golf head structure design and manufacturing method with composite materials, exterior design of heterogeneous materials, the combination structure of heterogeneous materials, the application and production method, and the high-performance golf head structure design, etc.
- (3) Development and mass production of golf club heads simulation analysis system technology: high MOI structure, high rebound, weight margin, audio enhancement, weight distribution, structural stress analysis, aerodynamics, etc., used to accurately predict the performance of designed products.
- (4) Patents: 8 patents were granted in 2024 (as of March 31, 2025), including Taiwan invention patents for "Striking surface of golf club head, machining tool thereof, machining method," "Carbon fiber golf club head," "Golf club head," "Golf club head including carbon fiber striking member," "Manufacturing method of multi piece golf club head," and "High-strength low-density titanium alloy plates and their manufacturing method;" China invention patents for "Martensitic steel plates and their manufacturing method;" Japan invention patents for "Carbon-fiber composite golf club head." A total of 8 patent applications are under review including Taiwan and China invention patents for "Method for processing striking surface of golf club head," "Composite material golf club head," "Composite material golf club head," and "Golf club head and manufacturing method."

### 3. Future R&D Plans

The Company will continue to refine the golf club heads with R&D and innovation, and process capabilities to meet markets' and clients' expectations for products and services.

- (1)The Company will focus on the advanced development and application of composite materials by integrating heterogeneous materials with innovative exterior design, aiming to surpass comparable functional performance.
- (2)The Company will continue to develop complex designs in order to enhance the functional and sound quality of golf club heads to provide innovative experience for consumers.
- (3)The Company will continue to develop manufacturing process with low-carbon to reduce the pollution made by organic chemicals, advancing the development and use of recycled materials, with an emphasis on environmental friendliness.
- (4)The Company will continue to trace the market trends and launch products that meet the market requirements and exceed clients' expectations in order to enhance the Company's competitiveness.
- (5)The Company will continue to enhance the CAE computer simulation analysis technology in order to improve the design capability and provide clients with solutions to the development of golf head.
- (6)The Company optimizes and upgrades automated production line to stabilize quality of manufacturing, improve production efficiency and reduce the operating costs.

In respect of intellectual property management, the Company's plans are as follows:

- Intellectual property management policy: to actively conduct research and development in order to keep innovation ability and strengthen competitive advantages; to emphasize the acquisition of intellectual property rights in order to protect the R&D results; to respect the intellectual property rights of third parties (including clients and suppliers) by never infringing their rights and keep their information confidential in order to ensure sustainable management.
- Implementation of intellectual property management: the Company implements the established policies and measures in accordance with the established policies and measures, and regularly reports to the Board of Directors. The reports were reported to the Board of Directors on November 9, 2023 and November 5, 2024 for the Board of Directors for the recent two years.
- Intellectual property management measure

#### (1)Patent

- A.Patent Review Conference: Conduct internal review for each patent proposal, including the search on international patents and review of patent conditions, to ensuring the feasibility of the patent proposal.
- B.Regular monitoring for patent: Obtain the latest information on patents of the industry to keep up with market development trends.
- C.Construction of patent map: List the relevant patents by technology to understand the current status of the industry.
- D.Regular maintenance review: Review the production status of the approved patented products and their relevance to marketing results in order to evaluate the necessity of annual maintenance.
- E.Regular sharing on patents: Stimulate the design ideas of R&D staff and enhance their sensitivity of patentable concepts through the sharing of patent inventors.
- F.Patent reward system: In order to encourage employees to increase thinking on their work, the

Company holds the spirit of improvement and proposes improvement plans to rationalize the operation process, increase efficiency and reduce costs. It also promotes innovation and R&D ideas to ensure the legitimate ownership of intellectual property, to implement the R&D results, and to enhance the Company's competitiveness and technological image.

(2) Trademark

A. Layout of brand market: The Company focuses its plan for layout on the locations of design, development, production, manufacturing and sales activities, resulting in a market layout that has covered Asia and Europe.

B. Regular maintenance review: The examination conference will review the use of registered trademarks to evaluate the necessity of continuous maintenance. Meanwhile, it will observe the corporate planning and development for the future and conduct search on new trademark and application for trademark registration.

(3) Copyright

The Company has signed copyright agreements with its employees that govern the ownership of work done during their employment period, and these agreements do not cease to be effective upon termination of employees' employment in the Company.

(4) Trade Secrets

The Company has signed confidentiality agreements with its employees, including provisions that regulate the obligations for employees to return the Company's property and not to disclose the Company's information or any Company's secret upon termination of their employment.

(5) Information Safety Management

All computer devices should be logged on by employee's personal accounts and passwords. Moreover, the network connections, data access and storage, and instant messaging software are all restricted by authorized license in order to prevent leakage of company information.

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

1. Short-term Development Plans:

- (1) Being lean and innovative, the Company continuously provides clients with collaborative, tailor-made, high value-added design and manufacturing services, and pursue sustainable development.
- (2) Differentiated operation, strategic order acceptance.
- (3) Stabilizing key client relationships, explore new client opportunities for steady growth, and promote business growth.
- (4) Lean R&D management and stable end-to-end production processes.
- (5) Continue to strengthen the integration of production and sales, perfect the supply chain system, and improve pre-production readiness throughout the entire process.
- (6) Efforts are made towards low-carbon and smart manufacturing initiatives, gradually promoting green production, including supply chain green manufacturing.
- (7) Implement a market-oriented technology roadmap and deepen key independent core technological capabilities and the level of automation.
- (8) Talent sustainability, cultivation of key talents, stabilization of human capital of the production lines, and enhancing agile and flexible collaborative capabilities
- (9) Promotes ESG sustainability management and implements energy-saving and carbon reduction, as

well as shifts towards to the whole process by means of reduction, recycling, and substitution as improvements, and for the innovative breakthroughs of technologies and new workmanship; practice green research and development, green production, and green life; and fulfill corporate social responsibilities.

- (10) In order to meet client demand and diversify risks, the Company has increased investment in the Vietnam plant.

## 2. Long-term Development Goals

- (1) With Taiwan as its design, R&D, sales, and management center, the Company implements strategic production layouts to meet client demands, strives to build competitive manufacturing bases, continuously refines “manufacturing management,” “logistics management,” and “innovation and R&D,” constantly enhancing the added value of products, and creates an irreplaceable position in the market.
- (2) The Company is committed to striving for a sustainable operating environment, implementing comprehensive ESG management measures, and fulfilling its corporate responsibilities, aiming to become the most creative company in daily consumer goods and sports equipment, creating maximum value and the best services for our customers, employees, shareholders and the general public.
- (3) Upholding the ideal of “Integrity and Practicality; R&D and Innovation; Sustainable Development; and Serving the People,” the Company effectively consolidates and streamlines its operational processes and seeks innovation and breakthrough, so as to achieve a management synergy in terms of quality, delivery date, cost, service, and innovation, thereby creating irreplaceable, great competitiveness.
- (4) Aiming to build itself as a “design and manufacturing service” that is client-oriented and provides client with design and manufacturing services like “collaborative design” and “performance simulation” and of “high added value” and “customization.” In addition, aided by its all-process production capability, lean operating process management, and application and development of automatic technologies, the Company will deliver breaking and competitive innovation and R&D results to share with clients, to gain stable revenue in the long term.

## II. Analysis of the Market, Production and Marketing Situation

### (I) Market Analysis

#### 1. Major Products and Sales by Geographic Region

The Company’s main products are golf club heads and golf equipment, and the main regions for sales are as follows:

Unit: NT\$ thousands; %

Region \ Year		2024		2023	
		Sales Amount	%	Sales Amount	%
Export	Asia	1,247,917	26.91%	1,421,097	32.54%
	America	2,449,762	52.82%	2,219,277	50.81%
	Europe	705,782	15.22%	526,148	12.05%
	Other	89,878	1.94%	56,514	1.29%
	Subtotal	4,493,339	96.89%	4,223,036	96.69%
Domestic		144,134	3.11%	144,605	3.31%
Total		4,637,473	100.00%	4,367,641	100.00%

Note: The column “Other” includes material sales revenue and processing sales revenue.

## 2. Major Competitors and Market Share

### (1) Golf Market

Although the golf market has been at a mature stage, almost 80% of the global OEM orders are taken by Taiwanese manufacturers. Moreover, since most of the Taiwanese OEM manufacturers have strategic alliances with major international brands, those manufacturers are able to receive orders without risk. At present, the top four manufacturers for golf club heads in Taiwan are Fusheng, Advanced, O-TA and Dynamic, with a common layout pattern which is to receive orders in Taiwan and complete mass production in China, Vietnam or other regions, while Dynamic has moved its production plant in China back to Taiwan.

In 2024, the Company has shipped 3.18 million golf club heads and golf equipment for sales. The estimated market share for the Company is 5 % (based on a rough estimate of 66 million units sold worldwide per year). Additionally, the estimated total market share of the four manufacturers, including O-TA, Fusheng, Advanced and Dynamic, is over 80%.

### (2) Bicycle Market

The current top three bicycle manufacturers in Taiwan are Giant, Merida, and SRAM. Giant Manufacturing is one of the world's largest bicycle manufacturers, with its own brands including GIANT, Liv, and Momentum. It has manufacturing bases and sales subsidiaries in multiple regions globally, and its products cover mid-to-high-end bicycles and components. Merida focuses on the mid-to-high-end market and owns its own brand, MERIDA, as well as joint venture brands SPECIALIZED and CENTURION. SRAM is focused on the manufacturing of bicycle components.

VGT Composite Technology (Huizhou) Co., Ltd. (100% invested by INDA Composite Technology) is a bike manufacturer with clients of renowned brands located in Europe, America and Japan.

### (3) Plumbing Hardware Market

The annual output value of Taiwan's plumbing hardware industry has broken NT\$60 billion, most were derived from exports. When breaking the amount down by material used, 40% came from copper products, 20% from zinc products, 5% from aluminum products, 2% from stainless steel products, and the rest from ceramic products. As the regulations for drinking water take effect successively, the plumbing hardware industry will boost its use of stainless steel in order to meet the world's demanding requirements of "Eco-friendliness, safety, health, and sustainability".

With 30 years of experience in manufacturing high-grade stainless steel golf club heads and the top-notch casting technology of "one-piece molding without welding", O-TA has actively grasped the business opportunities in plumbing hardware industry and established its innovative aesthetic craftsmanship brand "ALLTAS", which is at present in a initial developing stage.

## 3. Future Industry Supply & Demand and Growth

### (1) Future Industry Supply & Demand and Growth of the Golf Market

At present, the global golf market is mainly dominated by the United States, Japan and Europe, with a total of market demand accounting for more than 90% of the entire market. While the future supply and demand and the growth of the golf market - new markets and new demand - should not be underestimated, especially the growth of emerging golf markets such as China, Korea and India and the growth of women and youth playing golf.

The golf industry boosted against the tide of the COVID-19 pandemic. Phil Anderson, chief development officer at the R&A, said, “Golf is in full-scale popularization. We have seen soaring participation in sports worldwide, especially during the pandemic over the past two years when people found out that outdoor sports could be safer and give more health benefits.”

As pandemic restrictions were gradually lifted, the consumption market recovered exponentially. As a result, outdoor activities allowing the keeping of social distance has become a popular option. Golfing is seen as safe and healthy outdoor activities, and it gives a sense as if one were abroad. Golfers' structure changed (e.g., featuring younger and more women golfers), but the number grew against the wind. All golf tournaments were resumed successively, spurring demand. During the COVID-19 pandemic, the golf consumption market in the USA, Japan, and the Europe skyrocketed, driving down the inventory level of golf distributors in the downstream while cutting time to market of new products launched by brand owners, causing the demand for all products to surpass the supply.

The growth of the golf industry during the pandemic was mainly attributable to the demand for outdoor sports as a result of the pandemic, which in turn increased the number of both golfers and golf outings and caused brand owners to actively replenish their inventory, do marketing, and prepare for the Olympic Games. In the post-COVID-19 era, the golf market has scaled up and the stickiness of new golfers to the sports has become robust; this will facilitate the development of the golf market, despite the steady increase in the demand for golf club replacement. Golfers' preference to custom, differentiated, light, selective golf clubs remains unchanged, which will fuel another wave of demand. However, the reduction of consumption caused by the global economic recession, changes in the supply and demand of the sporting goods market, and clients' inventory adjustment are the focuses of the industry at present, including the impact of climate factors on demand and terminal retail sales.

●Supply Side:

Taiwan has become the base of leading golf suppliers in the world and its position will be even more important in the future.

The brands in the golf market hold the concept that “the powerful are always powerful”, continuing to do contract manufacturing (ODM/OEM) by using their brand image and purchase high-quality and competitively priced products from various places around the world. Moreover, with their strong financial resources, they launch promotions, create new market channels, enhance their service to consumer to strengthen their loyalty to the brand. Since Taiwan has more than 30 years of history in the manufacturing of golf equipment, and has a wealth of production experience, technology and a complete system of relevant industries, Taiwan has become the top choice for the golf brands in United States and Japan to cooperate with. Currently, the major golf manufacturers have completed the integration of resources by setting Taiwan as the R&D and management center and China or Vietnam as the production base. Taiwan's major manufacturers, such as O-TA, Fusheng and Advanced, have moved the production center to the Mainland China or Vietnam. Despite the influence of U.S. major manufacturers in continuing to release its OEM and purchase orders to companies located in Far East Asia, Taiwan remains an important base for the supply of global golf equipment and a major center for international brands to purchase golf products, playing a crucial role in the global market.

The Company operates at a stable stage and serves a diversity of clients. It is also highly flexible

with strong R&D and manufacturing capabilities, excellent production technology, high product quality, perfect customer service and good client relationship. Since both software and hardware equipment of the Company are well recognized by the clients, the Company has become one of the major partners of international brands.

Over the years, the Company has collaborated with the clients to design and develop high-quality and high value-added products that have been well recognized by the clients, who have long relied on O-TA to produce their products. The golf equipment produced by O-TA has continuously been recognized by magazine awards and won gold medals, proving itself the best tool for players to win the championship. Moreover, the Company's products represent the fruits of close collaboration between O-TA and its clients.

●Demand Side:

According to Statista Market Insight, a survey organization, the global market is expected to grow, but the annual growth rate of the global high golf equipment market is different in each region. The compound annual growth rate (CAGR) in Asia Pacific is expected to be 7.16% by 2029, reaching US\$3.9 billion in market scale. The growth rate of the Chinese market is expected to be higher than the average, with a CAGR of 7.46%. It is expected that the market scale will reach US\$2.83 billion by 2029.

A. The global golf market is dominated by the United States, Japan and Europe, while the population of golfers in emerging markets (especially mainland China, where the State Council has classified golf as a leisure sports) and the female market are also growing.

The United States remains one of the world's largest golf markets. Data from the National Golf Foundation (NGF) indicates that in 2022, over one-third of the U.S. population aged five and older participated in golf-related activities — whether playing golf indoors or outdoors, watching golf competitions, reading related information, or listening to relevant podcasts.

B. Aging society and the increasing population of senior golfers.

C. Golf returned to the Olympics for 2016 and was officially reinstated as an Olympic sport. Driving the demand: it is anticipated that a new demand among youth will emerge — characterized by low-priced and non-compliant equipment. This is the market that brand giants are set to tap into, so the OEM business is expected to boom in tandem.

D. Demand fueled by golf tournaments: Stimulated by Tiger Woods's recent win of the Masters Tournament championship, the demand for golf boomed, injecting significant driving forces into golf and the golf industry.

E. With the popularity of golf sport and the increasing population of female golfers, the demand in golf market will continue to grow.

As golf gains a rapid access to consumers with ordinary income, golfing has thrived in the USA and Japan, and the number of golfers and female golfers in Asia and other regions has also gradually increased, a reason why demand is picking up. Many brand giants have launched pink golf equipment, signifying the importance they attach to the market aimed at female golfers.

**F. Products which are customized, differentiated and made light-weight with less quantity but multiple varieties can better meet consumers' needs:**

Customers have developed the habit of making a repeat purchase of a golf club every 1~1.5

years. Novel technology that allows interchange of golf club heads, shafts, and grips, and the use of composite materials or new materials increase consumers willingness to buy and shorten the purchase cycle.

The life cycle of golf clubs has been shortened. The introduction of new golf clubs often represents a further breakthrough in its materials, structures, technology, controllability and striking distance. With the new strategies continuously launched by the manufacturers, consumers have focused more on the sense of accomplishment in golf swinging and been more willing to switch golf clubs according to the trend. In addition, due to the increase in national income of each country and the rising awareness of sports and leisure activity, consumers apparently tend to buy more golf equipment while the same type or different types of products and brands are launched, showing a trend of repetitive consumption.

- G. Golf has become a sport for the general public and the cash prize awarded for a golf game is extremely rewarding, which has made the sport game more attractive and raised the awareness of the overall sport activities, especially in the rapidly developing countries.
- H. Golf is a socially distanced, safe, and healthy outdoor activity. During the COVID-19 pandemic, the surge in golf participation led to a structural shift, with a younger playing population and a significant boost in consumer market demand. Even after the pandemic, demand remains high and the overall golf market has expanded, and the stickiness of new players to the sports has become robust, facilitating the development of the golf market. However, global economic conditions continue to affect the supply and demand dynamics in the sports equipment market, and clients' inventory adjustment are the focuses of the industry at present, including the impact of climate factors on demand and terminal retail sales.

## (2) Future Industry Supply & Demand and Growth of the Bicycle Industry

### ●Supply Side:

According to the latest data, the top three bicycle-producing countries in the world are China, Taiwan, and Germany. These countries each have their own advantages in bicycle production and hold important positions in the global market:

1. China: China is the world's largest bicycle production country, accounting for 60% of the world's bicycle production. The bicycle manufacturing industry in China has the advantage of large-scale production and low cost.
2. Taiwan: Taiwan is the second-largest bicycle producer globally, renowned for its high quality and innovative designs. Taiwanese bicycle brands such as Giant and Merida enjoy an excellent reputation in the international market.
3. Germany: Germany is the third-largest bicycle producer worldwide, focusing on the premium market. German brands such as Canyon and Focus are competitive in the global market.

### ●Demand Side:

The awareness of environmental protection, energy conservation, carbon reduction and leisure has promoted the trend of cycling in Taiwan. Bicycle riding has become a lifestyle, and nowadays bikes are no longer commuting tools. With the influence of the global trend “cycling for a fun life” and “bike-sharing”, bicycles have become a representation of the new generation's values, such as environmental protection, energy saving and pursuit of health, since the use of bicycle is fuel-saving

and space-saving without pollution and noise. As the economy grows, there is trend showing that people are willing to collect premium bikes or possess more than one bike individually according to their needs of various functions. The bike-sharing economy has also become a great business opportunity. Moreover, urban traffic congestion and a shortage of parking spaces have led more people to choose bicycles for short-distance commuting. The government is also actively promoting the construction of bicycle-based facilities to support and encourage bicycle commuting.

Cycling is an outdoor activity that allows people to maintain social distance to protect safety and health. It has become a popular activity for people to enjoy in the post-pandemic era, and the demand in the European and American bicycle market has been increasing substantially. However, after the lockdowns were lifted, the bicycle industry in 2023 encountered shipping jams at ports and repeated orders by distributors during the pandemic resulting in the bottleneck of over-high inventory level. The European and the U.S. markets are in the closeout process. In addition, the Russia-Ukraine war and inflationary factors have affected the spending power of European and American people. As a result, bicycle brands have slashed orders for new bicycles, impacting the performance of Taiwan's bicycle industry. In 2024, as the bicycle industry undergoes “capacity adjustments,” inventory adjustments will continue. In conclusion, the global demand for bicycles is still growing.

### (3) Future Industry Supply & Demand and Growth of the Stainless Steel Faucet Market

#### ●Supply Side:

Taiwan's plumbing hardware industry is highly export-oriented. The major competitors are in China, Vietnam and Southern European countries.

#### ●Demand Side:

Recently, Taiwan's plumbing hardware industry has started to value the importance of the green revolution. In order to make their products more competitive in the international market, relevant manufacturers have made efforts to transform their business and make more high value-added products. Traditional industries have gradually regarded green production as the main direction for industrial development and industrial upgrading. With the rising awareness of environmental protection, the issues such as how to effectively reduce the waste of water resources, how to improve the efficiency in the use of water resources, and how to reduce the negative impact on the environment and human bodies have been gradually valued by consumers. Therefore, the green-design products which are made of non-heavy metal and made in pursuit of energy-saving, water-saving, fashionable external design, health and environmental protection have been gradually gaining attention in the market.

### 4. Competitive Niche, Business Development Advantages, Disadvantages and Countermeasures

The Company started its business as a precision casting manufacturer with core craftsmanship in metal precision casting and strong cultural and aesthetic design capabilities. The Company continues to make innovations and provides design (manufacturing) services from OEM → ODM → IDM → Branding. In respect of its golf business, while the Company's production capacity is not ranked at the top of the industry, it has been able to attract major international brands and continuously receive orders from those brands. With continuous efforts on making innovative and high-value added products, the Company has achieved an irreplaceable position in the market!

(1) Advantages

- A. The Company has set client-specific teams to provide dedicated services for clients from the business of development and design, order taking to mass production and shipment. Following the trend of “the powerful are always powerful”, the Company cooperates with major brand clients to increase their market share. The Company not only provides R&D services on the function, technology and materials of golf heads, but also supports clients’ development projects in terms of external design, hoping to improve its business growth along with the business development of major clients.

In addition, in order to show the soft power of Taiwanese industry, the Company has put into practice the concept of “combining sports technology with culture and creativity”. The innovative products designed by the Company have been recognized by the Taiwan Excellence Award and favored by the clients.

O-TA’s design team was recognized by the Red Dot Design Awards in Germany in 2013, 2015, 2017, 2018 and 2021.

- B. The Company is stable and client-oriented, providing clients with exclusive “One-stop Shopping” services. It serves a diversity of clients with high flexibility and provides a complete product line from the production of golf heads and golf clubs to the assembly of golf equipment, satisfying the clients’ diverse demand for “One-stop Shopping”. In terms of OEM/ODM/IDM collaboration, the Company also maintains long-term and good relationship with renowned international brands, such as BRIDGESTONE, MAJESTY, MIZUNO, PXG, TITLEIST, TOUREEDGE, YAMAHA, etc.

- C. The Company continues to hold all kinds of lean management programs internally and implement management to deepen its competitiveness.

Jiangxi O-TA, the Company’s golf production base, has stable workforce and a complete supply chain system. The introduction of process automation has significantly improved its efficiency and yield in production and built a long-term competitive advantage. In the future, the Company will continue to improve its process capability through intelligent automation and concentrate more on cost management and technology management, making the overall operations more effective in order to demonstrate better business performance.

- D. With strong R&D capability, advanced production technology, patent protection and a complete R&D system, the Company has possessed the core technology and shares its distinguished R&D results with clients immediately. Currently, the Company sets Taiwan as the R&D center and China as the mass production base. The hardware and software equipment developed in Taiwan or the hardware facilities used in China have all been positively recognized by clients. The clients have long relied on O-TA to produce their products. The golf equipment produced by O-TA has continuously been recognized by magazine awards and won the gold medals, proving itself the best tool for players to win the championship. Moreover, the Company’s products represent the fruits of close collaboration between O-TA and its clients.

- E. The Company has an excellent R&D team who successfully shortened the research and development time by using CAD, CAM, high-precision CNC processing machines, and automated equipment. Moreover, the Company has a strong team of production, process and technology which

specializes in sample development and the introduction of mass production. With good collaboration among all the team members, the Company is able to provide clients with immediate R&D results that meet their needs.

- F. The Company has established a good and complete supply chain system around the production base. It also has good ability in supply chain management and maintains perfect and specific collaborative relationship with each supplier in the supply chain system. As the Company expects to create mutual benefits with its strategic partners, each supplier also supports the company faithfully.
- G. The Company has been granted SGS UKAS ISO-9001 International Quality Management System certification. The quality of the Company's products is excellent and well recognized by major international brands.
- H. The Company's innovative aesthetic craftsmanship brand **ALLTAS** holds the spirit of "Safe Water, Toxic Free" and views "Nature, Environmental Protection, Safety and Health" as the brand's core value, emphasizing "Top Quality, Innovative Design, Health Inheritance, Sustainable Management and Top Reliable Choice". **ALLTAS** has designs made by designers awarded with German Red Dot Design Award. It also possesses technology patents and the environmentally friendly food grade 304 stainless steel base materials, which is non-toxic and lead-free. The Company does not use the plating process in order to be environmental friendly - a way of environmental protection with no pollution produced. Based on the vision of taking good care of water safety and convenience for the public, the Company operates its brand and business with passionately. In response to the requirements set by the Bureau of Standards, Metrology and Inspection, MOEA for drinking health, **ALLTAS** was the first brand in Taiwan to submit its faucets products to the Bureau of Standards for testing, and the first brand to obtain certificates for 13 relevant products. Since the products' specifications are much higher than the qualified standards, **ALLTAS** was the first brand in Taiwan to pass with 100% the Mandatory Inspection in the Drinking Water Faucet Commodities conducted by the Bureau of Standards, Metrology and Inspection, MOEA. Before that, **ALLTAS** has also been awarded the Water Efficiency Label and recognized by several U.S. UPC certifications, and has obtained many patents for the direct drinking faucet products. **ALLTAS** hopes to build a non-toxic environment for healthy water usage, making itself a role model for the plumbing hardware industry.
- I. VGT Composite Technology (Huizhou) Co., Ltd. ("VGT"), a subsidiary 100% invested by the Company, is a bike manufacturer with clients of renowned brands located in Europe, America and Japan, such as EU : WILIER, ORBEA, DE ROSA, DT-SWISS, JP & US BRIDGESTONE, FELT, IBIS, etc. With the technology developed by INDA Composite Technology Company ("INDA"), the Company has the core technique of using VGT composite material. In addition to the innovative research and development of new EPUS process technology, the Company also continues to improve the process and has been highly recognized by the clients. The development of technology from INDA to VGT has demonstrated O-TA's strong manufacturing and R&D capabilities in the composite material business. Additionally, the newly developed EPUS process has become VGT's unique core competitiveness for its long-term development. The subsidiary is able to grow their business with the development of electric bicycles as well as insulating

composite materials, composite accessories, industrial grading rings and AV composite materials used in the automotive and aviation industries.

(2) Disadvantages

- A. With rising labor costs, products manufactured in Taiwan may lose their cost competitiveness, while production facilities in China or in Vietnam — strategically established to meet client demands — may experience steadily increasing operating costs.

Golf club head manufacturing is technology-intensive in the early stages and involves complex processing in later stages, making automation challenging and highly dependent on labor. With domestic labor costs gradually rising, reducing production costs in the club head industry is difficult. In recent years, our production in China has also faced increasing operating costs, and the Vietnam facility — set up in response to client demand — experiences the same issues.

Countermeasures:

The Company integrates operational functions and utilizes the advantages of both regions to seek the most advantageous division of labor in the value chain. The Company relentlessly advances and innovates automated manufacturing technologies, and actively holds lean management programs, implements management mechanism, utilizes key technologies and develops automation solutions, improving its process capabilities through rationalization, automation, technology, and labor saving.

At the same time, the Company is dedicated to providing employees with educational training. The Company has carried out a series of measures to stabilize the workforce and cultivate employee growth, seeking to stabilize the production process, improve production quality and efficiency and make efficient use of human resources to reduce the overall operation costs.

Jiangxi O-TA, the Company's golf production base, has a stable workforce and a complete supply chain system. The introduction of process automation has significantly improved its efficiency and yield in production and built a long-term competitive advantage. It is anticipated that the O-TA Vietnam plant will leverage its advantages to respond more competitively in the future.

- B. In recent years, China has experienced labor shortages, inflating labor costs, and tightening ESG regulatory grip.

Countermeasures:

Labor supply in O-TA's Jiangxi Plant, a golf manufacturing base, is quite stable, and the plant has access to a complete supply chain. The benefits that come from O-TA's efforts in smart automation and cost and technology management enable it to cope with issues leading to rising production costs, e.g., labor shortages, soaring labor costs, and plant-originated environmental contamination. The automatic processes introduced include automatic dipping, automatic cutting, automatic gate grinding, automatic welding, automatic grinding, automatic coating, and so on, greatly improving the benefits and yield and building a long-term competitive advantage. In the future, O-TA will continue to "enhance the automation level and expand technological capability," so as to make the overall operations more efficient to gain greater operational achievements and benefits.

- C. Rising proportion of demand for customization makes it harder to establish a safety stock.

Since the Company mainly takes orders from international giants for OEM and ODM services, some materials and material suppliers of certain products are designated by clients, making it harder to establish a safety stock.

Countermeasures:

The Company has a department which is dedicated to supply chain management, and puts in place a teamwork mechanism, enabling the Company to fully grasp market changes. In addition, the Company always keeps close contact with clients to keep abreast of the status of orders, and enhance its production-sale coordination to align inventory with orders. Besides, the Company has been maintaining a good relationship with raw material suppliers for a long time, to gain a preferential access to raw materials in case of a supply crisis.

D. Exchange rate changes increase the exchange risk:

90% of the Company's golf club heads are exported, and materials purchased are paid often in a foreign currency. Therefore, any significant change in the exchange rate of USD, CNY, or JPY will impact the Company's revenue, costs, and profits to a certain extent.

Countermeasures:

The Company will use proper foreign exchange tools to hedge its exchange risk, or negotiate with clients for a limit of quotation variation that reflects the effects of exchange rate changes. The Company will also keep close contact with banks to gather exchange rate information and grasp the exchange rate running trends.

E. The economic climate has affected the golf market and the golf industry fluctuates more significantly in the low and peak seasons.

Golf has been affected by the fluctuating economic climate, which will influence the overall sports and leisure industry and also have great impacts on the golf industry. This will result in a change of consumers' willingness to switch to new golf clubs. Major clients will also make adjustments in response to the global economic situation and economic recovery.

Countermeasures:

Depending on the economic climate, the Company will provide the most appropriate development and design proposals to the clients in a timely manner and launch new plans in line with the clients' strategies. During an unstable economic situation, the Company will adjust its organizational structure through lean management programs to meet the clients' diverse needs on time.

Over a long period, the Company has placed considerable value on R&D and innovation and has collaborated with the clients for design and development. A number of development projects are currently in progress.

F. Golf Industry: The population of golfers may be affected by online games and virtual reality; the time for playing golf may be affected by climate change (e.g., longer winters in the U.S.).

Countermeasures:

The Company continues to make innovations and provide high-quality, high value-added products and services to attract the markets. The Company strives for a sustainable operating environment and aims to become the most creative company in daily consumer goods and sports

equipment, creating maximum value and the best services for our customers, employees, shareholders and the general public.

G. Tariff Issues

Countermeasures:

The Company will be client-oriented and establish a long-term, indispensable partnership with brand clients, typically by providing them with collaborative, tailor-made, and high value-added design and manufacturing services, including performance simulation services.

With Taiwan as its design, R&D, sales, and management center and China as its production base, the Company implements strategic production layouts to meet client demands, strives to continuously refine its “manufacturing management,” “logistics management,” and “innovation and R&D,” constantly enhancing the added value of products, and creates an irreplaceable position in the market!

Currently, Jiangxi O-TA, the Company’s golf production base, has a stable workforce and a complete supply chain system. The introduction of process automation has significantly improved its efficiency and yield in production and built a long-term competitive advantage. It will leverage the management synergy to reduce the influence of impacts. It is anticipated that the O-TA Vietnam plant will leverage its advantages to respond more competitively in the future.

H. The brand **ALLTAS** (stainless steel premium series) is not yet well known by the public:

Countermeasures:

With the core casting technology, the Company develops plumbing hardware products made of 304 stainless steel materials and achieves differential marketing with its premium products. The Company views “Nature, Environmental Protection, Safety and Health” as the brand’s core value, emphasizing “Top Quality, Innovative Design, Health Inheritance, Sustainable Management and Top Reliable Choice”. **ALLTAS** has designs made by designers awarded with the German Red Dot Design Award. It also possesses technology patents and the environmentally friendly food grade 304 stainless steel base materials. Based on the vision of taking good care of water safety and convenience for the public, the Company operates its brand and business with full heart.

With the spirit of “Safe Water, Toxic Free”, **ALLTAS** insists on using food-grade 304 stainless steel, which is lead-free, non-toxic and complies with the requirements set by the Bureau of Standards, Metrology and Inspection, MOEA for drinking health. **ALLTAS** was the first brand in Taiwan to submit its faucets products to the Bureau of Standards for testing. **ALLTAS** has recently obtained certificates for 13 relevant products. Since the products’ specifications are much higher than the qualified standards, **ALLTAS** was the first brand in Taiwan to pass with 100% the Mandatory Inspection in the Drinking Water Faucet Commodities conducted by the Bureau of Standards, Metrology and Inspection, MOEA. Before that, **ALLTAS** has also been awarded the Water Efficiency Label and recognized by several U.S. UPC certifications, and has obtained many patents for the direct drinking faucet products. **ALLTAS** hopes to build a non-toxic environment for healthy water usage and for the general public to have a choice in “nature, environmental protection, safety and health”, making itself a role model for the plumbing hardware industry.

I. Supply chain challenges resulting from the "War and Inflation Risks" or "Tariff Issues"

Countermeasures:

The Company has established a close communication management system with the clients and integrated local supply chain resources, making a complete supply chain system around the production plants. The Company has adopted lean management in the plants to improve yield and efficiency for production in order to reduce any impact. We believe that the O-TA Vietnam plant will leverage its advantages to respond more competitively in the future.

(II) Usage and Manufacturing Processes for the Company's Main Products

1. Usage of Main Products

- (1) Golf club heads and golf shafts, as the most important parts of the golf equipment, have a significant impact on the performance of the golf equipment.
- (2) Frame sets are the key component parts of bikes.
- (3) Stainless steel faucets are an important components of plumbing hardware.

2. Manufacturing Process

(1) Casting Product

Molding/Tooling → Wax Injection → Wax Fix → Wax Treeing → Slurry Dipping → Dewaxing → Casting → Cutting → Heat Treatment → AC Inspection → Trimming → (pushing, welding of composite material or in-blowing, laminating of carbon fiber material) → Machining → Grinding → Painting → Golf Head Finished Product for Packing (or shipping after assembly)

(2) Forged Product

Molding/Tooling → Die Making → (external purchase of die) → Die Inspection → Trimming → Die Assembly → (pushing, welding of composite material or in-blowing, laminating of carbon fiber material) → Machining → Grinding → Painting → Golf Head Finished Product for Packing (or shipping after assembly)

(3) Golf Shaft

Cutting → Rolling → Machining and Polishing → Tube Inspection → Painting → Printing → Golf Shaft Finished Product for Shipping or Assembly

(4) Frame Set and Complete Bike

Client's Demand → Customization and Assembly (frame set assembly, wheel assembly, main assembly and customized painting) → Frame Set and Complete Bike for Shipping

(5) Stainless Steel Faucet

CAD → CAM → Tooling → Wax Injection → Wax Treeing → Slurry Dipping → Dewaxing → Casting → Shell Removal → Cutting → Heat Treatment → CNC Machining → External-Purchase Parts Inspection → Ultrasonic Cleaning → Grinding → Laser Cutting → Faucet Assembly → Water and Air Testing → Exterior Inspection → Packing and Shipping

### (III) Supply Situation for the Company's Major Raw Materials

Currently, the supply of main materials is stable and the quality of supply is good. The status of suppliers are as below:

1. Stainless steel ingot: The materials are mainly provided by overseas suppliers, while some are purchased from domestic suppliers. The status of supply is good. In addition to maintaining the original supply chain system, the Company is also looking for new suppliers with good quality for the purchase.
2. AC (as cast): The materials are mainly provided by overseas suppliers, while some are purchased from domestic suppliers. The status of supply is good at present. Due to the fluctuation on raw material prices, the Company will take measures to stabilize the prices through negotiation with suppliers while necessary.
3. Die: The materials are mainly provided by overseas suppliers, while some are purchased from domestic suppliers. The status of supply is good at present.
4. Carbon fiber: The materials are mainly provided by overseas suppliers, and the status of supply is good. In addition to maintaining the original supply chain system, the Company is also looking for new suppliers with good quality for the purchase.
5. Bicycle parts: The supply source varies based on customized demand. The parts are mainly provided by domestic suppliers and some are purchased from overseas suppliers. The status of supply is good.

(IV) Any suppliers and clients accounting for 10 percent or more of the Company's total procurement (sales) amount in either of the two most recent years, the amounts bought from (sold to) each and the percentage of total procurement (sales) accounted for by each.

#### 1. Key Suppliers in the Past Two Years

Unit: NT\$ thousands

	2024(Note 3)				2023				2025, up to the first quarter			
Items	Name	Amount	Percentage of Total Net Purchases (%)	Relationship with the Issuer	Name	Amount	Percentage of Total Net Purchases (%)	Relationship with the Issuer	Name	Amount	Percentage of Total Net Purchases, up to the First Quarter (%)	Relationship with the Issuer
1	SUNRUI	164,485	11.20	None	FUTAI	124,664	9.74	None	(Note 2)			
2	Other	1,303,661	88.80		Other	1,155,063	90.26					
	Net Purchases	1,468,146	100.00		Net Purchases	1,279,727	100.00					

Note 1: For the supplier whose purchase amounts are more than 10% of total net purchases, its name, purchase amounts and percentages of total net purchases in the last two years should be listed, except for those suppliers whose names are prohibited from disclosure as provided in the signed contracts or those who are individuals and not the related parties of the Company, which may be represented by codes.

Note 2: Up to March 31, 2025, the publication of this annual report, the financial statements for the first quarter of 2025 have not been reviewed by the auditors.

Note 3: The increase in inventory purchases in 2024 was primarily driven by higher order volumes.

#### 2. Key Clients in the Past Two Years

Unit: NT\$ thousands

	2024(Note 3)				2023				2025, up to the first quarter			
Items	Name	Amount	Percentage of Total Net Sales (%)	Relationship with the Issuer	Name	Amount	Percentage of Total Net Sales (%)	Relationship with the Issuer	Name	Amount	Percentage of Total Net Sales, up to the First Quarter (%)	Relationship with the Issuer
1	C company	1,691,008	36.46	None	C company	1,205,968	27.61	None	(Note 2)			
2	A company	1,051,688	22.68	None	A company	1,005,295	23.02	None				
3	B company	628,869	13.56	None	B company	634,530	14.53	None				
	Others	1,265,908	27.30		Others	1,521,848	34.84					
	Net Sales	4,637,473	100.00		Net Sales	4,367,641	100.00					

Note 1: For the client whose sales amounts are more than 10% of total net sales, its name, purchase amounts and percentages of total net sales in the last two years should be listed, except for those customers whose names are prohibited from disclosure as provided in the signed contracts or those who are individuals and not the related parties of the Company, which may be represented by codes.

Note 2: Up to March 31, 2025, the publication of this annual report, the financial statements for the first quarter of 2025 have not been reviewed by the auditors.

Note 3: The increase in sales in 2024 was due to the strong sales performance of new client products, which resulted in increased order volumes.

### III. Employees

(I) Employee Information in the Most Recent Two Years, Up to March 31, 2025.

Year		2024	2023	Current Year, as of March 31, 2025
Items				
Number of Employees	Management Staff	821	809	844
	R&D Staff	68	68	67
	Operation Staff	1,366	1,563	1,504
	Total	2,255	2,440	2,415
Average Age		37.05	36.49	35.93
Average Years of Service		6.01	5.08	5.80
Education distribution percentage (%)	Ph.D.	2	2	2
	Master	32	31	33
	Bachelor	333	321	353
	High School	287	672	711
	Below High School	1,601	1,414	1,316

### IV. Disbursements for Environmental Protection

(I) Any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken: None.

(II) Countermeasures:

#### 1. Information on Environmental Protection Measures

##### (1) Improvement Plans

The Company's main products are golf heads and golf clubs. Since the Company's plant in Pingtung and Jiangxi O-TA have obtained ISO9001 certifications in 1997 and 2015, respectively, no significant environmental pollutions and environmental issues will be caused during the manufacturing process. The Company has long been committed to environmental protection and waste reduction. In order to keep up with the environmental conditions, the Company not only provides regular health and safety training for employees but also enhances employees' flexibility to deal with various situations, educating them to keep a clean environment and regularly maintain the equipment for pollution prevention.

The main environmental improvement measures of the Company are as follows:

A. Water pollution prevention and control measures: In order to strengthen environmental protection measures and fulfill corporate responsibility, the Company's plant in Pingtung is equipped with wastewater

sedimentation and treatment facilities, which discharges the clean wastewater to the sewage treatment plant in the Neipu Industrial Park in compliance with the regulations. Jiangxi O-TA is also equipped with a wastewater treatment station, which can treat wastewater through sedimentation and air flotation in order to discharge clean wastewater that meets the regulatory standards to the municipal pipe systems.

B. Air pollution prevention and control measures: The Company's Pingtung plant has obtained the Permit for Operation of Stationary Pollution Sources (Pingtung Government Huan-Kong-Cao-Zheng-Zi No.T0423-06) on October 12, 2022. Jiangxi O-TA utilizes equipment and processes such as water film dust collectors, water curtain paint mist eliminators and catalytic combustion to treat the exhaust gas generated during production before emission. There are no issues with air pollution or environmental compliance in our daily operations.

C. Waste management measures: The Company's Pingtung plant entrusts a legitimate waste treatment company which was recognized by the environmental protection authorities to clean up the waste produced by the Company. In order to keep track of the flow of waste, Pursuant to the Waste Disposal Act, the Company has the disposal operator and the treatment plant to jointly issue a three-copy document to certify that waste has been properly disposed of to prevent environmental pollution and violation of relevant laws and regulations. Jiangxi O-TA recycles its scrap materials in the factory; for the waste that cannot be handled, it will be entrusted to qualified disposal companies, which can clean up and recycle the industrial waste in a legal manner.

(2) Estimated Expenditures on Environmental Protection for the Next Three Years

Year Items	2025	2026	2027
Amount	NT\$ 9,104 Thousand	NT\$ 9,964 Thousand	NT\$ 11,347 Thousand
Purchase plan of pollution prevention equipment and its expenditure	1. Inspection on water, noise, air and waste. 2. According to the regulatory situation, the requirements for waste disposal are more stringent. Waste treatment facilities need to be improved and upgraded. 3. Improvement to the waste treatment facilities.	1. Inspection on water, noise, air and waste. 2. According to the regulatory situation, the requirements for waste disposal are more stringent. Waste treatment facilities need to be improved and upgraded. 3. Improvement to the waste treatment facilities.	1. Inspection on water, noise, air and waste. 2. According to the regulatory situation, the requirements for waste disposal are more stringent. Waste treatment facilities need to be improved and upgraded. 3. Improvement to the waste treatment facilities.
Expected improvement status	1. Enhance the treatment of waste-water, waste gas and waste produced in the plant. 2. Reduce the amount of waste produced. 3. Comply with legal requirements and reduce negative impact on the environment.	1. Enhance the treatment of waste-water, waste gas and waste produced in the plant. 2. Reduce the amount of waste produced. 3. Comply with legal requirements and reduce negative impact on the environment.	1. Enhance the treatment of waste-water, waste gas and waste produced in the plant. 2. Reduce the amount of waste produced. 3. Comply with legal requirements and reduce negative impact on the environment.

(3) Impacts After Improvement

Currently, there is no significant contamination condition caused by the Company and hence the impact on the Company's earnings, competitive position and capital expenditures is expected to be small.

2. Conditions for which No Countermeasures Were Taken

(1) Reasons for No Countermeasures

Since other pollution sources have less impact on the Company, the Company has tried to avoid those impacts

by enhancing employees' training, wearing PPE and conducting regular maintenance and cleaning.

(2) Pollution Status

The contamination caused by other pollution sources has less impact on the Company.

(3) Possible Loss and Compensation

The possibility of having loss and compensation is very small for the Company.

3. Environmental Policy

Environmental protection is our manifested duty. The Company will commit itself to pollution prevention and continuous improvement in support of the global environmental campaign. Below are the particulars of the Company's environmental policy:

- (1) Compliance with the government's environmental regulations and other applicable regulations.
- (2) Provision of awareness sessions to employees to raise their environmental awareness.
- (3) Tightening the control of environmental pollution sources, e.g., wastewater, waste gas, waste, and noise, making improvement, and giving attention to pollution prevention work.
- (4) Moving its R&D and whole process towards the ideal of "reduction, recycling, and alternatives," to save energy, reduce carbon emissions, and minimize pollution.
- (5) By implementing the recycling of waste and the classification of recycled materials at the plants, the Company has reduced the amount of waste produced.
- (6) The Company will work and communicate with related groups on environmental issues.
- (7) Commitment to continuous improvement to ensure sustainable operations.

4. Safety and Health Policy

The Company is committed to providing and maintaining a workplace that complies with safety and health regulations and promotes the safety and health of employees, creating a safe and comfortable working environment. The Company's safety and health policy is as below:

- (1) Dedicated to meet the safety and health regulations and relevant requirements.
- (2) Continuously improve and reduce the occurrence of injuries to ensure that the losses resulted from hazards can be controlled through a sound management system.
- (3) Provide relevant training resources to enhance the safety awareness of employees.
- (4) Carry out activities for the promotion of employees' health in accordance with Regulations of the Labor Health Protection, and guide employees to develop regular exercise habits to live a healthy life.

5. Implementation Status of Employee Safety Protection Measures in the Workplace

(1) Specific measures for security and health management

A. Risk assessment and countermeasures

Each division conducts risk assessments and implements controls for unacceptable risks and violations of regulations. To prevent major public safety incidents, such as fire and explosion prevention, the company has established procedural documents and management plans. The responsible divisions supervise and implement the management measures. In terms of occupational safety and health management, strict adherence to relevant laws and regulations is maintained to ensure the safety of employees and other personnel in the workplace. Jiangxi O-TA formulates ESH management plan and designs risk control

measures and submits the implementation results to ESH meeting for review.

#### B. Health care and management

By adhering to the Regulations of the Labor Health Protection, and to the Labor Law of the People's Republic of China applicable to the subsidiary Jiangxi O-TA, the Company and Jiangxi O-TA offer a regular health check-up, including chest X-rays, blood pressure, urine, blood, etc., to employees undertaking a general job or a job with specific hazards before, during, and after they have taken their job. Special check-up items including hearing impairment, lung functioning, and so on, are provided to employees in a post exposed to the risks of specific health hazards, e.g., high temperature, noise, organic solvents, and so on. Employees will then be classified their special check-up results for management purpose. The Company commissions a qualified hospital to carry out a health check-up for employees every year. With the consent of the employees, a number of physical health examination items better than the regulatory requirements are added.

The Company requests doctors and nurses to provide the on-site employees' health service programs to assist in preventing occupational hazards and protecting the physical and mental health of employees. Professional medical staff will give health instruction and education to employees, care for them, and track their health condition. In 2023, the professional medical staff assisted the Company to launch the "Healthy Workplace Certification" program, and participated in the application for Badge of Accredited Healthy Workplace - Healthy Activation Label. In 2024, the Company received the Healthy Workplace Certification-Badge of Accredited Healthy Workplace, and the 2024 Sports Enterprise Certification from Sports Administration, MOE. Additionally, the four major plans continue to be implemented, including "Maternity Health Protection Plan," "Workplace Violation Prevention: Plan to Prevent Illegal Infringement during Performing of Duties," "Human Factors Engineering\_Human Factors Hazard Prevention Plan," and "Overwork Prevention: Abnormal Workload-induced Disease Prevention Plan" in order to improve employees' physical and mental functions and health. The occupational health nurses at the factory also have an interview to interact with employees and provide health-promoting activities to employees. The nurses further offer health consultation 、the promotion of screening for metabolic syndrome and five types of cancer, and the advice on smoking cessation, weight loss, and exercise based on employees' individual condition, so that they understand their physical strength conditions. The Company has also formulated smoke hazard prevention measures, and posted up posters to explain the health risk caused by continuous smoking, hoping to help them develop a regular exercise habit to achieve the aim of fitness and a healthy life. To encourage employees to voluntarily set up sports clubs, the Company provides them with subsidies.

O-TA regards employees' health as its most valuable assets. To care for employees' health, the Company set up the Health Station and the mPHR Cloud at the Cultural Creativity and Aesthetic Center, to manage personal health through the use of apps and a cloud platform. In doing so, the Company aims to build O-TA as a smart and healthy workplace reminiscent of cultural creativity, aesthetics, and arts that enables

employees to manage their own physical, mental, and spiritual health in a smart way. Visitors can also monitor their health through a single measurement. In addition, the Company has also installed an automatic external defibrillator (AED), to ensure health, happiness, and safety at workplace.

The Company cares about the physical and mental health of employees, and mitigates the pressure from work and life. Employees are encouraged to exercise, with health promotion\_green weight loss and fat loss health competitions held, and work-life balance and stress relieving courses and health seminars are also held, from healthy diet for health to anti-aging and weight training.

At least one Family Day event is held every year to appreciate employees and their families, as well as increase the family members' recognition of the Company, to retain the talents alternatively. The Company also takes the change to console employees for their hard work during the period, seeking to build up employee morale and solidarity. Meanwhile, the Company also expressed its emphasis on ESG through the events.

(2) Implementation of safety and security control

- A. The Company and its subsidiary Jiangxi O-TA have implemented special operation controls for elevated operation, fire operation and radiant operation and performed general operation controls for general operations in accordance with the Occupational Safety and Health Act and the assessments results on safety and health risk. Therefore, each division and all employees can follow these measures in their operations.
- B. Prevent the occurrence of occupational hazards, implement automatic inspection and enhance safety and health training.
- C. Strengthen machine maintenance and add devices that provide extra layer of workplace protection.

(III) In accordance with the provisions of law, for those who should apply for a pollution facility installation permit or waste discharge permit, pay for pollution control fees, or establish the exclusive unit or personnel in charge of environmental protection, the circumstances of application, payment or establishment should be specified:

1. Exclusive personnel: For the current operations of the Pingtung plant, the Company has set exclusive personnel for the prevention of air and waste pollution.

Item	Description
Exclusive personnel for the prevention of air pollution	Permit of Huan-Shu-Xun-Zheng-Zi No.FB100207
Exclusive personnel for the prevention of waste pollution	Grade B: 1 staff Exclusive personnel in the plant - Permit of Huan-Shu-Xun-Zheng-Zi (2019) No.HB301049

2. Permit

Item	Description
Air Pollution Source Installation and Operating Permit	Permit of Pingtung Government Huan-Kong-Cao-Zheng-Zi No.T0423-06
Waste Disposal Permit	Approved Permit of No.T08207210001
Wastewater Discharge Permit	Permit of Pu-Fu-Zi No.1117150963

## V. Labor Relations

### (I) Welfare Measures for Employees

Since its establishment, the Company has attached great importance to employee welfare and work safety and set up the Employee Welfare Committee on September 22, 1989 in accordance with the law, to deal with various welfare measures. The Company holds regular committee meetings to coordinate activities for implementation of employee welfare, allowing employees to share the corporate business profits. The implementation status of employee welfare measures are as follows:

#### 1. Corporate welfare measures

- (1) Set up the performance bonus, year-end bonus and employee remuneration system to reward the employees.
- (2) Provide annual health screening for employees. In 2024, the actual number of employees undergoing health screening was 1,870.
- (3) Provide employees with fitness and sports venues and equipment (badminton court, aerobics classroom, spinning bike, etc.)
- (4) Formulate a retirement system that is superior to the system regulated by law.
- (5) Labor insurance, national health insurance, Employment Insurance, Labor Occupational Accident Insurance and labor retirement contributions are insured for employees in accordance with the regulations.
- (6) Subsidies for further education and abundant collection of books to help employees acquire more knowledge.
- (7) Reward employees for creative proposals: In order to encourage employees to increase thinking on their work, the Company holds the spirit of improvement and proposes improvement plans to rationalize the operation process, increase efficiency and reduce costs. It also promotes innovation and R&D ideas and rewards employees based on the value of their proposals.
- (8) Lectures, public welfare and music activities (health seminars, public welfare road running, stress relieving courses etc.)
- (9) The employees are insured with the group accident insurance better than regulations, and the insurance premium is paid by the Company.
- (10) Paid leaves are granted with better-than-law conditions (attending children's school events, or volunteer leave).

#### 2. Employee Welfare Committee's welfare measures

The Employee Welfare Committee set by the Company has promoted a diversified welfare system as below:

- (1) Subsidies for marriage, childbirth, funeral and hazards.
- (2) Subsidies for domestic and overseas company tour and internal group activities.
- (3) Festival bonus and birthday bonus.
- (4) Scholarships for employees and their children.
- (5) Other related employee welfare activities.

#### 3. Other welfare measures

- (1) The Chairman encourages employees to increase their willingness to have children and boost fertility rates in order to alleviate the declining birthrate phenomenon, and he sponsors congratulatory red envelopes for employees who have children.
- (2) The Chairman shares quality items with employees, such as gifting Japanese organic rice, fresh fruits (pineapple, pomelo, pear, golden fruit, apples, etc.), and health-promoting shoes to help ensure their well-being.

- (3) Employee purchase discounts, such as the opportunity to buy premium faucets at a discounted price.

## (II) Career Development and Training for Employees and the Implementation Status

In response to the future development of enterprise and to encourage employees to have lifelong learning, professional skills and high quality and efficiency on work, the Company has formulated policy and procedures for employee training. Employees can participate in various educational training voluntarily or by appointment of their supervisors according to business needs. The Company also provides subsidies for further education. Detailed information is shown as below:

### 1. Orientation for new employees

- (1) General training: New employees are guided to familiarize the corporate history, management rules, safety and health rules and the concept of quality assurance.
- (2) Professional training: New employees are guided to obtain professional knowledge and familiarize operating procedures before they officially starts to work.

### 2. On-the-job training and further education

- (1) The Company conducts a survey to know the demand of each unit for employee training annually, making training plans and schedule according to actual needs.
- (2) The Company provides employees with professional skills training and second expertise training (OJT) every year according to their actual needs.
- (3) The Company's employees may participate in external training, visits, seminars and exhibitions voluntarily or by appointment of their supervisors depending on the business needs.
- (4) The Company offers subsidies for employees to have short to long term study outside the factory. If they achieve excellent scores, the Employee Welfare Committee will provide a fixed amount of scholarship each year for encouragement.

3. In 2024, the actual training hours was 18,226.60 hours, with expenses approximating NT\$1,009 thousand.

Type of Training	Total Hours	Number of Participants
Professional Skills Training (OJT)	2,368.00	1,049
Professional Skills Training (Over-seas)	1,658.30	222
General Knowledge and Management Training (Common Training)	12,479.00	10,360
Orientation for New Employees	1,721.30	573

## (III) Retirement System and its Implementation Status

1. The Company and certain subsidiaries have formulated the retirement and pension policies, which belong to defined contribution plans, according to the R.O.C. Labor Pension Act. According to the articles, the amount appropriated by employer monthly to labor pension shall not be less than 6% of the worker's monthly wage. The Company and certain subsidiaries have formulated the retirement and pension policies according to the articles and appropriates 6% of the employee's monthly wage to his/her personal pension fund account each month.
2. Harvest Fair, the Company's subsidiary, pays the mandatory provident fund in accordance with the provisions

of the Mandatory Provident Fund Schemes Ordinance of Hong Kong.

3. In accordance with the regulations in China, the Company's subsidiaries Jiangxi O-TA and VGT appropriate a certain percentage of employees' wage to the pension insurance fund, which is paid to the relevant government authorities and saved in a separate account for each employee.
4. The Consolidated Company recognized a defined contribution plan expense of NT\$73,860 thousand for the year of 2024.
5. The Company has formulated the retirement policies, which belongs to defined benefit plans, according to the R.O.C. Labor Standards Act. According to the retirement policy, the employee's pension is calculated based on the length of service and the average wage for the six months prior to retirement. Two bases are given for each full year of service rendered. But for the rest of the years over 15 years, one base is given for each full year of service rendered. The total number of bases shall be no more than 45.
6. The Company appropriates 13% of the total monthly wages of each employee as labor pension reserve funds according to the provisions of Labor Standards Act, allowing the Labor Pension Fund Supervisory Committee to manage and deposit such amount in a designated account in Bank of Taiwan. Before the end of each year, if the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company is required to make up the difference in one appropriation before the end of March the following year. Since April 27, 2004, the Company has been making a monthly pension provision of 4% of the total salaries paid to the directors who are also managers, which was approved by the National Taxation Bureau of the Southern Area (MOF) with the approved letter Chao-Zhou-Yi-Zi No.0930009057 dated April 27, 2004.
7. The Company's monthly appropriated labor pension reserve funds under the Labor Standards Act is managed by the Labor Pension Fund Supervisory Committee, and therefore the Company does not have the right to engage in the use of the pension reserve funds.

#### (IV) Sound Wage and Compensation System

The Company's employee compensation and reward system is designed to recognize individual effort, encourage innovative ideas, encourage outstanding performance and promote teamwork. The Company provides various incentive bonuses, patents, and proposal systems to reward employees for excellent performance. The Company determines the amount of bonuses based on corporate internal rules, employees' performance and achievement of organizational goals. The Company is dedicated to providing a sound and high-quality welfare measures to take care of all employees.

#### (V) Employee Communication

The Company pays attention to labor-management relations and holds regular labor-management meetings in order to promote labor-management cooperation and improve work efficiency. With departmental meetings and face-to-face meetings, employees are able to share opinions with colleagues, which shall enhance internal communication and strengthen employees' engagement for the company.

#### (VI) Other Important Agreements: None.

#### (VII) List any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date

due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

- (VIII) Whether there is a code of conduct or ethics for employees: The Company has established the “Codes of Ethics for Employees” to regulate the ethical conduct of all personnel of the Company. Please refer to the Company's website - Investor Section (<https://www.o-ta.com.tw/>) for more information on the code. The Company has also established “Working Rules” for employees, which has been approved by the Pingtung County Government.

## VI. Cyber Security Management

- (I) Cyber security risk management framework, cyber security policy, management plan and resources invested in cyber security management, etc.

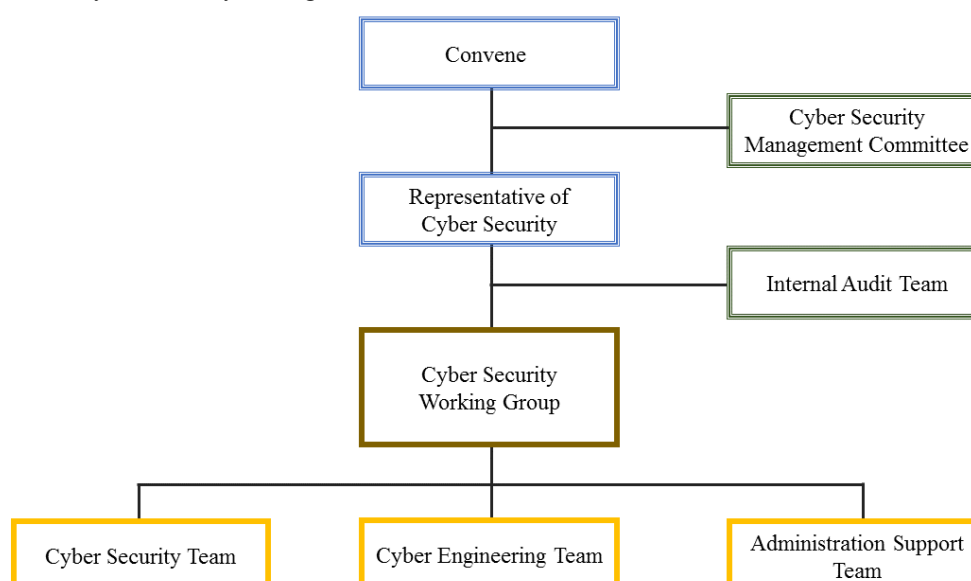
### 1. Cyber security risk management framework

#### (1) Cyber Security Management Committee

O-TA has set up the Cyber Security Management Committee under the relevant information divisions, which is responsible for the formulation and implementation of cyber security policy, and performs risk management and audit for cyber security compliance. The head of the Cyber Security Management Committee reports the security management effectiveness, cyber security-related issues and trends to the Company.

In order to implement the cyber security strategy set by the Cyber Security Management Committee and ensure internal compliance with cyber security-related standards, procedures and regulations, the convener of the committee assigns the person in charge of information technology as the representative of cyber security and the heads of each division as members of the committee. The convener calls the meeting while necessary to review and resolve the plans and policies of cyber security and information protection, and to effectively implement the cyber security management measures.

#### (2) O-TA’s Cyber Security Management Committee Structure



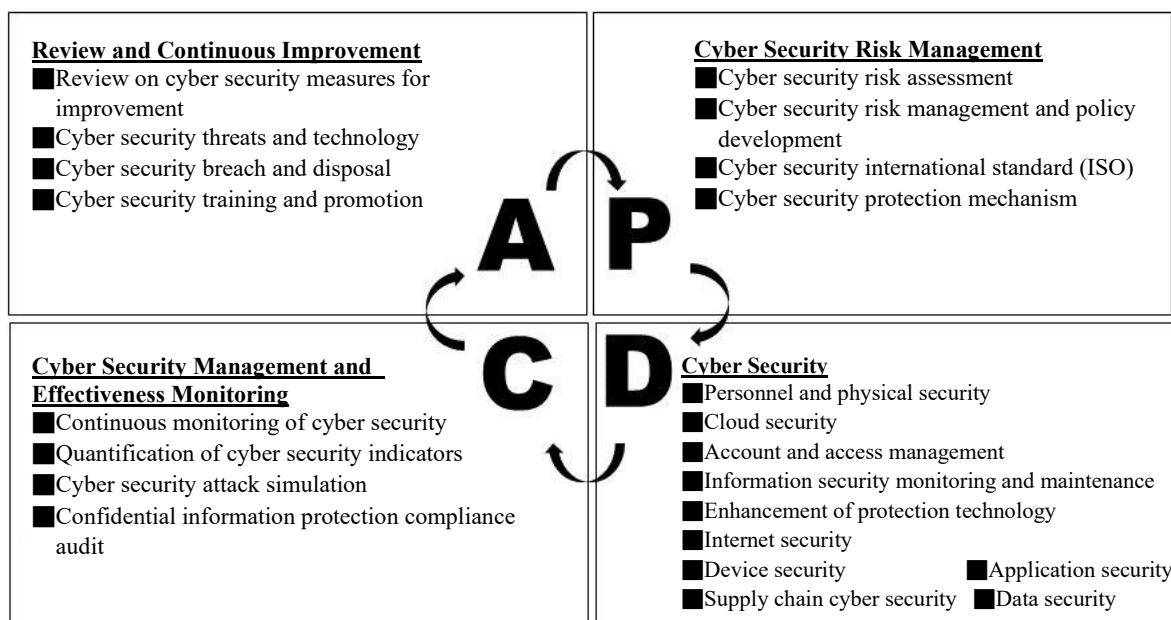
## 2. Cyber Security Policy

### (1) Cyber Security Management Strategy and Structure

In order to effectively implement the cyber security management, O-TA holds weekly meetings to respond to cyber security issues through the information divisions of its Taiwan plants and overseas subsidiaries, and adjusts the cyber security policies and information protection measures in a timely manner according to the plan-do-check-act (PDCA) management cycle.

In the “Planning Phase”, the Company focuses on cyber security risk management, seeking ways to reduce corporate cyber security threats from the system, technical and procedural aspects, providing high-standard information protection services that meet clients’ demand. In the “Doing Phase”, the Company has built multi-layer cyber security protection mechanism, continuously introducing new cyber security defense technologies. The Company also internalizes cyber security control mechanisms in the daily operation processes, such as the maintenance for software and hardware equipment, the cyber security management for supply chain, and systematically monitors cyber security to maintain the confidentiality, completeness and availability of important assets. In the “Checking Phase”, the Company actively monitors the effectiveness of cyber security management and conducts measurement and quantitative analysis of cyber security indicators based on the checking results. In the “Acting Phase”, the Company implements supervision and auditing measures to ensure the effectiveness of cyber security policies based on its continuous review for improvement. Through occasional review, educational training, measures and promotion of cyber security, the Company strives to ensure that the important confidential corporate information will not be leaked.

### (2) Cyber Security Management Strategy and Continuous Improvement Structure



### (3) Management Plan

#### A. Multi-layer Cyber Security Protection

End-point Protection Layer	<ul style="list-style-type: none"> <li>● The machines with malicious software are prevented from entering the Company’s system through the disconnection of the network at the Company’s plant and virus scanning for the machines.</li> <li>● End-point anti-virus measures to prevent the malicious software.</li> <li>● Mailing control.</li> </ul>
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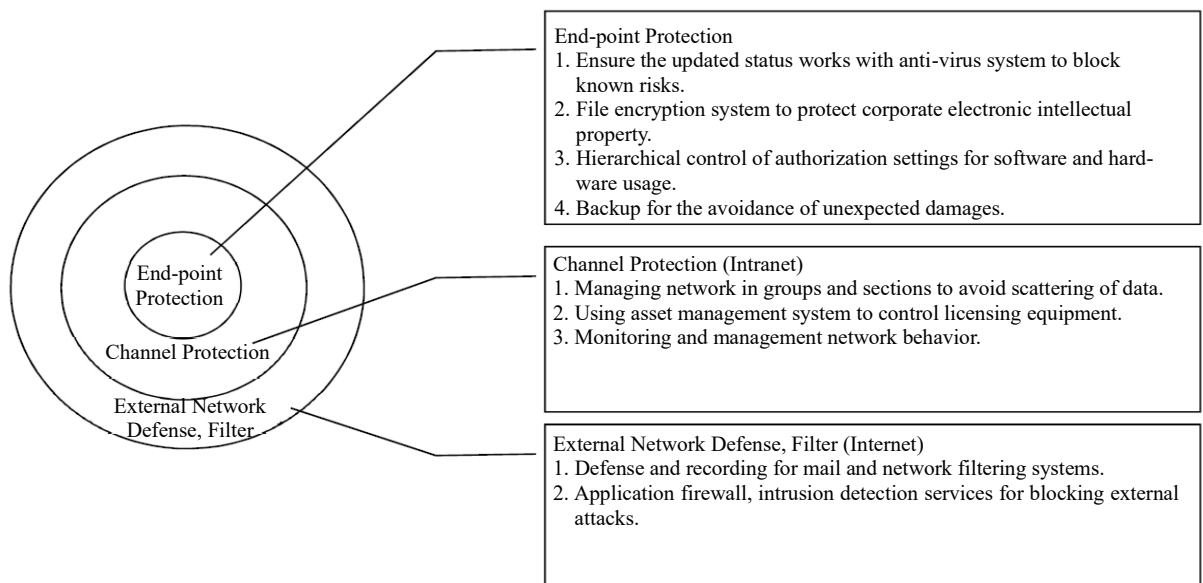
	<ul style="list-style-type: none"> <li>● Encrypted control and effective tracking of planning documents and data.</li> <li>● Using information protection tools, data classification, account and password systems to protect data.</li> </ul>
Channel Protection Layer	<ul style="list-style-type: none"> <li>● Making an application security test and self-testing schedule.</li> <li>● Continuously strengthening the application security control mechanism.</li> </ul>
External Network Defense, Filter Layer	<ul style="list-style-type: none"> <li>● Introducing advanced technology to perform computer scans and system and software updates.</li> <li>● Enhancing network firewall and network control to prevent computer viruses from spreading across machines and factories.</li> </ul>

#### B. Review and Continuous Improvement

Training and Promotion	<ul style="list-style-type: none"> <li>● Assigning the cyber security personnel to actively attend cyber security training courses.</li> <li>● Enhancing employees' vigilance against to email social engineering attacks and conducting detection for the defense of phishing email.</li> <li>● Holding cyber security training for employees to raise employees' awareness of cyber security.</li> </ul>
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#### C. Monitoring of Cyber Security Effectiveness

Assessment of Cyber Security	<ul style="list-style-type: none"> <li>● Consulting external experts and vendors for assistance in providing latest knowledge and advanced product testing.</li> <li>● Continuously collecting threat information and conducting risk analysis to further strengthen cyber security management system.</li> </ul>
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#### (4) Resources Invested in Cyber Security Safety Management

The Company has formulated “Cyber Security Management Policy” and execute the work plan in accordance with the legal compliance and the actual situation to improve the protection, such as building a SOC operation security center, application firewalls, malicious mail filtering system, employee Internet protection, operating system update, anti-virus software, electronic data storage platform, etc. O-TA understands that cyber security plays a significant role in the operation of enterprise since it requires continuous improvement, and it is recognized by all employees. In addition to researching the latest technologies, the Company has recently introduced the application firewalls, network cyber security services and enhanced spam filtering systems to prevent the new and advanced cyber attacks; the Company also actively builds solutions to protect its assets and those of the clients and suppliers.

(5) Cyber Security Safety Risks and Management Measures

O-TA has established complete cyber security measures related to network and computer. However, there is no guarantee that its computer systems that control or maintain critical corporate functions such as manufacturing, operations and accounting are completely free from cyber attacks from any third party systems. These cyber attacks are used to illegally hack into the Company's internal network system to disrupt the Company's operations and harm the Company's reputation. In the event of a serious cyber attack, the computer system might lose important Company's data and the production might be suspended. O-TA ensures the appropriateness and effectiveness of its cyber security policy and procedures through its continuous review and evaluation on the policy. However, the Company cannot guarantee that it could be free from risks and attacks caused by the cyber security threats. Cyber attacks may also attempt to steal the Company's business information.

Management measures:

- A. In addition to the construction of highly usable system functions for the major systems and key data, the Company also carries out server partition management and data backup mechanism to maintain the Company's operation without interruption.
  - B. Key information systems are protected and managed by designated teams and personnel.
  - C. Annual audits on the compliance requirements regarding business secrets, government regulations, production orders, information systems, etc. The Company is able to adjust its systems and controls to keep pace with the times and to meet the requirements and business demand. The current information systems are continuously audited and improved to reduce the impact on operations and, when risks occur, to recover the business quickly, reduce customer losses and maintain the Company's operations.
- (6) The Company places a high priority on information security, and in 2024, we invested significant resources and achieved the following results:
- A. Major system disaster recovery exercise, with both the execution rate and the normal operation rate reaching 100%
  - B. Enhance information security awareness of all employees through email promotion, achieving a coverage rate of 100%
  - C. 0 major information security incidents and complaints in 2024.
  - D. 100% participation rate in information and communication education and training courses for new employees in 2024.
  - E. The Information security manager participated in the information security management and control guidelines course for TWSE/TPEX listed companies

- (II) List any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: The Company has not experienced any major cyber attack incidents that impacted the Company's operations in 2024 and 2025 up to the publication of this annual report.

## VII. Important Contracts

Nature of Contract	Party	Contract Dates	Content	Restrictions
Technical Cooperation	Department of Mechanical Engineering, National Pingtung University of Science and Technology	Since 1999	Establishment of O-TA Research Laboratory to conduct academic and application research on golf-related products. Contracts are signed depending on the research projects.	None
Equipment Engineering Cooperation	MST-SOLAR LTD.	December 27, 2022 (Statement of cooperation) April 24, 2023 (Formal contract)	Green energy parking lot and solar panel installation.	None

## Five. Analysis of Financial Position, Performance, and Risk related Issues

### I. Comparative Analysis of Financial Position

Unit: NT\$ thousands

Item \ Year	2024	2023	Difference	
			Amount	%
Current Assets	4,082,085	4,075,083	7,002	0.17
Property, Plant and Equipment	1,004,243	823,393	180,850	21.96 (1)
Intangible Assets	37,932	38,194	(262)	(0.69)
Other Non-current Assets	241,759	281,393	(39,634)	(14.08)
Total Assets	5,366,019	5,218,063	147,956	2.84
Current liability	1,006,021	1,170,491	(164,470)	(14.05)
Non-current Liability	142,611	222,752	(80,141)	(35.98) (2)
Total Liabilities	1,148,632	1,393,243	(244,611)	(17.56)
Share Capital	838,000	838,000	—	—
Capital Surplus	101,239	101,239	—	—
Retained Earnings	2,985,818	2,866,097	119,721	4.18
Other Equity Interest	292,330	19,484	272,846	1,400.36 (3)
Non-controlling Interest	—	—	—	—
Total Equity	4,217,387	3,824,820	392,567	10.26
<p>1. Analysis of change over 20% is given below:</p> <p>(1)The construction in progress increased mainly due to the expansion of the new plant in Jiangxi O-TA.</p> <p>(2)Mainly due to the decrease in lease liabilities and deferred income tax liabilities.</p> <p style="padding-left: 20px;">a. Decrease in lease liabilities: The remaining lease term of the plant has decreased, and the liabilities have decreased accordingly.</p> <p style="padding-left: 20px;">b. Decrease in deferred income tax liabilities: The deferred income tax liabilities were reversed due to the losses of the subsidiaries.</p> <p>(3) Due to fluctuations in the USD and CNY exchange rates, the differences in the translations of financial statements of foreign operations have increased.</p>				

## II. Comparative Analysis of Financial Performance

### (I) Comparative Analysis of Financial Performance

Unit: NT\$ thousands

Item \ Year	2024	2023	Difference	
			Amount	%
Net operating revenue	4,637,473	4,367,641	269,832	6.18
Operating costs	3,898,847	3,643,553	255,294	7.01
Gross profit	738,626	724,088	14,538	2.01
Operating expenses	337,580	341,816	(4,236)	(1.24)
Operating income	401,046	382,272	18,774	4.91
Non-operating income and expenses	178,818	160,314	18,504	11.54
Net income from continuing operations before tax	579,864	542,586	37,278	6.87
Income tax expense	(105,581)	(136,066)	30,485	22.40 (1)
Net income from continuing operations	474,283	406,520	67,763	16.67
Net income (loss) from discontinued operations after tax	—	—	—	—
Net income	474,283	406,520	67,763	16.67
Other comprehensive income (net amount after tax)	278,624	(25,263)	303,887	1,202.89 (2)
Total comprehensive income	752,907	381,257	371,650	97.48 (2)
Net income attributable to shareholders of the parent	474,283	406,520	67,763	16.67
Comprehensive income attributable to shareholders of the parent	752,907	381,257	371,650	97.48 (2)
<p>1. Analysis of change over 20% is given below:</p> <p>(1) The decrease in the CFC tax payable during this period, as required by tax regulations, is due to the decrease in profits of the holding company.</p> <p>(2) Due to fluctuations in the USD and CNY exchange rates, the differences in the translations of financial statements of foreign operations have increased.</p> <p>2. The Company's business activities did not change much, and the Company did not expect a significant change in its business strategy, market conditions, the economic environment, or other internal or external factors.</p> <p>3. The Company forecasts the sales of golf club heads and golf clubs in 2025 to be 4.89 million pieces (an increase of 27.43% from 2024) based on the estimated orders for 2025 and quotations offered/received, and by reference to the sales and production scheduling in 2024. Because the demand from the consumption market remained unchanged, clients' new product distribution strategy in the market, the Company forecast the orders for golf club heads and golf clubs to increase on the assumption that product portfolio sold varied.</p>				

### (II) Gross Profit Analysis

The change in gross profit for the period was less than 20% as compared to the previous period. Therefore, an analysis for change is not required.

### III. Cash Flow Analysis

#### (I) Liquidity Analysis of the Most Recent 2 Years

Item \ Year	December 31, 2024	December 31, 2023	Change in Ratio (%)	Description
Cash flow ratio	68.69%	93.74%	(26.72)	The decrease in net cash flow from operating activities was mainly due to the change in sales revenue in the fourth quarter of the year, which caused a significant decrease in accounts receivable, resulting in a significant decrease in net cash flow from operating activities.
Cash flow adequacy ratio	118.16%	123.03%	(3.96)	—
Cash reinvestment ratio	6.52%	0.45%	1,348.89	This is mainly due to a significant decrease in the net cash flow from operating activities and cash dividends distributed in the current period.

#### (II) Cash Flow Forecast for the Coming Year

Cash Beginning Balance	Cash Flow from Operating Activities	Cash Flow In/(Out)	Cash Ending Balance/ (Shortage)	Remedial Measures for Cash Flow Shortfalls	
				Investment Plans	Financing Plans
2,755,733	172,497	871,795	2,056,435	—	—

#### 1. Cashflow variance analysis for 2024 is shown as below:

##### (1) Operating Activities:

Assuming stable global economic growth in 2025 and considering the increase in the overall consumption demand in the European and American markets as well as the positive growth in golf equipment demand, leading to an increase in order intake. The net profit for this period is projected to rise due to the anticipated increase in orders, resulting in profitability. After factoring in the effects of changes in other operating activities, the Company expects the net cash inflow from operating activities during 2025 to reach NT\$172,497 thousand.

##### (2) Investing Activities:

In order to improve the information efficiency, production automation, product quality, self-design capability and management efficiency, the construction of the second Jiangxi factory is still in progress, and it is expected to add and replace the equipment, machinery, and computer software and hardware used by the production, R&D, and administrative apartments in 2025. In addition, in 2025, in response to the tariff policy of the United States, the Company has added production sites and invested in a subsidiary in Vietnam. Therefore, it is estimated to have a net cash outflow of NT\$407,008 thousand.

##### (3) Financing Activities:

For the year of 2025, the Company plans to distribute cash dividends and pay remuneration to employees, directors and supervisors. Due to the increase in borrowings and repayments, it is estimated that the Company

will incur a net cash outflow of NT\$464,787 thousand.

2. The Company is not expected to have any cash shortfall in the coming year.

#### IV. Major Capital Expenditures During the Most Recent Fiscal Year

##### (I) Major Capital Expenditures and its Sources of Capital

Unit: NT\$ thousands

Project	Actual or Planned Source of Capital	Actual or Planned Date of Completion	Total Capital	Actual or Expected Capital Expenditure			
				2023	2024	2025	2026
CAD/CAM, upgrade on sketch software	Cash flow generated from operations	Dec. 2025	12,029	—	—	4,945	—
Automation equipment	Cash flow generated from operations	Dec. 2026	254,633	40,000	27,047	32,903	3,656
Upgrade and implementation of information system	Cash flow generated from operations	Mar. 2026	37,351	—	1,378	3,150	350
R&D software updates and measurement equipment	Cash flow generated from operations	Dec. 2025	21,465	308	4,144	4,923	—
Production line expansion, equipment replacement	Cash flow generated from operations	Dec. 2025	234,512	5,441	45,025	23,839	—
Expansion of the Jiangxi Factory	Cash flow generated from operations	Dec. 2025	344,409	174,919	159,365	10,125	—
Factory Construction in Vietnam	Cash flow generated from operations	Dec. 2026	210,000	—	—	252,425	84,141
Green electricity renew energy facilities	Cash flow generated from operations	Dec. 2025	18,645	8,645	—	10,000	—

##### (II) Expected Benefits:

1. Expected increase in production and sales volume, amount and gross profit:

Unit: NT\$ thousands

Year	Item	Production Volume	Sales Volume	Sales Amount	Gross Profit
2026	Golf club head	400,000	420,000	333,339	42,481
2027	Golf club head	408,000	428,400	425,007	54,163
2028	Golf club head	420,000	441,000	437,507	59,241
2029	Golf club head	428,000	449,400	401,257	57,528

2. Description on Other Benefits:

(1) Benefits of CAD/CAM and upgrade on sketch software:

A. The length of time in which Company devotes to R&D for golf head and tooling machines can be shortened, resulting in an increase in the Company's profits.

B. The trial period for sample production can be significantly reduced, allowing the Company to strive for time

efficiency in order to improve market competitiveness.

(2) Benefits of automation system development and integration:

- A. To reduce labor cost, save working time and improve work efficiency.
- B. Product accuracy and design capability are improved to meet the clients' demand and to make the products required by the clients.

(3) Benefits of upgrade and implementation of information system

- A. To ensure the security of corporate business secrets and important data information.
- B. To enhance the data and system backup functions of the Company's major servers.
- C. To strengthen the analysis and management of client information.
- D. To enhance the Group's ability to integrate various types of financial information in order to provide accurate and immediate information for management.
- E. To provide parties who are involved in inter-company trade and triangular trade within the group with simple and optimized operation process.

(4) Benefits of R&D software updates and measurement equipment:

- A. To improve the company's R&D results.
- B. To improve the accuracy of product inspection.

(5) Benefits from Jiangxi/Vietnam Factory expansion, production line expansion, and production equipment replacement:

- A. In response to U.S. tariff policies, a second production base has been established to diversify tax risks.
- B. To increase production capacity to meet client delivery schedules and reduce delays in delivery due to lack of capacity.
- C. To improve product quality, reduce time and cost of reworking and reduce damaged goods caused by old machines.

(6) Benefits from green electricity - renew energy:

- A. Resources recycling and practice of the circular economy will bring a win-win situation for both the economy and the environment.
- B. Obtaining a green electricity certificate will make the company an environmentally sustainable enterprise under the green finance framework.
- C. Aggressively progressing towards the government's carbon reduction goals.

## V. Reinvestment Policy for the Most Recent Fiscal Year, the Main Reasons for the Profits/losses Generated Thereby, the Plan for Improving Re-investment Profitability, and Investment Plans for the Coming Year

- (I) Reinvestment Policy: The reinvestment policy of the Company is to make good use of the division of labor in Taiwan and China in order to build production bases with competitive advantages.
- (II) Main reason of the reinvestment loss: Due to inconsistent delivery schedules from clients, proper capacity allocation was deemed not possible, resulting in a decline in factory capacity utilization and an increase in fixed cost allocation

per product unit. In addition, because client orders consist of different product combinations, some production processes must be outsourced, leading to increased processing fees and a significant decrease in profit.

(III) Improvement Plans:

1. To resolve the problems of rising operation costs in China through the implementation of “Lean Management Programs”.
2. In order to enhance the Company’s overall competitiveness and diversify production risks, the Company will continue to monitor the unfavorable factors of its operations in China and adjust the international division of labor with reference to the monitoring results.
3. To enhance production automation and improve information system efficiency in order to reduce costs, transform and upgrade.

## VI. Risk Assessment of the Most Recent Fiscal Year and Up To the Publication of this Annual Report

(I) The Effect Upon the Company’s Profits (Losses) of Interest and Exchange Rate Fluctuations and Changes in the Inflation Rate, and Response Measures to Be Taken in the Future.:

1. Changes in Interest Rates:

Interest rate risk refers to the risk of fluctuations in the fair value of financial instruments or future cash flows due to the movements in market interest rates. The Group's interest rate risk is mainly from debt instrument investments at floating rates and borrowings at fixed and floating rates. The Group manages interest rate risk by maintaining an appropriate portfolio of instruments at fixed and floating interest rates. However, hedging accounting is not applied as it does not meet the criteria for hedging accounting.

The sensitivity analysis of the Group's interest rate risk was mainly focused on investments and borrowings at floating rates at the end date of the financial reporting period. With an assumption that such investments and borrowings are held for one fiscal year, when the interest rate increased/decreased by 0.1%, the Group's 2024 and 2023 profit or loss would have increased/decreased by NT\$2,420 thousand and NT\$2,206 thousand, respectively.

2. Changes in Foreign Exchange Rates:

The Group's exchange rate risk is mainly related to operating activities (when a currency used for income or expenses is different from the Group's functional currency) and net investment in foreign operations.

The Group's foreign currency receivables and foreign currency payables are partially in the same currency. Thus, there will be a natural hedging effect for a part of the foreign currency position. The exchange rate risk of some foreign currency payments is managed through forward exchange agreements. The above natural hedging effect and the management of exchange rate risk through forward exchange agreements do not meet the requirement of hedging accounting, so hedging accounting has not been adopted; also, the net investment in foreign operations is a strategic investment, so the Group has not adopted a hedging approach thereto.

The sensitivity analysis of the Group's exchange rate risk is mainly focused on the main foreign currency monetary items on the end date of the financial reporting period and the impact of relevant foreign currency appreciation/depreciation on the Group's profit and loss and equity. The Group's exchange rate risk is mainly affected by fluctuations in the exchange rates of USD and EUR. The sensitivity analysis information is as follows:

When the NTD appreciated/depreciated by 1% against the USD, the Group’s 2024 and 2023 profit or loss would

have decreased/increased by NT\$16,834 thousand and NT\$18,976 thousand, respectively.

The Company's net exchange gains in 2024 were NT\$44,142 thousand, accounting for 0.95% of the total operating revenue in 2024, which was NT\$4,637,473 thousand. The Company mainly sells golf heads and golf clubs overseas by collecting U.S. dollars or Japanese yen. Purchases are also made in foreign currencies. As the Company's long-term borrowings are denominated in foreign currencies, if there is a significant change in the exchange rate of the U.S. dollar, Japanese yen or Chinese yuan, the profit of the Company will be affected. Therefore, the Company has applied the following countermeasures in response to changes in foreign exchange:

- (1) To agree on price adjustment limits with suppliers and clients in order to reflect the impact of fluctuations on exchange rate, collect exchange rate information and keep up with the trend of exchange rates.
- (2) To create foreign currency deposit accounts with banks. Depending on the actual capital requirements and the exchange rates, the inward remittance will be converted into New Taiwan dollars or deposited into the foreign currency deposit accounts to adjust for the amount of foreign currency deposits appropriately.
- (3) To engage in forward exchange contracts and foreign currency option transactions in order to hedge the risks arising from changes in exchange rates of debts and liabilities dominated by foreign currencies.
- (4) To hedge the risk of fair value changes in long-term borrowings due to fluctuations in market exchange rates through exchange rate swaps and credit-linked portfolio commodity contracts.

3. Inflation: There is no material impact on the Company's operations and profitability.

(II) The Company's Policy Regarding High-risk Investments, Highly Leveraged Investments, Loans to Other Parties, Endorsements, Guarantees, and Derivatives Transactions; the Main Reasons for the Profits/Losses Generated Thereby; and Response Measures to Be Taken in the Future:

1. The Company did not engage in high-risk, high-leveraged investments in 2024.

2. Loaning of Funds to Others:

Unit: NT\$ thousands

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year (Note 1)	Balance at the end of year (Note 2)	Actual amount drawn down (Note 3)	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted
													Item	Value		
1	O-TA BVI	Harvest Fair	Other receivables - related parties	Y	\$327,350	\$327,350	\$-	-	2	-	Business operation	-	-	-	\$4,808,859 (Note 5)	\$4,808,859 (Note 5)
1	O-TA BVI	Jiangxi O-TA	Other receivables - related parties	Y	\$327,350	\$327,350	\$299,263	-	2	-	Business operation	-	-	-	\$4,808,859 (Note 5)	\$4,808,859 (Note 5)
1	O-TA BVI	VGT	Other receivables - related parties	Y	\$32,735	\$32,735	\$-	-	2	-	Business operation	-	-	-	\$4,808,859 (Note 5)	\$4,808,859 (Note 5)
2	Harvest Fair	Jiangxi O-TA	Prepayment for purchases - related parties	Y	\$327,350	\$327,350	\$-	-	2	-	Business operation	-	-	-	\$3,449,938 (Note 5)	\$3,449,938 (Note 5)

Note 1: The amount was authorized and resolved by the Board of Directors on 25 February, 2020.

Note 2: The ending balance of the year is based on the credit line of loans.

Note 3: Was written off during the preparation of the consolidated financial statements.

Note 4: Due to the necessity of short-term financing.

Note 5: In accordance with the "Operational Procedures for Loaning of Funds" formulated by the subsidiaries O-TA BVI and Harvest Fair on May 12, 2020, when a parent company directly or indirectly holds 100% of the voting shares of a foreign company, the total amount of financing and the amount of individual loans to be made shall not exceed five times the net worth of O-TA BVI and Harvest Fair, respectively.

3. Endorsement & Guarantees: None.

4. Derivatives Transactions Policy: The Company engages in derivative transactions mainly to hedge the risks arising from changes in foreign exchange and interest rates. Hedging strategies are designed to hedge most of the market price risks. Derivatives that are highly negatively correlated with changes in the fair value of the hedged item are used as hedging instruments and the strategies are assessed periodically.

(III) Research and Development Work to Be Carried out in the Future, and Further Expenditures Expected for Research and Development Work

Unit: NT\$ thousands

2025 Projects	Current Status	Estimated R&D Expenses	Estimated Mass Production Time	Factors Affecting R&D Success
Manufacturing and development of composite materials	In progress	66,898	Dec. 2025	High strength, impact resistance, light weight, appearance
Development of high-strength and low-density materials	In progress		Dec. 2025	Cost, features of plate, heat treatment
Development of high-strength and low-density alloy steel materials	In progress		Dec. 2025	Performance, cost, heat treatment
Combination of heterogeneous Materials, production process development and its application	In progress		Dec. 2025	Strength, acoustic performance, durability
Exterior design and surface treatment	In progress		Dec. 2025	Cost, quality, appearance
Development of high performance and complex structure	In progress		Dec. 2025	Process capability, design capability, customer demand
Green energy and low-carbon production process development	In progress		Dec. 2025	Process capability, cost, Material development
Simulation and analysis	In progress		Dec. 2025	Design capabilities, cost, solutions

The development projects are designed by three main core features of technology, including “process and structure”, “performance improvement” and “new material development”. The Company combines automated manufacturing processes into production to reduce production costs and improve process yields, and introduces the carbon reducing process, to provide clients and the market with high-quality golf equipment that boasts a stylish design aligned with current golf trends while also meeting green, low-carbon standards.

1. Enhance the core technologies of structural design and material development to produce golf equipment that exceeds the general performance of golf products in the market.
2. Improving yield and reducing cost for production through upgrade low-carbon production processes and automated production lines while incorporating recyclable materials, while remaining friendly to the environment.
3. Continuous improvement in the integration and application of diverse materials, along with ongoing enhancements in the aesthetic design of our golf equipment, demonstrates our innovative R&D and design capabilities while expanding our competitive advantage.
4. Enhancing the computer simulation analysis technology in order to build up the capability for golf head design and provide customers with solutions to the development of golf head.
5. Continue to develop materials and improving the quality of golf equipment through the advantages in the material development and the professional technique of suppliers.
6. Actively monitoring the layout of intellectual property rights to protect R&D achievement results and expand market share.

- (IV) Effect on the Company's Financial Operations of Important Policies Adopted and Changes in the Legal Environment at Home and Abroad, and Measures to Be Taken in Response: The Company keeps itself up with important domestic and international policies and legal changes, evaluates their impact on the Company, and takes appropriate counter-measures.
- (V) Effect on the Company's Financial Operations of Developments in Science and Technology (including Cyber Security Risks) As Well As Industrial Change, and Measures to Be Taken in Response: Not applicable.
- (VI) Effect on the Company's Crisis Management of Changes in the Company's Corporate Image, and Measures to Be Taken in Response: The Company has always adhered to the business philosophy of integrity, law-abiding and social responsibility. Therefore, the Company's corporate image has always been good and there has been no change in corporate image in the recent year.
- (VII) Expected Benefits and Possible Risks Associated with Any Merger and Acquisitions, and Mitigation Measures Being or to Be Taken: Not applicable.
- (VIII) Expected Benefits and Possible Risks Associated with Any Plant Expansion, and Mitigation Measures Being or to Be Taken: In order to meet the characteristics of "the powerful are always powerful," of the major international brands, the Company will expand its plants appropriately to meet the demand of major international brand clients. Currently, the Company's overseas subsidiaries have expanded their factories in 2025, and the construction are still in process. In the future, it is expected to increase the overall production capacity of the Company.
- (IX) Risks Associated with Any Consolidation of Sales or Purchasing Operations, and Mitigation Measures Being or to Be Taken: The Company has long maintained good cooperative relationships with clients and suppliers and has stable sources of suppliers and clients. Therefore, the risk of concentrated stock replenishment and sale is relatively small.
- (X) Effect Upon and Risk to the Company in the Event a Major Quantity of Shares Belonging to a Director, Supervisor, or Shareholder Holding Greater Than a 10 Percent Stake in the Company Has Been Transferred or Has Otherwise Changed Hands, and Mitigation Measures Being or to Be Taken: The Company has a stable shareholder structure and there has not been any significant transfer or change of shareholding by major shareholders over the years. Moreover, since the Company's business results are good, the risk is extremely small.
- (XI) Effect Upon and Risk to Company Associated with Any Change in Governance Personnel or Top Management, and Mitigation Measures Being or to Be Taken: Not applicable.
- (XII) Litigation or Non-litigation Matters: List Major Litigious, Non-litigious or Administrative Disputes that: (1) Involve the Company and/or Any of Its Director, Supervisor, President, Person with Actual Responsibility for the Company, Major Shareholder Holding a Stake of Greater than 10 Percent, and/or Any Affiliated Companies; and (2) Have Been Concluded by means of a Final and Unappealable Judgment, or Are Still Under Litigation. Where Such a Dispute Could Materially Affect Shareholders' Equity or the Prices of the Company's Securities, the Annual Report Shall Disclose the Facts of the Dispute, Amount of Money at Stake in the Dispute, the Date of Litigation Commencement, the Main Parties to the Dispute, and the Status of the Dispute As of the Date of Publication of the Annual Report.: Up to the publication of this annual report, the Company has no litigation or non-litigation matter.

(XIII) Other Important Risks and Mitigation Measures Being or to Be Taken: None.

## VII. Other Important Matters

### (I) Basis and Evaluation of the Provision of Assets and Liabilities

1. For the year of 2024 and 2023, the Company appropriately estimated the allowance for doubtful accounts by assessing the probability of losses on uncollectible accounts based on the aging of the accounts receivable at the end of the period, and the provision policy is shown as below:

Overdue Period	2024 Allowance for Doubtful Accounts (%)	2023 Allowance for Doubtful Accounts (%)
1 ~ 3 months	0.1%	0.1%
4 ~ 6 months	10%	10%
7 ~ 12 months	30%	30%
More than 1 year	85%	85%
Determined uncollectable accounts	100%	100%

2. In 2024 and 2023, the Company's policies on the provision for obsolete inventory are the same, as described below:

#### (1) Raw material

0-182 days: Valuated at the replacement cost; an allowance is provided for any resulting differences.

183-365 days: An allowance equal to 50% of inventories cost is provided.

366-548 days: An allowance equal to 70% of inventories cost is provided.

549-730 days: An allowance equal to 90% of inventories cost is provided.

731 days and more: An allowance equal to 100% of inventories cost is provided.

#### (2) Finished goods and semi-finished goods

Valid inventories of club heads: The allowance for obsolete inventory is provided based on the difference between inventory cost and net realizable value.

Invalid inventories of club heads:

Inventories less than 1 year: The allowance for obsolete inventory is provided based on the difference between inventory cost and net realizable value.

Inventories more than 1 year: The net realizable value is estimated to be 0 and the allowance equal to 100% of the value is provided

Bikes and plumbing hardware: The allowance for obsolete inventory is provided based on the difference between inventory cost and net realizable value. Additional provision may be allowed depending on the age of inventories.

- (3) Other goods whose new realizable value is deemed zero based on an objective assessment must be notified to the Chairman; if an approval is granted by the Chairman, an allowance equal to 100% of the value of such goods must be provided, and such goods must be moved to the warehouse for obsolete goods or goods to be scrapped.

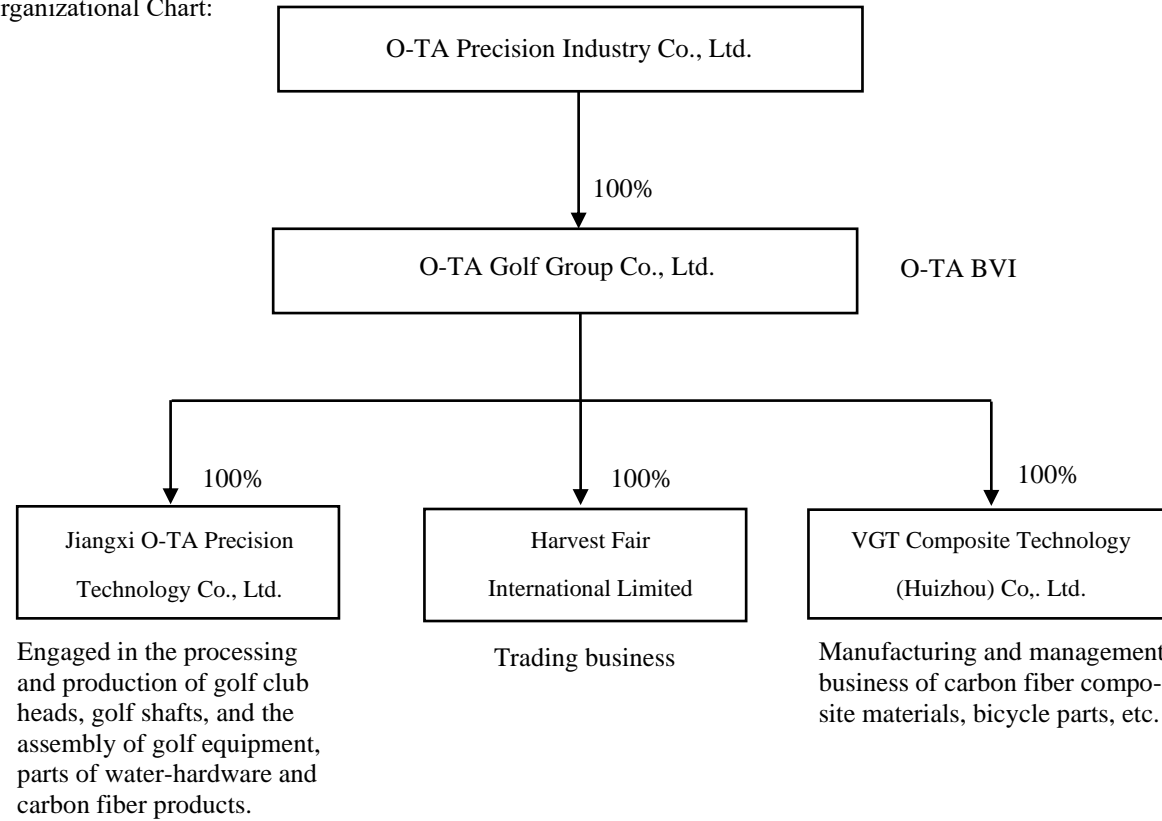
## Six. Special Items

### I. Summary of Affiliated Companies

#### (I) Consolidated Business Reports of Affiliated Companies

##### 1. Summary of Affiliated Companies:

##### (1) Affiliated Companies Organizational Chart:



(2) Affiliated Companies Information

Company name	Date of Establishment	Address	Paid in Capital (Note 1)	Main business or production items
O-TA Golf Group Co., Ltd.	November 26, 1996	Simmonds Building, Wickhams Cay1, P.O. Box 961, Road Town, Tortola, British Virgin Islands	NT\$ 1,376 thousand	Engaged in the trading and investment business of golf club heads.
Harvest Fair International Limited	May 24, 1994	RM 14-15 10/F Harry Industrial BLDG. 49-51 Au Pui Wan St, Fo Tan Shatin, Hong Kong.	NT\$ 35 thousand	Engaged in the trading of golf club heads and bicycle spare parts.
Jiangxi O-TA Precision Technology Co., Ltd.	December 23, 2011	No.61, Huangjin Avenue, Ganzhou Economic and Technological Development Zone, Jiangxi, China	NT\$ 605,250 thousand	Engaged in the processing and production of golf club heads, golf shafts, and the assembly of golf equipment, parts of water-hardware and carbon fiber products.
VGT Composite Technology (Huizhou) Co., Ltd.	January 29, 2018	Factory Building B, Antaida Technology Park, Eastern Industrial Park, Huatang Village, Shatian Town, Huiyang District, Huizhou, China	NT\$ 88,500 thousand	Manufacturing and management business of carbon fiber composite materials, bicycle parts, etc.

Note 1: The amount of paid-in capital refers to the actual invested capital, but does not include the prepaid capital.

(3) In accordance with Article 369-3 of the Company Act, it shall be concluded as the existence of the controlling and subordinate relation: Not applicable.

(4) Industries covered by the overall affiliates' business: manufacturing and import/export trading of sports equipment.

The division of work is shown as below:

Division of Work of Each Invested Business

Name of Invested Business	Major Business Items	Purpose of Investment	Note
O-TA Golf Group Co., Ltd., BVI (abbreviated as O-TA BVI)	The company is an overseas holding company that engages in the investments in mainland China and overseas countries.	The company was established due to political risks and cross-strait political and economic considerations.	Established in November 1996 in the British Virgin Islands.
Harvest Fair International Limited (abbreviated as Harvest Fair)	Engaged in the trading of golf club heads and bicycle spare parts.	The import trading company was established in response to the current government policy and the political and economic situation in Taiwan and China.	Established in Hong Kong in May 1994. The Company indirectly holds 100% of its shares through O-TA BVI in December 1996 and took over all of its debts and liabilities from January 1, 1997.
Jiangxi O-TA Precision Technology Co., Ltd. (abbreviated as Jiangxi O-TA)	Manufacturing and management business of carbon fiber composite materials, bicycle parts, etc.	In order to expand production capacity, increase order volume, boost revenue, reduce labor costs, and enhance the Company's overall market	Reinvested by O-TA BVI

Name of Invested Business	Major Business Items	Purpose of Investment	Note
		competitiveness, the Company invested in Jiangxi O-TA in China as another processing and production center for O-TA.	
VGT Composite Technology (Huizhou) Co., Ltd. (abbreviated as VGT)	Manufacturing and management business of carbon fiber composite materials, bicycle parts, etc.	Having the technology to produce composite material products with advanced production equipment and scientific management to expand the international business and enhance our overall market competitiveness.	Reinvested by O-TA BVI

(5) Information on the directors, supervisors and presidents of the affiliated companies

Unit: NT\$ thousands; shares; %

Company Name	Title (Note 3)	Name of Representative	Shareholding (Note 4)	
			Number of Shares	Percentage (%)
O-TA Golf Group Co., Ltd. (O-TA BVI)(Note 1)	Director	Representatives Of O-TA: LEE, KUNG-WEN; LIN, CHON-CHEN	NT\$1,376	100%
Harvest Fair International Limited (Harvest Fair) (Note 2)	Director	Representatives Of O-TA BVI: LEE, KUNG-WEN; LIN, CHON-CHEN; LEE, CHUNG-MU	NT\$35	100%
Jiangxi O-TA Precision Technology Co., Ltd. (Jiangxi O-TA) (Note 2)	Director President	Representatives Of O-TA BVI: LEE, KUNG-WEN; LIN, CHON-CHEN HSU, JUNG-MIN	NT\$605,250	100%
VGT Composite Technology (Huizhou) Co., Ltd. (VGT) (Note 2)	Director President	Representatives Of O-TA BVI: LEE, KUNG-WEN; LIN, CHON-CHEN; CHEN, WEN-HSIANG CHEN, WEN-HSIANG	NT\$ 88,500	100%

Note 1: O-TA Golf Group Co., Ltd. is an invested company 100% directly owned by the Company.

Note 2: Harvest Fair, Jiangxi O-TA and VGT are reinvested by O-TA Golf Group Co., Ltd. The Company indirectly holds 100% shares of each aforementioned company.

Note 3: If the affiliated company is a foreign company, the title is listed as equivalent.

Note 4: If the invested company is a joint stock company, please fill in the number of shares and the percentage of shareholding; for other types of companies, please fill in the amount of capital contribution and the percentage of capital contribution and specify the details.

2. Financial position and results of operations of the affiliated companies

## 2024 Operation Status of Affiliated Companies

Unit: NT\$ thousands

Name	Capital	Total Assets	Total Liabilities	Total Equity	Operating revenues	Operating income	Net Income (after tax)	Earnings Per Share (NT\$) (after tax)
O-TA Precision Industry Co., Ltd.	838,000	7,191,268	2,973,881	4,217,387	4,320,535	695,309	474,283	5.66
O-TA Golf Group Co., Ltd. (O-TA BVI)	1,376	4,808,859	0	4,808,859	0	(121,195)	(151,226)	—
Harvest Fair International Limited	35	3,426,175	2,736,187	689,988	473,886	64,568	91,157	—
Jiangxi O-TA Precision Technology Co., Ltd.	605,250	3,897,922	903,748	2,994,174	3,280,980	(410,593)	(276,130)	—
VGT Composite Technology (Hui-zhou) Co., Ltd.	88,500	302,291	72,830	229,461	332,163	62,886	65,003	—

Source of data: The financial statements certified by CPAs.

Note 1: All affiliated companies shall be disclosed regardless of their size.

Note 2: If the affiliated company is a foreign company, the relevant financial figures are presented in New Taiwan dollars using the exchange rate as of the reporting date.

### (II) The Consolidated Financial Statements of Affiliated Companies

The Company, in accordance with regulations, no longer prepares separate consolidated financial statements for affiliated companies. The Letter of Representation has been included in our 2024 Consolidated Financial Report and has been filed with the “Market Observation Post System.” Please refer to “Market Observation Post System > Single Company > Electronic Document Download > Financial Report.”

(III) Reports on Affiliations: The Company is not required to prepare the report in accordance with the regulations.

- II. Private Placement of Securities Carried out by the Company During the Most Recent Fiscal Year or During the Current Fiscal Year Up to the Date of Publication of the Annual Report : None.
- III. Other Matters that Require Additional Description: None.
- IV. Situations Listed in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act, Which Might Materially Affect Shareholders' Equity or the Price of the Company's Securities, Has Occurred During the Most Recent Fiscal Year or During the Current Fiscal Year Up to the Date of Publication of the Annual Report: None.

**O-TA Precision Industry Co., Ltd.**

**Chairman            LEE, KUNG-WEN**

**March 31, 2025**