Stock code: 3114

HOWTEH TECHNOLOGY CO., LTD.

2025

Annual Report

The Annual Report is available at: https://mops.twse.com.tw
Company website: https://www.howteh.com.tw

Published on May 5, 2026

I. The Company’s spokesperson and acting spokesperson:
Name of spokesperson: Li, Kun-Cheng
Title: Special Assistant to GM
Contact No.: (02) 2570-8818
Email: kevinlee@howteh.com.tw

Name of acting spokesperson: Wang, Chang-Hui
Title: Audit Office Manager
Contact No.: (02) 2570-8818
Email: angle@howteh.com.tw

II. Address and contact number of headquarters:
Address of headquarters: 6F, No. 25, Sec. 1, Dunhua South Road, Taipei
Contact No.: (02) 2570-8818
FAX: (02) 2570-9888

III. Agency handling shares transfer:
Name: Stock Agency Department of Taishin Securities Co., Ltd.
Address: B1, No. 96, Section 1, Jianguo North Road, Zhongshan District, Taipei
Contact No.: (02) 2504-8125
Website: https://www.tssco.com.tw

IV. CPAs who duly audited the annual financial report for the most recent fiscal year:
CPAs: Chang, Chiao-Ying; Chang, Chih-Ming
CPA frim: Ernst & Young
Address: 9F, No. 333, Sec. 1, Keelung Road, Taipei
Contact No.: (02)2757-8888
Website: https://www.ey.com

V. Name of any exchanges where the company’s securities are traded offshore, and the method by which to access information on said offshore securities: None.

VI. Company website: https://www.howteh.com.tw

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One. Letter to Shareholders

To our Valued Shareholders,

I. 2025 Business Performance

(I) Results of the Business Plan Implementation:

In 2026, the global economy exhibited a moderate recovery trend. Inflationary pressures in major economies gradually eased, and monetary policy stances stabilized, leading to a slight improvement in the overall market environment compared to the previous year. However, the global economy still faces numerous uncertainties, including geopolitical shifts, adjustments in technology and trade policies by major nations, and the ongoing restructuring of supply chains, all of which impact global growth momentum and industrial development.In the technology sector, the continuous advancement of Artificial Intelligence (AI), High-Performance Computing (HPC), cloud computing, and related applications has driven demand for data centers, servers, networking equipment, and terminal device upgrades. This remains a vital driver for the mid-to-long-term development of the electronics industry. In response to these structural changes, the Company continues to focus on its core product agency and technical service capabilities, flexibly adjusting operating strategies to strengthen market competitiveness and lay a foundation for steady future growth.For the fiscal year 2025, the Company's consolidated revenue reached NT$3.01 billion, representing a 9% growth over the NT$2.76 billion recorded in 2024. Gross profit stood at **NT$289 million**, with a net income after tax of approximately NT$144 million and Earnings Per Share (EPS) of NT$2.22.

These operating results were primarily driven by steady shipments of electronic components for notebook computers, smart terminals, and automotive electronics. High-end applications were successfully integrated into customers' next-generation products, optimizing the product mix. Furthermore, shipments of high-speed transmission cables and connectors for premium laptops and peripherals remained consistent, supporting both revenue structure and gross margin performance. However, as the recovery of consumer electronics demand remains relatively slow, overall growth has remained moderate.

(II) Budget Execution

The Company did not release public financial forecasts for 2025; therefore, no budget achievement analysis is provided.

(III) Financial Income/Expenditure and Profitability Analysis

Unit: NT$ thousands (except percentages and EPS)

Item	2025	2024	Change percentage (%)
Operating revenue	3,013,984	2,764,919	9.01%
Operating gross profit	289,430	271,211	6.72%
Operating profit	91,607	73,830	24.08%
Net profit after tax	144,193	116,965	23.28%

Item	2025	2024
Return on assets (%)	5.99	4.12
Return on equity (%)	9.05	6.70
Operating profit to paid-in capital (%)	14.07	15.31
Profit before tax to paid-in capital (%)	26.79	19.57
Net profit margin (%)	4.78	3.67
Earnings per share (NT$)	2.22	1.55

(IV) Research and Development Status

The Company's core business focuses on professional agency services and technical consultation for electronic components and equipment. As a value-added service provider rather than a traditional manufacturer, we do not incur conventional R&D expenditures. Instead, our professional marketing and sales teams solidify existing product lines (connectors, acoustics, cables, driver ICs, and PCB equipment) while identifying and securing agencies for emerging applications. We have successfully assisted terminal customers in integrating these technologies into their products. Furthermore, through our overseas offices in Vietnam and Beijing, we continue to develop high-potential clients to expand our service scale and market presence.

II. Outline of the 2026 Business Plan

(I) Business strategies

1. New Market Development & Diversification: Our dedicated development team monitors industry trends to secure agencies for forward-looking supply chains and emerging applications.
2. Enhancing Core Competencies: We optimize human resources through internal training and professional development, ensuring our team provides high-quality services from requirement integration to application solutions.
3. Optimizing Management Performance: We maintain a lean operation by closely monitoring market dynamics, managing accounts receivable, implementing rigorous inventory controls, and optimizing cash flow.

(II) Expected sales and expectation basis

Looking forward to 2026, the tech industry will be bolstered by AI, cloud computing, and high-speed transmission. The demand for high-performance components and process equipment remains strong.

1. Connectors & High-Speed Transmission:

As demand for High-Performance Computing (HPC) and high-speed data transmission escalates, designs centered on Signal Integrity (SI) and Power Integrity (PI) have become increasingly critical. The proliferation of next-generation high-speed interfaces and standardized connection protocols is driving the adoption of high-speed cables and connectors across consumer and commercial products. Within the notebook and automotive electronics sectors, the sustained demand for high-density, high-reliability Board-to-Board (B2B) and I/O connectors is pushing product development toward greater precision and customization.

2. Acoustic, Sensing, and Edge Computing Applications:

The integration of AI algorithms with sensor technology has reached maturity, offering low power consumption, high precision, and enhanced voice and image recognition. These technologies are widely deployed in Edge AI devices, smartphones, wearables, smart homes, and automotive voice systems. As AI capabilities continue to migrate toward terminal devices (the "Edge"), demand for acoustic and sensing components is expected to maintain steady growth.

3. Imaging Modules and Lens Integration Solutions:

Imaging applications are evolving toward higher resolution, multi-lens configurations, and total system integration. For notebook applications, the Company promotes integrated solutions spanning image processing, acoustics, power management, and connectors. In the smartphone market, we continue to implement Optical Image Stabilization (OIS) ICs and multi-camera applications. Furthermore, driven by the rise of automotive electronics and AR/XR technologies, the demand for image drivers and power management in vehicle-mounted lenses and wearable displays represents a key focus for mid-to-long-term development.

4. PCB Process Equipment

The growth momentum of the Printed Circuit Board (PCB) industry is primarily fueled by AI servers, networking equipment, and advanced packaging applications. The Company continues to introduce competitive process equipment to assist clients in enhancing yield rates and production efficiency. Benefiting from the growth in AI and Flip-Chip (FC) substrate applications, the demand for high-end PCB manufacturing equipment remains stable, providing a solid long-term foundation for this business segment.

(III) Major Production and Sales Policies

The Company is dedicated to enhancing value-added services within the electronic component distribution channel. Consequently, our production and sales policies focus on the following key areas:

1. Enhancement of Professional Competencies

To improve employees’ understanding of professional knowledge on product properties, features, and functions; to grasp industry trends; to actively use the core products of original manufacturers; and to introduce a wide range of innovative service models and solutions, to seek more opportunities to launch applications tailored to demand.

2. International Market Expansion and Risk Diversification

The Company is proactively expanding its business footprint beyond the Greater China region, with a strategic focus on emerging markets such as Southeast Asia. By offering customized product portfolios and services tailored to local industrial characteristics, we aim to optimize our global market distribution and effectively mitigate regional concentration risks.

3. Implementation of Rigorous Credit Risk Management
   We have established a comprehensive customer credit rating system to monitor the financial health and operational status of our clients in real time. Through prudent credit limit controls and the utilization of accounts receivable insurance, we effectively hedge against potential bad debt risks, ensuring the security and liquidity of our working capital.
4. Precision Inventory Management and Operational Efficiency
   To maximize operational performance, we maintain real-time visibility into customer and market demand, allowing for the flexible adjustment of inventory levels and the optimization of turnover rates. Our effective warehousing management system balances supply stability with strict controls over inventory valuation losses (write-downs), preventing capital from being tied up in excess stock and further driving management excellence.

III. The Company's development strategy for the future

n response to evolving market demands and the competitive landscape, the Company has outlined the following development plans:

1. Short-term Development Plans

(1) Continuous Expansion of Agency Lines, Trends, and Services

-Passive Component Agency Expansion: Actively identifying and securing new partnerships to bridge gaps in the current product roadmap.

-Active IC Agency Development: Focusing on securing key product lines that hold a mission-critical position within our customers' industries.

-Trend-Driven Product Development: Targeting high-growth sectors including power components, optical modules, and networking components.

(2) Product Application Development

A. AI-Driven Wearables and Productivity Tools (AI/AR Glasses, AI Recorders, AI Earphones):

-Delivering comprehensive component solutions for AI Smart Glasses to spearhead the transition into the AI era.

-Enhancing professional and academic productivity through tools that facilitate meeting efficiency, memory retention, and real-time environmental data collection.

-Providing advanced features including real-time translation, interactive dialogue, and speech-to-text (STT) transcription.

B. PCB-Related Equipment Development

-Advancing toward AI substrate equipment, with a strategic focus on AI applications for ABF substrates.

-Establishing a presence in the agency of precision process equipment components for Japanese semiconductor manufacturers.

-Strategic positioning in the emerging market for Glass Substrate cutting machinery.

2. Long-term Business Development Plans

(1) Strategic Key Account Management: Strengthening partnerships with tier-one clients to leverage their influence in attracting world-class, high-status original manufacturers, thereby reinforcing the Company's competitive moats.

(2) Strategic Supply Chain Re-routing: Capitalizing on the "China-to-China" policy and the shift of ODM hubs to introduce premium original manufacturers from Taiwan, Japan, and the U.S. into the Chinese market.

(3) AI Innovation Alignment: Conducting deep research into next-generation AI product trajectories to ensure our product portfolio evolves in lockstep with global AI advancements.

(4) Integrated Modular Solutions: Transitioning from individual component sales to providing modular solutions for large-scale clients, diversifying our footprint across the networking, imaging (lens), and notebook industries.

IV. Impact of the External Competitive Environment, Regulatory Environment, and Macroeconomic Trends

(I) Impact of the External Competitive Environment

Amid rapid technological advancements and the accelerated transformation of industrial applications, the electronic component distribution sector faces more intense competition than ever before. The Company is committed to enhancing market sensitivity and establishing agile responsiveness. By accurately capturing shifts in market demand and product life cycles, we introduce new applications and secure innovative product agencies at the optimal time. Leveraging our profound technical expertise, we perform vertical integration across the upstream and downstream supply chains, establishing an indispensable value proposition and further strengthening our overall market competitiveness.

(II) Impact of the Regulatory Environment

In response to the volatile geopolitical landscape across Greater China, Southeast Asia, and the global stage, the Company closely monitors changes in trade policies, tax regulations, and monetary frameworks. For any significant policy or legal shifts that may impact our operations or financials, we adhere to the core principle of legal compliance while proactively implementing measures to mitigate the impact of policy fluctuations. This ensures the Company maintains stable operating performance even in a dynamic regulatory environment.

(III) Impact of the Macroeconomic Environment

Looking ahead to 2026, the global economy remains influenced by geopolitical tensions and U.S. trade protectionism—specifically tariff policies and conflicts in the Middle

East—which have accelerated the restructuring of global supply chains. While inflationary pressures and policy uncertainties pose obstacles to growth, the inelastic demand (rigid demand) for digital transformation and AI development serves as a catalyst for economic recovery.

According to the latest forecast by the International Monetary Fund (IMF), the global economic growth rate for 2026 is projected to be revised upward to 3.3%. Despite trade risks posed by U.S. tariff policies, the technology sector continues to drive economic progress, fueled by demand for software and hardware in AI, cloud computing, High-Performance Computing (HPC), automation, and Net-Zero transformation. Faced with these macroeconomic fluctuations, the Company will leverage its flexible multinational operations and value-added technical services to seize industry consolidation opportunities brought by emerging technologies, turning challenges into momentum for transformational growth.

As we look to the future, the Company will continue actively exploring various market opportunities, continue to maintain good and trusting relationships with customers, and work closely with OEMs to enhance market competitiveness. We shall also implement risk management and talent training, strengthen corporate governance, foster a solid operating performance, practice sustainable business development, and repay shareholders for their support.

Respectfully submitted to all shareholders,

We thank you for your continued trust and support.

Sincerely,

HOWTEH TECHNOLOGY CO., LTD.

Chairman: Chen, Kuo-Hung

Two.Corporate Governance Report

I. Information on directors, the general manager, vice general manager, associate general manager, and heads of various departments and branches

(I) Directors

1. About the Directors

April 13, 2026

Title	Nationality or Place of Registration	Name	Gender Age	Date of election	Tenure	Date first elected or appointed	Shareholding when elected or appointed		Current shareholding		Shareholding of spouse and underage children		Shareholding in the name of others		Main career (academic) achievements	Concurrent duties in the Company and other companies	Spouse or relatives of the second degree or closer acting as manager, director or supervisor			Remarks
							Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage			Title	Name	Relationship	
Chairman	ROC	Chen, Kuo-Hung	Male 61~70	June 21, 2024	3 years	September 5, 1992	5,548,984	8.52%	5,048,984	7.75%	2,793,564	4.29%	0	0%	Department of Electrical Engineering, National Taiwan University General manager, Tailyn Technologies, Inc. Chief Strategy Officer, Stark Technology Inc.	Representative of a corporate director, Tailyn Technologies, Inc. Director, Stark Technology Inc. Chairman, Chaintel Technology Co., Ltd Chairman, Litetech System Co., Ltd. Independent Director, Flytech Technology Co., Ltd.	Director	Chen, Liang-Hsuan	Immediate family member	None
Director	ROC	Zhu Lin Investment Co., Ltd.	-	June 21, 2024	3 years	June 23, 2015	2,325,266	3.57%	2,325,266	3.57%	0	0%	0	0%	None	None	None	None	None	None
Representative of corporate director	ROC	Chen, Chun-Ting	Male 41~50	June 21, 2024	3 years	June 23, 2015	2,051,325	3.15%	2,051,325	3.15%	182,000	0.28%	0	0%	Institute of Electrical Engineering, University of California Chairman and General Manager, Tailyn Technologies, Inc.	Vice Chairman/Representative of a corporate director, Howteh Technology Co., Ltd. Chairman and General Manager, Tailyn Technologies, Inc. Representative of a corporate director, Zhu Lin Investment Co., Ltd. Director, Hui Hong Investment Co., Ltd.	Director	Chen, Hsin-Yi	Second-degree relative by blood	None
Director	ROC	Liu Yi Investment Co., Ltd.	-	June 21, 2024	3 years	June 21, 2018	912,628	1.40%	947,628	1.45%	0	0%	0	0%	None	None	None	None	None	None

Title	Nationality or Place of Registration	Name	Gender Age	Date of election	Tenure	Date first elected or appointed	Shareholding when elected or appointed		Current shareholding		Shareholding of spouse and underage children		Shareholding in the name of others		Main career (academic) achievements	Concurrent duties in the Company and other companies	Spouse or relatives of the second degree or closer acting as manager, director or supervisor			Remarks
							Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage			Title	Name	Relationship	
Representative of corporate director	ROC	Chen, Hsin-Yi	Female 51~60	June 21, 2024	3 years	June 21, 2024	2,017,378	3.10%	2,017,378	3.10%	0	0%	0	0%	PhD in Musical Arts, University of Southern California CEO, Taipei Rosyclouds Foundation for Education	CEO, Taipei Rosyclouds Foundation for Education Assistant Professor, String Section, Department of Music, National Taiwan University of Arts Director, Hui Hong Investment Co., Ltd.	Director	Chen, Chun-Ting	Second-degree relative by blood	None
Representative of corporate director	ROC	Wu, Li-Shan	Male 61~70	June 21, 2024	3 years	June 21, 2024	445,132	0.68%	335,132	0.51%	663	0.00%	0	0%	Electronics Department, Lee-Ming Institute of Technology Vice General Manager, Howteh Technology Co., Ltd. General Manager, Kuen Piin Enterprise Co., Ltd.	General Manager, Howteh Technology Co., Ltd.	None	None	None	None
Director	ROC	Hung, Ming-Chi	Male 51~60	June 21, 2024	3 years	June 16, 2009	430,405	0.66%	430,405	0.66%	0	0%	0	0%	University of Houston-Downton, Computer Science Major. IBM Engineer Technological manager, Metaage Corporation	Division Chief, Ardentec Corporation	None	None	None	None
Director	ROC	Chen, Liang-Hsuan	Male 31~40	June 21, 2024	3 years	June 21, 2024	2,771,013	4.25%	3,628,013	5.27%	0	0%	0	0%	Master of Science in International Business, Hult International Business School Manager, Zeng lan Investment Co., Ltd.	-	Chairman	Chen, Kuo-Hung	Immediate family member	None

Title	Nationality or Place of Registration	Name	Gender Age	Date of election	Tenure	Date first elected or appointed	Shareholding when elected or appointed		Current shareholding		Shareholding of spouse and underage children		Shareholding in the name of others		Main career (academic) achievements	Concurrent duties in the Company and other companies	Spouse or relatives of the second degree or closer acting as manager, director or supervisor			Remarks
							Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage			Title	Name	Relationship	
Independent director	ROC	Cheng, Tien-Tsung	Male 71~80	June 21,2024	3 years	July 22, 2021	0	0%	0	0%	0	0%	0	0%	MBA, Santa Clara University, California, USA CEO, FIH Mobile Limited Vice President, FOXCONN Group Asia Region President, Texas Instruments of USA President of China Region, HP	Independent director, WT Microelectronics Co., Ltd. Chairman, Aurotek Corporation. Representative of a corporate director, 3e Yamaichi Electronics Co., Ltd.	None	None	None	None
Independent director	ROC	Li, Ta-Ching	Male 61~70	June 21,2024	3 years	June 23, 2015	0	0%	0	0%	1,251	0%	0	0%	PhD in Administration Science, Tamkang University COO, Stark Technology Inc. General Manager, Sun Microsystems, Inc.	Representative of a corporate director, Yuanta Commercial Bank Representative of a corporate director, Yuanta Securities Investment Trust Co., Ltd.	None	None	None	None
Independent director	ROC	Tseng, Ming-Jen	Male 61~70	June 21,2024	3 years	June 21, 2018	0	0%	0	0%	0	0%	0	0%	MBA, Tamkang University Bachelor of Electrical Engineering, National Taiwan University General Manager, Ability Enterprise Co., Ltd. General Manager, ViewQuest Technology Co., Ltd.	Chairman/Representative of a corporate director, Ability Enterprise Co., Ltd. Chairman/Representative of a corporate director, Ability Investment Co., Ltd. Chairman, Ability Enterprise (Bvi) Co., Ltd. Chairman, Dongguan ABICO Technology Co., Ltd. Chairman/Representative of a corporate director, E-Pin Optical Industry Co., Ltd. Representative of a corporate director, Ability Technologies Co., Ltd.	None	None	None	None

Note: If the general manager or person of an equivalent post (the highest level manager) and the chairman 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): None.

2. Major shareholders of corporate shareholders

April 13, 2026

Names of corporate shareholders	Major shareholders of corporate shareholders	Shareholding percentage
Zhu Lin Investment Co., Ltd.	Tailyn Technologies, Inc.	100.00%
Liu Yi Investment Co., Ltd.	Chen, Chun-Ting	33.33%
	Chen, Shang-Yi	14.29%
	Chen, Liang-Wei	14.29%
	Chen, Che-Yao	14.29%
	Lai, Yu-Chi	23.81%

3. If any major shareholder listed in table 1 is a corporate/juristic person, list its major shareholders in this Table

March 24, 2026

Name of corporate/juristic person	Major shareholders of the corporate/juristic person	Shareholding percentage
Tailyn Technologies, Inc. (Shareholding record date was March 24, 2026)	Howteh Technology Co., Ltd.	10.98%
	Hui Hong Investment Co., Ltd.	4.97%
	Yang Jing Investment Co., Ltd.	3.83%
	Hong Tai Investment Co., Ltd.	3.13%
	Chen, Chun-Ting	3.03%
	Chen, Wen-Hsiung	2.10%
	Liu, Lin-Sheng	2.09%
	Chen, Cheng	1.95%
	Chen, Wen-Shang	1.83%
	Yu, Chang-Tsan	1.82%

4. Disclosure of information on directors' professional qualifications and independent directors' independence

Criteria / Name	Professional qualifications and experience (Note 1)	State of independence (Note 2)	Number of concurrent duties as an independent director at a public company
Chen, Kuo-Hung	Currently serving as the Chairman of Chaintel Technology Co., Ltd.; used to be the General Manager of Tailyn Technologies, Inc., and Chief Strategy Officer of Stark Technology Inc. Mr. Chen, Kuo-Hung possesses practical experience and is an expert in strategy management, leadership, marketing, and industrial technology; he communicates business administration strategy to all directors a Board of Directors meetings and interacts with them, in addition to providing his opinion on business administration. Not a person with any of the circumstances under Article 30 of the Company Act.	—	1
Zhu Lin Investment Co., Ltd. Representative: Chen, Chun-Ting	Currently serving as the Chairman and General Manager of Tailyn Technologies, Inc.; used to be the Business Vice General Manager of Tailyn Technologies, Inc. Mr. Chen, Chun-Ting is an expert in marketing and industrial technologies and is able to submit opinions and strategies with respect to corporate governance and business administration at Board of Directors meetings in a timely manner, so as to provide a basis for the management team to formulate and execute business strategy. Not a person with any of the circumstances under Article 30 of the Company Act.	—	None

Liu Yi Investment Co., Ltd. Representative: Chen, Hsin-Yi	Currently serving as the Director of Hui Hong Investment Co., Ltd. Ms. Chen, Hsin-Yi possesses practical experience and is able to submit opinions and strategies with respect to corporate governance and business administration at Board of Directors meetings in a timely manner, so as to provide a basis for the management team to formulate and execute business strategies. Not a person with any of the circumstances under Article 30 of the Company Act.	—	None
Liu Yi Investment Co., Ltd. Representative: Wu, Li-Shan	Currently serving as the General Manager of Howteh Technology Co., Ltd. Mr. Wu, Li-Shan possesses practical experience and is able to submit opinions and strategies with respect to corporate governance and business administration at Board of Directors meetings in a timely manner, so as to provide a basis for the management team to formulate and execute business strategy. Not a person with any of the circumstances under Article 30 of the Company Act.	—	None
Hung, Ming-Chi	Currently serving as the Division Chief of Ardentec Technology Inc. Mr. Hung, Ming-Chi possesses practical experience and is able to submit opinions and strategies with respect to corporate governance and business administration at Board of Directors meetings in a timely manner, so as to provide a basis for the management team to formulate and execute business strategy. Not a person with any of the circumstances under Article 30 of the Company Act.	—	None
Chen, Liang-Hsuan	Used to be the Manager of Zeng Lan Investment Co., Ltd. Ms. Chen, Liang-Hsuan possesses practical experience and is able to submit opinions and strategies with respect to corporate governance and business administration at Board of Directors meetings in a timely manner, so as to provide a basis for the management team to formulate and execute business strategies. Not a person with any of the circumstances under Article 30 of the Company Act.	—	None

<table>
<tr><th>Criteria
Name</th><th>Professional qualifications and experience (Note 1)</th><th>State of independence (Note 2)</th><th>Number of concurrent duties as an independent director at a public company</th></tr>
<tr><td>Cheng, Tien-Tsung</td><td>MBA, Santa Clara Univeristy in California, USA; used to the CEO of FIH Mobile Limited, a subsidiary of FOXCONN Group, the Vice President of FOXCONN Group, the Asia Region President of Texas Instruments, and the President of China Region, HP.
Being an expert in industry management and administration, international marketing, and corporate governance, Mr. Cheng, Tien-Tsung is able to submit recommendations with respect to business decision-making, to an extent that improves the Board of Directors' corporate governance quality and the supervisory function of the Audit Committee.
Not a person with any of the circumstances under Article 30 of the Company Act.</td><td rowspan="2">During the two years before being elected or during the term of office, the independent director has met the following independence criteria:
(1) Not an employee of the Company or any of its affiliates.
(2) Not a director or supervisor of the Company or any of its affiliates.
(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate that reaches one percent or more of the total number of issued shares of the company or ranks among the top 10 in terms of shareholding.
(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under Subparagraph 1 or any of the persons in the preceding two subparagraphs.
(5) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act.
(6) Not a director, supervisor, or employee of a company whose majority board seats and voting rights are controlled by a person same as the person controlling a majority seats and voting powers of the Company.
(7) Not a director, supervisor, or employee of a company or institution whose chairman, general manager, or a person holding an equivalent position is a person same as the chairman, general manager, or a person holding an equivalent position of the Company, or a spouse thereof.
(8) Not a director, supervisor, manager, or shareholder holding 5% or more of the shares of a specific company or institution with a financial or business relationship with the Company.</td><td>1</td></tr>
<tr><td>Li, Ta-Ching</td><td>PhD in Management Science, Management Science Institute of Tamkang University; used to be the COO of Stark Technology Inc.
Being an expert in industry analysis and management and corporate governance, Mr. Li, Ta-Ching is able to submit recommendations with respect to business decision-making, to an extent that improves the Board of Directors' corporate governance quality and the supervisory function of the Audit Committee.
Not a person with any of the circumstances under Article 30 of the Company Act.</td><td>None</td></tr>
</table>

Tseng, Ming-Jen	MBA, Tamkang University; Bachelor of Electrical Engineering, National Taiwan University. Currently serving as the Chairman of Ability Enterprise Co., Ltd. Being an expert in tech industry management, financial analysis, and corporate governance, Mr. Tseng, Ming-Jen is able to submit recommendations with respect to industry analysis and integration, risk management, and business decision-making, to an extent that improves the Board of Directors' corporate governance quality and the supervisory function of the Audit Committee. Not a person with any of the circumstances under Article 30 of the Company Act.	(9) Not a professional individual who, or an owner, partner, director, supervisor, or manager of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the company over the past 2 years and has received cumulative compensation not exceeding NT$500,000, or a spouse thereof; (10) Not a person who is a spouse or relatives of second degree of kinship of other directors. (11) Not a person elected in the capacity of the government, a corporation, or a representative as provided in Article 27 of the Company Act.	None

Note 1: Professional qualifications and experience: Specify the professional qualifications and experience of each director and supervisor. If a member of the Audit Committee, specify their accounting or finance background and work experience. Additionally, specify whether any circumstance under any subparagraph of Article 30 of the Company Act exists with respect to a director or supervisor.

Note 2: Describe the status of independence of each independent director, including but not limited to the following: did they or their spouse or any relative within the second degree serve as a director, supervisor, or employee of the Company or any of its affiliates? ; specify the number and ratio of shares of the Company held by the independent director and their spouse and relatives within the second degree (or through nominees); do they serve as a director, supervisor, or employee of any company having a specified relationship with the Company (see Article 3, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies)?; specify the amount(s) of any pay received by the independent director for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years.

5. Diversity and Independence of the Board of Directors

(1) Diversity of the Board of Directors:

According to Article 20 of the Company’s “Corporate Governance Best Practice Principles,” the composition of the board of directors shall be determined by taking diversity into consideration. It is advisable that an appropriate policy on diversity based on the company’s business operations, operating dynamics, and development needs be formulated. All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

A、Ability to make operational judgments.
B、Ability to perform accounting and financial analysis.
C、Ability to conduct management administration.
D、Ability to conduct crisis management.
E、Knowledge of the industry.
F、An international market perspective.
G、Ability to lead.
H、Ability to make policy decisions.

Below are the Company’s board diversity policy and its implementation:

Title	name	Nationality	Gender / Age	Seniority of being an independent director			Management administration	Leadership	Knowledge of the industry	Financial and accounting	An international market perspective	Risk management	Information Technology	Percentage of all directors		Proportion of independent directors to all directors	Age distribution	
				Under 3 years	3~9 years	More than 9 years								Male	Female		Over 65 years old	Under 65 years old
Chairman	Chen, Kuo-Hung	ROC	Male 61~70				V	V	V	V	V	V		88.9%	11.1%	33.3%	55.6%	44.4%
Vice Chairman	Chen, Chun-Ting		Male 41~50				V	V	V	V	V	V						
Director	Chen, Hsin-Yi		Female 51~60				V	V		V	V	V						
Director	Wu, Li-Shan		Male 61~70				V	V	V	V	V	V						
Director	Hung, Ming-Chi		Male 51~60				V	V	V		V	V	V					
Director	Chen, Liang-Hsuan		Male 31~40				V		V	V		V	V					
Independent director	Cheng, Tien-Tsung		Male 71~80		V		V	V	V	V	V	V						
Independent director	Li, Ta-Ching		Male 61~70			V	V	V	V	V	V	V	V					
Independent director	Tseng, Ming-Jen		Male 61~70		V		V	V	V	V	V	V						

The Company’s concrete management goals of Board of Directors diversity, and the achievements thereof, are stated as follows: ：

Expected goals:
1. Independent directors account for more than one-third of all directors.
2. More than half of the independent directors shall not serve for more than 3 terms, and each independent director concurrently serves as an independent director of no more than 3 other companies.
3. Gradually increase the number of female directors by 1 to 3 seats.
4. The number of directors who also serve as the Company's managers should not exceed one-third of the directors.

Current status of implementation:
1. Currently, the three independent directors seats account for three-ninths of the total, which is in line with the Company's target.
2. At present, more than half of independent directors have served less than 3 terms, and each independent director has not concurrently served as an independent director of other companies for more than 3 companies, which is in line with the Company's goals.
3. At present, the number of female director is one seat, which is in line with the Company's goals.
4. There are 2 directors concurrently serving as company executives, which is in line with the Company's goals.

If the number of directors of the same gender on the board of directors of the company is less than one-third, state the reasons and the measures to be taken to improve the gender diversity of the borad of directors:
1. Reason: There is only one female director, which complies with relevant laws and regulations, but still does not reach one-third. Due to the characteristics of the industry, it is not easy to find talents in a short period of time.
2. Measures taken: In the future, the Company will seek recommendations from various channels and strive to increase the number of female directors to enhance corporate governance effectiveness and implement the board diversity policy.

(2) Independence of the Board of Directors:

The Company’s incumbent Board of Directors is composed of 3 independent directors (33.3%) and 6 non-independent directors (66.7%). The 3 seats of independent directors meet the minimum requirement set forth by the Financial Supervisory Commission Securities and Futures Bureau, and all directors and independent directors comply with the particulars set forth in Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act, which demand that the number of directors who are a spouse or a relative within second degree of kinship of another director not exceed half of the board seats. Currently, only four directors are a relative within second degree of kinship of one another. To sum up, the independence criteria are fully met.

(II) Information on the general manager, vice general manager, associate general manager, and heads of various departments and branches

April 13, 2026

<table>
<tr><th rowspan="2">Title</th><th rowspan="2">Nationality</th><th rowspan="2">Name</th><th rowspan="2">Gender</th><th rowspan="2">Date of appointment to position</th><th colspan="2">Shareholding</th><th colspan="2">Shareholding of spouse and underage children</th><th colspan="2">Shareholding in the name of others</th><th rowspan="2">Main career (academic) achievements</th><th rowspan="2">Concurrent duties in the Company and other companies</th><th colspan="3">Managers with spouses or relatives with second degree of kinship</th><th rowspan="2">Remarks</th></tr>
<tr><th>Shares</th><th>Shareholding Percentage</th><th>Shares</th><th>Shareholding Percentage</th><th>Shares</th><th>Shareholding Percentage</th><th>Title</th><th>Name</th><th>Relationship</th></tr>
<tr><td>General Manager</td><td>Taiwan</td><td>Wu, Li-Shan</td><td>Male</td><td>August 10, 2017</td><td>335,132</td><td>0.51%</td><td>663</td><td>0%</td><td>0</td><td>0%</td><td>Electronics Department, Lee-Ming Institute of Technology
General Manager, Kuen Piin Enterprise Co., Ltd.</td><td>Director, Giteh Electronic Industries Co., Ltd.
Director, Howteh International Inc.(Samoa)
Director, Shanghai Howteh International Trading Inc.
Director, Kunshan Howteh International Trade Co., Ltd.
Director, Howteh Vietnam Co., Ltd.</td><td>None</td><td>None</td><td>None</td><td>None</td></tr>
<tr><td>General Manager</td><td>Taiwan</td><td>Chuang, Kun-Lin</td><td>Male</td><td>May 9, 2025</td><td>44,042</td><td>0.07%</td><td>0</td><td>0%</td><td>0</td><td>0%</td><td>Institute of Enterprise Management, National Yunlin University of Science and Technology
Associate General Manager, Howteh Technology Co., Ltd.</td><td>None</td><td>None</td><td>None</td><td>None</td><td>None</td></tr>
</table>

Associate General Manager	Taiwan	Chiu, Chi-Wei	Male	March 25, 2024	20,824	0.03%	0	0%	0	0%	Institute of Business Administration, National Central University Senior Manager of the Division, Howteh Technology Co., Ltd.	None	None	None	None	None
Title	Nationality	Name	Gender	Date of appointment to position	Shareholding		Shareholding of spouse and underage children		Shareholding in the name of others		Main career (academic) achievements	Concurrent duties in the Company and other companies	Managers with spouses or relatives with second degree of kinship			Remarks
					Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage			Title	Name	Relationship	
Special Assistant to General Manager, Financial Officer, CGO	Taiwan	Li, Kun-Cheng	Male	August 12, 2024	50,895	0.08%	0	0%	0	0%	Institute of Business Administration, National Chung Cheng University Chief of the Division, Howteh Technology Co., Ltd.	None	None	None	None	None
Chief Accounting Officer	Taiwan	Wun, Yu-Jing	Female	August 13, 2025	0	0%	0	0%	0	0%	Master of Accounting, Graduate Institute of Management, National Dong Hwa University Deloitte & Touche (Taiwan) Assistant Manager Hsin Ba Ba Corp. Finance Manager Mikobeaute International Co., Ltd. Accounting Manager Hakers Enterprise Co., Ltd. Chief Financial Officer (CFO), Corporate Spokesperson, and Corporate Governance Officer	None	None	None	None	None

Note 1: If the general manager or person of an equivalent post (the highest level manager) and the chairman 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): None.

II. Remuneration for directors, the general manager, and vice general manager in the most recent year

(I) Remuneration to ordinary directors and independent directors

Unit: NT$1,000

Title	Name	Directors' remuneration								The ratio of the sum of A, B, C, and D to the net profit after tax (Note10)		Remuneration for concurrent duty as an employee								Sum of A, B, C, D, E, F, and G as a % of the net profit (loss) after tax (Note 10)		Remuneration received from an investee other than a subsidiary, or the parent company (Note 11)
		Compensation (A) (Note 2)		Disability retirement benefits (B)		Directors' compensation (C) (Note 3)		Fees for professional practice (D) (Note 4)				Salary, bonus, and special reimbursement (E) (Note5)		Disability retirement benefits (F)		Employee compensation (G) (Note 6)						
																The Company		All companies within the financial statements (Note 7)				
		The Company	All companies within the financial statements (Note 7)	The Company	All companies within the financial statements (Note 7)	The Company	All companies within the financial statements (Note 7)	The Company	All companies within the financial statements (Note 7)	The Company	All companies within the financial statements (Note 7)	The Company	All companies within the financial statements (Note 7)	The Company	All companies within the financial statements (Note 7)	Amount in cash	Amount in shares	Amount in cash	Amount in shares	The Company	All companies within the financial statements (Note 7)	
Chairman	Chen, Kuo-Hung	3,967	3,967	0	0	3,150	3,150	440	440	7,557 5.24%	7,557 5.24%	3,079 2.14%	3,079 2.14%	0	0	0	0	0	0	10,636 7.38%	10,636 7.38%	None
Director	Zhu Lin Investment Co., Ltd. Representative: Chen, Chun-Ting																					
Director	Liu Yi Investment Co., Ltd. Representative: Chen, Hsin-Yi																					
Director	Liu Yi Investment Co., Ltd. Representative: Wu, Li-Shan																					
Director	Hung, Ming-Chi																					
Director	Chen, Liang-Hsuan																					
Independent director	Cheng, Tien-Tsung	0	0	0	0	1,350	1,350	1,050	1,050	2,400 1.66%	2,400 1.66%	0 0%	0 0%	0	0	0	0	0	0	2,400 1.66%	2,400 1.66%	None
Independent director	Li, Ta-Ching																					
Independent director	Tseng, Ming-Jen																					

1. Please describe the remuneration policy, system, criteria, and structure for independent directors, and the relevance of remuneration to factors such as the duty and risk they assume and the time they invest:
   Remuneration to independent directors is based on the results of director performance evaluation, and on the results of evaluation by the Remuneration Committee by looking at each director's extent of participation in the Company's operations and their contribution value. The remuneration proposes reasonable and fair remuneration that is linked to performance and risk, and submits the proposal to the Board of Directors for resolution.
2. Aside from the remuneration disclosed in the above table, is there any other remuneration received by directors in the most recent year from any company included in the financial statements for their services rendered (such as serving as an advisor other than an employee): None.

Directors' remuneration range	Name of Director			
	Remuneration equal to the sum of A, B, C, and D		Remuneration equal to the sum of A, B, C, D, E, F, and 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	Representative of Liu Yi Investment Co., Ltd.: Chen, Hsin-Yi; Representative of Liu Yi Investment Co., Ltd.: Wu, Li-Shan Hung, Ming-Chi; Chen, Liang-Hsuan; Cheng, Tien-Tsung; Li, Ta-Ching; Tseng, Ming-Jen	Representative of Liu Yi Investment Co., Ltd.: Chen, Hsin-Yi; Representative of Liu Yi Investment Co., Ltd.: Wu, Li-Shan Hung, Ming-Chi; Chen, Liang-Hsuan; Cheng, Tien-Tsung; Li, Ta-Ching; Tseng, Ming-Jen	Representative of Liu Yi Investment Co., Ltd.: Chen, Hsin-Yi; Hung, Ming-Chi; Chen, Liang-Hsuan; Cheng, Tien-Tsung; Li, Ta-Ching; Tseng, Ming-Jen	Representative of Liu Yi Investment Co., Ltd.: Chen, Hsin-Yi; Hung, Ming-Chi; Chen, Liang-Hsuan; Cheng, Tien-Tsung; Li, Ta-Ching; Tseng, Ming-Jen
NT$1,000,000 (incl.)～NT$2,000,000 (excl.)	Representative of Zhu Lin Investment Co., Ltd.: Chen, Chun-Ting;	Representative of Zhu Lin Investment Co., Ltd.: Chen, Chun-Ting;	Representative of Zhu Lin Investment Co., Ltd.: Chen, Chun-Ting;	Representative of Zhu Lin Investment Co., Ltd.: Chen, Chun-Ting;
NT$2,000,000 (incl.)～NT$3,500,000 (excl.)			Representative of Liu Yi Investment Co., Ltd.: Wu, Li-Shan	Representative of Liu Yi Investment Co., Ltd.: Wu, Li-Shan
NT$3,500,000 (incl.)～NT$5,000,000 (excl.)	Chen, Kuo-Hung	Chen, Kuo-Hung	Chen, Kuo-Hung	Chen, Kuo-Hung
NT$5,000,000 (incl.)～NT$10,000,000 (excl.)				
NT$10,000,000 (incl.)～NT$15,000,000 (excl.)				
NT$15,000,000 (incl.)～NT$30,000,000 (excl.)				
NT$30,000,000 (incl.)～NT$50,000,000 (excl.)				
NT$50,000,000 (incl.)～NT$100,000,000 (excl.)				
Above NT$100,000,000				
Total	9 persons	9 persons	9 persons	9 persons

Note 1: The name of each director shall be stated separately (for a corporate shareholder, the names of the corporate shareholder and its representative shall be stated separately) and the names of the ordinary directors and independent directors shall be stated separately, based on the amount of the aggregated remuneration items paid to each. If a director concurrently serves as a general manager or a vice general manager, please complete this Table and Table 3-1, or Tables 3-2-1 and 3-2-2.
Note 2: This refers to director base compensation in the most recent fiscal year (including director salary, duty allowances, severance pay, and various rewards and incentives, etc.).
Note 3: Please fill in the amount of director profit-sharing compensation approved by the board of directors for distribution for the most recent fiscal year.
Note 4: This refers to director expenses and perquisites in the most recent fiscal year (including travel expenses, special disbursements, stipends of any kind, and provision of facilities such as accommodations or vehicles, etc.). If housing, car or other forms of transportation, or personalized expenses are provided, disclose the nature and cost of the property provided, the actual or fair market rent, fuel expenses, and any other amounts paid. Additionally, if a driver is provided, please add a note explaining the relevant base compensation paid by the Company to the driver, but do not include it in the calculation of the director remuneration.
Note 5: This includes any remuneration received by a director for concurrent service as an employee in the most recent year (including concurrent service as general manager, vice general manager, other managerial officers, or non-managerial employee) including salary, duty allowances, severance pay, rewards, incentives, travel expenses, special disbursements, stipends of any kind, and provision of facilities such as accommodations or vehicles, etc. If housing, car or other forms of transportation, or personalized expenses are provided, disclose the nature and cost of the property provided, the actual or fair market rent, fuel expenses, and any other amounts paid. Additionally, if a driver is provided, please add a note explaining the relevant base compensation paid by the Company to the driver, but do not include it in the calculation of the director remuneration. Additionally, salary expenses recognized as

share-based payment under IFRS 2—including employee share subscription warrants, new restricted employee shares, and participation in share subscription under a rights offering, etc.—should be included in the calculation of remuneration.

Note 6: This refers to employee profit-sharing compensation (including stocks and cash) received by a director for concurrent service as an employee in the most recent fiscal year (including concurrent service as general manager, vice general manager, other managerial officers, or non-managerial employee). Disclose the amount of profit-sharing compensation approved or expected to be approved by the board of directors for distribution for the most recent fiscal year. If the amount cannot be forecasted, disclose the amount expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year. Table 1-3 should also be completed.

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

Note 8: Disclose the names of the directors in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to each director by the Company.

Note 9: Disclose the names of the directors in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to each director of the Company by all companies in the consolidated financial report (including the Company).

Note 10: Net income means the net income after tax on the parent company only or individual financial report for the most recent fiscal year.

Note 11: a. In this column, specifically disclose the amount of remuneration received by the directors of the Company from investee enterprises other than subsidiaries or from the parent company (if none, state "None").

b. If directors of the Company have received remuneration from investee enterprises other than subsidiaries or from the parent company, that remuneration shall be added into the amount in Column I of the Remuneration Range Table, and the name of that column shall be changed to "Parent company and all investee enterprises."

c. Remuneration means remuneration received by directors of the Company for serving in capacities such as director, supervisor, or managerial officer at investee companies other than subsidiaries or at the parent company, including base compensation, profit-sharing compensation (including employee, director, and supervisor profit-sharing compensation) and expenses and perquisites.

＊The concept of the remuneration contents disclosed in this table is different from the concept of the Income Tax Act. As such, this table serves the purpose only of information disclosure, not of taxation.

(II) Remuneration to the general manager and vice general managers

Unit: NT$1,000

Title	Name	Salary (A) (Note 2)		Disability retirement benefits (B)		Bonus and special reimbursement (C) (Note 3)		Employee compensation (D) (Note 4)				The ratio of the sum of A, B, C, and D to the net profit after tax (%) (Note 8)		Remuneration received from an investee other than a subsidiary, or the parent company (Note 9)
		The Company	All companies within the financial statements (Note 5)	The Company	All companies within the financial statements (Note 5)	The Company	All companies within the financial statements (Note 5)	The Company		All companies within the financial statements (Note 5)		The Company	All companies within the financial statements (Note 5)	
								Amount in cash	Amount in shares	Amount in cash	Amount in shares			
General Manager	Wu, Li-Shan	5,032	5,032	210	210	2,864	2,864	650	0	650	0	8,756	8,756	None

	(Note10)											6.07%	6.07%	
General Manager	Chuang, Kun-Lin													

*Disclosures must be made for all persons in positions equivalent to the general manager or vice general manager, regardless of job title (e.g., president, chief executive officer, chief administrative officer…etc.)

Table of Remuneration Ranges

The President's and vice presidents' remuneration ranges	Name of President and vice president	
	The Company (Note 6)	All companies within the financial statements (Note 7) E
Under NT$1,000,000		
NT$1,000,000 (incl.)～NT$2,000,000 (excl.)		
NT$2,000,000 (incl.)～NT$3,500,000 (excl.)		
NT$3,500,000 (incl.)～NT$5,000,000 (excl.)	Wu, Li-Shan; Chuang, Kun-Lin	Wu, Li-Shan; Chuang, Kun-Lin
NT$5,000,000 (incl.)～NT$10,000,000 (excl.)		
NT$10,000,000 (incl.)～NT$15,000,000 (excl.)		
NT$15,000,000 (incl.)～NT$30,000,000 (excl.)		
NT$30,000,000 (incl.)～NT$50,000,000 (excl.)		
NT$50,000,000 (incl.)～NT$100,000,000 (excl.)		
Above NT$100,000,000		
Total	2 persons	2 persons

Note 1: The name of each general manager and vice general manager shall be stated separately, based on the amount of the aggregated remuneration items paid to each. If a director concurrently serves as a general manager or an vice general manager, please complete this table and Table (1-1), or Tables (1-2-1) and (1-2-2).

Note 2: This includes salary, duty allowances, and severance pay to the general manager(s) and vice general manager(s) in the most recent fiscal year.

Note 3: This includes the amounts of all types of rewards, incentives, travel expenses, special disbursements, stipends of any kind, provision of facilities such as accommodations or vehicle, and other compensation to the general manager(s) and vice general managers(s) in the most recent fiscal year. If housing, car or other forms of transportation, or personalized expenses are provided, disclose the nature and cost of the property provided, the actual or fair market rent, fuel expenses, and any other amounts paid. Additionally, if a driver is provided, please add a note explaining the relevant base compensation paid by the Company to the driver, but do not include it in the calculation of the director remuneration. Additionally, salary expenses recognized as share-based payment under IFRS 2—including employee share subscription warrants, new restricted employee shares, and participation in share subscription under a rights offering, etc.—should be included in the calculation of remuneration.

Note 4: This refers to employee profit-sharing compensation (including stocks and cash) received by the general manager(s) and vice general manager(s) as approved or expected to be approved by the board of directors for the most recent fiscal year (including concurrent service as general manager, vice general manager, other managerial officer, or non-managerial employee). If the amount cannot be forecasted, disclose the amount expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year. Table 1-3 should also be completed.

Note 5: Disclose the total amount of remuneration in each category paid to the general manager(s) and vice general manager(s) by all companies in the consolidated financial report (including the Company).

Note 6: Disclose the names of the general manager(s) and vice general manager(s) in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to each general manager and vice general manager by the Company.

Note 7: Disclose the names of the general manager(s) and vice general manager(s) in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to each general manager and vice general manager of the Company by all companies in the consolidated financial report (including the Company).

Note 8: Net income means the net income after tax on the parent company only or individual financial report for the most recent fiscal year.

Note 9: a. In this column, specifically disclose the amount of remuneration received by the general manager(s) and vice general manager(s) of the Company from investee enterprises other than subsidiaries or from the parent company (if none, state "None").

b. If general manager(s) or vice general manager(s) of the Company have received remuneration from investee enterprises other than subsidiaries or from the parent company, that remuneration shall be added into the amount in Column E of the Remuneration Range Table, and the name of that column shall be changed to "Parent company and all investee enterprises."

c. Remuneration means remuneration received by the general manager(s) and vice general manager(s) of the Company for serving in capacities such as director, supervisor, or managerial officer at investee companies other than subsidiaries or at the parent company, including base compensation, profit-sharing compensation (including employee, director, and supervisor profit-sharing compensation) and expenses and perquisites.

Note10: Retired on November 13, 2025.

＊The concept of the remuneration contents disclosed in this table is different from the concept of the Income Tax Act. As such, this table serves the purpose only of information disclosure, not of taxation.

(III) Name of managers who received employee remuneration; status of remuneration distribution:

Unit: NT$1,000

	Title (Note 1)	Name (Note 1)	Amount in shares	Amount in cash	Total	Ratio of total amount to the net profit after tax (%)
Manager	General Manager (Note 4)	Wu, Li-Shan	—	1,000	1,000	0.69%
	General Manager	Chuang, Kun-Lin				
	Associate General Manager	Chiu, Chi-Wei				
	Special Assistant to General Manager, Financial Officer, and CGO	Li, Kun-Cheng				
	Chief Accounting Officer	Wun, Yu-Jing				

Note 1: Names and job titles should be disclosed individually, but profit distributions received may be disclosed in aggregate.

Note 2: Fill in the amount of employee profit-sharing compensation (including stocks and cash) received by the managerial officers as approved or expected to be approved by the board of directors for the most recent fiscal year. If the amount cannot be forecasted, disclose the amount expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year. Net income means the net income of the most recent year. If the Company has already adopted the IFRS, net income means the net income after tax on the parent company only or individual financial report for the most recent fiscal year.

Note 3: The applicable scope of "managerial officers" is defined under the 27 March 2003 FSC Order No. Tai-Cai-Zheng-III-0920001301 as persons in the following positions:

(1) General manager(s) and equivalent level positions
(2) Vice general manager(s) and equivalent level positions
(3) Deputy assistant general manager(s) and equivalent level positions
(4) Chief officer of the finance division
(5) Chief officer of the accounting division
(6) Other persons who have the power to manage affairs and sign for the Company

Note 4: Retired on November 13, 2025.

(IV) Analysis, comparison, and description of the ratio of total directors'/the general manager's/ vice general managers' remuneration paid by the Company and all companies in the consolidated financial statements in the most recent two years to the net profit after tax indicated on the parent company only or individual financial statements; description of the relevance of operational performance to the remuneration policy, criteria and portfolio, determination procedures, and future risks.

1. Total remuneration paid to the Company's directors, general manager, and vice general managers, as a percentage of net profit after tax, for the last two years by the Company and all companies in the consolidated financial statements:

Unit: NT$1,000

Category	The Company		Consolidated entities	
	2025	2024	2025	2024
Directors' remuneration	9,957	11,913	9,957	11,913
Ratio of total director remuneration to the net profit after tax	6.91%	10.19%	6.91%	10.19%
Remuneration of general manager and vice general managers	8,756	13,954	8,756	13,954
Remuneration to general manager and vice general managers as a percentage of net income after tax	6.07%	11.93%	6.07%	11.93%
Net income after tax	144,193	116,965	144,193	116,965

2. The Company pays remuneration to directors, general manager, and vice general managers

based on their extent of participation in the Company's operations, their contribution, and their performance evaluation results, and by reference to the industry's payment standards and future risks, upon approval from the Board of Directors, as required by the Company Act and the Company's Articles of Association.

III. State of operation of corporate governance

(I) The state of operation of the Board of Directors

In 2025, the Board of Directors held a total of 4 meetings (A); the attendance by directors is stated as follows:

Title	Name	Number of attendance (presence) in person (B)	Number of attendance by proxy	Attendance (presence) rate (B/A)	Remarks
Chairman	Chen, Kuo-Hung	4	0	100%	
Director	Zhu Lin Investment Co., Ltd. Representative: Chen, Chun-Ting	3	1	75%	
Director	Liu Yi Investment Co., Ltd. Representative: Chen, Hsin-Yi	3	1	75%	
Director	Liu Yi Investment Co., Ltd. Representative: Wu, Li-Shan	4	0	100%	
Director	Hung, Ming-Chi	4	0	100%	
Director	Chen, Liang-Hsuan	4	0	100%	
Independent director	Cheng, Tien-Tsung	4	0	100%	
Independent director	Li, Ta-Ching	4	0	100%	
Independent director	Tseng, Ming-Jen	4	0	100%	

Other matters to be recorded:

1. In the event of any of the following in a Board of Directors meeting, the dates of the meeting, session, contents of motions, the opinions of independent directors, and the Company's response to the opinions should be specified:
   (1) Items listed in Article 14-3 of the Securities and Exchange Act: The Company has established the Audit Committee. As such, the circumstances listed under Article 14-3 of Securities Exchange Act regulation do not apply.
   (2) Any other documented objections or qualified opinions raised by an independent director against a board resolution: No such occurrence.
2. Disclosure regarding avoidance of interest-conflicting motions, including the names of directors concerned, the motions, the nature of conflicting interests, and the voting process:
   (1) In the 4th meeting of the 10th Board Meeting, regarding the proposal to release the non-compete restrictions on directors: Chairman Chen Kuo-hung recused himself from the discussion and voting due to a conflict of interest and did not appoint any other director to act as his proxy to exercise voting rights.
   (2) In the 5th meeting of the 10th Board Meeting, regarding the proposal for the establishment and appointment of the Company's Chief Executive Officer: Chairman Chen Kuo-hung recused himself from the discussion and voting and did not appoint any other director to act as his proxy to exercise voting rights.
   (3) In the 7th meeting of the 10th Board Meeting, regarding the proposal for the 2025 managerial year-end bonus distribution: Director Wu Li-shan recused himself from the discussion and voting and did not appoint any other director to act as his proxy to exercise voting rights.

3. Evaluation of the Board of Directors:

Evaluation periodicity	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Once per year	January 1, 2025 through December 31, 2025	1. Board of Directors 2. Members of Board of Directors 3. Remuneration Committee 4. Audit Committee	Internal self-evaluation	For details, see the "2025 Board of Directors Performance Evaluation Results"

[2025 Board of Directors Performance Evaluation Results]

(1) Referencing regulations: To implement corporate governance and improve the Board of Directors' functions, the Company carried out its 2025 Board of Directors performance evaluation by the "Rules for Performance Evaluation of Board of Directors" approved through a resolution at the Board of Directors meeting dated August 11, 2020. The results of this evaluation were reported to the Board of Directors on March 11, 2026.

(2) Evaluation scope: Evaluation of Board of Directors as a whole, individual Board of Directors members, and functional committees (including Remuneration Committee and Audit Committee), by means of internal self-evaluation.

(3) Evaluation results: Each evaluation indicator is ranked on a scale from 5 points to 1 point, with 5 being prime, 4 being excellent, 3 being good, 2 being mere satisfactory, and 1 being deficient; below is a summary of the evaluation results:

(A) Board of Directors Performance Self-evaluation Results

Evaluation aspect	Item	Average score	Total score
A. Participation in the operations of the Company	12	4.92	4.98
B. Improvement in the quality of the Board of Directors' decision making	12	5.00	
C. Composition and structure of the Board of Directors	7	5.00	
D. Election and continuing education of the directors	7	5.00	
E. Internal control	7	5.00	

(B) Board of Directors Members Performance Self-evaluation Results

Evaluation aspect	Item	Average score	Total score
A. Alignment with the goals and tasks of the Company	3	4.96	4.92
B. Awareness of the duties of a director.	3	4.93	
C. Participation in the operations of the Company	8	4.89	
D. Management of internal relationship and communication	3	4.89	
E. Professionalism and continuing education of the directors	3	4.96	
F. Internal control	3	4.96	

(C) Functional Committees (Remuneration Committee) Performance Self-evaluation Results

Evaluation aspect	Item	Average score	Total score
A. Participation in the operations of the Company	4	4.75	4.94
B. Awareness of the duties of the functional committee	5	5.00	
C. Improvement in the quality of decision-making of the functional committee	7	5.00	
D. Composition and election of members of the functional committee	3	5.00	

(D) Functional Committees (Audit Committee) Performance Self-evaluation Results

Evaluation aspect	Item	Average score	Total score
A. Participation in the operations of the Company	4	5.00	5.00
B. Awareness of the duties of the functional committee	5	5.00	
C. Improvement in the quality of decision-making of the functional committee	7	5.00	
D. Composition and election of members of the functional committee	3	5.00	
E. Internal control	3	5.00	

Summary conclusion:

The performance of the Board of Directors as a whole, Board of Directors members, the Remuneration Committee, and the Audit Committee was ranked either “Prime” or “Excellent,” indicating that the Board of Directors and functional committees function well and comply with corporate governance standards. The evaluation results will be taken to improve the Board of Directors’ functions and operating efficiency and used as a reference for selection or nomination of directors in the future.

4. An evaluation of targets (e.g., establishment of an audit committee and improvement in information transparency) for strengthening of the functions of the board during the current and immediately preceding fiscal years, and measures taken toward achievement thereof:
   (1) The Company’s Board of Directors operates and exercise its powers by laws and regulations, its Articles of Association, and resolutions of the Shareholders’ Meeting. All directors possess the professional knowledge, skills, and literacy necessary for performing their duties and uphold the principle of fiduciary duty and duty of care, aiming to maximize the profits for all shareholders.
   (2) The Company pays close attention to any change in the regulatory framework made by the competent authorities, reviews, where appropriate, the “Rules of Procedure for Board of Directors Meetings,” assesses the “Audit Committee Charter” and “Remuneration Committee Charter,” and implements any amended laws or regulations, aiming to improve information transparency. So far the implementation goes well.
   (3) The Company set up functional committees, e.g., Remuneration Committee and Audit Committee, in 2011 and 2021, respectively, and continues to improve their functions.
   (4) The Company has disclosed its internal regulations and material Board of Directors resolutions on its website and the Market Observation Post System, so as to facilitate shareholders’ understanding of the Company’s dynamics and improve the transparency of its information.
   (5) To implement corporate governance, protect shareholders’ rights and interests, and strengthen the functions of the Board of Directors, the Company passed a resolution at the Board of Directors meeting dated March 22, 2023 to appoint a Chief Governance Officer starting from June 1, 2023, who would assist in the operation of the Board of Directors.
   (6) The Company arranges for directors to take external corporate governance courses every year. The continuing education courses taken by the Company’s directors in 2025 are as follows:

Title	Name	Course date	Organizer	Course name	Course hours
Chairman	Chen, Kuo-Hung	August 8, 2025	Taiwan Investor Relations Institute	Practical Operations of Local Presence and Investment in Vietnam for Taiwanese Enterprises	3
		November 11, 2025	Taiwan Investor Relations Institute	The Future of Taiwan Amidst the Shifting Triadic Relationship Between the U.S., China, and Taiwan	3
Director	Chen, Chun-Ting	August 8, 2025	Taiwan Investor Relations Institute	Practical Operations of Local Presence and Investment in	3

Title	Name	Course date	Organizer	Course name	Course hours
				Vietnam for Taiwanese Enterprises	
		November 11, 2025	Taiwan Investor Relations Institute	The Future of Taiwan Amidst the Shifting Triadic Relationship Between the U.S., China, and Taiwan	3
Director	Chen, Hsin-Yi	February 24, 2025	Greater China Financial and Economic Development Association	Trump's New Tariff Policies and the Shifting Global Economic Landscape	3
		December 26, 2025	Greater China Financial and Economic Development Association	2026 Global Outlook: Key Transformations in Industries and Markets	3
Director	Wu, Li-Shan	August 8, 2025	Taiwan Investor Relations Institute	Practical Operations of Local Presence and Investment in Vietnam for Taiwanese Enterprises	3
		September 18, 2025	Corporate Governance Association	In-depth Analysis of IFRS 18 and ISSB S1/S2 Standards	3
		November 11, 2025	Taiwan Investor Relations Institute	Taiwan's Future Amidst the Shifting Triadic Relationship Between the U.S., China, and Taiwan	3
Director	Hung, Ming-Chi	September 17, 2025	Greater China Financial and Economic Development Association	Trends and Common Issues in the Supply Chain Restructuring of Taiwanese Enterprises in Mainland China	3
		November 17, 2025	Greater China Financial and Economic Development Association	Digital Transformation and AI Applications	3
Director	Chen, Liang-Hsuan	November 11, 2025	Taiwan Investor Relations Institute	Taiwan's Future Amidst the Shifting Triadic Relationship Between the U.S., China, and Taiwan	3
		December 16, 2025	The Institute of Internal Auditors-Chinese Taiwan	The Era of Intelligent Auditing: AI System Audits and AI-Assisted Auditing	6
Independent director	Cheng, Tien-Tsung	August 5, 2025	Securities and Futures Institute (SFI)	U.S.-China Economic Relations and Taiwan's Industrial Outlook under Trump 2.0	3
		August 5, 2025	Securities and Futures Institute (SFI)	Risk Management and Strategic Analysis for Corporate Sustainability	3
Independent director	Li, Ta-Ching	May 20, 2025	Securities and Futures Institute	Legal Compliance of the Cyber Security Management Act under Ransomware Threats	3
		July 10, 2025	Taiwan Securities Association	International Trends in Sustainable Governance and Mitigation Strategies for Green Risks	3
		July 18, 2025	Center for Financial Institutions and Prevention of Financial Crimes	Prevention of Insider Trading and Latest Practical Developments	2
		August75, 2025	Center for Financial Institutions and Prevention of Financial Crimes	Development Trends in AML/CFT and Practice Sharing on Insider Trading Prevention (Including Anti-Corruption and Anti-Proliferation)	3

Title	Name	Course date	Organizer	Course name	Course hours
		Jul 25, 2025	Securities and Futures Institute (SFI)	The Great Wafer War: TSMC's Key Technologies and the Impact of its Global Footprint on the Semiconductor Industry	3
		September 3, 2025	Corporate Governance Association	2025 International Corporate Governance Summit: The Board's Role in Shaping Corporate Strategy Amidst Global Upheaval	3
		September 5, 2025	Taipei Foundation of Finance	A Fintech Must-Watch from the Stability Perspective: Blockchain Practice and Future	3
		September 18, 2025	Taiwan Securities Association	Financial Consumer Protection Act, Treating Customers Fairly, Financial Inclusion, and the Convention on the Rights of Persons with Disabilities	3
		October 16, 2025	Taiwan Securities Association	Security Challenges and Future Trends of Artificial Intelligence (AI) under Digital Technology Risks	3
		November 4, 2025	Center for Financial Institutions and Prevention of Financial Crimes	Comprehensive Fraud Prevention Strategies	2
Independent director	Tseng, Ming-Jen	July 30, 2025	Taiwan Investor Relations Institute	Saying "OUT" to Workplace Harassment and "IN" to DEI: Case Analysis and Preventive Measures for Workplace Unlawful Infringement	3
		September 25, 2025	Taiwan Investor Relations Institute	Trade Secret Protection and Corporate Governance	3

(II) Operation of the Audit Committee

The Audit Committee held 4 meetings [A] in the most recent year (2025); the attendance of independent directors is as follows:

Title	Name	Number of attendance in person (B)	Number of attendance by proxy	% of attendance in person 【B/A】	Remarks
Independent director	Li, Ta-Ching	4	0	100%	
Independent director	Cheng, Tien-Tsung	4	0	100%	
Independent director	Tseng, Ming-Jen	4	0	100%	

Other matters to be recorded:

1. In the event of any of the following in the audit committee, the dates of audit committee meetings, sessions, contents of motions, the dissenting opinion, qualified opinion, or significant suggestions of the independent director, resolutions of the audit committee meetings, and the Company's response to audit members' opinion should be specified:

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

Audit Committee meeting date	Motion contents and measures taken afterwards	Items listed in Article 14-5 of the Securities and Exchange Act	Matters not approved by the Audit Committee but approved by more than two-thirds of all directors
2nd term 3rd meeting March 12, 2025	1. Approved the list of non-assurance services expected to be provided by Ernst & Young (EY) and its affiliates for 2025.	V	None
	2. Approved the proposal on the results of assessment of the independence of the attesting CPAs from Ernst & Young.	V	None
	3. Approved the proposal on appointment of attesting CPAs for 2025 and review of audit fees.	V	None
	4. Approved the proposal on the Company’s statement of effectiveness of its internal control system for 2024.	V	None
	5. Approved the proposal on the Company’s Business Report and Financial Statements for 2024.	V	None
	6. Approved the 2024 earnings distribution proposal.	V	None
	7. Approved the proposal to release the non-compete restrictions on directors.	V	None
	8. Approved the change and adjustment of the Chief Accounting Officer.	V	None
	Audit Committee resolution: The proposal was approved in its entirety by all members present.		
	The Company’s response to Audit Committee members’ opinion: None. The proposals were submitted to and approved by the Company’s Board of Directors.		
2nd term 4th meeting May 9, 2025	1. Approved the proposal on the Company’s consolidated financial statements for the first quarter of 2025.	V	None
	2. Approved the proposal to allow the Company to provide endorsement and guarantee for the Company’s sub-subsidiary “Howteh Vietnam Co., Ltd.”	V	None
	Audit Committee resolution: The proposal was approved in its entirety by all members present.		
	The Company’s response to Audit Committee members’ opinion: None. The proposals were submitted to and approved by the Company’s Board of Directors.		
2nd term 5th meeting August 13, 2025	1. Approved the proposal on the Company’s consolidated financial statements for the second quarter of 2025.	V	None
	2. Approved the Company’s "Regulations Governing the Fifth Share Repurchase and Transfer to Employees."	V	None
	3. Approved the proposal for the Company’s fifth repurchase of its own shares and the subsequent transfer to employees.	V	None
	4. Approved the capital increase proposal for the subsidiary, Howteh Vietnam Co., Ltd.	V	None
	5. Approved the amendments to the Company’s Internal Control System and Internal Audit Implementation Rules for the "Payroll and Personnel Cycle."	V	None
	6. Approved the change and adjustment of the Company’s Chief Accounting Officer.	V	None
	Audit Committee resolution: The proposal was approved in its entirety by all members present.		

Audit Committee meeting date	Motion contents and measures taken afterwards	Items listed in Article 14-5 of the Securities and Exchange Act	Matters not approved by the Audit Committee but approved by more than two-thirds of all directors
	The Company's response to Audit Committee members' opinion: None. The proposals were submitted to and approved by the Company's Board of Directors.		
2nd term 5th meeting November 12, 2025	1. Approved the proposal on the Company's consolidated financial statements for the third quarter of 2025.	V	None
	2. Approved the proposal on the Company's 2026 annual audit plan.	V	None
	3. Approved the amendments to certain provisions of the Company's "Procedures for Acquisition or Disposal of Assets."	V	None
	4. Approved the amendments to certain provisions of the Company's "Corporate Governance Best Practice Principles."	V	None
	Audit Committee resolution: The proposal was Approved in its entirety by all members present.		
	The Company's response to Audit Committee members' opinion: None. The proposals were submitted to and approved by the Company's Board of Directors.		

(2) Any other resolutions that were approved by two thirds of Board members but not approved by the Audit Committee other than those described above: No such occurrence.

2. Implementation of recusal by independent directors due to conflict of interests: No such occurrence.

3. Status of communication between independent directors, the chief internal auditor, and CPAs:

(1) The Company's Chief Internal Auditor regularly reports to and discusses with the Audit Committee members on audit matters and, after the monthly audit report was issued, immediately discusses and communicates with the same on any doubts they have. Communication between the Company's independent directors and Chief Internal Officers is good.

(2) The Company's CPAs communicate mandatory matters and their review or audit results of the Company's quarterly financial statements at the quarterly Audit Committee meeting. Communication between the Company's independent directors and CPAs is good.

(III). Operations of the Remuneration Committee

1. Remuneration Committee members

Position	Name (Criteria)	Professional qualifications and experience	State of independence	Number of concurrent duty as a Remuneration Committee member at a public company
Independent director (convener)	Tseng, Ming-Jen	Please refer to "Disclosure of information on directors' professional qualifications and independence directors' independence" on p.11 to p.14.		0
Independent director	Cheng, Tien-Tsung			0
Independent director	Li, Ta-Ching			0

2. Remuneration Committee duties

The Committee shall exercise the care of a good administrator to faithfully perform the following duties and present its recommendations to the board of directors for discussion.

(1) Establishing and periodically reviewing the policies, systems, standards, and structure for the compensation of the directors, and managerial officers.

(2) Periodically reviewing and formulating remuneration for directors and managers.

3. Information on the operations of the Remuneration Committee

The Company’s remuneration committee has a total of 3 members. The term of the current members is from June 21, 2024 to June 20, 2027. The number of remuneration committee meetings held in the most recent fiscal year (2025) was 2 (A). The qualifications and attendance of the members were as follows:

Title	Name	Number of attendance in person (B)	Number of attendance by proxy	% of attendance in person 【B/A】	Remarks
Independent director (convener)	Tseng, Ming-Jen	2	0	100%	
Independent director (member)	Cheng, Tien-Tsung	2	0	100%	
Independent director (member)	Li, Ta-Ching	2	0	100%	

Other matters to be recorded:

(1) If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, it should state the date, session, proposal content, resolution of the board, and its handling of the committee’s opinions (if the remuneration approved by the board is better than the recommendation proposed by the committee, the difference and reasons should be stated): No such occurrence.

(2) For the proposals by the Remuneration Committee, if any members have objections or reservations that are put down in records or written statements, the date, session, proposal content, the opinions of all members, its handling of the members’ opinions should be stated:

<table>
<tr><th>Remuneration Committee</th><th>Motion contents and measures taken afterwards</th><th>Reservation or objection by Remuneration Committee members</th></tr>
<tr><td rowspan="4">6th term 2nd meeting March 12, 2025</td><td>1.Review of the proposal to distribute remuneration to employees and directors of 2024</td><td>None</td></tr>
<tr><td>2.Review and approve the change and adjustment of the Company’s Chief Accounting Officer.</td><td>None</td></tr>
<tr><td colspan="2">Remuneration Committee resolution: The proposal was passed in its entirety by all members present.</td></tr>
<tr><td colspan="2">The Company’s response to Remuneration Committee members’ opinion: None. The proposals were submitted to and approved by the Company’s Board of Directors.</td></tr>
<tr><td rowspan="4">6th term 3rd meeting November 12, 2025</td><td>1. Review proposal for the compensation and remuneration of newly appointed managers..</td><td>None</td></tr>
<tr><td>2. Review proposal for the 2025 year-end bonus distribution for managers.</td><td>None</td></tr>
<tr><td colspan="2">Remuneration Committee resolution: The proposal was passed in its entirety by all members present.</td></tr>
<tr><td colspan="2">The Company’s response to Remuneration Committee members’ opinion: None. The proposals were submitted to and approved by the Company’s Board of Directors.</td></tr>
</table>

(IV) The Company's implementation of corporate governance and the differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Summary description	
I. Has the Company formulated and disclosed its corporate governance best practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies?"	V		To implement corporate governance, the Company has formulated its "Corporate Governance Best Practice Principles" by referencing the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and disclosed the same on its website.	No significant difference
II. The Company's equity structure and shareholder equity (I) Has the Company established internal operating procedures to handle shareholder recommendations, doubts, disputes and litigations and implemented them in accordance with the procedures? (II) Does the Company have a list of the major shareholders who actually control the Company and those who ultimately have control over the major shareholders? (III) Has the Company established and implemented risk control and firewall mechanisms between affiliated companies?	 V V V		(I) The Company designated a spokesperson and a deputy spokesperson and set up a grievance filing channel for stakeholders; in doing so, the Company is able to properly handle shareholder suggestions, doubts, disputes, and litigations. (II) The Company is able to grasp the list of its major shareholders; it also files any information on changes according to the "Taipei Exchange Rules Governing Information Reporting by Companies with TPEx Listed Securities," and keeps close contact with major shareholders. (III) The powers for the management of financial and business affairs are properly segregated among the Company and affiliates. The Company has also formulated its "Regulations for Management of Material Investees" and	No significant difference

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Summary description	
(IV) Has the Company formulated internal regulations to prevent insiders from trading securities using undisclosed information on the market?	V		"Rules Governing Financial and Business Matters Between this Corporation and its Related Parties" to provide a basis for compliance. (IV) The Company has formulated its "Procedures for Processing Material Inside Information to Prevent Insider Trading" and "Procedures for Ethical Management and Guidelines for Conduct," which prohibit insiders from using non-public information to trade marketable securities.	
III. Composition and responsibilities of the Board of Directors (I) Has the Board of Directors formulated policy and specific management goals regarding the diversity and implemented the same accordingly?	V		(I) The Company has formulated its Board of Directors membership diversity policy in its "Corporate Governance Best Practice Principles." The Company elects to have 9 directors, including 3 independent directors, in consideration of its business development and scale and practical operating needs. All incumbent Board of Directors members possess the knowledge, skills, and literacy required for performing their duties; they have also set concrete management goals to implement the Board of Directors diversity policy. For details, see Diversity and Independence of the Board of Directors on p.15 to p.16 of this annual report.	No significant difference
(II) In to the Remuneration Committee and the Audit Committee established in accordance		V	(II) The Company has set up its Remuneration Committee and Audit Committee, which exercise powers by the	

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Summary description	
with law, has the company voluntarily set up other functional committees?			"Remuneration Committee Charter" and the "Audit Committee Charter," respectively. Both committees function well. In the future, the Company might set up other functional committees depending on actual operational needs.	
(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 a reference in determining salary/compensation for individual directors and their nomination and additional office terms?	V		(III) In order to implement corporate governance, enhance the functions of the Company's Board of Directors, and establish performance targets to enhance the operational efficiency of the Board of Directors, the Company has formulated its "Rules for Performance Evaluation of Board of Directors," by which the Company internally evaluates the performance of the Board of Directors annually and submits the evaluation results to the Board of Directors. For the status of implementation of Board of Directors performance evaluation, see p.26 to p.28 on this annual report. The 2025 self-evaluation results have been submitted to the Board of Directors meeting dated March 11, 2026.	
(IV) Does the company regularly evaluate the independence of attesting CPAs?	V		(IV) By referencing the "Certified Public Accountant Act" and Statement No.10 of "The Norm of Professional Ethics for Certified Public Accountant of the Republic of China," the Company formulates independence evaluation criteria to assess the independence of CPAs every year. In addition, the Company requires attesting CPAs to provide a statement	

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Summary description	
			of independence and audit quality indicators, and submits the same to the Audit Committee and Board of Directors for approval. The results of assessment of the 2026 attesting CPAs' independence were submitted to and approved by the Audit Committee on March 11, 2026, and then by the Board of Directors on March 11, 2026. According to the Company's assessment, CPA Chang, Chiao-Ying and CPA Chang, Chih-Ming from Ernst & Young meet the Company's independence criteria, and are therefore qualified to be the Company's attesting CPAs. For the criteria for assessing CPA independence, see the notes.	

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Summary description	
V. Does the Company as a listed company have a suitable and appropriate number of corporate governance personnel and appoint a corporate governance officer to be responsible for corporate governance-related matters (including but not limited to providing information necessary for directors and supervisors to perform their business, assisting directors and supervisors in complying with laws and regulations, conducting board meeting and shareholders' meeting related matters in accordance with the law, handling company registration and alteration registration and preparing minutes of board meetings and shareholders' meetings, etc.)?	V		To implement corporate governance and make the Board of Directors live up to its occupational functions, to uphold investors' interests, the Company's Board of Directors meeting dated August 8, 2024 resolved to reassign Mr. Li, Kun-Cheng, Special Assistant to General Manager, to be the Chief Governance Officer (CGO), starting from October 11, 2024. Mr. Li, Kun-Cheng meets the criterion of being a managerial officer in charge of legal, financial, information, and business at a public company for more than 3 years. The duties of the CGO include handling matters relating to board meetings and shareholders' meetings according to laws; producing minutes of board meetings and shareholders' meetings; assisting in onboarding and continuous development of directors; furnishing information required for business execution by directors; assisting directors with legal compliance; briefing the board of directors on his examination as to whether the independent directors' qualifications comply with regulatory requirements during nomination, selection, and term of office; and taking charge of the matters assigned to him by the Articles of Association or contracts. The CGO completed the 18-hour orientation courses within one year after assuming office and will take continuing education courses for 12 hours every year thereafter.	No significant difference

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Summary description	
V. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholder's section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	V		The Company maintains a clear communication channel with stakeholders, including customers, shareholders, banks, creditors, and employees, and respects and safeguards their legitimate rights and interests. In addition, the Company has a spokesperson and acting spokesperson, who will serve as the company's communication channel with stakeholders. Stakeholders may contact the Company at any time by telephone, letter, fax, e-mail, etc. if necessary.	No significant difference
VI. Has the company appointed a professional stock affairs agency to handle matters for shareholders' meetings?	V		The Company appointed the Stock Affairs Department of MasterLink Securities Corp., a professional stock affairs agent, to handle the Company's stock affairs.	No significant difference
VII. Public disclosure of information (I) Has the Company set up a website to disclose finance and business matters and corporate governance information? (II) Has the Company adopted other means of information disclosure (such as setting up an English website, appointing dedicated personnel responsible for the collection and disclosure of Company information, implementing a spokesperson system, posting the Company's earnings calls on its website, etc.)?	 V V		 (I) The Company already set up a website (https://www.howteh.com.tw), where it discloses company information from time to time for reference by investors. (II) The company has set up a Chinese and English website and has a dedicated person responsible for the collection and disclosure of company information. The Company also has a spokesperson and an acting spokesperson, who are responsible for communicating company information to outsiders and holding investors' conferences.	 No significant difference

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Summary description	
(III) Does the Company publish and make an official filing of an annual financial report within two months after the end of an accounting period, and publish/file Q1, Q2 and Q3 financial reports along with the monthly business performance statements before the required due dates?		V	(III)The Company files its annual and quarterly financial statements within specified due dates and declares its monthly operating performance every month as required by law.	
VIII. Does the company have other important information that is helpful to understand its implementation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, continuing education of directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, the company's purchase of liability insurance for directors and supervisors, and so on)?	V		1. Employee rights: To safeguard employees' rights, the Company has formulated its "Work Rules" and "Measures of Prevention, Complaint, and Punishment of Sexual Harassment," by which it respects employees' human rights and uphold their legitimate rights. In addition, the Company has also set up an internal website, where employees may submit their opinions and discuss about benefits, and which is a real-time communication channel with employees. 2. Employee care: The Company puts people first in that it has formulated comprehensive management system with respect to working environment, benefits, on-the-job training, retirement, and dependent care, so as to enable employees to devote themselves to promoting the various types of business, thereby jointly maximizing profits. Benefits in this regard include group insurance for all employees; childbirth	No significant difference

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Summary description	
			allowance; funeral subsidies; insurance for employees on business travel; parental leave without pay; and various measures for family care. Since the Company is an agent of other companies, employees work mainly in office buildings; the Company's office is a commercial building guarded by dedicated security guards day and night and regularly maintained, which should be considered a safe workplace for employees. The Company values employees' health, so it offers a complimentary physical checkup for employees every year. More physical checkup items are added year on year at the request of employees. To insure employees against physical injury, the Company purchased an Employer's Liability Insurance, which will entitle employees to insurance benefits if they sustain injury at work during their employment. The Company further purchased a public liability insurance for persons going in and out of the Company's warehouse, and for tally clerks. 3. Investor relations: By disclosing its financial, business, and corporate governance information on its website, the Company enhances information transparency and maintains a good interaction with investors. Please visit the Company's website: https://www. howteh.com.tw.	

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Summary description	
			4. Supplier relations: The Company has set up its Supplier Management Rules, and designated different departments to be responsible for communication with different suppliers and stakeholders, and to coordinate any related affairs. In doing so, the Company provides a clear communication channel. 5. Stakeholders' rights: The Company has clearly indicated a stakeholder complaint filing channel on its website and annual report, so as to maintain stakeholders' rights. 6. Directors' continuing education: The Company provides directors with information on applicable laws and regulations and continuing education courses as required by law. The Company's directors also take continuing education courses that offer professional information with respect to corporate governance, finance, and business. Please see p.28 to p.30 in the annual report. 7. Implementation of risk management policies and risk measurement standards: By following its comprehensive internal control system and relevant regulations, the Company prevents the occurrence of fraud and reduces risks. Please see p.105 to p.110 of this annual report. 8. Implementation of customer policies:	

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Summary description	
			The Company has set up customer complains processing procedures, by which it opens to, and deals with, customer complaints; it also establishes preventive measures accordingly to prevent recurrence. 9. The Company's purchase of liability insurance for directors: The Company has purchase directors and officers liability insurance of USD3 million from MSIG Mingtai Insurance Company, Limited. for directors to cover the period from August 25, 2025 and August 25, 2026. Such purchase has been reported to the Board of Directors on August 13, 2025.	
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: The Company has enhanced information transparency and improved the timeliness of its disclosures. It has also optimized stakeholder identification and communication channels, regularly collecting and responding to issues of concern to stakeholders. These efforts have further strengthened corporate governance transparency and trust. Looking ahead, the Company will continue to reinforce the evaluation and disclosure of sustainable development initiatives, while actively fulfilling its corporate social responsibility to create long-term sustainable value.				

(Note) Evaluation of the attesting CPAs

Evaluation Items	Evaluation results	Whether the person qualifies for independence
(1) Does the CPA have direct or indirect material financial interests with the Company?	No	Yes

(2) Does the CPA provide/accept endorsement and guarantees or lend or borrow funds from/to the Company or its directors?	No	Yes
(3) Does the CPA have a business relationship with the Company, or have an implicit employment relationship with the Company?	No	Yes
(4) Is/Was the CPA or any member of the engagement team one of the Company's directors, managers, or a person wielding significant influence over the Company's audit work currently or in the past two? years?	No	Yes
(5) Does the CPA simultaneously provide the Company with non-audit service items that will directly impact the audit work?	No	Yes
(6) Does the CPA serve as an agent of the stock or securities issued by the Company?	No	Yes
(7) Does the CPA serve as a defendant for the Company or mediate the disputes with another party on behalf of the Company?	No	Yes
(8) Is the CPA a relative or family member of the Company's directors, managers, or persons wielding significant influence over the audit case?	No	Yes
(9) Is there a partner CPA who has resigned within the past year and used to be the Company's director, manager, or a person wielding significant influence over the audit work?	No	Yes
(10) Did the CPA accept gifts or giveaways of significant value from the Company's director or manager?	No	Yes
(11) Does the CPA provide the Company with audit service for seven years or more in a row?	No	Yes

(V) Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Evaluation Items	The State of Operation			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons:
	Yes	No	Summary description	
I. Has the Company established a governance structure to promote sustainable development, and designated a full-time (part-time) unit to promote sustainable development, which is to be handled by the senior management with the authorization of the Board of Directors, and the	V		(I) The Board of Directors has designated the Office of the General Manager as the dedicated (or concurrent) unit for promoting Corporate Social Responsibility (CSR). This unit is responsible for establishing sustainability policies, systems, or related management guidelines, and formulating concrete, feasible work objectives for	No significant difference

Evaluation Items	The State of Operation			Deviation from the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and the reasons:
	Yes	No	Summary description	
actual supervision of the Board of Directors?			implementation. It also tracks performance and regularly reports the results of these initiatives to the Board of Directors. (II) The oversight of sustainable development by the Board of Directors in 2025 is summarized as follows: 1. Quarterly tracking of the progress regarding greenhouse gas (GHG) inventory and verification. 2. Approval of the "2024 ESG Report" prepared in 2025. 3. Annual reporting on the status of communication with stakeholders. 4. Review of the implementation performance of sustainable development for the current year.	
II. Does the company conduct risk assessments on environmental, social, and corporate governance issues related to the Company’s operations in accordance with the principle of materiality, and formulate relevant risk management policies or strategies?	V		The Company’s materiality assessment results and sustainability issues with significant impact on operations have been integrated into the corporate enterprise risk management (ERM) processes and systems. These are executed and regularly reviewed by the Sustainability Development Task Force, led by the General Manager. The details are as follows: (I) Environmental (E) As an electronic components distributor, the Company’s primary business involves the trading and R&D of electronic components and does not involve manufacturing. However, the Company is acutely aware that climate change may lead to risks such as	No significant difference

Evaluation Items	The State of Operation			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons:
	Yes	No	Summary description	
			logistics disruptions, manufacturer shortages, and increased costs. Therefore, we actively manage these risks at both the administrative and supply chain levels. 1. Promotion of Low-Carbon Office Management Due to the nature of our industry, there are no environmental pollution incidents. Management of waste, energy, climate strategy, water resources, and air pollution is primarily centered on domestic waste from employees, posing no significant risk. However, as a global citizen, the Company recognizes the importance of environmental sustainability. By introducing environmental management systems, we minimize the risk of environmental violations. We have long promoted "Energy Saving and Carbon Reduction" action plans to strengthen employee awareness and resource efficiency. Initiatives include using recycled products, managing waste sorting for reduction, and upgrading to energy-saving appliances to achieve a low-carbon office. 2. Green Supply Chain The Company requires suppliers to obtain necessary environmental permits (e.g., emission monitoring), approvals, and registration documents, and to maintain them regularly. Suppliers must identify and	

Evaluation Items	The State of Operation			Deviation from the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and the reasons:
	Yes	No	Summary description	
			manage hazardous chemicals and other substances released into the environment to ensure safe handling, transport, storage, use, and disposal. Furthermore, suppliers must comply with RoHS (Restriction of Hazardous Substances) and REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals). Beyond regulatory compliance, we require suppliers to disclose compliance statements on their websites or provide certifications from the Taiwan Electronic Testing Center (ETC) or SGS to ensure all components sold to downstream manufacturers meet regulatory standards. (II) Social Responsibility (S) 1. Labor-Management Relations A. Talent Attraction and Retention: We value human resources and strive to create a friendly workplace and enhance employee benefits, focusing on work-life balance and physical/mental health care. For resigning employees, we conduct exit interviews to objectively understand their reasons for leaving. This data is analyzed to formulate improvement plans, providing feedback for department heads to adjust personnel management, job design, and recruitment criteria. B. Talent Development: The Company has established a	

Evaluation Items	The State of Operation			Deviation from the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and the reasons:
	Yes	No	Summary description	
			robust promotion mechanism and actively organizes internal courses and external professional seminars to enhance employees' professional competencies. C. Occupational Health and Safety: Operations are conducted in accordance with occupational safety and health laws, with regular audits to ensure continuous improvement. 2. Social Participation Our operating sites actively cooperate with local organizations to ensure resources reach those in need. In addition to our own charitable initiatives, Hao-Te (Hold-Tyte) responds to Group-wide calls to donate to the Group’s charitable foundation, pooling collective goodwill for the most effective resource utilization. (III) Corporate Governance (G) 1. Integrity Management The Company has established the "Code of Integrity Management," "Code of Ethical Conduct," and "Procedures for Integrity Management and Guidelines for Conduct." These, along with internal control systems, authorization policies, and functional segregation, serve as preventive measures. We implement anti-corruption measures through internal audits, self-assessments, and whistleblower channels for ethical violations.	

Evaluation Items	The State of Operation			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons:
	Yes	No	Summary description	
			2. Customer Relationship Management The Company strictly adheres to business confidentiality. Employees are prohibited from inquiring about or collecting trade secrets, trademarks, or copyrights of suppliers and customers unrelated to their duties, nor may they disclose such information. We strictly follow Non-Disclosure Agreements (NDAs) signed with customers and original manufacturers. Furthermore, we have initiated five specific cybersecurity risk protection measures to safeguard business secrets. 3. Socio-Economic Compliance The Company complies with the Fair Trade Act, Foreign Trade Act, Regulations Governing Export and Import of Strategic High-Tech Goods, U.S. Export Administration Regulations (EAR), and regulations governing trade between Taiwan and Mainland China. All products meet international safety standards and import/export regulations. We ensure an ethical business environment and conduct internal legal awareness training.	
III. Environmental Issues (I) Has the Company set up an appropriate environmental management system based on the characteristics of its industry?	V		(I) Since the Company is an agent, ISO14001 and related environmental management systems do not apply to the industry to which the Company belongs. Despite so, the Company still strives to create proper	No significant difference

Evaluation Items	The State of Operation			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons:
	Yes	No	Summary description	
(II) Is the Company committed to improving the efficiency of resource utilization and using recycled materials with a low impact on the environment? (IV) Does the Company evaluate the potential risks and opportunities of climate change to the Company now and in the future, and take corresponding measures to respond to climate related issues?	V V V		systems for the management of operating activities and office environment. In terms of operating activities, the Company urges its suppliers to value compliance of their production environment and products with RoHS directives, and monitors their compliance. In terms of the internal environment, the Company purchases energy-efficient electric appliances and lighting fixtures, reduces the use of disposable products, and sets the switch of lights on automatically during noon break and the start and end of business hours to reduce unnecessary waste. (II) The Company launches a green campaign and continues to promote the reuse of paper; practices in this regard include waste paper recycling, the use of both sides of paper, and the use of office accessories and equipment made of eco-friendly materials and bearing an energy efficiency mark. (III) The Company conducts risk assessment surveys on the key operational activities of each department. Based on the potential impact of identified threats—evaluating factors such as severity, probability of occurrence, and degree of hazard—we identify the key risks currently facing the Company. To mitigate the operational impact of these risks, the Company has developed corresponding control strategies. In the event of a disaster or crisis, the	

Evaluation Items	The State of Operation			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons:
	Yes	No	Summary description	
			responsible supervisors will execute reporting procedures, and a dedicated task force will be established immediately to conduct crisis management, ensuring that operational disruption to the Company is minimized. For the Company's assessment of potential risks and opportunities posed by climate change to present and future operations, as well as the responsive measures taken regarding climate-related issues, please refer to pages 58 to 63 of this Annual Report.	
(IV) Does the Company make statistics on greenhouse gas emissions, water consumption and the total weight of waste for the past two years, and formulate policies for energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction or other waste management?			(IV) The Company made statistics and formulate a carbon reduction and energy conservation policy, the Company puts in place its principles for energy efficient conduct in offices during daily operations. The Company actively promotes environmental awareness and encourages employees to practice green conduct in day-to-day life, e.g., use of e-statements to reduce consumption of paper and transportation resources and turning off lights when leaving. The Company increasingly digitalizes its approval process and cancels the original paperwork approval process, thereby slashing paper consumption. The Company aims to create a sustainable environment, actively implement eco-friendly operational approaches, and reduce	

Evaluation Items	The State of Operation			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons:
	Yes	No	Summary description	
			energy consumption.	
IV. Social Issues (I) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations as well as the International Bill of Human Rights?	V		(I) The Company recognizes and supports principles set forth in the various international human rights conventions, e.g., "Universal Declaration of Human Rights," "United Nations Guiding Principles on Business and Human Rights," "The United Nations Global Compact," and "ILO Convention." In addition, the Company has drafted its policy that values human rights at the workplace, provides a safe and healthy workplace, and respects employees' rights to free association; the policy is applicable to the Company, subsidiaries over which the Company has substantive control, and suppliers. By putting in place proper management approaches and procedures, the Company eliminates any conduct that infringes or violates human rights; it also regularly reviews safety and health risks facing employees, and carries out remedial plans based on the identification results. The Company will also pay close attention to the development of the human rights policy of domestic and foreign enterprises and the changes in the business environment, so as to gain a reference for reviewing and refining this policy.	No significant difference
(II) Has the Company formulated and implemented	V		(II) The Company provides employees with multiple	

Evaluation Items	The State of Operation			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons:
	Yes	No	Summary description	
reasonable employee welfare measures (including remuneration, vacation, and other benefits, etc.), and appropriately reflected operating performance or results in employee remuneration?			benefits measures that are beyond the legal requirements. For instance, the Company's leave system is better than what is required by the "Labor Standards Act;" employees start enjoying annual leave in proportion to their service days, starting from their first day at the Company, and are offered fully-paid sick leave and injury leave according to their service years. In addition, employees are offered bonuses for the three major Chinese festivals, group comprehensive insurance, subsidies for continuing education, congratulation money for marriage, childbirth subsidies, and funeral subsidies. Furthermore, to take care of employees' health, the Company offers them free health checkup that surpasses the mandatorily required one in terms of both frequency and number of checkup items. The Company's remuneration system is formulated by taking into consideration industry characteristics, overall remuneration planning, market competitiveness, the Company's operating performance, risk management, and industry peers' payment standards. This precludes the possibility in which managers and salespersons engage in business conduct that exceeds the Company's risk appetite in order to pursue remuneration. The Company also regularly reviews the remuneration system and	

Evaluation Items	The State of Operation			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons:
	Yes	No	Summary description	
			performance in order to implement a reasonable remuneration policy.	
(III) Operating performance or results are also appropriately reflected in the compensation of employees (annual salary adjustment and promotion based on performance appraisal).	V		(III) The Company's workplace complies with regulatory requirements and has been inspected and approved by the competent authority. A fire safety evacuation drill and labor safety awareness sessions are regularly held. The Company also compiles an emergency response manual, by which it carries out drills and simulations from time to time, to reduce the possibility of the occurrence of work-related accidents. The Company regularly organizes health checkups for employees, and identifies key checkup items, hoping to help employees spot an illness early and thereby implement the concept of illness prevention. The Company also arranges for physicians to provide health consultations after health checkups, continues to launch health promotion events, and irregularly provides employees with health-promoting information, so as to take care of their physical and mental health. In 2025, no fire incidents occurred at our company, internal regular fire prevention promotion, disaster response, fire safety training are conducted to enhance colleagues' awareness of safety and security and set up fire prevention teams to respond to fire incidents.	
(IV) Has the Company established an effective	V		(IV) The Company formulates annual training plans	

Evaluation Items	The State of Operation			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons:
	Yes	No	Summary description	
career development training program for employees?			against the Company's annual business strategy every year. To align the growth of employees' careers with the development of the Company, the Company provides a variety of training to hone their professional competency during different career stages, e.g., employee orientation training, professional training, and management capability training. To facilitate employees' career development toward the managerial position, the Company also launches a program to cultivate reserve managerial officers at different stages, so as to enrich the core competencies of the management. In addition, to encourage employees to pursue further education, the Company provides subsidies for language courses, computer courses, professional license courses, and continuing education courses, so as to enable employees to improve professional skills and thereby bring benefits for both themselves and the organization's competitiveness.	
(V) Does the Company comply with relevant laws and regulations and international standards regarding customer health and safety, customer privacy, marketing and labeling of products and services, and establish relevant customer rights protection policies and complaint procedures?	V		(V) All components and equipment the Company sells as an agent comply with legal requirements. In addition, the Company demands that suppliers present a Statement of Non-use of Hazardous Substance, Statement of RoHS Directives, etc., so as to provide customers the products suitable for use in future manufacturing processes. The Company also sets up a	

Evaluation Items	The State of Operation			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons:
	Yes	No	Summary description	
			Stakeholders Zone on its internal website, where dedicated employees will respond and a complaint filing mailbox is available, aiming to provide consumers with more comprehensive services.	
(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?	V		(VI) The Company and subsidiaries add relevant regulations to the contracts entered into with major suppliers. When performing a supplier assessment, the Company will comprehensively assess each indicator (e.g., corporate governance, financial indicators, and records of social responsibility rating). The Company and its subsidiaries further demand that partner suppliers fulfill corporate social responsibilities, and persuade them to adopt consistent principles for respect of human rights, prohibition of discrimination, prohibition of child labor, occupational safety and health, environmental protection, purchase of products bearing an environmental mark, business ethics, and ethical corporate management, aiming to strike a balance between economic development, society, and ecology and achieve environmental sustainability. Suppliers are also regularly inspected for financial conduct and manufacturing environment at their premises; only those well performing will become our long-term partners.	

<table>
<tr><th rowspan="2">Evaluation Items</th><th colspan="3">The State of Operation</th><th rowspan="2">Deviation from the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and the reasons:</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>V. Does the Company make reference to international reporting standards or guidelines to prepare sustainable development or other reports that disclose non-financial information about the Company? Does the company obtain third party assurance or certification for the reports above?</td><td></td><td>V</td><td>The Company’s Board of Directors approved the "Corporate Social Responsibility Code of Conduct" on March 27, 2015. Subsequently, on March 22, 2023, the Board approved the newly established "Sustainable Development Best Practice Principles," which have since been implemented in accordance with relevant regulations. The Company has prepared the "2024 Sustainability Report" and other reports disclosing non-financial information, which were presented to the Board of Directors on August 13, 2025. The aforementioned reports have not been issued an opinion by a third-party verification body.</td><td>No significant difference</td></tr>
<tr><td colspan="5">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:
The Company’s Board of Directors meeting dated March 27, 2015 approved the Company’s “Corporate Social Responsibility Best Practice Principles,” and the Company’s Board of Directors meeting dated March 22, 2023 approved the Company’s “Sustainable Development Best Practice Principles” both were implemented accordingly. Therefore, the operation did not significantly deviate from the principles.</td></tr>
<tr><td colspan="5">VII. Other important information to facilitate better understanding of the company’s promotion of sustainable development:
The Company spares no efforts in improving environmental protection, occupational safety, and health promotion. All employees also strive to reduce the energy consumption of office equipment, replace obsolete equipment, and reduce resource consumption. The Company will continue to pay attention to the development of each issue and trend, so as to gain a reference for striding towards corporate sustainable goals.</td></tr>
</table>

(VI) Implementation of Climate-Related Information

Item	Implementation status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	The Sustainability Development Task Force, composed of the General Manager and senior executives appointed by the Company, conducts risk assessment surveys on the key operational activities of all departments. By evaluating factors such as severity, probability of occurrence, and risk hazard levels, the task force identifies the key climate-related risks the Company may encounter. Based on these findings, response strategies are formulated and executed. The implementation results and performance are reported to the Board of Directors annually. The oversight of sustainable development by the Board of Directors in 2025 is summarized as follows: 1. Quarterly monitoring of the progress regarding greenhouse gas (GHG) inventory and verification. 2. Approval of the "2024 Sustainability Report" prepared in 2025. 3. Annual reporting on the status of communication with stakeholders. 4. Review of the implementation performance of sustainable development for the current year.

2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term). 3. Describe the financial impact of extreme weather events and transformative actions.	(table below)

Risk	Item	Issues	Potential operational and financial impacts	Response measures
Transition risk	Policies and regulations	Carbon fee and taxes for greenhouse gas emissions	Potential future requirements for carbon border adjustments (carbon tariffs) and carbon fees in end markets may simultaneously drive up the costs of raw materials. Impact: Increase in operating costs. Term: Short-term.	Increase pricing flexibility with customers and continuously develop high-end, low-energy-consumption products.
		New Laws and Regulations	Increased costs resulting from administrative fines or legal judgments.	Maintain real-time monitoring of regulatory updates and assess the Company's current compliance status. Formulate and implement comprehensive measures to ensure full adherence to all legal requirements.
	Market Trends	Increased Raw Material Costs	As the market aligns with global ESG trends, supply chains are increasingly required to reduce carbon emissions or utilize green and renewable energy. These requirements are expected to drive up the costs of raw materials. Impact: Increase in operating costs.	1.Enhance pricing flexibility with customers to manage cost fluctuations. 2.Collaborate with suppliers to continuously develop energy-saving products to mitigate environmental impact. 3.Actively seek to represent and develop higher-end, low-power-consumption

				Term: Short-to-medium term.	products.
	Physical risk	Long term	Natural Disasters (Floods, Droughts, Storms, etc.)	Extreme weather events, such as irregular precipitation and typhoons, may lead to supply chain disruptions and reduced operational efficiency. Impact: Increase in operating costs; losses in supply chain and assets. Term: Short, medium, and long-term.	1.Diversify supply chain regions to reduce product and geographic concentration. 2. Optimize and expand the scope of disaster insurance coverage.
			Rising Energy Costs	Rising global temperatures caused by the greenhouse effect lead to increased water and electricity consumption. Furthermore, the transition to green energy (e.g., wind power, solar panels) requires significant amounts of critical minerals, which will drive up future energy costs, as well as the costs of electricity and water. Impact: Increase in operating costs. Term: Short, medium, and long-term.	Improve energy efficiency through the following measures: 1.Implement and promote energy-saving and carbon-reduction initiatives. 2.Actively replace and upgrade office equipment across all locations, including the use of LED lighting and energy-efficient glass that regulates lighting and air conditioning. 3.Install water-saving devices.

	<table><tr><td>Opportunity</td><td>Product and service</td><td>Diversified business activities</td><td>Reducing energy consumption and improving operational efficiency will further lower overall operating costs. Impact: Decrease in operating costs. Term: Short, medium, and long-term.</td><td>The Company utilizes client-side e-commerce platforms for quotations, order placement, demand forecasting, shipping, invoicing, and reconciliation. Throughout these processes, paper documents have been replaced with electronic formats, moving business operations toward paperless practices.</td></tr></table>
4. Describe how climate risk identification, assessment, and management processes are integrated	1. Identify potential transitional and physical risks (a total of 4 items) to the Company's operations caused by climate change and potential opportunities (a total of 1 item). 2. Based on risk factors provided by each department, discussions are conducted to select high-risk items

into the overall riskmanagement system.	and opportunities, which are then linked to short-, medium-, and long-term key climate risk indicators. Financial impact assessments are carried out through quantitative or qualitative methods, followed by the development of response strategies and the setting of key climate targets.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described	Physical risks are assessed with reference to key climate science findings from the IPCC AR6 report and data from the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP). Based on scenarios such as SSP5-8.5, temperature increases of over 1.8°C and 3.4°C during the years 2050 to 2100 are projected to evaluate potential impacts on future operations and associated financial implications. Response and management measures are then developed accordingly. Flood and landslide risk assessments were conducted for the Company's major operational sites in Taiwan, including the Taipei Head Office and the Taoyuan Logistics Center: (Taipei Head Office) The site is not directly located within a flood-prone area based on 650 mm of rainfall within 24 hours, but such a zone exists within a 500-meter radius. In the event of a flood, employee commuting safety may be severely affected. The site is not within a potential landslide zone. (Taoyuan Logistics Center) The site is directly located within a flood-prone area based on 650 mm of rainfall within 24 hours. In the event of a flood, the site may face flooding threats that could impact delivery schedules and employee commuting. The site is not within a potential landslide zone. In the short term, floods and landslides are not expected to have significant impact on Taiwan's main island; therefore, the results of the current hazard potential analysis will not be considered for the time being. However, the Company recognizes that climate-related impacts are closely tied to supply chain operations throughout the procurement, product delivery, and service processes. As such, these risks are incorporated into the overall risk assessment and response strategy. In addition to allocating resources to actively develop and distribute low-carbon products that meet customer requirements and environmental regulations, the Company also strengthens its supply chain management. This includes consideration of raw material selection, manufacturing, transportation, end-use, and final disposal or recycling, in order to reduce environmental impact and maintain competitiveness while coexisting sustainably with the planet.
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	Planning in progress. Target setting: 1. To minimize the environmental impact of our operations, we have invested significant resources across all environmental indicators. These include initiatives in energy conservation and carbon reduction,

and transition risks.	water resource efficiency, pollution prevention, and hazardous substance management, all aligned with our vision for sustainable development. The annual reduction targets for water usage and greenhouse gas emissions are set at 5%. 2. Complete the 2026 GHG inventory for both the parent company and its subsidiaries by 2027. 3. Complete the third-party assurance for the parent company’s 2027 GHG inventory by 2028, and complete the third-party assurance for the subsidiaries’ 2028 GHG inventory by 2029.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	In planning
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	In planning
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).	Refer to 1-1 and 1-2

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

1-1-1 Greenhouse Gas Inventory Information (describe the emission volume (metric tons CO2e), intensity (metric tons CO2e/NT$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years) :

Item/Year	2024		2024	
	Total emissions (tons of CO_2e)	Intensity (tons CO2e/million revenue)	Total emissions (tons of CO_2e)	Intensity (tons CO2e/million revenue)
Scope 1				
Parent company	16.9435	0.0081	16.9175	0.0072
Subtotal	16.9435	0.0081	16.9175	0.0072
Scope 2				
Parent company	59.7274	0.0285	69.5773	0.0295
Subtoal	59.7274	0.0285	69.5773	0.0295
Scope 3				
Parent company	38.0860	0.0182	23.1551	0.0098
Subtotal	38.0860	0.0182	23.1551	0.0098
Total	114.7569	0.0548	109.6499	0.0465
Note：Parent company revenue (millions) in 2024 and 2025 is 2,093.004. and 2,359.919.				

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) :

The Company has not yet conducted greenhouse gas verification. It will complete the greenhouse gas inventory and verification in accordance with the prescribed schedule.

1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan (specify the greenhouse gas reduction base year and its date, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets) :

According to the “Sustainability Development Roadmap for TWSE- and TPEx-Listed Companies” issued by the Financial Supervisory Commission, since the Company’s paid-in capital is less than NTD 5 billion, it is required to complete the consolidated greenhouse gas inventory for the parent and subsidiaries for the year 2026 by 2027, using 2026 as the base year. The Company will continue to monitor the latest government and industry developments regarding carbon reduction.

(VII) Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Evaluation Items	The State of Operation			Deviation From the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Company" and the Reasons.
	Yes	No	Summary description	
I. Formulate ethical corporate management policy and plan (I) Does the company have an ethical corporate management policy approved by its Board of Directors, and by laws 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? (II) Whether the Company has established a mechanism for evaluating the risk of unethical conduct, regularly analyzes and evaluates the activities in the scope of business with a higher risk of unethical conduct, and on the basis of this, has formulated a plan to prevent unethical conduct, which covers at least the preventive measures for the conduct set out in Paragraph 2 of Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?" (III) Whether the Company has specified operating procedures, conduct guidelines, and disciplinary and complaint systems for violations in the plan to prevent unethical conduct and implemented the plan as well as	V V V		(I) The Company formulated its "Procedures for Ethical Management and Guidelines for Conduct" and "Corporate Governance - Codes of Ethical Conduct" which had been approved by the Company's Board of Directors. In addition, the Company discloses its ethical corporate management policy in its internal regulations, literature, company website, and annual report. (II) The Company has formulated its "Procedures for Ethical Management and Guidelines for Conduct," which included the variety of conduct set forth in Article 7, Paragraph 2 of the Ethical Corporate Management Best Practice Principles. The Company has also assigned a monetary threshold for operating activities entailing higher unethical risks and formulated response procedures. (III) The Company already specified in its "Employee Manual" and "Procedures for Ethical Management and Guidelines for	No significant difference

Evaluation Items	The State of Operation			Deviation From the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Company" and the Reasons.
	Yes	No	Summary description	
regularly reviews and amends it?			Conduct" that "fraud conduct in any form is banned outright" and "no person may directly or indirectly provide, accept, promise, or demand any improper profit by taking advantage of his/her job duties." The Company assigns clear definitions to each type of conduct, and sets out a disciplinary system and a complaint filing system, so as to raise employees' awareness of ethics and self-discipline and actively prevent unethical conduct; the Company also regularly reviews operating procedures.	
II. The implementation of ethical corporate management (I) Does the Company evaluate the ethical records of its counterparties and specify the ethical conduct clauses in the contracts signed with the counterparties? (II) Does the Company have a dedicated unit under the Board of Directors to promote ethical corporate management and report regularly (at least once a year) to the Board of Directors on its ethical management policy, plan to prevent unethical conduct, and the state of monitoring and implementation of such policy and plan?	V V		(I) When determining the credit terms to be assigned to a client, the Company factors in the client's ethical records and annotates the orders from the client with ethical provisions. (II) The Company divides responsibilities among relevant units; the Finance Division will be the dedicated unit for board members; HR will be the dedicated unit for employees; and the General Manager Office will be the dedicated unit for business partners (collectively "the Company's responsible units" hereinafter). The Company's responsible units shall brief the Board of Directors once a year.	No significant difference

Evaluation Items	The State of Operation			Deviation From the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Company" and the Reasons.
	Yes	No	Summary description	
(III) Does the Company have the policy to prevent conflict of interest, provide appropriate channels for an explanation, and implement it?	V		(III) The Company specifies in its "Employee Manual" and "Procedures for Ethical Management and Guidelines for Conduct" provisions pertaining to recusal from conflict of interest; the provisions provide that employees should report to their immediate supervisor if they encounter any conflict of interest when performing their duties.	
(IV) Does the Company establish an effective accounting system and internal control system for the implementation of ethical corporate management, and have the internal audit unit draw up relevant audit plans based on the evaluation results of risk of unethical conduct and audit the compliance with the plan to prevent unethical conduct, or entrust a CPA to perform the audit?	V		(IV) The Company has established an effective and complete accounting system and internal control system, and operates accordingly; in addition, regular audits carried out by internal auditors and annual internal control tests carried out by CPAs help identify problems and deficiencies, based on which relevant operation can be corrected. The Audit Office, based on the results of the assessment of the risk of involvement in unethical conduct, devised relevant audit plans, including auditees, audit scope, audit items, audit frequency, etc., and examined accordingly the compliance with the prevention programs. The Audit Office may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.	
(V) Does the Company regularly organize internal and external education and training on ethical corporate	V		(V) The Company continues to promote the concept	

Evaluation Items	The State of Operation			Deviation From the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Company” and the Reasons.
	Yes	No	Summary description	
management?			of ethical corporate management through internal education and training courses.	
III. The operation of the Company’s whistleblower reporting system (I) Has the Company set up a specific whistleblower reporting and reward system and a convenient reporting channel, and designated appropriate personnel to deal with the reported matters? (II) Has the Company formulated standard operating procedures for the investigation of the reported matters, follow-up measures to be taken after the completion of	V V		(I) As an incentive to insiders and outsiders for informing of unethical or unseemly conduct, the Company will grant a monetary reward depending on the seriousness of the circumstance concerned. However, Insiders who have made a false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material. In addition, the Company internally establishes and publicly announces on its website and the intranet, or provides through an independent external institution, an independent mailbox or hotline, for insiders and outsiders of the Company to submit reports. After the accused is reported, the Company will hold a personnel review meeting, present proofs therein to the accused, and provide ample opportunities for the accused to present his/her case before imposing punishment. (II) Relevant procedures and confidentiality mechanisms are already set out in the “Procedures for Ethical Management and	No significant difference

Evaluation Items	The State of Operation			Deviation From the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Company" and the Reasons.
	Yes	No	Summary description	
the investigation, and the relevant confidentiality mechanisms? (III) Does the Company take measures to protect whistleblowers from being improperly treated due to reporting?	 V		Guidelines for Conduct." (III) Personnel of the Company handling whistle-blowing matters shall represent in writing they will keep the whistleblowers' identity and contents of information confidential and the whistleblowing content is not a false report or malicious accusation. The Company also undertakes to protect the whistleblowers from improper treatment due to their whistleblowing.	
IV. Enhance Information Disclosure (I) Does the Company disclose the content and implementation results of its Ethical Corporate Management Best Practice Principles on its website and the Market Observation Post System?	 V		 The Company already disclosed its internal regulations pertaining to ethical corporate management on the Corporate Governance Zone on the Company's website.	 No significant difference
V. If the Company has established its own ethical corporate management best practice principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies," please state the differences between its own principles and the state of implementation: The "Procedures for Ethical Management and Guidelines for Conduct" was formulated at the Board of Directors meeting dated March 27, 2015 and amended at the Board of Directors meeting dated March 25, 2021, and have been implemented accordingly. Therefore, the implementation did not significantly deviate from these principles.				
VI. Other important information that is conducive to understanding the implementation of ethical corporate management (e.g., the Company's review or revision of its own ethical corporate management best practice principles): Upholding the philosophy of "Trustworthiness and Teamwork," "Improvement in Quality," "Customer Service," and "Innovation and Growth," the Company's Chairman leads the management team, to jointly promote each category of business. The competencies of the team as a whole				

<table>
<tr><th rowspan="2">Evaluation Items</th><th colspan="3">The State of Operation</th><th rowspan="2">Deviation From the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Company” and the Reasons.</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td colspan="5">bring about prominent operational performance, creating the most optimal profits for shareholders, employees, clients, and suppliers and thereby forging a long-term virtuous relationship.
In terms of investor relations: In addition to fulfilling the obligation of information disclosure, the Company announces financial and important information as required; it further discloses complete information on the website of Howteh Technology Co., Ltd. at the disposal of all investors, thereby upholding investors’ rights to know.
In terms of customer relations: Aside from being capable of providing products tailored to clients’ needs, the Company also actively deals with any issues raised by clients and provides after-sales technological services, hoping that closer interaction between both parties can win word-of-mouth for the Company’s products and services.
In terms of supplier relations: The Company regularly examines and manages suppliers’ qualifications and establishes a supplier database. Aside from carrying out price negotiation procedures in accordance with internal regulations, the Company also continues to track and assess suppliers’ supply quality, scheduling, and operational status. In addition, with a track record showing constantly growing sales, the Company flexes its business muscle and makes suppliers more reliant on it. Through collaboration, the Company aims to develop opportunities for new products and new markets.
In terms of dividend distribution: The Company will offer shareholders as much profits as possible, subject to the profits position and future capital planning.
In terms of capital planning: With a sound financial structure and operating performance, the Company maintains a good relationship with financial institutions, to obtain higher financing credit limits and better terms that reflect the Company’s fine reputation.
The Company will continue to promote ethical sustainable management; it has successively arranged for the management team and all employees to take internal and external courses to learn relevant knowledge; by bettering and implementing internal control systems and relevant operating procedures, hoping to achieve ethical corporate management continuity.</td></tr>
</table>

(VIII) Other important information for understanding the operation of corporate governance may be disclosed: In order to establish a good mechanism for processing material inside information and prevent information leakage, the Company has formulated the “Procedures for Processing Material Inside Information to Prevent Insider Trading,” whose content of some provisions of the Internal Control System was amended and passed at the Board of Directors meeting dated November 11, 2022.

(IX) State of implementation of the internal control system

1. Statement of Internal Control: Please refer to the Market Observation Post System > Single Company > Corporate Governance > Company Regulations / Internal Control > Internal Control Statement Announcement. Enter the company code to search for the internal control statement announcement, or enter website https://mops.twse.com.tw/mops/#/web/t06sg20.
2. Where a CPA was entrusted to review the internal control system, the review report should be disclosed: None.

(X) Important resolutions of the shareholders' meeting and board meeting during the most recent year and during the current year up to the date of publication of the annual report

1. Material resolutions of a shareholders' meeting and the implementation thereof

Date	Important resolutions
June 19, 2025	1. Recognition of the 2024 Business Report and Financial Statements. 2. Recognition of the 2024 Earnings Distribution Proposal. Implementation Status: Processed in accordance with the resolution of the Shareholders' Meeting; the distribution was completed on August 5, 2025. 3. Passed the proposal to amend the company's "Articles of Incorporation." Execution status: The proposal was carried out according to the resolution of the Shareholders' Meeting. 4. Passed the proposal to amend the company's "Rules of Procedure for Shareholders' Meetings." Execution status: The proposal was carried out according to the resolution of the Shareholders' Meeting. 5. Passed the proposal on election of all Directors. Execution status: The change registration was approved by the Ministry of Economic Affairs on August 2, 2024. 6. Passed the proposal on lifting the non-compete restriction on Directors. Execution status: Announce the related resolution after the Shareholders' Meeting on June 21, 2024.

2. Material Resolutions of the Board of Directors

Date	Important resolutions
10 term 4h meeting March 12,2025	1. Approved the list of non-assurance services to be provided by EY and its affiliates for 2025. 2. Approved the assessment of the independence and suitability of the external auditors. 3. Approved the appointment of external auditors and their audit fees for 2025. 4. Approved the 2024 Statement on the Effectiveness of the Internal Control System. 5. Approved the 2024 Business Report and Financial Statements. 6. Approved the distribution of 2024 employees' and directors' remuneration. 7. Approved the 2024 Earnings Distribution Proposal. 8. Approved the amendments to the "Articles of Incorporation." 9. Approved matters related to the acceptance of shareholder proposals for the 2025 AGM. 10. Approved the lifting of non-compete restrictions on Directors. 11. Approved the convening of the 2025 Annual General Meeting. 12. Approved the change of the Company's Spokesperson. 13. Approved the change of the Chief Accounting Officer. 14. Approved applications for credit facilities and renewals of expiring credit lines with banks.

Date	Important resolutions
10th term 5th meeting May 9, 2025	1. Approved the consolidated financial statements for Q1 2025. 2. Approved the amendments to the "Articles of Incorporation." 3. Approved the establishment of the CEO position and the appointment thereof. 4. Approved the appointment of Co-General Managers. 5. Approved the provision of endorsements/guarantees for the subsidiary "Howteh (Vietnam) Co., Ltd." 6. Approved applications for credit facilities and renewals of expiring credit lines.
10th term 6th meeting August 13, 2025	1. Approved the "Rules for the 5th Transfer of Repurchased Shares to Employees." 2. Approved the execution of the 5th transfer of repurchased treasury shares to employees. 3. Approved the consolidated financial report for Q2 2025. 4. Approved the capital increase for the subsidiary Howteh (Vietnam) Co., Ltd. 5. Approved the preparation of the 2024 Sustainability Report. 6. Approved the definition and scope of "Entry-level Employees." 7. Approved amendments to the "Payroll Cycle" internal control and audit implementation rules. 8. Approved the change of the Chief Accounting Officer. 9. Approved applications for credit facilities and renewals of expiring credit lines.
10th term 7th meeting November 12, 2025	1. Approved the consolidated financial report for Q3 2025. 2. Approved the 2026 Operational Plan. 3. Approved the 2026 Internal Audit Plan. 4. Approved amendments to certain provisions of the "Procedures for Acquisition or Disposal of Assets." 5. Approved amendments to certain provisions of the "Corporate Governance Best Practice Principles." 6. Approved the structural change of the Co-General Manager system. 7. Approved the remuneration for newly appointed managers. 8. Approved the 2025 year-end bonus distribution for managers. 9. Approved applications for credit facilities and renewals of expiring credit lines.
10th term 8th meeting March 11, 2026	1. Approved the list of non-assurance services to be provided by EY and its affiliates for 2026. 2. Approved the assessment of the independence and suitability of the external auditors. 3. Approved the appointment of external auditors and their audit fees for 2026. 4. Approved the 2025 Statement on the Effectiveness of the Internal Control System. 5. Approved the 2025 Business Report and Financial Statements. 6. Approved the distribution of 2025 employees' and directors' remuneration. 7. Approved the 2025 Earnings Distribution Proposal. 8. Approved the proposal for a capital increase through the capitalization of earnings (stock dividends). 9. Approved amendments to the "Payroll Cycle" internal control and audit implementation rules. 10. Approved amendments to the "Rules for the 5th Transfer of Repurchased Shares to Employees." 11. Approved the transfer of treasury shares to employees at a price below the average actual repurchase price. 12. Approved the list of eligible employees and the allocation of shares for the treasury stock transfer. 13. Approved matters related to the acceptance of shareholder proposals for the

Date	Important resolutions
	2026 AGM. 14. Approved the convening of the 2026 Annual General Meeting. 15. Approved applications for credit facilities and renewals of expiring credit lines.

(XI) During the most recent year or during the current year up to the date of publication of the annual report, if directors had different opinions on important resolutions approved by the Board of Directors with records or written statements: No such occurrence.

IV. Information on the professional fees of attesting CPAs

Unit: NT$1,000

CPA firm	CPA name	CPA audit period	Audit fee	Non-audit fee	Total	Remarks
Ernst & Young	Chang, Chiao-Ying Chang, Chih-Ming	2025	2,500	440	2,940	

(I) Where the audit fee paid in the year of the replacement of CPA firm is less than the audit fee in the year before the change, the amount of audit fees before and after replacement should be disclosed and the reasons: No such occurrence.
(II) Where the audit fee has decreased by 10% or more from the previous year, the amount, percentage and reason for the decrease in the audit fee should be disclosed: No such occurrence.
(III)Non-audit fees in 2025 were fees of NT$210 thousand for taxation attestation, fees of NT$230 thousand for transfer pricing report.

V. Information on replacement of CPAs
(I) About predecessor CPAs: No such occurrence.
(II) About successor CPAs: No such occurrence.
(III)Predecessor CPA’s letter of response to items listed in Article 10, Subparagraph 6, Item 1 and Item 2, Sub-item 3 of these standards: No such occurrence.

VI. The company’s chairman, general manager or any officers in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its CPAs or at an affiliated enterprise of such accounting firm: No such occurrence.

VII. Any equity transfer or change in equity pledge by a director, managerial officer, or shareholder with 10% stake or more during the most recent year or during the current year up to the date of publication of the annual report

(I) Change of shareholding of directors, managers, and major shareholders:

Unit: Share

Title	Name	2025		Year-to-date through May 5, 2026	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged
Chairman/Major shareholder	Chen, Kuo-Hung	0	0	0	0

Title	Name	2025		Year-to-date through May 5, 2026	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged
Director	Zhu Lin Investment Co., Ltd.	0	0	0	0
	Representative: Chen, Chun-Ting	0	0	0	0
Director	Liuyi Investment Co., Ltd.	35,000	0	0	0
	Representative: Chen, Hsin-Yi	0	0	0	0
Director	Liuyi Investment Co., Ltd.	35,000	0	0	0
	Representative: Wu, Li-Shan	(110,000)	0	0	0
Director	Hung, Ming-Chi	0	0	0	0
Director	Chen, Liang-Hsuan	357,000	0	0	0
Independent director	Cheng, Tien-Tsung	0	0	0	0
Independent director	Li, Ta-Ching	0	0	0	0
Independent director	Tseng, Ming-Jen	0	0	0	0
General Manager	Wu, Li-Shan (Note 1)	(110,000)	0	0	0
Vice General Manager	Chuang, Kun-Lin	(10,000)	0	0	0
Associate General Manager	Chiu, Chi-Wei	0	0	0	0
Special Assistant to General Manager, Financial Officer, CGO	Li, Kun-Cheng	0	0	0	0
Accounting Manager	Lan, Tzu-Chiao (Note 2)	0	0	0	0
Accounting Manager (Temporary)	Chen, Yi-Ching (Note 3)	0	0	0	0
Accounting Manager	Wun, Yu-Jing (Note 4)	0	0	0	0

Note 1: General Manager Wu, Li-Shan retired on November 13, 2025; his shareholding is disclosed up to his retirement date.
Note 2: Resigned on March 12, 2025; his shareholding is disclosed up to the date of resignation.
Note 3: Assumed office on March 12, 2025, and stepped down on August 13, 2025; her shareholding is disclosed for the period of tenure (from the date of assumption to the date of resignation).
Note 4: Assumed office on August 13, 2025; her shareholding is disclosed starting from the date of assumption.

(II) Where the counterparty to the equity transfer is a related party:

Unit: Share

Name	Reason of Transfer	Date of transaction	Counerparty	The relationship between the counterparty and the company, directors, supervisors, managerial officers and shareholders with 10% or more equity	Shares	Transaction price
Wu, Li-Shan	Gift	2025/05/20	Wu, Ren-Zhi	Father and son	55,000	N/A
Wu, Li-Shan	Gift	2025/05/20	Wu, Ren-Jie	Father and son	55,000	N/A

(III) Where the counterparty to the equity pledge is a related party: No such occurrence.

VIII. Information on the top ten shareholders who are a related party, a spouse, or a relative within the second degree of kinship of one another:

April 13, 2026

Name	Shareholdings of the Principal		Shareholding of spouse and underage children		Shares held in the name of others		The name of and relationship among the top 10 shareholders if anyone is a related party, a spouse, or a relative within second degree of kinship of another.	
	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Title (or Name)	Relationship
Hui Hong Investment Co., Ltd. Person in charge: Chen, Che-Hung	5,639,875	8.66%	0	0	0	0	Chen, Hsin-Ju Chen, Hsin-Yi Chen, Chun-Ting Chen, Kuo-Hung Wang, Hsiang-Ching	Daughter Daughter Son In-laws In-laws
Chen, Kuo-Hung	5,048,984	7.75%	2,793,564	4.29%	0	0	Zhu Lin Investment Co., Ltd. - Chen, Che-Hung Hui Hong Investment Co., Ltd. - Chen, Che-Hung Chen, Liang-Hsuan Wang, Hsiang-Ching	In-laws In-laws Son Spouse
Chen, Liang-Hsuan	3,628,013	5.57%	0	0	0	0	Chen, Kuo-Hung Wang, Hsiang-Ching	Father Mother
Wang, Hsiang-Ching	2,793,564	4.29%	5,048,984	7.75%	0	0	Zhu Lin Investment Co., Ltd. - Chen, Che-Hung Hui Hong Investment Co., Ltd. - Chen, Che-Hung Chen, Liang-Hsuan Chen, Kuo-Hung	In-laws In-laws Son Spouse
Zhu Lin Investment Co., Ltd. Person in charge: Chen, Che-Hung	2,325,266	3.57%	0	0	0	0	Chen, Hsin-Ju Chen, Hsin-Yi Chen, Chun-Ting Chen, Kuo-Hung Wang, Hsiang-Ching	Daughter Daughter Son In-laws In-laws
Chen, Hsin-Ju	2,249,610	3.45%	0	0	0	0	Zhu Lin Investment Co., Ltd. - Chen, Che-Hung Hui Hong Investment Co., Ltd. - Chen, Che-Hung Chen, Hsin-Yi Chen, Chun-Ting	Father Father Sister Brother
Chen, Chun-Ting	2,051,325	3.15%	782,000	1.20%	0	0	Zhu Lin Investment Co., Ltd. - Chen, Che-Hung Hui Hong Investment Co., Ltd. - Chen, Che-Hung Chen, Hsin-Ju Chen, Hsin-Yi	Father Father Sister Sister
Chen, Hsin-Yi	2,017,378	3.10%	0	0	0	0	Zhu Lin Investment Co., Ltd. - Chen, Che-Hung Hui Hong Investment Co., Ltd. - Chen, Che-Hung Chen, Hsin-Ju Chen, Chun-Ting	Father Father Sister Brother
Tsai, Tsai-Tien	1,315,698	2.02%	0	0	0	0	None	None
Zeng Lan Investment Co., Ltd. Person in charge: Wang, Hsiang-Ching	1,161,206	1.78%	0	0	0	0	Zhu Lin Investment Co., Ltd. - Chen, Che-Hung Hui Hong Investment Co., Ltd. - Chen, Che-Hung Chen, Liang-Hsuan Chen, Kuo-Hung	In-laws In-laws Son Spouse

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

May 5, 2026

Invested enterprises (Note 1)	The Company's investment (Note 2)		Investment of the directors, managers and business under direct or indirect control (Note 2)		Total investments (Note 2)	
	Number of shares/Amount	Shareholding percentage	Number of shares/Amount	Shareholding percentage	Number of shares/Amount	Shareholding percentage
Giteh Electronic Industries Co., Ltd.	HKD$12,000 thousand	100.00%	0	0%	HKD$12,000 thousand	100.00%
Howteh International Inc. (Samoa)	USD$1,800 thousand	100.00%	0	0%	USD$1,800 thousand	100.00%
ShangHai Howteh International Trading Inc.	USD$1,650 thousand	100.00%	0	0%	USD$1,650 thousand	100.00%
ShenZhen Howteh Technology Co., Ltd.	HKD$7,000 Thousand	100.00%	0	0%	HKD$7,000 Thousand	100.00%
KunShan Howteh International Trading Inc.	USD$300 Thousand	100.00%	0	0%	USD$300 Thousand	100.00%
Howteh Vietnam Co., Ltd.	USD$450 thousand	100.00%	0	0%	USD$450 thousand	100.00%

Note 1: The Company's investments accounted for using equity method.

Note 2: The company is a limited company and therefore does not have shares. Hence, it is expressed in the original investment amount.

Three. Fund Raising Status

I. Capital and shares

(I) Source of share capital

1. Capital formation process

May 5, 2026

Year and Month	Issue price	Authorized capital		Paid-in capital		Remarks		
		Shares (in thousand shares)	Amount (in NT$1,000)	Shares (in thousand shares)	Amount (in NT$1,000)	Source of share capital (in NT$1,000)	Use of assets other than cash for the share amount	Others
August 1978	1,000	3	3,000	3	3,000	Incorporation	None	None
June 1979	1,000	5	5,000	5	5,000	Follow-on offering of 2,000	None	None
April 1985	1,000	10	10,000	10	10,000	Follow-on offering of 5,000	None	None
September 1986	1,000	15	15,000	15	15,000	Follow-on offering of 5,000	None	None
August 1988	1,000	32	32,000	32	32,000	Follow-on offering of 17,000	None	None
July 1992	1,000	50	50,000	50	50,000	Recapitalization of earnings of 12,800 Follow-on offering of 5,200	None	None
April 1997	1,000	10,000	100,000	65	65,000	Recapitalization of earnings of 15,000	None	None
May 1998	10	10,000	100,000	8,320	83,200	Recapitalization of earnings of 13,000 Follow-on offering of 5,200	None	Note 1
March 1999	10	10,816	108,160	10,816	108,160	Recapitalization of earnings of 24,960	None	Note 2
April 2000	10	17,306	173,056	17,306	173,056	Recapitalization of earnings of 64,896	None	Note 3
December 2000	25	19,900	199,000	19,900	199,000	Follow-on offering of 25,944	None	Note 4
May 2001	10	37,000	370,000	24,380	243,800	Recapitalization of earnings of 39,800 Recapitalization of employee bonus of 5,000	None	Note 5
June 2002	10	37,000	370,000	28,337	283,370	Recapitalization of earnings of 36,570 Recapitalization of employee bonus of 3,000	None	Note 6
July 2003	10	37,000	370,000	34,505	345,050	Recapitalization of earnings of 56,674 Recapitalization of employee bonus of 5,006	None	Note 7
July 2004	10	60,000	600,000	40,481	404,810	Recapitalization of earnings of 51,758 Recapitalization of employee bonus of 8,002	None	Note 8
July 2005	10	60,000	600,000	43,000	430,000	Recapitalization of earnings of 20,240 Recapitalization of employee bonus of 4,950	None	Note 9
July 2006	10	60,000	600,000	44,300	443,000	Recapitalization of earnings of 8,600 Recapitalization of employee bonus of 4,400	None	Note 10
July 2007	10	60,000	600,000	45,260	452,600	Recapitalization of earnings of 4,430 Recapitalization of employee bonus of 5,170	None	Note 11
July 2008	10	60,000	600,000	46,320	463,200	Recapitalization of earnings of 4,526 Recapitalization of employee bonus of 6,074	None	Note 12
July 2009	10	60,000	600,000	48,605.7	486,057	Recapitalization of earnings of 22,857	None	Note 13
July 2010	10	60,000	600,000	50,045	500,457	Recapitalization of earnings of 14,400	None	Note 14

Year and Month	Issue price	Authorized capital		Paid-in capital		Remarks		
		Shares (in thousand shares)	Amount (in NT$1,000)	Shares (in thousand shares)	Amount (in NT$1,000)	Source of share capital (in NT$1,000)	Use of assets other than cash for the share amount	Others
April 2011	10	60,000	600,000	50,013	500,137	Retirement of treasury shares of 320	None	Note 15
July 2018	10	60,000	600,000	52,014	520,142	Recapitalization of earnings of 20,005	None	Note 16
July 2019	10	80,000	800,000	56,000	560,000	Recapitalization of earnings of 39,858	None	Note 17
July 2020	10	80,000	800,000	59,080	590,800	Recapitalization of earnings of 30,800	None	Note 18
July 2022	10	80,000	800,000	62,625	626,248	Recapitalization of earnings of 35,448	None	Note 19
August 2023	10	80,000	800,000	65,130	651,298	Recapitalization of earnings of 25,050	None	Note 20

Note 1: Approved by the Public Works Department of Taipei City Government as indicated in its official letter titled Jian-Yi-Zi No.87310116 and dated July 30, 1998.

Note 2: Approved by the Ministry of Economic Affairs as indicated in its official letter titled Jing-(088)-Shang-Zi No.088128893 and dated August 10, 1999.

Note 3: Approved by the Ministry of Economic Affairs as indicated in its official letter titled Jing-(089)-Shang-Zi No.089114046 and dated May 17, 2000.

Note 4: Approved by the Ministry of Economic Affairs as indicated in its official letter titled Jing-(089)-Shang-Zi No.089148893 and dated January 4, 2001.

Note 5: Approved by the Ministry of Economic Affairs as indicated in its official letter titled Jing-(090)-Shang-Zi No.09001121260 and dated May 24, 2001.

Note 6: Approved by the SFI as indicated in its official letter titled Tai-Cai-Zheng (1) No.0910128477 and dated May 24, 2002.

Note 7: Approved by the SFI as indicated in its official letter titled Tai-Cai-Zheng (1) No.0920129476 and dated July 2, 2003.

Note 8: Approved by the FSC as indicated in its official letter titled Jin-Guan-Zheng (1) No.0930131536 and dated July 15, 2004.

Note 9: Approved by the FSC as indicated in its official letter titled Jin-Guan-Zheng (1) No.0940127171 and dated July 6, 2005.

Note 10: Approved by the FSC as indicated in its official letter titled Jin-Guan-Zheng (1) No.0950131313 and dated July 19, 2006.

Note 11: Approved by the FSC as indicated in its official letter titled Jin-Guan-Zheng (1) No.0960035323 and dated July 10, 2007.

Note 12: Approved by the FSC as indicated in its official letter titled Jin-Guan-Zheng (1) No.0970035609 and dated July 15, 2008.

Note 13: Approved by the FSC as indicated in its official letter titled Jin-Guan-Zheng (1) No.0980035025 and dated July 14, 2009.

Note 14: Approved by the FSC as indicated in its official letter titled Jin-Guan-Zheng-Fa-Zi No.0990035722 and dated July 9, 2010.

Note 15: Approved by the Ministry of Economic Affairs as indicated in its official letter titled Jing-Shou-Shan-Zi No.10001072180 and dated April 2011.

Note 16: Registered with the FSC and put into effect on July 16, 2018, and approved by the Ministry of Economic Affairs as indicated in its official letter titled Jing-Shou-Shan-Zi No.10701103910 and dated September 3, 2018.

Note 17: Registered with the FSC and put into effect on July 2, 2019, and approved by the Ministry of Economic Affairs as indicated in its official letter titled Jing-Shou-Shan-Zi No.10801103570 and dated August 1, 2019.

Note 18: Registered with the FSC and put into effect on July 8, 2020, and approved by the Ministry of Economic Affairs as indicated in its official letter titled Jing-Shou-Shan-Zi No.10901148760 and August 19, 2020.

Note 19: Registered with the FSC and put into effect on July 28, 2022, and approved by the Ministry of Economic Affairs as indicated in its official letter titled Jing-Shou-Shan-Zi No.11101166280 and dated September 1, 2022.

Note 20: Registered with the FSC and put into effect on July 13, 2023, and approved by the Ministry of Economic Affairs as indicated in its official letter titled Jing-Shou-Shan-Zi No.11230154570 and dated August 22, 2023.

2. Types of issued shares

May 5, 2026

Type of equity	Authorized capital			Remarks
	Shares issued and outstanding	Unissued shares	Total	
Common stock	65,129,792 shares (Note)	14,870,208 shares	80,000,000 shares	Shares trade on the OTC market

Note: Including 700,000 shares of treasury stock.

3. Shelf registration information: None.

(II) Name of major shareholders:

April 13, 2026

Name of major shareholder \ Shares	Number of shares held	Shareholding percentage (%)
Hui Hong Investment Co., Ltd.	5,639,875	8.66%
Chen, Kuo-Hung	5,048,984	7.75%
Chen, Liang-Hsuan	3,628,013	5.57%
Wang, Hsiang-Ching	2,793,564	4.29%
Zhu Lin Investment Co., Ltd.	2,325,266	3.57%
Chen, Hsin-Ju	2,249,610	3.45%
Chen, Chun-Ting	2,051,325	3.15%
Chen, Hsin-Yi	2,017,378	3.10%
Tsai, Tsai-Tien	1,315,698	2.02%
Zeng Lan Investment Co., Ltd.	993,082	1.52%

(III) Dividends policy and implementation status

1. Dividend policy prescribed in the Articles of Association:

If the Company concludes the fiscal year with a profit, no less than 3% of such profit shall be distributed as employees' remuneration (of which no less than 20% shall be allocated to entry-level employees). Such remuneration may be distributed in the form of stock or cash by a resolution of the Board of Directors, and the recipients may include employees of controlled or subsidiary companies who meet certain criteria.

By resolution of the Board of Directors, the Company may also distribute no more than 5% of the aforementioned profit as directors' remuneration. The distribution plans for both employees' and directors' remuneration shall be reported to the Shareholders' Meeting. However, if the Company has accumulated losses, an amount shall be reserved in advance to offset the losses before allocating remuneration to employees and directors in the proportions mentioned above.

If the Company has profits after the final accounting of any given year, such profits shall be used to make up for prior losses; thereafter, 10% of the remainder shall be allocated as legal reserves, and then special reserves shall be provided or reversed as required by the competent authority. The remainder, if any, shall be added to undistributed earnings of prior years; the sum shall then be taken by the Board of Directors to draft an earnings distribution proposal (the earnings of the given year must not be less than 30%), which shall then be submitted to the Shareholders' Meeting for approval for distribution. In addition, cash dividends must not be less than 20% of total dividends distributed, and may be as high as 100% of total dividends distributed; thereafter, the rest dividends, if any, may then be distributed in shares.

According to the Company Act, legal reserves shall be continuously provided until it reaches the paid-in-capital. Legal reserves may be used to compensate for prior losses. When the Company is not in loss, it may distribute the legal reserve portion that exceeds

25% of the paid-in-capital, in cash or new shares to shareholders in proportion to their original shareholding percentage.

2. Proposed dividend distribution by the shareholders' meeting

Unit: NTD

Opening balance	343,314,424
Add: Post-tax profits for the period	144,193,424
Add: Remeasurements of defined benefit plan under other comprehensive income (2025)	1,163,617
Less: Provision of legal reserves (10%)	(14,535,704)
Distributable earnings	474,135,761
Distribution items:	
Shareholder dividend - cash (NT$ 1.0060531 per share, or NT$1,006 per thousand shares)	(78,155,750)
Shareholder dividend - Stock (0.40242129 shares per share; 40 shares per 1,000 shares)	(25,927,920)
Undistributed earnings at the end of the period	383,388,049

3. Expected change in dividend policy in the future: None

(IV) The effect of the proposed stock dividends of shares at the shareholders' meeting on the Company's operating results and earnings per share

<table>
<tr><td colspan="3">Item\Year</td><td>2026 (estimates)</td></tr>
<tr><td colspan="3">Paid-in capital - opening balance</td><td>NT$ 651,297,920</td></tr>
<tr><td colspan="2" rowspan="3">Cash dividend and stock dividend distributed this year</td><td>Cash dividend per share</td><td>NT$ 1.0060531</td></tr>
<tr><td>Number of shares distributed to each share through recapitalization of earnings</td><td>0.040242129shares</td></tr>
<tr><td>Number of shares distributed to each share through recapitalization of capital reserves</td><td>–</td></tr>
<tr><td colspan="2" rowspan="7">Change in operating performance</td><td>Operating profit</td><td rowspan="10">N/A
(Note)</td></tr>
<tr><td>Percentage of YoY increase (decrease) in operating profits</td></tr>
<tr><td>Net income after tax</td></tr>
<tr><td>Percentage of YoY increase (decrease) in net income after tax</td></tr>
<tr><td>Earnings per share</td></tr>
<tr><td>Percentage of YoY increase (decrease) in EPS</td></tr>
<tr><td>Average annual return on investment (i.e., the reciprocal of average annual P/E ratio)</td></tr>
<tr><td rowspan="3">Proforma EPS and P/E ratio</td><td rowspan="2">Were the earnings recapitalized to be distributed in cash dividend in full instead</td><td>Proforma EPS</td></tr>
<tr><td>Proforma average annual return on investment</td></tr>
<tr><td>Had the earnings not been</td><td>Proforma EPS</td></tr>
</table>

	recapitalized	Proforma average annual return on investment	
	Had the earnings not been recapitalized but had been distributed in cash dividend in full	Proforma EPS	
		Proforma average annual return on investment	

Note: The Company did not disclose financial forecast for either 2025 or 2026.

(V) Remuneration to employees and directors

1. Percentage or scope of remuneration paid to employees and directors that are stipulated in the Articles of Association:
   If the Company concludes the fiscal year with a profit, no less than 3% of such profit shall be distributed as employees' remuneration. Of this allocated amount, no less than 20% shall be distributed specifically to entry-level employees. Such remuneration may be distributed in the form of stock or cash by a resolution of the Board of Directors, and the recipients may include employees of controlled or subsidiary companies who meet certain criteria. By resolution of the Board of Directors, the Company may also allocate no more than 5% of the aforementioned profit as directors' remuneration. The distribution plans for both employees' and directors' remuneration shall be reported to the Shareholders' Meeting. However, if the Company has accumulated losses, an amount shall be reserved in advance to offset the losses before allocating remuneration to employees and directors in the proportions mentioned above.
2. The basis for estimating the amount of remuneration to employees and directors, the basis for calculating the number of shares for employee remuneration distributed in stock and the accounting treatment if the actual amount distributed differs from the estimated amount:
   (1) According to the Company’s Articles of Association, the Company shall distribute no less than 3% of annual earnings as employee remuneration and no greater than 5% of such annual earnings as director remuneration, and shall present such remuneration under salary expenses.
   (2) The basis for calculating the number of shares for employee remuneration distributed in stock and the accounting treatment if the actual amount distributed differs from the estimated amount: If the amount determined by the Board of Directors after the reporting date deviates significantly, such deviation will be adjusted through the profit and loss of the year in which distribution is made.
3. Distribution of remuneration approved by the Board of Directors:
   (1) If there is any discrepancy between that amount of employee remuneration and director remuneration and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed: The Company’s earnings distribution proposal for 2024 was passed by the Board of Directors meeting dated March 12, 2025 through a resolution. The remuneration distributed to employees and directors is as follows:

Unit: NTD

Item	Estimated figure in 2025	Amount to be distributed as determined by the Board of Directors	Differentials	Cause of discrepancy	Status of treatment
Employee remuneration (in cash)	5,600,000	5,600,000	0	None	N/A

Remuneration for directors	6,000,000	6,000,000	0		

(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: N/A.

4. The actual distribution of employee and director remuneration for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee and director remuneration, additionally the discrepancy, cause, and how it is treated:
Director remuneration and employee remuneration for 2024 distributed by the Company in 2025 were NT$4,500 thousand and NT$4,500 thousand, respectively, and there is no discrepancy between the actual distribution and the amounts recognized in the financial statements.

(VI)Repurchase of the Company's shares:

1. Execution of Share Buyback Completed (For the most recent fiscal year and up to the publication date of the annual report):

Buyback Batch	5th
Purpose of Buyback	Transfer of shares to employees
Buyback Period	August 14, 2025 – October 13, 2025
Price Range for Buyback	NT$17 to NT$35
Type and Quantity of Shares Repurchased	700,000 Common Shares
Total Amount of Shares Repurchased	NT$17,177,506
Ratio of Repurchased Quantity to Planned Buyback Quantity (%)	100%
Number of Shares Retired or Transferred	0 shares
Cumulative Number of Treasury Shares Held	700,000 Common Shares
Ratio of Cumulative Treasury Shares Held to Total Issued Shares (%)	1.07%

2. Execution of Share Buyback Still in Progress (For the most recent fiscal year and up to the publication date of the annual report): None.

II. Issuance of corporate bonds, preferred shares, and global deposit certificates: None.

III. Issuance of employee stock options certificates and restricted shares: None.

IV. Issuance of new shares in connection with mergers or acquisitions: None.

V. Implementation of fund utilization plan: N/A.

Four. Operational Highlights

I. Business activities

(I) Business scope

1. Main areas of business operations
   (1) Basic Chemical Industrial
   (2) Metal Wire Products Manufacturing
   (3) Other Metal Products Manufacturing
   (4) Pollution Controlling Equipment Manufacturing
   (5) Wired Communication Mechanical Equipment Manufacturing
   (6) Wireless Communication Mechanical Equipment Manufacturing
   (7) Computer and Peripheral Equipment Manufacturing
   (8) General Instrument Manufacturing
   (9) Optical Instruments Manufacturing
   (10) Machinery Installation
   (11) Instrument and Meters Installation Engineering
   (12) Wholesale of Machinery
   (13) Wholesale of Electrical Appliances
   (14) Wholesale of Precision Instruments
   (15) Wholesale of Computers and Clerical Machinery Equipment
   (16) Wholesale of Telecommunication Apparatus
   (17) Wholesale of Ship and Component Parts
   (18) Wholesale of Fire Safety Equipment
   (19) Wholesale of Computer Software
   (20) Wholesale of Electronic Materials
   (21) Retail Sale of Electrical Appliances
   (22) Retail Sale of Computers and Clerical Machinery Equipment
   (23) Retail Sale of Precision Instruments
   (24) Retail Sale of Telecommunication Apparatus
   (25) Retail Sale of Machinery and Tools
   (26) Retail Sale of Ship and Component Parts Thereof
   (27) Retail Sale of Fire Safety Equipment
   (28) Retail Sale of Computer Software
   (29) Retail Sale of Electronic Materials
   (30) International Trade
   (31) Product Designing
   (32) Rental and Leasing
   (33) All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
2. Revenue weight

Unit: NT$1,000

Product name	2025	Revenue weight
Connectors, flexible flat cables, and electric audio products	2,944,122	97.68%
Domestic and foreign PCB board and IC substrate and equipment and related materials	69,862	2.32%
Total	3,013,984	100.00%

3. Major lines of products (services):

Product type	Major lines of products (services)
Electronic components	Sale of connectors, cables, electric audio components, and semiconductors in the capacity of an agent
Equipment and materials	Sale of chemicals and consumables required for PCB/flexible PCB process equipment (dry or wet process, horizontal process, punching machine, steel plate cleaning machine, board loader and unloader, stamping machine, etc.) in the capacity of an agent and distributor

Product type	Major lines of products (services)
	Sale of semiconductor manufacturing process and testing equipment and materials in the capacity of an agent and distributor

4. Planned new products (services)
 (1) Provide as many product lines (services) to existing customers and manage strategic customers on a project-specific basis.
 (2) Maintain a good agentship with original brands to increase the opportunity for introducing new products and services of electronic giants, to expand business scope.
 (3) Intensify business development in China and create product momentum and service scope suitable for individual regions.
 (4) Assist in the improvement of equipment quality, strengthen after-sales inspection and acceptance services, and seek more opportunities to win agentship for equipment.
 (5) Continue to launch new business groups, and win agentship for new products, to increase the contribution to operating revenue.

(II) Industry Overview

The Company is a professional agent for electronic components, and process equipment and consumables. The main products of electronic components comprise connectors, semiconductors and wires, and audio products that are actively promoted to be installed in smart devices; this way, in the face of rapid evolution and alternation of product technology, the Company is still able to provide more complete services to customers and the industry; equipment sold in the capacity of an agent include the equipment and materials necessary for the PCB and flexible PCB and the IC substrate industry, semiconductor and optoelectronic industry-related process applications, and testing equipment and materials etc. Below is an overview of the said industries.

1. Current status and development of the industry

Entering 2026, the global electronics industry is undergoing a paradigm shift dominated by "Generative AI (GenAI)." AI computing power has officially shifted on a large scale from cloud centers down to terminal devices, initiating the "Inaugural Year of Comprehensive Edge AI Implementation." According to the latest industry forecasts, global semiconductor output value will reach a historic high of $975 billion in 2026, with the annual growth rate accelerating to 26%, among which AI-related chip output is expected to account for half of global sales (approximately $500 billion). Taiwan, by virtue of its 63% global capacity advantage in advanced processes below 7nm, continues to stay firmly at the core of the global AI supply chain.

High-frequency transmission interfaces and connectors: Moving toward the 120Gbps era. As 3C products' bandwidth requirements reach the extreme, the USB4 Version 2.0 (80Gbps) specification has entered a period of full popularization, while Thunderbolt 5, by virtue of its asymmetric transmission bandwidth up to 120Gbps and 240W (PD 3.1) power delivery capability, has officially become the standard specification for AI PCs, high-end audio-visual workstations, and professional docking stations. AI server demand: In the data center field, with the popularization of NVIDIA Blackwell and the next-generation Rubin architecture, internal AI server transmission is shifting toward high-current, high-density dedicated connectors, driving a substantial surge in the output value of high-specification Copper Interconnects.

Acoustic MEMS microphones: Edge AI drives a doubling of hardware specifications. In 2026, AI PC penetration is expected to cross the 50% mark, while AI mobile phones will further extend to mid-to-low-end models. In order to support the complex voice interaction and environmental perception of Edge AI, terminal devices' demand for high Signal-to-Noise Ratio (SNR ≥ 64dB) microphone arrays is surging. The number of microphones equipped in each AI PC and smartphone is increasing from the traditional 2 sets to more array solutions to achieve precise Beamforming and active noise cancellation functions.

Automotive electronics and PCB: Technical evolution of smart cockpits and autonomous driving systems. Driven by net-zero carbon emission policies, Electric Vehicle (EV) penetration continues to climb. L3/L4 autonomous driving and smart cockpits have extremely high requirements for high-frequency high-speed transmission and heat dissipation. High-end automotive PCBs have seen a significant increase in usage and technical specifications, with high-end HDI, IC substrates, and heavy copper boards becoming the key focus for car manufacturers, as technology comprehensively develops toward miniaturization, high frequency, high density, and high power.

(1) Hardware Industry of Electronic Components

A. USB Type-C and USB4 Series Specifications

With the USB4 Version 2.0 (80Gbps) specification entering a stage of comprehensive popularization in 2026, the USB Type-C interface has officially unified the connection standard across terminal devices, ending the previous situation of mixed interfaces and achieving 100% plug-and-play convenience. USB4 2.0 integrates USB, DisplayPort, and PCI Express signals through advanced "tunneling" technology, doubling the transmission rate from 40Gbps of the previous generation to 80Gbps, providing stable support for high-performance storage and 8K high-bandwidth displays. In terms of Power Delivery, the market mainstream has moved from PD 3.0 to the PD 3.1 (EPR) standard. Paired with dedicated high-specification cables, the charging power can reach up to 240W, which not only meets the power supply needs of high-performance AI PCs and gaming laptops but also further penetrates into projectors, home robots, and various direct current (DC) power supply devices.

B. Thunderbolt

Thunderbolt™ 5 is a connection technology standard released by Intel at the end of 2023 and officially commercialized on a large scale in 2026. Its design is fully compatible with the complete USB4 Version 2.0 specification and provides a speed of 80Gbps in symmetric transmission mode; in asymmetric transmission mode, it can achieve an ultra-high bandwidth of up to 120Gbps (120Gbps transmit / 40Gbps receive), which is three times higher than the previous generation Thunderbolt 4, and also supports charging power up to 240W. In the high-end computing market of 2026, Thunderbolt 5 has become the core configuration for AI PCs, professional audio/video workstations, and high-end docking stations. Its powerful bandwidth margin not only meets creators' demands for multi-channel high-resolution displays but also provides an extremely fast and stable transmission backbone for external computing cards and ultra-high-speed storage devices.

C. Audio MEMS microphones

With the successful development of Google Assistant and Siri and the increased requirements for sound reception in various applications, Microelectromechanical systems (MEMS) microphones have gradually appeared in people's lives, with related applications ranging from mobile phones, laptops, and wireless earphones to automobiles and hearing aids. For current smartphones, the application of acoustic MEMS microphones, user interface, power management, context awareness, and circuit board space are all important components driving functional progress. The rise of artificial intelligence in recent years has strengthened voice recognition capabilities, prompting voice to become an important human-machine interface; voice has officially replaced touch to become the core human-machine interface (HMI) for AI terminal devices. With the increased precision requirements of AI voice assistants, the application scope of MEMS microphones has expanded from mobile phones and laptops to wearable devices, smart cockpits, and medical hearing aids.

(2) Equipment sale industry

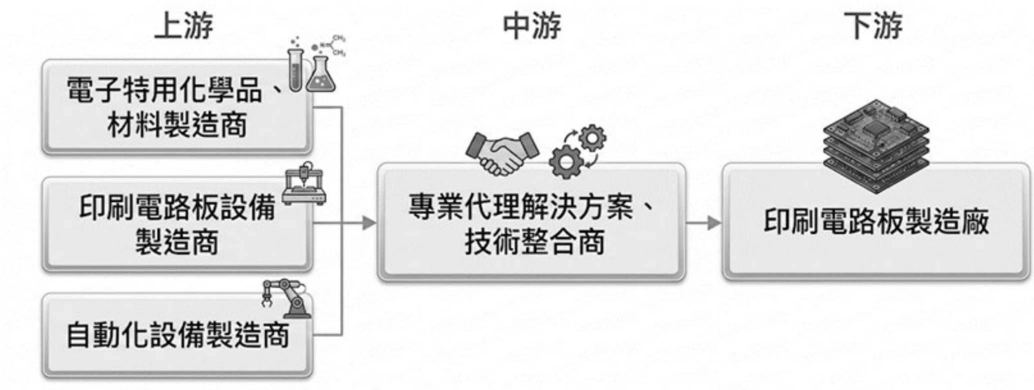
In today's booming AI industry, ABF concept stocks have become the focus of investors. ABF substrates hold an important position in the high-end IC substrate field, and related industries continue to grow with the increasing demand for emerging applications such as cloud computing, 5G, and AI. It is estimated that by 2030, the global ABF substrate market will reach USD 6.3 billion, with a compound annual growth rate (CAGR) of 5.3% from 2024 to 2030. The main driving forces for this market are the continuous popularization of automotive electronic products, the growing demand for wearable electronic products, and the adoption of advanced semiconductor packaging technologies such as Fan-Out Wafer-Level Packaging (FOWLP) and Embedded Bridge Chip (EBC) packaging. The outlook for the global ABF substrate market is promising, with opportunities in the PC, AI chip, server switch, and gaming console markets. ABF is one of the materials used to manufacture IC substrates; due to its excellent material properties that can achieve better precision and thickness, the demand for ABF substrates (IC substrates made of ABF materials) has surged along with the growth of the high-speed computing chip market, with application scenarios including servers, network communications, and consumer electronics. The Company is an agent for Canon Machinery Inc.'s solder ball flattening machines and flip-chip substrate cutting machines, which are applied in the solder ball flattening process of PCB flip-chip substrates. According to the analysis by the Taiwan Printed Circuit Association (TPCA), emerging application demands drive substrate technology innovation, such as the short supply of servers, high-computing power AI chips, and memory (HBM), as well as Intel's announcement in 2023 of a plan to mass-produce glass substrates by 2030, allowing advanced packaging technologies to break through the limitations of traditional transistor density through horizontal or vertical chip integration. This opens up new possibilities for high-end applications like HPC and AI, and is key to the future development of the semiconductor and substrate industries.

2. Links between the upstream, midstream, and downstream segments of the industry supply chain

The Company is distributor of electronic components, printed circuit board equipment and materials in the capacity of an agent. Below is the relationship between the upstream, midstream, and downstream of the industry by characteristics of individual products sold on an agency basis:

(1) Electronic components sale agent

(2) Acting as an agent for sale of PCB equipment and materials



3. Development trends and competition for the Company's products

The Company is an agent specializing in the production of electronic components (connectors、audio components and wires in principle), and PCB manufacturing equipment, testing instruments and materials. Below is a description of the development trend and competition with respect to our major agency product lines:

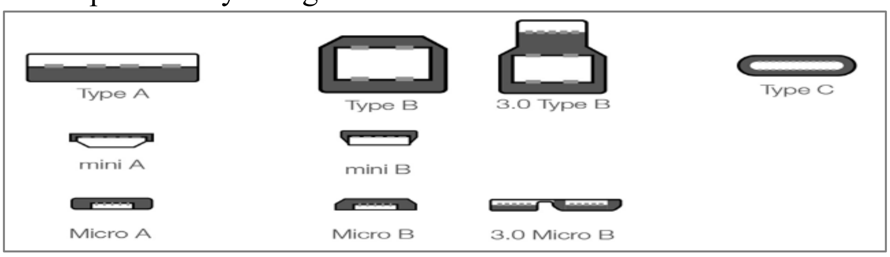
(1) Electronic components - connectors and wires

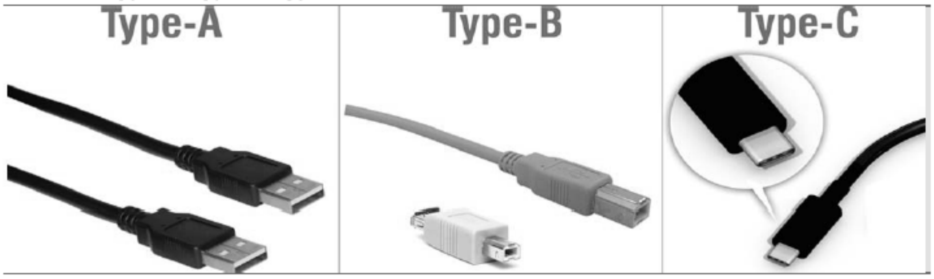
A. Connectors

Feature: The connector is a type of port, a connection component employed in conjunction with electronic components such as ICs. By using the connector, the signal between the electronic circuit and the electronic device can be effectively transmitted.
Connectors, in terms of electronic signals and power supplies, are components and accessories used for connecting other components together, forming a bridge between all signals. Connectors' quality not only influences the dependability of signal and current transmission, but also determines the operation quality and lifespan of the entire electronic device.

Applications: Connectors are essential for a wide variety of applications, such as chip and component connection, PCB board-to-board connection, host and I/O connection, external power source and external signal connection. At present, connectors are widely used and commonly seen in the electronic industry, e.g., PC peripherals, telecommunications, digital camera, television, industrial computer, transport, and medical devices, among others.

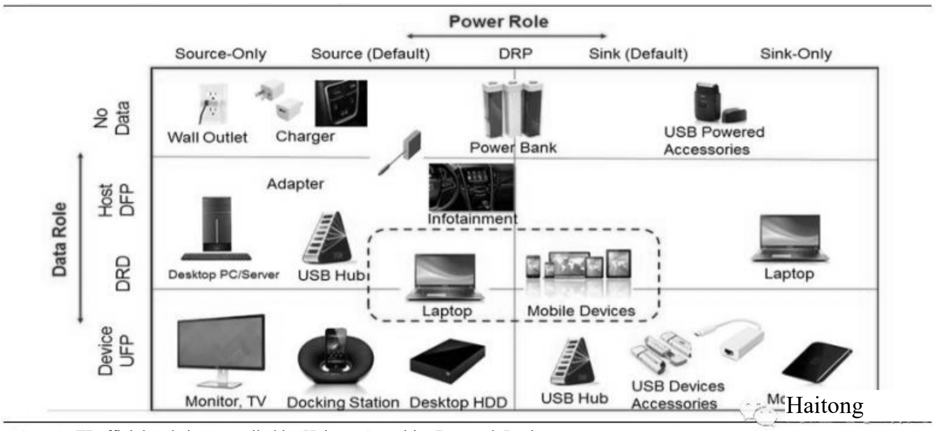
Technology: As smartphone and notebook computers become slimmer, their internal connectors must also be designed to be smaller and thinner. This means that Fine Pitch and Low Profile connectors become the best connection option for these devices. A Type C connector is 8.3mm x 2.5mm with 24 pins. However, due to the demanding specifications of fine pitch and low profile, the Pitch-to-Pitch distance is 0.3-0.4mm, which is narrower and thinner than the conventional 0.5mm. Owing to the fact that these connectors must be able to tolerate both high frequency and high temperature, the technical specifications for Type C connectors are particularly stringent.





Data source: Google

Development trend and competition:
The Type-C interface has evolved from early mobile phone and laptop applications into the only universal connection standard across ecosystems in 2026. According to analysis by Future Market Insights (FMI), the global connector market size is expected to reach USD 77.41 billion in 2026. As Generative AI (GenAI) moves from the cloud to terminal devices, the penetration rate of AI PCs in 2026 is expected to cross the critical threshold of 50% (reaching 54.7%), with estimated shipments exceeding 143 million units. Horizontal expansion of applications: In addition to the traditional PC and mobile device markets, application scenarios for USB Type-C have widely spread to Automotive Electronics, AR/AI smart glasses (estimated shipments of 9.65 million pairs in 2026), and military drone systems. Especially in the electric vehicle (EV) sector, as autonomous driving technology moves towards Level 3/4, the demand for high-speed in-vehicle transmission has multiplied, driving the need for high-end connectors with anti-vibration and signal shielding capabilities.



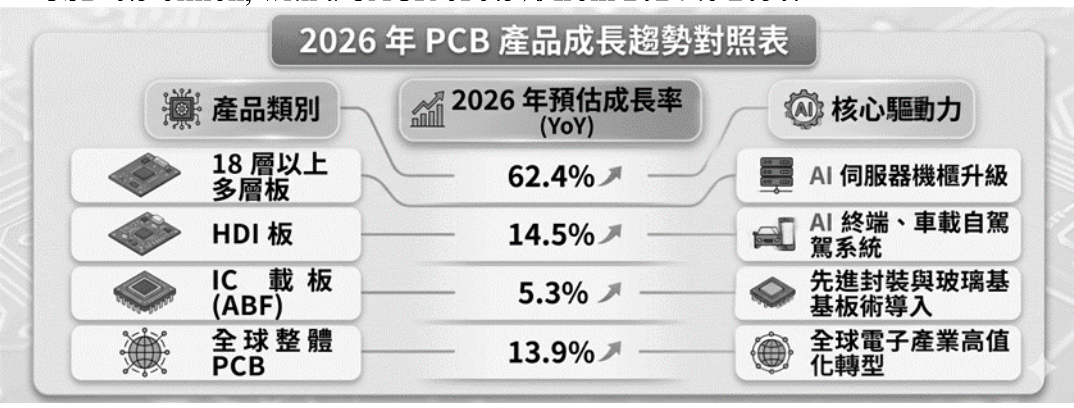
Source: TI official website; compiled by Haitong Securities Research Institute

B. Cables

For cables, high-speed transmission technology has evolved to a new milestone in 2026 since Intel launched Thunderbolt 3 (TBT3) in 2017, going through specification contributions to the USB-IF and becoming the foundation of the USB4 open standard in 2019. Entering 2026, as Thunderbolt 5 (TBT5) officially enters the large-scale commercial stage, this technology is entirely based on the complete USB4 Version 2.0 specification and achieves a cross-generational upgrade in core performance. In symmetric transmission mode, TBT5 speed can reach 80Gbps; and for professional video production and AI computing needs, its "asymmetric transmission mode" can provide up to 120Gbps of bandwidth. Compared to TBT4, the transmission bandwidth is tripled, and in terms of power delivery, it fully supports the PD 3.1 (240W) standard, sufficient to support the power needs of high-performance AI PCs and professional workstations.

(2) PCB and IC substrate

Between 2024 and 2025, the global PCB industry underwent severe structural reorganization. Although mainland Chinese PCB factories maintained a dominant position in 5G communications, general-purpose smartphones, and mid-to-low-end EV markets leveraging scale effects and cost advantages, Taiwanese PCB factories successfully avoided the impact of slowing consumer electronics demand. Relying on their leading positions in high-frequency high-speed, High-Density Interconnect (HDI), and advanced packaging substrate technologies, they occupy an indispensable strategic high ground in the global AI supply chain. Entering 2026, the core of industry competition has shifted from "production volume" to "technological value-add". With the full explosion of demand for AI servers and High-Performance Computing (HPC), global PCB production value is estimated to climb to a record high of USD 105.2 billion in 2026, an annual growth rate of 13.9%. Leveraging the advantage of being deeply embedded in the semiconductor system, Taiwanese businesses are expected to reach a record high capital expenditure of approximately NTD 162.4 billion in 2026, focusing on high-end substrates and precision HDI processes. Unlike the past structure dominated by flexible boards, the market focus in 2026 has shifted to high-end rigid boards supporting AI computing. High-Level Multilayer Boards (HLC): Benefiting from the popularization of NVIDIA's new generation architectures (such as Blackwell/Rubin), high-level multilayer boards with 18 layers or more have become the growth champions, with a single-item estimated growth rate as high as 62.4% in 2026. HDI Boards: Driven by AI servers, network equipment, and automotive electronics, the production value is expected to grow by about 14.5% year-on-year in 2026. IC Substrates: As advanced packaging (CoWoS/Chiplet) becomes mainstream, the ABF substrate market size continues to expand. It is estimated that by 2030, the global ABF substrate market will reach USD 6.3 billion, with a CAGR of 5.3% from 2024 to 2030.



(3) Audio MEMS microphones

Microelectromechanical systems (MEMS) microphones, relying on their extremely small size and low power consumption, have completely replaced traditional electret condenser microphones (ECM) to become the acoustic core of mobile and wearable devices. They have excellent environmental interference resistance (covering temperature, vibration, and electromagnetic interference) and can withstand Surface Mount Technology (SMT) processes up to 260°C. In terms of electroacoustic structure, although receivers and speakers are both driven by voice coils and magnets to make diaphragms produce sound, their application paths are significantly different: receivers are mostly designed for on-ear use, with power ranging from 0.01W to 0.1W; while speakers are used in scenarios ranging from tens of centimeters to several meters away from the human ear, with power spanning from

0.2W to tens of watts. AI PCs and AI Phones: In 2026, the penetration rate of AI PCs is expected to exceed 50% (reaching 54.7%), while AI phones are expected to move towards a scale of 1 billion units by 2028 with a CAGR of 83%. These types of devices require higher sound reception precision to support "Always-on" voice wake-up and real-time translation functions. Smart Wearables and TWS Earphones: True Wireless Stereo (TWS) earphones and AI smart glasses (estimated to ship 9.65 million pairs in 2026) are heavily adopting MEMS microphones integrated with Digital Signal Processing (DSP) to reduce system latency and enhance active noise cancellation effects. Smart Cockpits and Medical Applications: Automobile manufacturers have fully introduced voice control into smart cockpits, and it has become a trend for every new car to be equipped with 3-6 microphones for in-car communication and road noise cancellation (RNC). According to the latest report by SNS Insider, the global MEMS microphone market size is expected to climb rapidly from USD 2.52 billion in 2025 to USD 11.6 billion in 2035, with an estimated CAGR of 11.01% from 2026 to 2035. Compared to the past growth forecast of 7.4%, this indicates that the acoustic industry will enter a period of high-speed growth after the full implementation of AI applications.

(4) Semiconductor Industry

The latest data from the Market Intelligence & Consulting Institute (MIC) of the Institute for Information Industry and WSTS shows that the global semiconductor market will continue on a high-growth trajectory from 2025 to 2026. Global semiconductor sales in 2026 are expected to reach a record high of USD 975 billion, with the annual growth rate accelerating further to 26% from 2025's 22%. Analysts at MIC point out that the market momentum in 2026 has undergone a structural shift: the production value of Generative AI (GenAI) chips is expected to approach USD 500 billion, contributing to about 50% of global semiconductor revenue, but its shipment share is less than 0.2%, indicating that the market is entering a K-shaped development pattern. At the same time, Taiwan's semiconductor industry production value exceeded NTD 5.45 trillion in 2025 (an annual increase of 15.4%), and it is expected to continue leading the world in 2026, driven by four consecutive years of over 40% growth in capacity for processes below 3 nanometers. AI PC Explosion: According to Gartner's forecast, the penetration rate of AI PCs will officially cross the halfway mark in 2026, reaching 54.7% (about 143 million units shipped), and is expected to climb further to 60% in 2027. Senior analysts point out that from 2026, multiple Small Language Models (SLM) will run locally on PCs, endowing devices with the characteristics of "smart work partners".

AI Phone Penetration: AI functions will no longer be exclusive to flagship phones but will fully penetrate mid-to-low-end models. Global AI phone shipments are expected to sprint at a high CAGR of 83%, aiming to break the 1 billion unit mark in 2028. While the popularization of terminal products will drive a revolution in electronic component specifications, it also faces severe cost pressures:

1. **Upgrade of Hardware Specification Baselines:** To support Edge AI, PC DRAM specifications have been mandatorily upgraded to 16GB or more (Gartner recommends 32GB for enterprise use); the average storage capacity of AI phones is expected to grow by 4.8% in 2026. In addition, high signal-to-noise ratio (SNR ≥ 64dB) microphone arrays and advanced thermal modules have become standard configurations to ensure stable AI operation.
2. **Capacity Siphoning Effect Triggered by Memory:** This is the biggest market variable in 2026. Because the strong demand for HBM3/4 from AI servers has crowded out capacity, consumer-grade DRAM and NAND prices are expected to

rise by another 130% by the end of 2026. This leads to a 15-20% surge in total machine manufacturing costs, forcing top brands to increase selling prices.

3. **Divergence in Shipments and Value:** Suppressed by high costs, IDC estimates that global PC shipments will decrease by 11.3% year-on-year in 2026, and smartphones also face the risk of decline. However, due to a significant increase in the Average Selling Price (ASP), overall production value can still maintain a slight increase, and the market focus will fully tilt towards "high-margin, high-specification" models.

(III) Technology and R&D Overview:

1. R&D expense for the most recent year and the current year up to the publication date of this annual report: Since the Company is a product sales agent and trader, the Company did not incur any R&D expenses.
2. Products or technology successfully developed

The Company's primary business is trading electronic components, apparatus, and related goods in the capacity of an agent. Leveraging the expertise of marketing personnel, the Company is in the process of furthering its agentship for new products, aiding in the utilization and sales of end-client merchandise, and thus expanding the scope of its operations. The following is an enumeration of products for which the Company has won the agentship.

Supplier	Product name	Application
JAE	Connectors	Components for connecting the various electronic signals and power supply, and accessory connecting parts
SUMITOMO ELECTRIC	Thunderbolt Cable High Speed Cable USB3.1/USB4.0 Type C cable	High-speed audio and video signal real-time transmission
SYNTIANT (Knowles)	MEMS miniature microphone	Components employed in notebook computer , top-of-the-line cellular phones, headsets, vocal apparatus, hearing aids, intelligent loudspeakers, and wearable technology
AWINIC	Audio IC	IC components necessary for various audio items like mobile phones, wearables, and smart speakers
Canon Machinery Inc.	Solder ball flattening machine、Flip-Chip substrate cutting machine	Used in the process in which solder balls on silicon PCB substrate are flattened、Substrate cutting process

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

1. Short- and Long-term Development Plans

(1) Continuous development of new agency lines, new trends, and new services

-Development of passive component agencies to fill product roadmap gaps.

-Development of active IC agencies, emphasizing main lines that have a key impact on customers' industries.

-Development of trend-driven new products, targeting power components, optical modules, and network communication parts.

(2) Product application development

A. Application development for AI/AR glasses, AI meeting recorders, and AI earphones

-Perfecting AI glasses component solutions to step into the new AI era.

-Improving meeting efficiency, promoting memory of key class points, and collecting environmental data at any time.

-Translation, dialogue, and recording voice-to-text.

B. Development of PCB-related equipment

-Moving towards the development of AI substrate equipment, focusing on AI applications of ABF substrates.
-Deploying agency for equipment components of Japanese semiconductor precision processes.
-Market deployment for cutting machines of the new application glass substrates.

2. Long-term Business Development Plans
(1) Strengthen partnerships with large customers, thereby introducing high-quality original manufacturers and expanding our strength with key original manufacturers.
(2) Utilize the shift of ODM focus under the China-to-China policy to bring high-quality Taiwanese, Japanese, and American original manufacturers into the Chinese market.
(3) Research the product direction of the new AI generation and keep up with AI trends to develop products.
(4) Provide modularized solutions to large customers and deploy multiple products across industries such as network communications, lenses, and laptops.

II. Market and sales overview
(I) Market analysis
1. Sales (Provision) Regions of Main Products (Services)
The products represented by the Company are mainly acoustic components, semiconductors, electronic components, printed circuit board and IC substrate manufacturing equipment, chemical materials, optoelectronic and semiconductor process inspection instruments, and consumables from well-known domestic and foreign brands. The main sales targets are primarily Taiwanese businesses, and we continue to strengthen sales expansion to mainland Chinese and Southeast Asian enterprises.

2. Market Share
The Company's consolidated revenue for 2026 was NTD 3.01 billion, a growth of approximately 9% compared to the consolidated revenue of NTD 2.76 billion in 2025. Due to significant growth in the sales of MEMS acoustic products, IC semiconductors, and Thunderbolt high-speed cables, the Company was able to maintain good results in its 2026 revenue despite the poor global economic environment. However, since the Company's operational scale is still small-to-medium, although it can maintain good operational and sales performance, its sales volume accounts for an extremely small proportion of the global demand for 3C product production. Therefore, there is still considerable room for growth and development in the future.

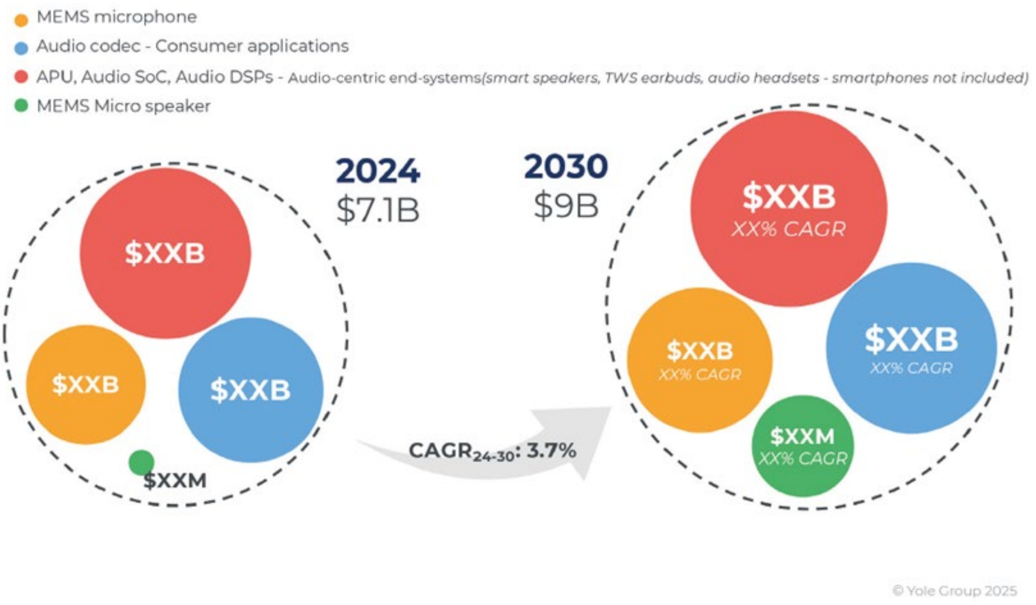
3. Future Market Supply and Demand Situation and Growth Potential
(1) Regarding connector supply and demand: Entering 2026, the global connector market size is expected to reach USD 77.41 billion. The industry's growth momentum has shifted from traditional volume expansion to a new model driven by AI server cabinet upgrades, Edge AI terminal popularization, and 800V high-voltage EV architectures.
A. Computers, Servers, and High-Performance Computing (HPC) 2025 Review: The global server market benefited from the boom in AI infrastructure investment, with production value growing at a massive 80% year-on-year. However, although the traditional PC market benefited from replacement demand triggered by the end of Windows 10 updates, it began facing the initial impact of memory shortages at the end of 2025.
2026 Outlook: AI Servers: Global shipments are expected to reach 4.5 million to 4.6 million units. With the popularization of NVIDIA Blackwell and the next-generation Rubin architectures, internal connections in servers are shifting towards high-current, high-density dedicated Copper Interconnects, driving demand for high-sealing quick

connectors specifically for liquid cooling systems. AI PC Popularization and Challenges: In 2026, the penetration rate is expected to officially cross the 50% threshold (reaching 54.7%), with estimated shipments exceeding 143 million units. However, affected by the memory capacity siphoning effect triggered by AI computing power, DRAM and NAND prices are expected to soar by 130% by the end of 2026. Constrained by surging Bill of Materials (BOM) costs, IDC predicts that global PC shipments will fall by 11.3% in 2026. Despite the decline in shipments, overall production value is expected to maintain stable growth, benefiting from an increase in Average Selling Price (ASP) and the introduction of high-performance connection interfaces (such as USB4 Version 2.0 80Gbps and Thunderbolt 5 120Gbps).

B. New Energy Vehicles and Smart Automotive Markets 2025 Review: Global electric vehicle (EV) sales maintained stable growth supported by policies and the popularization of smart cockpits, with the penetration rate continuing to climb. 2026 Outlook: High-Voltage Architecture Transition: Automotive electrification enters the 800V circuit architecture era, forcibly driving high-voltage connectors to replace traditional 12V solutions and become the core specification for powertrain wiring. Autonomous Driving System Specification Upgrades: As autonomous driving technology advances to Level 3/4, the number of in-vehicle sensors (LiDAR and 8MP cameras) has multiplied, pushing the demand growth for high-speed data connectors like Mini-Fakra and high-frequency cables.

C. Edge AI and Other Consumer Electronics On-device AI implementation: Generative AI (GenAI) is fully promoted to terminal hardware, and the penetration rate of Edge AI hardware is expected to exceed 20% in 2026. Emerging Wearable Devices: AI smart glasses are expected to enter daily applications in 2026, with global shipments estimated at 9.65 million pairs. This will spark an explosion in demand for miniaturized connectors, Flexible Printed Circuit (FPC) connection solutions, and precision sensing components. Shift in Smartphone Market Structure: Although soaring memory costs squeeze profits for mid-to-low-end phones, high-end flagship phones will continue to drive replacements through functions like AI image repair and real-time interpretation. AI phone shipments are expected to sprint at a CAGR of 83%, aiming to break the 1 billion unit mark in 2028.

(2) Regarding acoustic semiconductor industry supply and demand: Looking ahead, according to the latest industry report by SNS Insider, the global MEMS microphone market size is expected to grow rapidly from USD 2.52 billion in 2025 to USD 7.16 billion in 2035, with an estimated CAGR of 11.01% between 2026 and 2035. MEMS microphones are widely used in Internet of Things (IoT) and Virtual Reality (VR) devices, hearing aids, tablets, smartphones, and other consumer electronics, such as TVs, smart speakers, and TWS earphones, bringing favorable growth opportunities to the MEMS microphone market. The demand for microphones is further promoted by the soaring demand for these devices. For devices like tablets and smartphones that are compact and thin, requiring low-power components, MEMS microphones provide low power consumption, high sensitivity, and high SNR. Facing the market's stringent requirements for "miniaturization, low power consumption, and extremely high sensitivity" in 2026, SYNTIANT and Knowles, the global acoustic leaders represented by the Company, have successfully captured key market shares in AI servers, flagship AI phones, and professional audio/video devices by leveraging their leading SiSonic technology and strong IP portfolios. In the future, the Company will continue to assist customers in adopting the latest MEMS microphone solutions through value-added technical services to maintain its operational growth momentum in 2026.



(3) In terms of supply and demand in the flexible PCB industry:

After experiencing a mild recovery in 2024, the global PCB industry entered a period of strong growth in 2025. Despite facing variables such as geopolitics and exchange rate fluctuations, benefiting from the continuous increase in AI server demand, the global PCB production value in 2025 was estimated at USD 92.36 billion, an annual growth rate of 15.4%. Looking ahead to 2026, AI computing demand has extended from cloud training to large-scale inference and terminal applications, driving the PCB industry toward a structural peak of "high-end" and "high-value". According to the latest analysis by TPCA and IEK, the global PCB production value is expected to climb to USD 105.2 billion in 2026, hitting a new historical high with an annual growth rate of 13.9%. To cope with this wave of technological transition, Taiwan's PCB industry is expected to invest a record high of NTD 162.4 billion in capital expenditure in 2026. The Company believes that High-Performance Computing (HPC), 5G, automotive electronics, and low-earth orbit satellite deployments will drive the growth of the PCB industry. As the "mother of electronic products," PCB's downstream applications cover communications, mobile phones, computers, automobiles, and other electronic products. The development of 5G technology has a positive impact on PCBs, with an increase in total demand for terminals and base stations, coupled with a growth in PCB area used per unit of terminal and base station, which in turn drives an increase in overall industry demand for PCBs. Observing the overall industry development trend, the global PCB industry is advancing towards high density, high precision, and high reliability, constantly reducing costs, improving performance, shrinking volume, becoming lighter and thinner, improving productivity, and reducing environmental impact to adapt to the development of downstream electronic terminal equipment industries. Among them, HDI (High Density Interconnect), FPC (Flexible Printed Circuit), rigid-flex boards, and IC substrates will become the focus of future development.

4. Competitive niche

(1) Remarkable technical competencies

For over 40 years into incorporation, the Company has cultivated numerous proficient marketing personnel who are able to support the brands with the development of new product and technology and swiftly communicate pertinent facts to clients, and thereby constantly developing new business opportunities. This not only secures the perpetual affirmation and trust from brands, but also aids clients in the introduction and evolution of new products, thereby increasing their capability while earning their recognition.

(2) A wide range of product lines under agentship, and application services

The products which the Company sells as an agent include electronic components (e.g., USB4.0 Type C, Thunderbolt Cable, and MEMS Microphone, etc.) PCB process equipment, testing instruments and related consumables for mainstream products that are required to produce mainstream products. Since the demand for end products, e.g., smartphones, tablet PCs, notebooks, wearing devices, and system peripheral industry, electronic communications remains strong every year and keeps the output value high, and they don't feature alternate peak seasons and low seasons, the Company is less prone to the impact of change in general business climate or ups and downs of a single industry.

5. Positive and negative factors for future development, and the Company's response to such factors

(1) Positive factors

A. The potential for expansion in the smart handheld device sector is considerable

As the demand for smart handheld devices is on the rise, new functions and applications are being developed, thus making the integration of related smart product functions a current trend in the information electronics industry. With more and more smart electronics being used, the need for electronic components will keep on rising.

B. Stable supply of raw materials and equipment

For more than four decades into its incorporation, the Company has been able to secure strong, enduring relationships with international raw materials manufacturing giants and equipment suppliers with its professional marketing competency and sales track record, so the supply source has been fairly stable. Such fruitful cooperation with international giants will have a positive effect on the Company's developing new products and securing new agency business.

C. The Company's strategy is excessively focus on innovation and professional services.

The Company attaches importance to human resources use and improvement. By holding various internal education and training courses and on-the-job training, and by actively participating the seminars on industrial trends and technologies, the Company hones employees' professional skills. The Company further encourages staff and managers to better the Company's service quality and operating procedures through talks, meetings, or collaboration with clients on developing new process applications.

(2) Negative factors

A. Global inflation, the Russia-Ukraine war, Middle East wars and aggressive interest rate hikes in various countries

Electronic information products have witnessed a relative saturated in the post pandemic era. Worse still is that global inflation and the destocking pressure facing brand owners may further drive down such products' price, which could indirectly lower the Company's profitability and increase the risk of overstock, rendering an unfavorable situation.

Response measures:

a. Grasp the ebbs and flows of the marketplace: The business unit is required to stay informed of market news at all times. When becoming aware of any adverse information, they should promptly react and propose solutions to cushion the market impact.

b. Proper inventory management: Accurately monitor and alter inventory levels in light of relevant market supply and demand data, and ensure adequate inventory levels are maintained at all times; put in place a good inventory management system to smooth the inbound and outbound of inventory; and regularly review the inventory structure to avoid any obsolete inventory.

B. Fluctuations in exchange rates and raw materials

The overall inflation rate continues to be elevated, and the U.S. Federal Reserve has increased its interest rate in the face of the Russia-Ukraine conflict and Middle East wars. Although raw materials price is not necessarily plummeted across all regions, one common characteristic of the price is volatility, particularly in international oil prices, making TWD likewise volatile. Given that the company's trading currency is the US Dollar, the fluctuation in the exchange rate may make the operating profits less uncertain. In addition, raw material prices have constantly fluctuated. All of these have led to price increases made by upstream and downstream suppliers and by clients alike, posing challenges to the control of operating costs.

Response measures:

To attain a natural hedging effect, the Company insists on making purchase and sale using the same currency; it further seeks safe financial hedging instruments, and adjusts its position of TWD and foreign currency holdings, so as to utilize logistics and related costs to the fullest extent.

(II) Usage and manufacturing processes for the company's main products

1. Major usage of the company's products:

Major products	Usage
Electronic components	Used as a communication/information/network equipment component/electric vehicles,/ new energy, e.g., connectors, ultra-thin co-axial cable, MEMS microphone, IC semiconductor, etc.
System integration equipment and materials	PCB production equipment and chemical agents as raw materials; semiconductor and optoelectronic process testing equipment and raw materials

2. Production process: N/A (The Company is not a member of the manufacturing industry).

(III) Supply situation for the company's major raw materials:

The Company sources electronic components and equipment mainly from prestigious suppliers at home and abroad which have been a long time partner, so the source of supply is quite stable.

(IV) A list of any suppliers and customers accounting for 10 percent or more of the company's total procurement or sales amount in either of the 2 most recent fiscal years, the amounts bought from or sold to each, the percentage of total procurement or sales accounted for by each, and an explanation of the reason for increases or decreases in the above figures. (If the contract prohibits disclosure of customers' names or the counterparty, and the party involved is an individual other than a related party, they may be addressed in the code.)

<u>Information on major suppliers for the most recent 2 fiscal years</u>

Unit: NT$1,000

Item	2024	2025

	Name	Amount	As a percentage of net purchases for the year (%)	Relationship with the Issuer	Name	Amount	As a percentage of net purchases for the year (%)	Relationship with the Issuer
1	Company A	297,241	12.03	None	Company A	370,921	13.54	None
2	Company B	397,317	16.09	None	Company B	334,125	12.19	None
3	Company C	1,255,621	50.84	None	Company C	1,348,224	49.20	None
4	Company D	269,860	10.93	None	Company D	432,402	15.78	None
	Others	249,669	10.11		Others	254,692	9.29	
	Net purchase	2,469,708	100.00		Net purchase	2,740,364	100.00	

Information on major customers for the most recent 2 fiscal years

Unit: NT$1,000

Item	2023				2024			
	Name	Amount	As a percentage of net sales for the year (%)	Relationship with the Issuer	Name	Amount	As a percentage of net sales for the year (%)	Relationship with the Issuer
1	Company E	446,733	16.04	None	Company E	431,752	14.32	None
	Others	2,296,295	83.96		Others	2,582,232	85.68	
	Total net sales	2,743,028	100.00		Total net sales	3,013,984	100.00	

III. Number of employees in service in the last two years and up to the publication date of this annual report, their average service years, average age, and education degree dispersion ratio

Year		2024	2024	Up to May 5, 2026
Number of employees	Business unit	46	46	45
	Management unit	34	34	35
	Total	80	80	80
Average age		43	43	42
Average service years		7.71	7.71	7.94
Education degree dispersion rate	PhD	0	0	0
	Master degree	10	10	10
	College diploma	66	66	66
	Senior high school	4	4	4
	Below senior high school	0	0	0
	Total	80	80	80

IV. Disbursements for environmental protection: 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.

The Company did not suffer any loss due to polluting the environment. The components and equipment sold by the Company as an agent all comply with laws and regulations. In addition, suppliers also present a statement of non-use of hazardous substances and a statement of ROHS directives, and so on; doing so enables the Company to provide clients with products suitable for use in the process in the future, thereby making the Company a green supplier.

V. Labor-management relationship

(I) The Company's employee welfare programs, continuing education, training, retirement systems, and their implementation, as well as labor-management agreements and various employee rights protection measures:

1. The Company adheres to the applicable labor laws and rules of Taiwan, in addition to the internationally acknowledged fundamental labor rights standards, to safeguard the legal rights and interests of employees.

2. Reasonable compensation and benefits

(1) In addition to the monthly wages, year-end bonuses are available for active employees, and performance bonuses and gains are distributed based on the Company's quarterly operating performance and individual performance. The method of disbursement is done in line with proper management regulations.

(2) As required by the "Employee Welfare Fund Act", the Company has established the Employee Benefits Committee, which shall take charge of employee benefits matters, e.g., provision of Mid-Autumn Festival bonus, Dragon Boat's Day bonus, birthday money gift, preferential treatment at participating enterprises not in the same industry with the Company, group activities such as movie watching, year-end party, employee domestic/overseas travel, etc., so that they can strike a work-life balance.

(3) The Company gives employees marriage/childbirth congratulation money, funeral condolence money by its benefits policy.

(4) Insurance: The Company purchases labor insurance and health insurance for all employees to entitle them to the various insurance benefits; the Company also purchases group casualty insurance, group medical insurance, group term life insurance, travel insurance, and employer's liability insurance for all employees and further purchases public liability insurance and fire insurance.

(5) The Company regularly holds company anniversary event to commend and encourage senior employees.

(6) Employees are offered a complimentary health checkup one a year.

3. Employee training and development

(1) To improve employees' competitiveness, the Company organizes orientation training and the various on-the-job trainings for employees. The Company arranges for employees to take internal and external professional training courses, and has the trained personnel to disseminate professional knowledge to internal staff.

(2) Through skill-building initiatives, each employee can optimize their performance to the fullest extent. Facilitate personnel in mapping out their professional advancement, and refine the employee career progression program through in-house experience succession and job transfer/rotation.

Below is an account of the staff training situation in 2025:

Item	No. of courses	No. of trainees	Total training hours
1. Orientation for new comers	6	9	72
2. Professional competency training	17	172	451
3. Managerial skills training	4	6	24
4. Liberal training	5	347	555
5. Personal enrichment training	7	212	233.5
Total	34	746	1,335.5

2025Manager Training Status:

Name	Course Title	Training Hours
Wu, Li-Shan	Investment and Localization Practices for Taiwanese Enterprises in Vietnam	3
	Key Analysis of IFRS 18 and ISSB S1/S2 Standards	3
	The Future of Taiwan Amid Changing Trilateral Relations (US-China-Taiwan)	3
Li, Kun-Zheng	How the Board Ensures Corporate Sustainability: Focusing on Talent Identification and Development	3
	Corporate Governance: The Role and Accountability of Controlling Shareholders	3
	Key Indicators and Trend Analysis for International Situations in 2025	3
	Regulatory Briefing on Equity Compliance for Insiders of Listed and Emerging Companies	3
	Investment and Localization Practices for Taiwanese Enterprises in Vietnam	3
	Global Geopolitical and Economic Trends: Opportunities, Challenges, and Responses for Taiwan's Industries	3
	Key Analysis of IFRS 18 and ISSB S1/S2 Standards	3
Wun, Yu-Jing	Recent Amendments and Practical Applications of IFRS	3
	Trends in China's Economic and Tax Environment and Strategies for Taiwanese Enterprises	3
	Common Issues and Financial/Tax Analysis of Domestic and Overseas Corporate Holding Structures	3
	Legal Liabilities and Case Analysis of "Workplace Bullying"	3
	Key Analysis of IFRS 18 and ISSB S1/S2 Standards	3

4. Retirement system and implementation

(1) The Company's retirement scheme is based on the "Labor Standards Act" and "Labor Pension Act". Employees meeting the any of the following criteria may apply for retirement at their discretion:

A. Having worked for 15 years and attained the age of 55.

B. Having worked for 25 years.

C. Having worked for 10 years and attained the age of 60.

(2) Pension payment standards:

A. Old scheme: The Labor Standards Act shall apply, and employee pension is calculated based on the service years under the old scheme and the average of regular wages for the 6 months prior to retirement.

B. New scheme: The Labor Pension Act shall apply, and employers shall contribute an amount equal to 6% of employees' insured salary interval to employees' individual pension account every month.

The Company makes a monthly pension contribution equal to 5% of employees' salary (due to option between the new scheme and old scheme), and deposits it in a dedicated account with the Bank of Taiwan. As of December 31, 2025, the pension fund balance amounted to NT$18,888 thousand.

The Company conducted an actuarial valuation by the FSC-endorsed International Accounting Standards No.19 "Employee Benefits" on the measurement date, which was December 31, 2025. The fair value in excess of defined benefit obligations is recognized as net defined benefit asset on the balance sheet.

5. Employee conduct and ethical principles:

(1) The Company has established internal regulations to govern employees conduct; such internal regulations include Employee Manual, Attendance Management Rules, Regulations for Promotion and Job Transfer, Regulations for Business Travel Management, Gender Equality Management Rules, and Corporate Governance - Code of Ethical Conduct, for employees to follow, and feature the following content:
A. The discipline, etiquette, and working attitude required of an employee.
B. Set up employee evaluation standards as a reference for salary adjustment, bonus distribution, and promotion.
C. Reward or punish employees for the profits or loss brought to the Company by their conduct.
(2) Have employees sign the "Intellectual Property Rights and Undertaking of Confidentiality", which stipulates that employees be obliged to keep confidential the Company's tangible and intangible operating assets and data and that employee be banned outright from infringing on the Company's interests.
(3) The Company discloses its "Corporate Governance - Codes of Ethical Conduct", "Procedures for Processing Material Inside Information to Prevent Insider Trading", and "Procedures for Ethical Management and Guidelines for Conduct" on its official website.

6. Labor - management negotiation
(1) The Company's official website has put in place an "employee complaints-filing operation mechanism" and an open communication platform, so as to ensure that employees' opinion/questions can be fairly expressed and employees are fairly, reasonably, and effectively dealt with and valued. The Company also encourages employees to reflect any problems to either their immediate supervisor or a managerial officer of an even higher level; managerial officers at each level will value their opinion and assist in finding a solution.
(2) A Group-wide meeting open to all employees is held regularly so that each employee can fully understand the Company's operating status and their rights and interests. The Company also discloses the latest version of the Employee Manual on its internal website; the Employee Manual sets out the Work Rules, employees' rights and obligations, and their benefits, so that they can understand, and the Company can uphold their rights and interests.
(3) The Company holds periodic "labor-management gatherings" to communicate important decisions, manage labor-management relations, cultivate labor-management cooperation, and improve labor-management relations.

The Company places a high priority on labor management relations and employee benefits, which has led to a harmonious labor-management relationship and no labor disputes. The Company will strive to maintain a healthy partnership between its personnel and management, abiding by applicable governmental labor laws and regulations.

7. Various employee rights protection measures: The Company abides by applicable laws and regulations, e.g., the Labor Standards Act, Act of Gender Equality in Employment, Employee Welfare Fund Act, Labor Pension Act, Labor Insurance Act, Employment Insurance Act, Act for Protecting Worker of Occupational Accidents, Labor Safety and Health Act, and other laws and regulations, to protect employees' rights and interests.

(II) 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

Since its inception, the Company has implemented a human-oriented approach and professional division of labor when interacting with personnel, while abiding by all labor-related laws and regulations. Recognizing the symbiotic relationship between labor and management, we endeavor to cultivate harmonious labor-management relations. Firstly, we value employees' opinions and pursue consensus through mutual understanding. Secondly, we reinforce relevant welfare benefits to take care of our staff, so as to jointly stride towards a bright future. Therefore, we were not found in any labor inspection to have violated the Labor Standards Act, nor did we witness any labor dispute, nor yet did we suffer any loss due to labor dispute in the most recent year and the current year up to the publication date of this annual report.

VI. Cyber security management

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

1. Cyber security risk management structure

The organization has an individual division devoted to information security management. The chief of the IT Department is obligated for the coordination and advancement of information security management issues, and to create an information security promotion taskforce when necessary. The convener of the information security promotion taskforce shall be General Manager. The chief of the IT Department is responsible for carrying out safety issues and submitting a report every year.

2. Information security policy

To implement information security management, the Company has formulated regulations for electronic data processing cycle and information security management, hoping to achieve the following policy goals

(1) Raise information security awareness of employees
(2) Avoid leak of confidential information
(3) Maintain effective daily operations
(4) Ensure sustainable management and operations

3. Specific management project and investments in resources

(1) Personnel safety and management: Hold trainings and awareness sessions on information security for personnel at each level; properly assess the IT personnel in contact of confidential information; and change the access authority when a person leaves his/her job.
(2) Data access control: Document and data encryption control and tracking, mail outbound control, security protection software and hardware control.
(3) Ensure the continuous operation of the system: Back up systems off-site and put in place emergency prevention measures.
(4) Information security awareness session: Regularly hold information security awareness session and perform information security check.
(5) Basic construction: Replacement of network firewalls in all offices of the Group.

(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 did not subject to any loss or possible influence due to material cyber security safety incident as of the publication date of this annual report.

VII. Important contracts

The contracting parties, major content, restrictive clauses, and the commencement dates and expiration dates of supply/distribution contracts, technical cooperation contracts, engineering/construction contracts, long-term loan contracts, and other contracts that would affect shareholders' equity, where said contracts were either still effective as of the date of publication of the annual report, or expired in the most recent fiscal year:

Important contracts

Type of contract	Party	Contract start date and end date	Main content	Restrictive clauses
Distribution contract	JAE Taiwan	January 1, 2008 ~ automatic renewal	Product sale in the capacity of an agent	None
Distribution contract	Sumitomo Electric Industries, Ltd.	October 1, 2009 ~ automatic renewal	Product sale in the capacity of an agent	None
Distribution contract	Knowles	June 1, 2010 ~ automatic renewal	Product sale in the capacity of an agent	None
Distribution contract	YE-DATA	June 20, 2011 ~ automatic renewal	Product sale in the capacity of an agent	None
Distribution contract	eEver Technology, Inc.	March 11, 2018 ~ automatic renewal	Product sale in the capacity of an agent	None
Distribution contract	SYNTIANT	April 1, 2026 ~ automatic renewal	Product sale in the capacity of an agent	None
Distribution contract	AWINIC	January 1, 2026 ~ December 31, 2027	Product sale in the capacity of an agent	None
Distribution contract	CANON MACHINERY INC.	January 1, 2024 ~ December 31, 2027	Product sale in the capacity of an agen	None

Five. Review and Analysis of the Financial Position and Financial Performance and Risks

I. Financial position

Financial position analysis and comparison table

Unit: NT$1,000

Item \ Year	2025	2024	Difference	
			Amount	%
Current assets	2,198,397	2,045,882	152,515	7.45%
Investments accounted for using the equity method	—	—	—	—
Property, plant and equipment	107,630	109,364	(1,734)	-1.59%
Intangible assets	807	553	254	45.93%
Other assets	310,993	369,026	(58,033)	-15.73%
Total assets	2,617,827	2,524,825	93,002	3.68%
Current liabilities	1,011,542	903,792	107,750	11.92%
Non-current liabilities	27,297	12,237	15,060	123.07%
Total liabilities	1,038,839	916,029	122,810	13.41%
Equity attributable to owners of the parent company	1,578,988	1,608,796	(29,808)	-1.85%
Share capital	651,298	651,298	—	—
Capital reserves	52,062	52,062	—	—
Retained earnings	739,882	672,681	67,201	9.99%
Other equity	135,746	232,755	(97,009)	-41.68%
non-controlling interest	—	—	—	—
Total equity	1,578,988	1,608,796	-29,808	-1.85%

(I) Explanation on changes of ratios (this is required if the change from the comparative period is more than 20% and reaches NT$10 million):

Non-current liabilities increased, primarily due to an increase in deferred tax liabilities for the current year.

Other equity decreased, primarily due to fluctuations in the market prices of listed equity securities held by the Company.

(II) Significantly changed accounts and remediation plans in the future:

Remediation plan is not required because the Group did not significantly deviate from its normal performance.

II. Financial performance

Financial performance analysis and comparison table

Unit: NT$1,000

Item \ Year	2025	2024	Amount of increase (decrease)	Change ratio (%)
Net operating revenue	3,013,984	2,764,919	249,065	9.01%
Operating costs	2,724,554	2,493,708	230,846	9.26%
Operating gross profit	289,430	271,211	18,219	6.72%
Operating expenses	197,823	197,381	442	0.22%
Operating Income	91,607	73,830	17,777	24.08%
Non-operating income and expenses	82,881	71,539	11,342	15.85%
Net profits before tax	174,488	145,369	29,119	20.03%
Income tax expense	30,295	28,404	1,891	6.66%
Net profit after tax	144,193	116,965	27,228	23.28%

(I) Explanation on changes of ratios (this is required if the change from the comparative period is more than 20% and reaches NT$10 million):

1. Increase in operating income: Primarily due to the increase in operating revenue and gross profit for the current period.
2. Increase in non-operating income and expenses: Primarily due to the disposal of investment properties in the current period.
3. Increase in net income before tax / net income after tax: Primarily due to the simultaneous increase in operating income and non-operating income for the current period.

(II) Expected sales and expectation basis

By factoring in industry trends, customers' sales performance and manufacturers' production and sales availability, the Company has formulated annual sales strategies, from which the Company has further derived annual sales targets.

(III) Possible impact on the company's financial and business performance and response plan:

In recent years, the Company's revenue and profitability have maintained a stable trend, driven by the moderate expansion of product agency lines and effective marketing promotion. Consequently, the Company has demonstrated strong performance in both operating results and financial structure. To sustain growth momentum, the Company conducts regular sales review meetings to evaluate the effectiveness of business development. Simultaneously, the Company adjusts its short-, medium-, and long-term marketing strategies based on industry trends and customer dynamics captured by our business units. Through these efforts, we aim to maximize the effectiveness of our business promotion and strive for even greater operating performance in the future.

III. Cash flow

Cash flow analysis

Unit: NT$1,000

Cash opening balance (1)	Estimated net cash flows from operating activities (2)	Estimated net cash flows from investing activities (3)	Estimated net cash flows from financing activities (3)	Effects of exchange rate changes on cash and cash equivalents (5)	Cash surplus (deficiency) amount (1)+(2)+(3)+(4)+(5)	Cash deficiency remedial measures	
						Investment plan	Financing plan
900,014	(8,926)	98,880	(56,827)	(23,789)	909,352	－	－

(I) Analysis of Cash Flow Changes for 2025: The Company's net cash increased by NT$9,338 thousand compared to the previous year. The breakdown of cash flow changes from various activities is as follows:

1. Net cash used in operating activities of NT$8,926 thousand: Primarily due to an increase in accounts payable and inventories compared to the previous year.
2. Net cash provided by investing activities of NT$98,880 thousand: Primarily due to proceeds from the disposal of investment properties.
3. Net cash used in financing activities of NT$56,827 thousand: Primarily due to the repurchase of treasury shares during the current year.

(II) Measures to be taken to cope with a cash deficiency and liquidity analysis: N/A.

(III) Cash liquidity analysis for the coming year

Unit: NT$1,000

Cash opening balance (1)	Estimated net cash flows from operating activities (2)	Estimated net cash flows from investing activities (3)	Estimated net cash flows from financing activities (3)	Effects of exchange rate changes on cash and cash equivalents (5)	Cash surplus (deficiency) amount (1) +(2) +(3) + (4) +(5)	Remedy for estimated cash shortfalls	
						Investment plan	Financing plan
909,352	66,511	8,291	(79,524)	0	904,630	—	—

1. Analysis of annual cash flow changes:

   Operating Activities: Estimated net cash provided by operating activities is NT$66,511 thousand.

   Investing Activities: Estimated net cash provided by investing activities is NT$8,291 thousand.

   Financing Activities: Estimated net cash used in financing activities is NT$79,524 thousand.
2. Measures to be taken to cope with a cash deficiency and liquidity analysis: There is no shortage of cash.

IV. Effect of major capital expenditures on finance and business matters in the most recent year: None.

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

Reinvestment Analysis Table

Unit: NT$1,000

Item \ Description	Carrying amount - ending balance (Note)	Policy	Main reasons for profit or loss	Remedial plan	Other investment plans in the future
Giteh Electronic Industries Co., Ltd.	666,765	Expand overseas markets	In 2025, investment income of NT$49,956 thousand was recognized under the equity method, primarily attributed to the growth in profits from Chih Te Electronic's agency sales of electronic products.	None	None
Howteh International Inc. (Samoa)	179,603	Expand overseas markets	In 2025, investment income of NT$1,957 thousand was recognized under the equity method, primarily due to the recognition of profits from investee companies.	None	None

Item \ Description	Carrying amount - ending balance (Note)	Policy	Main reasons for profit or loss	Remedial plan	Other investment plans in the future
KunShan Howteh International Trading Inc.	659	Inject working capital to expand the mainland China market by leveraging China's policy incentives.	In 2025, an investment loss of NT$1,735 thousand was recognized under the equity method, primarily due to the recognition of operating losses.	None	None

Note: The above disclosures are investment whose amount exceeds 5% of the paid-in capital as of 2025.

VI. Analysis and assessment of risks in the most recent year and the current year up till the publication date of this annual report:

(I) Risk management organizational structure:

The Company manages the risks incidental to each type of its business by following its internal regulations and assesses the risks inherent to its each type of its operating activities by assigning the risk assessment task to relevant departments. In addition, the management will be briefed on the risks according to the significance of such risks. The audit unit must review the risks entailed in each type of operation to formulate and implement an audit plan. Below are the duties with respect to risk assessment that are assigned to the various relevant departments:

Name of department	Duties
General Manager's Office	Responsible for formulating business strategy and assessing medium- and long-term investment benefits, to reduce strategic risks.
Business units	Responsible for grasping customers' intention and needs and continuing to develop new customers and new markets, which will facilitate business expansion and reduce operating risks.
Finance Division	Responsible for catering to the Company's overall operating needs; effectively implementing the procedures and methods for financial and accounting management; managing the Company's working capital; formulating and modifying the internal control system; and making reliable financial reporting and complying with the relevant laws and regulations to reduce the impact on the financial and business front.
Group Supporting Units	Responsible for network and information security control and protection, preservation and management of the Company's various databases, and normal operation of the ERP system, to reduce information-related risks; and for contract reviews, litigation, and disputes to reduce legal risks .

(II) 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. The impact of changes in interest rate in the most recent year on the company's profit and loss, and future response measures:
   (1) The Company's total interest expense for 2025 was NT$12,218 thousand.
   (2) The Group's sensitivity analysis for interest rate risk is primarily focused on interest rate exposure items at the end of the reporting period, including floating-rate investments, floating-rate borrowings, and interest rate swap contracts. Assuming these items are held for one full fiscal year, an increase of 10 basis points in interest rates would result in a decrease in the Group's net income by NT$375 thousand for both 2025 and 2024.
   (3) Due to strong operating performance, a sound financial structure, and a solid corporate reputation, the Company is able to obtain favorable interest rates. It is estimated that

future interest rate fluctuations will not have a material impact on the Company.

2. Impact of Exchange Rate Fluctuations on the Company’s Profit or Loss in the Most Recent Year and Future Countermeasures:
   (1) In 2025, the Company recognized a net foreign exchange loss of NT$15,856 thousand.
   (2) The Group’s sensitivity analysis for foreign exchange risk primarily assesses the impact of appreciation/depreciation of major foreign currencies on the Group’s profit or loss, focusing on key foreign currency monetary items at the end of the reporting period. The Group’s foreign exchange risk is mainly influenced by fluctuations in the USD, RMB, and HKD. The sensitivity analysis is as follows:
      - A 1% appreciation of the NTD against the USD would result in a decrease in the Group’s net income by NT$12,002 thousand for 2025 and NT$12,219 thousand for 2024.

   (3) A portion of the Group’s foreign currency accounts receivable and accounts payable are denominated in the same currencies, which creates a natural hedging effect for matching positions. However, due to recent significant market volatility in exchange rates, the Company will endeavor to minimize the net gap between foreign currency assets and liabilities and adjust foreign currency positions in a timely manner to minimize exchange rate risks.
3. Impact of Inflation on the Company’s Profit or Loss in the Most Recent Year and Future Countermeasures:
   In 2025, the rise in raw material prices led to slight cost adjustments for a few components from original manufacturers. However, this did not have a significant impact on the Company’s profit or loss.

(III) 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. Engagement in high-risk, highly-leveraged investments
   The Company focuses on its core business, and has not been engaged in in high-risk, highly-leveraged investment.
2. Engagement in loaning of funds to others and providing endorsement or guarantee
   In the most recent year and in the current year as of the date of publication of the annual report, loaning of funds and provision of endorsement and guarantee took place only between the Company and subsidiaries in which the Company holds 100% stake, and among subsidiaries, in accordance with the policy and measures formulated by reference to the Company’s” Procedures for Extending Loans to Others” and “Procedures for Endorsements and Guarantees”. Relevant operation is carried out cautiously by taking into account risk conditions and relevant regulations.
3. Engagement in derivatives trading
   The Company’s derivatives trading policy mainly aims to hedge risks. In the most recent year and in the current year as of the publication date of the annual report, the Company did not engage in any derivatives trading.

(IV) Estimated R&D plans and R&D expenses for the future

Since the Company is a product sales agent and trader, the Company did not incur any R&D expenses in both 2025 and 2024 and still has no plan to develop an R&D budget for 2026.

(V) 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 abreast of the regulatory framework that might impact its operations, and revises its internal systems and regulations accordingly. Starting from 2013, the Company fully adopted the IFRS for preparation of financial statements. Since the amendments to IFRS will be successively released, the Company will be vigilant and set to cooperate by forming response measures.

(VI) The impact of technological changes (including information security risks) and industrial changes on the company's financial and business performance and response measures:
Technological development indeed opens up tremendous business opportunities for the Company. The Company has staffed the President’s Office with dedicated personnel responsible for grasping the industrial development trends by utilizing the industrial information obtained at the meetings held by the industry or online, and the information based on the sales persons’ mastery of the market trend, thereby formulating the Company’s development strategy and recommending and planning the launch of new products and boosting operating performance in the future. Moreover, with the development of technology, the Company is faced with increasing information security risks. In an effort to improve the overall information security protection, we perform information security control by strengthening intrusion detection protection, completing off-site backup and information security detection protection, and setting up an appropriate information access control mechanism while providing periodic information security education to reduce information security risks.

(VII) Effect of changes in corporate image on corporate crisis management and measures to be taken in response:

1. With over 40 years of deep cultivation in the electronic information and technology sector, the Company has consistently upheld its core values: "Integrity and Harmony," "Quality Enhancement," and "Customer Service." By effectively integrating supply and demand across the industry value chain, management has earned long-standing trust and support from customers in the electronic distribution market. Over the years, there have been no negative reports damaging the corporate image. The profound brand reputation established over decades has become the Company’s most powerful shield in crisis management, effectively mitigating operational risks.
2. In response to the rapid cycles and transformations of the global industry, Howteh is actively promoting the philosophy of "Innovation and Growth" while consolidating its three core values. By implementing advanced technological logistics processes and continuously introducing new products, we leverage our integrated strengths to offer customers comprehensive Total Solutions. By enhancing the integration efficiency of commercial, information, and financial flows, Howteh not only buffers the impact of market volatility but also transforms the pressure of transition into growth momentum, striving to create long-term value for our shareholders.

(VIII)Expected benefits and possible risks associated with any merger and acquisitions, and the response measure: None.

(IX)Expected benefits and possible risks associated with any plant expansion, and the response measure: None.

(X)Risks associated with any consolidation of sales or purchasing operations and response measures: None.

(XI)Effect upon and risk to the company in the event a major quantity of shares belonging to shareholders holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and the response measure: None.

(XII)Effect upon and risk to company associated with any change in governance personnel or top management, and the response measure: None.

(XIII)For litigation or non-litigation matters, it shall state the major litigation, non-litigation or administrative litigation that has been determined or is still in litigation of the Company and the Company's Directors, Supervisors, General Manager, substantial responsible person, major shareholders holding more than 10% of the shares, and subordinate companies. If the result may have material impacts on the shareholders' equity or the price of the securities, the facts of the dispute, the amount of the subject matter, the commencement date of the litigation, the parties involved in the proceedings, and the handling as of the printing date of the annual report shall be disclosed: None.

(XIV)Other important risks, and mitigation measures being or to be taken.: None

VII. Other important matters: None.

Six. Special Items

I. Information on affiliates

(I) Consolidated Business Report of Affiliated Enterprises
Please refer to the Market Observation Post System > Single Company > Electronic Document Download > Affiliated Enterprises Reports Section. Enter the company code to search for related information, or enter website https://mopsov.twse.com.tw/mops/web/t57sb01_q10.

(II) Consolidated Financial Statements of Affiliated Enterprises
Since the consolidated entities are the same as those in the Consolidated Financial Statements of Howteh Technology Co., Ltd. for 2025, we do not separately prepare another set of Consolidated Financial Statements of Affiliated Enterprises. Please refer to the Consolidated Financial Statements of Howteh Technology Co., Ltd. for 2025.

(III) Affiliation Report: not applicable.

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

III. Other matters that require additional explanation: none.

Seven. Whether any of the situations listed in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, have occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: none.