

Stock Code: 6175

LITON TECHNOLOGY CORP.

2025 Annual Report

8 May 2025

Information Disclosure Website: mops.tse.com.tw (MOPS)

I. Name, Title and Telephone Number, of the Spokesman or Acting Spokesman

Name of Spokesman: KUO-CHUAN WANG	Email: rogerwang@liton.com.tw
Title: Senior Manager, Finance Department	Telephone:(037)222-899
Name of Acting Spokesman: CHANG-YUAN CHEN	Email : james@liton.com.tw
Title: Manager, Materials Department	Telephone:(037)222-899

II. Address and Telephone Number of the Company's Headquarters, Branch Offices, and Factories

Headquarters: 9, Chung Lung 2Rd., Chung-Hsing Industrial Zone, Tung-Lo Township, Miao-Li County, Taiwan

Telephone: (037)222-899

Miao-Li Factory: 9, Chung Lung 2Rd., Chung-Hsing Industrial Zone, Tung-Lo Township, Miao-Li County, Taiwan

Telephone: (037)222-899

III. Name, Address, Website, and Telephone Number of the Agency Handling Shares Transfer

Stock Transfer Agency Department, Taishin Securities Co., Ltd. Address: B1, No. 96, Jianguo N. Rd., Sec. 1, Taipei

Website: stocktransfer.tssco.com.tw

Telephone: (02)2504-8125

IV. The Names of the CPAs Who Duly Audited the Annual Financial Report for the Most Recent Fiscal Year, and the Name, Address, Website and Telephone Number of the Accounting Firm to Which They Belong

CPAs: Chin-Yuan Tu and Wen-Chen Lo

Accounting Firm: Ernst & Young Taiwan

Address: 26F., No. 186, Shizheng N. 7th Rd., Taichung City

Website: www.ey.com/tw

Telephone: (04)2259-8999

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. Corporate Website

<http://www.liton.com.tw>

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Chapter I. A Letter to Shareholders

LITON TECHNOLOGY CORP.

2025 Business Report

We would like to express our sincere appreciation to our shareholders and directors for their continued support, as well as to all employees for their dedicated efforts. Amid a complex global economic environment, the Company maintained stable operations. In 2025, the global economy demonstrated what has been described as “fragile resilience.” According to data from the International Monetary Fund, global economic growth for the year reached 3.2%, with a clear divergence between advanced economies and emerging markets. While the United States and the United Kingdom recorded positive growth, economic momentum in the European Union and Japan slowed. China achieved growth of 5.0%, and India continued to maintain a high growth rate. During the year, risks associated with trade protectionism, geopolitical tensions, and elevated global debt levels became increasingly pronounced. At the same time, adjustments across the electronics industry supply chain and a sluggish recovery in consumer electronics demand led to a low utilization rate in the electrode foil industry. Against this backdrop, and affected by fluctuations in global market volumes and pricing, intensified competition from increasingly homogeneous products, and capacity expansion in regions with lower electricity costs such as Xinjiang and Inner Mongolia, profitability in the high-voltage foil segment came under pressure. By contrast, the performance of low-voltage foil remained comparatively resilient. The Company continued to invest in research and development to optimize manufacturing processes and enhance product grades and quality, while adjusting its production and sales strategies to focus on higher value-added products. As a result, the Company’s revenue and profitability in 2025 were slightly lower than those of 2024. The subsidiary Lidong Electronic Technology Co., Ltd. reported stable revenue from its etched aluminum foil business and continued to expand low-voltage foil production capacity to increase market share. Looking ahead, the Company will remain committed to ongoing process optimization and the development of high value-added products, with the objective of safeguarding shareholders’ interests. The operating results for 2025 and the operating outlook for 2026 are as follows:

I. 2025 Business Report

(I) Implementation Results of Business Plan

In 2025, the Company recorded net operating revenue of NT\$1,166,439 thousand and net profit after tax of NT\$400,535 thousand. Compared with net operating revenue of NT\$1,118,127 thousand and net profit after tax of NT\$469,249 thousand in 2024, net operating revenue increased by 4.32%, while net profit after tax decreased by 14.64%.

In 2025, the Company’s consolidated net operating revenue amounted to NT\$4,167,201 thousand and net profit after tax amounted to NT\$536,397 thousand. Compared with consolidated net operating revenue of NT\$4,225,432 thousand and net profit after tax of NT\$599,820 thousand in 2024, consolidated net operating revenue decreased by 1.38%, and profit before tax decreased by 10.57%.

(II) Budget Execution Status: The Company did not disclose financial forecasts for 2025.

Here is the actual operational performance for the year as shown in the following table:

Unit: NT\$ thousands

	2025 (Parent only)	2025 (Consolidated)
Operating revenue, net	1,166,439	4,167,201
Operating cost, net	(995,650)	(3,190,682)
Realized (Unrealized) Profit on Intercompany Sales	1,350	-
Gross profit	172,139	976,519
Operating expense	(90,843)	(316,215)
Non-operating incomes and expenses	405,564	23,634
Net income before tax	486,680	683,938
Net income after tax	400,535	536,397
Comprehensive income	436,679	582,952

(III) Financial Income and Expenditure and Profitability Analysis

1. Parent only

Unit: NT\$ thousands; %

Item	2025	2024
Net cash generated by operating activities	150,082	91,672
Net cash generated by (used in) investing activities	(4,470)	197,299
Net cash used in financing activities	(403,109)	(177,027)
Return on assets (%)	8.45	10.40
Return on shareholders' equity (%)	10.17	13.52
Net profit margin (%)	34.34	41.97
Basic EPS (NT\$)	2.68	3.23
Diluted EPS (NT\$)	2.67	3.15

2.Consolidated

Unit: NT\$ thousands; %

Item	2025	2024
Net cash generated by operating activities	854,843	605,422
Net cash used in investing activities	(259,910)	(165,705)
Net cash used in financing activities	653,191	(253,445)
Return on assets (%)	8.65	10.19
Return on shareholders' equity (%)	11.13	14.23
Net profit margin (%)	12.87	14.20
Basic EPS (NT\$)	2.68	3.23
Diluted EPS (NT\$)	2.67	3.15

II. Research and Development Achievements in 2025

1. Enhancement of production speed in the high-voltage stage of low-voltage forming processes.
2. Development of energy-efficient process technologies for high-voltage forming.
3. Development of etched aluminum foil for stacked capacitor applications.

III. 2026 Summary Business Plan

(I) Business Policy

1. Focusing on high value-added segments by strengthening efforts in mid- to high-end markets such as AI applications, automotive electronics, and new energy, while reducing reliance on low-margin products.
2. Adhering to green compliance requirements by aligning with dual carbon control policies and new environmental regulations, and advancing low-carbon, energy-saving, and water-saving improvements in production processes.
3. Strengthening R&D-driven development by increasing investment in R&D personnel, resources, and expenditures, with a focus on advancing technologies for low-, medium-, and high-voltage electrode foil featuring high capacitance and long service life.
4. Optimizing cost control through measures including centralized procurement, lean manufacturing, process optimization, and efficiency enhancement, in order to mitigate risks arising from market price fluctuations.
5. 5.Enhancing supply chain resilience by expanding a diversified supplier base and establishing regional inventory arrangements to address impacts from geopolitical risks and excess industry capacity.

(II) Sales Plan

1. Low pressure formed foil

A. International market

- a. Leveraging the advanced etched aluminum foil technologies and product strengths of the subsidiary Lidong, the Company will collaborate with major Japanese, European, and U.S. customers to jointly develop customized high-end specifications, thereby strengthening strategic partnerships in niche products with key customers.

- b. Building on the existing advantage in the high-end customer market share, aligning with customers' utilization of advanced products, and deepen and broaden the market presence in the high-quality customer segment.
- c. Continuing efforts to develop new customers and exploring new application markets for products.

B. Domestic market

- a. Continuing to develop and stabilize orders from major high-quality customers in the Greater China region, and, in line with the subsidiary Lidong's capacity expansion plan for low-voltage etched aluminum foil, actively expanding key customers and orders to achieve growth in both revenue and profitability of low-voltage products.
- b. Continuing to leverage product quality advantages to increase the proportion of sales in polymer solid capacitors and automotive-specific capacitor markets, thereby enhancing the share of niche products.
- c. Coordinating with key customers on the introduction of high-end capacitor applications for AI servers and hybrid electric vehicles to effectively capture development opportunities in niche markets.
- d. Leveraging the competitive advantages of Lidong's etched aluminum foil products and the quality strengths of Liton's formation foil to formulate expanded customer market sales plans and achieve the Company's target of full-capacity utilization and full sales output.

2. Medium and high pressure formed foil

- A. Effectively utilize the hydroelectric power and favorable policies during the high-water season at the Sichuan plant to drive the full utilization of medium and high-voltage forming production lines, thereby increasing market share and achieving gross profit targets.
- B. Focus on customer orders and sales in high-value application markets to enhance product competitiveness effectively (catering to demands for a long lifespan, high capacity, and high strength).
- C. Capitalizing on the growth in demand for new foil types driven by new product requirements for high-rate performance, and actively securing high-quality customers and orders.
- D. Continuously strive to increase market share among high-end customers in Europe, America, and Japan.

3. Guide foil and lead-out bar

- A. Aiming to continuously secure orders from major Japanese clients while maintaining a competitive sales advantage in the European and American markets, and further expanding the proportion of high gross margin orders.
- B. We aim to increase our sales proportion to first-tier domestic customers.

(III) R&D Plan

1. Optimization of ultra-low-voltage formation processes.
2. Improvement of flexibility of low-voltage formation foil to expand the applicable voltage range of products.
3. Development of etched foil for hybrid capacitors.

(IV) The revenue for 2026 is expected to grow steadily.

IV. Future Corporate Development Strategy

(1) Product Strategy

1. Advancing into high-end applications by developing high-voltage, high-capacitance electrode foil for AI computing equipment to meet the requirements of high-power supply systems.
2. Upgrading automotive applications by introducing automotive-grade electrode foil featuring resistance to high and low temperatures and long service life, tailored to new energy vehicle applications.
3. Expanding low-carbon initiatives by developing low-energy-consumption products, applying for carbon footprint certification, and building a green product portfolio aligned with dual carbon objectives.
4. Optimizing production capacity by reducing capacity for low-margin medium- and high-voltage foil and shifting resources toward differentiated high-end products to improve capacity utilization.
5. Strengthening quality control by optimizing end-to-end systems, promoting refined management practices, enhancing product quality grades, and benchmarking against high-end Japanese standards.

(2) Marketing Strategy

1. Deepening engagement with core customers by strengthening long-term partnerships with leading global capacitor manufacturers and new energy vehicle companies to support sustainable development.
2. Expanding regional presence by developing emerging markets such as Southeast Asia and monitoring opportunities in India, while mitigating exposure to trade barriers in Europe and the United States.
3. Implementing application-focused marketing by offering customized solutions for AI data centers and energy storage power stations to enhance customer trust.
4. Diversifying sales channels by strengthening global customer development efforts and increasing market share of competitive products.
5. Communicating value propositions by highlighting product strengths in high reliability, low carbon footprint, and technological differentiation to enhance brand recognition in mid- to high-end markets.

V. The Impact of the External Competitive Environment, Regulatory Environment, and

Macroeconomic Conditions

(I) External competitive environment

In 2025, competition in the aluminum electrolytic capacitor industry remained intense. Japanese companies continued to dominate the high-end market, while companies from other countries accelerated efforts to catch up. Demand in mid- to high-end segments such as AI applications and automotive electronics continued to grow, competition in mid-range new energy-related markets intensified, and competition in the consumer electronics segment remained the most severe. In the electrode foil industry, China's share of production capacity continued to increase, accounting for approximately 85% of medium- and high-voltage foil capacity and 66% of low-voltage foil capacity. Intensifying product homogeneity and escalating price competition, together with ongoing capacity expansion in regions with lower electricity costs, exerted pressure on the high-voltage foil market.

(II) Regulatory environment

China has continued to strengthen green, low-carbon, and environmental regulations. Water conservation regulations now clearly stipulate penalties for excessive water usage and requirements for water resource recycling, while emission standards for water pollutants in the electronics industry have been fully implemented. As the “dual carbon” objectives continue to advance, regulatory frameworks related to carbon emission control, carbon accounting, and carbon labeling are being progressively enhanced, imposing higher requirements on the Company’s efforts toward greener production.

(III) Macroeconomic conditions

According to the *World Economic Outlook Update* released by the International Monetary Fund (IMF) in January 2025, global economic growth in 2025 was 3.2%, slightly lower than the 3.3% recorded in 2024. Global inflation declined to 4.2%, and improvements on the supply side, together with central banks’ policies to stabilize inflation, helped support consumer demand. However, the global economy remained in a phase of weak recovery, with factors such as a high interest rate environment, the withdrawal of fiscal support, and rising trade protectionism, reflected in the increase of the average effective tariff rate in the United States to its highest level since 1934, continuing to weigh on economic growth momentum.

At the industry level, new growth drivers gradually emerged in 2025. Rapid advances in artificial intelligence drove strong demand for high computing power, leading to a significant increase in demand for high-voltage, high-capacitance capacitors as well as solid-state and laminated capacitors used in CPU and GPU peripherals. Growth in the installed base of new energy vehicles and higher levels of vehicle electrification further supported demand for automotive capacitors, particularly hybrid capacitors. In addition, continued expansion in photovoltaic, hydrogen energy, and energy storage applications created structural opportunities for the electrode foil industry.

Looking ahead to 2026, the IMF forecasts that global economic growth will modestly recover to 3.4%, while inflation is expected to decline steadily to 3.8%, indicating enhanced resilience in the economic recovery. Nevertheless, risks arising from trade frictions and geopolitical conflicts persist. From an industry perspective, demand in areas such as AI computing, new energy vehicles, and photovoltaic energy storage is expected to continue expanding. Demand for high-voltage, high-capacitance and low-carbon, environmentally friendly electrode foil products is expected to remain strong, highlighting structural opportunities that provide a favorable market environment for the Company to focus on mid- to high-end segments and achieve improvements in quality and operational efficiency.

Wishing all shareholders, good health and all the best!

Chairman: CHIH-MING WU

President: TUNG- JUNG LI

Accounting Supervisor: KUO-CHUAN WANG

Chapter II. Corporate Governance Report

I. Information on Directors, Supervisors, Presidents, Vice Presidents, Senior Mangers and heads of all the company's departments and branch units

(I) Directors and Supervisors

1. Information on Directors and Supervisors

Unit: Shares; %; 20 April 2026

Title	Nationality or place of registration	Name	Gender	Age	Date on which current position was assumed	Term of contract	Commencement date of the first term	Number of shares held at the time of election		Number of shares currently held		Number of shares currently held by the spouses and children of minor age		Number of shares held through nominees		Principal work experience and academic qualifications	Position(s) held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remark
								Shares	Shares	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Chairman	ROC	CHIH-MING WU	Male	Age Above 60	27 June 2024	3 Years	27 June 2003	470701	033	470701	031	1000956	071	0	000	Lamar University, Master	Note 1	None	None	None	-
Corporate Director	ROC	Lelon Electronic Corp.	--		27 June 2024	3 Years	17 December 1997	43731598	30.45	43731598	29.13	0	000	0	000		None	None	None	None	
Representative of Corporate Director	ROC	HONG-TE LU	Male	Age 60-70	27 June 2024	3 Years	27 June 2024	0	000	0	000	0	000	0	000	National Taiwan University, Graduate Institute of Business Administration, Ph.D. in Marketing	Note 2	None	None	None	
Director	ROC	TSUN-HSIN KO	Male	Age 60~70	27 June 2024	3 Years	27 June 2003	635309	044	619059	041	42262	003	0	000	National Yang Ming Chiao Tung University EMBA Material and Chemical Research Laboratories, ITRI Aluminum Foil R&D Project Host	Note 3	None	None	None	-
Director	ROC	YUNG-CHANG CHU	Male	Age Above 70	27 June 2024	3 Years	27 June 2003	810092	056	460092	031	496908	033	0	000	National Defense Medical Center/ Doctor	None	None	None	None	-
Independent Director	ROC	YEN-CHUNG TSOU	Male	Age 60~70	27 June 2024	3 Years	15 June 2015	0	000	0	000	0	000	0	000	National Cheng Kung University, Department of Accountancy	Note 4	None	None	None	-
Independent Director	ROC	JUNG-MENG TSENG	Male	Age Above 70	27 June 2024	3 Years	27 June 2024	0	000	0	000	0	000	0	000	Feng Chia University, Executive Master of Business Administration Master of Business Administration(M.B.A.)	Note 5	None	None	None	
Independent Director	ROC	LI-HUA HUANG	Female	Age 50~60	27 June 2024	3 Years	30 June 2023	0	000	0	000	0	000	0	000	National Taichung University of Science and Technology, Department of Accountancy	Note 6	None	None	None	-

Note 1: President of Lelon Electronics Corp., Chairman of Lelon Electronics (HUIZHOU) Corp., Chairman and President of Lelon Electronics (SUZHOU) Corp., Chairman and President of Lelon Electronics (SUZHOU) Corp., Chairman of Lelon Electronics (Thailand) Co., LTD., Chairman of LIRO (BVI) CO.,LTD., Chairman of EVER-WEI INTERNATIONAL CO., LTD., Chairman of DONGGUAN LEHONG TRADING CO., LIMITED, Chairman of Liton Technology Corp., Chairman of Liton Electronics Technology (HUIZHOU) Co., Ltd., Chairman of Liton Electronics Technology (ABAZHOU) Co., Ltd., Chairman of LITON (BVI) CO., LTD., Chairman of V-TECH CO., LTD., Chairman of FOREVER CO., LTD., Chairman of LIFU MACHINERY INDUSTRIAL CO., Supervisor of Ruyuan Lidon Electronic Technology Co., Ltd, LTD., Director of CHYI FA CO., LTD., Chairman of Fengjie Investment Co., Ltd., Chairman of Yu Zhan Investment Co., Ltd..

Note 2: Adjunct Professor, Department of Business Administration, Chung Yuan Christian University.

Note 3: Director of Liton Electronics Technology (HUIZHOU) Co., Ltd., Director of Liton Electronics Technology (ABAZHOU) Co., Ltd., Chairman of Ruyuan Lidon Electronic Technology Co., Ltd., Director of Li Han Technology (HUIZHOU) CO.,LTD.

Note 4: Partner of Representative of Sun Young CPAs, Independent Director of SUNKO INC CO. LTD., Independent Director of Universal Microelectronics CO., LTD.

Note 5: Director and President of SIWARD Crystal Technology Co., Ltd., Representative Director of SIWARD TECHNOLOGY CO., LTD., Chairman of APEX OPTTECH CORPORATION, Chairman of APEX OPTTECH CO., Chairman of JEN HUA ELECTRONICS (WUSIH) CO., LTD., Chairman of SIWARD TECHNOLOGY CO., LTD, Representative of the Corporate Director of SAG SECURITAG ASSEMBLY GROUP CO., LTD., Representative Director of SE JAPAN CO., Vice Chairman of Siward Crystal Technology (DONGGUAN), Independent Director of SUN OWN INDUSTRIAL CO., LTD.

Note 6: Vice President of Hong Siang Certified Public Accountants, Independent Director of Chian Hsing Forging Industrial Co., Ltd., Independent Director of SUN OWN INDUSTRIAL CO., LTD.

2. Major Shareholders of Institutional Shareholders

20 April 2026

Name of institutional shareholder	Major shareholder of institutional shareholder
LELON ELECTRONICS CORP.	CHYI FA CO., LTD. 15.55%
	CHUNG-MING WU 3.79%
	CHIH-MING WU 3.60%
	JEN-MING WU 3.22%
	YU-KUANG CHENG 2.67%
	CHU-FU-MEI WU 1.97%
	CHENG-HUNG CHANG 1.86%
	Standard Chartered Bank, Commercial Banking Division, acts as custodian for the investment account of Mizuho Securities Co., Ltd. 1.57%
	J.P. Morgan Bank, Taipei Branch, acts as custodian for the investment account of J.P. Morgan Securities Ltd. 1.41%
	JUI-MIN CHANG 1.38%

3. If any Major Shareholder is a Corporate/Juristic Person, List its Major Shareholders in this Form

20 April 2026

Name of corporate/juristic person	Major shareholders of the corporate/juristic person
CHYI FA CO., LTD.	JEN-MING WU (29.43%), CHUNG-MING WU (29.43%), PEI-CHIH LO (17.66%), CHIH-MING WU(11.62%), YU-CHIEH WU (2.03%), YU-FENG WU (2.03%), YU-CHE WU (1.95%), YU- HSUEH WU (1.95%) and YU-CHING WU(3.91%)

4. Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and the Independence of Independent Directors:

Qualification Name	Professional qualifications and experience (Note 1)	Independence analysis (Note 2)	Number of other public companies at which the person concurrently serves as an independent director
Chairman/CHIH-MING WU	With the required working experience in business and corporate business.	N/A	0
Director and Representative of LELON ELECTRONICS CORP./ HONG-TE LU	With the required working experience in business and corporate business.	N/A	0
Director/TSUN-HSIN KO	With the required working experience in business and corporate business.	N/A	0
Director/YUNG-CHANG CHU	With the required working experience in business and corporate business.	N/A	0
Independent Director/ YEN-CHUNG TSOU	With more than 20 years of work experience in business, finance, accounting and corporate business, and have passed the national CPA exam to obtain the certificate. Nothing in connection with the paragraphs under Article 30 of the Company Act.	<ol style="list-style-type: none"> 1. The person, his/her spouse, and kindred within the 2nd tier have not served as directors, supervisors, or employees of the Company or its affiliated companies. 2. The person, spouse, or kindred within the 2nd tier (or in the name of a third party) have not held any quantity and proportion of shareholding of the Company. 3. Not a Director, Supervisor or employee of companies with special relation to the Company (for additional information, refer to Subparagraphs 5~8 of Paragraph 1 under Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters of Public Companies. 4. No remuneration from business, legal, financial and accounting services rendered to the Company or its affiliates in the last 2 years. 5. Does not meet any descriptions stated in Article 30 of the Company Act. 	2

Qualification Name	Professional qualifications and experience (Note 1)	Independence analysis (Note 2)	Number of other public companies at which the person concurrently serves as an independent director
Independent Director/ JUNG-MENG TSENG	With more than 20 years of work experience in business and corporate business. Nothing in connection with the paragraphs under Article 30 of the Company Act.	<ol style="list-style-type: none"> 1. The person, his/her spouse, and kindred within the 2nd tier have not served as directors, supervisors, or employees of the Company or its affiliated companies. 2. The person, spouse, or kindred within the 2nd tier (or in the name of a third party) have not held any quantity and proportion of shareholding of the Company. 3. Not a Director, Supervisor or employee of companies with special relation to the Company (for additional information, refer to Subparagraphs 5~8 of Paragraph 1 under Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters of Public Companies. 4. No remuneration from business, legal, financial and accounting services rendered to the Company or its affiliates in the last 2 years. 5. Does not meet any descriptions stated in Article 30 of the Company Act. 	1
Independent Director/ LI-HUA HUANG	With more than 20 years of work experience in business and corporate business. Nothing in connection with the paragraphs under Article 30 of the Company Act.	<ol style="list-style-type: none"> 1. The person, his/her spouse, and kindred within the 2nd tier have not served as directors, supervisors, or employees of the Company or its affiliated companies. 2. The person, spouse, or kindred within the 2nd tier (or in the name of a third party) have not held any quantity and proportion of shareholding of the Company. 3. Not a Director, Supervisor or employee of companies with special relation to the Company (for additional information, refer to Subparagraphs 5~8 of Paragraph 1 under Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters of Public Companies. 4. No remuneration from business, legal, financial and accounting services rendered to the Company or its affiliates in the last 2 years. 5. Does not meet any descriptions stated in Article 30 of the Company Act. 	2

Note 1: Professional qualification 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 payments 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:

(1) Diversity of the Board:

The diversification policies, goals, and achievement of the Board of Directors.

The Company strengthens the competency and norms of the Board of Directors based on the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies". The composition of the board of directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as company officers do not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:

- a. Basic requirements and values: Gender, age, nationality, and culture; it is advisable that the number of female directors accounts for at least one-third of all the directors.
- b. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

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 and ability to make policy decisions.

The Company's nomination and selection of members of the Board of Directors are in compliance with the provisions of the Articles of Incorporation. The Company's nomination and selection of members of the Board of Directors adopt the candidate nomination system. In addition to evaluating the qualifications of each candidate's working and academic experience and abide by the "Procedures for Election of Directors". And after the resolution of the Board of Directors is passed, it will be submitted to the shareholders' meeting for election to ensure the diversity and independence of directors.

All members of the Board of Directors possess the required knowledge, skills, accomplishments, and industrial decision-making and management capabilities for business execution. To improve the quality of decision-making and fulfill the supervisory responsibility, the Company continually arranges a variety of refresher courses for the members of the Board. By this means, the Company can enhance the functions of the Board.

(2) Independence of the Board:

The ninth Board of Directors has 7 directors, including 3 Independent Directors who account for 43% of all Directors to ensure the independence of the board; the Company's director who also serves as the company's manager has 1 seat, accounting for 14% of all directors, no more than one-third of the number of all Directors.

(II) Information on the company's presidents, vice presidents, senior managers, and the supervisors of all the company's departments and branch units

Unit: share; %; 26 April 2025

Title	Nationality	Name	Gender	Date of appointment to position	Shares held		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
President	ROC	TUNG-JUNG LI	Male	5 April 2000	96,173	0.06	4,630	0.00	0	0.00	-Department of Textile and Chemical Engineering, National Taipei Institute of Technology (now National Taipei University of Technology) -Plant Manager at Yong Jian Electric Ceramics Co., Ltd. -Plant Manager of the Vietnam Factory, TRANDI ELECTRIC CORP.	Note 1	None	None	None	-
Chief Strategy Officer	ROC	TSUN-HSIN KO	Male	1 September 1999	619,059	0.41	42,262	0.03	0	0.00	-National Chiao Tung University EMBA graduate -ITRI MCL, Deputy Researcher and Engineer -ITRI MCL, Lead Investigator for Aluminum Foil Development Program	Note 2	None	None	None	-
Vice President	ROC	CHUN-YING LIU	Male	12 July 2004	0	0.00	0	0.00	0	0.00	-Graduate of the Department of Materials Science and Engineering at National Tsing Hua University -Employee at the Industrial Technology Research Institute (ITRI) Material Research Laboratories -Division manager at Her Chiao Technology -Assistant manager at Crystalwise Technology	Note 3	None	None	None	Note 5
Senior Manager Supervisor, Finance Department	ROC	KUO-CHUAN WANG	Male	15 April 2010	0	0.00	0	0.00	0	0.00	-Graduate of the Department of Finance at Yunlin University of Science and Technology -Audit manager at Jianzhi & Co., CPA -Audit manager/ Management Manager at Lianmei Forestry Co., Ltd.	Note 4	None	None	None	-

Note 1: Director and President of Liton Electronics Technology (Hui Zhou) Co., Ltd., Chairman of Liton Electronics Technology (A ba zhou) Co., Ltd., Director and President of LHPA Technology (Hui Zhou) Co., Ltd.

Note 2: Director of Liton Electronics Technology (Hui Zhou) Co., Ltd., Director of Liton Electronics Technology (A ba zhou) Co., Ltd., Supervisor of RuyuanLidon Electronic Technology Co., Ltd., Director of LHPA Technology (Hui Zhou) Co., Ltd

Note 3: Director and President of RuyuanLidon Electronic Technology Co., Ltd.

Note 4: Supervisor of Liton Electronics Technology (A ba zhou) Co., Ltd

Note 5: Retired effective 28 February 2026

(III) Where the chairman of the board of directors and the president or person of an equivalent post (the highest-level manager) 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: None.

II. Remuneration Paid During the Most Recent Fiscal Year to Directors, Supervisors, President and Vice Presidents

(I) Remuneration to Directors

Remuneration to Directors and Independent Directors

Unit: NT\$ thousand

Title	Name	Compensation of Directors								The total amount of the four items, namely, A, B, C and D, and the proportion of net profit after tax		Part-time employees receive relevant remuneration								The total amount of the four items, namely, A, B, C, D, E, F AND G, and the proportion of net profit after tax (Note 3)		Remuneration Received from Investee Companies Other Than Subsidiaries or from the Parent Company
		Remuneration(A)		Retirement pay(B) (Note1)		Director's remuneration (C) (Note2)		Business execution expenses(D)				Salary, bonuses and special expenses, etc(E)		Retirement pay(F)		Employee compensation(G) (Note 2)						
		Company	All companies included in the financial statements	Company	All companies in the financial report	Company	All companies included in the financial statements	Company	All companies included in the financial statements	Company	All companies included in the financial statements	Company	All companies included in the financial statements	Company	All companies included in the financial statements	Company		All companies in the financial report		Company	All companies included in the financial statements	
Chairman	CHIH-MING WU	707	924	-	-	858	858	25	25	1,590	1,807	-	-	-	-	-	-	-	-	1,590	1,807	15,459
										0.40%	0.45%									0.40%	0.45%	
Corporate Director	LELON ELECTRONICS CORP.	-	-	-	-	741	741	-	-	741	741	-	-	-	-	-	-	-	-	741	741	-
										0.19%	0.19%									0.19%	0.19%	
Representative of Corporate Director	HONG-TE LU	-	-	-	-	-	-	25	25	25	25	-	-	-	-	-	-	-	-	25	25	-
										0.01%	0.01%									0.01%	0.01%	
Director	TSUN-HSIN KO	-	-	-	-	800	800	25	25	825	825	3,327	3,908	-	-	1,118	-	1,118	-	5,270	5,851	-
										0.21%	0.21%									1.32%	1.46%	
Director	YUNG-CHANG CHU	-	-	-	-	742	742	25	25	767	767	-	-	-	-	-	-	-	-	767	767	-
										0.19%	0.19%									0.19%	0.19%	
Independent Director	YEN-CHUNG TSOU	-	-	-	-	742	742	170	170	912	912	-	-	-	-	-	-	-	-	912	912	-
										0.23%	0.23%									0.23%	0.23%	
Independent Director	JUNG-MENG TSENG	-	-	-	-	695	695	170	170	865	865	-	-	-	-	-	-	-	-	865	865	-
										0.22%	0.22%									0.22%	0.22%	
Independent Director	LI-HUA HUANG	-	-	-	-	742	742	50	50	792	792	-	-	-	-	-	-	-	-	792	792	-
										0.20%	0.20%									0.18%	0.20%	

1. Please describe the policy, system, standards and structure in place for paying remuneration to directors and describe the relationship of factors such as the duties and risks undertaken and time invested by the directors to the amount of remuneration paid:
(1) In accordance with the provisions of the Articles of Incorporation of the Company and the remuneration of the Chairman, Directors and Independent Directors, the Board of Directors is authorized to negotiate the remuneration of the Chairman of the Board of Directors according to the extent of their participation in the operation of the Company and the value of their contributions, and with reference to the level of the general manager of the industry.
(2) The Articles of Incorporation of the company also stipulate that no more than 2.5% of the annual profit shall be used as the remuneration of directors, and independent directors who have not received a fixed salary at present, and the company shall allocate the remuneration of directors when they make profits.
2. In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non-employee consultant to the parent company /any consolidated entities /invested enterprises): None.

Note 1: This refers to the retirement pension paid in accordance with the law.

Note 2: The Board of Directors resolved on 27 January 2026 to distribute employee compensation of NT\$15,201 thousand and directors' remuneration of NT\$5,320 thousand for 2025, which has been submitted to the 2026 Annual Shareholders' Meeting for reporting.

Note 3: The percentages are calculated based on the Company's net profit after tax of NT\$400,535 thousand as reported in the 2025 parent company only financial statements and the consolidated financial statements attributable to owners of the parent.

(II) Remuneration to President(s) and Vice President(s)

Unit: NTS thousands

Title	Name	Salary (A)		Retirement pays (B) (Note 1)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D) (Note2)				The sum of A, B, C and D in proportion to net income (%) (Note 3)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
								Cash	Stock	Cash	Stock			
President	TUNG-JUNG LI	2,448	3,344	92	92	539	756	1,118	-	1,118	-	4,197	5,310	-
												1.05%	1.33%	
Chief Strategy Officer	TSUN-HSIN KO	2,694	3,058	-	-	633	850	1,118	-	1,118	-	4,445	5,026	-
												1.11%	1.25%	
Vice President	CHUN-YING LIU	2,268	3,843	97	97	459	459	-	-	-	-	2,824	4,399	-
												0.71%	1.10%	

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

Note 1: This refers to the retirement pension paid in accordance with the law.

Note 2: At the Board Meeting held on 27 January 2026, the Board approved the distribution of NT\$15,201 thousand to employees and NT\$5,320 thousand to directors for 2025 and submitted the report to the 2026 Annual General Meeting of Shareholders.

Note 3: The percentages are calculated based on the Company's net profit after tax of NT\$400,535 thousand as reported in the 2025 parent company only financial statements and the consolidated financial statements attributable to owners of the parent.

(III) Remuneration to the Five Highest Remunerated Management Personnel

Unit: NT\$ thousand

Title	Name	Salary(A)		Retirement pays (B) (Note1)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D) (Note 2)				The sum of A, B, C and D in proportion to net income (%) (Note 3)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
								Cash	Stock	Cash	Stock			
President	TUNG-JUNG LI	10,933	14,446	316	316	2,370	3,150	3,605	-	3,605	-	17,224	21,517	-
Chief Strategy Officer	TSUN-HSIN KO													
Vice president	CHUN-YING LIU													
Senior manager/ Head of the Finance Department	KUO-CHUAN WANG											4.30%	5.37%	
Manager	KUN-JEN KU													

Note 1: This refers to the retirement pension paid in accordance with the law.

Note 2: At the Board Meeting held on 27 January 2026, the Board approved the distribution of NT\$15,210 thousand to employees and NT\$5,320 thousand to directors for 2025 and submitted the report to the 2026 Annual General Meeting of Shareholders.

Note 3: The percentages are calculated based on the Company's net profit after tax of NT\$400,535 thousand as reported in the 2025 parent company only financial statements and the consolidated financial statements attributable to owners of the parent.

(IV) Names and Distributions of Employee Profit-Sharing Compensation to Managerial Officers

Unit: NT\$ thousands

Title		Name	Stock	Cash	Total	The total amount in proportion to net income (%) (Note 2)
Managers	President	TUNG-JUNG LI	-	2,879	2,879	0.72%
	Chief Strategy Officer	TSUN-HSIN KO				
	Vice President	CHUN-YING LIU				
	Senior Manager/ Head of Finance Department	KUO-CHUAN WANG				

Note 1: At the Board Meeting held on 27 January 2026, the Board approved the distribution of NT\$15,201 thousand to employees and NT\$5,320 thousand to directors for 2025 and submitted the report to the 2026 Annual General Meeting of Shareholders.

Note 2: The percentages are calculated based on the Company's net profit after tax of NT\$400,535 thousand as reported in the 2025 parent company only financial statements and the consolidated financial statements attributable to owners of the parent.

(V) Separately compare and describe total remuneration, as a percentage of net income stated in the parent only financial reports or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, supervisors, general managers, and deputy general managers, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

1. The analysis of the remuneration to the directors, supervisors, president, and vice president.

Year Item	Total remuneration as a percentage of net income stated in the parent only financial reports or individual financial reports (Note 1)			
	2024		2025 (Note 2)	
	The Company	All consolidated entities	The Company	All consolidated entities
Director	3.53%	3.92%	2.74%	2.94%
President and Vice President	3.03%	4.05%	2.87%	3.68%

Note 1: The percentages are calculated based on the Company's net profit after tax of NT\$400,535 thousand as reported in the 2025 parent company only financial statements and the consolidated financial statements attributable to owners of the parent.

Note 2: At the Board Meeting held on 27 January 2026, the Board approved the distribution of NT\$15,210 thousand to employees and NT\$5,320 thousand to directors for 2025 and submitted the report to the 2026 Annual General Meeting of Shareholders.

2. Remuneration policies, standards, and packages

- (1) The remuneration of the Company's Directors includes transportation allowances and remuneration for Directors and Supervisors. Only the Chairman receives a fixed remuneration, the rest of the Directors do not receive a fixed remuneration. The remuneration for the Chairman is authorized by the Articles of Incorporation and is decided by the Board of Directors according to the degree of participation in the Company's operations and the value of its contribution, and with reference to the usual standard of the industry and is submitted to the Remuneration Committee. The variable remuneration is in accordance with the rules of the Articles of Incorporation. If the Company makes profits in the year, it should be handled in accordance with Article 19 of the Articles of Incorporation and the distribution is based on Directors and Supervisors' participation in the Board of Directors, the reference index is the attendance rate of the Board, tenure ratio, etc.
- (2) The remuneration the Company pays to President and Vice President includes salary, bonus and employee bonus. The remuneration is based on the scope of authority and responsibility of the position, the achievement rate of the Company's overall operating goals, personal performance and academic experience, etc., and with reference to the salary level of similar positions in the same industry. If the Company makes profits in the year, it should be handled in accordance with Article 19 of the Articles of Incorporation.

3. The procedure for setting the amount of remuneration

The remuneration of Directors, Supervisors and Managers must be regularly evaluated and determined by the Company's Remuneration Committee in accordance with regulations and submitted to the Board of Directors for approval

4. Employee and director remuneration and performance bonus allocation operations

- (1) According to Article 19 of the Company's Articles of Incorporation: In the event of profitability in the fiscal year of the Company... an amount not less than 2.5% shall be allocated for employee remuneration, and not more than 2.5% shall be allocated for director remuneration..." For 2025, the allocation ratios for employee remuneration and director remuneration were 3.00% and 1.05%, respectively. After discussion by the Remuneration Committee and the Board of Directors on 27 January 2026, it was resolved to distribute these amounts in cash, and a report was submitted to the shareholders' meeting of 2026.
- (2) Performance bonuses are allocated based on 2% of the total amount calculated from the item "Net profit after deduction of interest expenses and exchange losses (excluding interest revenue and exchange gains)" in the monthly consolidated financial statements provided by the Finance Department. These bonuses are distributed annually during the Chinese New Year, Dragon Boat Festival, and Mid-Autumn Festival, following performance evaluations of employees approved by the President and ratified by the Chairman of the Board.

5. Association with operation performance

- (1) Implement regular performance evaluations of the Board of Directors every year, and handle them in accordance with the rules of the performance evaluation method of the Board of Directors of the Company. Submit the evaluation to the report of the remuneration committee and the Board of Directors for the next year. The performance evaluation results of the Board of Directors should be used as a reference when selecting or nominating Directors. And the performance evaluation results of individual directors will be a reference for determining their individual remuneration.
- (2) The remuneration of the Company's managers includes salary, bonus, and employee bonus. The salary refers to education, working experience, work, performance, seniority and industry standards. The bonus and employee remuneration refer to Managers' Items of evaluation, which include financial index (such as company revenue, the achievement rate of net income, etc.) and non-financial index (such as yield rate).

6. Association with risks in the future

Since the Company's Directors, President and Vice President are all professionals who know very well about the s industry, they will not engage in behaviors that might cause risks to the Company for pursuing short-term rewards. As a result, the risks to the Company's operating conditions are relatively low.

III. The State of the Implementation of Corporate Governance

(I) Information on the State of Operation of the Board of Directors

The Board of Directors convened for 7 (A) meetings in the most recent year and the attendance of the directors was as follows:

Title	Name	Number of meetings attended in person (B)	Number of meetings attended by proxy	In-person attendance rate (%) (B/A)	Remarks
Chairman	CHIH-MING WU	5	0	100.0%	
Corporate Director	LELON ELECTRONICS CORP. Representative: HONG-TE LU	5	0	100.0%	
Director	TSUN-HSIN KO	5	0	100.0%	
Director	YUNG-CHANG CHU	5	0	100.0%	
Independent Director	YEN-CHUNG TSOU	5	0	100.0%	
Independent Director	JUNG-MENG TSENG	5	0	100.0%	
Independent Director	LI-HUA HUANG	5	0	100.0%	

Other information required to be disclosed

1. If any of the following circumstances exists, specify the board meeting date, meeting session number, content of the motion(s), the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors:

(1) Any matter under Article 14-3 of the Securities and Exchange Act

The Company has established an Audit Committee and is not subject to the provisions of Article 14-3 of the Securities and Exchange Act. For further information, please refer to the Information on the State of Operation of the Audit Committee.

(2) In addition to the matters referred to above, any dissenting or qualified opinion of an independent director that is on record or stated in writing with respect to any board resolution: None.

2. The status of implementation of recusals of directors with respect to any motions with which they may have a conflict of interest: specify the director's name, the content of the motion, the cause for recusal, and whether and how the director voted:

Date	Director	Content of the motion	Cause for recusal, and whether and how the director voted
1st Meeting of 2025 14 January 2025	CHIH-MING WU	Year-end bonus for managerial officers in 2024.	Recused from voting due to potential conflict of interest related to individual remuneration.
	TSUN-HSIN KO		
	TSUN-HSIN KO	Execution of treasury stock transfer to employees	

3rd Meeting of 2025 12 May 2025	CHIH-MING WU	Employee remuneration distribution for managerial officers and salary adjustment for managerial officers.	Recused from voting due to potential conflict of interest related to individual remuneration.
	TSUN-HSIN KO		
	CHIH-MING WU	Distribution of Director remuneration.	
	HONG-TE LU		
	TSUN-HSIN KO		
	YUNG-CHANG CHU		
	YEN-CHUNG TSOU		
	JUNG-MENG TSENG		
LI-HUA HUANG			
5th Meeting of 2025 11 November 2025	TSUN-HSIN KO	Transfer of treasury shares to employees Related to personal remuneration	Recused from voting due to potential conflict of interest related to individual remuneration.
1st Meeting of 2026 27 January 2026	CHIH-MING WU	Managerial year-end bonus for 2025	Recused from voting due to potential conflict of interest related to individual remuneration.
	TSUN-HSIN KO		
	CHIH-MING WU	Distribution of managerial employee compensation and adjustment of managerial salaries	
TSUN-HSIN KO			
3rd Meeting of 2026 7 May 2026	CHIH-MING WU	Distribution of directors' remuneration	Recused from voting due to potential conflict of interest related to individual remuneration.
	HONG-TE LU		
	TSUN-HSIN KO		
	YUNG-CHANG CHU		

	YEN-CHUNG TSOU		Distribution of employee compensation and adjustment of managerial salaries
	JUNG-MENG TSENG		
	LI-HUA HUANG		
	CHIH-MING WU		
	TSUN-HSIN KO		

3. For a TWSE or TPEX listed company, disclose information including the evaluation cycle and period(s) of the board of directors' self-evaluations (or peer evaluations) and the evaluation method and content:

Evaluation cycle	Evaluation period	Scope of evaluation	Method of evaluation	Evaluation content
Once annually	Performance evaluation for the period from 1 January 2025 to 31 December 2025	Entire Board of Directors	Internal evaluation by the board of Directors	<p>The criteria for evaluating the performance of the board of directors, which shall cover the following five aspects:</p> <ol style="list-style-type: none"> 1. Participation in the operation of the company. 2. Improvement of the quality of the board of directors' decision making 3. Composition and structure of the board of directors 4. Election and continuing education of the directors 5. Internal control

Once annually	Performance evaluation for the period from 1 January 2025 to 31 December 2025	Individual Directors	Self-evaluations by directors	<p>The criteria for evaluating the performance of the board members (on themselves or peers), shall cover the following six aspects:</p> <ol style="list-style-type: none"> 1. Alignment of the goals and missions of the company 2. Awareness of the duties of a director 3. Participation in the operation of the company 4. Management of internal relationship and communication 5. The director's professionalism and continuing education 6. Internal control
Once annually	Performance evaluation for the period from 1 January 2025 to 31 December 2025	Audit Committee	Self-evaluations by committee members	<p>The criteria for evaluating the performance of functional committees shall cover the following five aspects:</p> <ol style="list-style-type: none"> 1. Participation in the operation of the company 2. Awareness of the duties of the functional committee 3. Improvement of quality of decisions made by the functional committee 4. Makeup of the functional committee and election of its members 5. Internal control
Once annually	Performance evaluation for the period from 1 January 2025 to 31 December 2025	Remuneration Committee	Self-evaluations by committee members	<p>The criteria for evaluating the performance of functional committees shall cover the following five aspects:</p> <ol style="list-style-type: none"> 1. Participation in the operation of the company 2. Awareness of the duties of the functional committee 3. Improvement of quality of decisions made by the functional committee 4. Makeup of the functional committee and election of its members 5. Internal control

4. The objectives of the current and most recent year to enhance the functions of the Board (to establish an audit committee and to improve information transparency, etc.) and evaluation of the implementation:

(1) The Company has conducted internal evaluations of the performance of the board a whole, individual directors and functional committees in accordance with the “Rules for Performance Evaluation of Board of Directors” for 2025.

- (2) The Results of the internal evaluation of the Board's Performance for 2025: The Board of Directors as a whole achieved a score of 97.6, individual directors scored 99.0, the Audit Committee scored 97.7, and the Remuneration Committee scored 95.7 (out of a total score of 100) in the performance evaluation. All the assessed entities, including the Board of Directors, individual director members, Remuneration Committee, and Audit Committee obtained scores above 90. Areas identified for further improvement include: D. Director Selection and Continuing Education under the Board of Directors, C. Understanding of the Roles and Responsibilities of Functional Committees under Audit Committee; and Remuneration Committee, and B. Awareness of Responsibilities of Functional Committees under the Remuneration Committee. Interaction between the corporate governance unit, meeting coordinators, the Board of Directors, and members of the Remuneration Committee should be further strengthened to deepen board members' understanding of the Company's operations.
- (3) The aforementioned evaluation results and improvement suggestions were reported the Board of Directors on 13 March 2026.

(II) The state of operations of the audit committee or the state of participation in board meetings by the supervisors:

1. Information on the State of Operation of the Audit Committee:

The Audit Committee convened for 5 (A) meetings in the most recent year and the attendance of the independent directors was as follows:

Title	Name	Attendance in Person(B)	By Proxy	Actual attendance rate (%) (B/A)	Remarks
Independent Director	YEN-CHUNG TSOU	5	0	100.0%	
Independent Director	JUNG-MENG TSENG	5	0	100.0%	
Independent Director	LI-HUA HUANG	5	0	100.0%	

Additional information:

I. If any of the following circumstances exists, specify the audit committee meeting date, meeting session number, content of the motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee.
(1) Any matter under Article 14-5 of the Securities and Exchange Act.

Date	Content of the motion(s)	Measures taken by the Company based on the opinions of the Audit Committee members
1st Meeting in 2025 14 January 2025	1. Review of the Company's regular evaluation of the independence of CPAs. 2. Examination of professional fees for the CPAs. 3. Non-assurance service of Ernst & Young and its affiliates.	Approved by all members of the Audit Committee
2nd Meeting in 2025 12 March 2025	1. 2024 Declaration of Internal Control System. 2. 2023 Business Report and Financial Statements.	Approved by all members of the Audit Committee
3rd Meeting in 2025 12 May 2025	1. Report on 2025 Q1 Consolidated Financial Statements. 2. The state of implementation of issuance of security through private placement in 2024. 3. Proposal of cash offering by private placement. 4. Amendment to the Internal Control System – "Payroll Cycle" and "Internal Audit Implementation Rules"	Approved by all members of the Audit Committee
4th Meeting of 2025 11 August 2025	1. Report on the consolidated financial statements for the first half of 2025.	Approved by all members of the Audit Committee
5th Meeting of 2025 11 November 2025	1. Report on the consolidated financial statements for the third quarter of 2025. 2. Formulation of the 2026 Annual Internal Audit Plan.	Approved by all members of the Audit Committee

1st Meeting of 2026 27 January 2026	1. Periodic evaluation of the independence of the CPAs. 2. Review of CPA audit fees. 3. Change of CPAs for the financial statements. 4. Review of non-assurance services provided by Ernst & Young and its affiliates.	Approved by all members of the Audit Committee
2nd Meeting of 2026 13 March 2026	1. Internal Control System Statement for 2025. 2. Business Report and Financial Statements for 2025.	Approved by all members of the Audit Committee
3rd Meeting of 2026 7 May 2026	1. Report on the consolidated financial statements for the first quarter of 2026. 2. Status of execution of private placement of securities in 2025. 3. Proposal to conduct a private placement cash capital increase.	Approved by all members of the Audit Committee

(2) In addition to the items mentioned above, other matters that have not been approved by the Audit Committee and are approved by more than two-thirds of all directors:
None

II. The implementation of the independent director's recusal of the interested proposal shall state the name of the independent director, the content of the proposal, the reason for the recusal of the interest, and the circumstances of participation in voting: None.

III. Communication between the independent directors and the internal audit supervisor and the CPAs that serve as external auditors:

- (1) The Company's internal audit supervisor regularly communicates with the independent directors regarding the results of audit reports. Adequate communication has been maintained concerning the execution of audit tasks, the follow-up on deficiencies identified during audits, and the effectiveness of corrective actions. Internal audit reports are also presented at Board meetings. In the event of any special circumstances, the internal audit supervisor would report to the independent directors immediately; however, no such situations occurred in 2025. The communication between the Company's independent directors and the internal audit supervisor has been satisfactory.
- (2) The Company's CPAs hold at least one communication meeting annually with the independent directors, and additional meetings may be scheduled as needed. During these meetings, the CPAs report the audit results of the financial statements of the company and its domestic and overseas subsidiaries, as well as discuss other communication matters related to regulatory requirements. In case of any special circumstances, immediate reporting is made to the independent directors. There were no such special circumstances in 2025.
- (3) Summary of communication between independent directors, internal audit managers, and CPAs of the company:

Date	Communication with Internal Audit Supervisors	Communication with CPAs	Outcome
14 January 2024	Implementation status during 2024/11/1~2024/12/31	None	Approved after being reviewed by the Audit Committee.
12 May 2025	Implementation status during 2025/1/1~2025/4/30	None	Approved after being reviewed by the Audit Committee.
11 August 2025	Implementation status during 2025/5/1 ~ 2025/7/31.	None	Approved after being reviewed by the Audit Committee.
November 11, 2025	Implementation status during 2025/8/1~2025/10/31	Discussion and communication regarding the review results of the financial statements and updates to securities regulations and tax laws.	Approved after being reviewed by the Audit Committee.
27 January 2026	Implementation status during 2025/11/1~2025/12/31	None	Approved after being reviewed by the Audit Committee.
13 March 2026	None	Discussion and communication regarding the audit results and audit opinions of the 2025 financial statements, as well as updates to securities regulations and tax laws.	Approved after being reviewed by the Audit Committee.
7 May 2026	Implementation status during 2026/1/1~2026/4/30	None	Approved after being reviewed by the Audit Committee.

2. Information on the state of participation in board meetings by the supervisors: N/A.

(III) Corporate governance practices and variations from “the Corporate Governance Best-Practice Principles for TWSE /TPEX Listed Companies”

Items of evaluation	Implementation status			Variations from the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary description	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?		✓	The Company has not yet established a Corporate Governance Best Practice Principles, which has been evaluated and is under planning. However, the exercise of powers and functions by the directors and the internal control system is in accordance with the principles of the “Corporate Governance Best-Practice Principles for TWSE/Listed Companies”.	No variation
2. Shareholding structure & shareholders’ rights (1) Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?	✓		The Company has established a spokesperson mechanism to address such issues.	No variation
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	✓		Yes, the Company has a Share Transfer Agent to provide the services.	No variation
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	✓		The Company and its subsidiaries have established relevant management practices.	No variation
(4) Does the Company establish internal rules to prohibit insiders from trading marketable securities using information not publicly available in the market?	✓		The Company has established relevant management practices.	No variation
3. Composition and Responsibilities of the Board of Directors (1) Does the Board formulate a diversity policy, establish specific management objectives, and take actions to ensure effective implementation ?	✓		The Company currently has a Remuneration Committee and an Audit Committee.	No variation
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?		✓	The planning of functional committees will be determined by the members of the Board.	No variation
(3) Does the company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of Directors and referenced when determining the remuneration of individual directors and nominations for re-election?	✓		The evaluation has been carried out regularly.	No variation
(4) Does the company regularly evaluate the independence of CPAs?	✓		The Company annually assesses the independence and suitability of CPAs. It also has the independence statement and audit quality index (AQI) information of Ernst & Young Associates. Please refer to Note 1 for the assessment of the independence and suitability of CPAs.	No variation

Items of evaluation	Implementation status			Variations from the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary description	
4. Does the company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the board of directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?	✓		<p>The Finance Department is responsible for matters relating to the meetings of the Board of Directors and Shareholders' Meetings of the Company and for the registration of companies and amendments to the register of companies.</p> <p>On 9 August 2022, the Board of Directors approved the appointment of a Corporate Governance Supervisor in the company. KUO- CHUAN WANG, the Senior Manager of the Administrative Management Department, has been appointed as the Corporate Governance Supervisor and possesses over three years of experience in the financial operations of public companies and is required to undergo a minimum of 12 hours of continuing education annually as per regulations. The primary responsibilities of the Corporate Governance Officer include handling matters related to board of directors and shareholders' meetings in compliance with the law, preparation of minutes for board of directors and shareholders' meetings, assisting directors in their appointment and ongoing professional development, providing necessary information for directors to carry out their duties and assisting directors in compliance with legal and regulatory requirements.</p>	No variation
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		Disclosed on the Company's website.	No variation

Items of evaluation	Implementation status			Variations from the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary description	
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The Stock Transfer Agency Department of Taishin Securities Co., Ltd. has been appointed to operate as a stock transfer agent.	No variation
7. Information Disclosure (1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	✓		Yes.	No variation
(2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, and webcasting investor conferences)?	✓		Yes, the Company has a dedicated person responsible for collecting and disclosing information according to their job description.	No variation
(3) Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?	✓		As scheduled.	No variation
8. Is there any other important information available to understand the operation of corporate governance in the company (Including but not limited to employee rights, employee care, investor relations, supplier relations, rights of stakeholders, training of directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, and the company's purchase of liability insurance for directors and supervisors, etc.)?	✓		(1) Employee rights, employee care, investor relations, supplier relations, stakeholder rights: Contact information is available on the Company's website. (2) Please refer to Note 2 for further details on the continuing education of the directors. (3) Risk management policy and risk assessment standard in action: Weekly, monthly and quarterly reviews are carried out based on internal controls. (4) Professional liability insurance for the protection of the Directors: Yes.	No variation
9. Please provide information on the results of the review of corporate governance conducted by the Corporate Governance Center of the Taiwan Stock Exchange for the most recent year, as well as priorities and measures for improvement where improvements have not yet been made: None.				

Note 1: Independence and Suitability Assessment Form for CPAs

The Company's Finance Department conducts an annual evaluation of the independence and suitability of the signing CPAs. In addition to requiring the signing CPAs to provide an "Independence Declaration" and Audit Quality Indicators (AQIs), the Company has established evaluation criteria and 13 AQI indicators with reference to Article 47 of the CPA Act and Statement of Professional Ethics No. 10. It has been confirmed that, apart from fees related to audit and financial and tax services, the signing CPAs have no other financial interests or business relationships with the Company, and that the family members of the signing CPAs do not violate independence requirements. Based on the AQI information, it has also been confirmed that both the signing CPAs and the CPA firm exceed the industry average in terms of audit experience and training hours. In addition, over the past three years, digital audit tools have continued to be introduced to enhance audit quality. The Finance Department consolidated the most recent annual evaluation results regarding the independence and suitability of the signing CPAs and submitted the results to the Audit Committee and the Board of Directors for resolution on January 27, 2026. The relevant information is set forth below:

1. Appointment of CPAs:

Ernst & Young, CPAs YU-TING HUANG and WEN-CHEN LO.

2. Assessment content: Formulated in reference to Article 47 of Certified Public Accountant Act and Statement of Auditing Standards No. 10:

Item	Assessment Indicators	Outcome	
		Yes	No
1	The Company has not engaged the same CPAs without replacement for 7 years consecutively up to the most recent audit engagement.	V	
2	The CPAs shall have no significant financial interest with the client.	V	
3	Avoidance of any inappropriate relationship with the client.	V	
4	The CPAs shall ensure the honesty, impartiality and independence of their assistants.	V	
5	The CPAs shall not audit the financial statements of the entities for which they have provided services during the two years preceding their practice.	V	
6	The name of the CPAs shall not be used for any other purpose.	V	
7	The CPAs shall not hold any shares of the company or its affiliates.	V	
8	The CPAs shall not have any involvement in borrowing from the company or its affiliates.	V	
9	The CPAs shall not engage in any joint investment or benefit-sharing relationship with the company or its affiliates.	V	
10	The CPAs shall not hold any permanent employment or receive a fixed salary in connection with the employment activities of the company or its affiliates.	V	
11	The CPAs shall not involve themselves in the management of decision-making functions of the company or its affiliates.	V	
12	The CPAs shall not engage in any other business in which the CPAs would otherwise become impartial.	V	
13	The CPAs shall not have any relationship with the spouse, or relative within the second degree with the company's management	V	
14	The CPAs shall not receive any commission in connection with the business.	V	
15	To date, the CPA has not been subject to any disciplinary action or circumstances that would compromise the principle of independence.	V	

3. Assessment outcome:

As a result of the assessment, none of the CPAs engaged by the company had any of the matters described in the above independence assessment items and it is confirmed that the CPAs have met the independence criteria and the reliability of the financial statements issued by the CPAs are in good standing.

Note 2: Continuing education of the Directors:

Title	Name	Date	Organizer	Course Title	Hours
Chairman	CHIH-MING WU	3 June 2025	Chinese Association for Economic Development	Tariff War Turmoil: Impacts and Response Strategies	3.0
		9 July 2025	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	6.0
		22 August 2025	Chinese National Association of Industry and Commerce	2025 Taishin–Shin Kong Net Zero Summit	3.0
Representative of Corporate Directors	HONG-TE LU	23 May 2025	Taipei Importers and Exporters Association	Global AI Competition: Successful Strategies for Taiwanese Enterprises to Break Through Competition	3.0
		7 June 2025	Taipei Importers and Exporters Association	11th International Trade Management Strategy Executive Program – New Global Trade Landscape	6.0
Director	TSUN-HSIN KO	9 July 2025	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	6.0
Director	YUNG-CHANG CHU	25 February 2025	Securities and Futures Institute	Practical Workshop on Sustainability Information Preparation and Disclosure	6.0
		22 August 2025	Chinese National Association of Industry and Commerce	2025 Taishin Shin Kong Net Zero Summit	3.0
Independent Director	YEN-CHUNG TSOU	19 March 2025	Taiwan Academy of Banking and Finance	Corporate Governance Lecture Series	3.0
		22 July 2025	Chinese Corporate Governance Association	Sustainability Development Promotion Seminar	3.0
Independent Director	JUNG-MENG TSENG	15 June 2025	Chinese Corporate Governance Association	Key Insights into Industrial Holding Structures and Group Operations	3.0
		20 July 2025	Taipei Exchange (TPEX)	Practicing Sustainable Development through the TPEX Market – General Principles	3.0
Independent Director	LI-HUA HUANG	19 March 2025	Taiwan Academy of Banking and Finance	Corporate Governance Lecture Series	3.0
		29 May 2025	Securities and Futures Institute	Sustainability Disclosure Briefing for Listed and OTC Companies	3.0
		25 June 2025	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0

(IV) Where a company has established a Remuneration Committee, disclose its composition and the operation:

1. Information on the members of the Remuneration Committee

Identity (Note 1)		Condition	Name	Professional designation and work experience (Note 2)	Status of independence (Note 3)	Number of companies where the members of the Remuneration Committee also hold concurrent positions as members of the Remuneration Committee
Independent Director (Convener)	YEN-CHUNG TSOU			With more than 20 years of experience in business, finance, accounting and company operations and having passed the national examination for accountants and not having been involved in any of the circumstances set out in section 30 of the Company Act.	<ol style="list-style-type: none"> 1. The person, spouse, or kindred within the 2nd tier does not hold a position as director, supervisor or employee of the Company or its affiliates. 2. The person, spouse, or kindred within the 2nd tier (or in the name of a third party) does not hold any shares issued by the Company. 3. Not holding a position as director, supervisor, or employee of companies with special relation to the Company (Subparagraphs 5~8 of Paragraph 1 under Article 3 of the Regulations Governing the Appointment of Independent Directors and Compliance Matters for Public Companies). 4. Remuneration of no service in commerce, legal affairs, finance, and accounting to the Company or its affiliates in the last 2 years. 	1
Independent Director	JUNG-MENG TSENG (Note 4)			Having more than 20 years experience in business and corporate practice and not having been involved in any of the circumstances set out in Section 30 of the Company Act	<ol style="list-style-type: none"> 1. The person, spouse, or kindred within the 2nd tier does not hold a position as director, supervisor, or employee of the Company or its affiliates. 2. The person, spouse, or kindred within the 2nd tier (or in the name of a third party) does not hold any shares issued by the Company. 3. Not holding a position as director, supervisor, or employee of companies with special relation to the Company (Subparagraphs 5~8 of Paragraph 1 under Article 3 of the Regulations Governing the Appointment of Independent Directors and Compliance Matters for Public Companies) 4. Remuneration of no service in commerce, legal affairs, finance, and accounting to the Company or its affiliates in the last 2 years. 	1

Identity (Note 1)	Name	Condition	Professional designation and work experience (Note 2)	Status of independence (Note 3)	Number of companies where the members of the Remuneration Committee also hold concurrent positions as members of the Remuneration Committee
Other	HSIANG-YING HUANG	Having more than 20 years experience in business and corporate practice and not having been involved in any of the circumstances set out in Section 30 of the Company Act.	<ol style="list-style-type: none"> 1. The person, spouse, or kindred within the 2nd tier does not hold a position as director, supervisor or employee of the Company or its affiliates. 2. The person, spouse, or kindred within the 2nd tier (or in the name of a third party) does not hold any shares issued by the Company. 3. Not holding a position as director, supervisor, or employee of companies with special relation to the Company (Subparagraphs 5~8 of Paragraph 1 under Article 6 of the Regulations Governing the Appointment and Exercise of Powers by The Remuneration Committee of a Company Whose Stock is Listed on Taiwan Stock Exchange or Taipei Exchange). 4. Remuneration of no service in commerce, legal affairs, finance, and accounting to the Company or its affiliates in the last 2 years. 	4	

Note 1: Please state the identity as a director, independent director, or Other.

Note 2: Professional designation and work experience: Specify the professional designation and experience of individual members of the Remuneration Committee.

Note 3: Status of independence: specify the status of independence of the members of the Remuneration Committee, including but not limited to holding a position as director, supervisor, or employee of the Company and its affiliates by the person, spouse, kindred within the 2nd tier. Quantity and proportion of Company shares held by the person, spouse, and kindred within the 2nd tier (or in the name of a third party), holding a position as Director, Supervisor, or employee of companies in a special relationship with the Company (refer to Subparagraphs 5~8 of Paragraph 1 under Article 6 of the Regulations Governing the Appointment and Exercise of Powers by The Remuneration Committee of a Company Whose Stock is Listed on Taiwan Stock Exchange or Taipei Exchange), the amount of remuneration for rendering services in commerce, legal affairs, finance, and accounting to the Company or its affiliates in the last 2 years.

2. Information on the operation of the Remuneration Committee:

- (1) The Remuneration Committee of the Company consists of 3 members.
- (2) The current term of office of the members: 5 July 2024 to 26 June 2027. The remuneration committee convened for 4(A) meetings in the most recent year with qualifications and attendance as follows:

Title	Name	Attendance in Person (B)	By Proxy	Actual attendance rate (%) (B/A)	Remarks
Convener	YEN-CHUNG TSOU	4	0	100.0%	
Member	HSIANG-YING HUANG	4	0	100.0%	
Member	JUNG-MENG TSENG	4	0	100.0%	
<p>Additional information:</p> <p>I. If the Board turned down or revised the recommendation of the Remuneration Committee, specify the date, session of the Board, the content of the motion, the resolution of the Board and the response of the Company to the opinions of the Remuneration Committee (if the resolution on remuneration passed by the Board is senior to the recommendation of the Remuneration Committee, explain the difference and the reason): None.</p> <p>II. If there is any adverse opinion or qualified opinion on record or in a written declaration on the resolutions of the Remuneration Committee, specify the date, session of the committee meeting, contents of the motion, and opinions of all members and respond to the opinions of the members: None.</p>					

3. The date of the sessions, contents of the motions, resolutions and the response of the Company to the opinions of the Remuneration Committee are as follows:

Date	Key Resolutions of the Remuneration Committee	Implementation
<p>The 1st Meeting of 2025 14 January 2025</p>	<ol style="list-style-type: none"> 1. Proposed discussion on the work of the Remuneration Committee in 2025. 2. Proposed discussion on amendments to regulations on payment of year-end bonuses to employees for 2024 and other related regulations. 3. Proposed review of the 2024 distribution of year-end bonuses to the managerial officers of the Company. 4. Proposed review of the estimated distribution of the 2025 performance bonus for the managerial officers of the Company. 5. Proposed the execution of treasury stock transfer to employees. 	<p>All committee members approved.</p>
<p>The 2nd Meeting of 2025 12 March 2025</p>	<ol style="list-style-type: none"> 1. Amendment to the Company's "Article of Incorporation". 2. The payment method for employees and directors and supervisors' compensation for 2024. 	
<p>The 3rd Meeting of 2025 12 May 2025</p>	<ol style="list-style-type: none"> 1. Proposed review of the 2025 salary adjustment plan for managerial officers. 2. Proposed the discussion on amendments to employee compensation and salary procedures. 3. Proposed review of the distribution of directors' and managerial officers' compensation for 2024. 	
<p>The 4th Meeting of 2025 11 November 2025</p>	<ol style="list-style-type: none"> 1. Implementation of the transfer of treasury shares to employees. 	
<p>The 1st Meeting of 2026 27 January 2026</p>	<ol style="list-style-type: none"> 1. Discussion of the Remuneration Committee's work plan for 2026. 2. Discussion of the procedures for the distribution of employee year-end bonuses for 2025 and amendments to salary-related operational policies, including the "Employee Compensation Distribution Policy." 3. Review of the distribution of year-end bonuses for the Company's managerial personnel for 2025. 4. Review of the proposed distribution of performance bonuses for the Company's managerial personnel for 2026. 5. Review of the distribution of employee compensation and directors' remuneration for 2025. 	

The 2nd Meeting of 2026 7 May 2026	1. Review of the proposed salary adjustment plan for managerial personnel for 2026. 2. Review of the distribution of directors' remuneration and managerial employee compensation for 2025.	All committee members approved.
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(V) Differences between Company policy and “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons for differences:

Evaluation Item	Implementation status			Variations from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons for the difference
	Yes	No	Abstract Explanation	
1. Does the company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?		✓	Although the Company has not formulated a corporate social responsibility policy or system, it continues to practice Corporate Social Responsibility and will formulate relevant policies in the future depending on the situation.	No variation
2. Does the company establish exclusively (or concurrently) dedicated first-line managers authorized by the board to be in charge of proposing the corporate social responsibility policies and reporting to the board?		✓	Although the Company has not formulated a corporate social responsibility policy or system, it continues to practice Corporate Social Responsibility and will formulate relevant policies in the future depending on the situation.	No variation
3. Environmental Issues (1) Does the company establish proper environmental management systems based on the characteristics of their industries?	✓		In order to follow international environmental protection regulations and comply with national environmental protection laws and regulations, the Company has established ISO14001 - Environmental Management Systems and has set up a safety and environmental department to be responsible for environmental maintenance and public safety.	No variation
(2) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	✓		The Company uses advanced technology and equipment, and is committed to environmental protection, energy conservation, industrial waste reduction and resource recycling; and promotes correct environmental protection concepts, develops good habits of pollution prevention and waste reduction, and all employees participate in green environmental protection activities. Moreover, the efficiency of raw material usage is improved in the manufacturing process, and the overall usage of raw materials is reduced. The cardboard boxes, old pallets, and iron pipes used in the manufacturing process are recycled and reused to achieve the purpose of reducing waste.	No variation
(3) Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	✓		The company has not assessed the issue of the impact of climate change on the enterprise. For further information, please refer to 5.1 Implementation Status of Climate-Related Information	None

Evaluation Item	Implementation status			Variations from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and reasons for the difference
	Yes	No	Abstract Explanation	
(4) Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?	✓		The company has promoted energy-saving and carbon-reduction measures and used equipment and products with energy-saving labels to reduce energy consumption, and advocated energy-saving and carbon-reduction measures.	No variation
4. Social issues (1) Does the company formulate appropriate management policies and procedure according to relevant regulations and the International Bill of Human Rights?	✓		In the Company's human resources management system and work rules, all labor-related regulations (employment, working hours, wages, vacations, rewards and punishments, resignation, etc.) follow the national "Labor Standards Act" and other relevant laws and respect internationally recognized basic labor human rights principles, etc., and strictly require the personnel of relevant units to implement.	No variation
(2) Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?	✓		The Company has formulated personnel rules and related reward systems for employee compensation based on their performance.	No variation
(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		The Company regularly conducts environmental safety training and health check-ups for employees. For the information on current implementation status, please refer to Pages <u>81-82</u> .	No variation
(4) Does the company provide its employees with career development and training sessions?	✓		The Company provides employees with further education and training opportunities to improve employees professional functions. In addition, the heads of each department provide their subordinates with professional guidance and training related to their work. For the information on current implementation status, please refer to Page <u>84</u> .	No variation
(5) Does the company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented?	✓		Maintain good communication channels between the Company and consumers to provide transparent and effective customer complaint procedures related to products and services.	No variation
(6) Does the company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results.	✓		Before dealing with suppliers, the Company must conduct supplier assessments to assess whether the relevant incoming materials comply with relevant environmental regulations. In addition, new regulations also require suppliers to provide relevant information for the Company's assessment. Moreover, the contracts with major suppliers have stated that they must "comply with the requirements of international environmental protection laws and	No variation

Evaluation Item	Implementation status			Variations from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons for the difference																										
	Yes	No	Abstract Explanation																											
			regulations”. In addition, if a breach of contract has happened or the situation has not improved after the breach, the Company can terminate or rescind the contract. The Company has formulated a “Policy Declaration on Non-Utilization of Conflict Minerals” and communicates it to suppliers with a commitment not to accept metals sourced from conflict-affected areas.																											
5. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as corporate social responsibility reports? Do the reports above obtain assurance from a third party verification unit?	✓		The Company plans to complete the preparation and public disclosure of the 2025 Sustainability Report by 31 August 2026.	None																										
6. If the company has established its own sustainable development code in accordance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”, please clarify the difference between its operation and the established code: To fulfill corporate social responsibility and facilitate progress in economic, environmental, and social aspects towards sustainable development goals, the company has established a “Corporate Social Responsibility Statement (CSR)” which regulates: (1) Compliance with laws and social norms, (2) Health and safety measures, (3) Environmental considerations, (4) Fair and equitable transactions, (5) Ensuring information security and appropriate information protection, (6) Quality and safety, delivery, fair pricing, and stable supply. (7) Promoting contributions to society, and (8) Collaboration between the company and suppliers to promote corporate social responsibility activities.																														
7. Other important information that can help to understand the operation of Sustainable Development:																														
(1) Environmental protection matters: The Company pursues energy saving and carbon reduction and has always used equipment and products with energy-saving labels to reduce energy consumption. The Company encourages employees to take specific actions in their daily lives to love the earth by saving energy and reducing carbon.																														
<ol style="list-style-type: none"> 1. The Huizhou Plant completed the installation of photovoltaic facilities in June 2023, with an investment cost of RMB 4.1 million. 2. The Miaoli Plant completed the greenhouse gas inventory ISO-14064-1 in November 2023 and obtained third-party verification. The Huizhou Plant and the Aba Prefecture Plant have also completed greenhouse gas inventories in accordance with ISO 14064-1 and are planning to obtain third-party verification. 3. The Miaoli Plant invested NT\$30 million to establish renewable energy power generation equipment in July 2024, with completion and commissioning expected in March 2026. 4. The statistical data for greenhouse gas emissions, water usage, and total waste weight for the past two years are as follows: <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th rowspan="2">Item</th> <th colspan="3">Greenhouse Gas Emission</th> <th rowspan="2">Water Usage</th> <th colspan="2">Total Waste Weight</th> </tr> <tr> <th>Scope 1</th> <th>Scope 2</th> <th>Scope 3</th> <th>Hazardous Waste</th> <th>Non-Hazardous Waste</th> </tr> </thead> <tbody> <tr> <td>2025</td> <td>30.7253</td> <td>3,371.3193</td> <td>912.0817</td> <td>1,351.0197</td> <td>0.0000</td> <td>108.1500</td> </tr> <tr> <td>2024</td> <td>34.7849</td> <td>6,123.2797</td> <td>1,368.9753</td> <td>2,380.6429</td> <td>0.0000</td> <td>139.3400</td> </tr> </tbody> </table> 					Item	Greenhouse Gas Emission			Water Usage	Total Waste Weight		Scope 1	Scope 2	Scope 3	Hazardous Waste	Non-Hazardous Waste	2025	30.7253	3,371.3193	912.0817	1,351.0197	0.0000	108.1500	2024	34.7849	6,123.2797	1,368.9753	2,380.6429	0.0000	139.3400
Item	Greenhouse Gas Emission			Water Usage		Total Waste Weight																								
	Scope 1	Scope 2	Scope 3		Hazardous Waste	Non-Hazardous Waste																								
2025	30.7253	3,371.3193	912.0817	1,351.0197	0.0000	108.1500																								
2024	34.7849	6,123.2797	1,368.9753	2,380.6429	0.0000	139.3400																								
<p style="text-align: right;">Unit: metric tons</p> <p>1. Data Boundary: Parent company; Data has not yet been verified by a third-party verification organization.</p>																														
5. The Company primarily relies on externally purchased electricity for energy. The Company’s goal is to achieve an annual reduction of 1% in carbon emissions based on the 2021 baseline year. Future adjustments to the greenhouse gas emission reduction targets will depend on amendments to climate management laws.																														
(2) Health and safety: Detailed information on workplace environment and measures for personal safety protection, along with current implementation status, please refer to pages 82.																														
(3) Gender equality: The company has long been committed to fostering a workplace environment that is friendly to all employees. Details of the current implementation status can be found on page 85.																														
(4) Social welfare: The Company has been committed to playing its role in corporate citizenship and fulfilling its duty for a long time and has always spared no effort in fulfilling its social responsibilities. The Company has conducted various fundraising activities for disaster recovery from time to time. The Company participated in the “China Sichuan Earthquake Charity Donation”, “Maibagah Children's English and Cross-cultural Education Project” and the “Domestic Adoption through the																														

Evaluation Item	Implementation status			Variations from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons for the difference
	Yes	No	Abstract Explanation	
Taiwan Fund for Children and Families”. The Company's business philosophy is to continue to invest, enhance the vitality of the business, and improve the quality of products and services to enable the Company, employees, and customers to grow simultaneously to implement environmental protection, maintain social resources, fulfill corporate responsibilities, and give back to society.				

(VI) Climate-related Information Implementation Status: Not Applicable.

5-1 Implementation Status of Climate-Related Information

Item	Implementation Status
1. Specify the oversight and governance of climate-related risks and opportunities by the Board of Directors and management.	<p>The Sustainability Development Task Force serves as the highest authority for climate change management within the Company. It is responsible for planning and formulating action plans in response to climate change and for promoting green energy initiatives. The task force executes climate risk control measures and corresponding strategies. A quarterly report is submitted to the Board of Directors, covering key updates and implementation results, including energy-saving and carbon reduction performance, greenhouse gas emissions management, climate impact assessments, and progress toward sustainability goals.</p>
2. Specify how the identified climate-related risks and opportunities impact the company's business, strategy, and financials in the short, medium, and long term.	<p>1. Climate Opportunities The Company's climate opportunities primarily align with its focus on green products and processes. In response to climate change, we continue to implement energy- and water-saving measures, actively promote green manufacturing, and seize green business opportunities through the development of environmentally friendly products and equipment improvements that support sustainable processes. These efforts position us as a key partner in our customers' sustainable supply chains.</p> <p>2. Climate Risks The Company actively identify risks related to climate change, such as floods, droughts, typhoons, power outages, and water shortages. The Company regularly monitors and manages the potential operational impacts and losses caused by extreme weather events. We implement climate adaptation policies and solutions through proactive and targeted measures.</p>
3. Specify the financial impacts of extreme climate events and transition activities.	<p>1. Climate Change Events: Floods, droughts, typhoons, power outages, and water shortages.</p> <p>May impact production capacity, increase operating costs, and lead to revenue decline.</p> <p>Inability to deliver on time or delivery interruptions may result in customer penalties for late shipments.</p> <p>Violations of regulations may lead to fines.</p> <p>Supply chain disruptions could negatively affect production capacity.</p> <p>2. Rising Temperatures</p> <p>Increased electricity consumption leads to higher greenhouse gas emissions, thereby increasing related costs.</p>

	<p>3. Carbon Emission Controls</p> <p>Higher operating costs: payment of carbon taxes may be required if emissions exceed international standards.</p> <p>Higher operating costs: replacement of outdated, energy-intensive equipment may be necessary.</p>
<p>4. Specify how the processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management framework.</p>	<ol style="list-style-type: none"> 1. In accordance with the TCFD framework, and with reference to international institutional reports, industry-specific analyses, and relevant regulations, the Company has developed a list of climate-related risks and opportunities. Specific climate issues are identified and assessed based on the magnitude of financial or strategic impact and the likelihood of occurrence. The scope and context of these impacts are also considered in conducting materiality assessments for both physical and transition risks, leading to the formulation of appropriate risk management mechanisms. 2. Based on the evaluation results of climate-related risks and opportunities, the Company has established responsive measures and contingency strategies to mitigate the impact of risk events, enhance the Company's climate resilience, and seize climate-related opportunities. 3. Currently, the Company has not implemented a formal climate scenario analysis process. However, it proactively discloses relevant information in alignment with the TCFD framework and formulates corresponding response strategies for the initially identified climate risks. The Company will consider gradually incorporating TCFD scenario analysis into its sustainability development policies in the future, depending on actual circumstances.
<p>5. If scenario analysis is used to assess climate resilience, please specify the scenarios, parameters, assumptions, analytical factors, and major financial impacts applied.</p>	<p>Not applicable.</p>
<p>6. If there is a transition plan to manage climate-related risks, please describe the contents of the plan, as well as the indicators and targets used to identify and manage physical and transition risks.</p>	<p>Not applicable.</p>
<p>7. If internal carbon pricing is used as a planning tool, please explain the basis for determining the price.</p>	<p>Not applicable.</p>
<p>8. If climate-related targets have been set, please specify the covered activities, greenhouse gas emission scopes, target timeline, and annual progress. If carbon offsets or Renewable Energy Certificates</p>	<p>Not applicable.</p>

(RECs) are used to achieve such targets, please disclose the source and amount of offsets or the number of RECs utilized.	
9. Status of greenhouse gas inventory and assurance, and greenhouse gas reduction targets, strategies, and action plans. (Please refer to Sections 1-1 and 1-2 for detailed information.)	Please refer to Sections 1-1 and 1-2 for detailed information.

1-1 The Company's Greenhouse Gas Inventory and Assurance Status in The Most Recent Two Years

1-1-1 Greenhouse Gas Inventory Information

State the greenhouse gas emissions (in metric tons CO₂e), emission intensity (metric tons CO₂e per million NT dollars), and data coverage scope for the most recent two years:

	2024		2025	
	Total emissions (metric tons CO ₂ e)	Emission intensity (metric tons CO ₂ e per million NT dollars)	Total emissions (metric tons CO ₂ e)	Emission intensity (metric tons CO ₂ e per million NT dollars)
(Scope 1)	1,097.3250	0.2597	1,108.0207	0.2659
(Scope 2)	102,054.3603	24.1524	80,889.6293	19.4110
(Scope 3)	34,382.4832	8.1370	37,511.5208	9.0016
Total	137,534.1685	32.5491	119,509.171	28.6785

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

Note 2: The data coverage for direct emissions and energy indirect emissions shall be conducted in accordance with the schedule specified in Article 10, Paragraph 2 of these guidelines. Disclosure of other indirect emissions data is voluntary.

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

Note 4: Greenhouse gas emission intensity may be calculated per unit of product/service or revenue, but data calculated based on revenue (million NT dollars) must be disclosed at minimum.

Note 5: China updated its national power emission factor in December 2025 and additionally introduced provincial-level average power emission factors. According to data quality and emission factor credibility requirements, data with higher accuracy must be used. Therefore, for the 2025 greenhouse gas inventory, the calculation of Scope 2 emissions adopts the provincial average grid emission factors announced by the Ministry of Ecology and Environment of China.

1-1-2 Assurance Information on Greenhouse Gas Emissions

Specify the assurance status for the most recent two years as of the annual report printing date, including the scope of assurance, assurance provider, assurance standards, and assurance opinion: Not applicable.

In accordance with the “Sustainable Development Roadmap for TWSE/TPEX Listed Companies” released by the Financial Supervisory Commission in March 2022, the Company, as a listed company with paid-in capital of less than NT\$5 billion, is required to apply greenhouse gas inventory requirements in Phase III (i.e., completion of greenhouse gas inventory by 2026 and completion of verification by 2028). In addition, subsidiaries are required to follow the parent company’s implementation timeline (i.e., completion of greenhouse gas inventory by 2027 and completion of verification by 2029). The Company has already completed greenhouse gas inventory work for both the parent company and its subsidiaries and will complete the verification and assurance work within the prescribed timelines.

Note 1: According to the timetable specified in Article 10, Paragraph 2 of these Guidelines, if the Company does not obtain the complete greenhouse gas assurance opinion by the annual report printing date, it should state “Complete assurance information will be disclosed in the sustainability report”. If the Company does not prepare a Sustainability Report, it should state “Complete assurance information will be disclosed on the Market Observation Post System”, and disclose the complete assurance information in the next year's annual report.

Note 2: The assurance provider should comply with the relevant requirements set by Taiwan Stock Exchange Corporation and Taipei Exchange Corporation regarding assurance providers for Sustainability Reports.

1-2 Greenhouse Gas Reduction Targets, Strategies, and Concrete Action Plans

Specify the baseline year and its data for greenhouse gas reduction, reduction targets, strategies, concrete action plans, and the achievement status of the reduction targets: Not applicable.

Note 1: The implementation shall follow the timeline prescribed by the directive issued under Paragraph 2, Article 10 of these Guidelines

Note 2: The baseline year should be the year in which the greenhouse gas inventory was completed within the consolidated financial reporting boundary. For example, according to Article 10, Paragraph 2 of these Guidelines, TWSE and TPEX listed companies with paid-in capital less than NT\$5 billion are required to disclose inventory information for subsidiaries in consolidated financial reports starting from 2027, and assurance information starting from 2029. Therefore, the baseline year is 2026. If the company has completed the consolidated inventory earlier, that earlier year may be used as the baseline year. The baseline data may be calculated based on a single year or an average of multiple years.

(VI) Practice of ethical corporate management and the variation with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and the reason for the differences:

Evaluation Item	Implementation Status			Variations with the “Ethical Corporate Management Best Practice Principles for TWSE/ TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Establishment of ethical corporate management policies and programs (1) Does the company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?	✓		When signing various contracts with different parties, the Company negotiates reasonable contracts and actively fulfills contract commitments in line with the principle of ethics and mutual benefit. The Company has established relevant systems such as the “Code of Ethical Corporate Management”, “Code of Ethical Conduct” and “Code of Work” and publicizes the importance of honest behavior to all employees at any time. The service rules of the “Code of Work” clearly stipulate that employees should develop good habits of “loyalty” and “frugality”. Employees who violate the provisions of this code would be punished according to the severity of the case or legal actions would be brought, and educational training would be conducted.	None
(2) Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company has established an effective internal control system, and internal auditors regularly audit the compliance status of the system to ensure the implementation of ethical corporate management.	
(3) Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and amendments?	✓			
2. Fulfill operations integrity policy (1) Does the company evaluate business partners’ ethical records and include ethics-related clauses in business contracts?	✓		The Company has established an equal relationship with its customers and outside suppliers. When signing a contract with them, the rights and obligations of both parties are specified in detail in the contract, and a confidentiality clause is also signed.	None
(2) Does the company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?	✓		The president’s office is responsible for the publicity and implementation of the Company’s promotion of ethical corporate management, and relevant members have the obligation to report to the Board of Directors at any time.	None

Evaluation Item	Implementation Status			Variations with the “Ethical Corporate Management Best Practice Principles for TWSE/ TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	✓		For matters related to conflicts of interest, besides the head of the department, employees within the Company can report directly to the President and relevant members of the President’s office.	None
(4) Does the company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent ?	✓		The Company has established an internal audit plan, and the internal audit unit will carry out various audits according to the plan. In case of special circumstances, special audits will be arranged separately.	None
(5) Does the company regularly hold internal and external educational trainings on operational integrity?	✓		The Company regularly and irregularly promotes educational training courses and other matters.	None
3. Operation of the integrity channel (1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	✓		For violations of the ethical corporate management code, internal employees of the company can not only report to the head of the department directly but can also directly report to the President and relevant members of the President’s office. If it is found that something has certainly happened, depending on the circumstances and the seriousness of the impact, a warning or punishment will be given according to the “Code of Work”.	None
(2) Does the company have any standard operating procedures for the investigation of the reported matters, the follow-up measures to be taken after the completion of the investigation, and the relevant confidentiality mechanism?	✓			
(3) Does the company provide proper whistleblower protection?	✓			
4. Strengthening information disclosure (1) Does the company disclose the content of its ethical management code and the effectiveness of its promotion on its website and public information observatory?	✓		The Company has a company website, which regularly discloses investor-related information such as financial statements, board meetings, and corporate governance.	None
5. If the company has its own code of integrity in accordance with the "Code of Integrity Management of TWSE Listed and TPEX Listed Companies", please describe the differences between its operation and the code: None.				
6. Other important information to facilitate a better understanding of the Company’s corporate conduct and ethics compliance practices (e.g., review the Company’s corporate conduct and ethics policy): None.				

(VII) Any other vital information that helps to understand the pursuit of corporate governance by the Company better:

1. In order to establish internal material information processing standards for corporate governance, the Company has established relevant procedures for material information processing operations. All relevant departments and colleagues of the Company must abide by standard procedures and legal regulations when addressing possible material information and its disclosure.
2. In order to establish a management system for insider trading to avoid improper leakage of information and to ensure the consistency and accuracy of information released by the Company to the public, The Company has established the “Internal Material Information Processing and Prevention of Insider Trading Management Procedures”.

(VIII) Implementation of internal control for disclosure:

1. Declaration of internal control system: Please refer to the Supplementary Provisions.
2. If a CPA is appointed to conduct a special audit on the internal control system, disclose the Auditor’s Report: None.

(IX) Major resolutions of the Regular Shareholders’ Meeting and the Board in 2025 as of the date of this report were printed:

1. Major resolutions of the Regular Shareholders’ Meeting in 2025 as of the date of this report were printed:

Frequency	Date	Major Resolutions
2025 Annual Meeting of Shareholders	24 June 2025	1. 2024 Business Report and Financial Statements. 2. Distribution of 2024 profits. 3. Proposal to amend certain provisions of the Company’s Articles of Incorporation. 4. Proposal of cash offering by private placement.

Review the implementation of the regular shareholders' meeting resolutions in 2025:

- (1) Adoption of the 2024 Business Report and Financial Statements
- (2) Adoption of distribution of 2024 profits and the cash dividends were distributed on 8 August 2025.
- (3) Proposal to amend certain provisions of the Company’s Articles of Incorporation, with the change registration completed on 14 August 2025.
- (4) Adoption of the proposal of cash offering by private placement.

2. Key resolutions of the Board Meeting in 2024 as of the date of printing of the annual report:

Meeting	Date	Key resolutions
1st Meeting of 2025	14 January 2025	<ol style="list-style-type: none"> 1. 2024 year-end bonus for managerial officers. 2. The Company's regular evaluation of the independence of CPAs. 3. Examination of professional fees for the CPAs. 4. Proposal for execution of transfer of treasury shares to employees. 5. Proposal for establishment of the "Procedures for the Preparation and Assurance of the Sustainability Report".
2nd Meeting of 2025	12 March 2025	<ol style="list-style-type: none"> 1. The operating plan of the Company for 2025. 2. 2024 Declaration of Internal Control System. 3. Distribution of employee and director compensation for 2024. 4. 2024 Business Report and Financial Statements. 5. Amendment to the certain provisions of "Articles of Incorporation". 6. Distribution of 2024 profits. 7. The convening of the 2025 Annual Meeting of Shareholders of the company and relevant matters.
3rd Meeting of 2025	12 May 2025	<ol style="list-style-type: none"> 1. Report on 2025 Q1 Consolidated Financial Statements. 2. The state of implementation of issuance of security through private placement in 2024. 3. Proposal of cash offering by private placement. 4. Amendment to the convening of the 2025 Annual Meeting of Shareholders of the company and relevant matters. 5. Application for short-term credit financing from financial institutions. 6. Amendment to the Internal Control System - "Payroll Cycle" and "Internal Audit Implementation Rules". 7. Distribution of director remuneration and managerial officers' compensation for 2024 and salary adjustment proposal of managerial officers for 2025. 8. Distribution of director compensation for 2024.
4th Meeting of 2025	11 August 2025	<ol style="list-style-type: none"> 1. Proposal regarding the consolidated financial statements for the second quarter of 2025. 2. Preparation and issuance of the 2024 Sustainability Report.
5th Meeting of 2025	11 November 2025	<ol style="list-style-type: none"> 1. Report on the consolidated financial statements for the third quarter of 2025. 2. Formulation of the 2026 Annual Audit Plan. 3. Implementation of the transfer of treasury shares to employees. 4. Cancellation registration of the Company's seventh treasury share buyback and determination of the capital reduction record date. 5. Proposal to apply for short-term credit facilities from financial institutions.
1st Meeting of 2026	27 January 2026	<ol style="list-style-type: none"> 1. Proposal regarding managerial year-end bonuses for 2025. 2. Periodic evaluation of the independence of the CPAs. 3. Proposal to change the signing CPAs for the financial statements. 4. Review of CPA audit fees. 5. Proposal regarding the distribution of employee compensation and directors' remuneration for 2025.

Meeting	Date	Key resolutions
2nd Meeting of 2026	13 March 2026	<ol style="list-style-type: none"> 1. Proposal regarding the Company's operating plan for 2026. 2. Internal Control System Statement for 2025. 3. Business Report and Financial Statements for 2025. 4. Proposal to amend certain provisions of the Company's Articles of Incorporation. 5. Proposal to convene the 2026 Annual Shareholders' Meeting.
3rd Meeting of 2026	7 May 2026	<ol style="list-style-type: none"> 1. Report on the consolidated financial statements for the first quarter of 2026. 2. Status of execution of private placement of securities for 2025. 3. Proposal to conduct a private placement cash capital increase. 4. Proposal for the distribution of earnings for 2025. 5. Proposal to amend the agenda for the 2026 Annual Shareholders' Meeting. 6. Proposal to apply for short-term credit facilities from financial institutions. 7. Proposal regarding the distribution of directors' remuneration for 2025. 8. Proposal regarding the distribution of employee compensation for 2025 and salary adjustments for managerial personnel in 2026.

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

IV. Information on the Professional Fees of CPAs:

Unit: NT thousands

Name of accounting firm	Names of CPAs	Period covered by the CPA audit	Audit fees	Non-Audit fees	Total	Remarks
Ernst & Young Taiwan	CHIN-YUAN TU	1 January 2025 to 31 December 2025	4,599	860	5,459	Non-audit Fees: Tax Compliance Audit of NT\$280 thousand Business Registration of NT\$20 thousand Transfer Pricing of NT\$240 thousand Audit of the Imputation Credit System (Direct Imputation Method): NT\$40 thousand Outsourced Editing Service NT\$ 280 thousand
	WEN-CHEN LO					

1. When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: None.

2. When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed: None.

V. Information on Replacement of CPAs:

(I) Information regarding the former CPAs:

Date of replacement	Approved by resolutions of the Audit Committee and the Board of Directors on 27 January 2026.		
Reason for replacement and explanation	In accordance with the internal partner rotation policy of Ernst & Young, the Company changed its signing CPAs effective from the first quarter of 2026.		
Describe whether the Company terminated or the CPAs terminated or did not accept the engagement	Parties Circumstances		The Company
	Terminated the engagement		N/A
	No longer accepted (discontinued) the engagement		N/A
If the CPAs issued an audit report expressing any opinion other than an unqualified opinion during the 2 most recent years, specify the opinion and the reasons	None		
Disagreement with the Company?	Ye s		Accounting principles or practices
			Disclosure of financial reports
			Audit scope or steps
			Other
	No	V	
	Specify details		
Other disclosures (Any matters required to be disclosed under sub-items d to g of Article 10.6.A)	None		

(II) Information Regarding the Successor CPAs:

Name of accounting firm	Ernst & Young
Names of CPAs	YU-TING HUANG, CPA; WEN-CHEN LO, CPA
Date of engagement	Approved by resolutions of the Audit Committee and the Board of Directors on 27 January 2026; the change of the Company's signing CPAs became effective from the first quarter of 2026.
Subjects discussed and results of any consultation with the CPAs prior to the engagement, regarding the accounting treatment of or application of accounting principles to any specified transaction, or the type	None

of audit opinion that might be issued on the company's financial report	
Successor CPAs' written opinion regarding the matters of disagreement between the Company and the former CPAs	None

(III) The Reply of Former CPAs: N/A

VI. Where the Company's Chairperson, President, or Any Managerial Officer in Charge of Finance or Accounting Matters Has in the Most Recent Year Held a Position at The Accounting Firm of Its CPA or at an Affiliated Enterprise of Such Accounting Firm, the Name and Position of the Person, and the Period During Which the Position was Held, Shall be Disclosed: None.

VII. Any Transfer of Equity Interests and/or Pledge of or Change in Equity Interests (During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report) by a Director, Supervisor, Managerial Officer, or Shareholder with a Stake of More than 10 Percent During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report:

(I) Changes in Shareholding of Directors, Supervisors, Managerial Officers, and Shareholders Holding More Than 10% of Shares:

Title	Name	2024		2025		As of 26 April 2026	
		Shareholding Increase (Decrease)	Pledged Shareholding Increase (Decrease)	Shareholding Increase (Decrease)	Pledged Shareholding Increase (Decrease)	Shareholding Increase (Decrease)	Pledged Shareholding Increase (Decrease)
Chairman	CHIH-MING WU	-	-	-	-	-	-
Corporate Director	LELON ELECTRONICS CORP.	-	-	-	-	-	-
Representative of Corporate Director	HONG-TE LU	-	-	-	-	-	-
Director	TSUN-HSIN KO	-	-	(1,250)	-	(15,000)	-
Director	YUNG-CHANG CHU	-	-	(350,000)	-	-	-
Independent Director	YEN-CHUNG TSOU	-	-	-	-	-	-
Independent Director	JUNG-MENG TSENG	-	-	-	-	-	-
Independent Director	LI-HUA HUANG	-	-	-	-	-	-
President	TUNG-JUNG LI	-	-	75,250	-	-	-
Vice President	CHUN-YING LIU	-	-	(25,000)	-	-	-
Senior Manager/ Head of Finance Department	KUO-CHUAN WANG	-	-	-	-	-	-
Major Shareholder	GUANGDONG HEC TECHNOLOGY HOLDING CO., LTD.	-	-	-	-	-	-

(II) Information on Transfer of Shareholding:

In the most recent fiscal year and up to the date this report was printed, the counterparties to share transfers involving directors, supervisors, managers, or shareholders with a shareholding of more than 10% were related parties, as follows:

Unit: Shares/NT\$

Name	Reason for Transfer of Shareholding	Date	Trading Counterpart	Relationship with transaction counterparties and the company, directors, supervisors with a shareholding ratio of more than 10%	Shares	Transaction price
YUNG-CHANG CHU	Gift	13 January 2025	RONG-LIN WANG	Couple	350,000	39.00
TSUN-HSIN KO	Gift	10 February 2025	CHENG-HSIANG KO	Father and son	65,000	36.25

Note: The above information does not include the transfer of allotments from trust accounts.

(III) Information on Pledges of Shareholding:

In the previous period to the date this report was printed, no directors, supervisors, managers, or shareholders with a shareholding ratio of more than 10% of the pledge of shares were related to the affiliates

VIII. Relationship Information, if among the Company's 10 Largest Shareholders any one is a Related Party or a Relative within the Second Degree of Kinship of Another

Unit: Shares; % 20 April 2026

Name (Note 1)	No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		10 largest shareholders with which the person has a relationship of spouse or relative within the second degree		Remarks
	Shares	%	Shares	%	Shares	%	Title (or name)	Relationship	
LELON ELECTRONICS CORP.	43,731,598	29.13	-	-	-	-	CHYI FA CO., LTD.	Top 10 shareholder	
GUANGDONG HEC TECHNOLOGY HOLDING CO., LTD.	23,296,875	15.52	-	-	-	-	None	None	
CHYI FA CO., LTD.	3,572,881	2.38	-	-	-	-	LELON ELECTRONICS	Top 10 shareholder	
KUO-CHING CHENG	3,186,000	2.12	3,255,000	2.16	0	0.00	HSIU-MEI LIN	Spouse	
HSIU-MEI LIN	3,146,000	2.10	3,186,000	2.12	0	0.00	KUO-CHING CHENG	Spouse	
YA-CHUN HSU	2,335,000	1.56	-	-	-	-	None	None	
JEN-MING WU	2,009,510	1.34	-	-	-	-	CHUNG-MING WU	Relative within the second degree	

CHUNG-MING WU	1,754,368	1.17	-	-	-	-	WU JEN-MING	Relative within the second degree
YEH-HSUAN HSU	1,271,000	0.85	-	-	-	-	None	None
HSIEN-MING SHIH	1,237,127	0.82	-	-	-	-	None	None

IX. The Total Number of Shares and Total Equity Stake Held in any Single Enterprise by the Company, its Directors and Supervisors, Managerial Officers, and any Companies Controlled Either Directly or Indirectly by the Company

Unit: shares; %

Investee enterprise (Note)	Investment by the Company		Investment by the Directors, Supervisors, Managerial Officers and Directly or Indirectly Controlled Entities of the Company		Total investment	
	Shares	%	Shares	%	Shares	%
LITON (BVI) CO., LTD.	4,208,862	100.00	-	0.00	4,208,862	100.00
V-TECH CO., LTD.	43,647,362	100.00	-	0.00	43,647,362	100.00
FOREVER CO., LTD.	-	-	38,353,012	100.00	38,353,012	100.00
EVERTECH CAPA CO., LTD.	10,000	100.00	-	0.00	10,000	100.00
LITON ELECTRONICS TECHNOLOGY (HUI ZHOU) CO., LTD.	-	-	12,500,000	100.00	12,500,000	100.00
LITON ELECTRONICS TECHNOLOGY (ABAZHOU) CO., LTD.	-	-	42,600,000	100.00	42,600,000	100.00
RUYUAN LIDON ELECTRONIC TECHNOLOGY CO., LTD.	64,000,000	40.00	32,000,000	20.00	96,000,000	60.00
LHPA TECHNOLOGY (HUI ZHOU) CO., LTD.	-	-	3,000,000	60.00	3,000,000	60.00

Note: Investment accounted for under the equity method.

Chapter III. Status of Fundraising

I. Capital and Shares:

(I) Source of Capital

Unit: Share; NT\$

Month Year	Par Value	Authorized capital		Paid-in capital		Remark		
		Shares	Amount	Shares	Amount	Sources of capital	Capital Increased by Assets Other than Cash	Other
December 1999	25 10 10	34,900,000	349,000,000	19,991,000	199,910,000	① Raising capital of NT\$22,500,000 in cash ② Capitalization of additional paid-in capital amounting to NT\$15,000,000 ③ Capitalization of retained earnings amounting to NT\$12,410,000	None	Note 1
August 2000	32 10	34,900,000	349,000,000	28,500,000	285,000,000	① Raising capital of NT\$23,497,000 in cash ② Capitalization of retained earnings and employee bonus amounting to NT\$61,593,000	None	Note 2
August 2001	10	60,000,000	600,000,000	37,281,000	372,810,000	Capitalization of retained earnings and employee bonus amounting to NT\$87,810,000	None	Note 3
December 2001	18.5	60,000,000	600,000,000	39,781,000	397,810,000	Raising capital of NT\$25,000,000 in cash	None	Note 4
September 2002	10	78,000,000	780,000,000	47,028,000	470,280,000	① Capitalization of additional paid-in capital amounting to NT\$39,781,000 ② Capitalization of retained earnings and employee bonus amounting to NT\$32,689,000	None	Note 5
September 2003	10	208,000,000	2,080,000,000	58,155,000	581,550,000	① Capitalization of additional paid-in capital NT\$47,028,000 ② Capitalization of retained earnings and employee bonus amounting to NT\$64,242,000	None	Note 6
February 2004	10	208,000,000	2,080,000,000	87,250,000	872,502,380	Capitalization through merger amounting to NT\$290,952,380	None	Note 7
October 2004	10	208,000,000	2,080,000,000	94,418,907	944,189,070	Capitalization of retained earnings and employee bonus amounting to NT\$71,686,690	None	Note 8

January 2009	10	208,000,000	2,080,000,000	93,678,907	936,789,070	Cancellation of treasury shares amounting to NT\$7,400,000	None	Note 9
August 2011	10	208,000,000	2,080,000,000	108,078,907	1,080,789,070	Raising capital of NT\$144,000,000 in cash	None	Note 10
November 2011	10	208,000,000	2,080,000,000	108,088,340	1,080,883,400	Conversion of corporate bonds amounting to NT\$94,330	None	Note 11
September 2012	10	208,000,000	2,080,000,000	114,573,641	1,145,736,410	Capitalization of retained earnings amounting to NT\$64,853,010	None	Note 12
August 2015	16	208,000,000	2,080,000,000	137,870,516	1,378,705,160	Raising capital of NT\$372,750,000 in cash	None	Note 13
September 2019	10	208,000,000	2,080,000,000	136,363,516	1,363,635,160	Cancellation of treasury shares of NT\$15,070,000	None	Note 14
July 2010	10	360,000,000	3,600,000,000	136,363,516	1,363,635,160	Amendment to authorized share capital.	None	Note 15
June 2021	10	360,000,000	3,600,000,000	140,304,855	1,403,048,550	Conversion of corporate bonds amounting to NT\$39,413,390	None	Note 16
September 2021	10	360,000,000	3,600,000,000	142,070,359	1,420,703,590	Conversion of corporate bonds amounting to NT\$17,655,040	None	Note 17
December 2021	10	360,000,000	3,600,000,000	143,004,820	1,430,048,200	Conversion of corporate bonds amounting to NT\$9,344,610	None	Note 18
February 2022	10	360,000,000	3,600,000,000	143,082,284	1,430,822,840	Conversion of corporate bonds amounting to NT\$774,640	None	Note 19
April 2022	10	360,000,000	3,600,000,000	143,219,606	1,432,196,060	Conversion of corporate bonds amounting to NT\$137,322	None	Note 20
September 2024	10	360,000,000	3,600,000,000	150,571,812	1,505,718,120	Conversion of corporate bonds amounting to NT\$73,522	None	Note 21
January 2026	10	360,000,000	3,600,000,000	150,121,812	1,501,218,120	Cancellation of treasury shares amounting to NT\$4,500,000	None	Note 22

Note 1: Approval became effective through Letter (088) No. 143332 dated 2 December 1999.

Note 2: Approval through Letter (89) Tai-Tsai-Cheng No. 31379 and Letter (89) No. 130614 dated 25 April 2000 and 31 August 2000, respectively.

Note 3: Approval through Letter (090) No. 139161 dated 19 June 2001.

Note 4: Approval through Letter No. 1355270 dated 5 September 2001.

Note 5: Approval through Letter (090) No. 1390210 dated 26 September 2002.

Note 6: Approval through Letter Shou-Shang No. 09201264130 dated 4 September 2003.

Note 7: Approval through Letter (92) Tai-Tsai-Cheng-(Yi) No. 0920146646 dated 9 October 2003.

Note 8: Approval through Letter Shou-Shang No. 09301201460 dated 21 October 2004.

Note 9: Approval through Letter Shou-Shang No. 09801016500 dated 23 January 2009.
 Note 10: Approval through Letter Shou-Shang No. 10001194480 dated 19 August 2011.
 Note 11: Approval through Letter Shou-Shang No. 10001258890 dated 11 November 2011.
 Note 12: Approval through Letter Shou-Shang No. 10101181950 dated 5 September 2012.
 Note 13: Approval through Letter Shou-Shang No. 10401159950 dated 3 August 2015.
 Note 14: Approval through Letter Shou-Shang No. 10801122080 dated 3 September 2019.
 Note 15: Approval through Letter Shou-Shang No. 10901124600 dated 28 July 2020.
 Note 16: Approval through Letter Shou-Shang No. 11001092010 dated 9 June 2021.
 Note 17: Approval through Letter Shou-Shang No. 11001165090 dated 9 September 2021.
 Note 18: Approval through Letter Shou-Shang No. 11001217750 dated 2 December 2021.
 Note 19: Approval through Letter Shou-Shang No. 11101018520 dated 22 February 2022.
 Note 20: Approval through Letter Shou-Shang No. 11101087440 dated 27 May 2022.
 Note 21: Approval through Letter Shou-Shang No. 11330156800 dated 23 September 2024
 Note 22: Approval through Letter Shou-Shang No. 11530006310 dated 30 January 2026

Unit: Share;20 April 2026

Type of share	Authorized Capital			Remarks
	Shares Outstanding	Unissued Share	Total Shares	
Common Share	150,121,812	209,428,188	360,000,000	Of which 7,000,000 shares amounting to NT\$70,000,000 were reserved for the conversion of subscription warrants, preference shares featured subscription warrants, or corporate bonds featured subscription rights.

Information for shelf registration: N/A.

(II) List of Major Shareholders:

List of shareholders holding 5% or more of the company's total outstanding shares or ranking among the top 10 shareholders by shareholding ratio

Unit: Shares; 20 April 2026

Shareholder's Name	Shareholding	Shares	Percentage
LELON ELECTRONICS CORP.		43,731,598	29.13%
GUANGDONG HEC TECHNOLOGY HOLDING CO., LTD.		23,296,875	15.52%
CHYI FA CO., LTD.		3,572,881	2.38%
KUO-CHING CHENG		3,186,000	2.12%
HSIU-MEI LIN		3,146,000	2.10%
YA-CHUN HSU		2,335,000	1.56%
JEN-MING WU		2,009,510	1.34%
CHUNG-MING WU		1,754,368	1.17%
YEH-HSUAN HSU		1,271,000	0.85%
HSIEN-MING SHIH		1,237,127	0.82%

(III) Dividend policy and implementation status of the Company:

1. Dividend Policy as set out in the Articles of Incorporation

The Company shall first make up for the accumulated losses (including the adjustment of the amount of undistributed earnings) in the settlement of the annual account if there is a net profit after tax for the period, and then appropriate 10% as legal reserve. Except when the accumulated legal reserve has reached the Company's total paid-in capital. Subsequently, the special reserve shall be appropriated or reversed in accordance with the provisions of the Act or the competent authority. For the remaining earnings, the Board of Directors shall prepare a proposal for the distribution of earnings to Shareholders for resolution at the Shareholders' Meeting, together with the undistributed earnings at the beginning of the period (including adjustments to the amount of undistributed earnings).

The Company's business life cycle is at the "growth phase". Based on the need for capital expenditure and sound financial planning for sustainable development, the principle of dividend distribution is to appropriate more than 50% of the remaining distributable earnings.

The Company pays both stock dividends and cash dividends. The distribution rate of cash dividends shall not be less than 10% of the total amount of dividends distributed to shareholders in the year. In the event that the cash dividend per share is less than \$0.50, the Board of Directors will be authorized to prepare a motion for payment in the form of a cash dividend or a stock dividend upon resolution of the Shareholders' Meeting.

2. The proposed distribution of dividends at the Shareholders' Meeting.

The proposed distribution of the earnings of the Company at the Shareholders' Meeting held on 18 June 2026 was resolved as follows:

Unit: NT\$

Item	Amount
Unappropriated Retained Earnings, Beginning Balance	950,921,216
Actuarial Gains on Defined Benefit Plan	1,101,074
Add: Net Profit After Tax for the Period	400,535,249
Subtotal	1,352,557,539
Less: Appropriation of 10% Legal Reserve	(40,163,632)
Add: Reversal of Special Reserve	35,042,508
Distributable Earnings	1,347,436,415
Less: Shareholders' Dividends - Cash Dividends (NT\$1.50 per share)	(225,182,718)
Unappropriated Retained Earnings, Ending Balance	1,122,253,697
Note: 1. The amount of this profit distribution is given priority to the distribution of 2025. 2. The distribution amount per share is calculated based on the number of outstanding shares of 150,121,812 shares.	

- (1) A cash dividend of \$1.50 per share will be distributed to shareholders and, following the approval of the resolution at the Shareholders' Meeting, it is intended that the Chairman will be authorized to determine the basis of dividend distribution and the date of payment, etc.
- (2) In the event of any subsequent changes to the dividend distribution rate as a result of changes in the Company's share capital affecting the number of outstanding shares, it is intended that the Shareholders' Meeting will authorize the Chairman to exercise his full authority to address such changes.
- (3) The cash dividends are calculated on a proportional basis up to NT\$ and rounded down to the nearest NT\$, with the total amount of deficiencies of less than NT\$1 being adjusted by decimal places from largest to smallest and by account number from top to bottom to match the total amount of cash dividends distributed.

3. Description of expected material change in dividend policy: None.

(IV) Impact of the proposed stock dividend distribution at the shareholders' meeting on the Company's operating results and earnings per share: Not applicable.

(V) Remuneration to employees, Directors and Supervisors.

1. The proportion or scope of remuneration to employees, Directors and supervisors as set out in the Articles of Incorporation:

According to Article 19 of the Articles of Incorporation, "In the event that the Company makes a profit for the year (by profit is meant the net profit before taxation and before the distribution of remuneration to employees and Directors), not less than 2.5% shall be appropriated as remuneration to employees and not more than 2.5% as remuneration to Directors. However, if the Company has accumulated losses (including adjustments to undistributed earnings), the amount to be covered shall be reserved in advance". Of the employee compensation referred to in the preceding paragraph, not less than 40% shall be allocated to non-managerial employees.

2. The basis for estimating the amount of remuneration to employees and Directors for the period, the basis for calculating the number of shares for employee remuneration distributed in shares and the accounting treatment when the actual amount distributed differs from the estimated amount:

- (1) The basis for estimating the amount of remuneration to employees and Directors for the period is as follows:

In accordance with Article 19 of the Company's Articles of Incorporation, "[i]n the event that the Company makes a profit for the year (by profit is meant the net profit before taxation and before the distribution of remuneration to employees and Directors), not less than 2.5% shall be appropriated as remuneration to employees and not more than 2.5% as remuneration to Directors. However, if the Company has accumulated losses (including adjustments to undistributed earnings), the amount to be covered shall be reserved in advance". Of the employee compensation referred to in the preceding paragraph, not less than 40% shall be allocated to non-managerial employees.

(2) Basis for calculating the number of shares for distribution of share bonuses: The Company has not estimated the distribution of share bonuses in 2025.

(3) Accounting treatment for differences between the actual amount distributed and the estimated amount: It will be included as an expense in the year of distribution.

3. The approval by the Board of Directors of the distribution of remuneration:

(1) Amount of remuneration to employees and Directors distributed in cash or shares: The amount of remuneration to employees and Directors has been approved by the Board of Directors on 27 January 2026

Unit: NT\$

Item	Amount
Employee Remuneration – in stock	\$0
Employee Remuneration – in cash (3.00%)	15,201,000
Directors’ Remuneration (1.05%)	5,320,000
Total	\$20,521,000

(2) Differences between the annual estimates of remuneration to employees, Directors and recognized expenses, the reasons for the differences and the treatment of the differences:

The remuneration to employees and Directors of the Company is estimated on the basis of past experience of actual payments and by reference to current net profit and in accordance with the rates as set out in the Articles of Incorporation. The total amount of remuneration proposed for employees and Directors is NT\$20,521,000, which is not different from the balance of the 2025 accounts.

4. Actual distribution of remuneration to employees, Directors, and Supervisors in the previous year (Including the number of shares, amounts, and share prices distributed; any discrepancies between the recognized remuneration and the actual distribution shall be explained along with the reasons and handling of such discrepancies):

The actual distribution included NT\$16,890,000 in employee cash compensation and NT\$5,910,000 in directors’ remuneration. There was no material difference between these amounts and the figures recognized as expenses in the 2024 financial statements.

(VI) Share Repurchases by the Company:

1. Buy-back of the Company’s shares (Repurchases Already Completed)

Treasury stocks: Batch Order	7 th
Purpose of repurchase	Transferred to employees
Repurchase period	16 November 2022 to 6 January 2023
Repurchase price range	NT\$29.10 to NT\$33.80
Types and numbers of shares bought back	1,300,000 common shares
Amount of shares bought back	NT\$41,808,445
Ratio of the number of shares already repurchased to the number of shares intended to be repurchased (%)	52%
The number of repurchased shares that have been cancelled or transferred	1,300,000 shares
Accumulated number of the Company's shares held by the Company	0 shares
Ratio of the accumulated number of the Company's shares held by the Company to the total number of issued shares (%)	0.00%

2. Share Repurchases by the Company (Repurchases Still in Progress): None.

II. Corporate Bonds:

1. Information on corporate bonds:
Not applicable.
2. Information on convertible bonds:
Not applicable.
3. Information on exchangeable corporate bonds:
None.
4. Summary of Corporate Bond Issuance Filings:
None.
5. Information on Warrant-Linked Corporate Bonds:
None.

III. Preferred Shares: None.

IV. Global Depository Receipts: None.

V. Employee Share Subscription Warrants: None.

VI. Issuance of New Restricted Employee Shares: None.

VII. Issuance of New Shares in Connection with Mergers or Acquisitions or with Acquisitions of Shares of Other Companies:

- (1) New issues of shares by merger or acquisition of shares in other companies completed in the latest year and up to the date of printing of the Annual Report:
None.
- (2) Information on the implementation of the Board's resolution to issue new shares by way of merger or acquisition of shares in other companies and basic information on the merged or transferred companies for the most recent year and up to the date of printing of the Annual Report: None.

VIII. Implementation of the Company's Capital Allocation Plans

- (1) Plan content: No issues outstanding or completed within the last three years where the benefits of the plan have not been realized.
- (2) Implementation: N/A.

Chapter IV. Operation Overview

I. Business Content

(I) Business Scope

1. Major Business Content of the Company

- (1) Manufacturing of electronic components
- (2) Manufacturing of electrical and audio-visual electronic products
- (3) Machinery and equipment manufacturing
- (4) Other electrical and electronic machinery and equipment manufacturing
- (5) Surface treatment industry
- (6) Wholesale business of electronic materials.
- (7) Wholesale of electrical appliances
- (8) Wholesale of machinery
- (9) Wholesale of electrical appliances
- (10) Retail business of electronic materials.
- (11) Retail sale of electrical appliances
- (12) Retail sale of machinery and equipment
- (13) Others

2. Revenue Distribution

Unit: NT\$ thousands; %

Product \ Year	2025	
	Revenue	Proportion (%)
Forming aluminum foil	2,740,812	65.77
Etched aluminum foils	1,315,463	31.57
Aluminum foils processing	110,926	2.66
Total	4,167,201	100.00

3. Current Product (Service) of the Company

- (1) Forming aluminum foil
- (2) Etched aluminum foils
- (3) Aluminum foils processing

4. New Product (Service) Development Planning

- (1) Cathode foil material
- (2) New specification etched aluminum foil

(II) Industry Outlook and Prospect

1. Current status and development of the industry

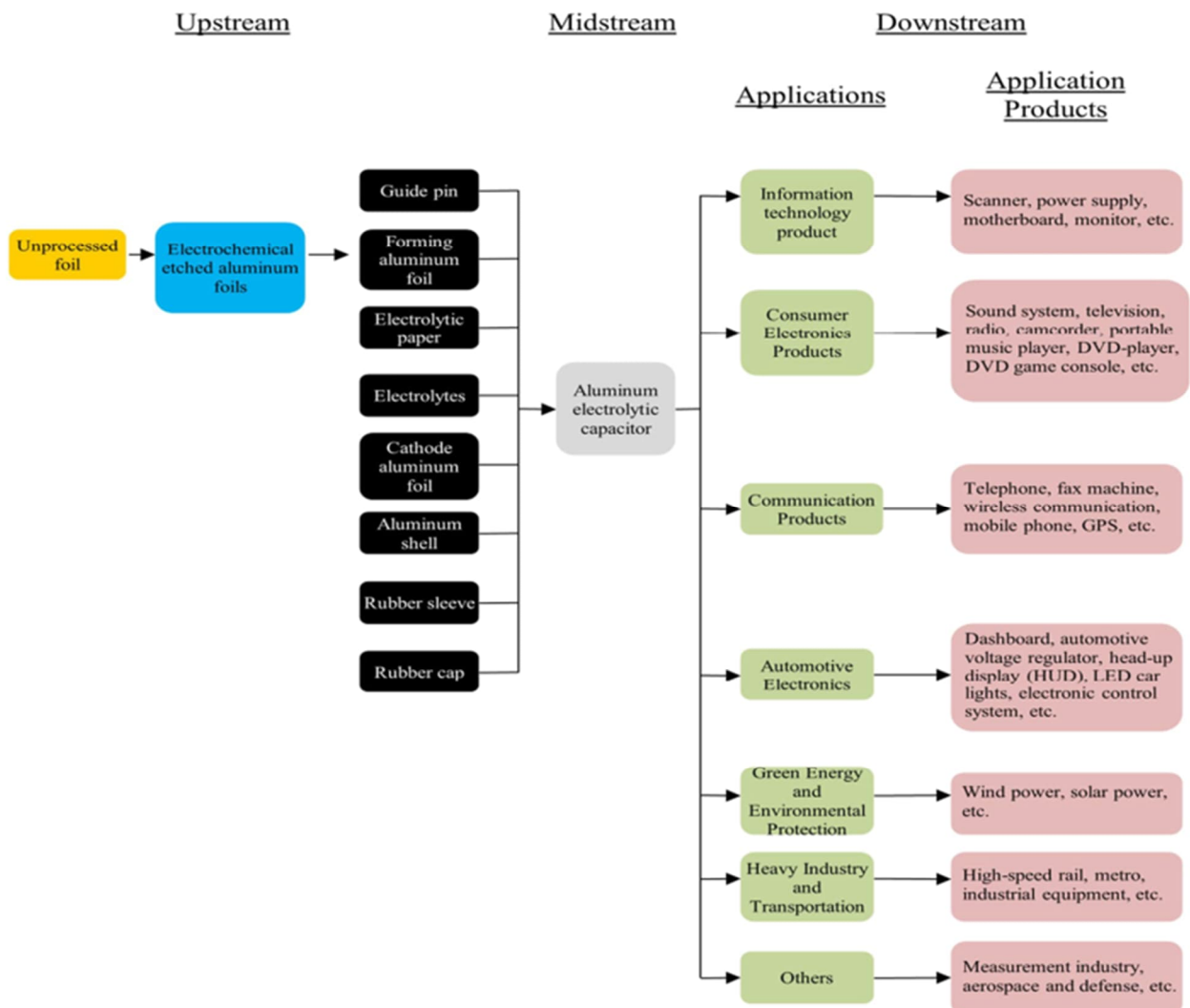
The most widely used passive components in any electronic circuit are resistors, capacitors and inductors, which are collectively called the three major passive components. The annual output value of passive components varies very little. According to statistics from Reed Electronics Research, capacitors have the highest output value of world passive components, followed by inductors and resistors.

The main function of capacitors is to store electric energy and release electric energy within a predetermined time, which is used in bypass, filtering, tuning, etc. Based on the material used, it can be subdivided into laminated ceramics capacitors, Aluminum electrolysis capacitors, plastic film capacitors, Tantalum capacitors, etc. In the overall capacitor market, aluminum electrolysis capacitors and laminated ceramics capacitors have the largest market output value.

The Company's main product is forming aluminum foil, which is the main raw materials of aluminum electrolysis capacitors and cannot be used in other products. Therefore, the market demand of aluminum electrolysis capacitors directly affects the operation of the Company. It can be said that the aluminum foil industry and aluminum electrolysis capacitors are interdependent and mutualistic.

2. The association between the upstream, midstream, and downstream industries

LITON TECHNOLOGY CORP. is mainly engaged in the production and sales of etched aluminum foils and forming aluminum foil. Its upstream industry is the supplier of aluminum foil, etched aluminum foils and chemical substances. The downstream industry is aluminum electrolysis capacitors and their application on information products, communication products and consumer electronics products. etc., and the association of the industry is listed as follows:



3. Various Product Development Trends

(1) Production Base Globalization

As the production technology of passive component products becomes more mature, the competition among manufacturers gradually turns to price competition, therefore, the reduction of production cost becomes the key factor for its profit. As domestic wages and prices have increased year by year, and the countries of BRIC, including China, rely on their abundant human resources, they have attracted global electronics manufacturers to set up production bases in China, Southeast Asia, India and Brazil, which have become a trend for passive component manufacturers in recent years. In order to serve customers nearby and expand the global market, the upstream raw material and key component manufacturers have also set up production bases in the BRIC countries to cope with the trend of downstream industries relocation.

- (2) Vertical integration strategy of downstream manufacturers, as competition becomes increasingly fierce Electrochemical etching/ forming aluminum foil is the key material for aluminum electrolysis capacitors, accounting for about 30%~70% of the total cost of raw materials. Under the increasingly fierce competition among capacitor manufacturers, controlling the source of raw materials and reducing the cost of raw materials are the key factors for capacitor manufacturers to gain profits. In his regard, many domestic aluminum electrolysis capacitor manufacturers have adopted upstream vertical integration strategies, which expedites professional manufacturers of etched aluminum foils and forming aluminum foil to face fierce competition. Since the main material for the manufacture of forming aluminum foil is etched aluminum foils, so far only a few domestic manufacturers have produced the material. Moreover, the technical level is not high, and they still rely on imports from Japan. Therefore, for sustainable operation, the forming aluminum foil industry must focus on self-produced etched aluminum foils as the direction for development in order to reduce costs and serve as the driving force for industrial and technological upgrades.

4. Competition

Domestic forming aluminum foil manufacturers can be divided into two types, which are professional forming aluminum foil manufacturers and vertically integrated forming aluminum foil manufacturers: Professional forming aluminum foil manufacturers are mainly forming foil manufacturers invested by domestic electrolytic aluminum capacitor manufacturers, for example, LELON ELECTRONICS' direct investment in LITON TECHNOLOGY, SHIH-SIN's direct investment in LUXON TECHNOLOGY CORPORATION, etc. In addition to supplying the forming foil required by the parent company, this type of manufacturer also supplies other domestic manufacturers. The types of vertically integrated forming aluminum foil manufacturers can be further divided into backward integration and downward integration, for instance, TEAPO ELECTRONIC CORPORATION and KAIMEI ELECTRONIC CORP. are manufacturers specialized in aluminum electrolytic capacitors who has done backward integration to produce forming foil for their own use.

(III) Technology and R&D Overview

1. Technological Level

The Company's main products are low, medium and high-pressure forming aluminum foil. The production technology was imported from Japan in the early stage of operation. With the continuous R&D and process improvement of the Company's own technical team and the cooperation with the Department of Materials of the Industrial Technology Research Institute, it promotes the essence of technology to implement fully independence domestically. Through professional technology, the Company produces products with various specifications under its private label, which are well-recognized by well-known aluminum electrolysis capacitor manufacturers domestically and abroad. The grade and characteristics are comparable to Japan, and the products have reached the whole world.

2. Research Development

Since the establishment of the Company in 1993, it has been committed to the field of professional forming aluminum foil. In addition to signing a technical cooperation plan with the Department of Materials, Industrial Technology Research Institute, it also conducts process research and development through technical cooperation. The Company also fully established a computerized quality control and automatic monitoring system, and at the same time, focused on the development of forming aluminum foil technology, including Low E.S.R characteristics, high dynamometer specifications, chip (CHIP TYPE) miniaturization applicability, and long product lifetime requirements, etc., to actively integrate toward upstream. Although the Company did not set up a specialized R&D department when it was established, there were dedicated staff specializing in improving the forming aluminum foil process, new product development and testing, computerized quality control and testing system development, and quality control and testing of forming aluminum foil products. In 2003, a technical research center was established in order to continuously improve product quality and production technology and develop high value-added products.

3. R&D Staff and Their Education and Experience

Year	2023	2024	2025	As of March 31 2026
Education				
Master or above	1	2	2	2
College/University	4	3	2	2
Below senior high school	-	-	-	-
Total	5	5	4	4

4. R&D Expenses Invested in the Last Five Years

Unit: NT\$ thousands; %

Year	2021	2022	2023	2024	2025
Item					
R&D Expense	88,856	89,178	122,039	147,966	106,448
Net Revenue	4,188,347	3,844,247	3,676,095	4,225,432	4,167,201
Ratio of R&D Expense to Revenue	2.12%	2.32%	3.32%	3.50%	2.55%

5. Successfully Developed Technology or Products in the Last Five Years

(1) Process Improvement

- A. Eco-friendly heat treatment system.
- B. Systematization of the whole process control parameters.
- C. Optimizing the chemical formation process to reduce the cost of liquid medicine.
- D. Low voltage 130Vf or above optimizing the chemical foil LC improvement process.
- E. Low-pressure formation process with energy efficiency.
- F. Development of aluminum foil degradation testing solution

(2) Localization of Equipment

- A. High-speed forming line.
- B. Completed the conversion of the high-pressure formation production line to low-voltage formation production line.
- C. LIDON ELECTRONICS completed the production technology undertaking of the low-voltage electrolysis production line.
- D. LIDON ELECTRONICS completed the localization of low-voltage electrolysis production line.

(3) Product/Technology with New Specification

- A. Computerized quality control test system.
- B. High-strength forming aluminum foil.
- C. High-strength etched aluminum foils.
- D. High dynamometer etched aluminum foils.

(4) Patent

Factory/ Company	Name of Patent	Applicat ion Location	Patent Number	Publication Date
Hui zhou Factory	Utility model patent certificate-Preparation method of highly acid-resistant formed foil	China	2021116640703	2022.04.29
Hui zhou Factory	Utility model patent certificate-High water resistance low pressure formed foil and its forming method and application use	China	2021113897918	2022.02.01
Hui zhou Factory	Utility model patent certificate- optimizing the chemical foil conveying device	China	2022234645194	2023.05.05
Hui zhou Factory	Utility model patent certificate- Capacitor aluminum foil forming device	China	2022234344286	2023.07.21
Hui zhou Factory	Utility model patent certificate- Capacitor aluminum foil annealing equipment	China	2022233979111	2023.08.11
Hui zhou Factory	Utility model patent certificate- Blocking current feeder and aluminum foil forming system	China	2022233572919	2023.05.19
Hui zhou Factory	Utility model patent certificate- Low-pressure formation aluminum foil preparation system	China	202323000883X	2024.06.25
Hui zhou Factory	Utility model patent certificate- Formation tank and formation system	China	2023229635197	2024.06.25
Hui zhou Factory	Utility model patent certificate- Foil rape dryer	China	2023229635182	2024.05.07
Hui zhou Factory	Utility model patent certificate- Aluminum foil formation system with power feed	China	2023229686019	2024.05.17
Hui zhou Factory	Utility model patent certificate- High volumetric capacity low-pressure formation foil preparation method and system	China	2023115630313	2024.02.09
Hui zhou Factory	Utility model patent certificate- Preparation method and system of aluminum foil for multilayer capacitors	China	2023115695021	2024.03.01
Hui zhou Factory	Utility model patent certificate- Grinding Device	China	2024231982481	2025.11.18

Factory/ Company	Name of Patent	Applicat ion Location	Patent Number	Publication Date
Hui zhou Factory	Utility model patent certificate- Aluminum Foil Preparation System for Inverter Capacitors	China	2024231850177	2025.12.16
Hui zhou Factory	Utility model patent certificate- Infrared Drying Device for Formation Foil	China	2024231691005	2025.12.16
A ba zhou Factory	Utility model patent certificate-Temperature-controlled processing box with function of detecting pH value	China	2023210246341	2023.09.26
A ba zhou Factory	Utility model patent certificate-Finished product winding automatic deflection adjustment mechanism	China	2023203238800	2023.09.26
A ba zhou Factory	Utility model patent certificate-Spray device for aluminum foil formation	China	2023201254688	2023.11.24
A ba zhou Factory	Utility model patent certificate-aluminum foil waste recycling device that facilitates discharging	China	2023210246159	2023.11.28
A ba zhou Factory	Utility model patent certificate- Conductivity testing device and method for formed aluminum foil	China	2023115758660	2024.02.27
A ba zhou Factory	Utility model patent certificate- Device for manufacturing electrode foil for aluminum electrolytic capacitors	China	2023224090184	2024.04.09
A ba zhou Factory	Utility model patent certificate- High-efficiency drying device for formed aluminum foil production	China	2023224090574	2024.04.09
A ba zhou Factory	Utility model patent certificate-Formation equipment for solid-state capacitors	China	2023224090593	2024.04.19
A ba zhou Factory	Utility model patent certificate- Electrode Foil Formation Apparatus and Structure of Its Formation Tank	China	2023224090220	2024.05.24
A ba zhou Factory	Utility model patent certificate- Water-saving crystal cleaning device	China	2023225508667	2024.05.24
A ba zhou Factory	Utility model patent certificate- Foil unwinder for aluminum foil etching production line	China	2023225508690	2024.06.14
A ba zhou Factory	Utility model patent certificate- Electrochemical etching device for aluminum foil	China	2023225508686	2024.06.21
A ba zhou Factory	Utility model patent certificate- Etching electrolytic cell for aluminum foil	China	2023225508741	2024.06.21
A ba zhou Factory	Utility model patent certificate- Processing Device for Automotive High-Capacitance Electrolytic Capacitor Formation Aluminum Foil	China	2024220503445	2025.06.20
A ba zhou Factory	Utility model patent certificate- Manufacturing Equipment for Low-Voltage High-Strength Oxide Film Electrolytic Capacitor Aluminum Foil	China	202422050338X	2025.08.19
A ba zhou Factory	Utility model patent certificate- Conductivity Testing and Fixation Device for Formation Aluminum Foil	China	2024220503356	2025.08.19
A ba zhou Factory	Utility model patent certificate- Corrosion-Resistant Mixing Equipment for Low-Voltage Formation Foil Used in Solid-Liquid Hybrid Capacitors	China	2024220503341	2025.06.17
A ba zhou Factory	Utility model patent certificate- Compaction Device for Wrinkle Formation on Formation Aluminum Foil Surfaces	China	2024220503407	2025.09.19
Lidon	Utility model patent certificate-Multi- stage multi-time pitting method for middle high voltage anode foil	China	2016103642131	2018.11.30
Lidon	Utility model patent certificate- Pore shape control method for secondary pore widening of high-voltage anode foil	China	2016103648852	2019.02.22

Factory/ Company	Name of Patent	Applicat ion Location	Patent Number	Publication Date
Lidon	Utility model patent certificate- Method of second stage hole arrangement on low- voltage anode aluminum foil	China	2017104866863	2019.01.11
Lidon	Utility model patent certificate- Preparation method for medium- and high-voltage anode foil	China	201710320791X	2019.01.11
Lidon	Utility model patent certificate- Method and device for improving wave edge of low- pressure anode foil	China	2018111163015	2018.12.28
Lidon	Utility model patent certificate- Method for low-voltage soft-state corrosion of aluminum foil	China	2019113835736	2021.12.21
Lidon	Utility model patent certificate- Method for improving the brittleness of low-voltage anode foil and the resulting low-voltage anode foil	China	2021104965013	2022.06.17
Lidon	Utility model patent certificate- Low- voltage soft-state corrosion anode aluminum foil as well as preparation method and application thereof	China	2021107910807	2022.04.22
Lidon	Utility model patent certificate- Low-pressure etched foil and its preparation method and applications	China	2021115566661	2022.04.01
Lidon	Utility model patent certificate- Method for cleaning residual chloride ions in aluminum foil and application of method	China	2021116798153	2022.04.29
Lidon	Utility model patent certificate- Hole expansion etching methods and applications of low-voltage hard etched foils use	China	2022111445094	2023.01.03
Lidon	(Lidon) Utility model patent certificate-Optical foil grain control method and anode for electrolytic capacitor preparation method of pole foil	China	2022115312725	2023.03.03
Lidon	(Lidon) Utility model patent certificate- Manufacture of low voltage formed foil for solid aluminum electrolytic capacitors Preparation method	China	2022116199999	2023.03.28
Lidon	Utility model patent certificate- Method for detecting corrosion layer defects of low voltage electrode foil	China	2023109154964	2023.10.27
Lidon	Utility model patent certificate- Low-pressure electrode foil and its preparation method and applications	China	2023118198957	2024.03.29
Lidon	Utility model patent certificate- Low-pressure electrode foil and its preparation method and applications	China	2024111930031	2024.11.15
Lidon	Utility model patent certificate-Post-Treatment Method for Low-Voltage Etched Foil	China	2024111599848	2024.12.13

(IV) Long and Short-Term Business Development Plan

(1) Long-term Development Plan:

- A. Actively engaged in the R&D of upstream capacitor material formulation technology and manufacturing process to achieve product diversification in order to increase existing marketing channels.
- B. Strategic alliance with international major manufacturers to increase business stability as preparation for expanding production capacity and reducing production costs to become a major international capacitor aluminum foil manufacturer.

(2) Short-term Development Plan

- A. Actively improve product quality and develop forming aluminum foil with low impedance, long lifetime, high voltage and high capacitance.
- B. Actively strive for getting the customers who were originally supplied by Japanese original manufacturers, and expand the sales ratio of European, American, Japanese and other high-quality customers.
- C. Expand the Chinese market, supported by high quality, strive for business opportunities in China's domestic high-growth market
- D. Expanding the proportion of differentiated products to align with product research and development and improvement, expanding the scope of high-reliability, long-life industrial products, as well as new energy vehicle capacitors and AI application products.

II. Market, Production, and Sales Overview

(I) Market Analysis

Recently, there has been a cooling demand for global consumer electronics products. The traditional consumer-grade aluminum electrolytic capacitor market has shown a trend of oversupply, resulting in disorderly price competition and placing manufacturers under operational pressure in a low-margin market environment. Accordingly, only through transformation toward the fields of new energy and AI-related applications can companies capitalize on the explosive growth in market demand, thereby driving the expansion of high-end material and capacitor applications, with certain segments even facing potential supply shortages. The Company has recently focused on the development and application of advanced materials and aluminum foils, primarily targeting the field of AI and new energy vehicle capacitors. The Company have received recognition and adoption from leading capacitor manufacturers both domestically and internationally. Moving forward, it will actively collaborate with customers to expand the application areas of these niche products.

1. Region of Sales (Supply) of Major Products (Service)

The Company is a professional manufacturer of the raw materials, forming aluminum foil , of aluminum electrolysis capacitors. Due to the layout of marketing channels is more focused on the domestic market, the sales targets are mostly concentrated in domestic capacitor manufacturers. As for Asia, the Company mainly serves Japanese manufacturers. The current sales customers are becoming more and more diverse, covering Asia, Europe and America. In addition, domestic downstream clients are gradually moving out of the country, and they are actively building overseas marketing networks. As a result, the proportion and the amount of export sales have increased significantly.

Year Region of Sales	2024		2025	
	Net Sales	Proportion (%)	Net Sales	Proportion (%)
Asia	4,103,163	97.11	4,017,131	96.40
Europe	68,120	1.61	79,799	1.91
America	54,149	1.28	70,271	1.69
Total	4,225,432	100.00	4,167,201	100.00

2. Market Share

Since the manufacturers of forming aluminum foil are mainly small and medium-sized enterprises, and currently there is no unit with credibility to make appropriate and accurate statistics of market share for the production and sales of forming aluminum foil manufacturers. According to the estimation of the Japanese industry, the global monthly demand for forming aluminum foil is approximately 10 million m². In addition, more than 80% of the global forming aluminum foil production capacity is concentrated in China, and the production scale of the Company and overseas production bases only account for about 8% of the world's demand.

3. Future Market Supply and Demand and Growth

Since the outbreak of the COVID-19 pandemic in 2020 and the Russia-Ukraine conflict, there has been a global downturn in trade and economic activity. This has shifted the demand for traditional consumer electronics products from short-term excessive consumption to a severe overall decline. Consequently, the demand for consumer-grade aluminum electrolytic capacitors has declined. Recently, driven by governments' investments in AI-related fields and carbon reduction initiatives, together with substantial corporate investments in AI computing power demand, wind power and solar energy applications, as well as the significant growth in demand for new energy vehicles, demand for aluminum electrolytic capacitors has increased considerably. In particular, the growth in demand for medium- and high-voltage products has been especially significant. The future market trends for aluminum electrolytic capacitors includes UHV, miniaturization and / high capacity LOW-ESR, Resistant to large ripple current (High-frequency switching power supply), shock and high-temperature resistance (required for automotive electronics operating at temperatures of 120°C to 150°C), Ultra high capacity capacitor (Electric double layer capacitor) and SMD V-CHIP (vertical or horizontal).

Specific application and development trend of aluminum electrolysis capacitors

Product Type	Application Field	Future Development
Standard Product for General Circuits	General circuits	Balanced
Non-Polar Capacitor	Crossover in loudspeaker	Balanced
Bi-Polar Capacitor	Level scanning circuit of TV and monitor	Balanced
Low Leakage Capacitor	Frequency/volume of high-end audio	Balanced
	Adjustment and pre-amplification circuit	
High Temperature and Long Lifetime Capacitor	Machinery such as fax machine, switch and medical equipment	Balanced
High Frequency Low Resistance Capacitor		
Water System	Motherboard, Filter circuit at the output of Power Supply	Almost saturated
Anhydrous	Filter circuit at the output of high-end power supply	Growing
Solid State	Graphics card, LCD Projector, Filter circuit at the output of high-end power supply	Growing
Corrugation Resistance, Low Resistance Capacitor	Filter circuit at the input of power supply	Growing
Surface Mount/Ultraminiature Capacitors	LCD Monitor/TV, DVD Player, Cellphone	Growing significantly
Capacitor for Flashlight	Digital Camera, General Camera	Growing
Super Large Screw Type Capacitor	High power audio, Inverter, Hybrid Motor	Growing significantly
Energy-Saving Capacitor	Energy-saving light, Electronic rectifier	Growing substantially
Eco-Friendly Capacitor	Eco-friendly product	Growing
Super Capacitor	Memory Backup, Machine tool, Electric vehicle	Growing

Based on future market development trends, the Company's investments in enhancing traditional medium- and high-voltage etched aluminum foil technologies, as well as in the development of new material applications for three-dimensional laminated foils, are expected to effectively satisfy market demand for high-capacitance and high-performance materials.

For low-voltage formed foil products, the Company can effectively leverage the technological leadership and advanced product capabilities of its subsidiary, Lidon, in high-end etched aluminum foil.

4. Competitive Niche

Since the Company belongs to the upstream key material industry of aluminum electrolysis capacitors, under the principle of fast delivery and high quality, the key to the success is to make the products match the development of the aluminum electrolysis capacitor market. The Company is committed to the enhancement of chemical conversion technology and process improvement. The Company has a better grasp of the forming aluminum foil market and its production technology than the competitors. Through the expansion of new customer sources and the development of multi-functional products, it has strengthened production and market demand adaptability. The Company's competitive niche is as follows:

(1) Good Product Quality

The Company uses its private label “LT” for marketing domestically and abroad. In order to improve product quality and company image, it has passed the ISO-9001 international quality system certification. At the same time, it was favored by Japanese manufacturers and has won their orders, which shows that the Company's products have established a good quality image in the forming aluminum foil industry.

(2) High-efficiency Production Line Assembly Capability

In terms of the expansion of the production line, the Company introduces automated equipment for self-assembly, so that the cost of equipment purchase is lower than that of other competitors, and the production efficiency is improved in response to market changes to maintain a competitive advantage.

(3) Control the Source of Supply

The Company is well aware that the control of the supply of goods is the key factor for the success of the industry. In view of the fact that domestic formation manufacturers have long relied on Japanese supplies, in order to achieve the benefits of economies of scale in production, and at the same time cooperate with the expansion of production lines, and maintain good cooperation with Japanese suppliers, the Company maintains a high procurement volume to achieve the advantage of procurement compared to its competitors. Looking at the Company comprehensively since the expansion of the production line, the capacity utilization rate is high, and the output volume has increased significantly. It is obvious that the Company's control of the source of goods still matches the growth of the forming aluminum foil market, leading the Company to continue to maintain its competitiveness and move towards the goal of growth and sustainable operation.

5. Favorable and Unfavorable Factors of Development Prospect and the Countermeasures

Item	Favorable Factors	Unfavorable Factors	
	Explanation	Explanation	Countermeasures
1. Major content and development prospects of the business	The downstream products are widely used in 4C industries such as information, communication, consumer electronics, and automotive electronics, with a wide range of applications and unlimited market prospects.	<ol style="list-style-type: none"> 1. Labor shortage and cost of wages increases. 2. Capacitor manufacturers moved their production bases to China, which impacted the geographical supply relationship, and the price war from Chinese raw material suppliers affected product prices. 	<ol style="list-style-type: none"> 1. Strengthen staff cultivation, education and training to improve the quality of employees, enhance the employees' spirit to strive for the common goal, and improve production efficiency. 2. Indirectly reinvested in China to establish a professional forming aluminum foil plant to supply the demand for forming aluminum foil from the customers nearby. 3. To differentiate itself in the market from the Chinese low-price products with the Company's product quality. 4. The technical research center continues to research and develop in order to improve product production technology and create added value of products.
2. Position in the industry	<ol style="list-style-type: none"> 1. The Company is the only manufacturer in Taiwan that has the production technology of high voltage etched aluminum foils. 2. Currently, the Company is a well-known manufacturer and seller of forming aluminum foil in Taiwan, and it has the most efficient production line in the industry. 	Many domestic capacitor manufacturers tend to establish their own forming aluminum foil plants to control the supply of goods, which affects the Company's market share.	<ol style="list-style-type: none"> 1. Expand the product market and become a major international professional forming aluminum foil manufacturer. 2. Establish a technical research center to improve production technology. 3. Increase quantity to lower the price in order to reduce production costs.

Item	Favorable Factors	Unfavorable Factors	
	Explanation	Explanation	Countermeasures
3. Supply of major raw materials	<ol style="list-style-type: none"> 1. All the suppliers have been working with the Company for many years, and the Company has a good relationship with them. The suppliers provide high-quality materials, which can ensure the stability of supply and quality. 2. The R&D department has developed to use Chinese Raw foil to replace the Japanese Raw foil 	The main raw materials are controlled by Japanese manufacturers, which makes the source of purchase excessively concentrated.	<ol style="list-style-type: none"> 1. For long-term materials, pre-arrange the demand plan and confirm the order in advance to reduce the risk of concentrated supply. 2. Form partnerships with suppliers to obtain support and cooperation from them. 3. R&D to improve the production technology of etched aluminum foils for upstream raw materials. 4. Actively evaluate alternative suppliers with competitive pricing.
4. Sales of major products	<ol style="list-style-type: none"> 1. The products are supplied to major capacitor manufacturers domestically and abroad. 2. The formation technology is stable, and the quality is excellent, and the proportion of sales to high-quality customers such as Europe, America and Japan has increased significantly. 	The downstream electronic technology industry's requirements for the functions of related components are becoming more and more diverse, which has created pressure to improve product features and capacitance.	<ol style="list-style-type: none"> 1. Establish the Company's private label products and enter the market with the image of its own brand. 2. Develop products suitable for capacitor manufacturers' product specifications, features and capacitance, and increase the scope of product use. 3. Jointly develop products with the most suitable features with major customers in order to jointly reduce costs and achieve a win-win result.
5. Financial Status	<ol style="list-style-type: none"> 1. Financial operation is conservative and stable. 2. Financial structure is healthy and complete. 	In response to the growth of the operation, the Company continues to use bank loans to support the operation, which makes the Company highly dependent on the bank.	Raising long-term low-cost funds through the capital market enhances the flexibility of fund allocation, which will help the Company's long-term and stable development.

Item	Favorable Factors	Unfavorable Factors	
	Explanation	Explanation	Countermeasures
6. Increase in costs of electricity	Compared with Taiwan, the cost of electricity in Aba Prefecture, Sichuan is relatively low. The Company's subsidiary Liton (A ba zhou) completed mass production of its new plant in the first quarter of 2011, which is beneficial in reducing the overall cost.	Green energy is expected to increase domestic electricity prices in the future, which is not favorable for the production of high-voltage products.	The Company will make full use of the advantages of Liton (A ba zhou)'s lower electricity costs, and flexibly adjust the arrangement of the production base to pursue the optimization of overall cost and efficiency.
7. Impact of depreciation of USD and appreciation of JPY and NT\$	Sales are mainly in USD and CNY, while purchase payments are mainly in JPY and CNY. The result of offsetting purchases and sales in foreign currencies produces a certain degree of hedging effects on exchange rate changes.	<p>1. The main raw materials are purchased in JPY, and the appreciation of the JPY will increase the cost of purchasing materials.</p> <p>2. Sales using USD are affected by the depreciation of the USD.</p>	<p>1. Adjust the price in a timely manner.</p> <p>2. Negotiate with the customers on the reference exchange rate between USD and JPY, and flexibly adjust the selling price when the change is substantial.</p> <p>3. Some customers quote in JPY to avoid the impact of exchange rates.</p>

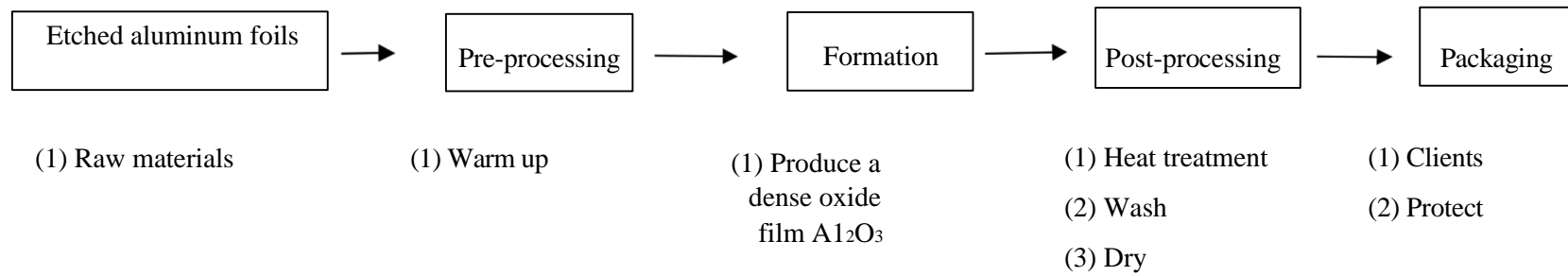
(II) Major applications and manufacturing processes of main products

1. Major applications of main products

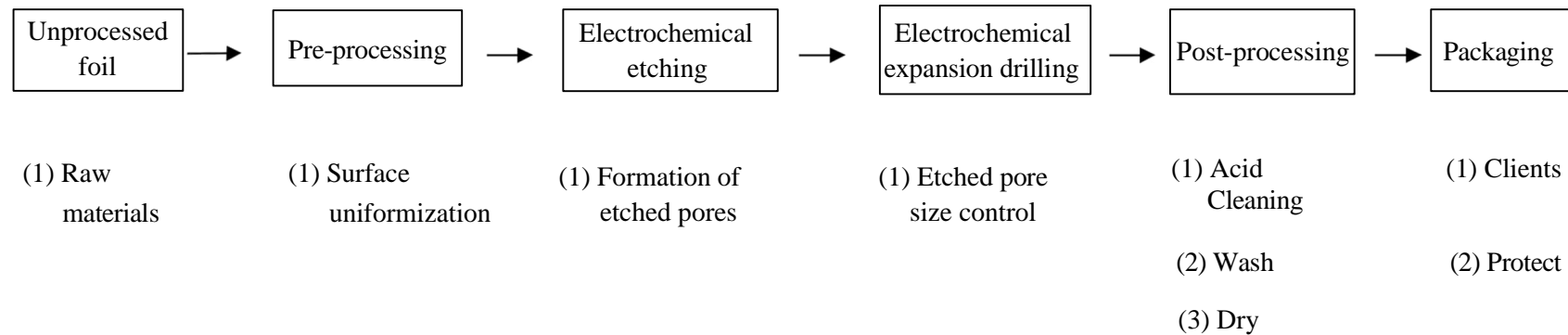
The formed aluminum foil and etched aluminum foil manufactured by the Company are the primary raw materials for aluminum electrolytic capacitors and serve as critical components in the consumer electronics industry. Aluminum electrolytic capacitors, known for their compact size, high capacitance, and cost efficiency, are widely used in electronic, electrical, telecommunications, and information technology products.

2. Manufacturing processes of main products

1. Forming aluminum foil



2. Etched aluminum foils



(III) The availability of key raw materials

Please refer to the information sheet of key suppliers for the most two recent years.

(IV) A list of major incoming and selling customers in the most recent two years

1. More than 10% of the main suppliers in the most recent two years

Unit: NT\$ thousand

	2024				2025				2026 as of the first quarter			
Item	Name	Amount	Ratio of Net Purchases in the Whole Year (%)	Relationship with the Issuer	Name	Amount	Ratio of Net Purchases in the Whole Year (%)	Relationship with the Issuer	Item	Amount	Ratio of Net Purchases in the Whole Year (%)	Relationship with the Issuer
1	Company A	1,141,722	58.33	Substantial related party	Company A	966,338	49.33	Substantial related party	Company A	257,563	56.80	Substantial related party
2	Company B	190,013	9.71	None	Company B	235,477	12.02	None	Company B	53,363	11.77	None
3	Other	625,624	31.96		Other	757,028	38.65		Other	142,519	31.43	
	Net Purchase	1,957,359	100.00		Net Purchase	1,958,843	100.00		Net Purchase	453,445	100.00	

Explanation of increase/decrease in changes:

The major suppliers with net purchases accounting for more than 10% are primarily suppliers of aluminum foil raw material. The net purchase amount in 2025 was slightly lower than that in 2024.

The Company mainly produces etched aluminum foils and chemically treated aluminum foils, with the main raw materials being aluminum foil raw material, etched aluminum foils, and chemical solutions. The upstream materials for capacitors are predominantly controlled by Japanese manufacturers, and the Company has established long-standing and good relationships with the suppliers in the aluminum raw foil supply chain. This ensures a relatively stable supply of various raw materials. The fluctuation in transaction amounts with suppliers is mainly influenced by the procurement policy, which prioritizes selecting suppliers based on material specifications, quality, and price. The Company aims to engage with suppliers who offer excellent quality and reasonable pricing. Additionally, the Company maintains relationships with multiple qualified suppliers for most of the raw materials, ensuring a robust and reliable source of materials.

2.Information on customers accounting for more than 10% in the most recent two years

Unit: NT\$ thousands

Item	2024				2025				2026 as of the first quarter			
	Name	Amount	Ratio of Net Sales in the Whole Year (%)	Relationship with the Issuer	Name	Amount	Ratio of Net Sales in the Whole Year (%)	Relationship with the Issuer	Name	Amount	Ratio of Net Sales in the Whole Year (%)	Relationship with the Issuer
1	Company A	671,140	15.88	Substantial related party	Company A	565,558	13.57	Substantial related party	Company A	155,557	13.91	Substantial related party
2	Other	3,554,292	84.12		Other	3,601,643	86.43		Other	962,882	86.09	
	Net sales	4,225,432	100.00		Net sales	4,167,201	100.00		Net sales	1,118,439	100.00	

Explanation of increase/decrease in changes:

The main customers of the Company, who account for more than 10% of net sales, are primarily purchasing etched aluminum foils and chemically treated aluminum foils. Net sales for 2025 were essentially unchanged from 2024.

III. Employee information for the most two recent years as of the date of this report was printed

Unit: People; Age; Year

Year		2024	2025	As of 31 March 2026
Number of Employees	Salesperson	12	12	12
	Technical Staff	76	75	75
	On-site Staff	198	192	183
	Management Staff	99	98	98
	R&D Staff	4	4	4
	Total	389	381	372
Average Age		39.19	38.97	38.97
Average Years of Seniority in Service		9.03	9.19	10.91
Education Distribution Proportion	Ph.D.	0.00%	0.00%	0.00%
	Master's degree	1.31%	1.98%	1.99%
	College	23.98%	23.58%	23.61%
	Senior high school	58.91%	58.71%	58.71%
	Below senior high school	15.80%	15.73%	15.69%
	Total	100.00%	100.00%	100.00%

IV. Information on Disbursements for Environmental Protection

(I) In the most recent year to the date of this report was printed, the amount of loss (including damages and environmental protection audit results violation of environmental protection laws and regulations, the penalty date, penalty name, laws and regulations violated, content of violation, and content of the penalty should be listed):

The Company's Miaoli Plant was found to be in violation of Paragraph 1, Article 7 of the Water Pollution Control Act. Pursuant to the official letter issued by the Miaoli County Government FU-HUAN-SHUI-ZI No.1150004720) dated 23 January 2026, the following administrative penalties were imposed:

1. A fine of NT\$108,000 was levied in accordance with Paragraph 1, Article 40 and Article 66-1 of the Water Pollution Control Act, as well as the "Penalty Standards for Violations of the Water Pollution Control Act";
2. An order was issued requiring rectification within a specified period;
3. In accordance with Article 23 of the Environmental Education Act and the "Regulations for Environmental Education Implementation," designated personnel are required to attend a 2-hour environmental education program.

(II) Estimated amount of current and future possible incidents, and the countermeasures:

According to the laws and regulations, personnel who should apply for pollution source installation permit or pollution emissions permit, or personnel who should pay for pollution control fees, or who should establish environmental dedicated units, should explain the application, payment, and establishment status:

The production methods of the Company's products are all mechanical processing methods, and only a very small amount of wastewater will be generated during the cleaning process. Recognizing the rising awareness of environmental protection and adhering to social corporate responsibility and the mission of sustainable operation, the Company purchased two sets of wastewater treatment equipment to strengthen wastewater treatment process and sent staff to participate in the training course for Class B Waste Disposal Technician in order to obtain the professional license. In addition, the Company continued to acquire the ISO14001 international environmental protection system certification in May 2022, and established a comprehensive environmental management system to meet the trend of the world.

The Company's environmental protection related permits, the application and establishment are as follows:

Item	Permit Name	Permit Number
Air Pollution Control	Stationary pollution source operating permit	Miaoli County Government Environmental Practice Certificate No. K 0539-07 From 10 September 2023 to 9 September 2030
Water Pollution Control	Water pollution control permit	Miaoli County Environmental Emissions license No. 00203-10 From 16 November 2023 to 12 February 2028
Waste Management	Business waste cleanup plan	Control No: K7701391 Valid until 9 June 2028

V. Labor Relations

(I) The Company's various employee benefit plans, continuing education, training, retirement systems and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests

1. Employee Welfare Committee:

- (1) The Employee Welfare Committee established by the Company consists of seven people from both the labor and management, six representatives from the labor and one representative from the management, jointly organized and established.
- (2) The committee shall have a secretary-general, a secretary and an assistant director. The chairman is selected and appointed from among the employees of the association and affiliated business units.

(3) The secretary-general, secretary and assistant director of the committee are all voluntary, and they meet once every three months, and impromptu meetings would be held when necessary. The meeting shall be convened by the chairman and serve as the chairperson. When the chairperson is unable to perform his/her duties for some reason, he/she may appoint one of the committee members to act as a proxy.

(4) Source of funds for employee welfare:

A. Allocated 1% of total capital when established.

B. Allocation of 0.05% of total monthly revenue.

C. Deduction of 0.5% of each employee's monthly salaries.

D. Allocation of 40% of sales of remnant.

E. Employee Welfare Committee often organizes tourism activities, recreational and sports activities to adjust the physical and mental health of employees and promotes emotional exchanges among colleagues. In addition, it also provides birthday gift certificates, new year cash gift, and subsidies for weddings and funerals.

2. Employee Benefit Plans, Continuing Education, Training, and Implementation:

(1) Employee Benefit Plans

A. Food:

The employees can take care of themselves daily, or the Company can order for them.

B. Clothes:

a. Provide free uniforms in two seasons per year.

b. Provide gloves, safety shoes and other necessary protective equipment according to the needs of the workplace.

C. Accommodation:

Provide single dormitory for free accommodation for staff from afar

D. Transportation:

Set up a spacious parking lot for employees to park their cars and motorcycles.

E. Education:

- a. Every year, according to the "Annual Training Plan", various education and training are carried out and dedicated personnel of each business unit are selected to travel outside of the Company for training or professional lecturers from external units are invited to come to the plant for training to enhance employees' professional learning.
- b. Encourage staff to participate in various learnings, lectures, and professional training outside the plant and assist new recruits to participate in various license tests in order to obtain operating qualifications. The Company fully subsidizes the expenses.

F. Entertainment:

- a. Birthday gift certificate or birthday gifts will be given to the birthday person of the month each month.
- b. Hold at least one travel or trip every year to refresh employees physically and mentally.

G. Healthcare:

- a. In addition to participating in national health insurance and labor insurance, the Company also helps participate in group insurance and hospitalization medical subsidies for each employee.
- b. The employees' health checkup is carried out once a year, and the inspection items are adjusted according to the needs. In addition, the employees who work in special workplaces also conduct key health checkups every year.

H. Subsidies for weddings and funerals:

For employees who are attending weddings or funerals, the Employee Welfare Committee will provide gifts or condolence money in accordance with regulations on employee welfare measures and subsidies.

(2) Employee Continuing Education and Training

- A. Every year, the Company formulates individual education and training plans for managers at all levels, R&D staff, technical staff, and general management staff to cultivate the professional quality and leadership ability of management.
- B. Relevant education and training contents from 2025 to 31 March 2026 are as follows:

	Number of Classes	Total Number of Persons	Total Hours	Total Expense (NT\$1,000)
New Recruits Training	1	1	8	-
Professional Functions Training	10	19	114	212
General Knowledge Training	4	55	220	-

3. Employee Retirement System and Implementation:

(1) According to the Labor Standards Act, the Company has established employee retirement regulations, and 2% of the total monthly salary is allocated to the labor pension reserve funds every year.

(2) Employees who qualify for the employee retirement system: All regular employees.

A. Employees who have one of the following circumstances may apply for retirement:

- a. Those who have worked for more than 15 years and are over 55 years old.
- b. Those who have worked for more than 25 years.

B. Employers shall not force employees to retire unless they fall under any of the following circumstances:

- a. Those who are over 60 years old.
- b. Those who are mentally incapacitated or physically disabled to the extent not capable of delivering services.

(3) Criteria for Payment of Employee Pensions:

A. Two bases are given for each full year of service rendered. But for the rest of the years over 15 years, one base is given for each full year of service rendered. The total number of bases shall be no more than 45. The length of service is calculated as half year when it is less than six months and as one year when it is more than six months.

B. As set forth in Subparagraph 2 of Paragraph 1 of Article 54, an additional 20% on top of the amount calculated according to the preceding subparagraph shall be given to workers forced to retire due to disability incurred from the execution of their duties.

The retirement pension base as specified in Subparagraph 1 of the preceding paragraph shall be one month's average wage of the worker at the time when his or her retirement is approved.

- C. Since 2000, the Company has hired an actuary to calculate the pension, and the allocation rate in 2025 is 2% of the total monthly salary.
- D. Since July 2005, the new pension system has been implemented, and for the employees who has chosen the new system, the Company will allocate 6% of the monthly insured salary per person to the individual dedicated account of the Bureau of Labor Insurance.
- E. Since 2010 to March 2025, a total of eight employees retired. All retirement benefits were processed in accordance with legal regulations. The issuance of retirement benefits to employees was disbursed within one month from the effective date of retirement.
- F. The allocation ratio and status of contributions for new and old retirement systems:

	Legal basis	Method	Amount
Old System	Labor Standard Act	2% of employee salaries shall be allocated to the retirement reserve fund account at Taiwan Bank (formerly Central Trust of China).	As of 31 December 2025, the balance of the labor retirement reserve fund is NT\$32,106 million.
New System	Labor Pension Act	6% of employees' insured salaries shall be allocated to individual accounts at the Labor Insurance Bureau.	A total of NT\$2,240 thousand was allocated in 2025.

4. Labor-management agreements and various employee rights protection measures

Labor management meetings: Coordination meetings between labors and management are held every three months. Through the establishment of the labor-management meeting, effective communication between the two parties is achieved.

5. Human Rights Policy and Employee Code of Conduct

The Company, in accordance with the Labor Standards Act, has established a "Code of Conduct" to ensure that all employees understand work ethics, business principles, and expectations for employee conduct, while also establishing rights and benefits for employees. All employees at every level are required to sign legally binding and reasonable labor contracts, non-disclosure agreements, and internal major information confidentiality agreements before joining the company, ensuring the rights and obligations of both labor and management.

To ensure compliance with human rights policies and adhere to the principles and basic norms outlined in the “United Nations Global Compact”, the “Universal Declaration of Human Rights”, and the “Declaration of Fundamental Principles and Rights at Work” by the International Labour Organization, the Company has established the “Human Rights Policy and Management”, “Responsible Business Alliance Code of Conduct Declaration” (RBA), “Corporate Social Responsibility Report (CSR)”, and “Conflict Minerals Non-Usage Policy Declaration.” The Company conducts annual human rights risk assessments, implement compliance factory self-inspections and third-party evaluations for identified human rights concerns, and strive to comply with applicable labor and employment laws as well as international standards.

6. Gender Equality

- (1) The Company promotes workplace diversity and has long been committed to fostering a friendly work environment. In 2025, the proportion of female employees in the workforce reached 37% of the total staff, while female managers accounted for approximately 29.6% of all managers.
- (2) Provide female employees with breastfeeding breaks, menstrual leave, maternity leave, prenatal care leave, and antenatal care leave, among other benefits. These measures are part of our commitment to creating a work environment that is dignified, safe, equal, and free from harassment for all employees.

7. Workplace Environment and Personal Safety Protection Measures

- (1) Regular implementation of occupational health and safety education and training.
 - A. Conduct general occupational health and safety education for new and reassigned personnel for 3 hours. °
 - B. Implement occupational health and safety education and training for incumbent personnel, for 3 hours every three years.
 - C. Implement various occupational health and safety education and training programs (e.g., first aid personnel, crane operators, forklift operators, etc.), for 3 hours every three years.

- (2) Regular employee health check-ups are conducted annually before December to protect workers' health. In 2025, the employee health check-up rate reached 99%.
- (3) Regular fire drills are conducted to enhance disaster prevention education within the factory and prevent accidents. Fire drills are conducted every six months and reported to the local fire department. In 2025, the total number of participants reached 105.
- (4) Implementing automatic safety and health checks to protect workers' physical safety.
 - A. Regular inspection of firefighting equipment, with each firefighting facility inspected quarterly.
 - B. Regular inspection of forklifts, with monthly inspections and record-keeping, and annual comprehensive inspections and record-keeping.
 - C. Regular inspection of elevators, with monthly inspections and record-keeping, and annual comprehensive inspections and record-keeping.
- (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: None.

VI. Cyber Security Management

- (I) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.
 - 1. Cyber Security Risk Management Framework

Although the Company has not established an inter-departmental cyber security committee, the head of the information office is currently responsible for cyber security-related matters.
 - 2. Cyber Security Policies
 - (1) Taking inventory regularly of information assets and personal data, conduct risk management on cyber security and personal data risk assessment, and implement various control measures.
 - (2) Conduct cyber security and personal data protection education training and promotion operations from time to time.

- (3) Outsourced manufacturers must sign a confidentiality agreement to ensure that those who use the information services provided by the Company or perform related information business have the responsibility and obligation to protect the information assets they obtain or use from the Company to prevent unauthorized access, data diddling, damage or improperly disclose.
 - (4) Appropriate backup, backup supports, or monitoring mechanisms have been established for important information systems or equipment, and regular drills have been conducted to maintain normal operation.
 - (5) All personal computers are equipped with antivirus software and the virus code is updated regularly, and the use of unauthorized software is prohibited.
 - (6) Require account numbers, passwords and access should be safely kept and used responsibly by colleagues, and passwords should be updated regularly.
 - (7) Establish a business continuity management mechanism and regularly conduct test drills to maintain its applicability.
 - (8) Regularly implement internal audits every year to ensure the effectiveness of information security and personal data protection control system.
3. Concrete management programs and investments in resources for cyber security management
- (1) List inspection control operations of cyber security and personal data protection as annual audit items, and the audit unit conducts audits at least once a year. In addition, the Company conducts self-inspection operations based on the internal control system every year, summarizes the internal control implementation results and submits it to the board of directors for review and confirmation, and provides a Declaration of Internal Control System based on the evaluation results.
 - (2) Conducted six annual drills for testing and exercising the Emergency Response and Recovery Plan.
 - (3) Completed the procurement and implementation of the replacement and update of the network firewall. °
 - (4) The allocation of funds and resources for information security is reviewed annually, and relevant management plans are continuously improved.
- (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: None.

VII. Important Contracts

Nature of Contract	Party of Contract		Contract Start and End Dates	Main Content	Restrictive Clause
Credit Contract	LITON TECHNOLOGY CORP.	CTBC Bank Co., Ltd.	26 July 2024 to 23 January 2027	Long-term loan	None
Construction Contract	Ruyuan Lidong Electronic Technology Co., Ltd.	Shaoguan Shancheng Shuidu Construction Engineering Co., Ltd.	13 November 2025 to 31 August 2026	Buildings	None

Chapter V. Review and Analysis of Financial Position and Performance, and Risk Assessments

I. Financial Position

Comparative Analysis of Financial Position

Unit: NT\$ thousands; %

Item \ Year	2024	2025	Difference	
			Amount	%
Current Assets	3,361,856	3,353,690	(8,166)	(0.24)
Property, Plant and Equipment	2,816,063	2,698,540	(117,523)	(4.17)
Intangible Assets	1,870	7,620	5,750	307.49
Other Assets	188,285	334,752	146,467	77.79
Total Assets	6,368,074	6,394,602	26,528	0.42
Current Liabilities	1,371,662	1,136,201	(235,461)	(17.17)
Noncurrent Liabilities	362,485	256,031	(106,454)	(29.37)
Total Liabilities	1,734,147	1,392,232	(341,915)	(19.72)
Capital	1,505,718	1,505,718	-	-
Capital Reserve	820,929	828,058	7,129	0.87
Retained Earnings	1,654,685	1,794,308	139,623	8.44
Other Equities	(105,820)	(70,777)	35,043	33.12
Treasury Stock	(41,808)	(14,472)	27,336	65.38
Non-controlling Interest	800,223	959,535	159,312	19.91
Total Shareholders' Equity	4,633,927	5,002,370	368,443	7.95

(I) The material difference in assets, liabilities, and shareholders' equity in the last two years (for the difference of more than 10% compared to the previous period), the main reasons and impacts:

1. Intangible assets: Mainly due to the goodwill arising from the investment in LHPA TECHNOLOGY (HUI ZHOU) CO., LTD. during the current period.
2. Other assets: Mainly due to the acquisition of land for overseas plants, resulting in an increase in right-of-use assets, as well as higher prepayments for plant construction projects..
3. Noncurrent liabilities: Mainly due to the reclassification of long-term borrowings to the current portion due within one year.
4. Other equities: The decrease in the negative balance of foreign currency translation differences arising from the financial statements of foreign operations.
5. Treasury stock: Mainly due to the transfer of treasury shares to employees under the employee share incentive program.

(II) If the impact is significant, future countermeasures should be explained: None.

II. Financial Performance

(I) Comparative Analysis Table for Operating Results

Unit: NT\$ thousands

Item \ Year	2024	2025	Increase (Decrease) Amount	Difference Proportion (%)
Net Revenue	4,225,432	4,167,201	(58,231)	(1.38)
Operating Cost	3,210,479	3,190,682	(19,797)	(0.61)
Gross Margin	1,014,953	976,519	(38,434)	(3.79)
Operating Expense	411,351	316,215	(95,136)	(23.13)
Operating Income	603,602	660,304	56,702	9.39
Non-operating Income and Expense	130,182	23,634	(106,548)	(81.85)
Pre-tax Net Income	733,784	683,938	(49,846)	(6.79)
Tax Expense	133,964	147,541	13,577	10.13
Net Income from Continued Operations of the Period	599,820	536,397	(63,423)	(10.57)
Loss from Discontinued Operations	-	-	-	-
Net Income of the Period	599,820	536,397	(63,423)	(10.57)
Net Other Comprehensive Income	124,473	46,555	(77,918)	(62.60)
Total Comprehensive Income	724,293	582,952	(141,341)	(19.51)

If the proportion of increase or decrease in the last two years has changed by more than 10%, the analysis is as follows:

1. Net revenue and gross margin: For details, please refer to the analysis of changes in gross profit.
2. Operating expense and income: Mainly due to a reduction in employee remuneration and directors' remuneration due to lower profitability, amounting to approximately NT\$2,279 thousand, a decrease in research and development expenses of approximately NT\$41,518 thousand, and a change in expected credit loss reversals of approximately NT\$52,950 thousand..
3. Non-operating expense and income: Mainly due to the net foreign exchange losses recognized in the current period, which decreased by approximately NT\$92,310 thousand compared with exchange gains in the prior period.
4. Tax expense: Mainly due to the the recognition of deferred income tax expense arising from the profitability of overseas subsidiaries.
5. Net income from continued operations of the period and net income of the period: The change was primarily driven by fluctuations in non-operating income and expenses and income tax expense.
6. Net other comprehensive income and total comprehensive income: Mainly due to a reduction in foreign currency translation differences arising from the financial statements of foreign operations.

(II) Gross Margin Difference Analysis Table

Unit: NT\$ thousands

Reasons for the Difference				Total
Selling Price Difference	Cost Difference	Sales Portfolio Difference	Quantity Difference	
(71,547)	26,214	(3,867)	10,766	(38,434)

Explanation: In 2025, the formed aluminum foil market was subject to intense price competition. However, under effective cost control and capacity management, unfavorable price variance and sales mix variance were incurred, while favorable cost variance and volume variance were realized. As a result, gross profit from sales decreased by approximately NT\$38,434 thousand compared with the prior period..

(III) Expected Sales Volume and its Basis:

Item	Expected Volume for 2026	Unit
Forming Aluminum Foils	31,056	Thousand Meters
Etched Aluminum Foils	25,356	Thousand Square Meters

(IV) Possible Impact on Future Financial Position of the Company: None.

(V) Future Countermeasures: N/A.

III. Cash Flow Analysis

(I) Cash Flow Difference Analysis in the Most Recent Year:

Unit: NT\$ thousands

Cash Balance at the Beginning of the Period (A)	Net Cash Provided by Operating Activities for the Year	Net Cash Inflow (Outflow) for the Year (B)	Cash Balance (Deficit) (A)+ (B)
1,107,290	853,843	(5,596)	1,101,694
1. Operating Activities: The net cash inflow from operating activities was NT\$853,843 thousand, mainly due to the increase in cash collection from revenue and profit.			
2. Investing Activities: The net cash outflow from investing activities was			

NT\$259,910 thousand, mainly due to the acquisition of property, plant and equipment.

3. Financing Activities: The net cash outflow from financing activities was NT\$635,191 thousand, mainly due to the repayment of long-term borrowings and payment of cash dividends.

(II) Improvement Plan for Illiquidity: None.

(III) Cash Liquidity Analysis in the Next Year:

Unit: NT\$ thousands

Cash Balance at the Beginning of the Period (A)	Net Cash Provided by Operating Activities for the Year	Net Cash Outflow for the Year (B)	Projected Cash Balance (Deficit) (A)+(B)	Remedy for Projected Cash Deficit	
				Investment Plan	Financing Plan
1,101,694	708,240	108,408	1,210,102	-	-
<p>1. Cash Flow Difference Analysis in the Next Year:</p> <p>(1) Cash inflow from operating activities: It is expected that the sales of forming aluminum foil products will grow in 2026. Additionally, due to the collection of accounts receivable from sales, cash payments for material purchases in line with revenue growth, and payment of expenses such as salaries, the operating activities generated a cash inflow of NT\$708,240 thousand.</p> <p>(2) Investing and financing activities: Mainly due to the payment of NT\$83,225 thousand for plant and equipment repairs and the distribution of cash dividends of NT\$225,183 thousand.</p> <p>2. Remedy for projected cash deficit and liquidity analysis: N/A.</p>					

IV. The Effect upon Financial Operations of Any Major Capital Expenditures During the Most Recent Fiscal Year:

- (I) Use of material capital expenditure and the source of funds: Electric erosion machine power supply and related equipment.
- (II) Expected possible profits generated: Improve market share with newly developed production technology and quality.

V. The Company's Reinvestment Policy for the Most Recent Fiscal Year, the Main Reasons for the Profits/ Losses Generated Thereby, the Plan for Improving Re-Investment Profitability, and Investment Plan for the Coming Year

- (I) The Company only reinvests for business and market needs.
- (II) The Company's profit from direct investment was NT\$420,171 thousand in 2025, which had a increase of NT\$18,158 thousand compared to 2024. The increase was mainly attributable to relatively stable prices of etched aluminum foil in 2025, resulting in higher profitability of the etched aluminum foil segment compared with the prior year.
- (III) Investment plan for the next year will be increasing investment depending on the demand of the Chinese market.

VI. Risks

- (I) The impact of interest rate and exchange rate fluctuation, and inflation on the profit and loss of the Company, and the countermeasures in the future

Unit: NT\$ thousands

Item	2024	2025
Interest Expense	28,255	19,446
Exchange Profit (Loss)	68,713	(23,597)
Pre-tax Net Income	733,784	683,938

Source: Financial statements attested by CPAs.

1. Interest Rate Fluctuations:

Pay attention to interest rate changes at any time, and effectively control the financial position to reduce the impact of interest rate changes.

2. Exchange Rate Fluctuations:

Pay attention to exchange rate changes at any time and read its movements in order to hedge using foreign exchange forward and flexibly adjust the foreign exchange position from time to time.

3. Inflation:

Pay attention to inflation, so as to adjust the product selling price and raw material inventory appropriately.

- (II) The Company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future:

- 1. The Company has not engaged in any high-risk investments or highly leveraged investments. All investments are executed after careful evaluation.

For the loans to other parties and the endorsement or guarantee to the subsidiaries of the Company, the Company would carefully implement the “Procedures for Loans to Other Parties Procedure for Lending Funds to Other Parties” and “Measures for Endorsement or Guarantees Implementation Measures for Endorsement Guarantee” .

2. The purpose of the Company undertaking foreign exchange forward is mainly to avoid the currency risk of foreign currency debts payable due to imported raw materials and foreign currency claims receivable arising from sales of products. The Company will carefully implement the stipulated measures such as “Procedures for dealing with derivatives transactions” .

(III) Future R&D Plan and Expected R&D Expense Invested

1. Research and development plan in the most recent year

The Company is a professional etched and forming aluminum foil manufacturer. Since its establishment in 1993, it has been continuously committed to improving the production process in order to be competitive in both quality and price. Since the invested company, Ruyuan Lidon Electronic Technology Co., Ltd., has completed the transformation of low pressure etched aluminum foils production technology, the source of low pressure etched aluminum foils will have an advantage in the future. To strengthen its presence in the low-voltage formed foil market, the Company completed the development and mass production implementation in 2025 of enhanced production speed for high-voltage segments of low-voltage formed foil, an energy-saving process for high-voltage formed foil, and etched aluminum foil for stacked capacitors.

In 2026, the Company plans to focus on optimizing ultra-low-voltage forming processes, improving the flexibility of low-voltage formed foil to expand its applicable voltage range, and developing etched aluminum foil for hybrid capacitors.

2. Expected R&D Expense Invested

It is estimated that the R&D expense budget for 2026 will be approximately NT\$180,000 thousand.

(IV) Effect on the Company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response:

1. Effect on the Company's financial operations of important policies adopted and

changes in the legal environment at home and abroad: None.

2. Measures to be taken in response: The Company usually collects relevant information to provide decision-making reference for the management level and adjusts the Company's relevant operating decisions based on changes in important policies and legal environments at home and abroad.
- (V) Effect on the Company's financial operations of developments in science and technology (including cyber security risks) as well as industrial change, and measures to be taken in response:
1. Effect on the Company's financial operations of developments in science and technology (including cyber security risks) as well as industrial change: None.
 2. Measures to be taken in response: Collect newspapers, magazines, periodicals or scientific and technological reports related to the forming aluminum foil industry at any time, so as to truly grasp the pulse and changes of the market, understand the development trend of today's technology, and develop products that meet the customer's demand.
- (VI) Effect on the Company's crisis management of changes in the Company's corporate image, and measures to be taken in response:
- As of the date hereof, the Company has not experienced any corporate crisis arising from changes in its corporate image.
- (VII) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken:
- The Company has no merger and acquisition plans for 2026 and up to the date of issuance of this annual report.
- (VIII) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken:
- As of the date hereof, the Company has not undertaken any plant expansion activities.
- (IX) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken:
- The Company continues to diversify the purchase or sales counterparties to reduce the risk of consolidation.

- (X) Effect upon and risk to the Company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10% stake in the Company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken: None.

- (XI) Effect upon and risk to Company associated with any change in governance personnel or top management, and mitigation measures being or to be taken: None.

- (XII) Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that: involve the Company and/or any Company director, any Company supervisor, the president, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10%, and/or any company or companies controlled by the Company; and have been concluded by means of a final and unappealable judgment or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the Company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report: None.

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

VII. Other Important Matters: None.

Chapter VI. Special Items to be Included

- I. Information Related to the Company's Affiliate: Please refer to the Supplementary Provisions.

- II. Where the Company has Carried Out a Private Placement of Securities During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report: None.

- III. Other Matters that Require Additional Description: None.

Chapter VII. If Any of the Significant Matters Listed in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act, Which Might Materially Affect Shareholders' Equity or the Price of the Company's Securities, has Occurred During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report:

None.

Chapter VIII. Supplementary Provisions

I. Declaration of Internal Control System

Please refer to the content announced on the Market Observation Post System (MOPS).

Path: MOPS > Listed Company > Corporate Governance > Company Regulations/Internal Control > Declaration of Internal Control System

Website: <https://mops.twse.com.tw/mops/#/web/t06sg20>

2. Information on Affiliated Enterprises

Please refer to the content announced on the Market Observation Post System (MOPS).

Path: MOPS > Listed Company > Electronic Document Download > Affiliated Enterprises Disclosure (The Three Statements) Section

Website: https://mopsov.twse.com.tw/mops/web/t57sb01_q10

LITON TECHNOLOGY CORP.

Chairman: Chih-Ming Wu