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Arcadyan Technology Corporation

2025 Annual Report

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

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Deputy Spokesperson: Fong-Yu Lu / Executive Vice President

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Headquarter: 8F, No 8, Guangfu Rd., Hsinchu, Taiwan

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Branches: None.

Plant: None.

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Overseas Securities Exchange

None.

Corporate Website

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I. Letter to Shareholders

Dear Shareholders:

The business results for 2025, an overview of the 2026 operating plan and future development strategies of the Company, along with the impact of external competition, regulations, and the overall operating environment are as follows:

1. Business Results of 2025

(1) Business Plan Implementation Results and Budget Plan Implementation Status

In 2025, the Company's consolidated net operating revenues for the whole year was NT\$52,975,952 thousand, representing an annual increase of 8.2%. The net operating income and after tax net income were NT\$3,500,093 thousand and NT\$2,777,080 thousand respectively, and the after tax earnings per share was NT\$12.60.

(2) Financial Status and Profitability

The financial operation of the Company adheres to the principle of steadiness, and the use of long-term and short-term funds are properly planned according to the Company's operating conditions. The current ratio in 2025 was 136% and the debt ratio was 62%; the financial structure was sound.

In 2025, the net income was NT\$2,777,080 thousand, the return on assets was 6.7%, and the return on equity was 16.8%.

(3) Progress in Research and Development

(I) The developed products include: 5G FWA CPE, Whole Home Wi-Fi (Wi-Fi Mesh Network) smart home solution, 4G/LTE Small Cell integrated SON (Self Organizing Network) features, Indoor and Outdoor LTE Routers/Gateways, 802.11be (Wi-Fi 7), 802.11ax and 802.11ac (Single-band, Dual-band and Tri-band) Wireless Routers and VDSL Routers, Repeaters used to expand Wi-Fi coverage, Android TV OTT/IP STB support Ultra-high resolution (4K) and HDR (High Dynamic Range Imaging), Edge AI Box, GPON/XGSPON/ONT, NG-PON2 Fiber products, and DOCSIS 4.0, 3.1 & 3.0 Cable Modems.

(II) Keep integrating and optimizing the new functions into the next generation IAD, such as Zigbee, Z-wave, BLE, DECT ULE and NFC,

and introducing AI (Artificial Intelligence) algorithm, Intelligent Diagnostic functions, IEEE1905.1, EasyMesh™ R1~R5 Multi-interfaces Management System, and Big Data cloud analysis platform optimization.

- (III) Expedite developing next generation switch product line (Enterprise-grade fiber mid-to-high-end switches), 5G CPE (Customer Premise Equipment), 5G Small Cell, MEC Switch, Smart Home Gateway plus IOT (Internet of Things) applications, 76GHz-80GHz Automotive Blind Spot Detection (BSD) Active warning radar system, Antenna Integrated PCB Car Alarm, and AI/Big Data/Cloud computing integration technology.

2. 2026 Business Prospects

(1) Operating Strategy

- (I) Keep enlarging the existing telecom market share and developing new telecom customers in emerging markets; expanding the product categories of existing telecom customers, extending from fixed line to optical fiber products and developing mobile broadband related products; providing the rapid customized products and services to all customers; and supporting the customers to design and develop competitive products by their needs, in order to efficiently make market segmentation for them.
- (II) Strengthen the technical capability of software, hardware on Android TV OTT and IP STB, expand product lines with Edge AI Box and other new products, focusing on new markets and developing new customers to continuously optimize the overall product portfolio and profitability.
- (III) Expansion of the MSO (Multiple System Operator) market share and enhance market competitive position, proactive development of new customers, expansion of Cable Modem production lines, and increase product penetration at the customer end through the provision of added-value services.
- (IV) Proactive development of new product categories such as Enterprise-grade mid-to-high-end switches, Smart Home, Internet of Things (IOT), Artificial Intelligence (AI), The 76GHz-80GHz Automotive Blind Spot Detection (BSD) Active warning radar system, Antenna Integrated PCB Car Alarm, etc; implementation of research on commercially viable applications of derived technologies, initiatives in sync with the development of 5G

technology, keep the development of new-generation 5G CPE products.

- (V) Cooperate with local technical suppliers in each market segment and country, to penetrate the local telecom markets together, collaborate with the key chipset vendors and front-end suppliers in order to lead new technology trend and penetrate the product markets together.
- (VI) Continuously expand the capacity and scale of the Vietnam manufacturing center, optimize its production efficiency and process details, and collaborate with local subcontract manufacturing partners in various market regions to enhance the productivity of overseas production bases and the resilience of multi-site manufacturing. Additionally, establish a “Smart Factory” at Arcadyan’s Vietnam manufacturing center, incorporating automated processes into production and implementing a lights-out factory model for select production lines, while adopting solar power generation as a green energy and energy-saving measure. Simultaneously, build a real-time information flow monitoring system for all production elements to significantly optimize direct labor and enhance production efficiency.
- (VII) Enhance the focus on the three key dimensions of sustainability: “Environmental, Social, and Governance.” Based on the Company's core values as the foundation for its sustainable development strategy, a framework is established encompassing five major aspects, including “Corporate Governance” , “Environmental Sustainability” , “Employee Care” , “Sustainable Procurement” , and “Social Engagement” , with short-term, mid-term, and long-term goals and management guidelines formulated. To date, the Company's overall ESG performance has been recognized with numerous domestic and international certifications and awards. Arcadyan is the first publicly listed company in Taiwan among industry peers to pass the SBTi carbon reduction and net-zero target review and has been awarded the highest level of "EXCELLENT" in the "Temperature Rising Index for Pathways (TRIPs)" achieving the 1.5°C corporate temperature control target. Additionally, the Company received the highest honor of "Platinum" in the EcoVadis sustainability assessment, ranking in the top 1% of participating companies in sustainability performance. Furthermore, it was honored with two

SEAL Awards - Environmental Initiative Award and Sustainable Innovation Award. The Company will continue to leverage the operations of Sustainability Committee, the Company sets the sustainability strategy and development goals and continues to interact with all stakeholders to achieve the objectives of sustainable future. Furthermore, Arcadyan's Vietnam manufacturing center has passed the Responsible Business Alliance (RBA) Validated Audit Process (VAP) audit, earning the highest honor of a platinum certificate. The Company will continue to adhere to the RBA Code of Conduct and stakeholder expectations, fulfill corporate social responsibility, and drive value chain partners to implement supplier development programs, strengthening risk management and resilience across the supply chain.

(VIII) The company is actively integrating artificial intelligence (AI) technology to enhance work efficiency and operational performance. Through intelligent automation, data analytics, and machine learning, we optimize internal processes, expedite decision-making, and improve the quality of our products and services. The application of AI enables us to allocate resources more effectively, minimize repetitive tasks, and enable our team to focus on more strategically valuable initiatives. We will continue to invest in AI technology to sustain our competitive edge in the digital era and create greater value for our customers and partners.

(2) Expected Sales Overview

In the post-epidemic era, remote work has become a norm, and the demand for cloud applications continues to increase. Against the backdrop of the ongoing expansion of broadband infrastructure installations, networking products are expected to maintain steady growth. It is projected that the shipment volume of broadband networking devices will increase by 5%~10% in 2026.

(3) Key Production and Marketing Policies

(I) In the next stage of product planning, we will continue to develop gateways supporting Smart Home and IOT functions, built-in wireless modules for consuming multimedia products (such as Smart TV and home voice assistant), high-end CPE required by ISP providers such as 5G Terminal Equipment and IAD that support fixed mobile convergence and Small-Cell and MEC switches that support 5G O-RAN architecture, Enterprise-grade fiber mid-to-high-end switches, high-end Android TV OTT/IP STB with ultra-high resolution (4K), high dynamic range imaging (HDR) , Edge AI Box, new-generation

cable modem routers, 76GHz-80GHz Automotive Blind Spot Detection (BSD) Active Warning Radar system, and Antenna Integrated PCB Car Alarm. In addition, introducing Smart CPE with adopted AI computing and Big Data Cloud analysis represents another focus of our R&D efforts.

- (II) Keep expanding the JDM business model to gain the advantage of a greater economic scale, scaling up the production capacity and introducing automation production process to Vietnam manufacturing site, selecting EMS collaborating partners, appropriately diversifying the risk of overseas production sites, and enhancing the manufacturing flexibility by above-mentioned multiple manufacturing sites.
- (III) Strengthen the material status monitoring and risk warning mechanism for key components; establish a diversified supply chain footprint through decentralized procurement to respond to potential geopolitical risks.
- (IV) Increase the sales proportion of high-margin and high-price products.

3. Future Development Strategy and Impact of External Competition Environment, Regulatory Environment and Overall Business Environment

(1) Future Development Strategy of the Company

Currently, Arcadyan is doing well in the telecom market. Although it takes time to develop new business in the telecom market, the entry barriers for our competitors are also high. Therefore, we will keep focusing on the new business development in the telecom market, developing our self-own software codebases, which can support all kinds of open source software platform to meet the needs by different customers. With the advent of the AI and 5G era, Arcadyan has been following the latest market trends and the latest 3GPP standards and actively developing 5G Small Cells, integrating fixed and mobile networks, and building our self-own technology for the 5G cross-domain ecosystem. This will make us to respond to the latest market demands immediately and cut in new customers quickly. In the future, we will dig out the market demands deeply, stay with the development trend of open source software platform closely, and integrate above technology into the applications of smart handheld devices. We are also targeting at the fields of Smart Home, IOT, AI analysis and Cloud computing, and further invest in the developments of 5G, IAD, Enterprise-grade mid-to-high-end switches, IP STB/Android TV OTT, Edge AI Box, NG-PON2 Fiber broadband and Cable Modem to provide the total solutions to all customers.

(2) Impact of External Competition, Regulatory Environment and Overall Business Environment

With the diversification of network services and the development of multimedia applications such as video on demand, the global consumer demand for higher bandwidth continues to increase, and the number of global broadband users are growing rapidly as well. With the increasing popularity of broadband communication and the global commitment to the wide coverage of 5G, more and more Networking equipment manufacturers and major EMS providers have invested in developing manufacturing and selling the related products. Therefore, the competition intensity of the market and prices have increased rapidly.

In the post-pandemic era, the global demand for new technologies such as AI, 5G, and IoT shows no signs of slowing down and continues to expand. This has led to a period where IC components as key components, such as memory, chips and PMICs, were once in short supply, causing sustained price increases. Moreover, frequent market fluctuations have made it increasingly challenging for network communication end-product manufacturers to manage material availability effectively.

Furthermore, since 2025, changes in the U.S. political landscape and trade policy adjustments have initiated a new wave of global tariff wars centered on "America First," further deepening the uncertainty of the international political and economic environment. The U.S. has raised tariffs or established trade barriers for specific countries and high-tech, electronic, and telecommunications products, driving the global trade system toward protectionism and regionalization. The rising political confrontation between major economies has also caused multinational corporations to face more complex compliance and supply chain adjustment pressures.

At the same time, in recent years, frequent geopolitical conflicts and economic Black Swan Events internationally have significantly shaped the global landscape, such as the Russia-Ukraine war, the prolonged US-China trade and technology standoff, and the impact of the Federal Reserve's rapid monetary policy adjustments to suppress inflation, all of which have exacerbated the ongoing deterioration and instability of the global economic environment. Coupled with the re-promotion of the aforementioned U.S. government tariff policies, the costs of raw materials and end products have been pushed up again, weakening global consumer confidence and corporate capital expenditure intentions. Particularly causing a direct impact on export-oriented industries and those highly reliant on global supply chains.

Although the Federal Reserve initiated three interest rate cuts last year to stimulate market consumption and investment, promote economic growth, and maintain relative stability in the overall economic environment, the global macroeconomic environment is expected to remain highly unstable due to the interwoven negative factors such as geopolitical risks, escalating tariff wars, supply chain restructuring, and financial market volatility. Operating risks and competitive intensities across the industry are rising in tandem. Despite the severe challenges posed by external uncertainties and the global macroeconomic downturn, the Company will continue to enhance its product technologies, strengthen supply chain management and risk adaptability, accelerate the advantage in Time to Market, actively expand into diverse markets and high-value-added product portfolios, and deepen cooperative relationships with telecom customers and system integrators. We will strive to mitigate the impact of external environmental uncertainty to maintain long-term steady growth and market competitiveness.

Conclusion

Finally, we would like to extend our most sincere thanks to all shareholders for your long-term support. All employees of Arcadyan will continue to strengthen our R&D and market development on the basis of existing technical core competence and competitive advantage, effectively integrate and utilize our resources, continue to work toward the Company's growth and prosperity, and create maximum benefits for the Company and its shareholders. At the same time, we also hope all shareholders can continue to give encouragement and advice to our management team. Yours truly,

Good Health and Prosperity!

Chairman of the Board:	Jui-Tsung Chen
Chief Executive Officer:	Chao-Peng Tseng
Chief Accounting Officer:	Shih-Wei Huang

II. Report on Corporate Governance

1. Directors, President, Vice Presidents, Senior Managers and Department and Branch Heads

(1) Directors

March 29, 2026

Position	Nationality or place of registration	Name	Gender/ Age	Date of election / appointment to current term	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Concurrent Position(s) in the Company or other companies	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remark
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job title	Name	Relationship	
Chairman	R.O.C.	Compal Electronics, Inc.	Note 2	2023.6.15	3 years	2006.10.12	41,304,504	18.74%	41,304,504	18.74%	0	0%	0	0%	Bachelor's degree of Electrical Engineering, National Cheng Kung University Chairman of Compal Electronics, Inc.	Note 4	None	None	None	Note 3
		Representative: Jui-Tsung Chen				2006.10.12	2,276,000	1.03%	2,276,000	1.03%	0	0%	0	0%						
Director	R.O.C.	Compal Electronics, Inc.	Note 2	2023.6.15	3 years	2006.10.12	41,304,504	18.74%	41,304,504	18.74%	0	0%	0	0%	Master's degree of Electrical Engineering, National Taiwan University Director and Executive Vice President of Compal Electronics, Inc.	Note 4	None	None	None	Note 3
		Representative: Sheng-Hua Peng				2018.6.1	0	0%	0	0%	0	0%	0	0%						
Director	R.O.C.	Compal Electronics, Inc.	Note 2	2023.6.15	3 years	2006.10.12	41,304,504	18.74%	41,304,504	18.74%	0	0%	0	0%	Bachelor's degree of Accounting, Fu Jen Catholic University Vice President of Compal Electronics, Inc.	Note 4	None	None	None	Note 3
		Cheng-Chiang Wang				2024.8.30	498,602	0.23%	498,602	0.23%	0	0%	0	0%						
Director	R.O.C.	Compal Electronics, Inc.	Note 2	2023.6.15	3 years	2006.10.12	41,304,504	18.74%	41,304,504	18.74%	0	0%	0	0%	EMBA, National Chiao Tung University Vice President of Arcadyan Technology Corporation	Note 4	None	None	None	Note 3
		Representative: Chung-Pao Liu				2019.4.12	36,079	0.02%	17,079	0.01%	0	0%	0	0%						

Position	Nationality or place of registration	Name	Gender/ Age	Date of election / appointment to current term	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Concurrent Position(s) in the Company or other companies	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remark
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job title	Name	Relationship	
Director	R.O.C.	Chao-Peng Tseng (Note 1)	Note 2	2023.6.15	3 years	2019.6.25	162,669	0.07%	162,669	0.07%	0	0%	0	0%	MBA, Oklahoma State University President of Arcadyan Technology Corporation	Note 4	None	None	None	Note 3
Director	R.O.C.	Cheng-Hua Sun	Note 2	2023.6.15	3 years	2023.6.15	0	0%	0	0%	0	0%	0	0%	LL.M., Graduate Institute of National Development, National Taiwan University Prosecutor of Shilin District Prosecutors Office	Note 4	None	None	None	Note 3
Independent Director	R.O.C.	Ing-Jen Lee	Note 2	2023.6.15	3 years	2008.6.13	0	0%	0	0%	0	0%	0	0%	Ph.D. in Electrical Engineering, National Taiwan University Chairman of Litemax Electronics Inc.	Note 4	None	None	None	Note 3
Independent Director	R.O.C.	Ching-Chang Wen	Note 2	2023.6.15	3 years	2008.6.13	0	0%	0	0%	0	0%	0	0%	Ph.D. in Electrical Engineering, University of Pennsylvania Director of Bioptik Technology Inc.	Note 4	None	None	None	Note 3
Independent Director	R.O.C.	Wen-An Yang	Note 2	2023.6.15	3 years	2008.6.13	0	0%	0	0%	0	0%	0	0%	Master's degree of Commerce, National Taiwan University Chairman of Durbun Digital Solutions, Inc.	Note 4	None	None	None	Note 3

Note 1: Chao-Peng Tseng, a representative of Compal Electronics, Inc., served as the Company's Director from March 9, 2017 to April 12, 2019.

Note 2: All Directors of the Company are male, except for Cheng-Hua Sun, who is female. Directors aged 50 to 59: Sheng-Hua Peng, Cheng-Hua Sun; Directors aged 60 to 69: Cheng-Chiang Wang, Chung-Pao Liu, Chao-Peng Tseng; Directors aged 70 to 79: Jui-Tsung Chen, Ing-Jen Lee, Ching-Chang Wen, Wen-An Yang.

Note 3: The Company Chairman and the President or manager of equivalent position (the highest manager) are the same person or spouses or of kinship in the first degree, related information regarding the arrangements in terms of reasons, rationale, necessity and response measures shall be provided: None.

Note 4: Concurrent Position(s) in the Company or other companies



Position	Name	Concurrent Position(s) in the Company or other companies
Chairman	Jui-Tsung Chen	<p>Chairman: Compal Electronics, Inc., Ripal Optotronics Co., Ltd., UniCore Biomedical Co., Ltd., Aco Healthcare Co., Ltd., ARCE Therapeutics, Inc., Kinpo & Compal Group Assets Development Corporation, Palcom International Corporation, Fusionite Corporation, General Life Biotechnology Co., Ltd., Ray-Kwong Medical Management Consulting Co., Ltd., River Regeneration and Rejuvenation Biotechnology Co. Ltd., Raypal Biomedical Co., Ltd., Gempal Technology Corp., Panpal Technology Corp., Hong Jin Investment Co., Ltd., Hong Ji Capital Co., Ltd., Compal Optoelectronics (Kunshan) Co., Ltd., Compal Investment (Jiangsu) Co., Ltd., Compal System Trading (Kunshan) Co., Ltd., Compal Information Technology (Kunshan) Co., Ltd., Compal Display Electronics (Kunshan) Co., Ltd., Compal Information (Kunshan) Co., Ltd., Compal Electronics Technology (Kunshan) Co., Ltd., Compal Electronics (ChongQing) Co., Ltd., Compal Electronics, (China) Co., Ltd., Compal Digital Technology (Kunshan) Co., Ltd., Kunshan Botai Electronics Co., Ltd., Compal Smart Device (Chongqing) Co., Ltd., Compal Smart Device India Private Limited</p> <p>Director: Compal Broadband Networks, Inc., Compal Ruifang Health Assets Development Corporation, Kinpo Group Management Consultant Company, Mactech Co., Ltd., UNICOM GLOBAL, INC., HengHao Technology Co. Ltd., Phoenix Innovation Venture Capital Co., Ltd., Compal Management (Chengdu) Co., Ltd., Compal Investment (Sichuan) Co., Ltd., Compal Electronics (Chengdu) Co., Ltd., Compal Networking (Kunshan) Co., Ltd., Arcadyan Holding (BVI) Corp., Arch Holding (BVI) Corp., Ascendant Private Equity Investment Ltd., Big Chance International Co., Ltd., Billion Sea Holdings Ltd., Bizcom Electronics, Inc., Center Mind International Co., Ltd., Compal Americas (US) Inc., Compal Display Holding (HK) Limited, Compal Electronics (Holding) Ltd., Compal Electronics International Ltd., Compal Electronics N.A. Inc., Compal International Holding Co., Ltd., Compal International Holding (HK) Limited, Compal International Ltd., Compal Rayonnant Holdings Ltd., Compal USA (Indiana), Inc., Compal Wise Electronic (Vietnam) Co., Ltd., Compalead Electronics B.V., Core Profit Holdings Limited, Etrade Management Co., Ltd., Flight Global Holding Inc., Forever Young Technology Inc., Fortune Way Technology Corp., Giant Rank Trading Limited, Goal Reach Enterprises Ltd., HengHao Holdings A Co., Ltd., HengHao Holdings B Co., Ltd., High Shine Industrial Corp., Intelligent Universal Enterprise Ltd., Jenpal international Ltd., Just International Ltd., Prisco International Co., Ltd., Prospect Fortune Group Ltd., Sinoprime Global Inc., Smart International Trading Ltd., Wah Yuen Technology Holding Ltd., Webtek Technology Co., Ltd., Compal (Vietnam) Co., Ltd., Compal Development & Management (Vietnam) Co., Ltd., Chengdian Culture and Education Foundation</p> <p>Independent Director: Powertech Technology Inc.</p> <p>Executive Director: Compower Global Service Co., Ltd.</p> <p>President and CEO: Compal Electronics (Vietnam) Co., Ltd.</p> <p>Director: Institute for Biotechnology and Medicine Industry</p>

Position	Name	Concurrent Position(s) in the Company or other companies
Director	Sheng-Hua Peng	<p>Chairman: Compal Healthcare and Technology Ltd., Compal Ruifang Health Assets Development Corporation, HippoScreen Neurotech Corp., Shennona Co., Ltd., Compal Wireless Communications (Nanjing) Co., Ltd., Compal Digital Communications (Nanjing) Co., Ltd., HANHELT Communications (Nanjing) Co., Ltd., Compal Communications (Nanjing) Co., Ltd.</p> <p>Director: Compal Electronics, Inc., Ripal Optotronics Co., Ltd., UniCore Biomedical Co., Ltd., Aco Healthcare Co., Ltd., Kinpo Group Management Consultant Company, Kinpo & Compal Group Assets Development Corporation, Palcom International Corporation, Infinno Technology Corp., Mactech Co., Ltd., Gempal Technology Corp., Hong Jin Investment Co., Ltd., Hong Ji Capital Co., Ltd., Compal Optoelectronics (Kunshan) Co., Ltd., Compal Investment (Jiangsu) Co., Ltd., Compal Display Electronics (Kunshan) Co., Ltd., Compal Electronics, (China) Co., Ltd., Compal Smart Device (Chongqing) Co., Ltd., Bizcom Electronics, Inc., Compal Smart Device India Private Limited, Shennona Corporation</p> <p>Supervisor: General Life Biotechnology Co., Ltd.</p> <p>President: Palcom International Corporation, Compal Investment (Jiangsu) Co., Ltd., Compal Display Electronics (Kunshan) Co., Ltd., HANHELT Communications (Nanjing) Co. Ltd., Compal Smart Device (Chongqing) Co. Ltd.</p> <p>Executive Vice President: Compal Electronics, Inc.</p> <p>Branch Manager: Compal Electronics, Inc. Kaohsiung Branch</p>
Director	Cheng-Chiang Wang	<p>Director: Allied Circuit Co., Ltd., Poindus Systems Corp., UniCore Biomedical Co., Ltd., Palcom International Corporation, Infinno Technology Corp., Mactech Co., Ltd., Gempal Technology Corp., Panpal Technology Corp., Zhi-Bao Technology Corporation, Hong Jin Investment Co., Ltd., Hong Ji Capital Co., Ltd., Phoenix Innovation Venture Capital Co., Ltd., Compal Wireless Communications (Nanjing) Co., Ltd., Compal Digital Communications (Nanjing) Co., Ltd., Compal Communications (Nanjing) Co., Ltd., Rayonnant Technology (Taicang) Co., Ltd., Big Chance International Co., Ltd., Center Mind International Co., Ltd., Compal Electronics (Holding) Ltd., Compal Electronics India Private Limited, Compal International Holding Co., Ltd., Compal International Holding (HK) Limited, Compal Poland Sp. z o. o (CPL), Compal Rayonnant Holdings Ltd., Flight Global Holding Inc., Fortune Way Technology Corp., Jenpal international Ltd., Prisco International Co., Ltd., Prospect Fortune Group Ltd., Shennona Corporation, Genki Compal Long-Term Care Corporation Aggregate, Crownpo Technology Inc.</p> <p>Supervisor: Compal Ruifang Health Assets Development Corporation, HippoScreen Neurotech Corp., Kinpo & Compal Group Assets Development Corporation, Fusionite Corporation, UNICOM GLOBAL, INC., HengHao Technology Co. Ltd., Compal Optoelectronics (Kunshan) Co., Ltd., Compal Investment (Jiangsu) Co., Ltd., Compal System Trading (Kunshan) Co. Ltd., Compal Information Technology (Kunshan) Co., Ltd., Compal Display Electronics (Kunshan) Co., Ltd., Compal Information (Kunshan) Co., Ltd., Compal Electronics Technology (Kunshan) Co., Ltd., Compal Electronics (ChongQing) Co., Ltd., Compal Electronics, (China) Co., Ltd., Compal Digital Technology (Kunshan) Co., Ltd., Kunshan Botai Electronics Co., Ltd., Compal Smart Device (Chongqing) Co., Ltd., FIPOLL Electronics (Chongqing) Co., Ltd., Henghao Optoelectronics Technology (ZheJiang) Co., LTD., Compower Global Service Co., Ltd.</p> <p>Superintendent: Compower Global Service Co., Ltd.</p> <p>President: Gempal Technology Corp., Panpal Technology Corp., Hong Jin Investment Co., Ltd., Hong Ji Capital Co., Ltd.</p> <p>Vice President: Compal Electronics, Inc.</p>



Position	Name	Concurrent Position(s) in the Company or other companies	
Director	Chung-Pao Liu	Director:	Zhi-Bao Technology Inc., Arcadyan Technology (Shanghai) Corp., Tatung Home Appliances (WuJiang) Co., Ltd.
		President:	Compal Networking (Kunshan) Co., Ltd., Arcadyan Technology (Shanghai) Corp., Tatung Home Appliances (WuJiang) Co., Ltd.
Director	Chao-Peng Tseng	Chairman:	Arcadyan Technology (Vietnam) Co., Ltd., Zhi-Bao Technology Inc., Arcadyan Technology (Shanghai) Corp.
		Director:	Arcadyan Holding (BVI) Corp., Arcadyan Technology Limited, Arcadyan Technology Corporation Korea, Arcadyan Technology Australia Pty Ltd, Arch Holding (BVI) Corp., Exquisite Electronic Co., Ltd., Quest International Group Co., Ltd., Sinoprime Global Inc. (BVI), Compal Networking (Kunshan) Co., Ltd., Tatung Technology Inc., Tatung Home Appliances (WuJiang) Co., Ltd.
		President:	Arcadyan Technology Corporation, Arcadyan Technology (Vietnam) Co., Ltd., Zhi-Bao Technology Inc.
		Managerial personnel:	Arcadyan Germany Technology GmbH
Director	Cheng-Hua Sun	Director:	Mega Bills Finance Co., Ltd.
Independent Director	Ing-Jen Lee	Chairman:	Litemax Electronics Inc.
		Director:	Litemax Technology, Inc., Yen Sun Technology Corp., Eutech Microelectronics Inc., Ibase Technology Inc., Jet One Technology Co., Ltd.
		Executive Director:	Litemax Electronics (Shanghai) Inc.
		Independent Director:	AXIS Corporation, Gmt Global Inc.
Independent Director	Ching-Chang Wen	Director:	Bioptik Technology Inc., New E Masterials Co., Ltd., Nanokeeper Materials Co., Ltd.
Independent Director	Wen-An Yang	Chairman:	Durbun Financial Advisory, Inc., Durbun Digital Solutions, Inc.
		President:	Durbun Accounting Firm
		Director:	Lien Chang Electronic Enterprise Co., Ltd.
		Independent Director:	E&E Recycling, Inc., Kuen Ling Machinery Refrigerating Corporation

■ Major shareholders of the Company's corporate shareholder

March 31, 2026

Name of corporate shareholder	Major shareholders of the corporate shareholder (Note)
Compal Electronics, Inc.	Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF (4.45%), Fuh Hwa Taiwan Technology Dividend Highlight ETF (3.70%), Kinpo Electronics, Inc. (3.44%), Yuanta/P-shares Taiwan Dividend Plus ETF (3.26%), Labor Pension Fund (The New Fund) (2.51%), Taiwan Cooperative Bank (1.31%), Pzena Emerging Markets Value Fund (1.29%), Robeco Capital Growth Funds (1.05%), City of New York Group Trust (0.92%), Stichting Depository APG Emerging Markets Equity Pool (0.91%)

Note: If the Major Shareholders are legal entities, see the table below.

■ Major Shareholders as Legal Entities

March 27, 2026

Name of corporate	Major shareholders of the corporate
Kinpo Electronics, Inc.	Compal Electronics, Inc (8.24%), Panpal Technology Corp. (4.61%), GEBO Limited (2.66%), Ho Bao Investment Co., Ltd. (1.99%), Ruey Shinn Co., Ltd. (1.86%), Custodial Account for the Yuanta Taiwan Value High Dividend ETF Securities Investment Trust Fund, entrusted to and held by Hua Nan Commercial Bank (1.48%), Li-Chu Tsai (1.44%), UBS Taipei Branch is subject to Li Chu Tsai trust property account (1.33%), Sheng-Hsiung Hsu (0.91%), UBS Taipei Branch is subject to Sheng-Hsiung Hsu trust property account (0.90%)

March 31, 2026

Name of corporate	Major shareholders of the corporate
Taiwan Cooperative Bank	Taiwan Cooperative Financial Holding Co., Ltd. (100.00%)



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

Qualifications Name	Professional qualifications and experience	Independence (Note)									No. of other public companies at which the person concurrently serves as an Independent Director
		1	2	3	4	5	6	7	8	9	
Chairman: Representative of Compal Electronics, Inc.: Jui-Tsung Chen	Bachelor's degree in Electrical Engineering from National Cheng Kung University; extensive experience in commerce, management, and the electronics industry; currently serving as Chairman of Compal Electronics, Inc.; compliant with all requirements of Article 30 of the Company Act.										1
Director: Representative of Compal Electronics, Inc.: Sheng-Hua Peng	Master's degree in Electrical Engineering from National Taiwan University; extensive experience in commerce, management, and the electronics industry; currently serving as Executive Vice President of Compal Electronics, Inc.; compliant with all requirements of Article 30 of the Company Act.										0
Director: Representative of Compal Electronics, Inc.: Cheng-Chiang Wang	Bachelor's degree in Accounting from Fu Jen Catholic University; extensive experience in commerce, management, and the electronics industry; currently serving as Corporate Governance Officer & Chief Accounting Officer of Compal Electronics, Inc.; compliant with all requirements of Article 30 of the Company Act.	Non-independent Director Not applicable									0
Director: Representative of Compal Electronics, Inc.: Chung-Pao Liu	EMBA from National Chiao Tung University; extensive experience in commerce, management, and the electronics industry; currently serving as Vice President of Arcadyan Technology Corporation; compliant with all requirements of Article 30 of the Company Act.										0
Director: Chao-Peng Tseng	MBA from Oklahoma State University; extensive experience in commerce, management, and the electronics industry; currently serving as President of Arcadyan Technology Corporation; compliant with all requirements of Article 30 of the Company Act.										0

Name	Qualifications Professional qualifications and experience	Independence (Note)									No. of other public companies at which the person concurrently serves as an Independent Director
		1	2	3	4	5	6	7	8	9	
Director: Cheng-Hua Sun	LL.M. from the Graduate Institute of National Development, National Taiwan University; previously served as a judge and prosecutor and is a licensed attorney; extensive experience in commerce and legal affairs; compliant with all requirements of Article 30 of the Company Act.										0
Independent Director: Ing-Jen Lee	Ph.D. in Electrical Engineering from National Taiwan University; extensive experience in commerce, management, and the electronics industry; currently serving as Chairman of Litemax Technology Inc.; compliant with all requirements of Article 30 of the Company Act.	✓	✓	✓	✓	✓	✓	✓	✓	✓	2
Independent Director: Ching-Chang Wen	Ph.D. in Electrical Engineering from the University of Pennsylvania; extensive experience in commerce, management, and the electronics industry; currently serving as a Director of Bioptik Technology Inc.; compliant with all requirements of Article 30 of the Company Act.	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Independent Director: Wen-An Yang	Master's degree in Commerce from National Taiwan University; practical experience in a CPA firm with a specialization in accounting and finance; currently serving as Chairman of Durbun Digital Solutions, Inc. and Managing Partner of Durbun CPA Firm; compliant with all requirements of Article 30 of the Company Act.	✓	✓	✓	✓	✓	✓	✓	✓	✓	2

Note: According to Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, a “✓” mark shall be given in the box under the code of the requirement that any Independent Director meets within two years before being elected or during the term of office:

- (1) Not an employee of the Company or any of its affiliates.
- (2) Not a director or supervisor of the Company or any of its affiliates. (The same does not apply, however, in cases where the person is an Independent Director of the company, its parent company, or any subsidiary, or subsidiary of the same parent company as appointed in accordance with the laws of Taiwan or with the laws of the

- country of the parent company or subsidiary.)
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders.
 - (4) Not a managerial officer mentioned in paragraph (1), or a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship mentioned in paragraphs (2) and (3).
 - (5) Not a director, supervisor, or employee of an institutional shareholder that directly holds five percent or more of the total number of issued shares of the Company, or ranks as its top five shareholders, or the designated representative pursuant to Article 27 Section 1 or 2 in the Company as director/supervisor. (The same does not apply, however, in cases where the person is an Independent Director of the company, its parent company, or any subsidiary, or subsidiary of the same parent company as appointed in accordance with the laws of Taiwan or with the laws of the country of the parent company or subsidiary.)
 - (6) Not a director, supervisor, or employee of other company with the Board seats or more than half of the voting shares under control of one person. (The same does not apply, however, in cases where the person is an Independent Director of the company, its parent company, or any subsidiary, or subsidiary of the same parent company as appointed in accordance with the laws of Taiwan or with the laws of the country of the parent company or subsidiary.)
 - (7) Not a director, supervisor, or employee of other company whose chairman or president are the same person or spouse of the Company. (The same does not apply, however, in cases where the person is an Independent Director of the company, its parent company, or any subsidiary, or subsidiary of the same parent company as appointed in accordance with the laws of Taiwan or with the laws of the country of the parent company or subsidiary.)
 - (8) Not a director, supervisor, managerial officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the company. (The same does not apply, however, if specified company or institution possessing shareholdings of more than 20% and less than 50% of the total number of issued shares of the Company, and in cases where the person is an Independent Director of the company, its parent company, or any subsidiary, or subsidiary of the same parent company as appointed in accordance with the laws of Taiwan or with the laws of the country of the parent company or subsidiary.)
 - (9) Not a professional individual who, or an owner, partner, director, supervisor, or managerial officer of a sole proprietorship, partnership, company, or institution that provides auditing services or for the past two years, has provided commercial, legal, financial, accounting services or consultation amounted to less than a cumulative TWD500,000 to the Company or to any affiliate of the company, or a spouse thereof. However, this does not apply to members of Remuneration Committee, Public Tender Offer Review Committee or Special Merger and Acquisition Committee carrying out their duties in accordance with Securities and Exchange Act or Business Mergers and Acquisitions Act.

■ Diversity and independence of the Board of Directors:

(1) Diversity of the Board of Directors:

The structure of the Company's Board of Directors shall be determined by choosing an appropriate number of Board members, in consideration of the business development scale of the Company, the shareholdings of major shareholders, and practical operational needs. For the composition of the Board of Directors, it is advisable that Directors concurrently serving as Managerial officers not exceed one-third of the total number of 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 the following two general standards:

- a. Basic conditions and values: gender, age, nationality and culture, etc.
- b. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing or technology), professional skills, and industry experience, etc.

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: operational judgments, accounting and financial analysis, business management, risk management, knowledge of the industry, international market perspective, leadership, investment and merger and acquisitions, and legal proficiency.

The implementation of diversified Board members is described below:

Item Name	Core items								
	Operational judgments	Accounting and financial analysis	Business management	Risk management	Knowledge of the industry	International market perspective	Leadership	Knowledge of investment and merger and acquisitions	Legal proficiency
Representative of Compal Electronics, Inc.: Jui-Tsung Chen	✓	✓	✓	✓	✓	✓	✓	✓	
Representative of Compal Electronics, Inc.: Sheng-Hua Peng	✓		✓	✓	✓	✓	✓		
Representative of Compal Electronics, Inc.: Cheng-Chiang Wang	✓	✓	✓	✓	✓	✓	✓	✓	✓
Representative of Compal Electronics, Inc.: Chung-Pao Liu	✓		✓	✓	✓	✓	✓		
Chao-Peng Tseng	✓	✓	✓	✓	✓	✓	✓	✓	
Cheng-Hua Sun	✓		✓	✓		✓	✓		✓
Independent Director: Ing-Jen Lee	✓	✓	✓	✓	✓	✓	✓	✓	
Independent Director: Ching-Chang Wen	✓	✓	✓	✓	✓	✓	✓	✓	
Independent Director: Wen-An Yang	✓	✓	✓	✓		✓	✓	✓	✓



Item	Director	Independent Director
Age	50-59 years old	2
	60-69 years old	3
	70-79 years old	1
Gender	Male	5
	Female	1 (Note 1)
Nationality	R.O.C.	6
	Foreign nationality	0
Shareholder Status	Shareholder	5
	Non-shareholder	1
Employee status (Note 2)	2	0

Note 1: Among the Company's nine Directors, currently only one is female. Neither gender holds at least one-third of the board seats. This is primarily due to the lack of explicit consideration for gender diversity in the previous board nomination mechanism. In the future, the Company will revise its Director nomination mechanism. In the nomination procedure, gender diversity will be formally incorporated as a key consideration, and shareholders are encouraged to nominate candidates of diverse genders. Furthermore, to address the underrepresentation of females in board seats, the Company will expand the pool of qualified candidates through multiple professional referral channels, such as internal training programs and external professional organization databases. Through the above measures, the Company aims to gradually enhance gender diversity on the Board of Directors.

Note 2: This refers to serving concurrently as an employee of the Company or its subsidiaries.

The Company's current Board of Directors consists of nine Directors. The specific management objectives and achievement status of the diversification policy of its Board of Directors are as follows:

Management objectives	Explanatory note	Achievement status
For the composition of the Board of Directors, Directors concurrently serving as managerial officers shall not exceed one-third of the total number of Board members.	Directors concurrently serving as the managerial officers accounted for 22% of the Board members.	Achieved
Board members shall include at least one Director of a different gender.	The Company has elected a female Director in the 2023 General Shareholders Meeting.	Achieved
More than half of the members of the Board of Directors have telecommunication technology expertise and industrial qualifications to provide professional advices on operational matters, improve the competitiveness of the Company, thus completing the functions of the Board.	Directors with expertise in telecommunication technology and industrial qualifications accounted for 78% of the Board members.	Achieved

- (2) Independence of the Board of Directors: Three of the nine Board members are Independent Directors, representing a proportion of 33%. The establishment of Independent Directors and their exercise of duties are in compliance with the Securities and Exchange Act and the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." None of the circumstances specified in Paragraphs 3 and 4, Article 26-3 of the Securities and Exchange Act exists such situation that between any Directors and none of the Directors is a spouse or a relative within two degrees of kinship of any other Director.

(2) President, Vice Presidents, Senior Managers and Department and Branch Heads

March 29, 2026

Job title	Nationality	Name	Gender	Date of election / appointment to current term	Shares Held		Current Shares Held by Spouse, Minor Child(ren)		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Spouse or relative within the second degree of kinship Holding Managerial Position			Remark
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job title	Name	Relationship	
President	R.O.C.	Chao-Peng Tseng	Male	2017.2.23	162,669	0.07%	0	0%	0	0%	MBA, Oklahoma State University Director of Arcadyan Technology Corporation	Note 1	None	None	None	Note 2
Executive Vice President	R.O.C.	Fong-Yu Lu	Male	2003.5.9	103,780	0.05%	0	0%	0	0%	Master degree of Computer Engineering, National Chiao Tung University Chairman of Tatung Technology Inc.	Note 1	None	None	None	Note 2
Senior Vice President	R.O.C.	Chih-Fang Lee	Male	2026.2.25	132,939	0.06%	11,572	0.01%	0	0%	Master degree of Electrical Engineering, National Central University Director of Tatung Technology Inc.	Note 1	None	None	None	Note 2
Senior Vice President	R.O.C.	Shin-Lung Kuo	Male	2026.2.25	0	0.00%	61	0.00%	0	0%	Bachelor degree of Electronic Engineering, Fu Jen Catholic University Vice President of Delta Networks, Inc.	None	None	None	None	Note 2
Vice President	R.O.C.	Chung-Pao Liu	Male	2003.5.9	17,079	0.01%	0	0%	0	0%	EMBA, National Chiao Tung University Director of Arcadyan Technology Corporation	Note 1	None	None	None	Note 2
Vice President	R.O.C.	Nien-Che Hsiung	Male	2017.5.3	60	0.00%	0	0%	0	0%	EMBA, National Chiao Tung University Director of Tatung Technology Inc.	Note 1	None	None	None	Note 2
Vice President	R.O.C.	Yen-Ju Lin	Male	2022.3.10	9,000	0.00%	0	0%	0	0%	Master degree of New York University Tandon School of Engineering President of Arcadyan Technology N.A. Corporation	Note 1	None	None	None	Note 2

Job title	Nationality	Name	Gender	Date of election / appointment to current term	Shares Held		Current Shares Held by Spouse, Minor Child(ren)		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Spouse or relative within the second degree of kinship Holding Managerial Position			Remark
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job title	Name	Relationship	
Vice President	R.O.C.	Shao-Ming Yu (Note 3)	Male	2026.2.25	2,431	0.00%	0	0%	0	0%	Master degree of Computer Science and Information Engineering, Yuan Ze University Senior Associate Vice President of Arcadyan Technology Corporation	None	None	None	None	Note 2
Vice President	R.O.C.	Ho-Chieh Hsiao (Note 3)	Male	2026.2.25	12,098	0.01%	8,000	0%	0	0%	Master degree of Electrical Engineering, National Tsing Hua University Senior Associate Vice President of Arcadyan Technology Corporation	None	None	None	None	Note 2
Chief Financial Officer and Corporate Governance Officer	R.O.C.	Shih-Wei Huang	Male	2018.3.14	52,790	0.02%	0	0%	0	0%	Master degree of Accounting, Soochow University Chairman of Tatung Technology Inc. Deputy Director of Compal Electronics, Inc.	Note 1	None	None	None	Note 2
Chief Internal Audit Officer	R.O.C.	Yi-Ling Peng	Female	2006.4.17	0	0.00%	0	0%	0	0%	Bachelor degree of Accounting, Yuan Ze University Senior Auditor of KPMG Junior Manager of Masterlink Securities Corporation	None	None	None	None	Note 2

Note 1: List of Concurrent Positions Held by Managers



Job title	Name	Concurrent Positions in Other Companies
President	Chao-Peng Tseng	<p>Chairman: Arcadyan Technology (Vietnam) Co., Ltd. Zhi-Bao Technology Inc., Arcadyan Technology (Shanghai) Corp.</p> <p>Director: Arcadyan Holding (BVI) Corp., Arcadyan Technology Limited, Arcadyan Technology Corporation Korea, Arcadyan Technology Australia Pty Ltd, Arch Holding (BVI) Corp., Exquisite Electronic Co., Ltd., Quest International Group Co., Ltd., Sinoprime Global Inc. (BVI), Arcadyan Technology Corporation, Compal Networking (Kunshan) Co., Ltd., Tatung Technology Incorporation, Tatung Home Appliances (Wujiang) Co., Ltd.</p> <p>President: Arcadyan Technology (Vietnam) Co., Ltd., Zhi-Bao Technology Inc.</p> <p>Managerial personnel: Arcadyan Germany Technology GmbH</p>
Executive Vice President	Fong-Yu Lu	<p>Chairman: Tatung Home Appliances (Wujiang) Co., Ltd., Compal Networking (Kunshan) Co., Ltd.</p> <p>Director: Zhi Bao Technology Inc., Arcadyan Technology (Shanghai) Corp., Arcadyan Technology Australia Pty Ltd, Exquisite Electronic Co., Ltd., Quest International Group Co., Ltd., Tatung Technology Inc.</p>
Senior Vice President	Chih-Fang Lee	Director: Tatung Technology Inc., Arcadyan Technology (Shanghai) Corp.
Vice President	Chung-Pao Liu	<p>Director: Arcadyan Technology Corporation, Zhi Bao Technology Inc., Arcadyan Technology (Shanghai) Corp., Tatung Home Appliances (Wujiang) Co., Ltd.</p> <p>President: Compal Networking (Kunshan) Co., Ltd., Arcadyan Technology (Shanghai) Corp., Tatung Home Appliances (Wujiang) Co., Ltd.</p>
Vice President	Nien-Che Hsiung	<p>Chairman: Arcadyan Turkey Technology and Trade Joint Stock Company</p> <p>Director: Arcadyan do Brasil Ltda, Arcadyan India Private Limited, Tatung Technology Inc., Arcadyan Technology Japan Co., Ltd.</p>
Vice President	Yen-Ju Lin	<p>Director: Arcadyan Technology N.A. Corporation</p> <p>President: Arcadyan Technology N.A. Corporation</p>
Chief Financial Officer and Corporate Governance Officer	Shih-Wei Huang	<p>Chairman: Tatung Technology Inc.</p> <p>President: Tatung Technology Inc.</p> <p>Supervisor: Zhi-Bao Technology Inc., Compal Networking (Kunshan) Co., Ltd. Arcadyan Technology (Shanghai) Corp., Tatung Home Appliances (Wujiang) Co., Ltd.</p>

Note 2: If the President or manager of equivalent position (the highest manager) and the Company Chairman are the same person, or his or her spouse, or the kinship of the first degree, related information regarding the arrangement in terms of reasons, rationale, necessity and response measures shall be provided: None.

Note 3: Vice Presidents Shao-Ming Yu and Ho-Chieh Hsiao assumed their positions on February 25, 2026.

2. Remuneration of Directors, President and Vice Presidents in the Most Recent Year

(1) Remuneration of Directors and Independent Directors

Unit: thousand of TWD

Job title	Name	Remuneration of Director								Sum of A+B+C+D and ratio to net income after tax (%)		Compensation to Directors Also Serving as Company Employees								Sum of A+B+C+D+E+F+G and ratio to net income after tax		Remuneration received from investee companies other than subsidiaries or from the parent company (H)		
		Base compensation (A)		Retirement pay and pension (B)		Director profit-sharing compensation (C)		Expenses and perquisites (D)				Salary, rewards, and special disbursements (E)		Retirement pay and pension (F)		Employee profit-sharing compensation (G)								
		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	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
																		Amount in Cash	Amount in Stock	Amount in Cash	Amount in Stock			
Chairman	Representative of Compal Electronics, Inc.: Jui-Tsung Chen																							
Director	Representative of Compal Electronics, Inc.: Sheng-Hua Peng																							
Director	Representative of Compal Electronics, Inc.: Cheng-Chiang Wang	0	0	0	0	22,088 (Note 1)	22,088 (Note 1)	840	840	22,928 0.83%	22,928 0.83%	24,005 (Note 2)	24,564 (Note 2)	311	311	19,755 (Note 3)	0	19,755 (Note 3)	0	66,999 2.41%	67,558 2.43%	80,661		
Director	Representative of Compal Electronics, Inc.: Chung-Pao Liu																							
Director	Chao-Peng Tseng																							
Director	Cheng-Hua Sun																							
Independent Director	Ing-Jen Lee																							
Independent Director	Ching-Chang Wen	0	0	0	0	2,880 (Note 1)	2,880 (Note 1)	540	540	3,420 0.12%	3,420 0.12%	0	0	0	0	0	0	0	0	3,420 0.12%	3,420 0.12%	0		
Independent Director	Wen-An Yang																							

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.: In accordance with the Articles of Incorporation, Article 22, the remuneration to independent directors is determined by the participation and contribution in the operation of the Company, while taking into consideration the performance of counterparts, all of which the Board meeting is authorized to resolve.

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: The remuneration of directors was approved by the Board of Directors of the Company on February 25, 2026.

Note 2: Rewards and special perquisites include vehicles.

Note 3: As of the publication date of this annual report, the distribution details for Employee profit-sharing compensation has not yet been finalized. The information is an estimate based on the actual distribution ratio from the previous year.

■ Remuneration Range Table

Ranges of remuneration paid to each of the Company's Directors	Name of Director(s)			
	Sum of the first 4 items (A+B+C+D)		Sum of the first 8 items (A+B+C+D+E+F+G+H)	
	The Company	All consolidated entities	The Company	Parent Company and all consolidated entities
Less than TWD1,000,000	Jui-Tsung Chen, Cheng-Chiang Wang, Sheng-Hua Peng, Chung-Pao Liu	Jui-Tsung Chen, Cheng-Chiang Wang, Sheng-Hua Peng, Chung-Pao Liu	Jui-Tsung Chen, Cheng-Chiang Wang, Sheng-Hua Peng	-
TWD1,000,000 (incl.) to TWD2,000,000 (excl.)	Ing-Jen Lee, Ching-Chang Wen, Wen-An Yang, Cheng-Hua Sun	Ing-Jen Lee, Ching-Chang Wen, Wen-An Yang, Cheng-Hua Sun	Ing-Jen Lee, Ching-Chang Wen, Wen-An Yang, Cheng-Hua Sun	Ing-Jen Lee, Ching-Chang Wen, Wen-An Yang, Cheng-Hua Sun
TWD2,000,000 (incl.) to TWD3,500,000 (excl.)	-	-	-	-
TWD3,500,000 (incl.) to TWD5,000,000 (excl.)	Chao-Peng Tseng	Chao-Peng Tseng	-	-
TWD5,000,000 (incl.) to TWD10,000,000 (excl.)	-	-	-	Cheng-Chiang Wang
TWD10,000,000 (incl.) to TWD15,000,000 (excl.)	-	-	Chung-Pao Liu	Chung-Pao Liu
TWD15,000,000 (incl.) to TWD30,000,000(excl.)	Compal Electronics, Inc.	Compal Electronics, Inc.	Compal Electronics, Inc., Chao-Peng Tseng	Compal Electronics, Inc., Chao-Peng Tseng, Sheng-Hua Peng,
TWD30,000,000 (incl.) to TWD50,000,000(excl.)	-	-	-	Jui-Tsung Chen
TWD50,000,000 (incl.) to TWD100,000,000(excl.)	-	-	-	-
More than TWD100,000,000	-	-	-	-
Total	10	10	10	10

Note: As of the publication date of this annual report, the distribution details for Employee profit-sharing compensation has not yet been finalized, and the amount cannot be reasonably estimated. Therefore, this calculation does not include employee compensation.

(2) Remuneration to President and Vice Presidents

Unit: thousand of TWD

Job title	Name	Salary (A)		Retirement pay and pension (B)		Rewards and special perquisites (C)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio to net income after tax (%) (Note 4)		Remuneration received from investee companies 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	
								Amount in Cash	Amount in stock	Amount in Cash	Amount in stock			
President	Chao-Peng Tseng	31,441	31,980	1,159 (Note 1)	1,159 (Note 1)	35,830 (Note 2)	35,950 (Note 2)	47,601 (Note 3)	0	47,601 (Note 3)	0	116,031 4.18%	116,690 4.20%	0
Executive Vice President	Fong-Yu Lu													
Senior Vice President	Chih-Fang Lee													
Senior Vice President	Shin-Lung Kuo													
Vice President	Chung-Pao Liu													
Vice President	Nien-Che Hsiung													
Vice President	Yen-Ju Lin													
Chief Financial Officer and Corporate Governance Officer	Shih-Wei Huang													

Note 1: Referring to the amount recognized as expense or contributed for retirement benefits.

Note 2: Rewards and special perquisites include vehicles.

Note 3: As of the publication date of this annual report, the distribution details for Employee profit-sharing compensation has not yet been finalized. The information is an estimate based on the actual distribution ratio from the previous year.

Note 4: The 2025 remuneration listed above does not include the remuneration of Shao-Ming Yu and Ho-Chieh Hsiao, who were appointed as Vice Presidents on February 25, 2026.

■ Remuneration Range Table

Ranges of remuneration paid to each of the Company's President and Vice Presidents	Names of President and Vice Presidents	
	The Company	All consolidated entities
Less than TWD1,000,000	-	-
TWD1,000,000 (incl.) to TWD2,000,000 (excl.)	-	-
TWD2,000,000 (incl.) to TWD3,500,000 (excl.)	-	-
TWD3,500,000 (incl.) to TWD5,000,000 (excl.)	-	-
TWD5,000,000 (incl.) to TWD10,000,000 (excl.)	Shih-Wei Huang, Nien-Che Hsiung	Shih-Wei Huang, Nien-Che Hsiung
TWD10,000,000 (incl.) to TWD15,000,000 (excl.)	Fong-Yu Lu, Chung-Pao Liu, Chih-Fang Lee, Shin-Lung Kuo, Yen-Ju Lin	Fong-Yu Lu, Chung-Pao Liu, Chih-Fang Lee, Shin-Lung Kuo, Yen-Ju Lin
TWD15,000,000 (incl.) to TWD30,000,000(excl.)	Chao-Peng Tseng	Chao-Peng Tseng
TWD30,000,000 (incl.) to TWD50,000,000(excl.)	-	-
TWD50,000,000 (incl.) to TWD100,000,000(excl.)	-	-
More than TWD100,000,000	-	-
Total	8	8

Note: As of the publication date of this annual report, the distribution details for Employee profit-sharing compensation has not yet been finalized, and the amount cannot be reasonably estimated. Therefore, this calculation does not include employee compensation.

■ Employee profit-sharing granted to Managerial Officers

December 31, 2025; Unit: thousand of TWD

	Job title	Name	Amount in stock	Amount in Cash	Total	Total as a percentage of after-tax net income (%)
Managerial Officers	President	Chao-Peng Tseng	0	47,601 (Note1 and 2)	47,601	1.71%
	Executive Vice President	Fong-Yu Lu				
	Senior Vice President	Chih-Fang Lee				
	Senior Vice President	Shin-Lung Kuo				
	Vice President	Chung-Pao Liu				
	Vice President	Nien-Che Hsiung				
	Vice President	Yen-Ju Lin				
	Chief Financial Officer and Corporate Governance Officer	Shih-Wei Huang				

Note 1: Referring to the estimated employees' compensation resolved by the Board of Directors.

Note 2: As of the publication date of this annual report, the distribution details for Employee profit-sharing compensation has not yet been finalized. The information is an estimate based on the actual distribution ratio from the previous year.

(3) Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial statements or individual financial statements, as paid by this company and by each other company included in the consolidated financial statements during the past 2 fiscal years to Directors, President, and Vice Presidents, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

- Analysis of the proportion of the total remuneration of Directors, President and Vice Presidents paid by the Company and all companies in the consolidated financial statements to after-tax net income in parent-company-only financial statements:

Unit: thousand of TWD

Item	2025		2024		Increased (decreased)	
	Amount	%	Amount	%	Amount	%
Directors	143,038	5.15	136,269	5.48	6,769	(0.33)
President and Vice Presidents						
After-tax net income in parent-company- only financial statements	2,777,080		2,486,429		290,651	

Explanation and analysis of increase/decrease:

The total remuneration to Directors, President, and Vice Presidents in 2025 as a percentage of net income was not significantly different from that in 2024.

- The correlation between policies, standards, portfolios for the payment of remuneration, the procedures for determining remuneration, and business performance and future risks:
 - a. In accordance with the Articles of Incorporation for Directors' Remuneration, if the Company makes a profit in each fiscal year, no more than 2% for remuneration of Directors shall be allocated from the Company's pre-tax income which is before deducting employee compensation and Director remuneration. In addition, the reasonable remuneration is determined considering the Company's operating results and their contribution to the Company's performance. Further, the Company evaluates the performance of its directors on a regular basis in accordance with the "Regulations Governing the Performance Evaluation of the Board of Directors and Functional Committees". The Remuneration Committee will report to the Board of Directors and make specific proposals based on the analysis of performance evaluation results as a reference for the remuneration of individual Directors.
 - b. In accordance with the Company's Articles of Incorporation, if the Company makes a profit in each fiscal year, no less than 5% of the pre-tax net income which is before deducting employee compensation and Director remuneration shall be allocated as employee compensation.
 - c. The compensation of Company's managerial officers comprises both fixed items, such as salary, holiday bonus, and relevant benefits, and variable items, such as combination of retention bonus, employee compensation, Restricted Stock Awards (RSA) and stock options. Our compensation policy is based on the Company's salary policy and refers to the industry standards and items such as job title, position rank, education and experience, professional ability, and job responsibilities. Reasonable remuneration is determined in reference to the manager's target achievement rate, operating efficiency, contribution, etc., taking into account the scope of powers and responsibilities of the position in the Company to calculate the



remuneration ratio. Moreover, the remuneration system for managers is reviewed in due course through the actual operating conditions and relevant laws and regulations. To implement top-down sustainability governance, the Company has evaluated the integration of sustainability objectives into performance appraisals, ensuring that management decisions are closely aligned with our long-term sustainable value.

- d. Regarding the procedures for determining remuneration, it is also based on financial indicators 70% (individual performance achievement rate and contribution to company performance), and non-financial indicators 30% (such as leading specific projects, the level of compliance with laws and regulations, and material deficiencies in operational risks), etc. Furthermore, non-financial indicators have incorporated ESG Key Performance Indicators (including annual carbon reduction target attainment, renewable energy usage rates, and sustainable supply chain assessments). Specific incentive ratios are set based on these achievements to guide management in proactively addressing risks and opportunities related to climate change. At the beginning of the year, these indicators and their corresponding weights are established, taking into account the operating environment and future risk factors. At interim periods and at year-end, achievements are assessed to determine the variable bonus amount as reasonable remuneration. Relevant remuneration is submitted to the Remuneration Committee for review and to the Board of Directors for resolution. In addition, the Company reviews changes in the global economy, international financial environment, and industrial trends at any time to estimate the Company's future operating development, profitability, operating risks, and changes in relevant laws and regulations. The remuneration system is reviewed in due course to strike a balance between the Company's sustainable operation and risk control.

3. Implementation of Corporate Governance

(1) Board of Directors

Term of Board of Directors: June 15, 2023 to June 14, 2026.

The Board of Directors held four meetings in the most recent year. The attendance of Directors is as follows:

Position	Name	No. of meetings attended in person	No. of meetings attended by proxy	In-person attendance rate (%) (Note)	Remark
Chairman	Compal Electronics, Inc. Representative: Jui-Tsung Chen	4	0	100%	Note: The in-person attendance rate shall be calculated based on the number of Board meetings held and the number of times each Director has attended during their term of office.
Director	Compal Electronics, Inc. Representative: Sheng-Hua Peng	3	1	75%	
Director	Compal Electronics, Inc. Representative: Cheng-Chiang Wang	4	0	100%	
Director	Compal Electronics, Inc. Representative: Chung-Pao Liu	4	0	100%	
Director	Chao-Peng Tseng	4	0	100%	
Director	Cheng-Hua Sun	4	0	100%	
Independent Director	Ing-Jen Lee	4	0	100%	
Independent Director	Ching-Chang Wen	4	0	100%	
Independent Director	Wen-An Yang	4	0	100%	

Other notes:

- For Board of Directors meetings that meet any of the following descriptions, shall state the date, session, the discussed topics, Independent Directors' opinions and how the company has responded to such opinions:
 - Conditions described in Article 14-3 of the Securities and Exchange Act: Not applicable as the Company has established the Audit Committee. Regarding the matters described in Article 14-5 of the Securities and Exchange Act, please refer to the implementation of the Audit Committee.
 - Any other documented objections or qualified opinions raised by Independent Directors against the resolutions by Board of Directors in relation to matters other than those described above: None.
- Regarding the execution of recusal by Director(s) from motions involving conflict of interest, shall state the name(s) of Director(s), the content of the resolution, the reason(s) for recusal due to conflicts of interest and the participation of voting for the resolution.

Time of Board of Directors Meeting	Content of Motion	Name of Director(s) of Recusal	Reason of recusal	Participation of voting for the resolution
May 7, 2025 The 9th meeting of the 9th term Board of Directors	Adjustment of salary for 2025	Chao-Peng Tseng, Chung-Pao Liu	Holding a concurrent position as managerial officer of the Company	The relevant Directors recused themselves from the discussion and voting due to the conflict of interest. The resolution was adopted after the convener solicited opinions from the rest of the Directors present and received no objections.
	Approval for disbursement of Dragon Boat and Mid-Autumn Festivals bonus for 2025	Chao-Peng Tseng, Chung-Pao Liu	Holding a concurrent position as managerial officer of the Company	
	Approval for 2025 Talent Retention and Incentive Scheme	Chao-Peng Tseng, Chung-Pao Liu	Holding a concurrent position as managerial officer of the Company	
July 23, 2025 The 10th meeting of the 9th term Board of Directors	Disbursement of remuneration to Directors for 2024	Jui-Tsung Chen, Sheng-Hua Peng, Cheng-Chiang Wang, Chung-Pao Liu, Chao-Peng Tseng, Cheng-Hua Sun, Ing-Jen Lee, Ching-Chang Wen, Wen-An Yang	Discussion of disbursement amount for the Directors themselves and the legal persons they represented.	The relevant Directors recused themselves from the discussion and voting due to the conflict of interest. The resolution was adopted after the convener solicited opinions from the rest of the Directors present and received no objections.
	Disbursement of compensation to employee for 2024	Chao-Peng Tseng, Chung-Pao Liu	Holding a concurrent position as managerial officer of the Company	
October 29, 2025 The 11th meeting of the 9th term Board of Directors	Disbursement of year-end bonus for 2025	Chao-Peng Tseng, Chung-Pao Liu	Holding a concurrent position as managerial officer of the Company	The relevant Directors recused themselves from the discussion and voting due to the conflict of interest. The resolution was adopted after the convener solicited opinions from the rest of the Directors present and received no objections.

3. Public listed companies shall disclose the frequency and period of self-evaluation (or peer evaluation), scopes, methodology and content of assessment conducted by the Board of Directors, as well as the implementation status for self-evaluation of Board of Directors.

(1) The Board adopted a resolution for the establishment of “Procedures of Performance Evaluation of the Board of Directors and Functional Committees.” Internal evaluation results for 2025 are as follows:

Nature	Frequency of evaluation	Evaluation period	Scope of evaluation	Method of evaluation	Content of evaluation	Results of evaluation
Board of Directors	Once a year	January 1 to December 31, 2025	Board of Directors and individual Directors	Internal self-evaluation of the Board and self-evaluation of Board members	The performance evaluation items of the Board shall at least include the following five major areas: 1. Participation level in the operation of the Company. 2. Enhancement of the decision making quality of the Board. 3. Composition and structure of the Board of Directors. 4. Election and continuing education of Directors. 5. Internal control. The performance evaluation items of the Board members shall at least include the following six major areas: 1. Alignment with the Company’s goals and tasks. 2. Awareness of Director’s duties and responsibilities. 3. Participation level in the operation of the Company. 4. Management and communication of internal relationships. 5. Professionalism and continuing education of Directors. 6. Internal control.	Standards significantly surpassed
Audit Committee	Once a year	January 1 to December 31, 2025	Audit Committee	Internal self-evaluation of Audit Committee	The performance evaluation items of Audit Committee shall at least include the following five major areas: 1. Participation level in the operation of the Company. 2. Awareness of Audit Committee’s duties and responsibilities. 3. Enhancement of the decision making quality of Audit Committee. 4. Composition of the Audit Committee and election of committee members. 5. Internal control.	Standards significantly surpassed
Remuneration Committee	Once a year	January 1 to December 31, 2025	Remuneration Committee	Internal self-evaluation of Remuneration Committee	The performance evaluation items of Remuneration Committee shall at least include the following four major areas: 1. Participation level in the operation of the Company.	Standards significantly surpassed



Nature	Frequency of evaluation	Evaluation period	Scope of evaluation	Method of evaluation	Content of evaluation	Results of evaluation
					2. Awareness of Remuneration Committee's duties and responsibilities. 3. Enhancement of the decision making quality of Remuneration Committee. 4. Composition of Remuneration Committee and election of committee members.	
Sustainability Committee	Once a year	January 1 to December 31, 2025	Sustainability Committee	Internal self-evaluation of Sustainability Committee	The performance evaluation items of Sustainability Committee shall at least include the following four major areas: 1. Participation level in the operation of the Company. 2. Awareness of Sustainability Committee's duties and responsibilities. 3. Enhancement of the decision making quality of Sustainability Committee. 4. Composition of Sustainability Committee and election of committee members.	Standards significantly surpassed

4. Evaluation of the objectives and implementation of Board of Director functional enhancements in the current and the most recent year (e.g. establishing Audit Committee, increase information transparency).

(1) The Board of Directors established three functional committees, namely Audit Committee (in 2014), Remuneration Committee (in 2014), and Sustainability Committee (in 2022). The Independent Directors constitute the entire members of the Audit Committee and Remuneration Committee, and one Independent Director plus two Directors concurrently serving as managerial officers constitute the members of the Sustainability Committee to assist the Board in fulfilling its oversight duties.

(2) In 2023, the Company's Board of Directors underwent a full re-election, during the election, a new female Director with legal expertise was elected to implement the policy for diversity of Board members.

(3) On May 6, 2020, the Board adopted a resolution for the establishment of the "Procedures of Performance Evaluation of the Board of Directors and Functional Committees." The results of the evaluation shall be submitted to the Remuneration Committee for making analysis and recommendation proposal, followed by reporting to the Board of Directors. The results shall serve as a reference for salary and remuneration for individual Directors, as well as for the nominations of their re-election. The Company had completed the performance evaluation for 2025 on February 25, 2026 and submitted the report to the Remuneration Committee and the Board of Directors. The performance evaluation results have been published on the Company's website. At the same time, the "Regulations Governing the Board of Directors and Functional Committees Performance Evaluation" stipulate that at least once every three years, an external professional independent organization or an external expert team should be engaged to perform a performance evaluation of the Board of Directors, to implement the self-motivation of the Board members, to improve the sound operation of the Board of Directors. The most recent external performance evaluation of the Board of Directors was in 2023. For the overall results of external performance evaluation of the

Board of Directors, recommendations and improvement plan, please refer to the performance evaluation of the Board of Directors under the corporate governance section of the Company's website.

- (4) Continuing education of Directors: Directors are encouraged to participate in continuous education to enrich their knowledge continually. In 2025, the total hours of continuing education for all Directors amounted to 54 hours.
- (5) In 2025, the Company completed the revisions to the following relevant laws and regulations: “Articles of Incorporation,” “Corporate Governance Best Practice Principles,” “Internal Control System,” “ Rules Governing Financial and Business Matters Between this Corporation and its Related Parties,” “Tax Policy and Management Guidelines,” and “Sustainable Development Best Practice Principles.”
- (6) Kinpo Compal Management Service Corporation, an affiliate of the Company, regularly plans annual training courses for Directors. These courses incorporate international trends such as IFRS S1 and S2 sustainability disclosure standards to ensure that Board members possess the professional knowledge to oversee and identify climate resilience and sustainable transformation, thereby implementing a top-down sustainability governance culture.
- (7) For other goals and the implementation of enhancing Board functions, please refer to the Implementation of Corporate Governance section of this Annual Report, specifically (2) Implementation status of Audit Committee, (3) Corporate Governance Implementation Status and Deviations from the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and the Reasons, and (4) Composition, Responsibilities and Operation of the Remuneration Committee.

(2) Implementation status of Audit Committee:

Term of Audit Committee: June 15, 2023 to June 14, 2026.

The main duties of the Audit Committee includes: reviewing and examining financial reports, internal audit, internal control system, significant assets and derivatives transactions, loan of funds, endorsement or guarantee provision; engagement or discharge, fee proposal and independence assessment of CPAs; appointment or dismissal of financial, accounting officers or internal audit officers; acceptance for whistle-blowing cases, inspecting legal compliance of the Company on a regular basis, reviewing the risk management policies and procedures, and monitoring risk management.

The Audit Committee held four meetings in the most recent year. The attendance of Independent Directors is as follows:

Position	Name	No. of meetings attended in person	No. of meetings attended by proxy	In-person attendance rate (%)	Remark
Independent Director (Convener)	Ing-Jen Lee	4	0	100%	
Independent Director	Ching-Chang Wen	4	0	100%	
Independent Director	Wen-An Yang	4	0	100%	

Other notes:

1. If any of the following circumstances exist, specify the Audit Committee meeting date, meeting session number, content of the motion(s), the content of any objection 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:

Audit Committee Date/Session	Content of motion	Objections, qualified opinion or significant recommendations of Independent Directors	Audit Committee's resolution	Actions taken by the Company in response to the Audit Committee's opinions
February 26, 2025 The 8th meeting of the 5th term	1. 2024 financial reports	None	The resolution was adopted after the convener solicited opinion from the attending members and received no objection.	The resolution was adopted after the convener solicited opinion from the attending Directors and received no objection.
	2. 2024 business reports	None		
	3. 2024 distribution of earnings	None		
	4. 2024 statement of internal control system	None		
	5. Change of auditing CPAs	None		
May 7, 2025 The 9th meeting of the 5th term	1. 2025 Q1 financial reports	None	The resolution was adopted after the convener solicited opinion from the attending members and received no objection.	The resolution was adopted after the convener solicited opinion from the attending Directors and received no objection.
	2. Lending funds to subsidiary, Arcadyan Technology Limited.	None		
July 23, 2025 The 10th meeting of the 5th term	1. 2025 Q2 financial reports	None	The resolution was adopted after the convener solicited opinion from the attending members and received no objection.	The resolution was adopted after the convener solicited opinion from the attending Directors and received no objection.
	2. Phase II Interior Renovation Project of the Headquarters Building	None		
	3. Lending funds to subsidiary, Arcadyan do Brasil Ltda.	None		
	4. Proposed amendments to the "Internal Control System"	None		
October 29, 2025 The 11th meeting of the 5th term	1. 2025 Q3 financial reports	None	The resolution was adopted after the convener solicited opinion from the attending members and received no objection.	The resolution was adopted after the convener solicited opinion from the attending Directors and received no objection.
	2. Approval for the internal audit plan for 2026	None		
	3. Assessment of the independence and competence of the auditing CPAs	None		

(2) In addition to the matters referred to above, any matter that was not approved by the Audit Committee but was approved by a two-thirds or greater majority resolution of the Board of Directors : None.

2. Regarding the recusal of Independent Director(s) from motions involving conflict of interest, shall state the name(s) of Independent Director(s), the content of the resolution, the reason(s) for recusal due to conflicts of interest and the participation of voting for the resolution: None.

3. Communication between the Independent Directors and the Chief Internal Audit Officer and the CPAs (including any significant matters, methods and outcomes of communications with respect to the Company’s finances and business conditions).

a. Method of communication between Independent Directors, the Internal Audit officer, and CPAs:

- By the end of the following month after completing the audited items, the Internal Audit Officer shall submit a written audit report to the Independent Directors. Should the Independent Directors require clarification of the audit and follow-up actions, they may contact the Internal Audit Officer at any time.
- The Internal Audit Officer and the Independent Directors shall hold at least one meeting every quarter, reporting the execution of internal audit and the operation status of internal control.
- CPAs and Independent Directors are required to hold at least one regular meeting per year to maintain effective communication. During the meeting, CPAs will report to the Independent Directors on the annual audit plan, the results of the financial statement audit, and any other legal requirements. The independent Directors will also evaluate the independence and competence of CPAs.
- Should an auditing need arises, the Internal Audit Officer and CPAs should submit a written report or provide oral explanations to the members of the Audit Committee.

b. Summary of the communications between Independent Directors and Internal Audit Officer:

Date	Communication Items	Communication Result
February 26, 2025	a. Reporting on the execution of internal audit operations conducted in 2024 Q4 b. 2024 statement of internal control system	There were no objections or other instructions after all the Independent Directors reviewed.
May 7, 2025	Reporting on the execution of internal audit operations conducted in 2025 Q1	There were no objections or other instructions after all the Independent Directors reviewed.
July 23, 2025	a. Reporting on the execution of internal audit operations conducted in 2025 Q2 b. Amendments to the “Internal Control System”	There were no objections or other instructions after all the Independent Directors reviewed.
October 29, 2025 (Separate communication meeting)	a. Reporting on the execution of internal audit operations conducted in 2025 Q3 b. 2026 internal audit plan	There were no objections or other instructions after all the Independent Directors reviewed.

c. Communications between Independent Directors and CPAs, as well as summary of key communication matters:

Date	Communication Items	Communication Result
October 29, 2025 (Separate communication meeting)	<ul style="list-style-type: none"> a. Independence of CPAs b. The CPA Firm's System of Quality Management c. The scope of the financial statement review, and the type of conclusion issued based on the review d. Audit plan for annual financial statements e. Report of annual "Audit Quality Indicators (AQIs)" f. Update on significant laws and regulations 	There were no other instructions after all the Independent Directors reviewed.

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

Evaluation Item	Implementation status (Note)			Deviations from the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No	Summary description	
1. Has the Company established and disclosed its Corporate Governance Best Practice Principles based on “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”?	V		In accordance with “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies,” the Company has established “Corporate Governance Best Practice Principles” and made relevant disclosure on the Company website and Market Observation Post System.	No material deviation
2. Shareholding Structure and Shareholders’ Equity				
(1) Does the Company have Internal Operation Procedures for handling shareholders’ suggestions, queries, disputes and litigation matters? If yes, have these procedures been implemented accordingly?	V		(1) In addition to designating specialized units to address the matters such as suggestions, queries, disputes, and litigations from shareholders, the Company has also appointed a spokesperson and acting spokesperson that take actions and make relevant responses. The Company website has also provided contact details and e-mail to handle investor relations.	No material deviation
(2) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	V		(2) The Company has appointed a share transfer agent to update register of shareholders and register of major shareholders periodically to closely monitor the list of shareholder(s) with de facto control, submitting the information of the changes in accordance with rules governing information reporting for listed companies.	No material deviation
(3) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	V		(3) The Company and its affiliated companies operate independently. Each company has its internal control system and regulations. The Company has established and implemented the rules governing the supervision of subsidiaries and “Rules Governing Financial and Business Matters Between this Corporation and its Related Parties.”	No material deviation
(4) Has the Company established internal rules prohibiting insider trading against non-	V		(4) With respect to the internal control system, the Company has established the “Insider Trading Prevention	No material deviation



Evaluation Item	Implementation status (Note)			Deviations from the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No	Summary description	
public information?			<p>Procedures” and the “Procedures for Handling Material Inside Information.” Both have been released available on the Company website. The Directors, managerial officers, employees and the persons who obtain material inside information via their positions, work or controlling interest, must comply with the relevant Procedures. The Company’s “Corporate Governance Best Practice Principles” also explicitly stipulate that Directors are prohibited from trading the Company’s shares during the blackout periods, which are 30 days prior to the announcement of the annual financial reports and 15 days prior to the announcement of the quarterly financial reports.</p>	
3. Composition and responsibilities of the Board of Directors (1) Has the Board of Directors established a diversity policy, set specific management objectives and have them been fully implemented?	V		(1) The Company has nine Directors, including three Independent Directors, and one external individual Director. Seven Directors do not concurrently serve as managerial positions in the Company; every Director possesses professional background, including business, legal, accounting, technology, management, professional skills and industrial experience, which form a diversified composition. The current Board of Directors consists of Jui-Tsung Chen, Sheng-Hua Peng, Chao-Peng Tseng, Chung-Pao Liu, Ing-Jen Lee, and Ching-Chang Wen, who excel in leadership, operational judgment, business management, and industry knowledge; Wen-An Yang and Cheng-Chiang Wang, who possess expertise in accounting and financial analysis; and Cheng-Hua Sun, who specializes in the legal profession. Directors who are also employees of the Company represent 22% of the Board; Independent Directors	No material deviation

Evaluation Item	Implementation status (Note)			Deviations from the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No	Summary description	
(2) Has the Company voluntarily established other functional committees in addition to the Remuneration Committee and the Audit Committee?	V		<p>represent 33%, the average age of the Directors falls between 60 and 70 years old.</p> <p>The targets of Board diversification include(1) Directors concurrently serving as Company officers shall not exceed one-third of the total number of Board members; (2) achieving gender diversity among directors; (3) ensuring that more than half of the members of the Board of Directors have telecommunication technology expertise and industrial qualifications to provide professional advice on operational matters, improve the competitiveness of the Company, thus completing the function of the Board. For the implementation of Board diversification, please refer to page 18-19.</p> <p>The Board of Directors has established the diversity policy pertaining to the composition of Directors, and provides disclosure on the Company website and Market Observation Post System.</p>	No material deviation
(3) Has the Company established policies and procedures for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the Board of Directors and used	V		<p>(2) In addition to the Remuneration Committee and Audit Committee established in accordance with the law, the Company has also established a Sustainability Committee, with the President serving as the Chairperson. The committee is responsible for promoting sustainability-related matters, tracking their effectiveness, and reporting the implementation status and results to the Board of Directors at least once a year.</p> <p>(3) On May 6, 2020, the Board adopted resolution for the establishment of “Procedures of Performance Evaluation of the Board of Directors and Functional Committees.” The scope of evaluation includes the performance evaluation of the entire Board of Directors, individual Directors and functional committees.</p>	No material deviation



Evaluation Item	Implementation status (Note)			Deviations from the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No	Summary description	
<p>them as reference in determining salary and remuneration for individual Directors and their re-election nomination?</p>			<p>The methodologies of evaluation include self-evaluation of the Board and functional committees, self-evaluation of individual Board members, engagement of external professional institutions, experts, or other appropriate methods to conduct the performance evaluation. The results of the evaluation were submitted to the Remuneration Committee for making analysis and recommendation proposal, followed by reporting to the Board of Directors along with specific recommendations. The results shall serve as a reference for the salary and remuneration for individual Directors, as well as for their re-election nomination. The Company has completed the 2025 performance evaluation on February 25, 2026 (evaluation period: January 1 to December 31, 2025), and the results were all “standards significantly surpassed” and already reported to the Remuneration Committee and the Board of Directors.</p> <p>The external performance evaluation of the Board of Directors shall be conducted at least once every three years by an external professional independent institution or a team of external experts, and it shall be completed by the end of the first quarter of the following year. The Company engaged an external professional institution to conduct its first external performance evaluation of the Board of Directors in 2023. The evaluation resulted in an “Advanced” rating. The institution's overall evaluation and recommendations have been disclosed in the corporate governance section of the Company's website for investors' reference.</p>	
<p>(4) Does the Company regularly evaluate its external auditors' independence?</p>	V		<p>(4) The auditing firm of the Company and its employees are required to submit an annual “Declaration of</p>	No material deviation

Evaluation Item	Implementation status (Note)			Deviations from the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No	Summary description	
			<p>Independence.” After verification, apart from fees for audit and tax related services, the Company confirmed that there is no other business interest or relationship with the CPAs. Further, when the Audit Committee and the Board of Directors discuss the independence and engagement of the auditing CPAs, the recommended CPAs are required to submit their resumes and “Declaration of Independence.” (declaring not in violation of Ethical Standards Publication No. 10), and an “Assessment Form of the independence and competence of Independent Auditors” for the independence evaluation. In addition, the Audit Committee and Board of Directors evaluate the independence and competence of CPAs with reference to the Audit Quality Indicators (AQIs) on a yearly basis. The results of the evaluation for the most recent year have been completed by October 29, 2025 and have been submitted to and approved by the Audit Committee and the Board of Directors. Please refer to the relevant information disclosure on the Company website.</p>	
<p>4. Does the TWSE/TPEX listed company have in place an adequate number of qualified corporate governance officers and has it appointed a Corporate Governance Officer with responsibility corporate governance practices (including but not limited to providing information necessary for Directors and supervisors to perform their duties, aiding Directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling</p>	V		<p>The Company has designated specific personnel to take charge of corporate governance and appointed the Company’s CFO as its Corporate Governance Officer in accordance with “Corporate Governance Best Practice Principles.” The CFO has more than 15 years of experience in public companies engaged in financial and shareholder affairs, and the main responsibilities are to provide the information required for the Directors and Independent Directors to perform their duties, assist in convening Board and Shareholders Meetings in accordance with the law, prepare meeting minutes of Board and Shareholders Meetings, assisting Directors with their appointment</p>	No material deviation



Evaluation Item	Implementation status (Note)			Deviations from the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No	Summary description	
minutes of board meetings and annual general shareholders meetings)?			and continuing education, and reviewing the legal compliance of Independent Director qualifications. In addition, the Company regularly reviews and revises its “Corporate Governance Best Practice Principles” and related regulations, and implement corporate governance management. Please refer to page 45 for the implementation details of the corporate governance business in 2025.	
5. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholder’s section on its company website? Does the Company appropriately respond to stakeholders’ questions and concerns on important corporate social responsibility issues?	V		The Company maintains good communication channels with its banks, shareholders, suppliers, creditors and employees, as well as respecting and protecting their legal interests. The Company has provided phone numbers and e-mail addresses for business queries and investor relations, managed by the designated responsible units. Various interested parties may also reach out the Company via e-mail when needed, and the Company will properly respond to the concerns and suggestions by stakeholders. For detailed information, please refer to the 2025 Sustainability Report and the ESG Sustainability section on the Company's website.	No material deviation
6. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholders meetings?	V		The Company has appointed Chinatrust (CTBC Bank) Transfer Agent to handle the affairs of the Shareholders Meetings.	No material deviation
7. Information disclosure (1) Has the Company established a corporate website to disclose information regarding its financial, business, and corporate governance status?	V		(1) The information of the Company website: www.arcadyan.com , and a dedicated unit is designated to be responsible for the collection and disclosure of the Company's financial, business and corporate governance information.	No material deviation
(2) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference via the	V		(2) The Company discloses the relevant information on the Company website and Market Observation Post System on a regular and timely basis. Meanwhile, spokespersons and acting spokespersons have been set up to implement the spokesperson system. In addition, the Company has established Investor Relations section	No material deviation

Evaluation Item	Implementation status (Note)			Deviations from the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No	Summary description	
<p>Company website, etc.)?</p> <p>(3) Does the company announce and file its annual financial report within two months after the end of the fiscal year, and announce and file its financial reports for the first, second, and third quarters as well as its monthly operating status report ahead of the specified deadlines?</p>	V		<p>on its Chinese and English websites, providing adequate disclosure on financial and business information, institutional investor conferences and corporate governance for the reference of shareholders and the public. The URL for the audio and video files of the Institutional investors' conference: www.arcadyan.com.</p> <p>(3) The Company’s annual financial reports for 2025 were publicly announced and filed on February 25, 2026. Additionally, the first, second, and third quarterly financial reports, along with the monthly operating status report, were submitted earlier than the statutory deadlines.</p>	No material deviation
<p>8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, Directors’ and supervisors’ continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for Directors and supervisors)?</p>	V		<p>Please refer to the page 46 explanation of Note.</p>	No material deviation
<p>9. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement.</p> <p>1. According to the 11th Corporate Governance Evaluation Results announced by the Taiwan Stock Exchange, the Company was ranked in the second tier (top 6% to 20%) among listed companies. The Company will continue to make effort in expanding and deepening the implementation of environmental, social and governance (ESG) criteria, thus working toward sustainable development.</p> <p>2. The improvements made in 2025 are mainly as follows:</p> <p>a. The Company has revised the “Rules Governing Financial and Business Matters Between the Corporation and Its Related Parties.” Material related-party transactions shall be submitted to the Board of Directors for resolution and subsequently presented to the Shareholders' Meeting for approval or reporting.</p>				



Evaluation Item	Implementation status (Note)			Deviations from the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No	Summary description	
				<p>b. In compliance with regulatory requirements, the Company has established "Sustainability Information Management Procedures" and incorporated them into the annual internal audit plan. The internal audit unit conducts regular audits to ensure the reliability of sustainability information disclosure.</p> <p>c. The Sustainability Report discloses Greenhouse Gas (GHG) Scope 3 categories and annual emissions for the past year.</p> <p>3. Looking forward, the Company will continue to align with the promotion of the Sustainability Assessment by the competent authority. By evaluating potential improvement plans for non-scoring items and the latest indicators, the Company aims to further refine and enhance its sustainability initiatives.</p>

- The implementation status of the corporate governance business in 2025 were as follows:
- In accordance with regulatory, business, and financial requirements, prepare meeting materials and minutes for the Audit Committee, Sustainability Committee, and Board of Directors, while coordinating relevant matters with proposing departments.
- Report the results of performance evaluations for Board members, the Board of Directors, the Audit Committee, the Remuneration Committee, and the Sustainability Committee to the Board of Directors.
- Plan communication meetings between Independent Directors, Chief Internal Audit Officer and CPAs, while the Audit Committee reviews the independence and competence of CPAs to ensure the implementation of corporate governance.
- In coordination with the Board of Directors, Shareholders' Meetings, and financial or business information, prepare and publish material information disclosures.
- In accordance with the law, handle the advance registration of the Shareholders' Meeting date; prepare the meeting notice, meeting handbook, and minutes within the statutory deadlines; and coordinate relevant matters with internal departments, the stock transfer agent, CPAs, and legal counsel.
- Responsible for the Corporate Governance section of the annual report, including data collection, preparation of stock-related information, coordination of interdepartmental tasks, and final editing.
- Oversee the overall planning of the Corporate Governance Evaluation, including the preparation of stock-related data, coordination of interdepartmental tasks, and website maintenance.
- The Corporate Governance Officer has completed a total of 24 hours of continuing education, and the relevant filings have been submitted to the MOPS.
- In accordance with the “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies,” provide relevant information and promote as well as encourage directors to participate in continuing education.
- In compliance with regulatory requirements and corporate governance standards, the Company has completed the revision of the” Articles of Incorporation,” “Corporate Governance Best Practice Principles,” “Internal Control System,” “Rules Governing Financial and Business Matters Between the Corporation and Its Related Parties,” “Tax Policy and Management Guidelines,” and “Sustainable Development Best Practice Principles.”

Note: Other material information for understanding the status of corporate governance operations

- a. Employee rights and interests: In addition to establishing an Employee Welfare Committee, providing group insurance, arranging regular health check-ups, and implementing a retirement pension system, the Company offers diverse channels for continuing education, prioritizes labor-management relations, and creates equal employment opportunities.
- b. Employee care: The Company builds strong relationship with employees based on mutual trust and reliance through welfare systems that ensure life stability and robust educational training programs. These include subsidies for employee clubs and recreational activities, as well as Employee Assistance Programs (EAPs) for comprehensive personal support.
- c. Employee conduct or ethics code: To uphold the philosophy of integrity in management and provide clear guidelines for conduct, the Company ensures all employees adhere to legal and ethical principles to protect the assets, interests, and reputation of both the Company and its stakeholders. The Business Ethics Policy is established as follows:
 - Compliance with all relevant government laws and regulations.
 - Ensure the protection of the rights of employees, customers, shareholders, suppliers, communities, and the environment. Uphold business ethics, fair trade, and integrity in operations. Maintain transparency, prioritize intellectual property, and ensure the protection of personal safety and business secrets.
- d. Investor relations: The Company has established a dedicated Investor Relations department to serve as a bridge for communication. In addition to hosting regular and ad-hoc investor briefings to explain operational and financial performance, an "Investor Relations" section is maintained on the Company website. This ensures the public disclosure of information in accordance with regulations, allowing investors to fully understand the Company's performance results and long-term strategic direction.
- e. Supplier relations: The Company enters into formal contracts with all suppliers to protect the rights and interests of both parties and maintain stable, collaborative relationships.
- f. Stakeholder rights: Stakeholders may engage in communication and provide recommendations to the Company to safeguard their legitimate rights and interests.
- g. Status of relevant professional certifications obtained by the Company's financial information personnel from competent authorities: The Chief Financial and Accounting Officer holds the R.O.C. Certified Public Accountant (CPA) and Certified Internal Auditor (CIA) qualifications. The Chief Internal Audit Officer holds the Certified Internal Auditor (CIA) qualification, meeting the professional requirements for internal audit practitioners.
- h. Intellectual property (IP) management plan and implementation status
 - Intellectual property management strategy: The Company's IP management strategy involves formulating and executing an IP management plan aligned with operational goals. By designing an appropriate management system, we continuously optimize IP mechanisms, implement relevant training, and reasonably control IP risks with robust response measures. Through annual disclosure and reporting of implementation status, we demonstrate the IP value of the Company's significant achievements.
 - Intellectual property management plan: As a professional intelligent network terminal equipment company integrating broadband, multimedia, wireless, and IP protocols, the Company assists customers in marketing differentiated products and services. Consequently, the intangible R&D results derived from technical integration, product compatibility, and standardized platform requirements are secured through IP management to enhance competitiveness. Our IP management systems and measures include:

- Patent management: Focusing on defensive global patent filing portfolios. We have established "Patent Management and Incentive Measures" to encourage applications and collaborate with domestic R&D institutions to acquire patents related to forward-looking or core technologies, enhancing our IP offensive and defensive capabilities.
- Trade secret management: Managed through document classification and relevant contracts. We conduct regular training to promote trade secret and information security policies, strengthening employee awareness and compliance.
- Trademark management: Focusing on corporate and technical image management. In coordination with customer needs, we develop technical or platform trademarks corresponding to new products and services.
- Copyright management: Defining and managing the ownership of copyrights arising from R&D activities through IP-related contracts.
- Intellectual property management implementation results: The Company is committed to patent portfolios in Taiwan, Japan, the United States, and Europe. As of December 31, 2025, the Company holds a total of 303 global patents. Additionally, we have established Standard Operating Procedures (SOPs) for handling IP disputes to mitigate legal risks while maintaining respect for intellectual property rights.
The Company reported the IP management plan and its implementation results to the Board of Directors on October 29, 2025. Moving forward, we will continue to report to the Board regularly to demonstrate IP value and achieve the goal of sustainable corporate operation.

i. Continuing education of Directors

Position	Name	Date of training	Organized by	Course title	Hours of training
Chairman	Jui-Tsung Chen	May 14, 2025	Taiwan Institute of Directors	The New Wave of U.S. Tariffs: Supplier Survival Strategies	3
		November 12, 2025	Taiwan Institute of Directors	Corporate Digital Transformation: Applications of AI and Emerging Technologies	3
Director	Sheng-Hua Peng	May 14, 2025	Taiwan Institute of Directors	The New Wave of U.S. Tariffs: Supplier Survival Strategies	3
		November 12, 2025	Taiwan Institute of Directors	Corporate Digital Transformation: Applications of AI and Emerging Technologies	3
Director	Cheng-Chiang Wang	May 14, 2025	Taiwan Institute of Directors	The New Wave of U.S. Tariffs: Supplier Survival Strategies	3
		November 12, 2025	Taiwan Institute of Directors	Corporate Digital Transformation: Applications of AI and Emerging Technologies	3

Position	Name	Date of training	Organized by	Course title	Hours of training
Director	Chung-Pao Liu	September 3, 2025	Taiwan Corporate Governance Association	The 21st Corporate Governance International Summit (2025): The Role of the Board of Directors in Shaping Corporate Strategy amid Global Transformation	6
Director	Chao-Peng Tseng	September 3, 2025	Taiwan Corporate Governance Association	The 21st Corporate Governance International Summit (2025): The Role of the Board of Directors in Shaping Corporate Strategy amid Global Transformation	6
Director	Cheng-Hua Sun	February 18, 2025	Taiwan Corporate Governance Association	How the Board of Directors Addresses Twelve Key ESG Risk Issues	3
		May 20, 2025	Importers and Exporters Association of Taipei	Challenges and Responses in the New Global Trade Landscape	3
Independent Director	Ing-Jen Lee	January 14, 2025	Taiwan Institute for Sustainable Energy	Continuing Education Program for Directors and Supervisors, Association of Taiwan Listed Companies	3
		April 29, 2025	Chinese Financial and Economic Development Association, Association of Taiwan Listed Companies	Marketing Trends and Data Privacy Rights in the Digital Age	3
Independent Director	Ching-Chang Wen	November 10, 2025	Securities & Futures Institute of R.O.C.	AI and Digital Roadmap	3
	Wen	November 10, 2025	Securities & Futures Institute of R.O.C.	Key Fiscal and Taxation Issues in 2025	3
Independent Director	Wen-An Yang	December 10, 2025	National Federation of CPA Association of the R.O.C	Practices in Sustainable Governance: Integrity and Decision-Making (IFRS S1)	6

- j. Implementation of risk management policies and risk assessment standards: The Board of Directors has approved the "Risk Management Policies and Procedures," and designated the Audit Committee to oversee the Company's risk management. Additionally, an "Executive Management Committee" has been established under the President, supplemented by a "Risk Management Promotion and Execution Task Force." Based on the Company's industry characteristics and operational activities, this task force defines risk identification and measurement indicators for each unit and proposes corresponding mitigation strategies for material risks, with progress reported regularly to the Audit Committee and the Board of Directors on an annual basis.
- k. Implementation of customer policy: The Company prioritizes customer rights and maintains stable, positive relationships with our clients. We continuously strive to meet customer needs to create corporate profit.



- l. Liability insurance for Directors: The Company has purchased liability insurance for all Directors. For the 2025 fiscal year, the insured amount is USD 10,000 thousand (approximately TWD 309,450 thousand). The key details of this insurance coverage were reported to the Board of Directors on February 25, 2026.
- m. Continuing education of the Chief Accounting Officer, Corporate Governance Officer, and Chief Internal Audit Officer

Job title	Name	Date of training	Organized by	Course title	Hours of training
Chief Accounting Officer	Shih-Wei Huang	September 8 to September 9, 2025	Accounting Research and Development Foundation	Training Program for the Chief Accounting Officer	12
Corporate Governance Officer	Shih-Wei Huang	May 20, 2025	Importers and Exporters Association of Taipei	Challenges and Responses in the New Global Trade Landscape	3
		July 9, 2025	Taiwan Stock Exchange Corporation	2025 Cathay Sustainable Finance and Climate Change Summit	6
		August 22, 2025	Securities & Futures Institute of R.O.C.	Regulatory Status and Future Development of Virtual Assets	3
		September 24, 2025	Accounting Research and Development Foundation	Sustainability Information Preparation and Reporting Workshop	6
		September 26, 2025	Securities & Futures Institute of R.O.C.	2025 Insider Trading Prevention Awareness Session	3
		November 21, 2025	Securities & Futures Institute of R.O.C.	2025 Legal Compliance Briefing on Insider Shareholding Transactions	3
Chief Internal Audit Officer	Yi-Ling Peng	June 5, 2025	The Institute of Internal Auditors	Key Elements and Audit Strategies for the Internal Control of Sustainability Information	6
		October 15, 2025	The Institute of Internal Auditors	The Era of Smart Audit: Auditing AI Systems vs. AI-Assisted Auditing	6

- n. Succession planning for board members and its operation:

The Company has nine directors (including three independent directors), all of whom possess expertise in commerce, finance, accounting, law, or corporate management necessary for operations and management. Two of them concurrently serve as the Company's senior management, and one is a female director. The Company's board of directors intends to maintain the current diversified structure in its composition and background for its members in the future.

In its succession planning operations, the Group currently has developed many senior management professionals. The Company deepens their industry and management experience through work rotations and arrange internal and external training courses across various aspects. Therefore, a sufficient talent pool will be available for the future succession of the Company's Directors.

For the Independent Directors, who shall possess work experience in commerce, law, finance, accounting, or corporate business as required by laws, Taiwan has an abundant supply of such professionals. Therefore, succession planning for Independent Directors will primarily target professionals from industry.

- o. Succession planning for key management:

Employees at the senior manager level and above are defined as the key management personnel of the Company. They are responsible for the relevant operations and management within the organization. Deputy representatives are assigned at every management level. Key management personnel are required to not only possess the necessary professional skills and experience but also embody the values and business philosophy aligned with the corporate culture of the Group.

Through group training and continuing education courses, as well as job rotation, project assignment, promotion of the Group's philosophy, and strengthening management functions, to foster key management personnel equipped with multi-functional and multi-

oriented capabilities in management, leadership, decision-making, and execution. Experience sharing and knowledge transfer among key management personnel are systematically promoted.

p. Significant risk assessment and corresponding strategies

Risk type	Key issues	Risk description	Potential impact	Corresponding strategies
Strategy	Geopolitics, global political and economic situation	Global regime changes (such as the U.S. presidential election) lead to geopolitical and economic instability, particularly through shifts in tariff policies, escalating trade wars, or regional military conflicts.	Surging tariff costs and policy uncertainties will significantly increase operational pressures.	<ol style="list-style-type: none"> 1. Expanding overseas production bases (such as Vietnam) to diversify geographical risks. 2. Actively expanding diverse contract manufacturing partners or establishing multinational plants to mitigate the policy impact of a single origin.
Operation	EMS partners management	Insufficient financial stability or improper production management of outsourcing factories, leading to capacity constraints or quality defects.	Failure to fulfill customer orders on schedule, or financial risks such as difficulties in collecting accounts receivable.	<ol style="list-style-type: none"> 1. Signing rigorous outsourcing and contract manufacturing agreements to clearly define legal responsibilities and obligations. 2. Requiring Letters of Credit (L/Cs) or parent company guarantees based on the subcontractor's financial condition to secure the Company's claims and rights.
Operation	Supply chain stability management	Supply disruptions of critical raw materials or electronic components, leading to production line shutdowns or shipment delays.	Failure to deliver products in a timely manner, resulting in revenue losses and damage to customer trust.	<ol style="list-style-type: none"> 1. Regularly assessing market supply and demand, and dynamically adjusting safety stock levels for critical components. 2. Establishing diverse supply sources to avoid over-reliance on a single supplier and ensure a stable supply.
Legal compliance	Infringement of patents and intellectual property rights	With the expansion of product lines and overseas markets, the Company may face patent infringement claims or demands for high royalties from patent holders or Non-Practicing Entities (NPE).	Resulting in additional royalty expenses, damages, or high litigation costs, and potentially impacting the cooperative relationships with major customers.	<ol style="list-style-type: none"> 1. Appropriately providing for patent royalty provisions to address potential costs. 2. Conducting licensing negotiations for individual cases or initiating patent invalidation/non-infringement defenses. 3. In product pricing, patent costs and legal risks should be incorporated into business considerations.

Risk type	Key issues	Risk description	Potential impact	Corresponding strategies
Operation	Memory price fluctuations and component shortages	Imbalances in market supply and demand lead to severe volatility in memory prices or significant shortages, impacting shipments and the product profit structure.	Customers may switch orders due to unaccepted price adjustments, or a complete inability to ship products caused by material shortages.	<ol style="list-style-type: none"> 1. Providing market data as evidence for price adjustments and establishing a transparent cost-pass-through mechanism with customers. 2. Evaluating the feasibility of alternative memory specifications or design changes to alleviate cost pressures and maintain supply continuity.

- (4) If the Company has established the Remuneration Committee, its composition, responsibilities and operation should be disclosed:

The Remuneration Committee meets at least twice a year. It is responsible for regularly reviewing the policies, systems, standards, and structures of performance evaluation and remuneration for directors and executives. The Committee also determines the remuneration levels of Directors and managerial officers, ensuring that compensation is aligned with both individual and corporate performance. This approach achieves the reasonableness of salary distribution and serves to attract and retain outstanding talent.

■ Information on Remuneration Committee Members

March 29, 2026

Qualifications		Professional qualifications and experience	Independence criteria	No. of other public companies at which the person concurrently serves as Remuneration Committee member
Identity	Name			
Independent Director (Convener)	Wen-An Yang	Master's degree in Commerce from National Taiwan University; practical experience in a CPA firm with a specialization in accounting and finance; currently serving as Chairman of Durbun Digital Solutions, Inc. and Managing Partner of Durbun CPA Firm; compliant with all requirements of Article 30 of the Company Act.	Refer to Page 14-15 for independence evaluation.	2
Independent Director	Ing-Jen Lee	Ph.D. in Electrical Engineering from National Taiwan University; extensive experience in commerce, management, and the electronics industry; currently serving as Chairman of Litemax Technology Inc.; compliant with all requirements of Article 30 of the Company Act.	Refer to Page 14-15 for independence evaluation.	0
Independent Director	Ching-Chang Wen	Ph.D. in Electrical Engineering from the University of Pennsylvania; extensive experience in commerce, management, and the electronics industry; currently serving as a Director of Bioptik Technology Inc.; compliant with all requirements of Article 30 of the Company Act.	Refer to Page 14-15 for independence evaluation.	0

■ Attendance of Members at Remuneration Committee Meetings

- I. There are three members in the Remuneration Committee.
- II. The term of the current Committee: June 15, 2023 to June 14, 2026. Remuneration Committee held four meetings for the most recent year and the attendance records of the Committee members are as follows:

Position	Name	No. of meetings attended in person	No. of meetings attended by proxy	In-person attendance rate (%)	Remark
Convener	Wen-An Yang	4	0	100%	
Committee Member	Ing-Jen Lee	4	0	100%	
Committee Member	Ching-Chang Wen	4	0	100%	

■ Other notes:

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

3. The matters discussed and resolutions adopted by the Remuneration Committee, and the response of the Company toward the opinions of the Committee:

Remuneration Committee Date/Session	Content of motion	Objections, qualified opinion or important recommendations of Independent Directors	Resolution by the Remuneration Committee	The Company's response to the Remuneration Committee's opinions
February 26, 2025 The 7th meeting of the 5th term	1. Approval for the appropriation of the remuneration to Directors and compensation to employees for 2024.	None	The resolution was adopted after the convener solicited opinion from the attending members and received no objection.	The resolution was adopted after the convener solicited opinion from the attending Directors and received no objection.
	2. Approval for the appropriation ratio of the remuneration to Directors and compensation to employees for 2025.	None	The resolution was adopted after the convener solicited opinion from the attending members and received no objection.	The resolution was adopted after the convener solicited opinion from the attending Directors and received no objection.
May 7, 2025 The 8th meeting of the 5th term	1. Adjustment of salary for 2025.	None	The resolution was adopted after the convener solicited opinion from the attending members and received no objection.	As Chao-Peng Tseng and Chung-Pao Liu were the managerial officers of the Company and to avoid conflict of interest, they recused from the discussion and voting. The resolution was adopted after the convener solicited opinions from the rest Directors present at the meeting and received no objections.
	2. Approval for disbursement of Dragon Boat and Mid-Autumn Festivals bonus for 2025.	None	The resolution was adopted after the convener solicited opinion from the attending members and received no objection.	As Chao-Peng Tseng and Chung-Pao Liu were the managerial officers of the Company and to avoid conflict of interest, they recused from the discussion and voting. The resolution was adopted after the convener solicited opinions from the rest Directors present at the meeting and received no objections.
	3. 2025 Talent Retention and Incentive Scheme	None	The resolution was adopted after the convener solicited opinion from the attending members and received no objection.	As Chao-Peng Tseng and Chung-Pao Liu were the managerial officers of the Company and to avoid conflict of interest, they recused from the discussion and voting. The resolution was adopted after the convener solicited opinions from the rest Directors present at the meeting and received no objections.



Remuneration Committee Date/Session	Content of motion	Objections, qualified opinion or important recommendations of Independent Directors	Resolution by the Remuneration Committee	The Company's response to the Remuneration Committee's opinions
July 23, 2025 The 9th meeting of the 5th term	1. Approval for the disbursement of remuneration of Directors for 2024.	None	The resolution was adopted after the convener solicited opinion from the attending members and received no objection.	Directors, Jui-Tsung Chen, Sheng-Hua Peng, Cheng-Chiang Wang, Chung-Pao Liu, Chao-Peng Tseng, and Cheng-Hua Sun, as well as Independent Directors, Ing-Jen Lee, Ching-Chang Wen, Wen-An Yang, recused themselves from the discussion and voting concerning the allocation of remuneration to themselves or the legal entities they represent. Except for the aforementioned Directors who recused themselves due to a conflict of interest, the resolution was adopted after the convener solicited opinions from the rest Directors present at the meeting and received no objections.
	2. Approval for the disbursement of employee compensation for 2024.	None	The resolution was adopted after the convener solicited opinion from the attending members and received no objection.	As Chao-Peng Tseng and Chung-Pao Liu were the managerial officers of the Company and to avoid conflict of interest, they recused from the discussion and voting. The resolution was adopted after the convener solicited opinions from the rest Directors present at the meeting and received no objections.
October 29, 2025 The 10th meeting of the 5th term	Year-end bonus for 2025	None	The resolution was adopted after the convener solicited opinion from the attending members and received no objection.	As Chao-Peng Tseng and Chung-Pao Liu were the managerial officers of the Company and to avoid conflict of interest, they recused from the discussion and voting. The resolution was adopted after the convener solicited opinions from the rest Directors present at the meeting and received no objections.

(5) Promotion of Sustainable Development Implementation Status and Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the Reasons

Promotion Items	Implementation Status			Deviations and Reasons for Best Practice Principles of the Corporate Sustainable Development for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
1. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the Board of Directors authorized senior management to handle related matters under the supervision of the board?	V		<p>In line with the vision and mission of the Company's ESG policy, the Company established the "CSR Committee" in 2017, expanded its organization, and established a dedicated unit in 2020. The Board of Directors adopted a resolution for the "Sustainability Committee Charter" on May 5, 2022, set up the "Sustainability Committee" under the Board of Directors and appointed three committee members (including one Independent Director). The President serves as the chairman of the committee, appoints senior executives from various fields to lead each sustainability task force to establish mid- to long-term sustainability development plans. Besides, the "Sustainable Development Office" was also set up and the dedicated person is responsible for the implementation of all the matters related to the sustainable development of the Company. The Sustainability Committee shall convene at least one meeting annually. The chairman shall regularly report to the Board of Directors on the results of sustainability implementation, the management of sustainability-related risks and opportunities, and future work plans. For the composition, responsibilities, and operations of the Sustainability Committee, as well as the Board of Directors' supervision of the Committee, please refer to pages 69-73. For the 2025 sustainability goals, please refer to pages 73-74. For further details, please refer to the Annual Report, Sustainability Report, and the "ESG Sustainability" section on the Company's website.</p>	No material deviation



Promotion Items	Implementation Status			Deviations and Reasons for Best Practice Principles of the Corporate Sustainable Development for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
2. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	V		The Company's Board of Directors serves as the highest governance unit for risk management, while the Audit Committee acts as the risk management supervisory unit. An "Executive Management Committee," comprised of senior management, has been established, with members from various operational units appointed to serve as the Risk Management Promotion and Execution Task Force. With the President serving as the chairman of the "Executive Management Committee," its members include participants from procurement, finance, legal, IT, R&D, quality management departments and overseas production centers. Meetings are convened regularly every year. At least once a year, a systematic analysis is conducted, encompassing five key elements: risk identification, risk analysis, risk assessment, risk response, and monitoring and review mechanisms. This process identifies potential risks across environmental, economic, corporate governance, and social dimensions that may impact global operating sites and subsidiaries. To mitigate or eliminate potential operational losses, the Company implements treatment plans including prevention, contingency, management, and business continuity. For detailed descriptions of material risk issues identified by the Risk Management Promotion and Execution Task Force, please refer to page 50-51 Executive Management Committee" has reported to the Audit Committee and the Board of Directors on the results of risk assessment, potential impacts, and response strategies for 2025.	No material deviation
3. Environmental issues (1) Has the Company set up an environmental management system designed to industry characteristics?	V		(1) The Company's Taiwan headquarters and overseas production centers both follow the ISO standards listed below, having established environmental management systems and consistently passing third-party verifications. Furthermore, greenhouse gas (GHG) inventories are conducted annually in accordance with the ISO 14064-1 standard to track emission reduction results, which are publicly disclosed in the Sustainability Report and on the Company's website. <ul style="list-style-type: none"> • ISO 14001:2015 Environmental Management Systems 	No material deviation

Promotion Items	Implementation Status			Deviations and Reasons for Best Practice Principles of the Corporate Sustainable Development for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(2) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	V		<ul style="list-style-type: none"> • ISO 14006:2011 Environmental management systems — Guidelines for incorporating Ecodesign • IECQ QC 080000:2017 Hazardous Substance Process Management System • ISO 14064-1:2018 Greenhouse Gases — Part 1 • ISO 50001:2018 Energy Management Systems <p>(2) The Company actively promotes various energy reduction measures, implementing the ISO 50001 energy management system. We select equipment with high energy efficiency and energy-saving designs to reduce the energy consumption of both the corporation and its products, while expanding the use of renewable energy to optimize energy efficiency. In addition, solar panels for renewable energy power generation have been installed to increase renewable energy usage efficiency year by year.</p> <p>The raw materials used by the Company are in full compliance with the EU's RoHS, REACH, and Halogen-Free regulations. We have established a cross-platform resource integration circulation system, including material recycling and reuse, manufacturing products with renewable energy, and reducing pollution during the manufacturing process to mitigate environmental impact.</p> <p>In terms of green manufacturing, we focus on reducing unnecessary resource waste and developing waste reduction and recycling technologies. Throughout the value chain, we work together on the recycling and sharing of packaging materials. Furthermore, regarding products, we strive to test the use of recycled materials with low environmental impact to maximize the benefits of the circular economy. Through raw material recovery in manufacturing processes, R&D in waste reduction technology, and the design and sale of circular products, we create circular value.</p>	No material deviation
(3) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in	V		<p>(3) The Company's Board of Directors serves as the highest decision-making organization for addressing climate change, with the Sustainability Committee acting as the supervisory</p>	No material deviation



Promotion Items	Implementation Status			Deviations and Reasons for Best Practice Principles of the Corporate Sustainable Development for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
<p>the future and adopted relevant measures to address them?</p> <p>(4) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, the total weight of waste, and establish policies for reduction of greenhouse gas, reduction of water consumption, or management policy of other wastes?</p>	V		<p>and management unit. The Environmental Sustainability Task Force is responsible for climate change strategies and goals, managing climate change risk and opportunity actions, and reviewing implementation status and discussing future plans.</p> <p>The Company has adopted the TCFD framework to strengthen the assessment of climate change risks and opportunities for the corporation. To mitigate the aforementioned risk factors, the Company also identifies feasible opportunities and formulates response measures. In terms of climate change mitigation, developments focus on green operations, energy management, carbon information disclosure, and green buildings. Regarding climate change adaptation, the Company has implemented measures such as strengthening infrastructure, building sustainable operational capabilities, and making full use of green buildings.</p> <p>Detailed descriptions of the Company's climate change risk and opportunity analysis are disclosed in the TCFD Climate Change Information Disclosure section of the Sustainability Report under the "ESG Sustainability" section of the Company's website.</p> <p>(4) The Company regularly calculates greenhouse gas emissions, water consumption, and waste generation annually, and sets performance indicators for the reduction of greenhouse gas emissions, water, and waste. The achievement status is periodically reviewed by the Sustainability Committee, and internal audits as well as third-party verifications are conducted every year.</p> <p>1.Greenhouse Gases (GHG): In 2025, the Company completed the inventory and third-party verification for Scope 1, 2, and 3 of the GHG Protocol, as well as the ISO 50001 inventory and third-party verification, covering the Taiwan headquarters and overseas plants. In addition, the Company follows the SBTi (Science Based Targets initiative) methodology to set science-based carbon reduction targets. For details,</p>	No material deviation

Promotion Items	Implementation Status			Deviations and Reasons for Best Practice Principles of the Corporate Sustainable Development for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			<p>please refer to the Company's Sustainability Report and "Appendix 2: Climate-related Information of Listed Companies" in the Annual Report, specifically section 1-1, "GHG Inventory and Assurance Status of the Company in the Most Recent Two Years."</p> <p>2. Water Consumption: Although the Company's operational headquarters and manufacturing centers are not involved in high-water-consumption processes, the Company remains actively committed to the sustainable use and proper management of water resources to mitigate water stress and ensure operational resilience. Water consumption in 2024 and 2025 was 112,440 metric tons and 226,432 metric tons, respectively, with water consumption per capita at 2.1 (m³/person) and 3.35 (m³/person). This was primarily due to the growth in business volume at overseas manufacturing centers in 2025, which drove up water demand. Although the Company has planned the expansion and optimization of water treatment equipment, limitations in construction schedules and the system transition period resulted in room for improvement regarding the annual reduction target of 1%. The Company has initiated enhanced preventive maintenance and anomaly notification mechanisms, incorporating equipment reliability into routine inspection plans. This aims to ensure future operational resilience and resource utilization efficiency through digitized monitoring and early warning systems. For details, please refer to the "Environmental Sustainability" chapter of the Company's Sustainability Report.</p> <p>3. Waste: The Company properly plans waste disposal streams from the source, promoting resource circulation and sustainable operations at its plants through classification, recycling, and reduction measures. Non-hazardous waste in 2024 and 2025 was 1,679.6 metric tons and 2,564.7 metric tons, respectively; hazardous waste was 68.8 metric tons and 141.1 metric tons, respectively; and total waste was 1,748.4 metric</p>	



Promotion Items	Implementation Status			Deviations and Reasons for Best Practice Principles of the Corporate Sustainable Development for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			tons and 2,705.8 metric tons, respectively. In 2025, waste intensity did not reach the scheduled annual reduction target of 1%. This was primarily due to the growth in production demand at overseas manufacturing centers driven by increased orders, which led to a corresponding increase in total waste volume. The Company has incorporated waste intensity into the operational monitoring and improvement tracking mechanisms of each site, and will continue to refine source reduction and circular reuse measures to gradually return to the established improvement path and enhance waste management performance. For details, please refer to the "Environmental Sustainability" chapter of the Company's Sustainability Report.	
4. Social Issues (1) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	V		(1) All the Company's operating bases adhere to international human rights conventions, including the "International Labour Organization Conventions," the "UN Universal Declaration of Human Rights," and the "UN Global Compact" as well as local regulations. The Company has established and published its "Human Rights Policy Statement" as the fundamental basis for human rights management. This policy applies to the Company, its domestic and foreign subsidiaries, and other affiliates under substantive control. Furthermore, human rights protection measures for suppliers are regulated within the "Sustainable Procurement Policy" to eliminate any violations or infringements. The Company has formulated management regulations such as "Control Procedures for Child and Juvenile Labor," "Control Procedures for Freedom of Association and Collective Bargaining Rights," "Management Procedures for Prohibition of Discrimination and Disciplinary Measures," and "Control Procedures for Prohibition of Forced Labor." These ensure that employees and external stakeholders work or provide services without the threat of retaliation, and are not subjected to debt bondage or forced labor.	No material deviation

Promotion Items	Implementation Status			Deviations and Reasons for Best Practice Principles of the Corporate Sustainable Development for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(2) Has the Company established and implemented reasonable employee welfare measures (including salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	V		<p>The Company has established a Human Rights Governance Framework with the Board of Directors as the highest authority. The Sustainability Committee has formed cross-departmental working groups-including Corporate Governance, Environmental Sustainability, Sustainable Procurement, Employee Care, Social Involvement, and Responsible Manufacturing to systematically and effectively promote these initiatives. The “Sustainability Development Execution Task Force” meets quarterly to track progress and reports regularly to the Sustainability Committee and the Board of Directors.</p> <p>Relevant policies and implementation status are disclosed in the “ESG Sustainability” section of the Company’s website and the Sustainability Report.</p> <p>(2) The Company establishes reasonable salary/compensation and relevant management systems to ensure that the salary/compensation meets the requirements of the regulations and is in line with the market level. In addition to a fixed monthly salary, the Company offers a diversified incentive mechanism, including year-end (and holiday) bonuses, project bonuses, and patent rewards. Annual salary adjustment plans are formulated based on corporate operational performance and individual work achievements. Employees undergo performance evaluations twice a year, and the results serve as a critical basis for compensation, promotion, and human resource decisions, fostering a performance culture characterized by transparency and motivation.</p> <p>Furthermore, in accordance with the Company’s Articles of Incorporation, if the Company made a profit in a fiscal year, shall reserve no less than 5% for employees’ compensation (with no less than 5% of this amount designated for non-executive employees), and no more than 2% for remuneration of directors from the Company’s pre-tax profit prior to the deduction of employees’ compensation and directors remuneration.</p>	No material deviation



Promotion Items	Implementation Status			Deviations and Reasons for Best Practice Principles of the Corporate Sustainable Development for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(3) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	V		<p>Through this profit-sharing mechanism, the Company aims to share its business achievements and promote mutual growth between the employees and the enterprise. In general, male and female employees occupy 70% and 30% of all the employees respectively, while male and female employees taking management positions occupy 77.2% and 22.8%. (The difference is attributable to the type of functions, the educational background of the employees, and other factors.) The gender is never a factor that influences the employment or promotion of the employees. In accordance with the laws, the Company establishes the "Employee Benefit Committee" and sets aside a welfare fund, holds committee meetings on a regular basis, and organizes employee welfare activities on a regular basis. The Company also supports the development of multiple club activities. The welfare for the employees includes birthday cash gifts, festival cash gifts, organization of recreational activities for the health of the employees, family day, domestic and overseas travels, wedding and funeral subsidies, childbirth subsidies, consolatory payment for hospitalization to employees and family members, lucky draw at year-end party, and physical examination. In addition to the insurance required by labor laws, the Company takes out group insurance for the employees (including life insurance, accident insurance, cancer insurance, and medical insurance) to provide them with comprehensive protection.</p> <p>(3) The Company establishes ESH (Environmental, Health and Safety) policies with reference to ISO 45001 and formulates procedural documentation related to the "occupational safety and health management" to control every detail at the workplace. At the initial stage of designing the hardware and software of the office environment, the Company set the protection of employee safety as its top priority, to ensure employees receive the greatest security at work. Both the headquarters and the production</p>	No material deviation

Promotion Items	Implementation Status			Deviations and Reasons for Best Practice Principles of the Corporate Sustainable Development for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(4) Has the Company established effective career development training programs for employees?	V		<p>plants have obtained ISO 45001 certification, with certificates remaining valid until November 24, 2026, and December 23, 2028, respectively. In addition, the Company provides educational training courses on labor safety to help employees understand the safety and potential hazard in the factory area. The Company also helps employees understand the level of the disasters in the factory area and the response measures, evacuation routes, and other related matters pursuant to the “Emergency Preparation and Response Procedures.” Fire extinguishing training is performed in accordance with the instructions of the fire brigade. Disaster prevention knowledge is communicated to the employees every year on a regular basis.</p> <p>The Company takes zero occupational accident in the work environment as the goal in the hope to minimize the occupational accident risk. There were no occupational and fire accidents in 2025.</p> <p>(4) The Company places importance on the development of the employees and is dedicated to the training of talents. The Company encourages employees to participate in training courses and self-learning activities. The types of courses can be categorized into professional & technical, leadership management, and common communication. In 2025, about 29 professional courses were provided, with more than 41 courses organized in total. The professional courses include R&D, engineering, IT, law and patent, finance and accounting, etc. Also, via internal and external physical courses and the introduction of new IT technology and the sharing of experience by numerous internal speakers, the Company was able to establish a knowledge sharing platform, Arcadyan Content Sharing System (CSS), where employees can peruse teaching materials and watch video or audio clips within the Company, and share professional know-how of various departments. With these efforts, the Company can not only enable employees to obtain</p>	No material deviation



Promotion Items	Implementation Status			Deviations and Reasons for Best Practice Principles of the Corporate Sustainable Development for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(5) Has the company complied with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and establish policies for consumer protection and grievance procedures?	V		<p>necessary information but also urge the establishment of knowledge management mechanisms by the departments, encouraging self-study among employees at any time.</p> <p>(5) Regarding customer health and safety, the Company places great importance on the impact of its products on users. From the initial stages of research and development (R&D), the selection of raw materials is strictly controlled to ensure compliance with the Company's hazardous substance standards, thereby preventing potential risks to customer health and safety during product usage. The Company requires all materials and components provided by the supply chain to comply with the latest international environmental regulations, such as the EU's "Restriction of Hazardous Substances Directive (RoHS)" and "Substances of Very High Concern (SVHC)." Furthermore, the Company has strengthened its source control and component testing mechanisms to ensure that product design and manufacturing processes fully meet all regulatory requirements.</p> <p>The Company leverages the ISO 27001 Information Security Management System to monitor and prevent the leakage of operational documents, and protect the integrity of the customer's documents and data, and helps each department manage and mitigate the threat and risk with respect to the information. The Company conducts internal and external audits on a regular basis. Through the risk assessment of information assets, proper control measures are implemented for risks related to various information assets based on the characteristics of the risks to reduce or transfer risks and achieve the goal of risk management. This can ensure the confidentiality of information related to the business and prevent breaches or loss of sensitive information and individual data.</p> <p>The Company sets up an information security reporting mailbox (ethics@arcadyan.com) for stakeholders to communicate with</p>	No material deviation

Promotion Items	Implementation Status			Deviations and Reasons for Best Practice Principles of the Corporate Sustainable Development for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(6) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and how are these policies implemented?	V		<p>each other about information security-related issues. No infringement upon the privacy of the customers or other material incidents for information security have occurred since the foundation of the Company's facilities.</p> <p>Regarding customer rights and interests, the Company highly values its interactive relationships with clients. Communication is maintained through emails, teleconferences, and Quarterly Business Reviews (QBR). The Company utilizes customer satisfaction as a key management indicator, conducting annual surveys to jointly review performance across four major dimensions: "Technical Capability," "Product Quality," "Responsiveness and Service," and "On-time Delivery."</p> <p>(6) The Company establishes the "Supplier Sustainability Survey Regulations" to create the selection conditions for the suppliers in terms of the protective environment, human rights, safety, health and sustainable development. In the regulations, the Company sets out its requirements and expectations to the suppliers with regard to the ESH risks, prohibition of child workers, labor management, non-violation of basic labor rights, code of ethics, and ethical management, and the "Arcadyan Sustainable Procurement Policy" serves as the basis for implementing sustainable supplier governance. All suppliers are required to sign the "Supplier Corporate Social Responsibility (CSR) Commitment." In addition, the Company establishes supplier guidance projects (Go Green With Arcadyan) to ensure implementation of the sustainability in the daily management of the supply chain through selection of suppliers, audit and guidance, performance evaluation, training and supplier forums. All the cooperative suppliers of the Company met relevant requirements in 2025.</p>	No material deviation
5. Does the company refer to international reporting standards or guidelines when preparing its "Sustainability Report" and	V		The Company prepared its Sustainability Report in accordance with the internationally recognized reporting guidelines (GRI Standards). AFNOR Asia as an independent third-party verification	No material deviation



Promotion Items	Implementation Status			Deviations and Reasons for Best Practice Principles of the Corporate Sustainable Development for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
other reports disclosing non-financial information? Does the company obtain third party assurance or certification for such reports?			body has conducted the verification pursuant to AA1000 Accountability Principles, GRI Standards and Sustainability Accounting Standards Board (SASB) Standards, and confirmed the conformity to the GRI Standards(Core option) and achieve a Type 1, moderate assurance level of the AA1000 Assurance Standard. The Independent Assurance Opinion Statement from a third-party verification body has also been disclosed in the Sustainability Report.	
6.	<p>If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation from the principles in the Company's operations: The Company has prepared the Sustainability Report and disclosed it on the Company website and established "Sustainable Development Best Practice Principles" as the governing guideline, incorporating sustainable development into the overall operating development of the Company and the companies of the Group and promoted various sustainable development activities. There is no material deviation between the operations of the company and the principles stipulated.</p>			
7.	<p>Other significant information helpful for understanding the Company's implementation of sustainable development: :</p> <p>(1)Green Protection and Eco-design: To reduce the environmental impact of products and prevent damage to the global ecosystem, the R&D team of the Company continuously promotes green design, fully implements lead-free processes, and follows restricted substance control regulations such as RoHS and SVHC to comply with international environmental requirements. In addition, the Company implemented Eco-design in 2017 and obtained the ISO 14006 Eco-design certification in 2018, continuously integrating environmental considerations into the entire product life cycle management.</p> <p>(2)Environmental, Occupational Health and Safety Management Systems: The Company has obtained ISO 14001 Environmental Management System and OHSAS 18001 Occupational Health and Safety Management System certifications since 2005. In 2020, the Company successfully completed the transition from OHSAS 18001 to the ISO 45001 management system, continuing to strengthen environmental and occupational health and safety performance through systematic management. Furthermore, in 2023, the Company received the "Health Workplace Self-Certification Label" awarded by the Health Promotion Administration of the Ministry of Health and Welfare.</p> <p>(3)Social Responsibility Management: The Company's China production center obtained the SA8000 Social Accountability Management System certification in 2013, demonstrating the Company's commitment and practice toward social responsibility. Through systematic management, the Company enhances employee care and workplace quality, strengthening employees' sense of identity and belonging while further shaping a positive corporate image. Additionally, since 2020, the Vietnam production center has followed the Responsible Business Alliance (RBA) Code of Conduct to establish management systems and conduct regular RBA certification audits every two years. This ensures continuous improvement in management performance across labor rights, occupational health and safety, environment, and business ethics, while strengthening supply chain responsibility and compliance with international customer requirements.</p> <p>(4) Energy Conservation, Greenhouse Gas Reduction, and Resource Management Policies: The Company has established policies for energy conservation, greenhouse gas reduction, water conservation, and waste management. Key initiatives are as follows:</p> <ul style="list-style-type: none"> ●Climate Disclosure and Risk Management: Through the Carbon Disclosure Project (CDP), carbon footprint verification, tracking of carbon reduction effectiveness, and identification of regulatory and physical risks, the Company strengthens its resilience against climate change and further transforms risks into green circular economy opportunities to enhance operational sustainability. ●Energy Management: The Company's production sites conduct monthly KPI tracking and management to review achievement status and propose improvement measures and implementation plans based on variance analysis. ●Water Resource Management: Given that the Company is not a water-intensive industry and water use is primarily for employee daily life, management focuses on the inspection and repair of infrastructure and the promotion of water-saving habits among employees. ●Waste Management: The Company promotes online approval systems to reduce paper usage and 			

Promotion Items	Implementation Status			Deviations and Reasons for Best Practice Principles of the Corporate Sustainable Development for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			<p>minimizes material scrapping caused by human error through process improvements. All plant personnel receive professional environmental, health, and safety (EHS) training, and no major pollution incidents have occurred over the years.</p> <p>(5) Renewable Energy Strategy and RE100 Goals: The Company responds to the RE100 initiative of its parent company, Compal Electronics, Inc. Group, by formulating active renewable energy strategies. The Vietnam manufacturing center has installed a rooftop solar photovoltaic system, with its annual power generation accounting for approximately 15% of the plant's total electricity consumption. Simultaneously, the Company has increased the procurement of International Renewable Energy Certificates (IRECs), with the proportion of renewable energy use reaching 50% in 2025. The Company plans to increase the proportion of renewable energy use by 10% annually and is evaluating Power Purchase Agreement (PPA) cooperation schemes to implement energy transition and low-carbon manufacturing strategies, aiming to achieve the goal of 100% renewable energy use by 2030.</p> <p>(6) Digital Carbon Management and Net-Zero Actions: In alignment with Compal Electronics, Inc. Group's net-zero goals and the commitment to achieving the global 1.5°C temperature control target, the Company has independently developed the "Arcadyan Carbon Management Platform." This platform inventories carbon emissions across various regions and production sites of the Company, digitalizing and automating carbon emission data and documentation. This enhances data timeliness and accuracy, assisting management in grasping key carbon data to support management decisions and carbon reduction initiatives across global locations.</p> <p>(7) Promoting Circular Economy: To implement circular economy design thinking and incorporate it into product development, the Company has established circular models for product recycling and reuse. In 2021, the Company passed SGS verification and attained the "Optimizing" maturity level of the BS 80001 circular economy business model, continuing to promote circular design and value creation through systematic methods.</p> <p>(8) Strengthening Supply Chain Carbon Management: The Company collaborates with suppliers to address the challenges of climate change. In October 2023, a supplier conference was held, inviting key supply chain partners to analyze international net-zero trends and launch the "Go Green with Arcadyan" project. In 2025, the "Go Green with Arcadyan 2.0" project was further initiated to systematically assist supply chain partners in organizational greenhouse gas inventories and product carbon footprint reduction plans, leading the supply chain toward a green and low-carbon transition while continuously tracking carbon reduction implementation and effectiveness.</p> <p>(9) 2025 Sustainability Governance Mechanism:</p> <ul style="list-style-type: none"> ● Board Oversight and Performance Review: The Board of Directors periodically monitors the progress of various sustainability targets (such as SBTi carbon reduction progress and the 2030 RE100 goal). The management team reports on actual data for Key Performance Indicators (KPIs), while the Board of Directors and Sustainability Committee evaluates strategic effectiveness and supervises management to ensure the implementation of targets. ● Sustainability Information Management and Disclosure Integrity: The Company has incorporated "Sustainability Information Management Procedures" into its internal control system. Sustainability data disclosed in the sustainability report undergo internal audit procedures and verification by independent third-party institutions. These data are reviewed by the Sustainability Committee and submitted to the Board of Directors for approval before public disclosure. ● Financial Impact Assessment of Sustainability Investments: When making decisions on sustainability investments (such as the solar photovoltaic system at the Vietnam manufacturing center and the establishment of the sustainability cloud platform), the Board of Directors weighs the impact of short-term capital expenditures against long-term financial performance. This assessment incorporates carbon cost avoidance and the long-term competitiveness gained through energy transition to balance sustainability commitments with cash flow and financial resilience. <p>(10) 2025 Sustainability Performance:</p> <ul style="list-style-type: none"> ● Since 2009, the Company has continuously participated in the International Carbon Disclosure Project (CDP) disclosures for climate change, water, and forest management. In the 2025 questionnaire assessment, the Company was awarded a "B" Management level, and achieved an "A" Leadership level in the Supplier Engagement Rating (SER). ● The Company's carbon reduction and net-zero targets were officially approved by the Science Based Targets initiative (SBTi) in 2024. ● In 2024, the installed capacity of the solar photovoltaic system at the Vietnam manufacturing center was expanded, with its power generation accounting for 15% of the electricity used for production and manufacturing in 2025. ● 8 product projects obtained third-party verification for product carbon footprints under ISO 14067, 	



Promotion Items	Implementation Status			Deviations and Reasons for Best Practice Principles of the Corporate Sustainable Development for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			ISO 14040, and ISO 14044. <ul style="list-style-type: none"> ● 12 product projects obtained the TUV Green Mark certification. (11) 2025 Sustainability Awards: <ul style="list-style-type: none"> ● Awarded "B" Management Level in the CDP Climate Change, Water, and Forest questionnaires. ● Received the Platinum Medal in the Eco Vadis Global Corporate Social Responsibility (CSR) rating, ranking among the top 1% of companies globally for sustainability performance. ● Selected for TIME magazine's list of the "World's Best Sustainable Companies of 2025." ● Ranked at the top of the Financial Times (UK) "Asia-Pacific Climate Leaders 2025" list. ● The Vietnam manufacturing center was honored as a JAC 2025 Silver Supplier for sustainability auditing. ● Received the JAC 2025 SEP (Supplier Engagement Program) Silver Climate Award and Climate Commitment Certification. ● Recognized as a TOP 10% outstanding enterprise in the "Proactive Evaluation of Occupational Health and Safety Performance Disclosure in Corporate Sustainability Reports." ● Selected as one of Business Weekly's "Top 100 Carbon Competitiveness" companies for two consecutive years. ● Honored with the "Taiwan Top 100 Sustainability Exemplary Award" by TCSA for three consecutive years. ● Received the TCSA Taiwan Corporate Sustainability Awards - Sustainability Report Gold Award. ● Awarded the "Global Gold Winner" by The Green Organization in the UK. ● Received a Bronze Award in the Asia-Pacific Stevie® Awards. 	

■ Composition, Responsibilities and Operations of the Sustainability Committee

To fulfill the Company's commitment to sustainable development and enhance its overall capability in ESG risk management, the Board of Directors approved the establishment of the Sustainability Committee (the "Committee") in May 2022. The Committee comprises three members, including one independent director, with the President serving as the Chairperson. The Committee convenes at least once annually to lead the advancement of sustainability initiatives, articulate policies and positions externally, define internal goals and directions, integrate resources, review action plans, monitor performance effectiveness, and report execution results to the Board of Directors.

The Committee operates across four dimensions: Economic, Environmental, Social, and Governance (EESG). Under this framework, six functional task forces have been established: Corporate Governance, Green Products, Sustainable Procurement, Employee Care, Social Engagement, and Responsible Manufacturing. These task forces consist of relevant department heads from various business units. They are responsible for formulating operational guidelines, developing tools and processes, and establishing annual strategic plans through regular meetings. Furthermore, they monitor the operational direction and execution effectiveness of each group and report the progress to the Sustainability Committee. The Company remains committed to advancing its sustainability strategy and contributing to environmental protection and the transition to a zero-carbon economy.

1. The Authority and Duties of the Sustainability Committee

- (1) Formulating sustainability development policies.
- (2) Establishing annual plans and strategic directions for sustainability development.
- (3) Monitoring and reviewing the implementation status and effectiveness of sustainability development, and reporting to the Board of Directors.

(4) Deciding on other matters related to sustainability development.

2. Board Oversight of Sustainability Committee

Directors shall exercise the due care of a good administrator to urge the Company to practice sustainable development. The Sustainability Committee regularly reports to the Board of Directors on key matters, including GHG inventory progress, stakeholder engagement, annual sustainability implementation status, as well as material topics and strategic plans. Based on these proposals, the Board of Directors evaluates the likelihood of success of the plans, reviews implementation progress as needed, and urges the management team to make necessary adjustments.

3. Professional Qualifications and Experience of Sustainability Committee Members

Position	Name	Academic Background and Work Experience	Professional Qualifications
Director	Chao-Peng Tseng	MBA from Oklahoma State University; currently serving as President of Arcadyan Technology Corporation	Please refer to page 14-15 of this annual report for professional qualifications.
Director	Chung-Pao Liu	EMBA from National Chiao Tung University; currently serving as Vice President of Arcadyan Technology Corporation	Please refer to page 14-15 of this annual report for professional qualifications.
Independent Director	Ing-Jen Lee	Ph.D. in Electrical Engineering from National Taiwan University; currently serving as Chairman of Litemax Technology Inc	Please refer to page 14-15 of this annual report for professional qualifications.

4. Attendance of Members at Sustainability Committee Meetings

- There are three members in the Sustainability Committee.
- The term of the current Committee: June 15, 2023 to June 14, 2026. Sustainability Committee held three meetings for the most recent year, and the attendance records of the Committee member are as follows:

Position	Name	No. of meetings attended in person	No. of meetings attended by proxy	In-person attendance rate (%)	Remark
Convener	Chao-Peng Tseng	3	0	100%	
Committee Member	Chung-Pao Liu	3	0	100%	
Committee Member	Ing-Jen Lee	3	0	100%	

- Topics of discussion in the Sustainability Committee's meeting:

Date/Session	Content of motion	Resolution and Follow-up Action
May 7, 2025 The 5th Meeting of the	Approved the 2025 material sustainability topics, development goals, and project proposals.	The resolution was adopted with no objections from all members present and submitted to the



Date/Session	Content of motion	Resolution and Follow-up Action
2nd Term		Board of Directors for resolution.
July 23, 2025 The 6th Meeting of the 2nd Term	Approved the 2024 Sustainability Report.	The resolution was adopted with no objections from all members present and submitted to the Board of Directors for resolution.
October 29, 2025 The 7th Meeting of the 2nd Term	Approved the amendment to the “Sustainable Development Best Practice Principles.”	The resolution was adopted with no objections from all members present and submitted to the Board of Directors for resolution.

5. Board of Directors' Supervision of the Sustainability Committee

In May 2022, the Board of Directors established the Sustainability Committee to oversee the management of sustainability matters. The Committee regularly briefs the Board of Directors on implementation progress. Accordingly, the Board of Directors evaluates the feasibility and likelihood of success for the goals and plans proposed by the Committee, while reviewing the implementation status from time to time.

Each year, the Committee submits the Sustainability Material Topics, Annual Sustainability Targets and Project Proposals and Sustainability Report to the Board for approval. Furthermore, the Greenhouse Gas (GHG) Inventory and Verification results are reported to the Board on a quarterly basis. The Sustainability Committee also reports annually the Stakeholder Engagement, Sustainability Implementation Status, and Information Security Governance to the Board of Directors.

● The implementation results of 2025 Sustainable Development

Item	ESG Performance
Corporate Governance	<ol style="list-style-type: none"> Continuously refined the corporate governance system and operational quality, advancing to the 6%–20% bracket in the 11th Corporate Governance Evaluation. Achieved a 100% completion rate for both internal and external anti-corruption and integrity due diligence. Recorded zero major incidents of integrity violations or anti-corruption breaches by employees globally. Recorded zero major legal violations and zero major cybersecurity incidents.
Green Innovation	<ol style="list-style-type: none"> Retention rate of key R&D talent reached 95.7%. Achieved a 100% completion rate for green product certification of target products. Implementation rate of halogen-free component part numbers reached 88%. 100% of products complied with hazardous substance controls and customer specifications, with zero related customer complaints during the year. Actively promoted the application of biodegradable or low-carbon materials, with a cumulative total of 36 items implemented. Proportion of recycled plastic implemented in product models reached 71%. Proportion of recycled materials used in product packaging reached 95%.

Item	ESG Performance
Environmental Sustainability	<ol style="list-style-type: none"> 1. Achieved an 46.38% absolute reduction in greenhouse gas emissions (Scope 1 and 2) compared to the 2022 base year. 2. Achieved a 32.75% reduction in greenhouse gas emission intensity (Scope 3, emissions per million gross profit) compared to the 2022 base year. 3. Reduced energy intensity by 6.16% compared to 2024. 4. Increased the proportion of renewable energy use to 50%.
Sustainable Procurement	<ol style="list-style-type: none"> 1. The signing rate of Supplier CSR Commitment Letters reached 95.5%. 2. The local procurement ratio of the Vietnam manufacturing center reached 23%. 3. The completion rate of sustainable procurement-related training courses reached 100%. 4. The completion rate of supplier on-site audits reached 93.5%. 5. The completion rate of supplier CSR capability coaching reached 100%. 6. The completion rate of the "Go Green" supplier carbon reduction project coaching reached 100%. 7. The response rate of the supplier conflict minerals survey reached 98%.
Employee Care	<ol style="list-style-type: none"> 1. Recorded zero human rights grievance cases during the year. 2. The proportion of local management reached 99.1%. 3. Cumulative accident-free man-hours at the Taiwan headquarters exceeded 21.41 million hours. 4. Zero incidents of child labor, forced labor, gender inequality, or discrimination occurred in 2025. 5. Achieved a 100% completion rate for human rights awareness training among new employees
Social Engagement	<p>The Company has long promoted social engagement, allocating annual social participation resources across three major areas: "Emergency Relief," "Educational Support," and "Public Welfare Care." This ensures focused resource utilization that responds to the actual needs of different groups and continues to expand positive social impact. In 2025, a total of 1,083 employee participations were recorded in various public welfare activities and donation drives, with employee donations exceeding NT\$1.32 million. Combined with the Company's corporate donations of approximately NT\$4.19 million, the total cumulative annual donation amount exceeded NT\$5.51 million, benefiting a total of 4,181 individuals and demonstrating the commitment of the Company and its employees to jointly practicing social responsibility.</p> <ol style="list-style-type: none"> 1. Educational Promotion: : Arcadyan English Learning, Transforming the Future of Rural Areas <p>The Company leverages its core influence to eliminate the educational gap between urban and rural areas, implementing the United Nations Sustainable Development Goal SDG 4: Quality Education.</p> <ul style="list-style-type: none"> ●Arcadyan English Learning Made Easy Project: In 2025, the Company continued to deepen English teaching in rural primary schools, expanding the number of partner schools to 15 elementary and junior high schools. A total of 364 students participated in the English teaching courses, and the language competitiveness of these students was strengthened through resource investment. ●Arts Empowerment Program: In 2025, the Company sponsored the public welfare initiative "Listening to a World-Class Concert with Rural Children." Using arts education as a medium, the program allows



Item	ESG Performance
	<p>children in rural areas to understand the world and experience diverse cultures through music, using art to transform their future.</p> <p>2. Emergency Relief: Timely Care, Responding to Social Needs the Company has established a specialized emergency relief mechanism to provide immediate living assistance and emergency relief funds, helping individuals and families facing unexpected hardships overcome their difficulties.</p> <ul style="list-style-type: none"> ●Diverse Donation Initiatives: In 2025, over NT\$1.35 million was donated to support public welfare organizations such as World Vision, Waiting for Home, World Peace Council, and Shin Hua Charity Foundation, assisting families in crisis and vulnerable individuals during critical moments. <p>3. Public Welfare Care: Caring for the Vulnerable, Transmitting Warm Energy Through material donations and collaboration with social enterprises, the Company extends its care to rural communities and vulnerable groups.</p> <ul style="list-style-type: none"> ●"Group Buy for Good" Mid-Autumn Project: In 2025, the Company promoted the "Group Buy for Good, Sending Love to Tribes" initiative. This involved purchasing Mid-Autumn mooncakes from the Children Are Us Foundation and collaborating with the Huashan Social Welfare Foundation, Ren-Ai Charity Foundation, and Ai-Heng Training Center for the Intellectually Disabled to deliver mooncakes to elders and students in rural areas, conveying the warmth of the Company and its employees. ●Food Bank Collaboration: The Company collaborated with food banks to donate daily necessities such as oatmeal, nuts, and shelf-stable milk, providing stable nutritional support to 14 rural classrooms and vulnerable students to safeguard their healthy growth.

● The Targets and Plans of 2026 Sustainable Development

Item	Goal
Corporate Governance	<ol style="list-style-type: none"> 1. Continuously maintained Corporate Governance Evaluation results within the top 6%–20% bracket. 2. Achieved a 100% completion rate for both internal and external anti-corruption and integrity due diligence. 3. Maintained zero major incidents of integrity violations or anti-corruption breaches by employees globally. 4. Recorded zero major legal violations and zero major cybersecurity incidents. 5. Formally incorporated sustainability information management into the internal control system and included it in the annual internal audit plan.
Green Innovation	<ol style="list-style-type: none"> 1. Increased the retention rate of key R&D talent to 97%. 2. Achieved a 100% completion rate for green product certification of target products. 3. Increased the implementation rate of halogen-free component part numbers to 89%. 4. 100% of products complied with hazardous substance controls and customer specifications, maintaining zero related customer complaints. 5. Continuously promoted the application of biodegradable or low-carbon materials, with 40 items implemented during the year.

Item	Goal
	6. Increased the proportion of recycled plastic implemented in product models to 72%. 7. Maintained the proportion of recycled materials used in product packaging at 95%.
Environmental Sustainability	1. Achieved a 25% absolute reduction in greenhouse gas emissions (Scope 1 and 2) compared to the 2022 base year. 2. Achieved a 40.39% reduction in greenhouse gas emission intensity (Scope 3, emissions per million gross profit) compared to the 2022 base year. 3. Reduced energy intensity by 5% compared to 2025. 4. Increased the proportion of renewable energy use to 60%. 5. Reduced water consumption per capita by 1% compared to 2025. 6. Reduced waste intensity by 1% compared to 2025.
Sustainable Procurement	1. Increased the signing rate of Supplier CSR Commitment Letters to 100%. 2. Increased the local procurement ratio of the Vietnam manufacturing center to 25%. 3. Achieved a 100% completion rate for sustainable procurement-related training courses. 4. Achieved a 100% completion rate for supplier on-site audits. 5. Achieved a 100% completion rate for supplier CSR capability coaching. 6. Achieved a 100% completion rate for the "Go Green with Arcadyan" supplier carbon reduction project coaching. 7. Increased the response rate of the supplier conflict minerals survey to 99%.
Employee Care	1. Ensure no incidents of child labor, forced labor, gender inequality, or discrimination. 2. Aim for "Zero Accidents" and ensure no loss of working hours due to occupational accidents. 3. Achieved a 100% completion rate for human rights awareness training among new employees.

(6) Climate-related Information

Item	Implementation Status
<p>1. Supervision and governance of the Board of Directors and management over climate-related risks and opportunities</p>	<ul style="list-style-type: none"> ● In 2022, the Company established the “Sustainability Committee” under the Board of Directors as the highest decision-making body for climate governance and sustainability initiatives. In accordance with the “Sustainability Committee Charter,” the Board of Directors is responsible for formulating sustainability policies, planning the Company’s annual sustainability strategy and climate action plans, while the Sustainability Committee is responsible for overseeing the management mechanisms for material sustainability topics, including climate-related risks and opportunities, and regularly reviewing implementation effectiveness and reporting to the Board. The Committee is chaired by President concurrently as Director Chao-Peng Tseng, with various task forces composed of cross-functional senior executives covering key topics such as corporate governance, environmental sustainability, sustainable procurement, employee care, social engagement, and responsible manufacturing, ensuring that sustainability and climate-related issues are fully integrated into the Company’s business strategy. The Board of Directors receives reports on sustainability performance and carbon reduction management at least once a year. In 2025, the Sustainability Committee convened a total of three meetings, with key topics including the promotion progress of SBTi greenhouse gas reduction targets, the TCFD climate change risk management framework and scenario analysis, energy transition and renewable energy adoption strategies, and the planning and progress of implementing IFRS Sustainability Disclosure Standards. ● The Company has established an Environmental Sustainability Execution Team led by senior executives, responsible for promoting and implementing climate-related management, including greenhouse gas inventories and third-party verification, carbon reduction planning and annual budget allocation, energy management and renewable energy usage strategies, supply chain carbon management and collaborative projects, and climate risk and opportunity assessments. The execution team periodically reports progress and results to the Sustainability Committee and the Board of Directors to ensure that the decision-making level can grasp the effectiveness of the Company’s climate actions in real time. Recent concrete achievements include: the installation of a solar power generation system at Arcadyan headquarters, continuous procurement of Renewable Energy Certificates (RECs) and green power, increasing the proportion of recycled materials in products, obtaining green product certifications for multiple products, and promoting collaborative supply chain carbon reduction projects. ● Since 2024, the Company has formally incorporated sustainability-related indicators into the performance targets of senior executives, assigning management clearer and more specific accountability for climate action and sustainability performance. The performance evaluation of senior executives includes 20% non-financial sustainability indicators, covering green products and eco-friendly product design, circular economy and resource efficiency, energy and resource management, climate change management, and greenhouse gas reduction. Executive compensation is comprehensively evaluated by the President based on the achievement of performance targets, submitted to the Chairman for review, and then subject to deliberation and approval by the Remuneration Committee and the Board of Directors. This mechanism strengthens the linkage between sustainability performance and corporate governance, enhances management’s motivation and effectiveness in advancing climate action.
<p>2. How the identified climate risks and opportunities will affect the Company's business, strategy, and finances (in the short-, medium-, and long-term)</p>	<p>Based on the results of the risk and opportunity matrix analysis, the Company has identified its risks and opportunities for the short-, medium-, and long-term, and preliminarily selected 7 transition risks, 3 physical risks, and 3 climate opportunities:</p>

Item	Implementation Status				
	Type	Risk/Opportunity Item	Time frame	Risk/Opportunity Description	
	Transition Risks	Policies and Regulations	Net-Zero Emission Trends	Short	With the acceleration of global Net-Zero trends, clients are intensifying their demands for supply chain decarbonization and advanced Net Zero schedules. Insufficient adaptation by the Company could result in the loss of business opportunities and diminished competitive standing.
			Renewable Energy Regulations	Medium	According to Taiwan's "Renewable Energy Development Act," enterprises with a power contract capacity exceeding a specific threshold are required to install renewable energy equipment on-site (or provide space for such installations), purchase a specific percentage of green power and Renewable Energy Certificates (RECs), or pay a penalty fee for non-compliance. These regulations are expected to increase corporate costs for renewable energy procurement and infrastructure investment, creating operational pressure during the transition.
			EU Carbon Tax on Imported Goods	Medium	The European Union is set to officially implement the Carbon Border Adjustment Mechanism (CBAM), imposing carbon levies on high-emission products imported into the EU. If the Company's products or raw materials are included in the scope of this regulation, the Company will be required to bear additional costs based on the carbon emissions generated during the production process. Based on an average EUA (EU Allowance) price of approximately €80 per ton in November 2025, these associated carbon costs could place significant pressure on operating expenses.
			Government Carbon Fee Levies	Long	In response to the requirements of Taiwan's "Climate Change Response Act" to achieve Net-Zero emissions by 2050, the government is expected to levy carbon fees on enterprises with

Item	Implementation Status				
	Type	Risk/Opportunity Item	Time frame	Risk/Opportunity Description	
				annual emissions exceeding 25,000 metric tons. The initial rate is estimated at approximately NT\$300 per metric ton. Should carbon fees increase progressively in the future, it will drive up corporate operating costs and intensify the pressure to decarbonize.	
		Market	Shifts in Customer Demands and Preferences	Short	With the growing demand from the market and customers for low-carbon solutions, any delay in introducing products that align with decarbonization standards may result in a loss of market share and diminished revenue, adversely affecting the Company's competitive position.
			Rising Raw Material Costs	Short	In response to carbon reduction policies in the EU and other nations, as well as supply chain transition requirements, the production costs of raw materials may rise. Concurrently, transportation delays caused by climate-related disasters may increase logistics costs and heighten the risk of supply chain disruptions.
		Low-Carbon Technology Transition	Long	In response to customer demands for low-carbon products and emerging trends in renewable energy, energy storage technology, and process efficiency enhancements, the Company must allocate more capital toward R&D and equipment upgrades, which may increase operating expenses.	
	Physical Risks	Acute	Extreme Weather (Flooding)	Short	Flooding caused by extreme weather events (such as intense typhoons and flash floods), may result in facility inundation and equipment damage. Furthermore, infrastructure remains vulnerable to high winds and floods, while rising sea levels threaten assets in low-lying areas and compromise personnel safety and attendance. Such incidents may result in asset losses, business disruptions, increased costs, and delivery delays, ultimately exerting an adverse impact on the Company's operational performance and financial standing.

Item	Implementation Status				
	Type	Risk/Opportunity Item		Time frame	Risk/Opportunity Description
	Chronic	Energy and Resource Shortages	Short	Climate change has led to an increased frequency of extreme heat and droughts, causing summer electricity demand to surge while diminishing the efficiency of hydropower generation. For instance, under conditions of high temperatures and low rainfall, Vietnam implemented power rationing and rolling blackouts between May and June, heightening the risk of operational disruptions.	
		Water Stress	Medium	Droughts triggered by climate change may lead to water shortages at production facilities, potentially resulting in production halts or supply chain disruptions.	
	Climate Opportunities	Energy Source	Use of Low-Carbon Energy	Short	By installing solar power generation equipment, the Company can enhance energy efficiency and reduce reliance on traditional power grids. This not only effectively lowers electricity expenditure but also mitigates future operating costs associated with carbon fees, carbon tariffs, or energy-related regulations. Furthermore, increasing the proportion of low-carbon energy helps reduce greenhouse gas emissions, bolstering the Company's standing in customer sustainability assessments and overall market competitiveness.
		Resource Efficiency	Use of Energy-Efficient Equipment	Short	The Company has implemented various energy performance management measures, including lighting system retrofits and the upgrading of HVAC and production equipment, to enhance overall energy efficiency. These initiatives reduce operational electricity costs and greenhouse gas emissions, thereby lowering future expenditures related to carbon fees or carbon taxes.

Item	Implementation Status			
	Type	Risk/Opportunity Item	Time frame	Risk/Opportunity Description
		Products/ Services Development /Expansion of Low-Carbon Products and Services	Short	As market and customer demand for low-carbon products grows, the Company is actively developing low-carbon products and services by integrating eco-design, utilizing low-carbon and recyclable/biodegradable materials, and reducing energy consumption during both the manufacturing and usage phases. This initiative not only meets customer expectations for sustainability but also helps expand new business opportunities and enhance product competitiveness.
3. Financial impact of extreme climate events and transition actions	<ul style="list-style-type: none"> ● Positive Financial Impact 1. Revenue growth driven by low-carbon products and technological innovation: The Company continuously invests in green design and low-carbon R&D, launching energy-saving and low-carbon products that meet customer demands. This increases market share, drives revenue growth, and strengthens competitive advantages. 2. Reduced operating costs through renewable energy adoption: By installing solar power generation equipment, the Company can lower electricity costs and reduce future expenditures related to carbon fees or taxes, contributing to enhanced energy resilience and long-term financial stability. ● Negative Financial Impact 1. Rising costs from carbon fees, taxes, and carbon trading: As the world shifts toward a low-carbon economy, the Company may need to purchase carbon credits or bear carbon fees and taxes to comply with emission regulations or customer requirements. If exported products are included in the EU's Carbon Border Adjustment Mechanism (CBAM), significant carbon tax costs may be incurred. Furthermore, carbon prices may rise annually, increasing operational pressure. 2. Increasing costs of low-carbon materials and supply chain: Due to energy price fluctuations and global carbon reduction policies, the procurement costs for low-carbon or circular materials may rise. Costs incurred by suppliers to meet carbon reduction requirements may also be passed on to the Company, raising product costs. If suppliers fail to comply with low-carbon requirements, it may lead to material shortages and delivery delays. ° 3. Operational disruption and asset loss caused by extreme weather: Extreme weather events such as typhoons and heavy rain may lead to factory flooding and equipment damage, increasing maintenance costs and causing production interruptions. This results in shutdowns, delayed deliveries, revenue loss, and rising operating costs. 4. Manufacturing delays due to unstable energy supply: Using Vietnam as an example, policy-driven power rationing or insufficient energy supply may lead to production halts and delivery delays, increasing operating costs and impacting revenue. 			
4. How the climate risk identification, assessment and management process is integrated into the overall risk management system	<p>The Board of Directors serves as the highest governance unit for risk management at the Company, responsible for overseeing the control of all major risks. The Audit Committee is responsible for supervising the effectiveness of risk management implementation. Senior management, through the Executive Management Committee, assigns relevant departments to form a Risk Management Promotion and Execution Team to implement daily risk controls.</p> <p>To strengthen risk governance, the Company established the "Risk Management</p>			

Item	Implementation Status											
	<p>Policy and Procedures" in 2022, approved by the Board of Directors. This policy integrates risk management awareness into daily operational activities and establishes a comprehensive corporate risk management culture. Based on industry characteristics, operating models, and sustainability issues, the Company identifies and analyzes risks related to strategy, operations, finance, information technology, legal compliance, integrity, climate change, and other emerging risks. Among these, climate risk identification and assessment have been integrated into the Company's overall risk management process. Systematic identification is conducted with reference to the TCFD framework, categorizing and prioritizing risks based on the degree of impact and probability of occurrence to plan corresponding management strategies and action plans.</p> <p>The Risk Management Promotion and Execution Team works with operational departments to define risk scopes, identifying risks, performing quantitative measurements, and formulating response strategies through meeting communications. The status of implementation and control results are reported to the Audit Committee and the Board of Directors at least once a year to ensure the continuous and effective operation of the risk management system and to strengthen corporate resilience.</p>											
<p>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and major financial impacts used should be explained</p>	<p>To evaluate the impact of climate-related risks and opportunities on operational strategy, the Company utilizes public data from the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA) as the basis for scenario construction, referencing their analyses on energy transition and net-zero emission pathways. The scenario assessment covers:</p> <ul style="list-style-type: none"> ● High-Emission Scenario: IPCC SSP5-8.5 (representing a situation where climate change risks intensify) ● Low-Emission Scenario: IPCC SSP1-2.6 (representing a global shift toward aggressive carbon reduction and net-zero transition) <p>Through these scenario simulations, the Company analyzes the potential impacts of different emission pathways on operations, the supply chain, and finances, serving as a reference for strategic adjustments and resilience enhancement.</p> <table border="1" data-bbox="561 1240 1444 2011"> <thead> <tr> <th data-bbox="561 1240 676 1368">Category</th> <th data-bbox="676 1240 1329 1368">Scenario</th> <th data-bbox="1329 1240 1444 1368">Estimated Potential Financial Impact</th> </tr> </thead> <tbody> <tr> <td data-bbox="561 1368 676 1787" rowspan="2">Transition Risk</td> <td data-bbox="676 1368 1329 1563"> <p>RCP 8.5 High-Emission Scenario</p> <ul style="list-style-type: none"> ■ No significant new global carbon reduction policies; emissions continue to rise. ■ Global carbon price is approximately US\$2.63 per ton; short-term cost impact is low. </td> <td data-bbox="1329 1368 1444 1563">Increase in annual operating costs < 0.01%</td> </tr> <tr> <td data-bbox="676 1563 1329 1787"> <p>RCP 2.6 Low-Emission Scenario</p> <ul style="list-style-type: none"> ■ Global net-zero targets achieved by 2050; policies tighten drastically. ■ Global carbon price surges to approximately US\$268.13 per ton; enterprises face significant carbon cost pressure. </td> <td data-bbox="1329 1563 1444 1787">Increase in annual operating costs < 0.1%</td> </tr> <tr> <td data-bbox="561 1787 676 2011">Raw Material Procurement and Costs</td> <td data-bbox="676 1787 1329 2011"> <p>RCP 8.5 High-Emission Scenario</p> <ul style="list-style-type: none"> ■ Worsening climate makes resource acquisition difficult; material extraction costs rise. ■ Transportation disruptions lead to extended material lead times and increased procurement costs </td> <td data-bbox="1329 1787 1444 2011">Increase in total procurement costs < 0.01%</td> </tr> </tbody> </table>	Category	Scenario	Estimated Potential Financial Impact	Transition Risk	<p>RCP 8.5 High-Emission Scenario</p> <ul style="list-style-type: none"> ■ No significant new global carbon reduction policies; emissions continue to rise. ■ Global carbon price is approximately US\$2.63 per ton; short-term cost impact is low. 	Increase in annual operating costs < 0.01%	<p>RCP 2.6 Low-Emission Scenario</p> <ul style="list-style-type: none"> ■ Global net-zero targets achieved by 2050; policies tighten drastically. ■ Global carbon price surges to approximately US\$268.13 per ton; enterprises face significant carbon cost pressure. 	Increase in annual operating costs < 0.1%	Raw Material Procurement and Costs	<p>RCP 8.5 High-Emission Scenario</p> <ul style="list-style-type: none"> ■ Worsening climate makes resource acquisition difficult; material extraction costs rise. ■ Transportation disruptions lead to extended material lead times and increased procurement costs 	Increase in total procurement costs < 0.01%
Category	Scenario	Estimated Potential Financial Impact										
Transition Risk	<p>RCP 8.5 High-Emission Scenario</p> <ul style="list-style-type: none"> ■ No significant new global carbon reduction policies; emissions continue to rise. ■ Global carbon price is approximately US\$2.63 per ton; short-term cost impact is low. 	Increase in annual operating costs < 0.01%										
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Item	Implementation Status		
	Category	Scenario	Estimated Potential Financial Impact
		RCP 2.6 Low-Emission Scenario ■ Supply chain transition requires an increased proportion of recycled materials. ■ Product plastic and metal materials must transition toward Post-Consumer Recycled (PCR) materials.	10~15% increase in metal material procurement costs
	Physical Risk	RCP 8.5 High-Emission Scenario ■ A significant increase in extreme climate events such as typhoons and heavy rainfall may result in higher repair costs for damaged facilities or increased insurance premiums. ■ Work stoppages are more likely to occur, leading to production capacity losses and higher fixed costs.	Increase in annual operating costs < 0.5%
RCP 2.6 Low-Emission Scenario ■ Climate-related risks are relatively reduced, and the frequency of windstorm events is lower. ■ With fewer windstorm events, only routine operations and maintenance are required, such as regular building and equipment maintenance and sludge removal.		Increase in annual operating costs < 0.001%	
RCP 8.5 High-Emission Scenario ■ Risk of power shortages intensifies, leading to unstable energy supply. ■ Referring to recent trends, electricity prices may rise by 25% within 5 years.		Increase in annual operating costs < 1.5%	
RCP 2.6 Low-Emission Scenario ■ Energy transition proceeds smoothly with no significant risk of power shortages. ■ Continuous procurement of solar energy certificates and renewable energy to reduce Scope 2 emissions.		Increase in annual operating costs < 0.01%	
6. A transition plan is in place to cope with climate-related risks along with the indicators and goals used to identify and manage physical risks and transition risks	In alignment with the risk management process, the Company assesses the probability and impact of climate-related risks and opportunities, establishing the following short, medium, and long-term indicators and management goals: Short-Term Goals (1 to 3 Years) 1. Set and track annual carbon reduction targets in accordance with the pathways defined by the Science Based Targets initiative (SBTi) 2. Implement intelligent energy monitoring systems to enhance energy utilization efficiency. 3. Complete the installation of solar power generation systems at headquarters to increase the proportion of self-generated green electricity. 4. Continuously procure International Renewable Energy Certificates (I-RECs) to reduce Scope 2 emissions. 5. Evaluate the signing of long-term Power Purchase Agreements (PPAs) to ensure a stable supply of renewable energy. 6. Introduce eco-design for products and develop low-carbon product lines. 7. Drive supply chain carbon reduction projects to enhance the mitigation efforts of both upstream suppliers and downstream customers. Medium-Term Goals (3 to 5 Years) 1. Continuously replace and upgrade production equipment to enhance energy efficiency.		

Item	Implementation Status
	<p>2. Construct or renovate green buildings that comply with energy-saving, environmental protection, and sustainable design standards.</p> <p>3. Maintain collaboration with customers to develop products featuring high energy efficiency and low carbon emissions.</p> <p>4. Collaborate with suppliers to introduce recycled materials, increasing the proportion of Post-Consumer Recycled (PCR) materials in products.</p> <p>Long-Term Goals (5 to 10 Years)</p> <p>1. Achieve 100% renewable energy usage across all manufacturing sites by 2030.</p> <p>2. Promote low-carbon technologies to value chain partners to collectively enhance carbon reduction capabilities.</p> <p>3. Invest in or adopt low-carbon and carbon-negative technologies to support the Company's long-term net-zero development.</p>
<p>7. If internal carbon pricing is used as a planning tool, state the basis for setting the price</p>	<p>The Company has not yet implemented an internal carbon pricing (ICP) system. However, we will continue to monitor global and domestic climate policy trends as well as relevant regulatory developments. At the appropriate time, we will evaluate the feasibility of implementing ICP to strengthen climate risk management and carbon reduction strategic planning.</p>
<p>8. Information on the activities covered by climate-related goals, scope of greenhouse gas emissions, the schedule timeline, and annual progress; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, state the source and quantity of carbon credits or the quantity of renewable energy certificates (RECs)</p>	<p>[SBTi Carbon Reduction Targets]</p> <p>The Company passed the review of the Science Based Targets initiative (SBTi) in 2024. In reference to the International Energy Agency (IEA) 1.5°C trajectory for assessing the impact of climate change on operations, the Company has set the following near-term and long-term greenhouse gas (GHG) reduction targets:</p> <ul style="list-style-type: none"> ● Scope 1 + Scope 2 (Internal Operations): Near-term target: 50% absolute reduction by 2030 Long-term target: Achieve net-zero emissions by 2040 ● Scope 3 (Other Indirect Emissions): Near-term target: 66% intensity reduction by 2030 Long-term target: Achieve net-zero emissions by 2050 <p>[GHG Emission Inventory Scope]</p> <p>Starting from 2025, the Company has expanded its greenhouse gas inventory scope to include overseas locations, specifically its U.S. and German subsidiaries. By gradually broadening the organizational boundary, we aim to enhance the completeness and transparency of our corporate emission disclosures.</p> <p>[Renewable Energy Usage and Certificate Procurement]</p> <p>The Company is actively increasing the proportion of green electricity usage and advancing its energy transition strategy. Key performance indicators are as follows:</p> <ul style="list-style-type: none"> ● In 2025, the Company procured 16.35 million kWh of International Renewable Energy Certificates (I-RECs), raising the renewable energy usage ratio at its manufacturing centers to 50%. This initiative effectively reduced market-based greenhouse gas emissions. ● In addition to existing solar power generation systems, the Company is actively evaluating the signing of long-term Power Purchase Agreements (PPAs) with renewable energy providers to secure a stable source of green electricity. ● The long-term goal is to achieve 100% renewable energy for production electricity by 2030, fully realizing low-carbon manufacturing.
<p>9. GHG inventory and assurance status, as well as reduction targets, strategies, and concrete action plans</p>	<p>The Company has established 2022 as the base year for greenhouse gas inventory and management. The results of the 2025 greenhouse gas inventory are expected to receive third-party verification certificates by May 2026.</p> <p>For detailed information regarding inventory data, reduction targets, and management strategies, please refer to Sections 1-1 and 1-2 on the following pages, as well as “ESG Sustainability” section in the Company’s website and Sustainability Report.</p>



1-1 Greenhouse gas inventory and assurance for the most recent two years

1-1-1 Greenhouse Gas Inventory Information

Year Scope	2024		2025(Note)	
	Greenhouse Gas Emissions (metric tons CO ₂ e)	Emissions Intensity (tons per million in revenue)	Greenhouse Gas Emissions (metric tons CO ₂ e)	Emissions Intensity (tons per million in revenue)
Scope 1	316.27	0.0065	347.76	0.0066
Scope 2	15,052.45	0.3074	16,453.92	0.3106
Scope 1&2	15,368.72	0.3139	16,801.68	0.3172
Scope 3	3,036,318.05	62.01	2,845,672.39	53.72
Coverage Scope	Taiwan: Arcadyan Technology Corporation 、 Tatung Technology Inc. China: Compal Networking (KunShan) Co., Ltd. 、 Arcadyan Technology Corporation (Shanghai) Vietnam: Arcadyan Technology (Vietnam) Co., Ltd.		Taiwan: Arcadyan Technology Corporation 、 Tatung Technology Inc. China: Compal Networking (KunShan) Co., Ltd. 、 Arcadyan Technology Corporation (Shanghai) Vietnam: Arcadyan Technology (Vietnam) Co., Ltd.	

Note: As of the publication date of the annual report, greenhouse gas verification has been scheduled, and the certificate is expected to be obtained by May 2026. At that time, the information will be simultaneously updated on the “ESG Sustainability” section in the Company's website.

1-1-2 Information on greenhouse gas assurance

Item	Implementation Status
Description of verification status for the most recent two years as of the publication date of the annual report, including the verification scope, verification institution, verification criteria, and verification opinion	<p>The Company has continuously performed greenhouse gas inventories since 2009 and has commissioned third-party audits to obtain verification statements since 2021. The verification status for 2024 and 2025 is as follows:</p> <p>Verification Scope: Arcadyan Technology Corporation, Tatung Technology Inc., Compal Networking (KunShan) Co., Ltd., Arcadyan Technology Corporation (Shanghai), Arcadyan Technology (Vietnam) Co., Ltd.</p> <p>Verification Institution: TÜV Rheinland Taiwan Ltd.</p> <p>Verification Criteria: ISO 14064-1 (2024) ; GHG Protocol (2025)</p> <p>Verification Opinion: The verification statement for 2024 has been obtained. The inventory results for 2025 are expected to receive a verification statement by May 2026, and full verification details will be disclosed in the Sustainability Report.</p>

1-2 GHG Reduction Targets, Strategies and Specific Action Plans

Baseline year: 2022		
Reduction Target	Scope 1 + Scope 2	Scope 3
Short-Term Target	Achieve 50% absolute reduction by 2030.	Achieve 66% intensity reduction (tons/ per million gross profit) by 2030.
Long-Term Target (Net-Zero)	Achieve net-zero emissions by 2040.	Achieve net-zero emissions by 2050.

Strategies and concrete action plans:

Short-Term (2025–2030)	Medium-Term (2031–2040)	Long-Term (2041–2050)
<ul style="list-style-type: none"> • Reduce business travel and carbon emissions through video conferencing. • Regularly inspect air conditioning and refrigeration equipment to prevent refrigerant leakage. • Install solar power systems and procure renewable energy to increase green power usage. • Implement intelligent energy monitoring systems to enhance energy management efficiency. • Install variable frequency equipment to improve the energy efficiency of machines and air conditioning. • Adopt circular economy design to enhance product recyclability and material efficiency. • Optimize PCB layout design to reduce material usage and enhance manufacturing efficiency. • Use Post-Consumer Recycled (PCR) plastic materials to reduce carbon footprints. • Use eco-friendly packaging and implement packaging reduction designs. 	<ul style="list-style-type: none"> • Replace conventional vehicles with electric vehicles to reduce fuel emissions. • Purchase high-quality international carbon credits as supplementary reduction measures • Promote green factories and intelligent energy-saving management of equipment. • Evaluate the signing of long-term Power Purchase Agreements (PPAs) for renewable energy. • Use Post-Consumer Recycled (PCR) metal materials to reduce product carbon footprints. • Optimize product power management and introduce the AIPM intelligent management system. • Establish product recycling and reuse mechanisms to implement a circular economy. 	<ul style="list-style-type: none"> • Implement AIPM PLUS intelligent power management systems to enhance product energy efficiency. • Utilize biofuel-powered shipping routes to reduce carbon emissions during the logistics process. • Procure high-quality international carbon credits as supplementary carbon reduction measures.



(7) Ethical Corporate Management – Implementation Status and Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and the Reasons

Evaluation Item	Implementation status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and the Reasons
	Yes	No	Summary description	
1. Establishment of ethical corporate management policies and programs				
(1) Does the company formulate ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	V		(1) In accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies,” the Company has established the “Ethical Corporate Management Best Practice Principles,” and “Procedures for Ethical Management and Guidelines for Conduct” approved by the Board of Directors. In addition, in the personnel regulations, “Code of Business Conduct and Ethics,” and “Code of Conduct for Directors and Managerial Officers,” the policies and practices of Ethical Corporation Management have been expressly stated. Further, the Directors are required to sign a declaration at their appointment to commit to the conformity of these regulations.	No material deviation
(2) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies”?	V		(2) The Company has established the “Code of Business Conduct and Ethics,” the “Ethical Corporate Management Best Practice Principles” and the “Procedures for Ethical Management and Guidelines for Conduct” to govern the whistleblowing and punishment for unethical conducts. Risk identification of business activities with higher risks is included in the annual audit plan by internal audit to examine the status of compliance on a regular basis.	No material deviation
(3) Has the company clearly set out the operating procedures, behavior guidelines, and punishment for violation and appeal system in the unethical conduct prevention program, implement it, and regularly review and revise the program?	V		(3) The “Ethical Corporate Management Best Practice Principles” specifically provides for: prohibition of offering or acceptance of bribes, prohibition of illegal political contributions, prohibition of improper philanthropic donation or sponsorship, prohibition of unreasonable gifts, hospitality, reception or other improper benefits,	No material deviation

Evaluation Item	Implementation status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and the Reasons
	Yes	No	Summary description	
			prohibition of violating intellectual property rights, prohibition of unfair competition, prevention of products or services damaging the interests of stakeholders. Further, the code of conduct stipulates punishment for violation and appeal system, which is properly implemented. In addition to strengthening awareness training for new employees, the Company implements in the daily routines, reviews on a regular basis, and assesses the need to make timely amendments.	
2. Ethical Management Practice				
(1) Does the company assess the ethics records of those who have business relationships with and include ethical conduct related clauses in the business contracts?	V		(1) The Company insists on the philosophy of ethical management. Business contracts clearly stipulate that ethical conduct shall not be violated. The Company requires suppliers to sign the “Commitment of Supplier for Corporate Social Responsibility.” It requires the suppliers to abide by organizational governance, labor rights, occupational health and safety, environmental protection, code of ethics and complaint system and other norms.	No material deviation
(2) Has the company set up a dedicated unit to promote ethical corporate management under the Board of Directors, and does it regularly (at least once a year) report to the Board of Directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?	V		(2) According to the Company’s “Procedures for Ethical Management and Guidelines for Conduct,” the business integrity management policy is jointly established by the “Executive Management Committee” and relevant responsible units, with the Internal Audit Office overseeing its implementation and reporting to the Board of Directors at least once a year. No significant violations have been identified in the most recent year.	No material deviation
(3) Has the company established policies to prevent conflict of interest, provided appropriate communication and complaint channels, and properly implemented such policies?	V		(3) The Company has established the “Ethical Corporate Management Best Practice Principles” and the “Procedures for Ethical Management and Guidelines for Conduct.” Regarding proposals presented to the Board of Directors, any director, managerial officer, or other stakeholder attending or	No material deviation



Evaluation Item	Implementation status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and the Reasons
	Yes	No	Summary description	
(4) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and formulate related audit plans to audit the compliance with the systems to prevent unethical conduct or engage CPAs to perform the audits?	V		<p>sitting in on the board meeting who has a personal interest or represents a juristic person with an interest in the proposal shall explain the essential content of such interest during the meeting. If there is a risk of prejudice to the Company’s interests, the individual shall not participate in the discussion or voting, shall recuse themselves during such discussion and voting, and shall not exercise voting rights as a proxy for other Directors. Directors shall also practice self-discipline and must not improperly support one another. In addition, the Company has established “Code of Business Conduct and Ethics” and expresses clearly the policies for conflict of interest and recusal. When the personal interest of employee presented in any form or extended to family members and friends, may conflict with the Company’s overall interest, according to the requirement of the policy, the employee has to submit a conflict-of-interest report, fully disclosing details in any circumstances that may cause any conflicts of interest, then report to the supervisors immediately.</p> <p>(4) To ensure the implementation of Ethical Corporate management, the Company has appointed three Independent Directors in the Board of Directors. These independent Directors formed both Remuneration Committee and Audit Committee. Additionally, the Company has established a comprehensive and effective internal control system, relevant management procedures and accounting system. The Company executes and timely assesses the implementation in accordance with these policies, which shall be amended as necessary, so as to ensure the constant effectiveness of the design and implementation of the systems.</p> <p>On a yearly basis, which is also</p>	No material deviation

Evaluation Item	Implementation status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and the Reasons
	Yes	No	Summary description	
(5) Does the company provide internal and external ethical corporate management training programs on a regular basis?	V		<p>included in the yearly audit plan, the Company conducts self-assessment, where the internal audit unit inspects the self-assessment reports of all other units and subsidiaries, which include control of environment, risk assessment, control activities, information and communication, and monitoring. Together with the findings of internal control infractions and discrepancies to be improved on that have been uncovered identified by the Internal Audit, serve as the primary basis for the Board of Directors and President to evaluate the effectiveness of the overall internal control system and submit “Statement of Internal Control System.”</p> <p>(5) In addition to disclosing “Ethical Corporate Management Best Practice Principles” on the Company website, the Company promotes related topics through internal system, conducts awareness training to all employees and educational training to new employees. In 2025, the educational training related to ethical corporate management including courses on the compliance of ethical corporate management enrolled 966 participants, totaling 483 hours of training.</p>	No material deviation
3. Implementation of Complaint Procedures				
(1) Has the company established specific whistleblowing and reward procedures, set up conveniently accessible whistleblowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistleblowers?	V		(1) The Company has installed mailboxes (ethics@arcadyan.com) to receive malpractice reports from internal or external of the Company and has established the relevant disciplinary regulations. The authorities assign appropriate levels of department and personnels to handle depending on the nature and objects of the underlying complaints. In 2025, no whistleblowing reports or complaints regarding unethical conduct were received.	No material deviation
(2) Has the company established standard operation procedures for	V		(2) The complaints and whistleblowing procedures, in	No material deviation



Evaluation Item	Implementation status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and the Reasons
	Yes	No	Summary description	
<p>investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?</p> <p>(3) Has the company adopted proper measures to protect whistleblowers from retaliation for filing complaints?</p>	V		<p>addition to regulate by statutes of the law, the identity of the whistleblower shall be kept confidential. Appropriate protection measures shall be implemented to ensure the confidentiality and privacy of the whistleblower.</p> <p>(3) As above, the Company shall adopt appropriate confidentiality measures in accordance with the law. The Company handles complaint and whistleblowing cases with a confidentiality principle and in a prompt, fair and objective manner. If the whistleblower is an employee, the Company guarantees that the employee will not be mistreated or retaliated for filing a complaint or reporting on a malpractice.</p>	No material deviation
<p>4. Strengthening Information Disclosure</p> <p>Does the company disclose its Ethical Corporate Management Best Practice Principles and the results of their implementation on the Company’s website and the Market Observation Post System (MOPS)?</p>	V		<p>The Company has established a website at www.arcadyan.com and a sustainability website at csr.arcadyan.com to provide information on corporate governance and ethical corporate management for employees to review.</p>	No material deviation
<p>5. If the company has established its own ethical corporate management best practice principles in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviations between the principles and their implementation:</p> <p>The Company has established “Ethical Corporate Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct.” There is no material deviation between the principles and their implementation.</p>				
<p>6. Other important information to facilitate a better understanding of the status of operation of the company’s ethical corporate management policies (e.g., the company’s reviewing and amending of its ethical corporate management best practice principles): The Company has publicly disclosed “Ethical Corporate Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct” on Company’s website. In addition, the Company has also established a dedicated section pertaining to the implementation of Ethical Corporate Management and the handling situation of unethical conduct for awareness by employees.</p>				

(8) Other Important Information Regarding Corporate Governance

- I. The information on the Company website, www.arcadyan.com is collected and maintained by dedicated personnel, making and renewing disclosure on a regular basis, providing investors information on the financial and business aspects, the institutional investor conferences and corporate governance information. In addition, the Company's "ESG sustainability" website at csr.arcadyan.com provides stakeholders with communication channels and access to relevant information on sustainable development.
- II. To establish the management of insider trading prevention to avoid inappropriate leaking of material internal information and ensure the consistency and accuracy of information communicated to the public, the Company has established the "Insider Trading Prevention Procedures" and the "Procedures for Handling Material Inside Information" in the internal control system. Via the Company website, contracts and training, the Company conducts relevant awareness programs and inform the Directors, managers and all employees to conform the regulations.



(9) Internal Control Systems

I. Internal Control Statement

Arcadyan Technology Corporation
Statement of the Internal Control System

Date: February 25, 2026

The Company states the following with regard to its internal control system during fiscal year 2025, based on the findings of a self-assessment:

1. The Company acknowledges that the establishment, implementation and maintenance of internal control system are the responsibilities of the Board of Directors and managers of the Company. As such, the Company has established the aforementioned system. Its objectives are to provide reasonable assurance for effectiveness and efficiency of its operations (including profitability, performance and guarantee of assets safety etc.), reporting that is reliable, timely and transparent and conformity to applicable rules, regulations and laws.
2. The internal control system has its inherent limitations. Regardless of how exhaustive the design is, an effective internal control system can only provide reasonable assurance for the achievement of the aforementioned three objectives. Further, due to changes in the environment or circumstances, the effectiveness of the internal control system may vary accordingly. Nevertheless, the Company's internal control system has set up a self-supervision mechanism. Once a deficiency has been identified, the Company will take the remedial actions immediately.
3. In accordance with the determining criteria for the effectiveness of the internal control system prescribed in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (hereafter "the Regulations"), the Company evaluated the effectiveness of the design and execution for its internal control system. The determining criteria of the internal control system prescribed in the "Regulations" are based on the process of management control, dividing the internal control system into five composite factors: 1. control of environment, 2. risk evaluation, 3. control of operations, 4. information and communication, and 5. Supervision. The composition of each element also includes several items. Please refer to the "Regulations" for the aforesaid items.
4. The Company has adopted the aforementioned determining criteria of the internal control system to evaluate the effectiveness of design and execution for its own internal control system.
5. Based on the evaluation result of the preceding paragraph, the Company believes that its internal control system (including the supervision and management of its subsidiaries) as of December 31, 2025, including understanding the achievement for the objectives of effectiveness and efficiency of its operations, reliability, timeliness and transparency of its reporting and compliance with the applicable regulations and laws, was effective in design and execution, and can be reasonably assured of the achievement of the aforementioned objectives.
6. This statement will serve as the main content of the Company's annual report and prospectus, and will be publicly announced. If the aforesaid public content has any illegal events including falseness or concealment etc., it shall to be liable to the legal liabilities stipulated in Article 20, 32, 171 and 174 of the Securities and Exchange Act.
7. This Statement has been passed by the Board of Directors of the Company held on February 25, 2026, where 0 of the 9 attending Directors expressed dissenting opinions, and the remainder all affirmed the content of this Statement.

Arcadyan Technology Corporation

Chairman: Jui-Tsung Chen

President: Chao-Peng Tseng

II. Engaging CPAs to audit the Company's internal control system, the audit report prepared by the CPAs should be disclosed: None.

(10) For the most recent year until the publication date of this annual report, major resolutions made in Shareholders and Board of Directors Meetings

I. Shareholders Meeting

■ Time: 9:00 am, May 28, 2025

Venue: 1F of the Company, No. 8, Section 2, Guangfu Road, Hsinchu City

■ Major Resolutions:

1. Ratification of business report and financial statements for 2024.
2. Ratification of the distribution of earnings for 2024.
3. Approval for the amendments to "Articles of Incorporation"
4. Approval for the release of non-competition restrictions for Directors of the Company.

■ Post-meeting Execution:

- a. Approval for the amendments to "Articles of Incorporation": Approved by the Ministry of Economic Affairs for registration on July 14, 2025, and announced on the Company's website.
- b. Release of non-competition restrictions for Directors: Announced on the Market Observation Post System on May 28, 2025.



II. Board of Directors

Date	Major Resolutions
February 26, 2025 The 8th Meeting of the 9th Term	<ol style="list-style-type: none"> 1. Approval for the appropriation of the remuneration to Directors and compensation to employees for 2024. 2. Approval for the appropriation ratio of the remuneration to Directors and compensation to employees for 2025. 3. Approval for the financial reports for 2024. 4. Approval for business reports for 2024. 5. Approval for business plan for 2025. 6. Approval for Statement of Internal Control System for 2024. 7. Approval for the cash dividend for 2024. 8. Approval for the cash distribution from capital surplus. 9. Approval for the earnings distribution for 2024. 10. Approval for the definition of “non-executive employees.” 11. Approval for the amendments to “Articles of Incorporation.” 12. Approval for the amendments to “Corporate Governance Best Practice Principles.” 13. Approval for the release of non-competition restrictions for Directors of the Company. 14. Approval for convening the Annual General Shareholders Meeting for 2025. 15. Approval for the change of audit CPAs. 16. Approval for the renewal of credit facilities with lending banks.
May 7, 2025 The 9th Meeting of the 9th Term	<ol style="list-style-type: none"> 1. Approval for the financial reports for 2025 Q1. 2. Approval for adjustment of salary for 2025. 3. Approval for disbursement of Dragon Boat and Mid-Autumn Festivals bonus for 2025. 4. Approval for the disbursement of cash dividend and cash distribution from capital surplus. 5. Approval for 2025 material sustainability topics, development goals and plans. 6. Approval for loaning funds to subsidiary, Arcadyan Technology Limited. 7. Approval for 2025 Talent Retention and Incentive Scheme. 8. Approval for the renewal of credit facilities with lending banks. 9. Approval for the release of non-competition restrictions for Directors of the Company.
July 23, 2025 The 10th Meeting of the 9th Term	<ol style="list-style-type: none"> 1. Approval for the financial reports for 2025 Q2. 2. Approval for the disbursement of remuneration to Directors for 2024. 3. Approval for the disbursement of compensation to employee for 2024. 4. Approval for the Phase II Interior Renovation Project of the Headquarters Building. 5. Approval for loaning funds to subsidiary, Arcadyan do Brasil Ltda. 6. Approval for Sustainability Report for 2024. 7. Approval for amendments to the “Internal Control System.” 8. Approval for the Amendment to the “Rules Governing Financial

Date	Major Resolutions
	<p>and Business Matters Between this Corporation and its Related Parties.”</p> <p>9. Approval for the Establishment of the “Tax Policy and Management Guidelines.”</p> <p>10. Approval for renewal of credit facilities with lending banks.</p>
<p>October 29, 2025 The 11th Meeting of the 9th Term</p>	<p>1. Approval for the financial reports for 2025 Q3.</p> <p>2. Approval for the internal audit plan for 2026.</p> <p>3. Approval for the assessment of the independence and competence of the CPAs.</p> <p>4. Approval for the disbursement of year-end bonus for 2025.</p> <p>5. Approval for the Amendment to the “Sustainable Development Best Practice Principles.”</p> <p>6. Approval for renewal of credit facilities with lending banks.</p>
<p>February 25, 2026 The 12th Meeting of the 9th Term</p>	<p>1. Approval for the appropriation of the remuneration to Directors and compensation to employees for 2025.</p> <p>2. Approval for the appropriation ratio of the remuneration to Directors and compensation to employees for 2026.</p> <p>3. Approval for the financial reports for 2025.</p> <p>4. Approval for business reports for 2025.</p> <p>5. Approval for business plan for 2026.</p> <p>6. Approval for Statement of Internal Control System for 2025.</p> <p>7. Approval for the cash dividend for 2025.</p> <p>8. Approval for the cash distribution from capital surplus.</p> <p>9. Approval for the disbursement of cash dividend and cash distribution from capital surplus.</p> <p>10. Approval for the earnings distribution for 2025.</p> <p>11. Approval for convening the Annual General Shareholders Meeting for 2026.</p> <p>12. Approval for the election of the 10th term Directors.</p> <p>13. Approval of the nomination of candidates for the 10th term Directors and Independent Directors.</p> <p>14. Approval for the release of non-competition restrictions on the 10th term Directors and Independent Directors.</p> <p>15. Approval for the change of audit CPAs.</p> <p>16. Approval for the change of Managerial Officers.</p> <p>17. Approval for renewal of credit facilities with lending banks.</p>

- (11) For the most recent year until the publication date of the annual report, any recorded or written statements made by Directors expressing dissenting opinions on major resolutions passed by the Board of Directors: None.



4. Information Regarding the CPA's Audit Fee

(1) Information Regarding the CPA's Audit Fee

Unit: thousand of TWD

Accounting Firm	Name of CPA	Period covered by CPA's audit	Audit fee	Non-audit fee (Note)	Total	Remark
KPMG	Keng-Chia Huang	January 1, 2025 to December 31, 2025	4,935	2,261	7,196	
	Yao-Chun Au					

Note: It includes tax services of NT\$1,280 thousand, business registration services of NT\$281 thousand, transfer pricing reports of NT\$300 thousand and Consulting service fees for IFRS Sustainability Disclosure Standards (S1 and S2) of NT\$400 thousand.

- (2) Changes in the accounting firm that result in lesser audit fees paid in comparison to the previous year, and disclosure for the change in audit fee, and the reason for the change: None.
- (3) Reduction of audit fees by more than 10% compared to the previous year, and disclosure for the amount and percentage reduced, and the reason for the reduction: Not applicable.

5. Replacement of CPA:

(1) Regarding the former CPA

Date of replacement	Resolution adopted by the Board of Directors on February 25, 2026.		
Reason for replacement and explanation	Due to internal adjustment in work and duties at KPMG, the CPAs of the Company have changed from Keng-Chia Huang and Yiu-Kwan Au to Kuan-Ying Kuo and Chen-Hsing Liu.		
Describe whether the Company terminated or the CPAs terminated or did not accept the engagement	Party involved	Independent auditors	The Company
	Circumstances		
	Termination by the Company	Not applicable	Not applicable
Rejection of appointment (or re-appointment)	Not applicable	Not applicable	
For the most recent two years, the causes for audit opinion other than unqualified audit opinion	None		
Opinion differing from the issuer	Yes		Accounting principles or practice
			Disclosure of financial statements
			Audit scope or procedure
			Others
	None	V	
Explanatory note			
Other Disclosures	None		



Date of replacement	Resolution adopted by the Board of Directors on February 26, 2025.		
Reason for replacement and explanation	Due to internal adjustment in work and duties at KPMG, the CPAs of the Company have changed from Szu-Chuan Chien and Keng-Chia Huang to Keng-Chia Huang and Yiu-Kwan Au.		
Describe whether the Company terminated or the CPAs terminated or did not accept the engagement	Party involved	Independent auditors	The Company
	Circumstance		
	Termination by the Company	Not applicable	Not applicable
Rejection of appointment (or re-appointment)	Not applicable	Not applicable	Not applicable
For the most recent two years, the causes for audit opinion other than unqualified audit opinion	None		
Opinion differing from the issuer	Yes		Accounting principles or practice
			Disclosure of financial statements
			Audit scope or procedure
			Others
	None	V	
Explanatory note			
Other Disclosures	None		

Date of replacement	Resolution adopted by the Board of Directors on February 22, 2024.		
Reason for replacement and explanation	Due to internal adjustment in work and duties at KPMG, the CPAs of the Company have changed from Szu-Chuan Chien and I-Wen Wang to Szu-Chuan Chien and Keng-Chia Huang.		
Describe whether the Company terminated or the CPAs terminated or did not accept the engagement	Party involved	Independent auditors	The Company
	Circumstance		
	Termination by the Company	Not applicable	Not applicable
Rejection of appointment (or re-appointment)	Not applicable	Not applicable	Not applicable
For the most recent two years, the causes for audit opinion other than unqualified audit opinion	None		
Opinion differing from the issuer	Yes		Accounting principles or practice
			Disclosure of financial statements
			Audit scope or procedure
			Others
	None	V	
Explanatory note			
Other Disclosures	None		



(2) Regarding the successor CPA

Accounting Firm	KPMG
Name of CPA	Kuan-Ying Kuo and Chen-Hsing Liu.
Date of engagement	Resolution adopted by the Board of Directors on February 25, 2026.
Prior to formal engagement, any inquiry or consultation on the accounting treatment or accounting principles for specific transactions and the type of audit opinion that might be rendered on the financial report	None
Written opinions from the successor CPAs that are different from the former CPAs' opinions	None

Accounting Firm	KPMG
Name of CPA	Keng-Chia Huang and Yiu-Kwan Au
Date of engagement	Resolution adopted by the Board of Directors on February 26, 2025.
Prior to formal engagement, any inquiry or consultation on the accounting treatment or accounting principles for specific transactions and the type of audit opinion that might be rendered on the financial report	None
Written opinions from the successor CPAs that are different from the former CPAs' opinions	None

Accounting Firm	KPMG
Name of CPA	Szu-Chuan Chien and Keng-Chia Huang
Date of engagement	Resolution adopted by the Board of Directors on February 22, 2024.
Prior to formal engagement, any inquiry or consultation on the accounting treatment or accounting principles for specific transactions and the type of audit opinion that might be rendered on the financial report	None
Written opinions from the successor CPAs that are different from the former CPAs' opinions	None

(3) Reply from former CPAs in pursuant of Article 10, Paragraph 5, Sub-paragraph 1, 2-3: None.

6. Any of the Company’s Chairman, President, or Managerial Officer responsible for Financial or Accounting Affairs Being Employed by the Auditor’s Firm or Any of Its Affiliated Company in the Most Recent Year: None.

7. For the Most Recent Year until the Publication Date of the Annual Report, the Transfer of Equity Interest and Change in Stock Pledge of Directors, Managers and Shareholders with Stake of 10% or More

(1) Changes in shareholding of Directors, managerial officers and major shareholders

Unit: Share

Position	Name	2025		As of March 29, 2026	
		Increase (decrease) in Shares Held	Increase (decrease) in Shares Pledged	Increase (decrease) in Shares Held	Increase (decrease) in Shares Pledged
Director/Major Shareholder	Compal Electronics, Inc.				
Director/Major Shareholder	Compal Electronics, Inc. Representative: Jui-Tsung Chen				
Director/Major Shareholder	Compal Electronics, Inc. Representative: Sheng-Hua Peng	0	0	0	0
Director/Major Shareholder	Compal Electronics, Inc. Representative: Cheng-Chiang Wang				
Director/Major Shareholder	Compal Electronics, Inc. Representative: Chung-Pao Liu				
Director and President	Chao-Peng Tseng	0	0	0	0
Director	Cheng-Hua Sun	0	0	0	0
Independent Director	Ing-Jen Lee	0	0	0	0
Independent Director	Ching-Chang Wen	0	0	0	0
Independent Director	Wen-An Yang	0	0	0	0



Position	Name	2025		As of March 29, 2026	
		Increase (decrease) in Shares Held	Increase (decrease) in Shares Pledged	Increase (decrease) in Shares Held	Increase (decrease) in Shares Pledged
Executive Vice President	Fong-Yu Lu	0	0	0	0
Senior Vice President	Chih-Fang Lee	(20,000)	0	0	0
Senior Vice President	Shin-Lung Kuo	(14,000)	0	(10,699)	0
Vice President	Chung-Pao Liu	(8,000)	0	0	0
Vice President	Nien-Che Hsiung	0	0	0	0
Vice President	Yen-Ju Lin	(7,000)	0	0	0
Vice President	Shao-Ming Yu (Note)	(Note)	(Note)	0	0
Vice President	Ho-Chieh Hsiao (Note)	(Note)	(Note)	0	0
Chief Financial Officer and Corporate Governance Officer	Shih-Wei Huang	0	0	0	0
Chief Internal Audit Officer	Yi-Ling Peng	0	0	0	0

Note: Vice Presidents Shao-Ming Yu and Ho-Chieh Hsiao assumed their positions on February 25, 2026.

- (2) The counterparty of equity interest transfer or equity pledge is a related party
- I. Share transferred to related parties: None.
 - II. Shares pledged with related parties: None.

8. Relationship information, if among the company's 10 largest shareholders any one is a related party、 spouse or a relative within the second degree of kinship of another.

March 29, 2026
Unit: Share, %

Name	Shares Held in Person		Shares Held by Spouse, Minor Child(ren)		Total shares held through nominees		Names and relationships of the top ten shareholders who is a related party to each other or are spouses or relatives within the second degree		Remark
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relationship	
Compal Electronics, Inc. Representative: Jui-Tsung Chen	41,304,504	18.74%	0	0%	0	0%	Hong Ji Capital Co., Ltd., Gempal Technology Corp., Panpal Technology Corp., Hong Jin Investment Co., Ltd.	Subsidiaries of the Company: Hong Ji Capital Co., Ltd., Gempal Technology Corp., Panpal Technology Corp., Hong Jin Investment Co., Ltd.	
Hong Ji Capital Co., Ltd. Representative: Jui-Tsung Chen	9,278,643	4.21%	0	0%	0	0%	Compal Electronics, Inc.	Parent company of the Company	
Gempal Technology Corp. Representative: Jui-Tsung Chen	9,278,643	4.21%	0	0%	0	0%	Compal Electronics, Inc.	Parent company of the Company	
Panpal Technology Corp. Representative: Jui-Tsung Chen	8,191,724	3.72%	0	0%	0	0%	Compal Electronics, Inc.	Parent company of the Company	
Fubon Life Insurance Co., Ltd. Representative: Fu-Hsing Lin	7,436,000	3.37%	0	0%	0	0%	None	None	
Shin Kong Life Insurance Co., Ltd. Representative: Pao-Sheng Wei	5,306,000	2.41%	0	0%	0	0%	None	None	
Hong Jin Investment Co., Ltd. Representative: Jui-Tsung Chen	4,609,160	2.09%	0	0%	0	0%	Compal Electronics, Inc.	Parent company of the Company	
Chunghwa Post Co., Ltd. Representative: Kwo-Tsai Wang	3,776,000	1.71%	0	0%	0	0%	None	None	
The Shanghai Commercial & Savings Bank, Ltd. in its capacity as Trustee for Federal Asset Management Discretionary Investment Account 2	3,114,000	1.41%	0	0%	0	0%	None	None	
Taiwan Cooperative Bank Representative: Yen-Mo Lin	3,058,000	1.39%	0	0%	0	0%	None	None	



9. Comprehensive Shareholding Information Relating to Company, Directors, Managerial Officers and Affiliated Companies through Direct and Indirect Investment

December 31, 2025

Unit: Share; %

Investees	Invested by the Company		Held by Directors, managerial officers and directly/indirectly controlled entities		Aggregated investment	
	Number of shares	Percentage of Shareholding	Number of shares	Percentage of Shareholding	Number of shares	Percentage of Shareholding
Arcadyan Holding (BVI) Corp.	37,780,148	100%	0	0%	37,780,148	100%
Arcadyan Technology N.A. Corp.	1,000	100%	0	0%	1,000	100%
Arcadyan Germany Technology GmbH	500	100%	0	0%	500	100%
Arcadyan Technology Corporation Korea	20,000	100%	0	0%	20,000	100%
Arcadyan do Brasil Ltda.	964,510	99.6%	3,724	0.4%	968,234	100%
Arcadyan Technology Limited	50,000	100%	0	0%	50,000	100%
Arcadyan Technology Australia Pty Ltd	50,000	100%	0	0%	50,000	100%
Arcadyan Technology Corporation (Russia), LLC	(Note)	100%	(Note)	0%	(Note)	100%
Arcadyan India Private Limited	19,765,000	99.8%	35,000	0.2%	19,800,000	100%
Arcadyan Turkey Technology and Trade Joint Stock Company	6,200,000	100%	0	0%	6,200,000	100%
Zhi Bao Technology Inc.	34,980,000	100%	0	0%	34,980,000	100%
Tatung Technology Inc.	25,027,910	61%	569,836	1%	25,597,746	62%
Sinoprime Global Inc. (BVI)	0	0%	29,050,000	100%	29,050,000	100%
Arcadyan Technology (Vietnam) Co., Ltd.	(Note)	0%	(Note)	100%	(Note)	100%
Arcadyan Technology (Shanghai) Corp.	(Note)	0%	(Note)	100%	(Note)	100%
Arch Holding (BVI) Corp.	0	0%	1,100	100%	1,100	100%
Compal Networking (Kunshan) Co., Ltd.	(Note)	0%	(Note)	100%	(Note)	100%
Quest International Group Co., Ltd.	0	0%	1,200,000	100%	1,200,000	100%
Exquisite Electronic Co., Ltd.	0	0%	1,170,000	100%	1,170,000	100%
Tatung Home Appliances (Wujiang) Co., Ltd.	(Note)	0%	(Note)	100%	(Note)	100%
Compal Broadband Networks, Inc.	533,217	1%	42,199,813	62%	42,733,030	63%
Arcadyan Technology Japan Co., Ltd.	1,000	100%	0	0%	1,000	100%

Note: Limited Company

III. Fund Raising

1. Capital and Shares

(1) Source of capital

Unit: share: TWD; March 29 2026

Year	Month	Issue price	Authorized capital		Paid-in capital		Remark		
			Number of shares	Amount	Number of shares	Amount	Source of capital	Paid in properties other than cash	Others
2022	3	10	300,000,000	3,000,000,000	217,406,167	2,174,061,670	Corporate Bonds converted into shares of TWD73,235,300 and cancellation of restricted employee shares of TWD88,000.	None.	Approved by MOEA on March 24, 2022 in document number 11101048020.
2022	5	10	300,000,000	3,000,000,000	220,354,321	2,203,543,210	Corporate Bonds converted into shares of TWD29,696,540 and cancellation of restricted employee shares of TWD215,000.	None.	Approved by MOEA on May 25, 2022 in document number 11101084670.

Unit: share; March 29 2026

Share Type	Authorized capital			Remark
	Outstanding shares (publicly listed)	Unissued shares	Total	
Registered Ordinary shares	220,354,321	79,645,679	300,000,000	Authorized capital includes 40 million shares for shares warrant, preferred shares with warrants, and corporate bonds with warrants.

- Shelf registration system information: Not applicable.

(2) List of major shareholders

March 29, 2026; Unit: share

Name of Major Shareholders	Share	Number of Shares Held	Percentage of Shareholding
Compal Electronics, Inc.		41,304,504	18.74%
Hong Ji Capital Co., Ltd.		9,278,643	4.21%
Gempal Technology Corp.		9,278,643	4.21%
Panpal Technology Corp.		8,191,724	3.72%
Fubon Life Insurance Co., Ltd.		7,436,000	3.37%
Shin Kong Life Insurance Co., Ltd.		5,306,000	2.41%
Hong Jin Investment Co., Ltd.		4,609,160	2.09%
Chunghwa Post Co., Ltd.		3,776,000	1.71%
The Shanghai Commercial & Savings Bank, Ltd. in its capacity as Trustee for Federal Asset Management Discretionary Investment Account 2		3,114,000	1.41%
Taiwan Cooperative Bank		3,058,000	1.39%

(3) Dividend Policy and Implementation Status

a. Dividend policy as stipulated in the Articles of Incorporation

If the Company makes a profit in a fiscal year, after all taxes and dues have been paid and losses have been covered, shall set aside ten percent of profits as a legal reserve (however when the legal reserve amounts to the total paid-in capital, this shall not apply). It shall also set aside a special reserve in accordance with relevant laws and regulations, and then an appropriate amount shall be retained by the board of directors as basis for proposing a distribution plan according to the Company's operating status, which should be resolved in accordance with Item 2 of Article 27-1, and Article 26 of the Company's Articles of Incorporation.

The Company's distribution plan follows the principle of stable dividend policy, considering factors such as the operating environment, operating performance, and financial structure. If the Company makes a profit in the fiscal year, dividends and bonuses shall be no less than thirty percent of net income after-tax. Cash dividends shall be no less than ten percent of the total dividends distributed to shareholders.

b. Proposed distribution of dividends resolved by the Board of Directors

The Company authorizes the Board of Directors to distribute dividends, bonuses, capital surplus, or legal reserve in whole or in part

in the form of cash, after a resolution adopted by a majority vote at a meeting of the Board of Directors attended by at least two-thirds of the total number of Directors, and shall report it to the Shareholders Meeting.

On February 25, 2026, the Board of Directors resolved the earnings distribution for 2025 to distribute cash dividends of TWD8.0 per share and the cash distribution from capital surplus of TWD1.0 per share. Total cash distribution to shareholders amounted to TWD1,983,188,889.

If there are changes in the number of outstanding shares and result in the cash dividends ratio of shareholders amended in the future, the Chairman was authorized with full authority to handle the matter.

- c. When there is an expected significant change in dividend policy, it should be stated: None.
- (4) The impact on the business performance and earnings per share by stock dividend distribution proposed at the Shareholders Meeting:
- Not applicable (the Company has not publicly disclosed the financial forecast for 2026).

(5) Compensation of Employees and Remuneration of Directors

- a. Employees' and Directors' compensation policies as stated in the Articles of Incorporation:

If the Company makes a profit in a fiscal year, shall reserve no less than 5% for employee's compensation (with no less than 5% of this amount designated for base-level employees), and no more than 2% for remuneration of Directors from the Company's pre-tax profit prior to the deduction of employee's compensation and Directors remuneration. In the event that the Company has accumulated losses, the Company shall reserve an amount to cover the losses first.

Employees of the Company's subsidiaries meeting certain specific requirements are entitled to receive the employee's compensation. The qualifications and distribution methods shall be prescribed by the Board of Directors.

- b. The estimation basis of the compensation for employees and Directors for the current period, the computation basis for the number of shares issued as stock dividend serving as employee compensation, and accounting treatments for any discrepancies between the amounts estimated and the amounts disbursed:

Compensation to Directors and employees, as stipulated in the Articles of Incorporation, shall be estimated based on pre-tax profit prior to the deduction of Directors and employees compensation during the current year and multiplied by the ratio as stipulated in the Article of Incorporation (ratio for compensation to employees shall no less than 5%, and remuneration to Directors shall no more than 2%).

In the event of the compensation to employees in the form of ordinary shares, it is determined using the closing price of the ordinary shares one day preceding the Board of Directors' meeting.

If the actual amounts differ from the amounts estimated, the differences are recorded as gains/losses in the subsequent year as a change in accounting estimate. The estimated amounts of the compensation to Directors and employees in 2025 do not differ from the amount approved by the Board of Directors and submitted to report in the Shareholders Meeting in 2026.

c. Remuneration proposal approved by the Board of Directors:

- The amount approved by the Board of Directors and submitted to report in the Shareholders Meeting in 2026: Distributed the compensation to employees amounted to TWD469,506,566 and the Directors' remuneration amounted to TWD24,967,796. The appropriation of compensation to employees and remuneration to Directors do not differ from the estimated amount recognized in 2025.
- The disbursement of compensation to employees is made entirely in cash. As such, the ratios of compensation to employees in the form of stock dividend to net income in Parent company only financial statements or individual financial report, and to total compensation to employees are both nil.

d. Compensation to Employees and remuneration to Directors for the preceding year:

- For 2024, the actual disbursement of compensation to employees amounted to TWD421,161,976 and remuneration to Directors amounted to TWD22,792,288, both did not differ from the amounts approved by the Board of Directors.

(6) Company Buyback of Own Shares: None.

2. Corporate Bonds: None.
3. Preferred Shares: None.
4. Global Depository Receipts: None.
5. Employee Stock Option Plan: None.
6. Restricted Employee Shares Plan: None.
7. Status of New Shares Issuance in Connection with Mergers and Acquisitions: None.
8. Financing Plans and Implementation

(1) Content of Plans:

As of previous quarter until the publication date of the annual report, the content of plans and implementation status for previous issuances or private placements of securities that have yet been completed, or have been completed in the last three years, in which the benefits of the plans have yet emerged: None.

(2) Implementation Status:

Pertaining to item by item of the purpose of each plan stated in the preceding subparagraph as of previous quarter until the publication date of the annual report, analyze the implementation status and benefits as opposed to the original estimation. For instance, if there is implementation progress or benefits that have not achieved the estimated targets, the reasons, the influences on the shareholders' rights/interests and improvement plans shall be explained specifically: None.



IV. Operational Highlights

The Company prepares the consolidated financial statements along with its 100% invested subsidiaries-Arcadyan Technology N.A. Corp, Arcadyan Germany Technology GmbH, Arcadyan Technology Corporation Korea, Arcadyan Technology Limited, Arcadyan Holding (BVI) Corp., Zhi Bao Technology Inc., Arcadyan Technology Australia Pty Ltd, Arcadyan Technology Corporation (Russia), LLC, Arcadyan Turkey Technology and Trade Joint Stock Company, Arcadyan do Brasil Ltda., Arcadyan India Private Limited, Arcadyan Technology Japan Co., Ltd., 61% invested subsidiary, Tatung Technology Inc., Arcadyan Holding(BVI) Corp.'s 100% invested subsidiaries-Arch Holding (BVI) Corp., Sinoprime Global Inc. (BVI) and Arcadyan Technology (Shanghai) Corp., Arch Holding(BVI) Corp.'s 100% invested subsidiary-Compal Networking (Kunshan) Co., Ltd., Sinoprime Global Inc. (BVI)'s 100% invested subsidiary-Arcadyan Technology (Vietnam) Co., Ltd., Tatung Technology Inc.'s 100% invested subsidiaries-Quest International Group Co., Ltd., Quest International Group Co., Ltd.'s 100% invested subsidiary - Exquisite Electronic Co., Ltd. and Exquisite Electronic Co., Ltd.'s 100% invested subsidiary-Tatung Home Appliances (Wujiang) Co., Ltd. Since the subsidiaries are mainly engaged in the R&D, manufacturing and sales of broadband and Wi-Fi products, the operational highlights of the consolidated entities are similar to those of the Company.

1. Business Activities

(1) Business Scope

(I) List of the Company's main areas of business operations and the revenue distribution

■ Main areas of business operations

The Company is primarily engaged in the R&D, manufacturing and sales of products related to broadband access, wireless LAN, digital home multimedia application, mobile broadband, wireless audio-visual and automotive electronics products.

■ Revenue distribution

Unit: thousands of TWD

Item \ Year	2024		2025	
	Amount	(%) of Total Sales	Amount	(%) of Total Sales
Smart Home Solution	22,498,625	45.95	19,745,402	37.27
Mobility Solution	16,128,406	32.94	16,373,920	30.91
Broadband Solution	8,918,901	18.21	15,240,975	28.77
Others	1,421,526	2.90	1,615,655	3.05
Total	48,967,458	100.00	52,975,952	100.00

(II) The Company's current items of products (services) and new products development (services)

- a. Smart Home Solution: Mainly focuses on the development of Wi-Fi Gateway, Extender, Wi-Fi Module and Android STB/ IP STB; provides comprehensive home wireless networking solutions.
- b. Broadband Solution: Centered on DSL IAD, PON and Cable Modem to provide stable and fast home network.
- c. Mobility Solution: Mainly include 4G/5G Device and automotive electronic products, aiming to fulfill users' demand for the integration of mobile communication network with broadband network. Within automotive electronic products, we primarily offer ADAS driving safety services through the integration of 77GHz/79GHz millimeter wave radar. 4G/5G Vehicle-to-everything and comprehensive fleet management solutions provide real-time vehicle diagnosis and vehicle management services.
- d. Enterprise Wireless Networking: Focused on the development of enterprise-grade Wi-Fi Access Points, we integrate outdoor directional high-gain antenna designs to deliver high-performance wireless coverage and connectivity solutions for outdoor and enterprise environments.

The company is dedicated to providing high-value-added products and services, enhancing market competitiveness through innovative thinking, and striving to become a leading international enterprise in the industry. We have a strong presence in the global market, serving



telecommunications operators, networking brands, and system service providers. Through flexible solutions, we meet the diverse needs of our clients.

We always aim for long-term partnerships, collaborating closely with clients from the product planning stage to ensure that development aligns with market trends while offering the most suitable solutions. With our precise market insights and efficient resource integration capabilities, we have become a trusted strategic partner for many enterprises. Looking ahead to 2026, we aim to further optimize product value, enhance market adaptability, and deepen international collaborations, progressing steadily towards a more influential future.

(2) Industry overview

(I) Current and future industry prospects

- a. **Mobile Communications:** As 5G enters a mature phase, the industry focus is shifting from network infrastructure expansion to user experience and operational efficiency, while gradually advancing early-stage 6G preparations. In 2026, 5G development is no longer primarily about building more base stations; instead, it emphasizes delivering stable and seamless connectivity in everyday scenarios. This includes maintaining reliable performance in crowded areas and while users are on the move, with sustained speeds and lower latency. For enterprise applications, 5G is also evolving toward solutions that are usable, manageable, and scalable. Meanwhile, 6G remains in the early preparation stage, but the industry has already begun roadmap planning and technology exploration to support future communication requirements and emerging application scenarios.
- b. **5G FWA (Fixed Wireless Access):** A complementary and alternative broadband solution beyond fiber. In regions where fiber deployment requires significant time and cost, or where geographical and construction constraints limit rollout, 5G FWA can provide broadband services to households and small and medium-sized enterprises through wireless access, offering rapid deployment and flexible scalability advantages. As reliance on online meetings, video streaming, cloud services, and smart home applications continues to grow, FWA increasingly prioritizes

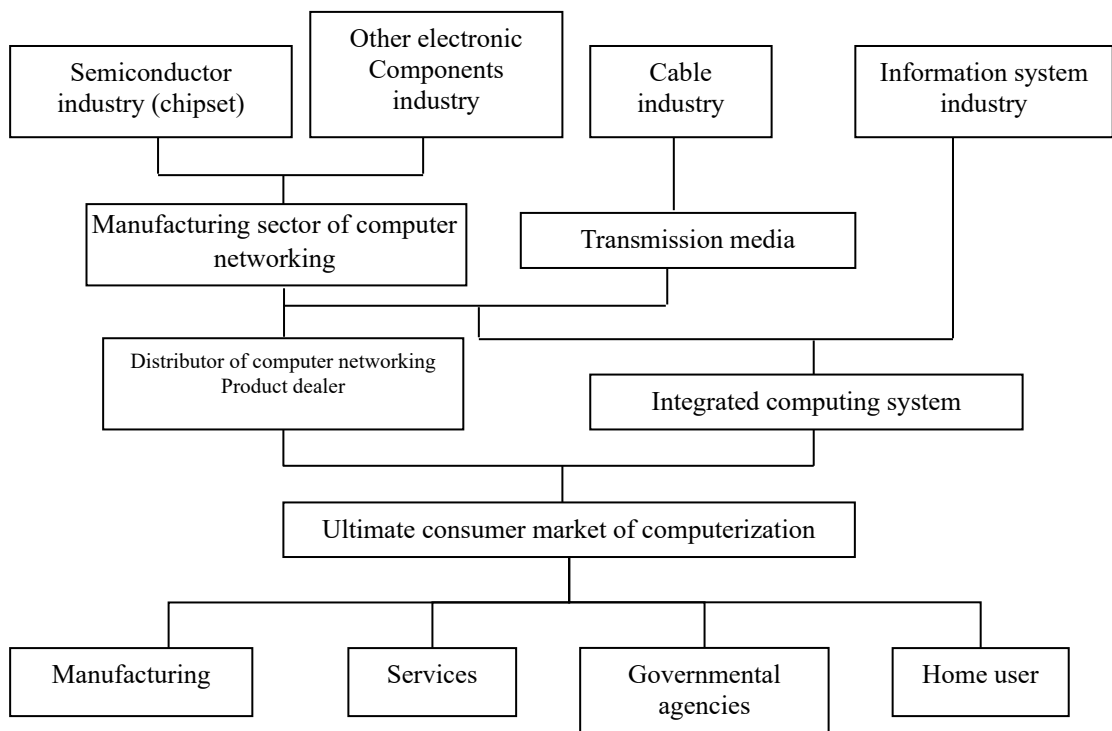
overall user experience, including indoor signal quality, device stability, and peak-hour performance. This trend is driving concurrent growth in customer premises equipment demand and network optimization requirements.

- c. **Wi-Fi 8: Enhancing reliability and low latency in multi-device and high-density environments.** The next generation of Wi-Fi is designed for real-world usage conditions, improving stable throughput, reducing latency, and minimizing jitter in environments with heavy interference, large numbers of connected devices, and more time-sensitive traffic. In 2026, Wi-Fi 8 is expected to place stronger emphasis on multi-AP coordination and advanced resource scheduling to reduce mutual interference and increase overall capacity. It will also continue to enhance roaming performance and usability under weak-signal conditions, enabling a more consistent experiences for video conferencing, voice communication, cloud gaming, smart home applications, and immersive content across mobile and multi-point coverage scenarios.
- d. **AI-Driven Network Upgrades: Comprehensive enhancements across data center interconnect backbone transmission, and traffic management.** The rise of generative AI and large-scale compute clusters is shifting network requirements from higher speed alone to higher speed combined with stability and controllability. Intra-data-center and inter-data-center connectivity requires greater bandwidth, lower latency, and stronger congestion control. Enterprise backbone and local area networks also require increased capacity and improved visibility and manageability, accelerating adoption of high-speed Ethernet, optical interconnect technologies, and intelligent traffic management technologies.
- e. **Green Technology as a Core Requirement: Advancing energy efficiency, carbon management, and energy-saving operations in parallel.** With rising energy costs and increasing decarbonization pressure, energy efficiency is no longer merely an optional advantage, but has become a key design and operational KPI. From power-saving strategies for base stations and network equipment to optimization of data center power usage and cooling

efficiency, the industry is moving toward approaches that are measurable, manageable, and continuously improvable. AI-enabled dynamic energy-saving management and resource optimization are also being adopted to balance cost control and sustainability objectives as network deployment and service demand continue to grow.

(II) Relevance between upstream, midstream, and downstream industry participants

Integrating the R&D organization of upstream (dual-band wireless multimedia gateway controlling chipset and dual-band wireless multimedia decompressing chipset and many crucial components) and downstream (provision of R&D platform) industries, providing networking system structure and fueling the development of communication related industries.



(III) Product trends and competition

- a. **5G Network Equipment:** Evolution toward 5G SA and 5G-Advanced, with stronger operability. In 2026, the development of 5G network equipment is moving beyond a singular focus on connectivity performance and toward broader requirements for end-to-end network operations. From an architectural perspective, 5G SA is accelerating the software-based and cloud-native transformation of core network functions. Market attention is increasingly centered on deployment flexibility, dynamic resource allocation, and service quality management mechanisms such as QoS and differentiated configurations for enterprise use cases. As 5G-Advanced capabilities continue to take shape, equipment design must balance performance with energy efficiency and stability, particularly to ensure predictable performance under sustained operation and high-load conditions. For applications such as FWA, product evaluation typically extends beyond peak data rates to include multi-band coverage, indoor performance, thermal and power control, and operational factors such as remote management and software or firmware lifecycle maintenance.
- b. **Wireless Networking Equipment:** Under increasing multi-device demands, Wi-Fi 8 emphasizes reliability and low latency. Wireless networking demand continues to evolve toward scenarios involving simultaneous multi-device connections and real-time interaction, including video conferencing, streaming media, cloud services, and smart home and IoT applications. Market attention toward next-generation Wi-Fi extends beyond higher throughput to include multi-band coordination, interference management, and resource scheduling efficiency and coordination in high-density environments. For Wi-Fi 8, the technology direction is increasingly centered on reliability and low latency, aiming to reduce latency and jitter while improving connection stability and delivering a more consistent user experience in multi-AP coverage, complex interference, or weak-signal conditions. Compared with single-point peak performance, system-level coordination capabilities, stable roaming handoffs,

and continuous software and firmware optimization are more likely to create meaningful product differentiation.

- c. **Competitive Landscape:** Operations, maintenance, and green sustainability are becoming critical requirements. Market competition remains intense, and product evaluation is increasingly expanding beyond specifications to deployment and lifecycle operations. In addition to R&D cadence and platform capabilities, long-term operational capabilities such as mass-production quality, delivery reliability, certification and compatibility support, security patching, and version management are often critical factors for project execution and subsequent scaling. Sustainability-related requirements are also rising. Considerations such as equipment energy efficiency (including idle and low-load power consumption and dynamic power-saving strategies), thermal efficiency, product lifespan and serviceability, as well as materials regulatory compliance, packaging reduction, and recyclable design, are becoming common criteria in procurement and governance assessments. For suppliers, the ability to meet energy efficiency and environmental compliance expectations, alongside performance and reliability, will be increasingly important to strengthening long-term competitiveness.

(3) Research and Development

- (I) R&D expenditure for the most recent year and until the publication date of the annual report

Unit: thousands of TWD; %

Year	R&D expenses	Operating revenues	R&D expenses as a percentage of operating revenues
2025	3,012,863	52,975,952	5.7%

- (II) New technology or products developed

- Successfully developed enterprise-grade Wi-Fi 7 Access Points integrating outdoor directional high-gain antenna design.
- Successfully developed anti-theft automotive products tailored for commercial vehicles.
- Successfully developed integrated 5G FWA products featuring a 3TX/8RX configuration.

- Successfully developed integrated 5G IoT solutions supporting Smart City applications.
- Successfully developed integrated products with AI hardware acceleration support.
- Successfully developed integrated GPON products featuring fiber installation assistance and accelerating troubleshooting capabilities.
- Successfully developed integrated products supporting Cable DOCSIS 4.0.

(4) Long-term and short-term development

(I) Short-term development

- a. Research and development strategy
 - A. Through technological integration and customization of products, mastering the market changes and customer needs to increase market share.
 - B. In addition to lowering costs, leveraging the technological know-how the Company has accumulated to develop new product lines, shorten development time, introducing them to the market and increasing product quality and brand recognition.
- b. Marketing strategy

Strengthening relationships with existing customers and actively developing new markets, expanding sales presence to build comprehensive marketing channels, providing professional consultation, maintenance and technical support service for various products.
- c. Production strategy
 - A. Acquiring production locations that offer cost advantages, enhancing the competitiveness of products.
 - B. Enhancing production efficiency to control budgets and costs.
 - C. Strengthening the supply chain management capability and monitoring materials availability and delivery schedules.
- d. Operational and financial planning strategy
 - A. Actively expanding business, increasing operating revenue, accumulating operating capital, and expanding the scale of operations.
 - B. Increasing management efficiency, motivating the potential of employees, strengthening internal organization.



(II) Long-term development

- a. Research and development strategy
 - A. Aligning the market demands, providing a comprehensive product portfolio to customers, accumulating experience and integrating technological capability in network communication design, expanding broad and deep product lines, and developing other high-end products so as to meet customer and market needs.
 - B. Continuing to improve the R&D process and efficiency, strengthening the R&D capabilities and core technologies.
- b. Marketing strategy
 - A. Cultivating professional domestic and foreign marketing talents for the long term, deepening customer relationships, and promptly capturing the changes of network communication market and product development in a timely manner.
 - B. Actively pursuing joint development collaboration or strategic alliance with leading international companies to expand international markets.
- c. Production strategy
 - A. Maintaining long term cooperation with upstream suppliers to collaborate in joint development, so as to lower costs, and develop high quality and competitive products.
 - B. Expanding production capacity and diversifying production bases to mitigate risk posed by single production base.
 - C. Leveraging the advantages and resources of outsourcing partners to enhance flexibility in allocating production capacity.
- d. Operational and financial planning strategy
 - A. Using financial instruments in both domestic and foreign capital markets to diversify and mitigate financial risks.
 - B. Strengthening global business philosophy and management capabilities, actively cultivating international talents and working toward becoming a global enterprise.

2. Market and Sales Overview

(1) Market Analysis

(I) Sales (Service) of the Company's Main Products (Services) by Regions in 2025

Sales Regions	Percentage
Americas	47.8 %
Europe	33.5 %
Asia and Others	18.7 %
Total	100.0 %

(II) Market Share

According to recent projections for the communications industry by the Industrial Economics and Knowledge Center (IEK) of the Industrial Technology Research Institute (ITRI), the output value of Taiwan's communications industry was approximately NT\$1.2986 trillion in 2025, and is estimated to reach approximately NT\$1.3156 trillion in 2026, indicating a steady growth trend supported by cloud computing and AI related demand.

From the applications and demand side, fixed wireless access (FWA) remains one of the key applications driving broadband connectivity. According to the Ericsson Mobility Report, global FWA connections reached approximately 185 million by the end of 2025, and FWA is expected to account for more than 30 percent of net additions in fixed broadband connections, reflecting continued market growth momentum.

In the wireless local area network segment, the Wireless Broadband Alliance, citing forecasts compiled by ABI Research, estimates that annual shipments of Wi-Fi 7 Access Points will reach approximately 117.9 million units in 2026, indicating sustained demand for upgrades to next generation Wi-Fi equipment.

Based on the Company's internal shipment data and publicly available industry scale information, the shipment share of the Company (including subsidiaries) in the Taiwan market in 2025



is estimated at approximately 4 percent. With a recovery in international demand, Taiwan-based networking equipment manufacturers are expected to continue increasing their market share.

- (III) Looking ahead to 2026, as cloud computing and AI applications continue to expand, demand for networking infrastructure and upgrades to high speed networking equipment is expected to remain well supported. IEK's recent industry observations indicate that Wi-Fi 7, AI related integrated applications, and AI data center demand that supports the Ethernet switch market will help drive continued upgrades across networking equipment.

In addition, continued growth in the FWA market and increasing penetration of next generation Wi-Fi devices will remain important drivers of networking demand over the coming years. According to forecasts in the Ericsson Mobility Report, global FWA connections are expected to continue increasing to 350 million by the end of 2031. The Wireless Broadband Alliance, citing forecasts compiled by ABI Research, also projects that annual shipments of Wi-Fi 7 access points will reach approximately 117.9 million units in 2026, indicating sustained momentum for upgrades in both end devices and network equipment.

Overall, market demand is expected to place greater emphasis on stability, manageability, and energy efficiency in addition to performance. On the supply side, continued investment in product reliability, software and firmware lifecycle maintenance, and regulatory compliance requirements will be essential to address long term operations, maintenance needs, and the growing focus on sustainability governance.

- (IV) Competitive advantage

- Outstanding R&D team: Due to the outstanding capability of the R&D team and researchers with extensive experience in the networking and telecommunications, the Company has been designated by leading international chipset makers as one of the Early Access Partners to take part in chipset development. As a result, the Company leads its industry peers in accessing the latest

information on future products, allowing it to initiate in product development earlier and thus gaining competitive advantages in launching new products.

■ **Product customization:** With the support of the experience and capability of the R&D team, for the Access Technology, the Company has a mature R&D capability which allows it to independently develop software applications and provide customers with high-speed, high-functionality and customized product designs. The contribution of customized software application to customers includes:

- A. Assisting in market segmentation of customer products effectively.
- B. Providing customers with rapidly customized product services.
- C. Assisting customers in developing competitive products successfully.
- D. Collaborating with chipset makers in development to ensure the leading position of the Company product in technology and functionality.
- E. Reducing the customers' manpower investment in customer service resources with user-friendly interface.

■ **Deep industry commitment:** Product technology is closely aligned with customer demand in functionality, such as Carrier Wi-Fi, xDSL products, xPON, IPTV and 802.11x solutions are the focus and the Company opines that the future of ISP market is promising and thus to build a direct collaboration business model with ISP in the future, even though the market development is time consuming, the Company insists on investing R&D resources to accumulate product development experience, so as to strengthen R&D capability in the integration of product technology.

(V) Opportunities, threats, and strategies for future development

a. Opportunities

■ **Professional R&D team:** In addition to technological advantages, the R&D team makes good use of the technical



know-hows that the Company has accumulated, making the Company as one of the Early Access Partners designated by leading international chipset makers and a participant in the chipset development process. As such, the Company is ahead of its counterparts in the industry in R&D investment and thus gains first mover advantage in launching new products.

■ **Developing niche market:** The Company has set a business target on developing niche markets and the sales strategy is mainly focused on differentiated products and services. Compared to other network communication companies which provide standardized and low-cost products in exchange for high sales volume, the Company offers products that have higher profit margins, and thus enable us to reinvest more resources in R&D, creating a sustainable business cycle.

■ **Customized product design:** Beyond the technological capability in customization, the R&D team also needs to consider the functional flexibility in product design. To cater to the time-sensitive demand of customers, flexibility in product design is crucial. To date, the Company has participated in many international open-source software platforms. The functions provided to customers include management tools, firewall or security, QoS, High Voice Quality on VoIP and Triple Play services. By selecting from a simple menu, customers can configure different product functions and complete different product planning of different functions within a short time frame. This approach not only fulfills clients' needs for differentiated products but also streamlines product design and production efficiently, allowing us to launching products to market in a timely manner.

b. Threats

As the telecommunication technology continues to evolve rapidly, many new competitors are attracted to enter the industry. To acquire more customers and market share, many manufacturers are simplifying product functions to reduce costs, or adopting a low-cost sales strategy, intensifying price

competition. However, the Company's focuses on product customization and comprehensive technical support to meet its business targets. The costs are relatively higher and make it challenging for the company to compete on price with other manufacturers.

c. Strategies

- **Creating a single software platform:** By leveraging a single software platform, the Company can rapidly transform the complicated product content into simple models, and thus acquiring orders more quickly and obtain first mover advantage.
- **Integration of R&D technologies:** By mastering core technology, the cost is reduced and the market share is expanded by continuously integrating different technologies. The integration and development of key components and software technologies are continued.
- **Mastering the timing of R&D:** Accurately analyzing the market trend and future demands to engage forward-looking product development.
- **Creating needs by collaborating with customers:** Acting as a partner in development with customers, providing superior consultation and services, fostering long term working relationships rather than merely serving as a manufacturer or OEM role.

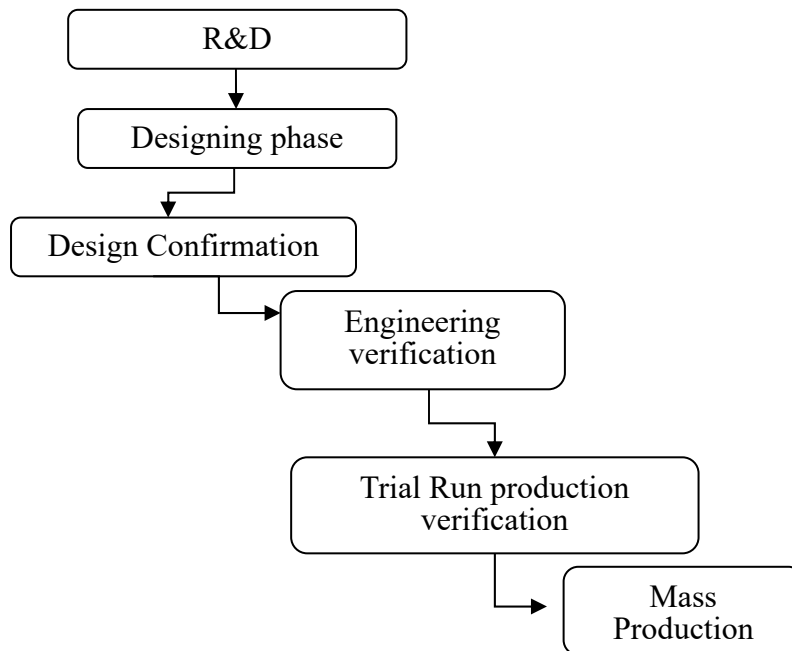
(2) Major Products, their main uses and production processes

(I) Main product applications

The Company's business scope includes intelligent network terminal equipment integrating broadband, multimedia, wireless, and Internet protocol. These provide clients network access services, combined with voice and multimedia technologies and also provide solutions, such as integrated digital home, mobile broadband, wireless audio-visual products and multimedia gateways, etc.



(II) Production processes of main products



(3) Supply status of main materials

Main raw material	Supplier	Supply conditions
Chipset	Company I	Good
Communication module	Company II	Good

(4) Customers and Suppliers that have accounted for over 10% of total operating revenue and purchases in any of the Most Recent Two Years.

1. Major Suppliers

Unit: thousand of TWD

Item	Name	2024			2025			
		Amount	As a percentage of net purchases for the year (%)	Relationship with the issuer	Name	Amount	As a percentage of net purchases for the year (%)	Relationship with the issuer
1	Company I	5,497,941	13.4%	None	Company I	6,637,273	12.8%	None
2	Company II	5,357,273	13.0%	None	Company II	5,312,844	10.2%	None
3	Others	30,301,085	73.6%		Others	40,104,199	77.0%	
	Net purchases	41,156,299	100.0%		Net purchases	52,054,316	100.0%	

Explanation for increase/decrease: There have been no significant changes among the major suppliers.

2. Major Customers

Unit: thousand of TWD

Item	2024				2025			
	Name	Amount	As a percentage of net sales for the year (%)	Relationship with the issuer	Name	Amount	As a percentage of net sales for the year (%)	Relationship with the issuer
1	Company c	2,074,234	4.2%	None	Company c	7,036,887	13.3%	None
2	Company b	5,832,391	11.9%	None	Company b	6,938,924	13.1%	None
3	Company a	7,740,050	15.8%	None	Company a	924,563	1.7%	None
4	Others	33,320,783	68.1%		Others	38,075,578	71.9%	
	Net sales	48,967,458	100.0%		Net sales	52,975,952	100.0%	

Explanation for increase/decrease: The major customers are primarily international telecommunications operators and leading networking brand vendors. The fluctuations in sales amounts over the past two years are primarily due to market competition and varying operational performance among customers, leading to differences in sales amounts.

3. The Number of employees, their average service seniority, average age, and education level distribution ratio in the most recent two years up to the publication date of the annual report

Unit: Person; %

Year		2024	2025	As of the publication date of annual report in 2026
Number of Employees	Administration	16	15	17
	R&D	778	843	852
	General	3,808	5,012	4,681
	Total	4,602	5,870	5,550
Average age		31.50	31.98	32.07
Average Seniority		3.49	3.22	3.46
Distribution of academic qualifications	Ph.D.	0.2%	0.2%	0.2%
	Master's degree	12.9%	11.0%	11.7%
	Bachelor's degree	27.7%	24.4%	26.5%
	High school	36.2%	48.0%	45.6%
Below high school		23.0%	16.4%	16.0%



4. **Expenditure on Environmental Protection:** For the most recent year until the publication date of the annual report, disclose the actual or estimated losses arising as a result of environmental pollution and any responsive measures taken. If a reasonable estimation cannot be made, the reason why the estimation cannot be made should be disclosed:

The operational activities of the Company do not generate any specific pollution. As such, there have been no losses or fines were incurred or imposed due to pollution. The Company will continue to implement various prevention and control measures and fulfill environmental responsibilities, and strengthen our employees' education and training related to environmental protection laws and regulations. It is also expected that there will be no such losses occurred in future years.

5. Labor Relations

- (1) Outline the Company's employee welfare, education, training, retirement policies and their implementation, as well as the agreements between employers and employees, and measures to protect employee rights.

■ Employee welfare measures

Regarding employee welfare measures, in addition to conformity to Labor Standards Act and other law statutes, the Company has established Staff Welfare Committee. Besides provision of allowances for weddings, bereavements, illnesses, child birth, the Committee regularly organizes club activities, travel programs, birthday parties and gathering to provide entertainment to employees and encourage their interaction. The various welfare measures are well received by employees since their implementation.

The Company allocates funds to the "Staff Welfare Committee" on a monthly basis to organize employee benefit activities, including birthday and holiday gift vouchers, organizing health promotion and

entertainment activities, family day, domestic and international tours, wedding congratulatory money, ex gratia payment, child birth allowance, condolence payments for hospitalization to Employees and family members, lucky draw at year-end party, medical check-ups, group insurance and so on. In addition, the Company provides the following additional benefits:

1. The Company provides 5 days of fully-paid sick leave annually, which is superior to the leave measures stipulated in the Labor Standards Act.
2. Establishing Employee canteens and cafes to take care of the diet of colleagues.
3. The Company provides parking spaces for employees' cars and motorcycles, and has designated parking spots for the disabled and pregnant women.
4. Providing designated space for female employee's breastfeeding needs.
5. Establishing relaxing community centers and providing various equipment for Employees stretching and exercising.
6. Emphasizing on rest environment and establishing elegant public spaces for Employees to relax during breaks.
7. The Company periodically arranges for visually impaired masseurs to provide on-site massage services as a free stress-relief benefit for employees, while also supporting employment for the underprivileged.
8. Ticket-booking services for various promotions.
9. Organizing year-end party for employees.
10. The Company organizes employee travel activities and provides travel subsidies to encourage participation, enhancing emotional exchange among colleagues and promoting harmonious parent-child relationships.
11. In response to the policies of the government and align with the Group initiatives, from 2011 onward, the Company provides childbirth incentives for every childbirth. So far, more than NT\$ 24,090 thousand in childbirth incentives has been disbursed.



12. The Company cooperates with professional institutions to provide Employee Assistance Programs (EAP) as a support channel for employees' daily lives and psychological well-being.

■ Education and Training

The Company places great importance on employee career development and talent cultivation. As such, the Company encourages employees to participate in various training programs and pursue self-learning. According to business strategy, occupational framework and training needs of the Company, the training courses are as follows:

1. Professional and technical courses: The Company collaborates with academic institutions and professional organizations to organize professional courses, offering continuous learning in R&D knowledge and innovative thinking to help R&D teams maintain their leadership in technology. Additionally, the Company also invites academic and industry experts to deliver lectures to accelerate the dissemination of new knowledge throughout the Company, enhancing R&D capabilities to adopt new technologies, and problem-solving ability.
2. Courses on leadership and management: Continuing to organize for leadership and management courses to cultivate the leadership quality of supervisors and broaden their perspectives, helping themselves and subordinates to grow continuously, introducing intergeneration training courses and assisting all units to take care of new employees.
3. General Courses: In addition to regular training programs, the Company actively conducts AI-related courses to introduce new knowledge, support work processes, enhance daily project operations, and improve problem-solving efficiency.

In 2025, approximately 2,073 participants attended training courses, with a total accumulated training time of 4,545 hours.

Furthermore, through the introduction of new IT technology and the leveraging of experience by numerous internal speakers, the Company has successfully established a knowledge sharing platform, Arcadyan Content Sharing System (CSS), where employees can peruse teaching materials and watch video or audio

clips within the Company, and share professional know-how of various departments. CSS not only consolidates the resources of the Company, but also allows employees to obtain knowledge quickly, but also facilitate various departments to establish a knowledge management mechanism, encouraging Employees to pursue self-learning at any time.

■ Retirement system and Implementation

The Company has established retirement policies. According to the policies, the number of years in service computed in accordance with Labor Standards Act, with a cap based on 45 units; the computation and disbursement of pension are based on the regulations. From July 1, 2005 onward, since the implementation of Labor Pension Act, employees can choose the old or new system at their discretion. The Company conforms to the regulations and contributes 6% of Employees' monthly salary to their individual accounts at Bureau of Labor Insurance.

■ Employer-Employee communications and the enforcement of employee rights

Employee benefit and welfare have always a top priority to the Company. Labor-management meetings are held regularly to collect employee feedback. Continuous communication improves the relationship. Further, the employees and management can convey their opinion through system platform and emails to maintain a good relationship.

■ Code of Conduct for employees

The Company has established the “Ethical Corporate Management Best Practice Principles”, “Procedures for Ethical Management and Guidelines for Conduct” and “Code of Business Ethics Policy” where the employees in their course of work, must strictly follow the business ethics policy, so as to maintain the good reputation of the Company, and obtain the respect and trust of customers, suppliers and other counterparts. The major contents:

1. The employees should avoid any conflict of interests or the potential impact between personnel and the Company.
2. When dealing the suppliers, customers and other counterparts in



the course of work, the employees must maintain the highest ethical standard and shall not accept or give gifts, money, entertainment that will influence the normal business relationship and judgment. Any form of bribery should be prohibited.

3. During and after employment, employees are not allowed to disclose any confidential business information or IP to any individuals, vendors or companies without approval.

All employees have the duty to adhere to the policies and related procedures. Supervisors of all levels must do their best to implement and ensure their subordinates understand, accept and comply with the regulations.

■ Work environment and Employee safety

1. At the initial stage of designing the hardware and software of the office environment, the Company set the protection of employee safety as its top priority, to ensure employees receive the greatest security at work. The entrances and exits of the Company have access control installation; the toilets have emergency buttons; each floor is equipped with AED; the main entrances and exits are staffed with 24-hour security guards to ensure the personal safety of the employees.
2. The mechanical, electrical and fire equipment (such as fire alarms or fire extinguishers) of the Company are all regularly maintained in accordance with the regulations to ensure their optimal conditions.
3. To implement corporate sustainability and employee care, the Company took "Integrated Physical and Mental Health Management" as the core in 2025. Through three major pillars—health knowledge construction, behavior change promotion, and psychological support system reinforcement—the Company promoted comprehensive health enhancement measures to actively prevent chronic disease risks such as the "three highs" (high blood pressure, high blood sugar, and high blood lipids) and metabolic syndrome, while simultaneously enhancing psychological resilience and work adaptability.
 - a. Health Knowledge Enhancement: Organized 13 health lectures (covering mental health, muscle-building and fat-reduction

diets, core exercises, etc.), with an average participation rate of 87%, successfully raising awareness of autonomous health management.

b. Mental Health Support Mechanism: Provided Employee Assistance Programs (EAP), including a toll-free hotline and face-to-face psychological counseling, to establish a safe and confidential channel for seeking help, thereby strengthening stress adjustment capabilities and psychological safety.

c. Health Behavior Cultivation Results: A total of 29 teams participated in the fat-reduction competition, achieving a total fat-reduction percentage of 677%, demonstrating high team momentum and substantial improvement results. Simultaneously, the "Vibrant Walking" habit cultivation plan was promoted, encouraging a daily goal of 7,000 steps for 75 days within 3 months; 220 employees participated, reaching an achievement rate of 74%.

Overall Effectiveness: The health promotion strategy for this year has advanced from "activity participation" to "concurrent behavior change and psychological support." While improving physical health, it has also strengthened employees' mental health awareness and willingness to seek help. Through continuous health management and care mechanisms, the Company has effectively built a healthy, safe, and resilient workplace environment.

(2) For the most recent year until the publication date of the annual report, disclose the actual or estimated losses arising as a result of employment disputes and any responsive measures taken. If a reasonable estimation cannot be made, the reason why the estimation cannot be made should be disclosed:

■ The labor-management relations of the Company have been harmonious. For 2025 until the publication date of the annual report, no losses were incurred and no estimated losses will be incurred in the future years due to labor disputes.

■ Responsive strategies and possible expenses: None.



6. Cybersecurity management

(1) Specify the Company's cybersecurity and risk management framework, cybersecurity policies, specific management programs, and resources invested in cybersecurity management:

(I) Cybersecurity Risk Management Framework:

a. Cybersecurity management system:

Due to the growing importance of Cybersecurity for the industries nowadays, in 2012, the Top Management instructed the IT Department to comply with the international standards ISO27001, strengthen the relevant operations to meet the requirements of the regulations, contracts, customers and suppliers, and obtain international certification, so as to ensure the effectiveness of the relevant operations. To address increasingly complex security risks, the company successfully completed the transition to the ISO/IEC 27001:2022 certification in 2024 (The certificate is valid from November 2024 to November 2027), enhancing its cybersecurity resilience and risk management capabilities.

b. Cybersecurity organizational structure:

The Company adopts international standards of ISO27001 and ISO27005 to maintain the Cybersecurity. Accordingly, the Company established the Information Security Management Committee, Information Security Manager, dedicated Information security personnel, documentation editing team, risk management and assessment team, and internal audit team to manage the relevant Cybersecurity risks. The Information Security Manager reports the information security management performance, information security related issues and directions to the Information Security Management Committee every six months to ensure the suitability, appropriateness and effectiveness.

c. Cybersecurity policies:

The Company adopts simple and memorable Cybersecurity policies that aligns with Cybersecurity management objectives. The Cybersecurity policy statement is formulated as:

“Cybersecurity is everyone's responsibility”. Moreover, in order to effectively implement Cybersecurity management, the effectiveness of the implementation is ensured through the Cybersecurity management system's planning, review, execution, improvement (Plan-Do-Check-Act, PDCA) cycle mechanism.

d. Specific management measures:

- **Building Information Security Defense Systems:** Constructing layered and defense-in-depth mechanisms to refine the information security defense system, and formulating employee network usage control measures to effectively reduce the risk of external cyberattacks. To enhance information security risk management capabilities, the Company has introduced an "External Risk Management System" and an information security exposure scoring mechanism. Furthermore, a "Threat Intelligence Platform" has been established, and the Company has joined the Taiwan Computer Emergency Response Team / Coordination Center (TWCERT/CC) for information security joint defense and intelligence sharing mechanism to receive real-time domestic and international security threat notifications, vulnerability warnings, and attack trend analyses. This allows for early detection and warning of high-risk security incidents to ensure response efficiency. Data protection systems have also been deployed to prevent the leakage of sensitive data and comprehensively upgrade the standard of data security protection.
- **Enhancing Information Security Defense Capabilities:** The Company periodically conducts penetration testing and vulnerability scanning for its IT systems annually, strengthening and repairing systems based on test results to mitigate information security risks. Simultaneously, a Security Information and Event Management (SIEM) system has been established to centrally collect and analyze logs from various systems, networks, and security equipment, thereby enhancing abnormal behavior detection



and event correlation analysis capabilities. By integrating threat intelligence and incident notification information provided by TWCERT/CC, the Company strengthens the timeliness and accuracy of incident identification and response decision-making, ensuring the security and integrity of its external service information systems.

- Establish Cybersecurity Incident Notification Procedures: Incidents are classified into four levels based on severity, procedures have been established for subsequent notification and handling.
- Endpoint Security and Extended Detection Management: The Company has implemented Network Access Control (NAC) and endpoint monitoring tools company-wide, integrated with Extended Detection and Response (XDR) mechanisms. This enhances real-time status monitoring of endpoint device anomaly detection and security updates, while enabling the immediate blocking of external devices. Additionally, asset management and information security control tools are utilized to record the file access status of portable devices used by employees.
- Introduce Managed Detection and Response (MDR) service: The MDR service provides the ability to continuously monitor threats. Through real-time monitoring of corporate networks and systems, the MDR team can quickly identify and analyze potential threats, ensuring that enterprises can detect and respond to security incidents in a timely manner, reducing potential losses and downtime.
- Network and Application System Security Protection: The Company has installed internal and external firewalls and implemented Web Application Firewalls (WAF) for external-facing websites and application systems to protect against common cyberattacks and reduce associated risks. Simultaneously, the Company has implemented Multi-Factor Authentication (MOTP) mechanisms company-wide to strengthen account access security.
- Adoption of international cybersecurity standards: The IT

unit has introduced the international certification of ISO 27001 and ISO 27005 related to cybersecurity.

- Social engineering phishing email test: Social engineering phishing email tests are conducted quarterly to increase security awareness. Unqualified colleagues are re-educated and retested to ensure the implementation of cybersecurity awareness.
- Strengthening Information Security Management Mechanisms for Suppliers: In view of the risks such as data leakage or business disruption caused by supplier security issues, the Company has established an information security assessment procedure for suppliers to mitigate potential negative impacts. Information security risk management mechanisms have been integrated into each stage of the supplier management lifecycle, and supplier information security management specifications have been formulated. These measures strengthen the assessment and management of information security risks, ensuring stable and secure business operations.

e. Resources invested in information security management:

- To strengthen the security management, the Company has appointed an Information Security Manager and a dedicated personnel for Cyber security. Each department performs related operations and regularly conducts internal and external audits under management based on the Cyber security policies, management procedures, operation instructions and regulations to ensure the effectiveness of ISO27001 and ISO27005.
- Cybersecurity insurance: The Company has procured Cybersecurity insurance since 2020, with an insurance coverage amount of USD 3 million in 2025.
- Certification: Every year, the Company engages external certification firms to conduct audit for ISO 27001 and ISO27005. Since its introduction, we have successfully obtained international certificates every year, and there was no major deficiency in the audit results.



- Cybersecurity Announcements: Important cybersecurity information is periodically announced on the Company's internal website from time to time, including the Company's cybersecurity systems, social engineering awareness, major cybersecurity vulnerability, and significant market information.
 - Educational training: All new employees receive information security training upon onboarding. This program ensures that employees clearly understand relevant security regulations and develop appropriate cybersecurity awareness from their first day at the company.
- (2) For the most recent year until the publication date of the annual report, disclose the actual or estimated losses arising as a result of mass cybersecurity incidents, possible impacts and any responsive measures taken. If a reasonable estimation cannot be made, the reason why the estimation cannot be made should be disclosed: None.

7. Important contracts

Nature of Contract	Counterparty	Period of contract	Major Contents	Restrictive Covenants
Sales contract	Company A	Effective from November 18, 2021, and remains valid until November 17, 2025; thereafter, it shall be automatically extended for one year and may continue to be extended unless terminated by either party with a 60-day prior written notice.	Engaging for designing, R&D, manufacturing of networking and related products.	Confidentiality clauses
Sales contract	Company B	Effective from August 31, 2018, and remains valid until August 30, 2021; thereafter, it shall be automatically extended for one year and may continue to be extended unless terminated by either party with a specified number of days' prior written notice.	Engaging for designing, R&D, manufacturing of networking and related products.	Confidentiality clauses
Sales contract	Company C	Effective from December 1, 2023, and remains valid until November 30, 2026; thereafter, it shall be automatically extended for one year and may continue to be extended unless terminated by either party with a 6-month prior written notice.	Engaging for designing, R&D, manufacturing of networking and related products.	Confidentiality clauses
Sales contract	Company D	Effective from April 3, 2025, and remains valid until April 2, 2028; thereafter, it shall be automatically extended for one year and may continue to be extended unless terminated by either party with a 6-month prior written notice.	Engaging for designing, R&D, manufacturing of networking and related products.	Confidentiality clauses
Sales contract	Company E	Effective from January 1, 2025, and remains valid until December 31, 2026; thereafter, it shall be automatically extended for one year and may continue to be extended unless terminated by either party with a prior written notice in accordance with the agreement.	Engaging for designing, R&D, manufacturing of networking and related products.	Confidentiality clauses



Nature of Contract	Counterparty	Period of contract	Major Contents	Restrictive Covenants
Sales contract	Company F	Effective from January 16, 2023, and shall remain in effect unless terminated by either party with a 12-month prior written notice.	Engaging for designing, R&D, manufacturing of networking and related products.	Confidentiality clauses
Sales contract	Company G	Effective from October 19, 2021 to October 18, 2031; thereafter, it shall be automatically extended until terminated by either party with a 12-month prior written notice.	Engaging for designing, R&D, manufacturing of IAD and other networking related products.	Confidentiality clauses
		Effective from December 13, 2024 to December 12, 2034; thereafter, it shall be automatically extended until terminated by either party with a 12-month prior written notice.	Engaging for designing, R&D, manufacturing of STB and related products.	Confidentiality clauses
		Effective from August 7, 2025 to August 6, 2035; thereafter, it shall be automatically extended until terminated by either party with a 12-month prior written notice.	Engaging for designing, R&D, manufacturing of 5G CPE and other networking related products.	Confidentiality clauses
Sales contract	Company H	Effective from October 28, 2022 to October 27, 2028; upon expiration, the buyer may decide to extend the term for up to one year, with a maximum of two such extensions.	Engaging for designing, R&D, manufacturing of networking and related products.	Confidentiality clauses
Sales contract	Company I	Effective from March 1, 2016; thereafter, it shall be automatically extended for one year and may continue to be extended unless terminated by either party with a 90-calendar-day prior written notice.	Engaging for designing, R&D, manufacturing of networking and related products.	Confidentiality clauses
Sales contract	Company J	Effective from December 16, 2021; thereafter, it shall be automatically extended for one year and may continue to be extended unless terminated by either party with a 6-month prior written notice.	Engaging for designing, R&D, manufacturing of networking and related products.	Confidentiality clauses

Nature of Contract	Counterparty	Period of contract	Major Contents	Restrictive Covenants
Patent licensing agreement	Company K	Effective from December 29, 2007, until the expiration of the patent term.	Authorizing the Company the right to use certain patents in specific fields for manufacturing and sales of related products.	Confidentiality clauses
Patent licensing agreement	Company L	Effective from June 30, 2015 to December 31, 2020; thereafter, it shall be automatically extended for five years.	Authorizing the Company the right to use certain patents in HEVC fields for manufacturing and sales of STB products.	Confidentiality clauses
Patent licensing agreement	Company M	Effective from 2011, until the expiration of the patent term.	Authorizing the Company the right to use certain patents in specific fields for manufacturing and sales of products.	Confidentiality clauses
Patent licensing agreement	Company N	Effective from 2024, until the expiration of the patent term.	Authorizing the Company the right to use certain patents in WiFi field for manufacturing and sales of products.	Confidentiality clauses
Patent licensing agreement	Company O	Effective from 2011 to December 31, 2027.	Authorizing the Company the right to use certain patents in PON field for manufacturing and sales of products.	Confidentiality clauses
Patent licensing agreement	Company P	Effective from 2024, until the expiration of the patent term.	Authorizing the Company the right to use certain patents in specific fields for manufacturing and sales of products.	Confidentiality clauses
Patent licensing agreement	Company Q	Effective from 2023, until the expiration of the patent term.	Authorizing the Company the right to use certain patents in WiFi field for manufacturing and sales of products.	Confidentiality clauses
Patent licensing agreement	Company R	Effective from 2025 to September 22, 2030.	Authorizing the Company and the counterparty the mutual rights to use each other's patents for manufacturing and sales of products.	Confidentiality clauses



Nature of Contract	Counterparty	Period of contract	Major Contents	Restrictive Covenants
Patent licensing agreement	Company S	Effective from September 30, 2025, until the expiration of the patent term.	Authorizing the Company the right to use certain patents in WLAN field for manufacturing and sales of products.	Confidentiality clauses
Construction contract	Company T	Effective from September 28, 2023, until the completion of all construction works and the expiration of the warranty period.	The expansion construction of the Company's headquarters building Phase-II.	None
Construction contract	Company U	Effective from April 3, 2024, until the completion of all works and the expiration of the warranty period.	The mechanical, electrical and plumbing engineering for the expansion of the Company's headquarters building Phase-II.	None

V. Review of Financial Position, Financial Performance and Risk Assessment

1. Financial Position

(1) Assets, Liabilities and Equity for the Most Recent Two Years
(Consolidated)

Unit: thousands of TWD

Item \ Year	2025	2024	Difference	
			Amount	%
Current assets	37,352,655	31,778,953	5,573,702	18%
Investments accounted for using equity method	183,497	200,175	(16,678)	(8)%
Property, plant and equipment	5,751,095	5,866,322	(115,227)	(2)%
Other assets	1,523,752	1,461,364	62,388	4%
Total Assets	44,810,999	39,306,814	5,504,185	14%
Current liabilities	27,510,239	23,187,317	4,322,922	19%
Non-current liabilities	267,597	92,821	174,776	188%
Total liabilities	27,777,836	23,280,138	4,497,698	19%
Ordinary shares	2,203,543	2,203,543	0	0%
Capital surplus	3,429,455	3,651,759	(222,304)	(6)%
Retained earnings	11,249,315	9,910,030	1,339,285	14%
Other equity interests	62,391	169,637	(107,246)	(63)%
Non-controlling interests	88,459	91,707	(3,248)	(4)%
Total equity	17,033,163	16,026,676	1,006,487	6%

(2) Main reasons and impact of material variations

(Analysis of variations exceeding 20% and amounting exceeding TWD10 million)

- a. Increase in Non-current liabilities: Mainly due to the increase in provision for decommissioning, restoration and similar liabilities for the current period compared with the previous period.
- b. Decrease in Other equity interests: Mainly due to the decrease in exchange differences on translation of foreign financial statements, resulting from exchange rate fluctuations for the current period compared with the previous period.

(3) Effect of Material Change in Financial Position and Plans of Future Counter-measures for the Most Recent Two Years

In terms of the analysis from aforementioned causes, the material changes in Company's financial position for the most recent two years are normal outcomes from operating activities.

2. Financial Performance:

(1) Operating revenues, Operating income and Income before tax for the Most Recent Two Years (consolidated)

Unit: thousands of TWD

Item	Year		Amount increased (decreased)	Change percentage (%)
	2025	2024		
Operating revenues	52,975,952	48,967,458	4,008,494	8%
Operating costs	44,889,510	41,551,491	3,338,019	8%
Gross profit from operating	8,086,442	7,415,967	670,475	9%
Operating expenses	4,586,349	4,378,336	208,013	5%
Operating income	3,500,093	3,037,631	462,462	15%
Non-operating income and expenses	175,109	239,769	(64,660)	(27)%
Income before tax	3,675,202	3,277,400	397,802	12%
Income tax expense	901,321	797,883	103,438	13%
Net income	2,773,881	2,479,517	294,364	12%
Other comprehensive income of the current period (after tax)	(112,787)	189,794	(302,581)	(159)%
Total comprehensive income of the current period	2,661,094	2,669,311	(8,217)	0%
Net income attributes to owners of parent	2,777,080	2,486,429	290,651	12%
Net income attributable to non-controlling interests	(3,199)	(6,912)	3,713	54%
Comprehensive income attributed to owners of parent	2,664,342	2,675,447	(11,105)	0%
Comprehensive income attributed to non-controlling interests	(3,248)	(6,136)	2,888	47%

(2) Main reasons of material variations

(Analysis of variations exceeding 20% and amounting exceeding TWD10 million)

- a. Decrease in Non-operating income and expenses: Mainly due to the increase in foreign exchange losses and decrease in other gains for the current period compared with the previous period.
- b. Decrease in Other comprehensive income of the current period (after tax): Mainly due to the increase in losses from exchange differences on translation of foreign financial statements, resulting from exchange rate fluctuations.

(3) Forecast for sales volume for next year and basis for the forecast

In line with the rapidly increasing global demand for remote work and cloud applications in the post-epidemic era and against the backdrop of the ongoing expansion of broadband infrastructure installations, growth in the field of networking devices will be maintained. It is projected that the shipment volumes of broadband networking devices will increase by 5% to 10% in 2026.

(4) Potential effect on the Company's finances and sales in the future and response measures

In order to respond to the growth in operations, the Company has established relevant financial strategies. For the funding needs, please refer to the section on cash flow analysis for the coming year.

3. Cash Flow Analysis (Consolidated)

(1) Analysis for cash flow change in the most recent year

Unit: thousands of TWD

Cash and Cash Equivalents, Beginning of Year	Net cash flow from operating activities	Other net cash inflow (outflow)	Effect of Foreign exchange rate changes	Cash Surplus	Financing measures of cash deficit	
					Investment Plans	Financing Plans
8,156,296	3,734,555	(7,255,176)	56,615	4,692,290	None	None

- Net cash inflow from operating activities amounted to TWD3,734,555 thousand: Mainly due to the decrease in the average collection period of accounts receivable for the current period.
- Net cash outflow from investing activities amounted to TWD4,582,280 thousand: Mainly due to the increase in current financial assets measured at amortized cost (Time deposits with original maturity of more than three months).
- Net cash outflow from financing activities amounted to TWD2,672,896 thousand: Mainly due to the disbursement of cash dividends and the repayment of short-term borrowings.

(2) Plans to improve insufficient liquidity: Not applicable.

(3) Cash Flow Analysis for the Coming Year:

Unit: thousands of TWD

Cash and Cash Equivalents, Beginning of Year	Estimated net cash flow from operating activities	Estimated other net cash inflow (outflow)	Estimated Cash Surplus	Estimated financing measures of cash deficit	
				Investment Plans	Financing Plans
4,692,290	4,000,000	(3,500,000)	5,192,290	None	None

- Estimated net cash inflow from operating activities amounted to TWD4,000,000 thousand: The main reason is the projection of cash inflow generated from operating activities.
- Estimated net cash outflow from investing activities amounted to 1,300,000 thousand: The main reason is due to capital expenditure for 2026.
- Estimated net cash outflow from financing activities amounted to TWD2,200,000 thousand: The main reason is the disbursement of cash dividends for 2025 and repayment of short-term borrowings.

4. Major Capital Expenditures and Effect on Finance and Business in the Most Recent Year

(1) Major capital expenditures and sources of capital:

Unit: thousands of TWD

Project Item	Actual or expected source of capital	Actual or expected completion date	Capital required	Actual or expected capital expenditures			
				2024	2025	2026	2028
New office building of HQ (Phase II)	Self-owned funds	2026	1,106,000	424,000	331,800	313,400	36,800

(2) Expected Benefits:

New office building of HQ (Phase II): The building is constructed for operation needs. Once completed, it will enable the Company to attract more talented research and development personnels, allowing us to invest more resources in the development of core technologies. This will expand our new business ventures and new product portfolio, enhancing our long-term competitive advantage.

5. Investment Policy in the Most Recent Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year

(1) Investment policy for the most recent year

The Company's investment policy is based on a long-term strategic investment, which is primarily strengthening the vertical integration with the supply chain, and expanding product lines and operational scale to lower production costs, as well as focusing on the development of related broadband wireless networking industry to accumulate the core resources and strengthen core competitiveness of the Company.

(2) Main causes of profits or losses incurred on investments in the most recent year, and any plans for improvement:

The Company recognized an investment loss under equity method for 2025 amounted to TWD14,866 thousand. This was primarily

due to the weak market demands of the industry which parts of investee companies belong to or their failure to reach economic scale. In the future, we will continue to assist in seeking new business opportunities to enhance capacity utilization. We will also strengthen post-investment management and conduct regular returns reviews to enhance the efficiency of our equity investments and accelerate the recovery of investment returns.

(3) Investment plans for the coming year

In the coming year, there is no significant investment project.

6. Risk Management

- (1) For the Most Recent Year up to the Publication Date of the Annual Report, the impact of fluctuation in interest rates, foreign exchange rates, and inflation on Net Income of the Company and future response measures:

Unit: thousands of TWD

Item	2025
Net interest income and expense	234,135
Net foreign exchange gains or losses (including valuation of financial instruments)	(47,019)
Net operating revenues	52,975,952
Net operating income	3,500,093
Net interest income and expense to net operating revenues	0.44%
Net interest income and expense to net operating income	6.69%
Net foreign exchange gains or losses to net operating revenues	(0.09)%
Net foreign exchange gains or losses to net operating income	(1.34)%

(I) Impact of interest rates fluctuations and response measures

The net interest income of the Company for 2025 amounted to TWD234,135 thousand, representing 0.44% of net operating revenues and 6.69% of net operating income. The Company maintains good relationships with the banks to acquire competitive interest rates and keeps proper borrowing ratios.

Moving forward, the Company will continue to adopt a multi-pronged approach to closely monitor changes in interest rates and strive for preferential interest rates in order to adjust the optimal capital structure to ensure sufficient operating working capital, so that changes in interest rates will not have a significant impact on the Company.

(II) Impact of foreign exchange rates fluctuations and response measures

The sales and purchases of the Company are mainly conducted in USD. Meanwhile, part of the sales are denominated in EUR, AUD and INR, there are also some VND and CNY assets. The total foreign currency assets are greater than liabilities. The net foreign exchange losses (including valuation of financial instruments) for 2025 amounted to TWD47,019 thousand, representing (0.09)% of net operating revenues and (1.34)% of net operating income. The loss on foreign exchange for 2025 were mainly due to the appreciation of TWD.

The Company's countermeasures against exchange rate fluctuation are as follows:

- A. The Company has certain sales and purchases to be denominated with the same foreign currency, therefore, effect of natural hedge is generated. Furthermore, the net foreign currency position is also collected by dedicated financial personnel and assess the relevant information and trend of market. To meet the demand of working capital, the Company exchanges foreign currencies in a timely manner to mitigate the risk.
- B. The Company maintains close relationship with the banks and grasps the change in foreign exchange market, serves as the reference for the relevant personnel as a basis for quotation, so as to respond the fluctuations of the exchange rate in a timely manner.
- C. The Company has established "Procedures for the Acquisition and Disposal of Assets", governing the related procedures for derivative financial instruments. Meanwhile, depending on the

foreign currency position and fluctuation of currency, the Company undertakes necessary measures to reduce the foreign currency exchange risk resulting from the business operation of the Company.

(III) Impact of inflation on Company's Profit and Loss and response measures

The net income of the Company has not been materially impacted by inflation in the past. If inflation causes an increase in the cost of purchases, the Company shall also adjust the selling prices of products accordingly.

The Company will continue to closely monitor the impact of interest rates, foreign exchange rates and inflation toward the profit of the Company and will take response measures in time.

(2) For the Most Recent Year up to the Publication Date of the Annual Report, Policies, Main Causes of Gain or Loss, and Future Response Measures with Respect to High-risks, Highly-leveraged Investments, Loans to Others or Endorsement Guarantees, and Derivatives Transactions

(I) The Company focuses on its main business and does not make high-risks, highly-leveraged investments; all investments are executed only after assessment prudently.

(II) The Company and subsidiaries engage in fund loaning to its related parties for the purpose of providing short-term financing for their operating needs. These transactions are executed in accordance with "Procedures for Loaning Funds to Other Parties".

(III) The Company is engaged in endorsement and guarantee activities only belonged to the parent company to its subsidiaries. The arrangements are executed in accordance with "Procedures for Endorsements and Guarantees."

(IV) The main reason to enter into financial derivatives instruments (including forward exchange contracts and swap contracts) is for hedging purposes, mainly to mitigate the

market risks arising from fluctuations in foreign exchange rates and interest rates to net position of assets and liabilities denominated in foreign currencies, and not for speculation purposes. In addition to complying with relevant regulations stipulated by the competent authorities and International Financial Reporting Standards (IFRS), the Company has also established the “Procedures for Acquisition or Disposal of Assets” resolved by a resolution of the Shareholders Meeting to govern the transactions concerning derivative financial instruments.

- (3) For the most recent year up to the publication date of the annual report, future research & development projects and corresponding budget:

In recent years, the Company is moving toward developing highly integrated, high value-added products. The relevant R&D projects and their progresses proceed as planned. In the future, the Company shall continue to invest in R&D for new products, developing niche market products, leveraging key factors such as talents, capital and technology, making product development timelines shorter, and striving for maintaining the leading position in R&D capability to seize market opportunities. The Company estimates to invest approximately TWD3,500,000 thousand in R&D expenditure in 2026.

- (4) For the most recent year up to the publication date of the annual report, effects and response measures to changes in domestic and foreign policies and regulations relating to financial and business of the Company:

The Company complies with the revisions of important policies and relevant laws by the competent authorities regarding to the corporate governance regulations, Company Act and Securities and Exchange Act. Further, the Management of the Company closely monitors and pays attention to the changes of both domestic and foreign important policies and regulations, engaging legal consultants for advisory services, and undertaking countermeasures in a timely manner. Hence, there is no material impact on the financial and business of the Company.

- (5) For the most recent year up to the publication date of the annual report, effects and response measures to changes in technology (including cybersecurity risks) and the industry relating to financial and business of the Company:

The Company has established a new business center to conduct the necessary research in advance for the future technological needs and market trends of relevant products, such as material research, simulation of design structures, etc., as well as a dedicated intellectual property and patent team to manage the valuable IPs of the Company. Meanwhile, the knowledge process team is solely responsible for institutionalizing processes and knowledge management. In addition to the existing product lines, the Company also actively develops new product line areas to respond to industry and market trends.

In addition, in terms of cybersecurity and information security risk control, the Company adopts the international standards ISO 27001 and ISO 27005, and has established and implemented the information security management system and set up information security policy documents to specify the regulations regarding information security of the Company. In addition, information security risk assessments and internal/external information security cycle audits are carried out annually on a regular basis to ensure the effectiveness and legal compliance of the management system. Thus, the Company is able to respond quickly and properly to technological and industrial changes.

- (6) For the most recent year up to the publication date of the annual report, the effects and measures to the changes in corporate image on corporate crisis management:

The Company adopts the principle of stability and integrity as its business philosophy. With a good corporate image, the Company has been publicly listed since March 2009 and continues to attract more outstanding talents into its organization, strengthening the capability of the business team, giving the business reward back to the shareholders and fulfilling the corporate social responsibility. Currently, there is no incident that change the corporate image and causes a crisis of the Company.

- (7) For the most recent year up to the publication date of the annual report, expected benefits from, risks relating to, response and measures to merger and acquisition plans: None.

- (8) For the most recent year up to the publication date of the annual report, expected benefits from, risks relating to, response and measures to factory expansion plans: None.
- (9) For the most recent year up to the publication date of the annual report, risks relating to and response measures to excessive concentration of purchases or sales:
- (I) Purchases: In addition to procuring finished products from affiliated companies (the factories in Vietnam), orders of other major raw material procurement (such as chipset and communication modules) are purchased from several international brands. The Company has fostered a good relationship with its procuring counterparts and thus has no risk of purchases concentration.
- (II) Sales: The main sales products of the Company are broadband wireless networking products. For the most recent year, the top ten major customers mainly consisted of well-known telecom operators or major information and communication brands. As such, there is no risk of sales concentration.
- (10) For the most recent year up to the publication date of the annual report, effects of, risks relating to, and response measures to large share transfers or changes in shareholdings by Directors or Shareholders with shareholdings of over 10%: None.
- (11) For the most recent year up to the publication date of the annual report, effects of, risks relating to, and response measures to the changes in management: None.
- (12) For the most recent year up to the publication date of the annual report, for litigation or non-litigation cases involving the Company's Directors, President, actual persons in-charge or major Shareholders with a stake of 10% or more and subsidiaries that have been concluded or are still pending, and have material impact on the shareholders' interest or security prices, disclosure should be made regarding the content of the disputes, the sum of penalty or claim, the commencement date of the litigation, the parties involved and the status as of the publication date of the annual report:

Compal Electronics, Inc. (hereinafter referred to as Compal Electronics), the legal person Director and the major shareholder of the Company, has the following litigation cases:

With regard to the former employees of Inventec Corporation (“Inventec”) who joined Compal Electronics, Inventec filed a lawsuit against Compal Electronics, accusing it of violating the Trade Secret Law and the Copyright Law and seeking relevant damages compensation. The Taipei District Court rendered its first-instance judgment on this case on May 21, 2025, holding that Compal Electronics was held liable as an employer for its employee’s professional conduct constituting an offense under the Copyright Act and was thus fined NTD 200,000. Compal Electronics was acquitted of all other criminal charges. With respect to the criminal incidental civil action filed by Inventec against Compal Electronics, the Court determined that Compal Electronics was not at fault (without culpa) and thus dismissed Inventec's claim for damages.

Compal Electronics deems that there are considerable doubts concerning the findings of fact and the application of law in the part of the judgment adverse to Compal Electronics. Consequently, Compal Electronics had filed an appeal within the statutory period, and so did the prosecutor. Inventec had also appealed the judgment. As this case remains pending before the appellate court for deliberation, Compal Electronics is presently unable to reasonably estimate the ultimate impact and financial consequences that may arise from this case.

(13) Other major risks and countermeasures: None.

7. Other Material Items: None.

VI. Special Disclosure

1. Summary of Affiliated Companies:

Please find the relevant information on the Market Observation Post System (MOPS) and select “Electronic Document Download/ Affiliated Enterprises Disclosure” under the individual company section.

(website: https://mopsov.twse.com.tw/mops/web/t57sb01_q10).

2. Private Placement of Securities in the Most Recent Year up to the Publication Date of this Annual Report: None.

3. Other Necessary Supplementary Information: None.

4. Any Event that had Material Impact on Shareholders Right or Stock Prices as Stated in Item 3 Paragraph 2 of Article 36 of Securities and Exchange Act in the Most Recent Year up to the Publication Date of this Annual Report: None.

Arcadyan Technology Corporation

Chairman: Chen Jui-Tsung

President: Tseng Chao-Peng