

Stock Code: 3090



2025 Annual Report

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The Company Website: <https://www.ndb.com.tw>

This is a translation of the 2025 annual report (The "annual report") of Nichidenbo Corporation. ("The Company"). This translation is intended for reference only and nothing else. The Company hereby disclaims any and all liabilities whatsoever for the translation. The Chinese text of the annual report shall govern any and all matters related to the interpretation of the subject matter stated herein.

I. Names, titles, telephone numbers and Email addresses of the Company's

Spokesperson and Deputy Spokesperson:

Spokesperson: LIAO, LI SHU

Title: Special Assistant to the Chairperson and Vice President

Tel: (02)2219-0505

Email: stock@ndb.com.tw

Deputy Spokesperson: WANG, TSAI LING

Title: Assistant Manager

Tel: (02)2219-0505

Email: deputy-spokesman@ndb-group.com

II. Addresses and telephone numbers of headquarters, branches and factories:

1. Head office

Address: 1F, No. 4, Lane 1, Siwei Lane, Zhongzheng Road, Xindian District, New Taipei City

Tel: (02)2219-0505

Fax: (02)2219-1010

2. Branches: None

3. Factories: None

III. Name, address, website, and telephone number of stock transfer agency:

Name: Shareholder Services Department, Yuanta Securities Co., Ltd.

Address: B1, No. 67, Sec. 2, Dunhua South Road, Da'an District, Taipei City

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

Tel.: (02)2586-5859

IV. Names of the CPAs and name, address, website and telephone number of the accounting firm for financial statements in the most recent year:

Name of CPA: SHAO, CHIH MING and WONG, YA LING

Name of accounting firm: Deloitte & Touche

Address: 20th Floor, No. 100 Chung Yan Road, Xinyi District, Taipei City

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

Tel: (02) 2725-9988

V. Name of any exchanges where the Company's securities are traded offshore, and the method to access information on the said offshore securities: None.

VI. Company Website: <https://www.ndb.com.tw>

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I. Report to Shareholders

Dear Shareholders:

For 2025, The Company's operating revenue was NT\$15,727,845 thousand, representing a 29.54% increase from NT\$12,141,096 thousand in 2024; gross profit for 2025 reached NT\$2,585,565 thousand, up 32.77% from NT\$1,947,359 thousand in 2024; operation income was NT\$1,587,539 thousand, a 42.38% increased from NT\$1,115,021 thousand in 2024; and net profit before tax totaled NT\$1,588,843 thousand, up 30.43% from NT\$1,218,198 thousand in 2024.

1. 2025 operating results:

(1) Implementation results of business plans

Unit: NT\$ thousand

Item	2025		2024		Increase (decrease)	
	Amount	%	Amount	%	Amount	%
Operating revenue	15,727,845	100.00	12,141,096	100.00	3,586,749	29.54
Gross profit	2,585,565	16.44	1,947,359	16.04	638,206	32.77
Operating income	1,587,539	10.09	1,115,021	9.18	472,518	42.38
Income before income tax	1,588,843	10.10	1,218,198	10.03	370,645	30.43

(2) Budget implementation in 2025

Since the Company's budget for 2025 was not disclosed to the public, there is no requirement to disclose the budget implementation. However, the actual operating conditions and performance are generally in line with the internal operating plans of the Company.

(3) Financial income/expenses and profitability analysis

Unit: NT\$ thousand

Item		2025	2024	Increase (decrease) ratio (%)
Income/ Expenses	Operating revenue	15,727,845	12,141,096	29.54
	Gross profit	2,585,565	1,947,359	32.77
	Income before income tax	1,588,843	1,218,198	30.43

Item		2025	2024	Increase (decrease) ratio (%)	
Profitability	Return on assets (%)	8.86	10.26	(13.65)	
	Return on equity (%)	12.42	14.92	(16.76)	
	Percentage of paid-in capital (%)	Operating income	55.20	52.44	5.26
		Income before income tax	55.25	57.30	(3.58)
	Net profit margin (%)	8.10	7.94	2.02	
	Earnings per share (\$)	5.48	4.52	21.24	

(4) Market development

The Company and its subsidiaries have established sales locations in Hong Kong, Shenzhen, Suzhou, Wuhan, and Vietnam to scale up operations and serve existing customers. Efforts to develop new clients and capture timely market information have also yielded increasingly positive results.

In addition to expanding component sales across existing markets, the Company is equally committed to penetrating new markets and introducing new products. The Company is actively deepening its presence in both Mainland China and overseas markets (such as Thailand, India, the Philippines) to create new sales opportunities for its products and enhance its competitive edge.

To meet the growing business scale and rising demand from customers across various industries in the ASEAN market, the Company will further expand its local marketing and technical teams to continue broadening its customer base and increasing market share. Furthermore, the Company will leverage group-wide integration and resource-sharing mechanisms to achieve synergies, enabling it to better capture industry trends and distribution channels. It will actively expand the sales operations across various product lines while continuously enhancing product diversification and professional expertise. By utilizing a "one-stop service" model, the Company aims to penetrate more high-end application industries and products, thereby improving operational efficiency. Overall, driven by the rapid development of AI technologies and applications in various industries, which has spurred a continuous increase in overall market demand, the

passive components sector shows tremendous potential, with future demand for products expected to maintain an upward trend.

2. 2026 business plans

In 2026, industry growth momentum will focus on high-performance computing applications, including AI servers, AI accelerator cards, GPUs, and ASICs. As computing power consumption increases, the adoption of the 800V power architectures for AI servers will further drive the penetration of high-end specifications, such as high-capacitance, high-voltage, and high-temperature resistance products, which is conducive to maintaining and improving average selling prices. Regarding the supply chain, the Company remains mindful of potential indirect impacts on the shipment pace of end products caused by supply constraints of key upstream components, such as memory.

3. The Company's future development strategy, and the effect of external competition, the legal environment, and the overall business environment

(1) The Company's future development strategy

In addition to diversifying its product offerings through internal group integration, the Company has established an extensive network of distribution outlets supported by a comprehensive marketing system. This powerful sales channel is designed to meet customers' component requirements for overseas plant expansion and to enhance the flexibility of spot trading operations. Beyond its presence in Taiwan, the Company's marketing network includes overseas subsidiaries dedicated to expanding the Hong Kong and Mainland China markets. Furthermore, recognizing the growing importance of European and Asian demand, a "southbound" expansion strategy has been implemented by leveraging marketing personnel throughout the Asia-Pacific region to actively seek to broaden our sales reach, thereby keeping pace with customer development trends and providing timely services. Additionally, as the Company's service market scale continues to grow, its ability to secure new product agencies from foreign suppliers has strengthened, allowing it to provide customers with a more comprehensive range of choices and services.

(2) Effect of external competitive, regulatory, and macroeconomic environment

i. External competitive environment

In response to intense global competition, with rapid product launches and price reductions from competitors, shifting market demands, and significant NTD exchange rate volatility, the Company prioritizes superior customer service to secure

orders while developing new markets and securing new product agencies. Furthermore, it has reached agreements with suppliers to use the U.S. dollar as the primary currency for procurement to achieve natural hedging, supplemented by foreign exchange hedging operations to mitigate the impact of changes in the external competitive environment and currency fluctuations.

ii. Regulatory environment

The Company has proactively formulated various measures to strengthen corporate governance and internal management protocols. These efforts ensure compliance with all regulations mandated by competent authorities and enhance the effectiveness of the Company's internal operations.

iii. Macroeconomic environment

The continuous innovation of electronic products continues to drive robust demand for electronic components. By focusing on niche markets, providing high-quality customer service, and strengthening corporate governance, the Company aims to deliver better investment returns for shareholders.

We thank our management team and all employees of the Company for their hard work, and all shareholders for their enduring support and loyalty. The Company adheres to the business philosophy of "integrity, service, growth, and prosperity" and is in alignment with the United Nations SDGs objectives. We continue to promote ESG sustainable development-related policies, strengthen corporate governance, implement corporate culture inheritance, and fulfill social responsibilities. We hope to create greater returns for all stakeholders, thereby honoring and reciprocating your support and love.

I wish you all good health and all the best.

Chairperson: CHOU, WEI LIN

II. Corporate Governance Report

1. Information on directors, supervisors, general manager, vice presidents, assistant vice presidents, and the chiefs of all divisions and branch units

(1) Information on directors

(i) Information on directors

March 24, 2026

Title	Nationality or place of registration	Name	Gender and age	Appointment date	Term	Date of initial appointment	Number of shares held at the time of appointment		Number of shares currently held		Shares held by the spouse and minor children		Shares held through nominees		Primary educational background and work experiences	Positions concurrently held in this and other companies	Other officers, directors, or supervisors that are spouses or relatives within the second degree of kinship			Remarks
							No. of shares	Shareholding (%)	No. of shares	Shareholding (%)	No. of shares	Shareholding (%)	No. of shares	Shareholding (%)			Title	Name	Relationship	
Chairperson	ROC	CHOU, WEI LIN	Male 65-69 years old	2024.6.25	3 years	1993.2.25	1,720,000	0.81	4,200,000 (Note)	1.46	0	0	0	0	Master of Business Administration, European University, Switzerland Purchasing Assistant of Arvin Industries Inc (USA) Business Manager of Taiwan Chemi-Con Corporation COO and General Manager of Nichidenbo Corporation	CEO of Nichidenbo Corporation Representative of Corporate Director and Chairperson of Lipers Enterprise Co., Ltd Person-in-charge and Representative of Corporate Director of Lipers (Hong Kong) Enterprise Co., Ltd. Representative of Corporate Director and Chairperson of Scope Technology Co., Ltd. Representative of Corporate Director and Chairperson of Advance Electronic Supply Inc. Director of Nichidenbo (Mauritius) Ltd.	None	None	None	
Vice Chairperson	ROC	LEE, KUN CHAN	Male 60-64 years old	2024.6.25	3 years	2012.6.21	1,730,532	0.81	2,280,532	0.79	0	0	0	0	Department of Applied Foreign Language, Taichung College of Business Special Assistant to the Chairperson of Cygnus Inc. Sales of Taiwan Chemi-Con Corporation General Manager of Nichidenbo Corporation	COO of Nichidenbo Corporation Representative of Corporate Director and Chairperson of VIC-DAWN Enterprise Co., Ltd. Representative of Corporate Director and Chairperson of TONSAM Corporation Representative of Corporate Director and Chairperson of KOHO (Taiwan) Co., Ltd.	None	None	None	
Director	ROC	Zong Xin Investment Co., Ltd.	N/A	2024.6.25	3 years	2018.6.20	5,630,000	2.65	5,800,000	2.02	N/A	N/A	N/A	N/A	N/A	None	None	None	None	
		Representative: HUANG, PEI CHING	Female 35-39 years old			2023.12.20	0	0	0	0	0	0	0	0	0	0	Department of Applied Arts, Fu Jen Catholic University	Chairperson of Zong Xin Investment Co., Ltd.	Chairman of Strategic Investment Committee	HUANG, JEN HU
Director	ROC	YU, YAO KUO	Male 55-59 years old	2024.6.25	3 years	2015.6.11	324,548	0.15	674,548	0.23	2,247	0.00	0	0	Master of Business Administration, National Taiwan University Director of Acer Incorporated Senior Vice President of Sertek	General Manager of Nichidenbo Corporation General Manager of Lipers Enterprise Co., Ltd General Manager of Advance Electronic Supply Inc. General Manager of Lipers Electronic (SZ) Co., Ltd.	None	None	None	

Title	Nationality or place of registration	Name	Gender and age	Appointment date	Term	Date of initial appointment	Number of shares held at the time of appointment		Number of shares currently held		Shares held by the spouse and minor children		Shares held through nominees		Primary educational background and work experiences	Positions concurrently held in this and other companies	Other officers, directors, or supervisors that are spouses or relatives within the second degree of kinship			Remarks
							No. of shares	Shareholding (%)	No. of shares	Shareholding (%)	No. of shares	Shareholding (%)	No. of shares	Shareholding (%)			Title	Name	Relationship	
														Incorporated Senior Vice President of Yosun Industrial Corp.	General Manager of Nichidenbo (Shenzhen) Trading Co., Ltd. General Manager of Nichidenbo Suzhou Trading Co., Ltd.					
Independent Director	ROC	WU, CHIA HSUN	Male 70-74 years old	2024.6.25	3 years	2005.6.3	0	0	0	0	0	0	0	0	Master of Finance, National Chengchi University Associate Professor, Department of Finance and International Business, Fu Jen Catholic University	Convener of Remuneration Committee and Audit Committee of Nichidenbo Corporation Independent Director, Member of Audit Committee and Remuneration Committee of Tait Marketing & Distribution Co., Ltd. Independent Director, Audit Committee Member and Remuneration Committee Member of Tidehold Development Co., Ltd.	None	None	None	
Independent Director	ROC	SU, MING YANG	Male 70-74 years old	2024.6.25	3 years	2021.7.22	0	0	0	0	0	0	0	0	Department of Electrical Engineering, National Taiwan University Executive Director of Panasonic Industrial Devices Sales Taiwan Co., Ltd. Chairperson and General Manager of eGALAX_eMPIA Technology Inc.	Member of Remuneration Committee and Audit Committee of Nichidenbo Corporation	None	None	None	

Title	Nationality or place of registration	Name	Gender and age	Appointment date	Term	Date of initial appointment	Number of shares held at the time of appointment		Number of shares currently held		Shares held by the spouse and minor children		Shares held through nominees		Primary educational background and work experiences	Positions concurrently held in this and other companies	Other officers, directors, or supervisors that are spouses or relatives within the second degree of kinship			Remarks
							No. of shares	Shareholding (%)	No. of shares	Shareholding (%)	No. of shares	Shareholding (%)	No. of shares	Shareholding (%)			Title	Name	Relationship	
Independent Director	ROC	HSU, HSOU CHUN	Male 55-59 years old	2024.6.25	3 years	2021.7.22	0	0	0	0	0	0	0	0	Master of Business Administration, National Taiwan University Vice President of Finance of Cirocomm Technology Corporation Special Assistant to the General Manager of Tailyn Technologies, Inc. CFO of Siltrontech Electronics Corporation	Member of Remuneration Committee and Audit Committee of Nichidenbo Corporation Manager of Moneypool Consultant Ltd. Independent Director, Member of Remuneration Committee and Convener of Audit Committee of E-Life Mall Corporation Supervisor of Jet One Technology Co., Ltd. Director of InnoGreat Technology Co., Ltd. Director of Cirocomm Technology Corporation Supervisor of Aiseed Inc.	None	None	None	
Independent Director	ROC	WAN, GWO WEI	Male 60-64 years old	2024.6.25	3 years	2024.6.25	0	0	0	0	0	0	0	0	Department of Electrical Engineering, Tamkang University Chairperson of Renesas Electronics Taiwan Co., Ltd.	Member of Remuneration Committee and Audit Committee of Nichidenbo Corporation	None	None	None	

Data source: The shareholding ratio at the time of election was calculated based on issued shares totaling 212,657,150 shares as of June 25, 2024; the current shareholding ratio is based on the shareholding data from the last book closure date on March 24, 2026, and is calculated based on the total number of issued shares of 287,567,150 shares.

Note: Included Chairperson CHOU, WEI LIN's 1,500,000 shares in trust accounts with financial institutions with discretion reserved.

(ii) Disclosure of professional qualifications of directors and supervisors and independence of independent directors

March 24, 2026

Qualifications Name	Professional qualifications and experience	Independence analysis (Note 1)	No. of other public companies at which the person concurrently serves as an independent director
Director CHOU, WEI LIN	<p>(1) Has more than 5 years of work experience in business and corporate operations.</p> <p>(2) Previously served as Business Manager of Taiwan Chemi-Con Corporation; and currently as the Chief Executive Officer of the Company and chairperson and director of various subsidiaries, see page 5 for details.</p> <p>(3) Does not fall under any of the disqualification criteria for managers specified in Article 30 of the Company Act.</p>	(8)(9) (10)(11)	0
Director LEE, KUN CHAN	<p>(1) Has more than 5 years of work experience in business and corporate operations.</p> <p>(2) Previously served as sales of Taiwan Chemi-Con Corporation, and currently as the Chief Operating Officer of the Company and chairperson and director of various subsidiaries, see page 5 for details.</p> <p>(3) Does not fall under any of the disqualification criteria for managers specified in Article 30 of the Company Act.</p>	(5)(8) (9) (10)(11)	0
Director Representative of Zong Xin Investment Co., Ltd. HUANG, PEI CHING	<p>(1) Has more than 5 years of work experience in business and corporate operations.</p> <p>(2) Currently serving as Chairperson of Zong Xin Investment Co. Ltd., see page 5 for details.</p> <p>(3) Does not fall under any of the disqualification criteria for managers specified in Article 30 of the Company Act.</p>	(8)(9)(10)	0
Director YU, YAO KUO	<p>(1) Has more than 5 years of work experience in business and corporate operations.</p> <p>(2) Previously served as Department Chief of Acer Incorporated and Senior Vice President of Yosun Industrial Corp., and currently as the General Manager of the Company and various subsidiaries, see page 5 for details.</p>	(3)(5)(8)(9) (10)(11)	0

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

The independence of each director and independent director during the two years prior to their election and during their term of office is, where compliant, disclosed in the table above:

- (1) Not an employee of the Company or its affiliates.
- (2) Not a director or supervisor of the Company or its affiliates (provided, however, that this restriction shall not apply to cases where independent director of the Company and its parent company, subsidiaries, or subsidiaries of the same parent company are appointed to serve concurrently pursuant to this Act or local laws and regulations).
- (3) Not a natural person shareholder who holds shares, in the name of the person or the spouse, minor children, or in the name of others, in an aggregate amount of 1% or more of the total number of issued shares of the Company, or ranks among the top ten shareholders.
- (4) Not a manager listed in item (1) or a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of the person listed in (2) or (3).
- (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares the Company, or that ranks among the top five in shareholdings, or that designates representative to serve as a director, supervisor, or employee of the Company under Article 27, paragraph 1 or 2 of Company Act (provided, however, that this restriction shall not apply to cases where independent director of the Company and its parent company, subsidiaries, or subsidiaries of the same parent company are appointed to serve concurrently pursuant to this Act or local laws and regulations).
- (6) Not a director, supervisor, or employee of another company where the director seats or more than half of the voting shares are controlled by the same person as the Company's director (provided, however, that this restriction shall not apply to cases where independent director of the Company and its parent company, subsidiaries, or subsidiaries of the same parent company are appointed to serve concurrently pursuant to this Act or local laws and regulations).
- (7) Not a director (governor), supervisor, or employee of another company or institution where the chairperson, president, or person holding an equivalent position is the same person as or is the spouse of, the Chairperson, General Manager, or person holding an equivalent position of the Company (provided, however, that this restriction shall not apply to cases where independent director of the Company and its parent company, subsidiaries, or subsidiaries of the same parent company are appointed to serve concurrently pursuant to this Act or local laws and regulations).

- (8) Not a director, supervisor, manager, or shareholder holding more than 5% of the shares of a specified company or institution with which the Company has financial or business dealings (provided, however, that this restriction shall not apply to cases where the specific company or institution holds 20% or more but not more than 50% of the total number of issued shares of the Company, and the independent director of the Company and its parent company, subsidiaries, or subsidiaries of the same parent company are appointed to serve concurrently pursuant to this Act or local laws and regulations).
- (9) Not a professional, or an owner, partner, director (executive director), supervisor (inspector), or manager of a sole proprietorship, partnership, company, or institution, or a spouse of such an individual, that provides the Company or its affiliates with commercial, legal, financial, accounting, or related services, where a cumulative remuneration not exceeding NT\$500 thousand in the past two years has been received from the aforementioned parties in the past two years. However, this shall not apply to members of the Remuneration Committee, Public Tender Offer Review Committee, or Special Committee on Mergers and Acquisitions exercising their powers and performing their duties in accordance with the Securities and Exchange Act or the Business Mergers and Acquisitions Act and related laws and regulations.
- (10) Not a relative within the second degree of kinship of other directors.
- (11) Not elected in the capacity of the government, a legal person, or a representative as provided in Article 27 of the Company Act.
- (iii) Diversity and independence of the Board of Directors:
- (a) Diversity of the Board of Directors:
- According to Article 20 of the Company's Corporate Governance Best Practice Principles, diversity should be prioritized in the composition of Board of Directors. An appropriate diversity policy is formulated based on the Company's operations, business type and development needs, which should encompass but not be limited to the following two major standards:
- A. Basic requirements and values: Gender, age, nationality, culture, etc.
 - B. Professional knowledge and skills: Professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.
- All members of the Board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the Board of Directors shall possess the following abilities:
- A. Ability to make operational judgments.
 - B. Ability to perform accounting and financial analysis.
 - C. Ability to conduct business management.
 - D. Ability to conduct crisis management.
 - E. Knowledge of the industry.
 - F. An international market perspective.
 - G. Ability to lead.
 - H. Ability to make decisions.
- The Company continues to implement the succession plan for directors, cultivating or recruiting experts from various fields to join the Board of Directors. The Company's directors were fully re-elected at the Shareholders' Meeting held in June 2024. As of December 31, 2025, there were 8 seats in the 14th Board of Directors (including 4 seats for independent directors), in which 1 seat was held by a female director. The proportion of female director on the current Board of Directors accounts for 13% of all board members.
- The Board of Directors consists of two members aged 70 to 74, one member

aged 65 to 69, two members aged 60 to 64, two members aged 55 to 59, and one member aged 35 to 39. All the directors are Taiwanese citizens. The Company's Board of Directors is aiming to become younger. For director elections in the future, appropriate candidates will be invited to join the Board of Directors in response to changes in the Company's development strategy and internal/external environment as well as considering gender equality in the composition of Board of Directors members, thereby improving gender balance of the Board of Directors.

(b) Implementation of diversification of Board members

Title	Name	Gender	Age	Operational judgments	Accounting and financial analysis	Management administration	Crisis management	Industry knowledge	International market perspective	Leadership and decision making
Chairperson	CHOU, WEI LIN	Male	65-69 years old	✓		✓	✓	✓	✓	✓
Vice Chairperson	LEE, KUN CHAN	Male	60-64 years old	✓		✓	✓	✓	✓	✓
Representative of Corporate Director	HUANG, PEI CHING	Female	35-39 years old	✓		✓	✓	✓	✓	✓
Director	YU, YAO KUO	Male	55-59 years old	✓		✓	✓	✓	✓	✓
Independent Director	WU, CHIA HSUN	Male	70-74 years old		✓		✓			
Independent Director	SU, MING YANG	Male	70-74 years old	✓		✓	✓	✓	✓	✓
Independent Director	HSU, HSOU CHUN	Male	55-59 years old		✓	✓	✓		✓	
Independent Director	WAN, GWO WEI	Male	60-64 years old	✓		✓	✓	✓	✓	✓

(c) Explanation regarding either gender that does not hold at least 1/3 of total board seats:

The nomination of candidates during the 2024 Annual Re-election was mainly for the purpose of recruiting experts from different fields to join the Board of Directors, and currently there is only 1 female director. When evaluating the candidates for directorships in the future, it is recommended to consider gender balance, and appoint members of the Board of Directors with diverse professional backgrounds.

(d) Independence of Board of Directors:

The Company directors were fully re-elected at the Shareholders' Meeting in June 2024. As of December 31, 2025, the 14th Board of Directors consists of 8 seats, including 4 independent directors, representing 50% of the entire Board; 1 female director, accounting for 13% of the entire Board and 3 directors who are also employees, representing 38% of the entire Board.

By the end of 2025, all independent directors comply with the regulations the Financial Supervisory Commission (FSC) of the Executive Yuan regarding independent directors, and there are no circumstances specified in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act among directors and independent directors. The Board of Directors of the Company maintains independence (please refer to the disclosure of directors' professional qualifications and independent director's independence).

The Company's directors have no marital relationship or a relative within the second degree of kinship to any other person (see page 5 for details).

(iv) Director and supervisor as the representatives of corporate shareholders

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Name of corporate shareholder	Major shareholders of corporate shareholders
Zong Xin Investment Co., Ltd.	HUANG, PEI CHING (45.50%), HUANG, PEI WEN (45.50%)

(2) Information on general manager, vice presidents, assistant vice presidents, and the manager of each department and branch institution

March 24, 2026

Title	Nationality	Name	Gender	Date of Appointment	Shares held		Shares held by spouse and minor children		Shares held through nominees		Primary educational background and work experiences	Positions concurrently held in other entities	Spouse or relative within the second degree of kinship holding a position as manager			Remarks
					Shares	Shareholding (%)	No. of shares	Shareholding (%)	No. of shares	Shareholding (%)			Title	Name	Relationship	
Chief Executive Officer	ROC	CHOU, WEI LIN	Male	2016.10.1	4,200,000 (Note 1)	1.46	0	0	0	0	Master of Business Administration, European University, Switzerland Purchasing Assistant of Arvin Industries Inc (USA) Business Manager of Taiwan Chemi-Con Corporation COO and General Manager of Nichidenbo Corporation	Representative of Corporate Director and Chairperson of Lipers Enterprise Co., Ltd Person-in-charge and Representative of Corporate Director of Lipers (Hong Kong) Enterprise Co., Ltd. Representative of Corporate Director and Chairperson of Scope Technology Co., Ltd. Representative of Corporate Director and Chairperson of Advance Electronic Supply Inc. Director of Nichidenbo (Mauritius) Ltd.	None	None	None	(Note 4)
Chairman of Strategic Investment Committee	ROC	HUANG, JEN HU	Male	2018.6.20	350,000	0.12	0	0	0	0	Department of Management & Law, Kindai University, Japan Business Assistant Vice President of Taiwan Chemi-Con Corporation Chairperson, CEO and General Manager of Nichidenbo Corporation	Director of JSW Pacific Corporation	None	None	None	
Chief Operating Officer	ROC	LEE, KUN CHAN	Male	2019.9.1	2,280,532	0.79	0	0	0	0	Department of Applied Foreign Language, Taichung College of Business Special Assistant to the Chairperson of Cygnus Inc. Sales of Taiwan Chemi-Con Corporation General Manager of Nichidenbo Corporation	Representative of Corporate Director and Chairperson of VIC-DAWN Enterprise Co., Ltd. Representative of Corporate Director and Chairperson of TONSAM Corporation Representative of Corporate Director and Chairperson of KOHO (Taiwan) Co., Ltd.	None	None	None	
General Manager	ROC	YU, YAO KUO	Male	2019.9.1	674,548	0.23	2,247	0.00	0	0	Master of Business Administration, National Taiwan University Director of Acer Incorporated Senior Vice President of Sertek Incorporated Senior Vice President of Yosun Industrial Corp.	General Manager of Lipers Enterprise Co., Ltd General Manager of Advance Electronic Supply Inc. General Manager of Lipers Electronic (SZ) Co., Ltd. General Manager of Nichidenbo (Shenzhen) Trading Co., Ltd. General Manager of Nichidenbo Suzhou Trading Co., Ltd.	None	None	None	
Vice President	ROC	LIAO, LI SHU	Female	2013.9.1	332,000	0.12	0	0	0	0	Graduate Institute of Finance and International Business, Fu Jen Catholic University Assistant Project Manager of Security Underwriting Department, Yuanta Securities Co., Ltd.	Supervisor of VIC-DAWN Enterprise Co., Ltd. Supervisor of KOHO (Taiwan) Co., Ltd.	None	None	None	
Vice President	ROC	HOU, CHIN HWA	Female	2013.9.1	597,215 (Note 2)	0.21	0	0	0	0	Department of Accounting, Fu Jen Catholic University Deputy Manager of Accounting Department, Haotai Construction Co., Ltd.	Supervisor of Lipers Enterprise Co., Ltd.	None	None	None	

Title	Nationality	Name	Gender	Date of Appointment	Shares held		Shares held by spouse and minor children		Shares held through nominees		Primary educational background and work experiences	Positions concurrently held in other entities	Spouse or relative within the second degree of kinship holding a position as manager			Remarks
					Shares	Shareholding (%)	No. of shares	Shareholding (%)	No. of shares	Shareholding (%)			Title	Name	Relationship	
Financial Officer	ROC	HSU, SHU HUI	Female	2015.8.11	41,000	0.01	2,388	0.00	0	0	Department of Accounting, Providence University Candor Taiwan CPAs Andante Co., Ltd. Accounting Assistant Manager of Yosun Industrial Corp	Supervisor of Lipers Electronic (SZ) Co., Ltd. Director of Nichidenbo Suzhou Trading Co., Ltd.	None	None	None	
Assistant Vice President	ROC	YANG, WEN CHI	Male	2019.7.1	125,000	0.04	0	0	0	0	Department of Civil Engineering, Tamkang University Sales Manager of Asia-Pacific Telecom Co., Ltd.	None	None	None	None	
Assistant Vice President	ROC	HSU, CHI PING	Male	2021.7.1	757,628 (Note 3)	0.26	304,348	0.11	0	0	Sze Hai College of Technology Manager of Nichidenbo Corporation	None	None	None	None	
Assistant Vice President	ROC	LEE, PO YI	Male	2021.7.1	82,000	0.03	0	0	0	0	Faculty of Applied Science, University of British Columbia Senior Director of Nichidenbo Corporation	None	None	None	None	
Assistant Vice President	ROC	LIN, TSAN WEI	Male	2023.7.1	17,402	0.01	0	0	0	0	Master of Management, Yuan Ze University Product Manager of Intumit, Inc.	None	None	None	None	
Controller	ROC	KU, HSIN PING	Female	2023.9.1	23,300	0.01	0	0	0	0	Department of Accounting, Tamkang University Deputy Manager of Audit Department, Deloitte & Touche	None	None	None	None	

Data source: The shareholding percentage is based on the shareholding data as of March 24, 2026, the latest book closure date, and is calculated based on the total number of issued shares of 287,567,150 shares.

Note 1: Including 1,500,000 shares in discretionary trust accounts of Chief Executive Officer CHOU, WEI LIN with financial institutions with retained decision-making rights over utilization.

Note 2: Including 530,000 shares in discretionary trust accounts of Vice President HOU, CHIN HWA's with financial institutions with retained decision-making rights over utilization.

Note 3: Including 558,000 shares in discretionary trust accounts of Assistant Vice President HSU, CHI PING with financial institutions with retained decision-making rights over utilization.

Note 4: Where the Chief Executive Officer (the highest-level manager) and the Chairperson are the same person, a couple, or relatives within the first degree of kinship, the relevant information regarding the reasons, reasonableness, necessity, and response measures shall be disclosed:

The Company's Chairperson also serves as Chief Executive Officer to enhance operational efficiency and decision-making execution. The Chairperson communicates thoroughly with each director on the operational overview and strategic objectives. Additionally, the current two independent directors possess financial and accounting expertise, effectively performing their supervisory duties. Furthermore, annual training is arranged for directors to enhance each director's professional knowledge and strengthen the operational performance of the Board of Directors.

The Company has set up a total of 4 seats for independent directors by the end of 2023 in response to the Company's future business model and the diversified needs of business development, and more than half of the directors do not concurrently serve as employees or managerial officers to enhance the functions of the Board of Directors and strengthen corporate governance.

2. Remuneration paid to directors, supervisors, general manager, and vice presidents during the latest year

(1) Remuneration to directors, supervisors, general manager, and vice presidents

(i) Director and independent director remuneration

December 31, 2025

Unit: NT\$ thousand

Title	Name	Remuneration paid for serving as a director								Ratio of total remuneration (A+B+C+D) to net income after tax (%)		Remuneration paid for serving as an employee						Ratio of total remuneration (A+B+C+D+E+F+G) to net profit after tax (%)		Remuneration from ventures other than subsidiaries or from the parent company				
		Base compensation (A)		Pension (B)		Remuneration of directors and supervisors (C) (Note 1)		Business execution expenses (D)				Salaries, bonuses and special expenses, etc. (E) (Note 2)		Pension (F) (Note 3)		Employee Remuneration (G) (Note 1)								
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements					
														Cash	Stock amount	Cash	Stock amount							
Chairperson	CHOU, WEI LIN (a)																							
Vice Chairperson	LEE, KUN CHAN (b)																							
Director	Zong Xin Investment Co., Ltd. (c)	0	0	0	0	21,927	21,927	120	120	22,047	22,047	23,631	23,631	878	878	28,226	0	28,226	0	74,782	74,782	5.97%	5.97%	None
	Representative : HUANG, PEI CHING (d)																							
Director	YU, YAO KUO (e)																							
Independent Director	SU, MING YANG (f)																							
Independent Director	HSU, HSOU CHUN (g)	2,400	2,400	0	0	0	0	120	120	2,520	2,520	0	0	0	0	0	0	0	0	2,520	2,520	0.20%	0.20%	None
Independent Director	WU, CHIA HSUN (h)																							
Independent Director	WAN, GWO WEI (i)																							

Note 1: Represents director remuneration of NT\$21,927 thousand and employee remuneration of NT\$102,324 thousand approved by the Board of Directors for distribution.

Note 2: Refers to the 2025 remuneration received by directors concurrently serving as employees, including salaries, job allowances, various bonuses, various allowances, and provision of physical items such as company cars, as well as the compensation costs of restricted shares for employees.

Note 3: Pension refers to the allocation of defined benefit costs and the pension contributed monthly based on the total salary.

Note 4: The Company's director remuneration payment policies, systems, standards and structures, and describe the relationship with the amount of remuneration according to the responsibilities, risks, time invested and other factors: The amount of remuneration is determined in accordance with the Company's Articles of Incorporation and "Regulations Governing Remuneration to Directors." It also takes into account factors such as the Company's operating performance, the risk of future fluctuations in the industry economy, and other relevant risks the Company may face in its future operations. The remuneration is reviewed and approved by the Remuneration Committee and then submitted to the Board of Directors for a resolution on its allocation.

Note 5: Remuneration received for services rendered by the Company's director in the latest year (such as serving as a non-employee consultant for the parent company/all companies in the financial report/investees): None.

Range of remuneration paid to directors of the Company	Names of directors			
	Summation of the first 4 items (A+B+C+D)		Summation of the first 7 items (A+B+C+D+E+F+G)	
	The Company	All companies in the financial statements (H)	The Company	All companies in the financial statements (I)
Below NT\$1,000,000	(d) 、 (f) 、 (g) 、 (h) 、 (i)	(d) 、 (f) 、 (g) 、 (h) 、 (i)	(d) 、 (f) 、 (g) 、 (h) 、 (i)	(d) 、 (f) 、 (g) 、 (h) 、 (i)
NT\$1,000,000 (inclusive)–NT\$2,000,000 (exclusive)				
NT\$2,000,000 (inclusive)–NT\$3,500,000 (exclusive)				
NT\$3,500,000 (inclusive)–NT\$5,000,000 (exclusive)	(b) 、 (c) 、 (e)	(b) 、 (c) 、 (e)	(c)	(c)
NT\$5,000,000 (inclusive)–NT\$10,000,000 (exclusive)	(a)	(a)		
NT\$10,000,000 (inclusive)–NT\$15,000,000 (exclusive)				
NT\$15,000,000 (inclusive)–NT\$30,000,000 (exclusive)			(a) 、 (b) 、 (e)	(a) 、 (b) 、 (e)
NT\$30,000,000 (inclusive)–NT\$50,000,000 (exclusive)				
NT\$50,000,000 (inclusive)–NT\$100,000,000 (exclusive)				
Over NT\$100,000,000				
Total	9	9	9	9

(ii) Remuneration of supervisors: Not applicable.

(iii) General manager and vice president's remuneration

December 31, 2025

Unit: NT\$ thousand

Title	Name	Salary (A) (Note 1)		Pension (B) (Note 2)		Bonuses and allowances (C) (Note 1)		Employee Remuneration (D) (Note 3)				Sum of A, B, C, & D and its percentage to net profit after tax (%)		Remuneration from ventures other than subsidiaries or from the parent company
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
								Cash	Stock amount	Cash	Stock amount			
Chief Executive Officer	CHOU, WEI LIN (a)	26,155	26,155	1,393	1,393	21,514	21,714	45,994	0	45,994	0	95,056 7.59%	95,256 7.60%	None
Chairman of Strategic Investment Committee	HUANG, JEN HU (b)													
Chief Operating Officer	LEE, KUN CHAN (c)													
General Manager	YU, YAO KUO (d)													
Senior Vice President	HUNG, CHIN HAN (e)													
Vice President	LIAO, LI SHU (f)													
Vice President	HOU, CHIN HWA (g)													
Vice President	LAI, NAN CHUN (h)													

Note 1: Salaries, bonuses and special expenses include salaries, job allowances, various bonuses, various allowances, company cars, etc., and include the cost of restricted stock awards

Note 2: Pension refers to the allocation of defined benefit costs and the pension contributed monthly based on the total salary

Note 3: Represents employee remuneration of NT\$102,324 thousand approved by the Board of Directors for distribution

Note 4: Senior Vice President HUNG, CHIN HAN resigned on December 31, 2025

Note 5: Vice President LAI, NAN CHUN retired on November 30, 2025

Range of remunerations paid to general managers and vice presidents of the Company	Names of general managers and vice presidents	
	The Company	All companies in the financial statements E
Below NT\$1,000,000		
NT\$1,000,000 (inclusive)–NT\$2,000,000 (exclusive)		
NT\$2,000,000 (inclusive)–NT\$3,500,000 (exclusive)		
NT\$3,500,000 (inclusive)–NT\$5,000,000 (exclusive)	(h)	(h)
NT\$5,000,000 (inclusive)–NT\$10,000,000 (exclusive)	(e)、(f)、(g)	(e)、(f)、(g)
NT\$10,000,000 (inclusive)–NT\$15,000,000 (exclusive)		
NT\$15,000,000 (inclusive)–NT\$30,000,000 (exclusive)	(a)、(b)、(c)、(d)	(a)、(b)、(c)、(d)
NT\$30,000,000 (inclusive)–NT\$50,000,000 (exclusive)		
NT\$50,000,000 (inclusive)–NT\$100,000,000 (exclusive)		
Over NT\$100,000,000		
Total	8	8

(2) Names of managers who receive employee bonuses and distribution status

December 31, 2025; Unit: NT\$ thousand

	Title	Name	Stock amount	Amount of cash (Note)	Total	Percentage of total amount to net profits after tax (%)
Manager	Chief Executive Officer	CHOU, WEI LIN	0	52,339	52,339	4.18%
	Chairman of Strategic Investment Committee	HUANG, JEN HU				
	Chief Operating Officer	LEE, KUN CHAN				
	General Manager	YU, YAO KUO				
	Vice President	LIAO, LI SHU				
	Vice President	HOU, CHIN HWA				
	Financial Officer	HSU, SHU HUI				
	Controller	KU, HSIN PING				
	Assistant Vice President	LIN, TSAN WEI				
	Assistant Vice President	YANG, WEN CHI				
	Assistant Vice President	HSU, CHI PING				
	Assistant Vice President	LEE, PO YI				

Note: Represents employee remuneration of NT\$102,324 thousand approved by the Board of Directors for distribution

(3) Separately compare and describe total remuneration, as a percentage of net profit after tax stated in the parent company only financial reports, as paid by the Company and by each other company included in the consolidated financial statements during the latest 2 years to directors, supervisors, the general manager, and the vice president, and analyze and describe the policies, standards, and packages for the payment of remuneration, procedures for determining remuneration, and the correlation with operating performance and future risks

(i) Analysis of the percentages of the total amounts of remunerations paid to directors, supervisors, the general manager and the vice president by the Company and all companies in the consolidated financial statements to the net profit after tax of the unconsolidated financial statement in the latest two years.

Unit: NT\$ thousand

Item Title	The Company				All companies in the consolidated financial statements			
	2024		2025		2024		2025	
	Total amount	Percentage of total amount to net profits after tax	Total amount	Percentage of total amount to net profits after tax	Total amount	Percentage of total amount to net profits after tax	Total amount	Percentage of total amount to net profits after tax
Remuneration of directors	19,438	2.05%	24,567	1.96%	19,438	2.05%	24,567	1.96%
Remuneration of supervisors	-	-	-	-	-	-	-	-
Remuneration of general managers and vice presidents	88,690	9.37%	95,056	7.59%	88,840	9.38%	95,256	7.60%
Net profit after tax	946,798	-	1,252,670	-	946,798	-	1,252,670	-

Note 1: The total amount of remunerations of directors, general managers and vice presidents in 2025 is higher than that in 2024, mainly due to the increase in net profit after tax.

Note 2: The Company established the Audit Committee to replace the role of supervisors after the General Shareholders' Meeting held on July 22, 2021, hence no remuneration was paid to supervisors

(ii) Policies, standards, and packages for the payment of remuneration, procedures for determining remuneration, and the correlation with operating performance and future risks

(a) Director remuneration includes salary, travel expenses and director bonus:

Salaries are determined based on the industry standards. If a director concurrently holds the position within the Company, their remuneration for that position is determined by the Chairperson under the authorization of the Board of Directors in accordance following internal management regulations. The remuneration of the Chairperson and directors shall be determined by the Board of Directors upon a report submitted by the Remuneration Committee based on their level of participation in the Company's operations and the value of their contributions. Transportation expenses are determined by Board of Directors based on industry standards, and are disbursed according to Director's attendance at board meeting. Director remuneration is handled in accordance with the Company's Articles of Incorporation regulations. When the Company makes a profit in the year, no more than 3% will be allocated as Director remuneration. At the same time, it is based on its individual participation in the operation of the Company and performance evaluation as a whole. The considerations include the practice of the Company's core values and operational management capabilities, financial and business operation performance indicators and integrated management indicators, continuing education and participation in sustainable management, and the evaluation of other's special contributions or major negative events, which are included in the performance evaluation.

(b) Managerial officer remuneration includes salary, bonus and employee remuneration:

The salaries, bonuses, and employee remuneration of the Company's managerial officers are based on industry standards, scope of responsibilities, and contribution to the Company's overall operations, and performance, and are handled in accordance with the employee salary management measures and

relevant regulations set by the Company, in which the employee remuneration is handled in accordance with the Company's Articles of Incorporation. When the Company has a profit for the year, no less than 5% shall be allocated as employee remuneration (of which no less than 15% shall be allocated as non-managerial employee remuneration). At the same time, it is based on the overall consideration of his/her personal participation in the operation of the Company and performance evaluation. The considerations include the achievement of work performance goals, professional knowledge and potential, internal management and leadership, ESG sustainable management performance, and the measurement of other special contributions or major negative events, which are included in the performance evaluation.

- (c) The remuneration to directors and managers is proposed by the Company's Remuneration Committee and then submitted to the Company's Board of Directors for discussion and resolution.
- (d) In accordance with the Articles of Incorporation and the operation of the Board of Directors and the Remuneration Committee, the remuneration of directors and managerial officers shall be promptly reviewed based on their participation in the Company's operations and the value of their contributions. Besides, the possibility and relevance of future risks shall be minimized to strike a balance between sustainable operation and risk control. The Company has also purchased liability insurance for all directors and managers to mitigate unknown risks borne by the Company and transfer potential damages that may arise from directors' and managers' execution of their duties.
- (e) To realize the vision and strategy of sustainable development, starting from 2024, the Company has incorporated the Environmental, Social, and Governance (ESG) indicators into the performance evaluation of senior managers, and specifically linked ESG sustainable operation performance with compensation. This initiative aims to enhance the sense of responsibility and influence of senior management in promoting corporate sustainable development. By integrating ESG indicators into the compensation and reward mechanism, we aim to motivate the leadership team to actively assume social and environmental responsibilities while promoting stable corporate growth, thereby jointly creating a sustainable future for the Company.

Performance evaluation items for senior managers (vice presidents and above)

Performance indicators		Weight	Remarks
Strategic and management administration indicators (70%)		70%	<ul style="list-style-type: none"> ⊙ Achievement of performance targets ⊙ Professional knowledge and potential ⊙ Internal management and leadership
ESG sustainability management indicators (30%)	Environmental aspect	5%	<ul style="list-style-type: none"> ⊙ Energy and greenhouse gas management
	Social aspect	15%	<ul style="list-style-type: none"> ⊙ Procurement practices and safety ⊙ Customer service ⊙ Human rights
	Governance aspect	10%	<ul style="list-style-type: none"> ⊙ Corporate governance and ethical corporate management ⊙ Information security

3. Corporate governance implementation

(1) Operation of Board of Directors

In the most recent year, the Board of Directors convened a total of 6 meetings (A), with an average actual attendance rate of 98% for all directors. The attendance of directors is as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	Actual attendance rate (%) (B/A)
Chairperson	CHOU, WEI LIN	6	0	100
Vice Chairperson	LEE, KUN CHAN	6	0	100
Director	Zong Xin Investment Co., Ltd. Representative: HUANG, PEI CHING	6	0	100
Director	YU, YAO KUO	6	0	100
Independent Director	WU, CHIA HSUN	6	0	100
Independent Director	SU, MING YANG	5	1	83
Independent Director	HSU, HSOU CHUN	6	0	100
Independent Director	WAN, GWO WEI	6	0	100

Other matters required to be recorded:

I. If any of the following circumstances occur during the operation of the Board of Directors, the dates of the Board meetings, sessions, contents of motion, all independent directors' opinions and the Company's response should be specified:

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

As the Company has established an Audit Committee, Article 14-3 of the Securities and Exchange Act is not applicable. For relevant information, please refer to the "Audit Committee Operations" section of this Annual Report

(2) Other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution made by the Board of Directors:
None

II. For status of director recusal for proposals with conflicts of interest, the names of directors recused, proposal content, reason for recusal and voting status shall be specified:

Date and session of the meeting	Proposal content	Director(s) recused
2025.3.13 5th meeting of the 14th term	Proposal to approve the replacement of the official vehicle for the General Manager of the Company.	YU, YAO KUO
	Proposal to approve the release of the Company's independent director HSU, HSOU CHUN from non-competition restrictions.	HSU, HSOU CHUN
2025.5.7 7th meeting of the 14th term	Proposal to approve the 2024 remuneration distribution to the Company's directors.	CHOU, WEI LIN, LEE, KUN CHAN, YU, YAO KUO, HUANG, PEI CHING (Representative of Corporate Director of Zong Xin Investment Co., Ltd.), WU, CHIA HSUN, HSU, HSOU CHUN, SU, MING YANG, WAN, GWO WEI
	Proposal to approve the distribution of the 2024 employee remuneration for managerial officers of the Company.	CHOU, WEI LIN, LEE, KUN CHAN, YU, YAO KUO
	Proposal to approve the salary adjustment for the Company's managerial officers.	CHOU, WEI LIN, LEE, KUN CHAN, YU, YAO KUO
2025.11.12 10th meeting of the 14th term	Proposal to approve the adjustment of the year-end bonus distribution procedures for the Chairperson and managerial officers of the Company.	CHOU, WEI LIN, LEE, KUN CHAN, YU, YAO KUO
Reason for recusal: As the subject matter of the above proposals involves the personal interests of the recusing director, this matter was handled in accordance with Article 15 of the Company's Regulations Governing Procedure for Meetings of Board of Directors Voting status: The directors who shall recuse themselves have done so in accordance with the law, and the proposals were passed without objection as proposed after the chairperson or acting chairperson consulted all other attending directors		

III. The Board of Directors evaluation and implementation

Evaluation frequency	Evaluation period	Scope of evaluation	Evaluation method	Evaluation content
Once a year	2025/1/1-2025/12/31	The entire Board	Self-evaluation by the Board	<ol style="list-style-type: none"> 1. Participation in the operation of the Company 2. Improvement of the decision-making quality of the Board 3. Composition and structure of the Board 4. Selection and continuing education of directors 5. Internal control
Once a year	2025/1/1-2025/12/31	Individual Board members	Self-evaluation by Board members	<ol style="list-style-type: none"> 1. Alignment of the goals and missions of the Company 2. Director's awareness of duties 3. Participation in the operation of the Company 4. Internal relationship management and communication 5. Expertise and continuing education of directors

				6. Internal control
Once a year	2025/1/1-2025/12/31	Remuneration Committee	Self-evaluation by the Committee	<ol style="list-style-type: none"> 1. Participation in the operation of the Company 2. Awareness of the duties of the Remuneration Committee 3. Improvement of the decision-making quality of the Remuneration Committee 4. Composition of the Remuneration Committee and selection of its members 5. Internal control
Once a year	2025/1/1-2025/12/31	Audit Committee	Self-evaluation by the Committee	<ol style="list-style-type: none"> 1. Participation in the operation of the Company 2. Awareness of the duties of the Audit Committee 3. Improvement of the decision-making quality of the Audit Committee 4. Composition of the Audit Committee and selection of its members 5. Internal control
Triennially	2023/11/1-2024/10/31	The entire Board	Engagement of external professional institution, Taiwan Institute of Ethical Business	<ol style="list-style-type: none"> 1. Board's professionalism (composition and structure of the Board, selection and continuing education of directors) 2. Board's decision-making (participation in the operation of the Company, improvement of the quality of the Board's decision-making) 3. The importance and supervision of internal control by the Board 4. The Board's attitude towards sustainable management

The overall average scores for the internal self-evaluation of the Board, self-evaluation of Board members, internal self-evaluation of the Remuneration Committee, and internal self-evaluation of the Audit Committee are 4.89, 4.93, 4.95, and 4.91 respectively (all scores are out of a maximum of 5), indicating that the operation of the Board and functional committees are positively evaluated.

The 2025 performance evaluation of the Board and functional committees were approved by the Board on March 2, 2026.

The 2024 Board performance evaluation commissioned to an external professional institution (conducted once every three years) was approved by the Board on November 6, 2024.

IV. Goals for strengthening the functions of the Board of Directors in the current year and the most recent year, along with evaluations of their implementation are as follows:

- (1) To improve the attendance rate of the Board and its functional committees, it is recommended that in the event a director is temporarily unable to attend a meeting of the Board, Remuneration Committee, or Audit Committee, attendance may be conducted via video conference in addition to attendance by proxy.
- (2) With respect to material proposals, it is recommended that directors and independent directors

be invited to communicate with the management team prior to the Board meeting as necessary.

- (3) To enhance the diversity of the composition of the Board, when evaluating the candidates for directorships in the future, it is recommended to consider gender balance, and appoint members of the Board of Directors with diverse professional backgrounds.

(2) Operation of the Audit Committee

1. Professional qualifications and experience of independent directors

Please refer to relevant information in (1) "Information on directors", Item 1 "Information on directors, supervisors, general manager, vice presidents, assistant vice presidents, and the chiefs of all divisions and branch units" of Section II "Corporate Governance Report".

2. Key work areas

To strengthen the oversight responsibilities and management mechanisms of the Board of directors, the Company established the Audit Committee on July 22, 2021. The Committee currently consists of four independent directors and meets at least once per quarter.

The annual work focus of the Audit Committee is to assist the Board of directors in fulfilling its oversight of the quality and integrity of the Company's accounting, auditing, financial reporting processes, and financial controls. The primary matters for deliberation in 2025 are as follows:

- (1) Review the fair presentation of the quarterly and annual financial reports
- (2) Appoint, approve remuneration, and assess the independence and suitability of the certified public accountants
- (3) Revise the internal control system
- (4) Assess the effectiveness of the internal control system
- (5) Offering and issuance of equity-type securities
- (6) Audit plan

A total of 6 meetings (A) of the Audit Committee were held in the most recent year. The attendance of the independent directors was as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	Actual attendance rate (%) (B/A)
Independent Director	WU, CHIA HSUN	6	0	100
Independent Director	SU, MING YANG	5	1	83
Independent Director	HSU, HSOU CHUN	6	0	100
Independent Director	WAN, GWO WEI	6	0	100

Other matters required to be recorded:

I. If any of the following circumstances exists, specify the date and session of the Audit Committee meeting, content of the motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of Audit Committee resolutions, and the measures taken by the Company based on the opinions of the Audit Committee:

(1) Any matters under Article 14-5 of the Securities and Exchange Act:

Date and session of the meeting	Resolutions
2025.3.13 5th meeting of the 2nd term	<ol style="list-style-type: none"> 1. Resolution to approve the Company's 2024 parent company only financial statements, consolidated financial statements and business reports. 2. Resolution to approve the CPA appointment for audit or review of the Company's 2025 financial statements and professional fee thereof. 3. Resolution to approve the Company's 2024 earning appropriation proposals. 4. Resolution to approve the amendment to the Company's 2025 "Internal Control System" and "Internal Audit Implementation Rules". 5. Resolution to approve the Company's 2024 "Internal Control System Effectiveness Assessment" and "Statement of Internal Control System".
2025.4.23 6th meeting of the 2nd term	<ol style="list-style-type: none"> 1. Resolution to approve the authorization of the Chairperson to determine matters related to the first issuance of 2023 restricted shares for employees.
2025.5.7 7th meeting of the 2nd term	<ol style="list-style-type: none"> 1. Resolution to approve the Company's 2025 Q1 consolidated financial statements.
2025.7.15 8th meeting of the 2nd term	<ol style="list-style-type: none"> 1. Resolution to approve the share exchange cooperation by means of the Company issuing new shares through a capital increase as consideration for the acquisition of newly issued shares of WT Microelectronics Co., Ltd.
2025.8.6 9th meeting of the 2nd term	<ol style="list-style-type: none"> 1. Resolution to approve the Company's 2025 Q2 consolidated financial statements.
2025.11.12 10th meeting of the 2nd term	<ol style="list-style-type: none"> 1. Resolution to approve the Company's 2025 Q3 consolidated financial statements. 2. Resolution to approve the application for the retroactive public offering and listing for trading of the Company's 2022 private placement of common shares. 3. Resolution to approve the Company's "2026 Audit Plan".

Independent directors' objections, reservations or significant recommendations: None.

Resolutions made by the Audit Committee: The Chair consulted all attending members and the proposals were passed as proposed without objection.

The Company's response to the Audit Committee's opinions: Not applicable.

(2) In addition to the matters referred to above, any matter that was not approved by the Audit Committee but was approved by two-thirds or more of all directors: None.

II. For status of independent director recusal for proposals with conflicts of interest, the names of directors recused, proposal content, reason for recusal and voting status shall be specified:
None.

III. Communication between the independent directors and the internal audit officer and the CPAs that serve as external auditor (including any significant matters communicated about with respect to the state of the company's finances and business and the method(s) and outcomes of the communication):

(1) Communication between independent directors and CPAs

1, The CPAs attended the Audit Committee at least twice a year to report the audit results of the annual and interim financial statements

2. When necessary, the independent directors were able to liaise and fully communicate with the CPAs at any time.

3. Matters discussed by the independent directors and CPAs:

Meeting date	Communication matters	Communication results
2025.3.13	i. Audit method and scope, key audit matters, explanation of material investment matters, and type and content of the audit report for the financial statements for 2024. ii. Application of new laws, regulations, and standards. (Separate meeting)	No objection
2025.8.6	i. Type and content of the review report for the consolidated financial statements for Q2 2025. ii. Application of new laws, regulations, and standards. (Separate meeting)	No objection

The Company and independent directors communicate on matters including the scope and timing of the audit, audit findings and conclusions planned by key audit matters of the annual financial statements, and the impact of the statutory amendments on the Company. They also ensure that personnel of the accounting firm subject to the independence norms comply with the statement of independence in the International Code of Ethics for Professional Accountants (IESBA Code). The Company's CPAs and independent directors have maintained good communication.

(2) Communication between independent directors and internal audit officer

1. Independent directors held discussions with the internal audit officer every six months and communicated with them at any time as appropriate. The internal audit officer reported to the independent directors on important audit matters of the Company and maintained good communication on the implementation and effectiveness of the audit business. Summary of separate communications between the independent directors and internal audit officer:

Meeting date	Communication matters	Communication results
2025.5.7	Report on the results of audit operation for March 2025.	No objection
2025.11.12	1. Report on the results of audit operation for July-September 2025. 2. 2026 Audit Plan.	No objection

- 2、The internal audit officer delivered the audit report to the independent director for review before the end of the month following the completion of the audit, and the independent directors did not express any objection.
- 3、The internal audit officer attended the Company's Board meeting and made an audit business report, and the independent directors did not express any objection.

(3) Implementation status of corporate governance, deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof

Evaluation Item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Yes	No	Summary	
I. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company has established the Corporate Governance Best Practice Principles in 2017, and remains attentive to updates in laws and regulations to strengthen its organizational structure. This information is disclosed on the Company's website. All relevant operations are carried out in accordance with relevant important regulations.	No discrepancies
II. Shareholding structure & shareholders' equity (I). Does the Company have internal operating procedures for handling shareholders' suggestions, concerns, disputes and litigation matters, and have these procedures been implemented accordingly?	✓		(I). The Company has designated personnel to handle shareholder suggestions, doubts and disputes to ensure shareholders' rights and equity.	No discrepancies
(II). Does the Company maintain a register of major shareholders who have actual control over the Company and a register of ultimate controllers of these major shareholders?	✓		(II). The Company has, other than engaging a professional shareholder services agent, dedicated personnel responsible for tracking the list of major shareholders who have actual control over the Company.	No discrepancies
(III). Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	✓		(III). The Company has established the Rules Governing Financial and Business Matters Between this Corporation and its Related Parties and related internal control systems as part of the risk control mechanisms with affiliated companies.	No discrepancies

Evaluation Item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Yes	No	Summary	
(IV).Has the Company establish internal rules prohibiting insider trading of securities based on undisclosed information?	✓		<p>(IV).The Company has established "Procedures for Handling Material Inside Information" and "Insider Trading Rules" to avoid improper leakage of undisclosed information, and to inform insiders of relevant insider trading laws and regulations. The Company regularly provides education and advocacy on "Insider Trading Rules" and related laws and regulations to its directors, managerial officers, and employees. When new directors and managerial officers take office, the Shareholder Services Department conducts education and dissemination of relevant laws and regulations. When new employees arrive at work, they are guided by other employees to conduct education and dissemination of relevant laws and regulations on the online platform.</p> <p>The Company notified each directors and managerial officers via e-mail before the end of each quarter regarding the periods during which trading of the company's shares is prohibited in the following quarter, to prevent insiders from inadvertently violating the Securities and Exchange Act and other equity-related laws and regulations. The relevant periods are as follows:</p> <p>1、Within 18 hours before or after the announcement of</p>	No discrepancies

Evaluation Item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Yes	No	Summary	
			<p>monthly consolidated revenue.</p> <p>2、15 days before the announcement of the quarterly financial statements.</p> <p>3、30 days before the announcement of the annual financial statements.</p>	
<p>III. Composition and responsibilities of the Board of Directors</p> <p>(I). Have diversity policy and specific management objectives been adopted for the Board and have they been fully implemented?</p> <p>(II). Has the Company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?</p> <p>(III). Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(I). All members of the Board shall have the knowledge, skills, and experience necessary to perform their duties. Board's member diversity policy, specific management objectives and implementation status (see p. 12 for details).</p> <p>(II). The Company has established a Remuneration Committee and an Audit Committee in accordance with the law, and each department is responsible for its own corporate governance operations.</p> <p>(III). The Company has established the Self-Evaluation or Peer Evaluation of the Board of Directors in 2020, conducts regular internal Board performance evaluations annually, reports evaluation results to the Board, and uses these results as references for individual director remuneration and nomination for reappointment. The 2025 performance evaluation of the Board of Directors has been reported to the Board on March 2, 2026. Additionally, the regulations were also amended in</p>	<p>No discrepancies</p> <p>The Company will establish other functional committees as necessary in the future.</p> <p>No discrepancies</p>

Evaluation Item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Yes	No	Summary	
<p>salary/compensation for individual directors and their nomination and additional office terms?</p> <p>(IV).Does the Company regularly evaluate the independence of CPAs?</p>	✓		<p>2024 to require external evaluation at least once every three years. The external evaluation of the Board of Directors for 2024 has been reported to the Board on November 6, 2024.</p> <p>(IV). The Company regularly (at least once a year) evaluates the independence and suitability of the appointed accountants with reference to the audit quality indicators (AQIs), and the appointment of CPAs is resolved in Board meetings (see p. 44 for details).</p>	No discrepancies
<p>IV. Does the Company have a suitable and appropriate number of corporate governance personnel, and designate a corporate governance officer to be responsible for corporate governance-related matters (including but not limited to providing director and supervisors with information required to perform their business, assisting director, supervisors to comply with laws and regulations, handling matters related to the meetings of Board of Directors and shareholders' meeting in accordance with the law, and making Board of Directors and shareholders' meeting minutes)?</p>	✓		<p>Vice President HOU, CHIN HWA has served as the Company's Corporate Governance Officer since December 1, 2025, and is assisted by the Board's meeting affairs unit to handle corporate governance-related matters, including but not limited to providing the necessary information for directors to perform their duties, assisting directors in complying with laws, handling matters related to Board meetings and shareholders' meetings in accordance with the law, and preparing the minutes of the Board meetings and shareholders' meetings, etc. The Corporate Governance Officer is expected to complete 18 hours of continuing education courses within one year from the date of assuming this position.</p>	No discrepancies
<p>V. Does the Company establish a communication channel and build a designated section on its website for</p>	✓		<p>The Company has established a spokesperson system and a communication channel with stakeholders. The Company's website includes a stakeholder section</p>	No discrepancies

Evaluation Item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Yes	No	Summary	
stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?			designed to appropriately respond to stakeholder inquiries and suggestions. The status of communication with stakeholders shall be reported to the Board of Directors at least once a year.	
VI. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholders' meetings?	✓		The Company has appointed a professional shareholder services agent, Shareholder Services Department of Yuanta Securities Co., Ltd., to handle matters related to shareholders' meetings.	No discrepancies
VII. Information disclosure (I). Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status?	✓		(I) The Company's website is maintained and updated by dedicated personnel, and information related to the Company's finance and corporate governance is available for shareholders and the general public.	No discrepancies
(II). Has the Company adopted other information disclosure channels (e.g., building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, and webcasting investor conferences), etc.)?	✓		(II) The Company has appointed dedicated personnel responsible for collecting and disclosing company information, established a spokesperson system, created both Chinese and English company websites, simultaneously releases major announcements in Chinese and English, and publishes annual reports and meeting handbooks in both languages to ensure timely and appropriate disclosure of information that may affect shareholders' and stakeholders' decisions. The Company periodically participates in or convenes investor conferences, and all information is disclosed on the Market Observation Post System and the Company's website.	No discrepancies

Evaluation Item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Yes	No	Summary	
(III). Does the Company publish and report its annual financial statements within two months after the end of a fiscal year, and publish and report its financial statements for the first, second and third quarters as well as its operating status for each month before the specified deadline?		✓	(III) The Company announces and reports its annual financial statements and its financial statements for the first, second and third quarters as well as its operating status for each month before the specified deadline in accordance with Article 36 of the Securities and Exchange Act.	There are slight differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, which still comply with the requirements of the Securities and Exchange Act.
VIII. Is there any other method to facilitate a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee care, investor relations, supplier relations, rights of stakeholders, director and supervisor training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?				
(I). Employee rights and care	✓		(I). In addition to establishing a joint Employee Welfare Committee with subsidiaries, the Company has also implemented the pension system and provided measures such as year-end bonuses, while creating a healthy and safe working environment for employees, protecting the legal rights and interests of employees in accordance with the Labor Standards Act and other relevant laws and regulations, and holding regular labor-management meetings; furthermore, the Company is highly cautious when processing the basic personal data of employees and does not disclose the personal privacy of employees unless required by government laws and regulations; the Company also provides group insurance for employees and arranges regular health examinations, values labor-management relations, and	No discrepancies

Evaluation Item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Yes	No	Summary	
			<p>provides equal employment opportunities.</p> <p>The Group values employee feedback and regards employees as the core force for driving sustainable development and enhancing operational competitiveness. To more comprehensively understand employees' perceptions regarding aspects such as the work environment, management systems, career development, and corporate culture, the Group's human resources unit coordinated an employee satisfaction survey in 2025, which serves as an important basis for reviewing the organizational status and formulating improvement measures. The employee participation rate for this survey was 76%, with a total of 240 participants. The content covered seven major aspects and was presented in quantitative scores.</p> <p>1、Key survey results</p> <p>(1) Overall satisfaction maintained at a good level</p> <p>The average scores for the seven major aspects in this survey ranged from 3.63 to 4.35, all falling within the range of "close to satisfied to satisfied", indicating a positive overall perception among employees, of which:</p> <p>①Social participation and public welfare (score of 4.35)</p> <p>This was the highest-scoring aspect, indicating that the employees highly identify with the</p>	

Evaluation Item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Yes	No	Summary	
			<p>Company's long-term commitment to public welfare activities and ESG promotion strategies.</p> <p>②Information transparency and internal governance (score of 4.08) Reflects a high level of trust among employees in the management system, decision-making structure, and information disclosure.</p> <p>③Health care and occupational safety and health (score of 3.98) Shows that employees are generally satisfied with the work environment, safety equipment, and health promotion measures.</p> <p>(2) Talent development and sound communication mechanisms</p> <p>①Talent training and learning and development (score of 3.74) Employees believe that education and training, learning resources, and career development support are all effective.</p> <p>②Communication and grievance channels (score of 3.91) This shows that formal and informal communication mechanisms are smooth and that employees have a high level of trust in the grievance channels</p>	

Evaluation Item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Yes	No	Summary	
			<p>and feedback handling processes.</p> <p>(3) Compensation and benefits are competitive and continuously optimized</p> <p>① Compensation and reward management (score of 3.63) Employees generally consider the Company's salary levels, holiday bonuses, and reward systems to be market-competitive, while further adjustments and optimizations may continue to be made in the future.</p> <p>② Employee welfare and friendly policies (score of 3.89) Reflects employees' affirmation of the Company's welfare measures, friendly work environment, and support for work-life balance.</p> <p>2、Follow-up enhancement and improvement measures To continuously enhance employee experience and organizational competitiveness, the Company proposes the following improvement areas based on the results of this survey:</p> <p>(1) Optimize compensation and reward management</p> <p>① Periodically review the salary structure and external market levels to</p>	

Evaluation Item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Yes	No	Summary	
			<p>enhance compensation competitiveness.</p> <p>②Improve the mechanism linking performance and rewards to enhance the transparency and predictability of bonus distribution.</p> <p>(2) Strengthen friendly workplace and welfare measures</p> <p>①Gradually enhance relevant benefits such as healthcare, family support, and body and mind balance.</p> <p>②Evaluate more flexible leave and working hour arrangements to foster a friendly work culture.</p> <p>(3) Deepen healthcare and occupational safety and health management</p> <p>①Continuously refine management measures such as occupational safety and health risk prevention, equipment inspections, and education and training.</p> <p>②Promote follow-up tracking of health examinations and health promotion programs to support the physical and mental health of employees.</p> <p>(4) Expand talent training and learning resources</p> <p>①Plan systematic courses based on functional requirements and career stages to strengthen key competencies.</p> <p>②Establish more cross-</p>	

Evaluation Item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Yes	No	Summary	
			<p>departmental and online learning channels to encourage self-directed learning and knowledge sharing.</p> <p>(5) Optimize communication and grievance mechanisms</p> <p>① Strengthen training for supervisors in communication skills and employee care techniques.</p> <p>② Maintain diverse and anonymous channels for grievances and feedback to ensure that employee opinions can be responded to in a timely manner.</p> <p>(6) Continue to promote ESG and public welfare participation</p> <p>① Extend existing public welfare projects and encourage employee volunteer participation to deepen the CSR culture.</p> <p>② Regularly disclose ESG promotion results to enhance employee identification with the Company and its corporate image.</p> <p>(7) Strengthen information transparency and corporate governance</p> <p>① Explain important systems and policies through internal announcements, briefing sessions, and education and training.</p> <p>② Regularly review the</p>	

Evaluation Item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Yes	No	Summary	
(II). Investor relations	✓		<p>current system based on the indicators of Corporate Governance Evaluation to enhance the transparency and fairness of decision-making and information disclosure.</p> <p>(II) The Company has set up a shareholder services unit to handle investor relations and shareholders' suggestions. In addition, the Company honestly discloses its corporate information pursuant to the laws and regulations in order to protect the rights and interests of investors, thus fulfilling its corporate responsibility to shareholders.</p>	No discrepancies
(III). Supplier relations	✓		<p>(III) The Company regularly reviews the validity of suppliers' certifications, and gives recognition to suppliers with excellent ratings, so that both parties can support each other to create a win-win situation. We regularly sign procurement contracts to protect company interests, periodically hold seminars to obtain the latest product information for marketing purposes, hold monthly regular meetings for mutual communication and understanding of market trends, and hold irregular meetings to promptly discuss strategies in response to market conditions. The Company maintains open communication channels and good relationships with suppliers.</p>	No discrepancies
(IV). Stakeholder rights	✓		<p>(IV) The Company has a stakeholder section on the Company's website, and maintains open communication channels with</p>	No discrepancies

Evaluation Item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Yes	No	Summary	
			banks and other creditors, shareholders, employees, customers, suppliers, and other relevant stakeholders, respecting their legitimate rights. In addition, the Company also engages professional shareholder services agent to assist in handling matters related to shareholders and the Company's stakeholders and provides advices. In addition, the Company employs a legal counsel to handle legal issues consults with legal counsel for advice and invites professional instructors or legal personnel to take care of the issues in order to protect the rights of stakeholders. The status of communication with stakeholders shall be reported to the Board of Directors at least once a year.	
(V). Trainings for directors and supervisors	✓		(V) The Company's directors all possess professional backgrounds and have completed the refresher courses in accordance with the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies. In addition, the Company also provides relevant training information from time to time for reference. This training information is as follows, and has been entered into the Market Observation Post System in accordance with the regulations (see p. 46 for details).	No discrepancies
(VI).Implementation of risk management policies and risk measurement standards	✓		(VI) In order to strengthen cybersecurity risk management, the Company has set up a dedicated information security unit, built an information security	No discrepancies

Evaluation Item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Yes	No	Summary	
(VII). Implementation of policies on customer relations	✓		<p>risk management framework, formulated information security policies and specific management plans, and regularly reviews information security policies to ensure information security. The Company's specific information security management plans can be divided into preventive measures, daily operations maintenance, and information security incident handling based on when information security incidents occur.</p> <p>(VII) The Company has set up a marketing & sales department and a sales support department to provide product services to customers and answer their questions, maintaining a smooth communication channel with customers, and strictly comply with the relevant contract terms signed with customers and ensure the rights and interests of customers, and maintain good relationships with customers. In addition, the Company has established operating bases in Mainland China and overseas local markets in response to customer requirements, so as to provide local services to customers and shorten delivery lead times.</p>	No discrepancies
(VIII). Purchase of liability insurance for directors and supervisors	✓		<p>(VIII) The Company has purchased liability insurance for its directors and key employees with a coverage of US\$10 million. The key details of the insurance have been submitted to the Board of Directors on May 7, 2025. Furthermore, the insurance policy has not yet expired as of the date of this annual report. The Company will complete the</p>	No discrepancies

Evaluation Item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Yes	No	Summary	
			renewal process before its expiry date and will submit the key details of the policy to the most recent Board of Directors meeting.	
<p>IX. Please explain the improvements which have been made in accordance with the Corporate Governance Evaluation Results released by the Corporate Governance Center, Taiwan Stock Exchange Corporation (TWSE), and provide the priority enhancement measures.</p> <p>(1) Improvements made:</p> <ol style="list-style-type: none"> 1、The Company has formulated a "Plan to Enhance Corporate Value", which was submitted to and approved by the Board of Directors on November 12, 2025. The relevant information was disclosed in the "Corporate Value Enhancement Plan Section" of the Market Observation Post System before the end of 2025. 2、The Company has formulated an employee training and development plan to enhance the career capabilities of its employees, and has disclosed the content and implementation status thereof on the Company's website. 3、The Company periodically conducts internal employee satisfaction surveys and discloses the implementation status and improvement plans thereof on the Company's website. 4、The Company has established a personal data protection policy and disclosed its content and implementation status on the Company's website. <p>(2) Priority enhancement items for not-yet-improved matters:</p> <p>Greenhouse gas carbon reduction targets, strategies, and action plans for 2030 have not yet been formulated, and will be planned and established in the future as circumstances require.</p>				

Note 1: Evaluation of the independence and suitability report of the CPAs engaged by the Company.

1. Legal requirements

- (1) According to the provisions of Article 29 of the Corporate Governance Best Practice Principles for TSEC/GTSM Listed Companies, the Company shall choose a professional, responsible and independent visa accountant to regularly check the Company's financial status and internal control.

The Company shall regularly (at least once a year) evaluate the independence and suitability of the appointed CPAs with reference to the AQIs. In the event that the Company engages the same CPA without replacement for seven years consecutively, or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the Company shall evaluate the necessity of replacing the CPA and submit its conclusion to the Board of Directors.

- (2) According to Article 68 of the Taiwan Standards on Quality Management 1 (TWSQM 1) Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, the chief accountant should be rotated after a certain period (usually no more than seven years), and at least a certain period (usually no less than two years) must be separated before returning.

2. Evaluation contents

- (1) Evaluation of the relationship between the CPAs and the Company

The independence and suitability evaluation items are formulated in accordance with the independence requirements stipulated Article 47 of the Certified Public Accountant Act and the provisions of the Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China No.10 "Independence in Audit and Review Engagements", as follows:

Item	Evaluation Item	Yes	No
1	The CPA is not employed by the Company or its associates for regular work, receives a fixed salary, or serves as a director or supervisor	✓	
2	The CPA does not have a relationship with the Company's or its affiliated enterprises' responsible persons or managers as a spouse, direct blood relative, direct relative by marriage, or collateral blood relative within the second degree of kinship	✓	
3	The CPA, his/her spouse, and his/her minor children do not hold any shares in the Company	✓	
4	The CPA does not have a direct or material indirect financial interest in the Company or its affiliated enterprises	✓	
5	The non-audit services provided by the CPA to the Company or its affiliated enterprises will not directly affect the results of the	✓	
6	The CPA is not subject to any of the circumstances stipulated in Article 30 of the Company Act	✓	
7	The CPA has not been disciplined by the competent authorities or the CPA associations, or penalized pursuant to the provisions of Paragraph 3, Article 37 of the Securities and Exchange Act	✓	
8	The CPA is not involved in the management functions of the Company or its affiliated enterprises to make decisions	✓	
9	The CPA possesses CPA qualifications and is eligible to practice as a certified public accountant	✓	
10	The CPA has not provided the Company with audit services for seven consecutive years	✓	
11	The Company has reviewed the AQIs report to evaluate the independence and suitability of the CPA	✓	

- (2) The Company has not retained the same CPA for seven consecutive years, nor has the accountant been subject to disciplinary actions or circumstances that would impair independence. The Company's certifying accountants and their audit opinions for the past seven years are listed below:

Year	Name of accounting firm	Name of CPA	Auditor's opinion
2019	Deloitte & Touche	SHIH, CHING PIN and CHIANG, MING NAN	Unqualified opinion
2020	Deloitte & Touche	SHAO, CHIH MING and WONG, YA LING	Unqualified opinion
2021	Deloitte & Touche	SHAO, CHIH MING and WONG, YA LING	Unqualified opinion
2022	Deloitte & Touche	SHAO, CHIH MING and WONG, YA LING	Unqualified opinion
2023	Deloitte & Touche	SHAO, CHIH MING and WONG, YA LING	Unqualified opinion

2024	Deloitte & Touche	SHAO, CHIH MING and WONG, YA LING	Unqualified opinion
2025	Deloitte & Touche	SHAO, CHIH MING and WONG, YA LING	Unqualified opinion

- (3) The Company has submitted the results of the evaluation of the independence and suitability of the CPAs in the most recent year and as of the publication date of the annual report, respectively, to the Board of Directors on March 13, 2025 and March 2, 2026, to resolve on the proposal of its appointment.

Note 2: Directors' continuing education in 2025

Title	Name	Training date	Organizer	Course name	Training hour
Chairperson	CHOU, WEI LIN	2025/07/31	TWSE	2025 Taiwan's Capital Market Summit	3 hrs
		2025/08/06	Accounting Research and Development Foundation	Legal Compliance and Empirical Cases of the Fair Trade Act	3 hrs
		2025/11/12	Accounting Research and Development Foundation	Practices and Case Studies of Workplace Bullying and Gender Equality & Human Rights	3 hrs
Vice Chairperson	LEE, KUN CHAN	2025/08/06	Accounting Research and Development Foundation	Legal Compliance and Empirical Cases of the Fair Trade Act	3 hrs
		2025/11/12	Accounting Research and Development Foundation	Practices and Case Studies of Workplace Bullying and Gender Equality & Human Rights	3 hrs
Director	YU, YAO KUO	2025/08/06	Accounting Research and Development Foundation	Legal Compliance and Empirical Cases of the Fair Trade Act	3 hrs
		2025/11/12	Accounting Research and Development Foundation	Practices and Case Studies of Workplace Bullying and Gender Equality & Human Rights	3 hrs
Representative of Corporate Director	HUANG, PEI CHING	2025/08/06	Accounting Research and Development Foundation	Legal Compliance and Empirical Cases of the Fair Trade Act	3 hrs
		2025/11/12	Securities and Futures Institution	Practices and Case Studies of Workplace Bullying and Gender Equality & Human Rights	3 hrs
Independent Director	WU, CHIA HSUN	2025/07/09	TWSE	2025 Cathay Sustainable Finance and Climate Change Summit	6 hrs

Title	Name	Training date	Organizer	Course name	Training hour
		2025/07/25	Securities and Futures Institution	2025 Promoting Compliance with Insider Trading Regulations Session	3 hrs
		2025/08/06	Accounting Research and Development Foundation	Legal Compliance and Empirical Cases of the Fair Trade Act	3 hrs
		2025/10/03	Securities and Futures Institution	2025 Prevent Insider Trading Seminar	3 hrs
		2025/11/12	Accounting Research and Development Foundation	Practices and Case Studies of Workplace Bullying and Gender Equality & Human Rights	3 hrs
Independent Director	SU, MING YANG	2025/08/06	Accounting Research and Development Foundation	Legal Compliance and Empirical Cases of the Fair Trade Act	3 hrs
		2025/11/12	Accounting Research and Development Foundation	Practices and Case Studies of Workplace Bullying and Gender Equality & Human Rights	3 hrs
Independent Director	HSU, HSOU CHUN	2025/08/06	Accounting Research and Development Foundation	Legal Compliance and Empirical Cases of the Fair Trade Act	3 hrs
		2025/10/27	Accounting Research and Development Foundation	IFRS 18 "Presentation and Disclosure in Financial Statements": Standard and Practical Analysis	6 hrs
		2025/11/12	Accounting Research and Development Foundation	Practices and Case Studies of Workplace Bullying and Gender Equality & Human Rights	3 hrs
Independent Director	WAN, GWO WEI	2025/08/06	Accounting Research and Development Foundation	Legal Compliance and Empirical Cases of the Fair Trade Act	3 hrs
		2025/11/12	Accounting Research and Development Foundation	Practices and Case Studies of Workplace Bullying and Gender Equality & Human Rights	3 hrs

(4) Composition and operation of the Company's Remuneration Committee

In accordance with the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange established by the FSC, the Board of Directors has approved the establishment of the Company's Remuneration Committee, the establishment of the Remuneration Committee Charter and the appointment of four members of the Remuneration Committee at the Board meeting on December 12, 2011.

(i) Information on members of the Remuneration Committee

March 24, 2026

Capacity	Qualifications	Professional qualifications and experience	Independence analysis	No. of other publicly listed companies at which the person concurrently serves as remuneration committee member
	Name			
Independent Director (Convener)	WU, CHIA HSUN	Note		2
Independent Director	SU, MING YANG			0
Independent Director	HSU, HSOU CHUN			1
Independent Director	WAN, GWO WEI			0

Note: For the professional qualifications, experience, and independence of independent directors, please refer to relevant information in (1) "Information on directors", Item 1 "Information on directors, supervisors, general manager, vice presidents, assistant vice presidents, and the chiefs of all divisions and branch units" of Section II "Corporate Governance Report".

(ii) Operation of the Remuneration Committee

a. The Company's Remuneration Committee has a total of four members.

b. The term of office of the current members: August 7, 2024, to June 24, 2027. The Remuneration Committee held four meetings (A) in the most recent year. The qualifications and attendance of the members are as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	Actual attendance rate (%) (B/A)	Remarks
Convener	WU, CHIA HSUN	4	0	100	Reappointed on August 7, 2024
Member	SU, MING YANG	3	1	75	Reappointed on August 7, 2024
Member	HSU, HSOU CHUN	4	0	100	Reappointed on August 7, 2024
Member	WAN, GWO WEI	4	0	100	Newly appointed on August 7, 2024

Other matters required to be recorded:

1. Scope of duties and responsibilities of the Remuneration Committee:

- (1) To review and propose amendments to the "Remuneration Committee Charter" on a regular basis.
- (2) To establish and regularly review the policies, systems, standards and structures of performance evaluation criteria, annual and long-term performance objectives and remuneration of the Company's directors and managerial officers.
- (3) To periodically evaluate the achievement of the performance targets of the Company's directors and managerial officers, and to determine the content and amount of their own individual remuneration based on the evaluation results of the performance evaluation criteria.

2. Key work areas for the year:

The annual work focus of the Remuneration Committee aims to assist the Board of Directors in fulfilling its oversight of the planning, review, and implementation of the Company's compensation governance, managerial officer remuneration system, and policies related to director remuneration, ensuring the reasonableness, fairness, and market competitiveness of the Company's remuneration systems. The main matters for deliberation are as follows:

- (1) Review and amend the appropriateness and timeliness of the Company's policies, operating procedures, and related forms for the remuneration of managerial officers.
- (2) Review the expensing ratio and related distribution plans for the annual employee and director remuneration of the Company.
- (3) Review the salary structure and salary adjustment plans for managerial officers to ensure alignment with the Company's operating performance and long-term development.
- (4) Review the reasonableness of managerial officers' pension, welfare benefits, or other remuneration.
- (5) Review the allocation list, vesting conditions, and employee contribution assessment matters for restricted shares for employees.

3. The Remuneration Committee held four meetings in the most recent year to discuss the following matters:

Session and date	Proposal content
2nd meeting of the 6th term March 13, 2025	<ol style="list-style-type: none"> 1. Proposal for the revisions and amendments to the Company's managerial officer compensation-related regulations. 2. Proposal for the distribution of the Company's 2024 employee and director remuneration. 3. Proposal for the provision and expensing ratio for employee and director remuneration of the Company in 2025. 4. Proposal for the replacement of the official vehicle for the General Manager of the Company.
3rd meeting of the 6th term April 23, 2025	List of employees (managerial officers) granted the Company's first issuance of 2023 restricted shares for employees.
4th meeting of the 6th term May 7, 2025	<ol style="list-style-type: none"> 1. Proposal for the distribution of the Company's 2024 director remuneration. 2. Proposal for the distribution of the Company's 2024 employee remuneration to managerial officers. 3. Proposal for the salary adjustment of the Company's managerial officers
5th meeting of the 6th term November 12,	<ol style="list-style-type: none"> 1. Proposal for the amendments to the Company's regulations governing the remuneration of managerial officers. 2. Proposal for the adjustment of the year-end bonus distribution

2025	<p>procedures for the Chairperson and managerial officers of the Company.</p> <p>3. Proposal for the severance pay for the managerial officers of the Company.</p> <p>4. Proposal for the vesting of the first issuance of 2022 restricted shares for employees to the Company's employees with outstanding contributions.</p> <p>5. Proposal for the remuneration of the Company's new Corporate Governance Officer.</p>
<p>4. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, it should specify the date and session of the Board meeting, proposal content, Board resolutions and the Company's handling of the Remuneration Committee opinions (if the remuneration passed by the Board exceeds the recommendation of the Remuneration Committee, the circumstances and cause for the difference shall be specified): None.</p> <p>5. If with respect to any resolution of the Remuneration Committee, any member has a dissenting or qualified opinion that is on record or stated in a written statement, the date and session of the meeting, proposal content, opinions of all members and the response to their opinions should be specified: None.</p>	

(5) Implementation status of the promotion of sustainable development, any deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof

(i) The Company actively cooperates with environmental protection such as greening, energy saving, carbon reduction and garbage classification, and has established the "Labor Safety and Health Work Code" to maintain employee safety.

(ii) The implementation status of the promotion of sustainable development is as follows:

Promotion item	Implementation status		Summary	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No		
1. Has the Company established a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, which is authorized by Board of Directors to be handled by senior management, and		✓	<p>(1) A "Sustainability Department" has been established as the dedicated unit of the Company for promoting sustainable development, and is responsible for sustainable development policies, systems, or relevant management guidelines and promotion plans.</p> <p>(2) The heads of relevant departments are responsible for promoting and executing various projects or measures, integrating resources into daily operation. Each department head designates specific personnel to be responsible for confirming and providing data, strategic objectives, and performance indicators disclosed in the</p>	the Company has established a dedicated unit for promoting sustainable development, and it is intended that the senior management will be

Promotion item	Implementation status		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof	
	Yes	No	Summary	
implemented Board supervision?			<p>sustainability reports. The Sustainability Department then compiles, edits, and submits the reports for review by the General Manager, approval by the Chief Executive Officer, and final approval by the Board of Directors.</p> <p>(3) The implementation status of the promotion of sustainable development by the Company is as follows, primarily including the formulation and execution of sustainability-related regulations, preparation of the sustainability reports, and the Group's greenhouse gas inventory and verification:</p> <ol style="list-style-type: none"> 1. In accordance with the Rules for Handling the Establishment of Internal Control Systems by Public Offering Company of the FSC, the Company amended and renamed the "Procedures for the Preparation and Verification of Sustainability Reports" as "Procedures for Sustainability Information Management," which served as the basis for the disclosure and execution of sustainability information and related operational procedures. 2. The 2024 Sustainability Report was submitted to the General Manager for review and the Chief Executive Officer for approval, and was issued in August 2025 after being submitted to and approved by resolution of the Board of Directors on August 6, 2025. Please refer to the Market Observation Post System or the Company's website, where the Chinese and English versions of the report in PDF format may be downloaded for detailed review. 3. The execution progress of the Group's greenhouse gas inventory and verification schedule was reported to the Board of Directors on a quarterly basis. 	authorized by the Board of Directors to handle such matters in the future.
2. Does the Company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies	✓		<p>The Company has considered the issues of concern to stakeholders and, based on the principle of materiality, has identified governance, social, and environmental risks and opportunities related to its operations. It formulates relevant response strategies to actively reduces negative impacts, protect the rights and interests of stakeholders, and maintain the Company's image in order to achieve the vision of sustainable</p>	No discrepancies

Promotion item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof		
	Yes	No	Summary			
or strategies?			operation.			
			Material topics		Risk assessment item	Countermeasures
			Environmental issues		Environmental impact and management	1、Conduct annual greenhouse gas inventory in accordance with the ISO 14064-1 standard and track the effectiveness of emission reduction efforts 2. Implement various energy-saving and carbon reduction measures
			Social issues	Occupational safety and health	1、Appoint occupational safety and health management personnel to oversee the implementation of occupational safety and health management plans. 2、Implementation of the four major labor health protection plans (covering four aspects:	

Promotion item	Implementation status			Summary	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No			
				<p>maternal worker health protection, prevention of diseases induced by exceptional work overload, prevention of musculoskeletal disorders caused by ergonomic hazards, and prevention of unlawful infringement during the performance of duties).</p> <p>3. Implement on-site services by contracted medical and nursing personnel to monitor employee health and prevent occupational accident risks at the earliest possible stage.</p>	
			Product quality and safety	1. All suppliers are green partners and provide products that comply with regulatory standards	

Promotion item	Implementation status			Summary	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No			
			Corporate governance	<p>such as RoHS, REACH, ISO, and IATF.</p> <p>1. Strengthen corporate governance measures, improve corporate governance evaluation rankings, continuously enhance the functions of the Board of Directors, and create sustainable corporate value.</p> <p>2. Conduct annual performance evaluations for the Board of Directors and functional committees such as the Audit Committee and the Remuneration Committee, and submit the performance evaluation reports to the Board.</p> <p>3. The Ethical</p>	

Promotion item	Implementation status			Summary	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No			
				<p>Corporate Management Promotion Team reports annually on the implementation status at meetings and submits the results to the Board.</p> <p>4. Implement rigorous internal control audits and propose improvement plans to ensure that all personnel and operations of the Company strictly comply with relevant laws and regulations.</p> <p>5. To implement and strengthen corporate governance, the Company continues to conduct employee education and training, aiming to deepen employees' concepts of the rule of</p>	

Promotion item	Implementation status			Summary	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No			
				<p>law and ethical conduct The training content focuses on establishing a corporate culture of ethical management. The curriculum covers internal company regulations and codes of professional ethics, and strengthens the promotion of important legal issues such as intellectual property rights protection, confidentiality of trade secrets, and the prevention of insider trading, ensuring that all employees comply with laws and regulations and adhere to the principles of integrity</p>	

Promotion item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary	
			<p>Information security</p> <p>when performing their duties.</p> <ol style="list-style-type: none"> 1. Establish a dedicated information security unit and build a cyber security risk management framework. 2. Conduct regular firewall inspections and antivirus scanning for each computer. 3. Conduct information security awareness campaigns to strengthen employees' information security awareness. 	
<p>3. Environmental issues</p> <p>(1) Has the Company set an environmental management system designed to industry characteristics?</p> <p>(2) Is the Company committed to improving energy efficiency and using renewable materials with</p>	<p>✓</p> <p>✓</p>		<p>(1) For the environmental management system established by the Company, please see page 67 for details.</p> <p>(2) The Company strives to promote electronic operations and reduce the usage of paper for documents. In addition, the Company does not engage in production activities in Taiwan, and there are no harmful environmental factors such as air pollution, water disposal, toxicity, or noise</p>	<p>No discrepancies</p> <p>No discrepancies</p>

Promotion item	Implementation status		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof																		
	Yes	No	Summary																		
low environmental impact?																					
(3) Does the Company assess the potential risks and opportunities of climate change for the company now and in the future, and take relevant countermeasures?	✓		(3) In response to climate change and to save electricity, the Company allows male colleagues to not wear ties during summer, reducing the carbon emissions associated with extensive air conditioning use. For details on the Company's measures addressing the potential risks and opportunities associated with climate change, both present and in the future, please refer to our sustainability reports.																		
(4) Has the Company compiled statistics on greenhouse gas emissions, water consumption, and total waste weight for the past two years, and formulated policies for greenhouse gas reduction, water reduction, or other waste management?	✓		<p>(4) The statistical data of the Company's greenhouse gas emissions, water consumption and total weight of waste over the past two years have been disclosed on the Company's website. However, the Company has not yet established relevant management policies.</p> <p>The statistics of greenhouse gas emissions for the last two years are as follows:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Electricity consumption (kWh)</td> <td>271,451.91</td> <td>868,614.8754</td> </tr> <tr> <td>Electricity CO₂ emissions (metric ton)</td> <td>134.10</td> <td>410.7128</td> </tr> <tr> <td>Water consumption (1,000 m³)</td> <td>1.411</td> <td>2.8163</td> </tr> <tr> <td>Water consumption CO₂ emissions (metric ton)</td> <td>0.3288</td> <td>0.3696</td> </tr> <tr> <td>Total waste weight (metric ton)</td> <td>7.15</td> <td>9.72</td> </tr> </tbody> </table> <p>Note: The scope of the inventory in 2024 covered parent company only, which is Nichidenbo; The scope of the inventory in 2025 covered the consolidated entities with the Group.</p>	Year	2024	2025	Electricity consumption (kWh)	271,451.91	868,614.8754	Electricity CO ₂ emissions (metric ton)	134.10	410.7128	Water consumption (1,000 m ³)	1.411	2.8163	Water consumption CO ₂ emissions (metric ton)	0.3288	0.3696	Total waste weight (metric ton)	7.15	9.72
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Water consumption CO ₂ emissions (metric ton)	0.3288	0.3696																			
Total waste weight (metric ton)	7.15	9.72																			
4. Social issues			No discrepancies Statistics is collected every year and will establish relevant management policies as necessary in the future. In addition, the 2024 greenhouse gas inventory has been completed and disclosed on the Company's website.																		

Promotion item	Implementation status		Summary	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No		
(1) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		<p>(1) To ensure the protection of the human rights of employees and all stakeholders, the Company recognizes and adheres to the spirit of The International Human Rights Conventions and guidelines, including but not limited to the International Covenant on Civil and Political Rights (ICCPR), the International Covenant on Economic, Social and Cultural Rights (ICESCR), the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), the Convention on the Rights of the Child (CRC), and the Convention on the Rights of Persons with Disabilities (CRPD). Concurrently, with reference to the spirit of the Universal Declaration of Human Rights, the UN Global Compact, the UN Guiding Principles on Business and Human Rights, and the relevant conventions of the International Labor Organization (ILO), the Company has established its Human Rights Policy to implement human rights protection.</p> <p>For Human Rights Policy, please see page 63 for details.</p> <p>For the implementation status of human rights risk management and due diligence in 2025, please see page 64 for details.</p>	No discrepancies
(2) Does the Company formulate and implement reasonable employee welfare measures (including salary and compensation, leave, etc.) and appropriately reflect operating performance or results in employee remuneration?	✓		<p>(2) The Group has established "Work Rules", "Employee Performance Evaluation Measures", "Employee Reward and Punishment Measures" and "Employee Welfare Measures Implementation Measures" and other regulations to clearly stipulate remuneration, vacation, reward and punishment standards and welfare measures, in order to grow together with the Company's operations and comply with corporate social responsibility.</p>	No discrepancies

Promotion item	Implementation status		Summary	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No		
(3) Does the Company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		<p>(3) The Company conducts regular testing and maintenance of fire safety equipment and access control security to strengthen the safety protection of the working environment and regularly carries out the cleaning and disinfection of various facilities in the workplace to ensure the hygiene and comfort of the working environment. In addition, the Occupational Safety and Health Work Code has been established, fire drills and employee health checks are regularly held, and there are contracted medical staff to provide on-site services, strengthening employees' awareness of safety and health.</p> <p>In 2025, the Group had no occupational accidents involving employees or non-employees; there were only four traffic accidents involving employees during their commute. The Group has reminded employees of the necessity of paying attention to traffic safety and avoiding speeding during their commute.</p> <p>In 2025, there were 0 fire incidents, casualties, accounting for 0% of the total number of employees at the end of 2025. We regularly test and maintain fire equipment, comply with the management committee's annual reporting requirements, and regularly arrange fire drills and fire management personnel training, implementing various fire prevention measures and disaster response related matters.</p>	No discrepancies
(4) Does the Company provide its employees with career development and training sessions?	✓		<p>(4) The Group is committed to cultivating talents, improving employees' capabilities, and planning a comprehensive education and training mechanism, comprising pre-employment training and on-the-job training. From departmental functional training for new recruits, internal and external education and training (such as integrity management, legal compliance courses, accounting training or major legal seminars) to leadership training for middle and senior managers, etc., all have dedicated personnel planning specialized projects. Through multiple learning platforms such as physical lectures, external training, and online learning videos, we continue to improve the training plans and expect employees to strengthen their own</p>	No discrepancies

Promotion item	Implementation status		Summary	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No		
(5) Does the Company comply 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 implement consumer protection and grievance policies?	✓		<p>professional skills through continuous education and training. In addition, the department responsible for training will provide various course information from time to time. For example, as a member of the Taipei Electronic Components Suppliers' Association, our employees are encouraged to participate in relevant education and training. The Group regularly conducts education and training and promotes corporate governance regulations, and continues to promote its video platform and related learning programs. Employee feedback has been positive; employees are not only able to enhance their self-worth and save time, but can also cultivate professional capabilities.</p> <p>(5) In order to comply with the regulations and meet international standards, the Company's products are provided by major suppliers with EU RoHS certification and some products have halogen-free certificates. the Company has established a customer rights policy and complaint procedure, committing to safeguarding the health, safety, and legal rights and interests of customers across all aspects of its products and services, ensuring that issues are resolved satisfactorily, and serving as a basis for the Company to continuously improve service quality. the Company has separately established a personal data protection management system and policy, with the Legal Department coordinating personal data protection and regulatory compliance matters, and the Information Security Department responsible for cyber security. Manage and protect customer privacy through internal audits, crisis prevention, and education and training.</p>	No discrepancies
(6) Does the Company have a supplier management policy that requires suppliers to follow relevant regulations on issues such as	✓		<p>(6) To practice environmental protection and corporate social responsibility and achieve the goal of sustainable development, the Company has established a supplier management policy to encourage suppliers to comply with the four major sections of the "Supplier Code of Conduct"—labor and human rights, health and safety, environment, and ethics—and to periodically evaluate their suitability and monitor whether suppliers and</p>	No discrepancies

Promotion item	Implementation status		Summary	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No		
environmental protection, occupational safety and health, or labor rights, and how is it implemented?			customers have any record of impacting environmental and social responsibility. Although our contracts with major suppliers do not stipulate clauses regarding environmental and social responsibility, suppliers can provide proof of their company's environmental maintenance certification to our company as needed.	
5. Does the Company prepare sustainability reports or other reports disclosing non-financial information with reference to internationally accepted reporting standards or guidelines? Have these reports obtained assurance or certification opinions from third-party verification units?	✓		the Company prepares its sustainability reports in accordance with the standards issued by the Global Reporting Initiative (GRI), the Climate-related Financial Disclosures (TCFD) framework, and with reference to the standards issued by the Sustainability Accounting Standards Board (SASB). Furthermore, the Company has engaged BSI, a third-party verification institution, to conduct verification based on the AA1000 Assurance Standard (AA1000AS v3), utilizing Type1 and a moderate assurance as the basis for verification, to ensure that the content of the Company's sustainability reports comply with the GRI standards.	No discrepancies
6. If the Company has established its sustainable development code of practice in accordance with Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe the operational status and any differences: The Company has established the Corporate Social Responsibility Best Practice Principles in 2017, and resolved by the Board of Directors to amend and rename it to Sustainable Development Best Practice Principles on March 23, 2022. Considering the current situation of the Company and the provisions of the law, it will be revised gradually and implemented without major differences.				
7. Other important information to facilitate a better understanding of the practices of promoting sustainable development: (1) Caring for socially disadvantaged groups, donating to a scholarship fund to help students fulfill their dreams, and donating rehabilitation buses to assist people with disabilities and the elderly with safe travel (2) Promoting and implementing energy-saving and carbon-reduction measures such as conservation of electricity and water, waste reduction, and recycling and reuse				

● Human Rights Policy

Article 1: Purpose

To ensure the protection of the human rights of employees and all stakeholders, the Company recognizes and adheres to the spirit of The International Human Rights Conventions and guidelines, including but not limited to the International Covenant on Civil and Political Rights (ICCPR), the International Covenant on Economic, Social and Cultural Rights (ICESCR), the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), the Convention on the Rights of the Child (CRC), and the Convention on the Rights of Persons with Disabilities (CRPD).

Concurrently, with reference to the spirit of the Universal Declaration of Human Rights, the UN Global Compact, the UN Guiding Principles on Business and Human Rights, and the relevant conventions of the International Labor Organization (ILO), the Company has established its Human Rights Policy to implement human rights protection.

Article 2: Scope

The Human Rights Policy applies to all employees of the Company, and the Company expects and requires its subsidiaries, investee companies, partners, and suppliers to comply with the spirit and basic principles of this Policy under the same standards.

Article 3: Human rights governance and responsible unit

1. The Human Resources unit of the Company is the unit responsible for the Human Rights Policy, and is responsible for coordinating human rights risk management, planning implementation strategies, and supervising the status of implementation.
2. The responsible unit shall periodically review the implementation effectiveness of the Human Rights Policy and report the results of its promotion to the General Manager to ensure that grievance channels remain open and that human rights protection mechanisms operate effectively.

Article 4: Commitment and execution

1. Prohibition of child labor and forced labor

The Company prohibits the employment of child laborers under the age of 16, forced labor, and any form of improper employment discrimination, and requires its suppliers to comply with international standards and the labor laws applicable to their business locations.

2. Eliminate discrimination, respect diversity and ensure equality

The Company is committed to developing diverse and inclusive (D&I) corporate policies and strategies, and actively establishing a diversified, equal and friendly corporate culture and working environment to enhance corporate image and the Company's reputation. At the same time, we safeguard all labor rights, including minimum wage, working hours (including overtime), insurance, leave, pension plans, notice periods for contract termination, freedom of association, and the right to collective bargaining. We also provide equal employment opportunities and treatment, without discrimination based on race, skin color, gender, religion, political affiliation, nationality, or social background.

3. Prohibition of unlawful infringement and promotion of a harassment-free environment

We have a zero-tolerance policy toward any form of workplace bullying or violence, and we prohibit harassment. We are committed to fostering a harassment-free work environment that is safe, equal, and free from discrimination.

4. Implement occupational health and safety

The Company is committed to promoting and emphasizing a healthy and safe workplace. To maintain the personal safety of employees and prevent occupational accidents, we implement occupational safety management in accordance with the

Occupational Safety and Health Act and related regulations, strengthen safety protection measures for employees in the workplace, and continuously promote worker health protection plans to enhance employees' health care awareness, enabling them to work with peace of mind in a healthy and safe environment.

5. Protection of personal information and privacy

the Company continues to establish comprehensive information security management systems and measures, strictly complies with personal data protection laws and regulations, and enhances employees' awareness of information security and personal data protection through education and training to ensure that the privacy of all stakeholders is appropriately protected.

●2025 Implementation status of human rights risk management and due diligence

(1) Nichidenbo has established a human rights due diligence process with reference to the Responsible Business Alliance (RBA) Code of Conduct and the OECD Due Diligence Guidance for Responsible Business Conduct, and periodically performs human rights risk identification and management. The process is as follows:

1. Human rights risk identification and assessment: Identify human rights risks that may arise from the business activities and supply chain of the Company, and assess the likelihood of their occurrence and the extent of their impact.
2. Prevention, mitigation, and remedial measures: Plan and implement corresponding risk mitigation and remedial measures for identified high-risk human rights issues.
3. Performance tracking and review: Periodically review the implementation status and effectiveness of various measures as a basis for continuous improvement.
4. Information disclosure and stakeholder communication: Disclose the Human Rights Policy and its implementation status through the official website, annual reports, or sustainability reports, and maintain communication with stakeholders.

(2) Scope of human rights due diligence and material topics

In 2025, the Company conducted human rights due diligence for all employees. In addition to its employees, the Company also focuses on human rights risk management in its supply chain and has established the "Supplier Code of Conduct", which covers requirements such as the prohibition of forced labor and child labor, anti-discrimination, reasonable working hours and wages, occupational safety and health, and ethical management. These regulations have been communicated to suppliers as an important basis for cooperation and ongoing business relations.

If a supplier violates relevant human rights or labor regulations, the Company may require it to make improvements within a specified period and may, if necessary, terminate the cooperative relationship to reduce potential human rights risks in the supply chain.

At the current stage, the Company conducts supply chain human rights risk control through its Supplier Code of Conduct and daily cooperation management mechanisms. In the future, based on operational development and risk assessment results, the Company will gradually evaluate the introduction of supplier human rights risk assessment or due diligence mechanisms to continuously strengthen sustainable supply chain management.

The material human rights topics identified for this year are as follows:

1. Occupational safety and health
2. Compensation and working hours management
3. Prohibition of discrimination and prevention of unlawful infringement in the workplace
4. Personal data and privacy protection

(3) Mitigation and remediation measures

Based on the results of its human rights due diligence, Nichidenbo plans and executes corresponding mitigation and remediation measures for identified material human rights risk issues according to their likelihood of occurrence and degree of impact, in order to reduce potential impacts on employees and other stakeholders, and continuously tracks the effectiveness of improvements.

Stakeholder group	Material risk topics	Mitigation and remediation measures
Employee	Occupational safety and health	<ol style="list-style-type: none"> 1. Periodically conduct workplace safety inspections and risk assessments, and strengthen management and improvement for high-risk operations 2. Plan and implement occupational safety and health education and training to enhance employees' awareness of operational safety and protective measures 3. Promote employee health management programs, including health examinations, health consultations, and necessary health promotion activities 4. If an occupational accident occurs, immediately initiate an accident investigation and improvement mechanism to prevent similar incidents from recurring, and provide necessary assistance and compensation in accordance with the law
Employee	Compensation and working hours management	<ol style="list-style-type: none"> 1. Periodically review the salary structure, overtime pay calculation, and working hour management system to ensure compliance with laws and regulations 2. Avoid long overtime hours caused by manpower shortages through workforce planning and workflow reviews 3. Strengthen education and training on labor laws and regulations for supervisors to enhance management's emphasis on the protection of labor rights and interests
Employee	Prohibition of discrimination and prevention of unlawful infringement in the workplace	<ol style="list-style-type: none"> 1. Clearly stipulate relevant regulations prohibiting discrimination, workplace bullying, and harassment, and implement them within the Company's internal management system 2. Periodically conduct education and training related to sexual harassment prevention, gender equality, and human rights to enhance employee awareness

		<p>3. Establish grievance and reporting mechanisms to ensure that employees can report issues without fear of adverse treatment</p> <p>4. For incidents of unlawful infringement that have been verified, appropriate dispositions and improvement measures shall be taken in accordance with Company regulations.</p>
Employee	Personal information and privacy protection	<p>1. Establish an information security management system and an information security incident reporting and response mechanism</p> <p>2. Establish clear management processes and access controls for the collection, processing, and use of personal information</p> <p>3. Periodically conduct information security and personal information protection education and training to enhance employees' awareness of information security</p> <p>4. In the event of a suspected personal information leak, an investigation procedure shall be initiated immediately, and remedial and improvement measures shall be taken in accordance with the law</p>

(4) Tracking and continuous improvement

Nichidenbo periodically reviews high-risk human rights issues identified through its annual human rights due diligence and evaluates the effectiveness of various mitigation and remediation measures. The implementation status will be incorporated into internal management and sustainable governance mechanisms for continuous tracking, serving as a basis for the refinement of future policies and measures. Based on the results of the aforementioned human rights risk identification, the Company continues to promote relevant mitigation measures through methods such as education and training, internal communication, and institutional management, and incorporates them into daily operational management for implementation.

Details of donation in 2025

Unit: NT\$

Recipient organization	Amount of donation
World Vision Taiwan	60,000
Chensenmei Social Welfare Foundation, Taoyuan County	60,000
Foundation of Helping Underprivileged Students of Taipei City Department of Education	500,000
IN224 "Love Spreads Infinitely" large-scale social service project, co-organized with the Invision Charity Foundation	100,000
"Happiness Morning Fullness" Breakfast Subsidy Program, Education Department, New Taipei City Government	150,000

"Love Without Limits" out-of-home placement support services for children and youth in New Taipei City (revised program), Social Welfare Department, New Taipei City Government	800,000
Fund of Excellent Underprivileged Students, Education Department, New Taipei City Government	2,000,000
Lunch subsidy account for underprivileged schoolchildren, Education Department, New Taipei City Government	350,000
Rehabilitation buses, Social Welfare Department, New Taipei City Government	3,365,714
Total	7,385,714

●Environmental management system

As a distributor, Nichidenbo's business model does not involve production or manufacturing; therefore, no air pollution, water pollution, or any hazardous waste is generated during its operations. On the path of pursuing sustainable development, we consistently uphold the philosophy of environmental friendliness, strictly comply with environmental protection laws and regulations, and formulate environmental management policies centered on "energy conservation, carbon reduction, and effective resource utilization". We continuously promote and implement various environmental protection initiatives, striving to achieve sustainable development goals and contributing a solid force to safeguarding the Earth.

In 2025, the specific results are as follows:

1. Greenhouse gas inventory and information disclosure

Starting from 2023, greenhouse gas inventories have been conducted annually in accordance with the ISO 14064-1 standard, and progress in emission reductions is continuously tracked. Data for the most recent two years, including greenhouse gas emissions, electricity consumption, water consumption, and total waste volume, have been publicly disclosed in the annual report, company website, and sustainability report, demonstrating our commitment to transparent management and sustainable development.

2. Promotion the implementation of ISO 14001

Continuously promote the obtainment of ISO 14001 Environmental Management System certification by the Group's subsidiaries in response to operational needs, taking practical actions to respond to global sustainability trends. Currently, its subsidiary, Lipers Enterprise, has obtained the ISO 14001 Environmental Management System certification (February 20, 2025–February 19, 2028).

3. Energy saving and carbon reduction measures

- Strive to implement e-operations to reduce paper consumption; promote double-sided printing of official documents and the reuse of paper, and prioritize the procurement of green-labeled photocopy paper
- Adopt lighting equipment with energy-saving labels and strengthen power management, such as turning off air conditioning and lights when meeting rooms are not in use, and retaining only necessary lighting during lunch breaks
- Promote water conservation, adjust the water flow of restroom faucets, and gradually replace them with faucets and toilets bearing water-saving labels to improve water use efficiency
- Implement waste sorting, resource recycling, and reduction actions; for shipping, use incoming original boxes and existing materials as much as possible for packaging cartons, pallets, and product protection fillers to practice a circular economy model
- Industrial waste generated during the course of operations is entrusted to qualified contractors for proper disposal, with every effort made to minimize the impact on the environment.

The Company's climate-related information
1. Implementation of climate-related information

Item	Implementation status																						
<p>1. Describe Board of Directors' and the management's oversight and governance of climate-related risks and opportunities.</p>	<p>The Board of Directors is the highest unit in climate change management and is responsible for confirming the effective implementation of annual climate-related risk management (including climate change-related issues) and reviewing the risks and opportunities related to climate change and the corresponding measures' short, medium, and long-term goals and implementation results. To ensure that the Board of Directors fully grasps the management progress of climate issues, the Board of Directors also periodically monitors the implementation progress of greenhouse gas inventories and fulfills its supervisory responsibilities in climate risk governance accordingly.</p> <p>Nichidenbo's Sustainability Department is responsible for compiling the potential impact of various issues on the organization internally and externally, and each responsible unit is responsible for identifying and evaluating climate change risks and responding to the impact. The senior executives convened meetings with relevant departments to discuss climate-related risks and opportunities, and to plan and manage action plans to mitigate the potential harm caused by these risks, thereby adapting to and reducing climate financial risks, and identifying corresponding climate financial opportunities. The sustainability unit also reports the implementation progress of greenhouse gas inventories to the Board of Directors on a quarterly basis, and will report any material risks in a timely manner to ensure that the Board can fully grasp the latest status of climate issues.</p>																						
<p>2. Describe how the identified climate risks and opportunities affect the business, strategy, and finance (short, medium, and long-term) of the enterprise.</p>	<p>Climate-related risks and potential operational and financial impacts</p> <table border="1" data-bbox="555 890 2098 1407"> <thead> <tr> <th data-bbox="562 895 689 1002">Type</th> <th data-bbox="689 895 840 1002">Climate-related risks</th> <th data-bbox="840 895 958 1002">Impact period</th> <th data-bbox="958 895 1256 1002">Risk description</th> <th data-bbox="1256 895 1659 1002">Potential operational and financial impacts</th> <th data-bbox="1659 895 2092 1002">Adaptation and response measures, and financial implications</th> </tr> </thead> <tbody> <tr> <td data-bbox="562 1002 689 1402" rowspan="2">Transition risk</td> <td colspan="5" data-bbox="689 1002 2092 1038" style="text-align: center;">Policies and regulations</td> </tr> <tr> <td data-bbox="689 1038 840 1402">Local regulations</td> <td data-bbox="840 1038 958 1402">Medium-term</td> <td data-bbox="958 1038 1256 1402"> <ul style="list-style-type: none"> Taiwan has enacted the "Climate Change Response Act", adopting a carbon fee collection mechanism scheduled for commencement in 2025. </td> <td data-bbox="1256 1038 1659 1402"> <ul style="list-style-type: none"> As an electronic components distributor, if suppliers are major carbon emitters, we may face the risk of carbon costs being passed through by suppliers to product pricing, thereby increasing our procurement costs. </td> <td data-bbox="1659 1038 2092 1402"> <ul style="list-style-type: none"> Collaborate with suppliers to promote supply chain carbon reduction initiatives, such as requiring suppliers to utilize renewable energy, improve energy efficiency, or adopt low-carbon technologies, so as to lower their carbon footprints and thereby </td> </tr> </tbody> </table>						Type	Climate-related risks	Impact period	Risk description	Potential operational and financial impacts	Adaptation and response measures, and financial implications	Transition risk	Policies and regulations					Local regulations	Medium-term	<ul style="list-style-type: none"> Taiwan has enacted the "Climate Change Response Act", adopting a carbon fee collection mechanism scheduled for commencement in 2025. 	<ul style="list-style-type: none"> As an electronic components distributor, if suppliers are major carbon emitters, we may face the risk of carbon costs being passed through by suppliers to product pricing, thereby increasing our procurement costs. 	<ul style="list-style-type: none"> Collaborate with suppliers to promote supply chain carbon reduction initiatives, such as requiring suppliers to utilize renewable energy, improve energy efficiency, or adopt low-carbon technologies, so as to lower their carbon footprints and thereby
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				<p>Consequently, the Company must implement carbon reduction planning.</p>	<ul style="list-style-type: none"> • Failure to establish clear carbon reduction targets or effectively reduce greenhouse gas (GHG) emissions could result in non-compliance with government regulations on GHG reduction and energy management, potentially leading to carbon fees or tax liabilities. Furthermore, failing to meet the supply chain carbon reduction targets set by our customers could result in lost orders and diminished revenue. 	<p>reducing their carbon expenses.</p> <ul style="list-style-type: none"> • Following the ISO 14064-1: 2018 standard, carbon reduction planning is carried out based on the GHG inventory results to improve internal energy efficiency. Moving forward, we will evaluate the implementation of the ISO 50001 energy management system to reduce electricity consumption and carbon emissions.
		Laws and standards on energy-saving products	Long-term	<ul style="list-style-type: none"> • Under the "Large Electricity User" clause of the Renewable Energy Development Act, users with a contracted capacity of 5,000kW or more are required to source on their own 10% of their energy from renewable sources within 5 years. 	<ul style="list-style-type: none"> • Implementing green power requires higher initial investment, including the costs of installing renewable energy equipment, which will increase operating costs. • The relocation of the Taipei Logistics Center included the addition of relevant energy-saving equipment. Accounting for the estimated increase in air conditioning-related systems, operating costs rose by approximately NT\$10.34 million. 	<ul style="list-style-type: none"> • Continuous implementing green power to reduce reliance on traditional energy sources, thereby minimizing the risks arising from energy price fluctuations. • Despite not being a large electricity user, we have continued our transition to energy-saving products and carried out carbon reduction measures since 2019. The total cost of replacing air conditioners and transitioning to LED energy-saving lamps was approximately NT\$2.36 million.

					<ul style="list-style-type: none"> • The replacement of equipment components and rising electricity rates may further drive up energy costs. • The transition to LED energy-saving lighting increased operating costs by approximately NT\$40,000. 	
		Reputation				
		Reputation impairment	Short-term	<ul style="list-style-type: none"> • As climate change has become a growing concern among various sectors and stakeholders, a company's commitment to low-carbon transition and related sustainability initiatives, as well as the effectiveness of its implementation, has increasingly become a key factor in external assessments of its business model and long-term development. 	<ul style="list-style-type: none"> • If a company fails to adapt promptly to the trend toward low-carbon transformation, it will damage its reputation, leading to customer attrition and a decline in sales. 	<ul style="list-style-type: none"> • In response to the trend toward low-carbon transition, the company continues to collaborate with suppliers (manufacturers) that have implemented carbon reduction measures to ensure that its products meet the demands of the low-carbon market and to strengthen its sustainable supply chain strategy. • By investing in securities of sustainability-focused companies and avoiding investments in high-carbon-emission enterprises, the company mitigates transition risks and addresses stakeholders' expectations regarding the low-carbon transition.

Type	Climate-related risks	Impact period	Risk description	Potential operational and financial impacts	Adaptation and response measures
Physical risk	Immediate				
	An increase in extreme weather events such as typhoons and heavy rains	Short-term	<ul style="list-style-type: none"> Natural disasters such as typhoons and torrential rains may cause goods transported by sea and air to become damp and damaged, and transportation services may be suspended or completely interrupted. 	<ul style="list-style-type: none"> An increased probability of product damage will result in increased losses and a greater burden of insurance premiums. Delays in goods delivery will lead to increased warehousing costs and decreased operating revenue. 	<ul style="list-style-type: none"> In response to the potential impact of extreme weather on operations, in addition to maintaining a real-time grasp of meteorological information and planning corresponding precautionary and contingency measures for different natural disasters, the Company also insured its goods for cargo transportation (including real estate, office equipment and other equipment) in 2025 to transfer the risk of cargo damage, with an estimated premium of approximately NT\$5.1 million.
	Long-term				
	Changes in rainfall (precipitation) patterns	Medium-term	<ul style="list-style-type: none"> Changes in rainfall patterns may increase the risk of flooding, which could disrupt the normal flow of inbound and outbound freight operations. 	<ul style="list-style-type: none"> Changes in rainfall patterns have increased the risk of flooding, which may affect the delivery schedules of 	<ul style="list-style-type: none"> Use scenario simulation tools to assess physical climate risks. Strengthen communication with the supply chain and

					goods, potentially leading to logistics delays or the need to use alternative transportation methods, thereby increasing logistics and warehousing costs.	customers, including the exchange of information on climate change-related impacts, to mitigate the impact of disruptions to inbound and outbound freight transportation.
		Annual average temperature increase	Long-term	<ul style="list-style-type: none"> • Rising temperatures affect the storage of goods. • Air conditioning requires greater cooling capacity, leading to increased electricity demand, which in turn can cause power shortages or supply constraints. • High temperatures can cause electronic components inside equipment to overheat, accelerating their deterioration and failure. 	<ul style="list-style-type: none"> • Rising temperatures will cause the internal temperature of warehouse facilities to increase. To maintain the quality and safety of goods, it will be necessary to increase the use of air conditioning or install new air conditioning equipment, thereby driving up energy costs and related equipment expenses. 	<ul style="list-style-type: none"> • Continuously optimize warehouse management systems to monitor inventory and logistics in real time, thereby improving efficiency and flexibility. • Incorporate climate change factors (e.g., flood prevention) into the evaluation criteria when selecting locations for operational sites. • Coordinate with third-party partners to procure sandbags to mitigate flood risks. • Develop contingency plans for power outages, such as maintaining small generators and other equipment as backup power sources during outages to ensure the continuous operation of critical systems and equipment, thereby

						<p>maintaining normal business operations.</p> <ul style="list-style-type: none"> Continuously review the need to replace outdated equipment in warehouse facilities and prioritize the procurement of equipment bearing environmental and energy-saving certifications. In 2025, to meet warehouse facility needs, additional air conditioning and cooling equipment will be purchased, with related expenditures amounting to approximately NT\$10.34 million.
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The impact period is defined as: short-term, within 1-3 years; medium-term, within 3-10 years; long-term, over 10 years.

Climate-related risks and potential operational and financial impacts

Type	Climate-related opportunities	Impact period	Potential operational and financial impacts	Adaptation and response measures
Resource efficiency	<ul style="list-style-type: none"> Paper and waste recycling and reuse Switch to electrical equipment with higher efficiency Reduce water consumption 	Short/medium-term	<ul style="list-style-type: none"> Reusing original shipping cartons and existing packaging materials helps reduce the need to purchase new packaging materials and lowers related costs. 	<ul style="list-style-type: none"> The packaging methods for all products are customized according to customer requirements. In support of the circular economy, we strive to reuse original shipping cartons, existing pallets, and protective packing materials as much as possible to implement a circular economy model.

				<ul style="list-style-type: none"> • Implement double-sided photocopying in offices to save paper consumption, thereby reducing the cost of purchasing consumables. • Maintain clean cooling towers to ensure optimal operation and prevent scaling and biofilm formation, thereby improving cooling efficiency and reducing water costs. 	<ul style="list-style-type: none"> • Since 2019, we have been progressively replacing energy-intensive water-cooled air conditioning units with Class 1 energy-efficient split-type air conditioners, while simultaneously switching to LED energy-saving lighting fixtures, resulting in a significant reduction in overall electricity consumption; the total expenditure for replacing these systems was approximately NT\$12.7 million. • Starting in 2022, we began replacing and decommissioning cooling towers to reduce water costs. • We optimized the warehouse management system, moving toward the goal of paperless processing for inbound and outbound documents such as inspection orders and shipping notices.
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	Market	<ul style="list-style-type: none"> In response to the international environmental protection and carbon reduction trends, the market and consumers' demand for products in the fields of energy saving (low power consumption) and sustainability (such as electric vehicles, energy storage, etc.) has increased, which has an indirect impact 	Medium/long-term	<ul style="list-style-type: none"> Work with original manufacturer suppliers to provide key components that improve energy efficiency (such as MLCC), expanding into new markets, broadening professional agency areas and product portfolio, and laying the foundation for supporting medium and long-term operational development. 	<ul style="list-style-type: none"> Continuously monitor energy-saving and low-power application trends and maintain cooperation with major original manufacturers to grasp the development direction of related products; meanwhile, in response to the needs of new application markets, prudently plan business models and gradually expand the Company's distribution of related products such as AI, electric vehicles, energy storage, and network communications to support medium and long-term operational stability.
	Resilience	<ul style="list-style-type: none"> Consolidate climate change risks and treatment methods to enhance the Company's response capabilities 	Long-term	<ul style="list-style-type: none"> Strengthen corporate resilience, reduce losses caused by climate change, and reduce customer losses. 	<ul style="list-style-type: none"> Continue to identify corporate operational risks due to climate change and strengthen corporate resilience.
	The impact period is defined as: short-term, within 1-3 years; medium-term, within 3-10 years; long-term, over 10 years.				
3. Describe the financial impact of extreme weather events and transition actions.	For the financial impact of extreme climate events and transition actions, please refer to the "Potential operational and financial impacts" and "Adaptation and response measures" in the preceding table.				
4. Describe how climate risk identification,	The climate change risk management process has been integrated into general risk management, including identification, assessment, management, recovery, adaptation, and other steps. The Company's various responsible units observe the				

<p>assessment and management process are integrated into the overall risk management system.</p>	<p>latest trends and evaluate climate change risks from time to time to understand specific potential financial impacts as the basis for policy formulation and goals and establish a sound climate management procedure.</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 described.</p>	<p>Physical scenario</p> <p>In response to extreme weather events such as typhoons, torrential rains, and prolonged periods of high temperatures, the sustainability unit selected the RCP climate scenario to assess the potential impact of climate disasters in the range of 2.2°C to 4.4°C. Based on publicly available climate models and graph websites such as the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform and 3D Disaster Potential Map, the unit simulated climate scenarios ranging from RCP 2.6 to RCP 8.5. The Nichidenbo Group has sales locations and warehousing and logistics centers around the world. However, considering that there is no universal and accurate comparative information for global risk maps, the Group prioritized its operating headquarters in Taiwan for evaluation. Scenario simulations were conducted for the offices and warehousing and logistics centers in Taiwan to ensure that the evaluation results are closer to actual operating conditions and have decision-making reference value.</p> <p>The IPCC RCP climate scenario type and related indicators adopted by the Company</p> <table border="1" data-bbox="562 767 2096 1074"> <thead> <tr> <th data-bbox="562 767 994 834">Scenario</th> <th data-bbox="994 767 1606 834">RCP 2.6</th> <th data-bbox="1606 767 2096 834">RCP 8.5</th> </tr> </thead> <tbody> <tr> <td data-bbox="562 834 994 901">Warming range</td> <td data-bbox="994 834 1606 901">~ 2.2°C</td> <td data-bbox="1606 834 2096 901">~ 4.4°C</td> </tr> <tr> <td data-bbox="562 901 994 1074">Climate-related data Indicators</td> <td data-bbox="994 901 1606 1074">Maximum rainfall per day 215.1 mm Annual average temperature 22.8 degrees</td> <td data-bbox="1606 901 2096 1074">Maximum rainfall per day 263.6 mm Annual average temperature 25 degrees</td> </tr> </tbody> </table> <p>Transition scenario</p> <p>Nichidenbo analyzes scenarios based on the Paris Agreement's NDCs (Nationally Determined Contributions) and relevant domestic regulations (such as the "Climate Change Response Act" and "Renewable Energy Development Act") to estimate future financial impacts of electricity costs. Under the target of reducing greenhouse gas emissions by 50% from BAU by 2030, if Taiwan's renewable energy proportion increases from 5.6% in 2019 to 40% by 2030 as planned in the national energy policy, Taiwan Power Company's electricity unit price is expected to rise from NT\$2.63/kWh in 2019 to NT\$3.88/kWh in 2030 due to higher renewable energy costs, increasing our purchased electricity costs.</p> <p>Based on the Group's purchased electricity volume of 868,614.8754 kWh in 2025, energy costs may increase to NT\$3,370,226 by 2030. In response to this potential impact, the company will continue implementing energy-saving</p>		Scenario	RCP 2.6	RCP 8.5	Warming range	~ 2.2°C	~ 4.4°C	Climate-related data Indicators	Maximum rainfall per day 215.1 mm Annual average temperature 22.8 degrees	Maximum rainfall per day 263.6 mm Annual average temperature 25 degrees
Scenario	RCP 2.6	RCP 8.5									
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	measures to reduce electricity consumption impacts. We also reduce energy consumption and water consumption by replacing equipment with energy-saving and water-saving equipment in the office area and promoting low-carbon emission guidelines.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks	<p>Starting from 2023, NDB has conducted annual greenhouse gas inventories in accordance with the international standard ISO 14064-1: 2018, and has set 2022 as the base year. In 2025, due to the expansion of the inventory scope to include all consolidated entities, the original base year could no longer reflect the complete organizational boundaries, so a reassessment was required and a new reduction base year will not be set for the time being. In accordance with the requirements of the FSC's "Sustainable Development Roadmap for TWSE/TPEX-listed Companies", the base year will be reset no later than 2026 to comply with relevant regulations and sustainable development requirements.</p> <p>In order to reduce potential impacts from climate change risks and achieve energy conservation and carbon reduction goals, indicators are used to manage climate change-related risks and opportunities:</p> <ul style="list-style-type: none"> ● Energy conservation and carbon reduction: The Group has long been promoting various energy conservation and carbon reduction measures. Using 2026 as the baseline, the Group plans to reduce total greenhouse gas emissions (Category 1 + Category 2) by 3–5% in 2027 through comprehensive measures involving electricity and water usage, and further aims to achieve an 8% reduction in total greenhouse gas emissions (Category 1 + Category 2) by 2030. The relevant energy conservation and carbon reduction measures for 2025 are described below: <ul style="list-style-type: none"> ■ Electricity consumption: Select energy-efficient products with Green Mark certification for lighting equipment, turn off air-conditioning and lights in meeting rooms when not in use; keep only essential lighting in office and public areas during lunch breaks. It is estimated that the electricity consumption will be reduced by 1% annually in the future. ■ Water resources: Promote water conservation, limit the flow of water in sinks at public toilets, replace old equipment, and prioritize the use of faucets and toilets with "Water Label" certification. It is estimated that the water consumption will be decreased by 1% annually in the future. ■ Waste: Advocate waste reduction policies, and encourage double-sided printing or reuse the reverse side of paper for official documents. The brand of photocopy paper used is certified with the FSC label, and it is estimated that recyclable waste will be reduced by 1% annually. <p>GHG emissions: In 2025, the inventory scope was expanded to include the Group's consolidated entities. Category 1 (Direct GHG emissions) totaled 85.3681 metric tons of CO₂e; Category 2 (Indirect emissions from imported energy) totaled 410.7128 metric tons of CO₂e; Category 3 (Indirect emissions from transportation) totaled 5,296.7932 metric tons of CO₂e; Category 4 (Indirect emissions from products used by the organization provided by other entities) totaled 100.3439 metric tons of CO₂e. Moving forward, the Company will periodically monitor and manage Category 1 and Category 2 data. We also plan to engage third-party verification to ensure data credibility, in alignment with the Sustainable Development Roadmap for TWSE/TPEX-listed Companies.</p>
7. If internal carbon pricing is used as a planning	Starting from 2025, Nichidenbo has set an internal carbon pricing shadow price of NT\$300 per metric ton of carbon dioxide emissions, with reference to the Ministry of Environment's Regulations Governing the Collection of Carbon

<p>tool, the basis for setting the price should be stated.</p>	<p>Fees. Shadow pricing can assist the Company in evaluating long-term costs and risks, performing risk management, assessing the potential financial impacts of future changes in carbon emission policies, and formulating long-term strategies to ensure that Nichidenbo can maintain its competitiveness when future carbon pricing policies change.</p>
<p>8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.</p>	<p>1. The Company's settings for climate-related targets, as detailed in Item 6 above. 2. The Company currently does not use carbon offset and RECs, which will be introduced according to actual needs in the future.</p>
<p>9. Greenhouse gas inventory and assurance status, reduction targets, strategies and concrete action plans (separately fill out in 1-1 and 1-2).</p>	<p>See 1-1 and 1-2 for details.</p>

1-1 The Company's greenhouse gas inventory and assurance status of for the most recent two years

1-1-1 Greenhouse gas inventory information

Describe the GHG emission volumes (metric tons CO₂e), intensity (metric tons CO₂e/NT\$ million), and data coverage for the most recent two years.

Nichidenbo has established a GHG inventory mechanism in accordance with the ISO 14064-1 greenhouse gas inventory standard issued by the International Organization for Standardization (ISO). The Company conducts regular annual inventories, with data for the most recent two years summarized below :

Year		2024	2025
Inventory scope		NDB Company	NDB Group
Category 1	Total emissions (metric tons CO ₂ e)	73.92	85.3681
	Intensity (metric tons CO ₂ e/NT\$ million revenue)	0.04	0.0054
Category 2	Total emissions (metric tons CO ₂ e)	134.10	410.7128
	Intensity (metric tons CO ₂ e/NT\$ million revenue)	0.08	0.0261
Category 3 + Category 4	Total emissions (metric tons CO ₂ e)	192.90	5,397.1371
	Intensity (metric tons CO ₂ e/NT\$ million revenue)	0.11	0.3432

Note: Parent-company-only revenue for 2024 was NT\$1,751 million; consolidated revenue for 2025 was NT\$15,728 million.

1-1-2 Greenhouse gas assurance information

Describe the assurance status for the most recent two years as of the publication date of the annual report, including the assurance scope, assurance institutions, assurance standards, and assurance opinions

There is no greenhouse gas assurance information for 2025. Furthermore, the Company is a company with paid-in capital of less than NT\$5 billion. According to the schedule of the Sustainable Development Roadmap for TWSE/TPEX Listed Companies, the greenhouse gas assurance status of the parent company for 2027 will be disclosed in 2028, and the greenhouse gas assurance status of subsidiaries in the consolidated financial statements for 2028 will be disclosed in 2029.

1-2 Greenhouse gas reduction targets, strategy and concrete action plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets

Starting from 2023, NDB has conducted annual greenhouse gas inventories in accordance with the international standard ISO 14064-1: 2018, and has set 2022 as the base year. In 2025, due to the expansion of the inventory scope to include all consolidated entities, the original base year could no longer reflect the complete organizational boundaries, so a reassessment was required and a new reduction base year will not be set for the time being. In accordance with the requirements of the FSC's "Sustainable Development Roadmap for TWSE/TPEX-listed Companies", the base year will be reset no later than 2026 to comply with relevant regulations and sustainable development requirements.

In order to reduce potential impacts from climate change risks and achieve energy conservation and carbon reduction goals, indicators are used to manage climate change-related risks and opportunities:

- Energy conservation and carbon reduction: The Group has long been promoting various energy conservation and carbon reduction measures. Using 2026 as the baseline, the Group plans to

reduce total greenhouse gas emissions (Category 1 + Category 2) by 3–5% in 2027 through comprehensive measures involving electricity and water usage, and further aims to achieve an 8% reduction in total greenhouse gas emissions (Category 1 + Category 2) by 2030. The relevant energy conservation and carbon reduction measures for 2025 are described below:

- Electricity consumption: Select energy-efficient products with Green Mark certification for lighting equipment, turn off air-conditioning and lights in meeting rooms when not in use; keep only essential lighting in office and public areas during lunch breaks. It is estimated that the electricity consumption will be reduced by 1% annually in the future. Electricity consumption in 2025 was 868,614.8754 kWh, representing an increase, primarily because the scope of the inventory covers all the consolidated entities within the Group.
- Water resources: Promote water conservation, limit the flow of water in sinks at public toilets, replace old equipment, and prioritize the use of faucets and toilets with "Water Label" certification. It is estimated that the water consumption will be decreased by 1% annually in the future. Total water withdrawal in 2025 is 2.8163 thousand cubic meters (1,000 m³).
- Waste_(note): Advocate waste reduction policies, and encourage double-sided printing or reuse the reverse side of paper for official documents. The brand of photocopy paper used is certified with the FSC label, and it is estimated that recyclable waste will be reduced by 1% annually. The total weight of recyclable waste in 2025 was 9.72 metric tons.
Note: The scope of waste statistics in 2025 covered Nichidenbo and six Taiwan subsidiaries.

GHG emissions: In 2025, the inventory scope was expanded to include the Group's consolidated entities. Category 1 (Direct GHG emissions) totaled 85.3681 metric tons of CO₂e; Category 2 (Indirect emissions from imported energy) totaled 410.7128 metric tons of CO₂e; Category 3 (Indirect emissions from transportation) totaled 5,296.7932 metric tons of CO₂e; Category 4 (Indirect emissions from products used by the organization provided by other entities) totaled 100.3439 metric tons of CO₂e. Moving forward, the Company will periodically monitor and manage Category 1 and Category 2 data. We also plan to engage third-party verification to ensure data credibility, in alignment with the Sustainable Development Roadmap for TWSE/TPEX-listed Companies.

(6) Implementation status of ethical corporate management, deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons thereof

- 1、The Company's management team adheres to the principle of integrity in business operations, aiming to deepen the corporate culture of integrity and sound development, and to establish a solid business operation framework.
- 2、The descriptions regarding the implementation status of ethical corporate management are as follows:

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Yes	No	Summary	
1. Establishment of ethical corporate management policies and programs				
(1) Does the company have an 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?	✓		(1) The Company has established its "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" upon being approved by the Board of Directors in 2017 as the basic premise for implementing ethical management in compliance with the Company Act, applicable regulations for TWSE/TPEX listed companies, and other business-related laws and regulations.	No discrepancies
(2) Has the Company 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;	✓		(2) The Company's "Ethical Corporate Management Best Practice Principles" encompass preventive measures for all behaviors specified in paragraph 2 of article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies." By establishing sound systems for corporate governance and risk control, and comprehensive	No discrepancies

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Yes	No	Summary	
<p>formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?</p> <p>(3) Does the Company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?</p>	✓		<p>internal regulations, the Company aims to prevent unethical behavior and create a business environment for sustainable development.</p> <p>(3) The Company has established its "Ethical Corporate Management Best Practice Principles" and "Bylaws to Report Cases of Illegal and Unethical Conduct" as a basis for implementing ethical management, to enhance the integrity and ethical concepts of corporate managers, and to ensure proper execution.</p>	No discrepancies
<p>2. Implementation of Ethical Corporate Management</p> <p>(1) Does the Company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?</p> <p>(2) Has the Company set up a dedicated unit to promote ethical corporate management under the board of directors,</p>	✓		<p>(1) The Company conducts business activities in a fair and transparent manner. Prior to engaging in business dealings, we consider the legality of suppliers, customers, or other business transaction counterparties and whether they have any history of dishonest behavior in order to avoid dealing with those with a history of dishonest behavior.</p> <p>(2) In October 2020, the Company has established an Ethical Corporate Management Promotion Team approved by the Chairperson and formulated relevant operational procedures.</p>	<p>No discrepancies</p> <p>No discrepancies</p>

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Yes	No	Summary	
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?			<p>In addition to the General Manager serving as the chief commissioner, the heads of the business divisions of the following units also serve as members and have their respective duties, and report the operation and implementation status to the Board at least once a year:</p> <p>a. Corporate governance unit: Responsible for promoting ethical corporate management, meeting operations, ensuring legal compliance, regulatory effectiveness, and education training.</p> <p>b. Human resources and legal units: Promote the importance of integrity, legal compliance and education and training on a regular and irregular basis.</p> <p>c. Business Division Heads: Cooperate in the implementation and fulfillment of ethical corporate management and fraud prevention measures, and are regularly supervised and audited.</p> <p>The chief commissioner convened meetings of the Ethical Corporate Management Promotion Team during 2025 to formulate the 2026 plan and report the implementation status of the 2025 plan. The operation and implementation status of the aforementioned ethical corporate management promotion policy were also reported to the Board on November 12, 2025.</p>	

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Yes	No	Summary	
(3) Has the Company established policies to prevent conflict of interests, provided appropriate communication channels, and properly implemented them?	✓		(3) The Company's Regulations Governing Procedure for Meeting of Board of Directors stipulates that directors or the legal persons they represent must explain the important content of their interest at the current Board meeting regarding matters with conflicts of interest in the meeting. Where there is a likelihood that the interest of the Company may be prejudiced, they may not participate in discussion and voting, shall recuse themselves from the discussion and the voting, and may not exercise their voting rights on behalf of another director.	No discrepancies
(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 devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?	✓		(4) The Company has established an internal control system. To ensure that the continuous effectiveness of its design and implementation, audit personnel conduct annual reviews and revisions to establish proper corporate governance and risk control mechanisms.	No discrepancies
(5) Does the Company provide internal and external ethical corporate management training	✓		(5) In 2025, educational guidance on relevant laws and regulations of the "Ethical Corporate Management Best Practice Principles" and "Insider Trading	No discrepancies

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Yes	No	Summary	
programs on a regular basis?			Rules" were provided to all new employees. The content includes "Corporate Governance Integrity Promotion", "Integrity Promotion", "Internal Material Information", "Prevention of Insider Trading", and "Corporate Governance Related Procedures and Measures". The slides and audio-visual files of the courses have been placed in the Company's internal system for employees to access at any time. New employees are also required to take a mandatory 0.5 hour online course upon reporting.	
3. Operation of the Company's whistleblowing system				
(1) Has the Company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistle-blowers?	✓		(1) The Company has implemented "Employee Reward and Punishment Measures" and "Bylaws to Report Cases of Illegal and Unethical Conduct", and appropriate personnel are assigned to accept and handle reported matters.	No discrepancies
(2) Has the Company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a	✓		(2) The Company has established its "Bylaws to Report Cases of Illegal and Unethical Conduct", specifying the handling unit, reporting methods, and procedures.	No discrepancies

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Yes	No	Summary	
<p>confidential manner?</p> <p>(3) Has the company adopted proper measures to protect whistle-blowers from retaliation for filing complaints?</p>	✓		(3) The Company's website has an email address for stakeholders to report misconduct anonymously.	No discrepancies
<p>4. Strengthening information disclosure</p> <p>Does the Company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?</p>	✓		The annual report, sustainability report, and its established Ethical Corporate Management Best Practice Principles, along with their implementation status, have been disclosed on the Company's website and the MOPS.	No discrepancies
<p>5. If the Company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviations between the principles and their implementation:</p> <p>The Company has established the "Ethical Corporate Management Best Practice Principles". In order to comply with the Company's spirit of ethical corporate management and to protect shareholders' equity, the relevant systems and regulations formulated by the Company are in line with the spirit of ethical corporate management practices and are effectively implemented.</p>				
<p>6. Other important information to facilitate a better understanding of the practices of the Company's ethical corporate management (such as the Company's review and revision of its established Ethical Corporate Management Best Practice Principles): Please refer to "Corporate Governance" section on the Company's website.</p>				

(8) Other important information to facilitate a better understanding of the status of operation of corporate governance:
<https://www.ndb.com.tw/>

(9) Disclosures required for the implementation status of the Company's internal control system

(i) Statement of Internal Control

Market Observation Post System>Single Company>Corporate Governance>Company Regulations/Internal Control>Internal Control Statement Announcement

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

(ii) For those who have engaged a CPA to conduct a special review of the internal control system, the CPA's review report should be disclosed: None.

(10) Important resolutions of Shareholders' Meeting and Board meeting in the most recent year and as of the publication date of the annual report:

(i) Important Shareholders' Meeting resolutions and implementation status

Meeting date	Important resolutions	Implementation status
2025.6.11	1、Approval of the 2024 business report and financial statements	Material information announced on June 11, 2025
	2、Approval of the 2024 earnings appropriation proposals	Distribution completed on July 31, 2025
	3、Approval of the amendments to the Articles of Incorporation	Registration of change completed on July 10, 2025
	4、Approval of the amendments to the "Regulations Governing the First Issuance of 2022 Restricted Shares for Employees"	Material information announced on June 11, 2025
	5、Approval of the release of independent director HSU, HSOU CHUN from non-competition restrictions	Material information announced on June 11, 2025

(ii) Important Board resolutions

Session of Board meeting	Meeting date	Important resolutions
5th meeting of the 14th Board	2025.3.13	<ol style="list-style-type: none"> 1. Resolution to approve the Company's 2024 parent company only financial statements, consolidated financial statements and business reports 2. Resolution to approve the CPA appointment for audit or review of the Company's 2025 financial statements and professional fee thereof 3. Resolution to approve the Company's 2024 earnings appropriation proposals 4. Resolution to approve the amendments and additions to the regulations and forms related to the Company's managerial officers 5. Resolution to approve the distribution of the Company's 2024 employee and director remuneration 6. Resolution to approve the proposal for the provision and expensing ratios for employee and director remuneration of the Company in 2025 7. Resolution to approve the replacement of the official vehicle for the General

Session of Board meeting	Meeting date	Important resolutions
		<p>Manager of the Company</p> <p>8. Resolution to approve the Company's application to various financial institutions for various financing facilities and increases in such facilities</p> <p>9. Resolution to approve the cancellation of the Company's acquisition of the remaining balance of the long-term equity investments in securities of WT Microelectronics Co., Ltd.</p> <p>10. Resolution to approve the Company's 2025 business plan</p> <p>11. Resolution to approve the vesting of the first issuance of 2022 restricted shares for employees to the Company's employees with special contributions</p> <p>12. Resolution to approve the amendments to the Company's "Regulations Governing the First Issuance of 2022 Restricted Shares for Employees"</p> <p>13. Resolution to approve the amendments to the Company's "Regulations Governing the First Issuance of 2023 Restricted Shares for Employees"</p> <p>14. Resolved to approve the definition of the scope of "non-managerial employees" for the Company</p> <p>15. Resolution to approve the amendments to the Company's "Articles of Incorporation"</p> <p>16. Resolution to approve the amendments to the Company's 2025 "Internal Control System" and "Internal Audit Implementation Rules"</p> <p>17. Resolution to approve the Company 2024 "Internal Control System Effectiveness Assessment" and "Statement of Internal Control System"</p> <p>18. Resolution to approve the release of the Company's independent director HSU, HSOU CHUN from non-competition restrictions</p> <p>19. Resolution to set the time, location, method, agenda, book closure period, and matters related to shareholders' proposal rights for the Company's 2025 General Shareholders' Meeting</p>
6th meeting of the 14th Board	2025.4.23	<p>1. Resolution to approve the Company's revocation of the amendments to the "Regulations Governing the First Issuance of 2023 Restricted Shares for Employees"</p> <p>2. Resolution to approve the list of the Company's employees granted the first issuance of 2023 restricted shares for employees</p> <p>3. Resolution to approve the proposal for the Company to authorize the Chairperson to determine matters related to the first issuance of 2023</p>

Session of Board meeting	Meeting date	Important resolutions
		restricted shares for employees 4. Resolution to approve the amendments to the scheduling of the time, location, method, agenda, and book closure period for the Company's 2025 General Shareholders' Meeting
7th meeting of the 14th Board	2025.5.7	1. Resolution to approve the Company's 2025 Q1 consolidated financial statements 2. Resolution to approve the distribution of the Company's 2024 director remuneration 3. Resolution to approve the distribution of the Company's 2024 employee remuneration for managerial officers 4. Resolution to approve the salary adjustment for the Company's managerial officers 5. Resolution to approve the Company's application to various financial institutions for various financing facilities and increases in such facilities
8th meeting of the 14th Board	2025.7.15	1. Resolved to approve the share exchange cooperation in which the Company will issue new shares via a capital increase as consideration for the acquisition of newly issued shares of WT Microelectronics Co., Ltd.
9th meeting of the 14th Board	2025.8.6	1. Resolution to approve the Company's 2025 Q2 consolidated financial statements 2. Resolution to approve the Company's application to various financial institutions for various financing facilities and increases in such facilities 3. Resolved to approve the lease of a warehouse in Tucheng District, New Taipei City by the Company 4. Resolution to approve the Company's 2024 sustainability report
10th meeting of the 14th Board	2025.11.12	1. Resolution to approve the Company's 2025 Q3 consolidated financial statements 2. Resolution to approve the amendment to the regulations governing the remuneration of the Company's managerial officers 3. Resolved to approve the adjustment to the distribution procedures for the year-end bonuses of the Chairperson and managerial officers of the Company. 4. Resolution to approve the severance pay for the managerial officers of the Company 5. Resolution to approve the replacement of the Corporate Governance Officer

Session of Board meeting	Meeting date	Important resolutions
		<p>of the Company and the remuneration for the new Corporate Governance Officer of the Company</p> <p>6. Resolution to approve the Company's application to various financial institutions for various financing facilities and increases in such facilities</p> <p>7. Resolution to approve the application for the retroactive public offering and listing for trading of the Company's 2022 private placement of ordinary shares</p> <p>8. Resolution to approve the amendments to the Company's "Guidelines for the Adoption of Codes of Ethical Conduct", "Bylaws to Report Cases of Illegal and Unethical Conduct", and "Sustainable Development Best Practice Principles"</p> <p>9. Resolution to approve the adoption of the Company's "Plan to Enhance Corporate Value"</p> <p>10. Resolution to approve the Company's 2026 Audit Plan</p>
11th meeting of the 14th Board	2026.3.2	<p>1. Resolution to approve the Company's 2025 parent company only financial statements, consolidated financial statements and business report.</p> <p>2. Resolution to approve the Company's 2025 earnings distribution proposals.</p> <p>3. Resolution to approve the appointment of CPAs for audit and review of the Company's 2026 financial statements and their professional fees.</p> <p>4. Resolution to approve the amendment to the Company's Regulations Governing the Remuneration of Managerial Officers.</p> <p>5. Resolution to approve the distribution of the Company's employee compensation and director remuneration for 2025.</p> <p>6. Resolution to approve the proposal for the expense ratios of employee and director remuneration of the Company for 2026.</p> <p>7. Resolution to approve the definition of monthly average regular salary for the Company's "non-managerial employees".</p> <p>8. Resolution to approve the Company's applications to financial institutions for various credit facilities and increases thereto.</p> <p>9. Resolution to approve the lending of funds from the Company to its subsidiary, Lipers Enterprise Co., Ltd.</p> <p>10. Resolution to approve the lending of funds from the Company to its subsidiary, Scope Technology Co., Ltd.</p> <p>11. Resolution to approve the amendment to the Company's Regulations</p>

Session of Board meeting	Meeting date	Important resolutions
		<p>Governing the Acquisition and Disposal of Assets.</p> <p>12. Resolution to approve the amendments to the Company's Internal Control System and Internal Audit Implementation Rules for 2026.</p> <p>13. Resolution to approve the Company's Internal Control System Effectiveness Assessment and Statement of Internal Control System for 2025.</p> <p>14. Resolution to approve the Company's 2026 business plan.</p> <p>15. Resolution to approve the amendment to the Company's Rules of Procedure for Shareholder Meetings.</p> <p>16. Resolution to approve the amendments to the Company's Regulations Governing the First Issuance of 2023 Restricted Shares for Employees.</p> <p>17. Resolution to approve the by-election of one seat on the Company's 14th Board of Directors and related matters concerning the acceptance of nominations for director candidates by shareholders.</p> <p>18. Resolution to approve the nomination and review of director candidates by the Board.</p> <p>19. Resolution to approve the waiver of non-compete restrictions for newly elected directors and juristic person representatives of the Company.</p> <p>20. Resolution to determine the time, venue, method, agenda, book closure period, and matters related to shareholder proposal rights for the Company's 2026 General Shareholders' Meeting.</p>

(11) In the most year and as of the publication date of the annual report, if there are any instances where directors or supervisors have recorded or made written statements of dissent regarding important resolutions passed by the Board of Directors: None.

4. Professional fees of CPAs

(1) Amounts of audit fees and non-audit fees paid to CPAs, their accounting firms and affiliates, as well as details of the non-audit services:

Unit: NT\$ thousand

Name of accounting firm	Names of CPAs	Audit period	Audit fees	Non-audit fees	Total	Remarks
Deloitte & Touche	SHAO, CHIH MING	WONG, YA LING	114.01.01~114.12.31	3,161	100	3,261
	WONG, YA LING		114.01.01~114.12.31		478	478
	XU, XIAO TING		114.01.01~114.12.31		200	200

	CHEN, HUI MING	114.01.01~114.12.31		164	164
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Note: Professional fees for non-audit services include tax certifications, direct deduction method reports, professional fees for salary audits of non-managerial employees, professional fees for share exchange reviews, review checklists for the retroactive public issuance of private placements, transfer pricing reports, and business registration services.

- 1、When the Company changes the accounting firm and the audit fees paid are less in the year of change compared with the previous year: None
- 2、When the audit fees paid for the current fiscal year have decreased by 10% or more compared with the previous year: None

5. Replacement of CPA: None

6. Chairperson, general manager and managerial officers of the Company who are responsible for financial or accounting affairs have worked in the firm of the CPAs or its affiliates within the last year: None

7. Any transfer of equity interests and pledge of or change in equity interests by a director, supervisor, managerial officer, or shareholder with a shareholding of more than 10% in the most recent year and as of the publication date of the annual report

- (1) Transfer of equity interests and pledge of equity interests by a director, supervisor, manager, or shareholder with a shareholding of more than 10%

Equity interests transfer status: Market Observation Post System > Single Company > Changes in Shareholding/Securities Issued > Share Transfer Information Enquiry > Registration Form for Insiders to Report Changes in Shareholding

Equity interests transfer: https://mops.twse.com.tw/mops/#/web/query6_1

Changes in pledges of shareholding: Market Observation Post System > Single Company > Changes in Shareholding/Securities Issued > Creation and Release of Pledges by Insiders > Announcements of Creation and Release of Pledges by Insiders

Changes in pledges of shareholding:

https://mopsov.twse.com.tw/mops/web/STAMAK03_1

- (2) Information on transfer of shareholding involving directors, supervisors, managerial officers, and shareholders with more than 10% shareholding with related parties as counterparties:

March 24, 2026; Unit: Shares

Title	Name	Reason for transfer	Transaction date	Counterparty	Relationship between the counterparty and the Company, directors, supervisors, managerial officers, and shareholders with more than 10% shareholding	No. of shares	Transaction price
Vice President	LIAO, LI SHU	Gift transfer	2025.1.9	LIAO, EN DE	Siblings	35,000	None

- (3) Information on pledges of shareholding involving directors, supervisors, managerial officers, and shareholders with more than 10% shareholding with related parties as counterparties: None

8. Information on the relationships between any of the top 10 shareholders

March 24, 2026; Unit: Shares

No.	Name	Shares held		Shares held by spouse and minor children		Total shares held through nominees		Names and relationships of the top 10 shareholders who are related parties to each other or who are spouses or relatives within two degrees of kinship.		Remarks
		No. of shares	Shareholding (%)	No. of shares	Shareholding (%)	No. of shares	Shareholding (%)	Name	Relationship	
1	WT Microelectronics Co., Ltd. Representative: CHENG, WEN TSUN	102,000,000 0	35.47 0	0 0	0 0	0 0	0 0	None	None	
2	Taipei Fubon Commercial Bank Co., Ltd. in its capacity as custodian for Fuh Hwa Taiwan Technology Dividend Highlight ETF account	7,422,000	2.58	0	0	0	0	None	None	
3	Zong Xin Investment Co., Ltd. Representative: HUANG, PEI CHING	5,800,000 0	2.02 0	0 0	0 0	0 0	0 0	WEN QING Investment Co., Ltd.	(Note 2)	
4	WEN QING Investment Co., Ltd. Representative: HUANG, PEI WEN	4,400,000 120,000	1.53 0.04	0 0	0 0	0 0	0 0	Zong Xin Investment Co., Ltd.	(Note 2)	
5	CHOU, WEI LIN	4,200,000 (Note 1)	1.46	0	0	0	0	None	None	
6	CTBC Bank Co., Ltd. in its capacity as custodian for Nichidenbo Corporation restricted stock trust account for employees with voting rights and dividend rights	3,590,000	1.25	0	0	0	0	None	None	

No.	Name	Shares held		Shares held by spouse and minor children		Total shares held through nominees		Names and relationships of the top 10 shareholders who are related parties to each other or who are spouses or relatives within two degrees of kinship.		Remarks
		No. of shares	Shareholding (%)	No. of shares	Shareholding (%)	No. of shares	Shareholding (%)	Name	Relationship	
7	Tiger Venture Capital Ltd. Representative: WU, QIAN HUI	3,341,000	1.16	0	0	0	0	None	None	
		0	0	0	0	0	0			
8	JPMorgan Chase Bank, N.A. in custody for J.P. Morgan Securities PLC investment account	2,451,305	0.85	0	0	0	0	None	None	
9	LEE, KUN CHAN	2,280,532	0.79	0	0	0	0	None	None	
10	Citibank Taiwan Limited in its capacity as custodian for Barclays Capital Securities Limited investment account	1,900,000	0.66	0	0	0	0	None	None	

Data source: The shareholding percentage is based on the shareholding data as of March 24, 2026, the latest book closure date, and is calculated based on the total number of issued shares of 287,567,150 shares.

Note 1: Including 1,500,000 shares in discretionary trust accounts of CHOU, WEI LIN with financial institutions with retained decision-making rights over utilization.

Note 2: The representative of Zong Xin Investment Co., Ltd., HUANG, PEI CHING, and that of Golden Tree Technology Co., Ltd., HUANG PEI WEN are relatives within 2 degrees of kinship.

9. Total number of shares and total ownership of shares in any single investee by the Company, its directors, supervisors, managerial officers, and any companies controlled either directly or indirectly by the Company

March 24, 2026; Unit: Shares

Investee enterprise (Note)	Investment by the Company		Investment by directors, supervisors, managerial officers, and directly/indirectly controlled companies		Total investment	
	No. of shares	Shareholding (%)	No. of shares	Shareholding (%)	No. of shares	Shareholding (%)
Nichidenbo (Mauritius) Ltd.	5,050,000	100.00	0	0.00	5,050,000	100.00
VIC-DAWN Enterprise Co., Ltd.	14,296,603	95.31	0	0.00	14,296,603	95.31
Lipers Enterprise Co., Ltd.	31,788,710	99.34	0	0.00	31,788,710	99.34
Scope Technology Co., Ltd.	53,016,276	100.00	0	0.00	53,016,276	100.00
Advance Electronic Supply Inc.	37,224,808	100.00	0	0.00	37,224,808	100.00
TONSAM Corporation	15,000,000	100.00	0	0.00	15,000,000	100.00
Lipers (Hong Kong) Enterprise Co., Ltd.	11,000,000	100.00	0	0.00	11,000,000	100.00
KOHO (Taiwan) Co., Ltd.	5,100,000	85.00	0	0.00	5,100,000	85.00
Concord Advanced Technology Co., Ltd.	21,932,212	20.56	0	0.00	21,932,212	20.56

Note: Refers to the Company's Investments accounted for using equity method

III. Capital Raising Activities

1. Capital and shares

(1) Sources of capital

March 24, 2026
Unit: NT\$; Shares

Year & Month	Issue price	Authorized capital		Paid-in capital		Remarks		
		No. of shares	Amount	No. of shares	Amount	Sources of capital	Capital paid in by assets other than cash	Others
2025.08	10	500,000,000	5,000,000,000	216,567,150	2,165,671,500	Restricted shares for employees 39,700,000	None	Note 1
2025.10	10	500,000,000	5,000,000,000	287,567,150	2,875,671,500	Share exchange 710,000,000	None	Note 2

Note 1: Approval Reference: Approved by the Ministry of Economic Affairs on August 29, 2025, via Letter No. Jing-Shou-Shang-Zi-11430137210

Note 2: Approval Reference: Approved by the Ministry of Economic Affairs on October 27, 2025, via Letter No. Jing-Shou-Shang-Zi-11430161830

March 24, 2026; Unit: Shares

Share type	Authorized capital			Remarks
	Outstanding shares (listed)	Unissued shares	Total	
Registered ordinary shares	287,567,150	212,432,850	500,000,000	(Note)

Note: Authorized capital includes 10,000,000 shares for issuance of corporate bonds with warrants, preferred shares with warrants, and shares converted from stock warrants

Information relating to the shelf registration system: Not applicable

(2) List of major shareholders: All shareholders with a 5% or more shareholding will be listed. If there are fewer than 10 shareholders, disclose the names of the top 10 shareholders, the number of shares, and the shareholding of each shareholder on the list

March 24, 2026

Name of major shareholder	Shares	No. of shares held (shares)	Shareholding (%)
WT Microelectronics Co., Ltd.		102,000,000	35.47
Taipei Fubon Commercial Bank Co., Ltd. in its capacity as custodian for Fuh Hwa Taiwan Technology Dividend Highlight ETF account		7,422,000	2.58
Zong Xin Investment Co., Ltd.		5,800,000	2.02
WEN QING Investment Co., Ltd.		4,400,000	1.53
CHOU, WEI LIN (Note 1)		4,200,000	1.46
CTBC Bank Co., Ltd. in its capacity as custodian for Nichidenbo Corporation restricted stock trust account for employees with voting rights and dividend rights		3,590,000	1.25
Tiger Venture Capital Ltd.		3,341,000	1.16

JPMorgan Chase Bank, N.A. in custody for J.P. Morgan Securities PLC investment account	2,451,305	0.85
LEE, KUN CHAN	2,280,532	0.79
Citibank Taiwan Limited in its capacity as custodian for Barclays Capital Securities Limited investment account	1,900,000	0.66

Source: Taiwan Depository & Clearing Corporation (TDCC), based on the shareholding information on the last book closure date on March 24, 2026

Note:

(3) The Company's dividend policy and implementation

(i) Dividend policy stipulated in the Articles of Incorporation

Article 21: If the Company has a surplus in the annual final accounts, it shall be first be used to pay taxes and offset accumulated losses, and then 10% shall be allocated to the legal reserve, unless the amount of legal reserve has reached that of the Company's paid-in capital. After appropriation or reversal of special reserve is made based on the Company's operational needs and legal requirements, the balance (hereinafter referred to as "distributable earnings for the year"), together with the unappropriated retained earnings at the beginning of the same period, shall be distributed according to the earnings appropriation proposals prepared by the Board of Directors and submitted to the Shareholders' Meeting for resolution, and dividends shall be paid at no less than 50% of the distributable earnings for the year.

Pursuant to the provisions of Article 240 of the Company Act, the Company authorizes the Board of Directors to resolve with the attendance of more than two-thirds of the directors and a majority vote of the attending directors to distribute dividends and bonuses or all or part of the legal reserve and capital surplus as stipulated in Article 241 of the Company Act in cash and report to the Shareholders' Meeting, without applying the requirement for a resolution by the Shareholders' Meeting as stated in the preceding paragraph.

Article 21-1: Considering the environment and the growth stage of the Company, the Company shall distribute dividends according to Article 21 of the Company's Articles of Incorporation, given the future capital requirements and long-term financial planning. In addition, annual cash dividends shall not be less than 30% of the total dividends to shareholders.

(ii) Proposed dividend distribution in the Shareholders' Meeting

The Company resolved to distribute cash dividends of NT\$ 1,380,322 thousand to shareholders in a Board meeting on March 2, 2026, which will be submitted to the Shareholders' Meeting on May 22, 2026 for recognition.

(4) The impact of proposed issuance of stock dividend in the Shareholders' Meeting on the Company's operating performance and earnings per share:

Not applicable. No issuance of stock dividend was proposed in the current Shareholders' Meeting.

(5) Employee and director remunerations

(i) Percentage or scope of employee and director remunerations as set forth in the Articles of Incorporation

Article 20: When the Company has a profit for the year, no less than 5% shall be allocated as employee remuneration (of which no less than 15% shall be allocated

as non-managerial employee remuneration) and no more than 3% as director remuneration. However, the profit should be reserved to offset the deficit if the Company has accumulated deficits.

The employee and non-managerial employee remuneration mentioned in the preceding paragraph may be distributed in the form of shares or cash, and the recipients may include employees of subsidiary companies meeting certain conditions, whereas director remuneration may only be distributed in cash.

The preceding two items shall be implemented by a special resolution in a Board meeting and reported to the Shareholders' Meeting.

(ii) Basis for estimating the amount of employee and director remunerations, calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure for the current period

(a) Basis for estimating the amount of employee and director remunerations for the current period

An amount equivalent to approximately 7% and 1.5% of the profit for the year (i.e., profit before tax less distributions of net profit for employee and director remunerations) less accumulated losses shall be appropriated as employee remuneration and director remuneration, respectively.

(b) Basis for calculating the number of shares to be distributed as employee remuneration

Based on the closing price of the day preceding the date of resolution passed in the Board meeting.

(c) Accounting treatment for any discrepancy between the actual amount distributed and the estimated figures

Treated as a change in accounting estimate, with adjustments to be recognized in the following year.

(iii) Remuneration distribution approved by the Board of Directors

(a) the Company's Board of Directors approved on March 2, 2026 the distribution of employee remuneration of NT\$102,324 thousand and director remuneration of NT\$21,927 thousand, both of which are to be paid in cash.

If there is any discrepancy between these amounts and the estimated figures for the year these expenses are recognized, the discrepancies, reasons, and handling methods shall be disclosed: No discrepancies.

(b) The amount of stock-based employee compensation and its proportion to the total net income after tax in the individual financial report and total employee remuneration of the total for the current period: Not applicable as no employee remuneration is distributed in stocks.

(iv) The actual distribution of the remuneration of employees, directors, and supervisors in the previous year (including the number of shares distributed, the amount, and the share price), and if it is different from the recognized remuneration of employees, directors and supervisors, the amount of the difference, the reason for the difference and the treatment of the difference should be stated

The Company's Board of Directors resolved on March 13, 2025 to distribute employee and director remunerations for 2024 of NT\$78,266 thousand and

NT\$16,771 thousand, respectively. As of the publication date of the annual report, the actual distribution of employee and director remunerations amounted to NT\$78,266 thousand and NT\$16,771 thousand, respectively, with no discrepancies in the actual distribution.

(vi) The Company's repurchase of shares: None.

2. Corporate bonds: None

3. Preferred shares: None

4. Global depository receipts: None

5. Employee stock options: None

6. Issuance of new restricted employee shares:

(1) Implementation status of restricted shares for employees of the Company for which vesting conditions have not yet been fully met, and its impacts on the shareholders' equity

March 24, 2026

Type of restricted shares for employees	The first issuance of 2022 restricted shares for employees	The first issuance of 2023 restricted shares for employees
Effective registration date and total no. of shares	July 12, 2022 4,000,000 shares	October 11, 2023 4,000,000 shares
Issue date	July 22, 2022	August 13, 2025
No. of restricted shares for employees issued	4,000,000 shares	3,970,000 shares
No. of restricted shares for employees still available for issuance	0 share	0 share (Note 1)
Issue price	Issuance for consideration NT\$21.93 per share	Issuance for consideration NT\$30.55 per share
% of no. of restricted shares for employees issued to total no. of issued shares	1.39% (Note 2)	1.38% (Note 2)
Vesting conditions of restricted shares for	The following conditions for the Company's overall performance and individual employee's performance shall be met	(1) The proportions of shares for which employees may respectively satisfy the vesting conditions, provided

Type of restricted shares for employees	The first issuance of 2022 restricted shares for employees	The first issuance of 2023 restricted shares for employees
employees	<p>simultaneously</p> <p>(1) The Company's overall performance: The following earnings per share (EPS) requirements must be met.</p> <ol style="list-style-type: none"> 1、 Before the expiration of the vesting period, the average EPS for the latest three years should be higher than the average EPS of the peer companies for the same three years. 2、 The aforementioned peers refer to Honey Hope Honesty, PODAK, Howteh, Zenitron, and WPG. 3、 The aforementioned EPS refers to the basic earnings per share disclosed in the consolidated statement of comprehensive income in the consolidated financial statements audited by CPAs. <p>(2) Individual employee's performance</p> <ol style="list-style-type: none"> 1、 Upon completion of two years of service following the subscription of restricted shares for employees and having achieved a performance appraisal score of 81 or above for each of the preceding two years, and provided there has been no violation of laws and regulations, the Company's employment contract or confidentiality and non-competition agreement, the Company's work rules, or other relevant 	<p>that they remain employed from the date of subscription restricted shares for employees (i.e., the capital increase record date) until the expiry of the following timelines, are as follows:</p> <ol style="list-style-type: none"> 1、 After 2 years: 40% of the subscribed shares may be vested. 2、 After 3 years: 30% of the subscribed shares may be vested. 3、 After 4 years: 30% of the subscribed shares may be vested. <p>(2) From the time of subscription of restricted shares for employees, in the event of a material breach such as a violation of the labor contract, work rules, or company regulations, the Company is entitled to buy back the shares of restricted shares for employees that have been subscribed but for which the vesting conditions have not yet been met at the original issue price and proceed with the cancellation thereof.</p>

Type of restricted shares for employees	The first issuance of 2022 restricted shares for employees	The first issuance of 2023 restricted shares for employees
	<p>norms and covenants, 40% of the shares may be vested.</p> <p>2、Upon completion of three years of service following the subscription of restricted shares for employees and having achieved a performance appraisal score of 81 or above for the third year, and provided there has been no violation of laws and regulations, the Company's employment contract or confidentiality and non-competition agreement, the Company's work rules, or other relevant norms and covenants during the third year, 30% of the shares may be vested.</p> <p>3、Upon completion of four years of service following the subscription of restricted shares for employees and having achieved a performance appraisal score of 81 or above for the fourth year, and provided there has been no violation of laws and regulations, the Company's employment contract or confidentiality and non-competition agreement, the Company's work rules, or other relevant norms and covenants during the fourth year, 30% of the shares may be vested.</p>	
Restrictions on rights in the	(1) Depositing subscribed restricted shares for	(1) Depositing subscribed restricted shares for

Type of restricted shares for employees	The first issuance of 2022 restricted shares for employees	The first issuance of 2023 restricted shares for employees
restricted shares for employees	<p>employees in the custody of a trustee, an employee shall not sell, pledge, transfer, donate, encumber or use other manners to dispose of the shares, except inheritance, before the vesting condition is met.</p> <p>(2) Shareholders' Meeting voting rights and election rights: It shall be executed by the trust custodian institution in accordance with relevant laws and regulations.</p> <p>(3) Holders of restricted shares for employees that have not yet meet the vesting condition are still entitled to receive stock dividends and cash dividends as holders of the Company's issued ordinary shares. However, they shall not have the right to subscribe s for shares in a cash capital increase.</p>	<p>employees in the custody of a trustee, an employee shall not sell, pledge, transfer, donate, encumber or use other manners to dispose of the shares, except inheritance, before the vesting condition is met.</p> <p>(2) Shareholders' Meeting voting rights and election rights: It shall be executed by the trust custodian institution in accordance with relevant laws and regulations.</p> <p>(3) Holders of restricted shares for employees that have not yet meet the vesting condition are still entitled to receive stock dividends and cash dividends as holders of the Company's issued ordinary shares. However, they shall not have the right to subscribe s for shares in a cash capital increase.</p>
Custody of the restricted shares for employees	The shares are in the custody of the trustees	The shares are in the custody of the trustees
Treatment of the restricted shares for employees for which the grantee fails to meet the vesting conditions after receiving or subscribing to the shares	The Company will reclaim the granted shares and cancel them at the initial price; however, the employees are not required to return or pay back the stock and cash dividends generated from the shares.	The Company will reclaim the granted shares and cancel them at the initial price; however, the employees are not required to return or pay back the stock and cash dividends generated from the shares.
No. of restricted shares for employees that have been retired or bought back	60,000 shares	0 share

Type of restricted shares for employees	The first issuance of 2022 restricted shares for employees	The first issuance of 2023 restricted shares for employees
No. of restricted shares for employees that have vested	2,926,000 shares	0 share
No. of unvested restricted shares for employees	1,014,000 shares	3,970,000 shares
% of no. of unvested restricted shares for employees to total no. of issued shares	0.35% (Note 2)	1.38% (Note 2)
Effect on shareholders' equity	No material effect on shareholders' equity	No material effect on shareholders' equity

Note 1: The rights to 30,000 unissued shares have lapsed as more than two years have passed since the date the notification of the filing becoming effective was received.

Note 2: Calculated based on the total number of issued shares of 287,567,150 shares as of the most recent registration with the Ministry of Economic Affairs of October 27, 2025

- (1) Names and vesting status of managerial officers who have been granted restricted shares for employees and of employees who rank among the top ten in the number of restricted shares for employees granted as of the publication date of the annual report

March 24, 2026; Unit: Shares; NT\$

	Title	Name	No. of restricted shares for employees granted	% of no. of restricted shares for employees granted to total no. of issued shares	Vested restricted shares				Unvested restricted shares			
					No. of vested shares	Issue price	Total purchase price	% of no. of vested restricted shares to total no. of issued shares (Note 1)	No. of unvested shares	Issue price	Total purchase price	% of no. of unvested restricted shares to total no. of issued shares (Note 1)
Managerial officers	Chief Executive Officer	CHOU, WEI LIN	3,080,000	1.07%	2,264,000	21.93	49,649,520	0.79%	816,000	21.93	17,894,880	0.28%
	Member of Strategic Investment Committee	HUANG, JEN HU										
	Chief Operating Officer	LEE, KUN CHAN										
	General Manager	YU, YAO KUO										
	Senior Vice President	HUNG, CHIN HAN										
	Special Assistant to the Chairperson	LIAO, LI SHU										
	Vice President	HOU, CHIN HWA										
	Vice President	LAI, NAN CHUN										
	Assistant Vice President	YANG, WEN CHI										
	Assistant Vice President	HSU, CHI PING										
	Assistant Vice President	LEE, PO YI										
	Assistant Vice President	LIN, TSAN WEI	220,000	0.08%	0	30.55	0	0%	220,000	30.55	6,721,000	0.08%
	Senior Director	HSU, SHU HUI										
	Senior Manager	KU, HSIN PING										
Employees	Vice President	YU, ○ CHIANG	820,000	0.29%	622,000	21.93	13,640,460	0.22%	198,000	21.93	4,342,140	0.07%
	Vice President	JIAN, ○ YI										
	Senior Assistant Vice President	SUN, ○ KE										

Senior Assistant Vice President	CHEN, ○ GUANG										
Senior Assistant Vice President	YANG, ○ CONG										
Senior Assistant Vice President	CHOU, ○ TING										
Senior Assistant Vice President	SU, ○ CANG										
Senior Director	LAN, ○ CHING	910,000	0.32%	0	30.55	0	0%	910,000	30.55	27,800,500	0.32%
Senior Director	HSIAO, ○ CHENG										
Senior Director	CHEN, ○ LING										
Senior Director	WU, ○ YUN										
Senior Director	CHANG, ○ LUNG										
Senior Director	LI, ○ JUI										
Senior Director	HE, ○ LIN										
Senior Director	LIAO, ○ HSIN										
Senior Director	CHANG, ○ PEI										
Director	WU, ○ CHIA										
Director	CHU, ○ HSIEN										
Director	HUANG, ○ YU										
Director	WANG, ○										

Note 1: Calculated based on the total number of issued shares of 287,567,150 shares as of the most recent registration with the Ministry of Economic Affairs on October 27, 2025.

7. Issuance of new shares in connection with mergers or acquisitions:

- (1) If, during the most recent year and as of the publication date of the annual report, any issuance of new shares in connection with a merger or acquisition or with acquisition of shares of any other company is completed, the following matters shall be disclosed:
- (i) An assessment opinion prepared by the lead underwriter concerning any issuance of new shares in connection with any merger or acquisition or with any acquisition of shares of any other company within the past quarter:

Nichidenbo Corporation

**Issuance of New Shares in Connection With Acquisition of
Shares of Other Companies in 2025**

**Lead Underwriter's Assessment Opinion on the Impact on the
Issuer's Finances, Business, and Shareholders' Equity**

Fourth Quarter of 2025

Grand Fortune Securities Co., Ltd.

JANUARY 9, 2026

Nichidenbo Corporation's Issuance of New Shares for the Acquisition of Shares of Another Company

Lead Underwriter's Assessment Opinion

Nichidenbo Corporation (hereinafter referred to as "Nichidenbo") issued new shares in 2025 for the acquisition of newly issued shares of WT Microelectronics Co., Ltd. (hereinafter referred to as "WT Microelectronics"). This transaction became effective upon filing with the TWSE per Letter No. Tai-Zheng-Shang-Yi-Zi-1141804197 dated September 25, 2025. Both parties set October 1, 2025 as the record date for the share exchange, and the change of registration was approved and completed per Letter No. Jing-Shou-Shang-Zi-11430161830 dated October 27, 2025. Pursuant to Subparagraph 8, Paragraph 1, Article 9 of the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers", Nichidenbo has engaged us as the lead underwriter to provide an assessment opinion on the impact on the finances, business, and shareholders' equity of Nichidenbo as of the fourth quarter of 2025, regarding the matter of Nichidenbo issuing new shares as consideration for the acquisition of newly issued shares of WT Microelectronics.

1. Impact on Finances

Nichidenbo is a professional distributor of electronic components. Due to industry characteristics, it must maintain a certain level of inventory, resulting in relatively high working capital requirements. With the continuous expansion of its business scale in recent years driving an increase in capital demand, the Company has utilized bank financing to supplement its working capital, resulting in a year-on-year upward trend in its debt ratio. As of the end of June 2025, its parent-company-only debt ratio had reached 24.35%. Through the share exchange with WT Microelectronics and the acquisition of its shares by issuing new shares, Nichidenbo's scale of shareholders' equity is effectively expanded and the capital structure is optimized, thereby strengthening the overall financial position. From the perspective of the parent-company-only financial statements, Nichidenbo's debt ratio has decreased from 24.35% as of the end of June 2025 to 9.77% as of the end of November 2025, indicating that this exchange has indeed reduced the debt ratio and achieved the benefit of optimizing the financial structure. Furthermore, upon completion of this issuance of new shares for the share acquisition, in view of the stable operating performance of WT Microelectronics and the stability of Nichidenbo's dividend policy over the years, the shares of WT Microelectronics held by Nichidenbo will, in the future, allow for the sharing of its operating results through dividend distributions and stock price performance, which will be positively conducive to overall profitability and investment income.

2. Impact on Business

Nichidenbo and WT Microelectronics exhibit high complementarity in aspects such as product lines, customer structures, and market layouts. Through this share exchange cooperation, Nichidenbo is able to leverage WT Microelectronics' advantages in semiconductor component

distribution and international channel layout to supplement its own product structure, which is primarily based on passive components, thereby expanding the depth and breadth of its overall product lines and providing customers with more comprehensive one-stop-shop services. In addition, WT Microelectronics has long been deeply involved in the global electronic components distribution market, accumulating a broad international customer base and extensive experience in cooperating with original manufacturers. After the two parties commence cooperation, Nichidenbo can leverage WT Microelectronics' existing international channels and customer networks to further expand its market reach and product sales scope. This will facilitate entry into the supply chain systems of more large-scale international OEMs, ODMs, and system integrators, and enhance its level of cooperation and bargaining power with upstream original manufacturers, thereby increasing the possibility of representing new product lines and deepening strategic cooperation. As the record date for the share exchange in this case is set for October 1, 2025, both parties are currently still in the initial stage of cooperation and the operational synergy planning phase. The integration of channel resources and the substantive expansion of distributed product lines will require a certain amount of time to be advanced progressively. As the subsequent cooperation plans are gradually implemented, it is expected to assist Nichidenbo in rapidly entering markets where its presence was previously weaker, accelerating expansion in regions such as Southeast Asia, Japan, and Korea, strengthening overseas market penetration, enhancing its ability to respond to changes in market demand, and increasing its competitive advantage in the global electronic components distribution industry. In summary, this share exchange transaction is of positive benefit to the overall business development of Nichidenbo.

3. Impact on Shareholders' Equity

In this instance, Nichidenbo issued 71,000,000 new shares to acquire shares of WT Microelectronics. These new shares represent 24.69% of the 287,567,000 issued and paid-in shares after the issuance. In the short term, this will indeed result in a certain degree of dilution to the shareholding percentage of existing shareholders. However, Nichidenbo and WT Microelectronics are entering into a strategic alliance by way of a share exchange rather than a merger or acquisition. Under the premise that both parties maintain the continuous development of their respective original core businesses, the long-term cooperative relationship will be deepened through equity links. By leveraging WT Microelectronics' advantages in semiconductor components, technical support, and system integration, Nichidenbo can, in addition to its existing passive components distribution business, further enhance its capability to participate in the customer product design and solution implementation stages, transforming into a solution partner that co-develops with customers, thereby increasing the added value and stickiness of its products at the customer end. As the benefits of cooperation between both parties gradually manifest, it is expected that the industrial competitiveness of both parties can be simultaneously strengthened, creating higher corporate value for shareholders through the expansion of operating scale, optimization of product mix, and enhancement of added value. Overall, this share exchange should have a positive impact on the overall shareholders' equity of

Nichidenbo.

4. Whether the Benefits of the Acquisition Have Materialized

Nichidenbo and WT Microelectronics are both professional electronic component distributors, and the two parties possess high complementarity in product structure and market layout. Through this issuance of new shares for a share exchange, Nichidenbo is able to strengthen the completeness of its distributed product portfolio and, through the integration of resources from both parties, enhance product implementation efficiency and market penetration, laying a foundation for subsequent business expansion. In addition, the overall operations and profit performance of WT Microelectronics are stable. Upon completion of this transaction involving the issuance of new shares for the acquisition, the shares of WT Microelectronics held by Nichidenbo may share in its operating results through dividend distributions and stock price performance in the future, which will have a positive impact on the finances, business, and shareholders' equity of Nichidenbo. In terms of short-term financial indicators, according to the unaudited parent-company-only financial statements as of the end of November 2025, the debt ratio of Nichidenbo was 9.77%, which has significantly decreased compared to before the transaction, indicating that this share exchange has effectively optimized the financial structure. Overall, although both parties are currently still in the initial stage of cooperation and the relevant integration benefits will take time to materialize, as various cooperation plans are implemented one after another, it is expected that the overall benefits brought by the share exchange will gradually emerge.

(2) Where the Board of Directors has, during the most recent year and as of the publication date of the annual report, adopted a resolution to issue new shares for a merger with or acquisition of shares of another company, the status of implementation and the basic information of the Company being merged or whose shares are being acquired shall be disclosed:

(i) Issuance of new shares in connection with mergers or acquisitions of shares of other companies as resolved by the board of directors during the most recent year and as of the publication date of the annual report:

On July 15, 2025, the Company resolved through its Board of Directors to conduct a share exchange with WT Microelectronics Co., Ltd. (hereinafter referred to as "WT Microelectronics"), whereby the Company will carry out capital increase through issuing 71,000,000 ordinary shares as consideration for the acquisition of 47,428,000 ordinary shares of WT Microelectronics. The share exchange ratio is 1 ordinary share of the Company for 0.668 common shares of WT Microelectronics. The record date for the share exchange is October 1, 2025. The aforementioned share exchange ratio has been supported by a fairness opinion issued by an independent expert from Yuan He CPAs & Co. and is considered reasonable. The application for the issuance of new shares for the acquisition of shares of another company became effective upon filing with the TWSE on September 25, 2025, and approval for the change of registration was obtained from the Ministry of Economic Affairs on October 27, 2025.

(ii) Basic Information on the Company Whose Shares are Acquired

Unit: NT\$ thousand

Company name	WT Microelectronics Co., Ltd.	
Company address	14F, No. 738, Zhongzheng Rd., Pinghe Vil., Zhonghe Dist., New Taipei City	
Responsible person	CHENG, WEN TSUNG	
Paid-in capital (Note 1)	12,654,308	
Main business items	1. Processing, manufacturing, research and development, trading, and import/export of electronic components and finished products 2. Manufacturing of telephone equipment and its components; acting as an agent for domestic and foreign manufacturers in quotation and bidding business 3. Information software services, retail and wholesale trade, warehousing, and wholesale of telecommunications equipment	
Main products	Various types of electronics components	
Financial information for the most recent fiscal year	Total assets	527,560,190
	Total liabilities	409,621,883
	Total shareholders' equity	117,938,307
	Operating revenue	1,177,948,907
	Gross profit	47,623,827
	Income or loss	20,882,180
	Profit/loss for the current period	13,566,471
	Earnings per share (\$)	11.61

Note 1: Based primarily on the information registered with the Ministry of Economic Affairs as of the publication date of the annual report.

Note 2: Data sourced from the 2025 consolidated financial statements on the Market Observation Post System.

8. Implementation of capital allocation plans: None

IV. Overview of Operations

1. Description of businesses

(1) Scope of businesses

(i) Main contents

- (a) CC01030 Electrical appliances and audiovisual electronic products manufacturing.
- (b) CC01040 Lighting equipment manufacturing.
- (c) CC01070 Wireless communication mechanical equipment manufacturing.
- (d) CC01080 Electronics components manufacturing.
- (e) CC01110 Computer and peripheral equipment manufacturing.
- (f) CC01990 Other electrical machinery and electronic equipment manufacturing.
- (g) CZ99990 Unclassified other industrial products manufacturing.
- (h) F106010 Hardware wholesale business.
- (i) F113020 Electrical appliances wholesale business.
- (j) F113070 Telecommunications equipment wholesale business.
- (k) F119010 Electronic materials wholesale business.
- (l) F213060 Telecommunication equipment retail business.
- (m) F219010 Electronic materials retail business.
- (n) F401010 International trading.
- (o) I301010 Information software services.
- (p) ZZ99999 may engage in any business not prohibited or restricted by law, except for those subject to special approval.

(ii) Business proportions

Unit: NT\$ thousand

Main products	2025	
	Amount	As a percentage of operating revenue (%)
MLCC	7,146,724	45.44
Solid capacitor	4,138,820	26.31
Electrolytic capacitor	1,509,479	9.60
Semiconductor	1,237,388	7.87
LED	333,116	2.12
Others	1,362,318	8.66
Total	15,727,845	100.00

(iii) Current products (services)

- (1) Nichidenbo, Nichidenbo (Shenzhen), and Nichidenbo Suzhou mainly distribute electronic components of NIPPON CHEMI-CON, Panasonic, and Sumida.
- (2) VIC-DAWN mainly sells its own brand, the KTS battery series, and acts as an agent for electronic components of AIC tech and ALPSALPINE.
- (3) Lipers, Scope, and Advance mainly represent electronic components of SAMSUNG, KEMET, KYOCERA AVX, TDK, EVERLIGHT, Rubycon, GENESYS, and their brand UWA.
- (4) TONSAM serves as the agent for electronic components of Nisshinbo Micro Devices, AsahiKASEI MICRODEVICES Corporation.
- (5) KOHO (Taiwan) serves as the agent mainly for the full series of electronic components of Panasonic.

(iv) New products (services) to be developed

In addition to expanding the sales of various components in the original various markets, the Company is committed to not only broadening its presence in new markets and introducing new products but also actively deepening its foothold in both domestic and overseas markets (such as Vietnam, Thailand, India, etc.). This strategic approach aims to increase opportunities for Company products and enhance competitiveness.

(2) Industry overview

(i) Industry's current condition and development

Passive components are indispensable electronic components widely used in products such as PCs, mobile phones, tablet computers, servers, network communication, household equipment and automobiles. Among these components, MLCCs are favored for their physical characteristics including high voltage resistance, high heat resistance, wide operating temperature range, and low loss rate when used in high-frequency applications. Their chip-oriented nature also contributes to smaller size, lower price, and higher stability, making them suitable for mass production.

In the first half of 2025, affected by adjustments in international trade policies and geopolitical variables, end customers became more cautious in order planning, resulting in short-term fluctuations in pull-in momentum. Furthermore, severe volatility in the US dollar exchange rate also increased corporate operating risks. However, entering the second half of 2025, as the wave of AI applications drove the overall market demand to bottom out and recover, AI servers in particular demonstrated strong growth momentum. In response to changes in the external environment, the Company continues to optimize its product mix to strengthen its competitiveness by enhancing its presence in emerging technology fields such as AI servers and Wi-Fi 7. Prices of high-specification products remained relatively stable, and demand for mid-to-low-specification products showed signs of gradual recovery.

Overall, in 2025, the widespread demand for AI servers and other applications has driven both qualitative and quantitative growth in the demand for passive components, with the increase in demand for MLCCs and high-end polymer capacitors for AI servers being particularly significant.

Looking ahead to 2026, industry growth momentum will focus on high-performance computing applications such as AI servers, AI accelerator cards, GPUs, and ASICs. With the increase in computing power consumption, the introduction of the 800V power architecture for AI servers will further drive the penetration rate of high-end specification products such as those with high capacitance, high voltage, and high temperature resistance, which is conducive to maintaining and improving the average selling price.

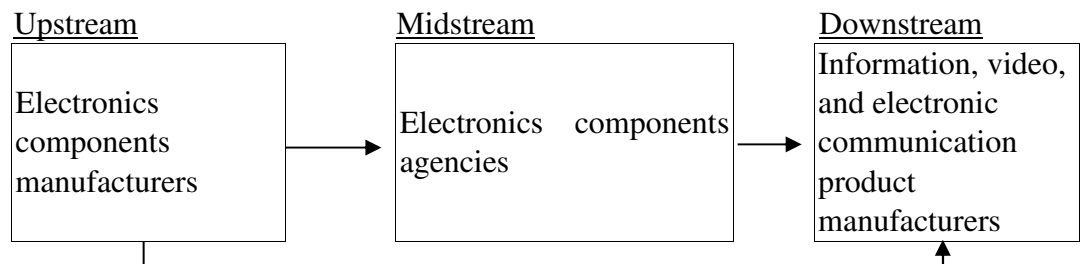
In terms of the supply chain, although it is necessary to monitor the potential indirect impact that supply constraints of upstream key components (such as memory) may have on the shipping schedule of end products, overall, as opportunities from AI infrastructure and the AI PC replacement cycle continue to materialize, it is expected that the global production value of passive components will maintain a steady growth trend in 2026.

(ii) Correlation among upstream, midstream, and downstream of the industry

As a professional distributor and agent of electronic components, the Company plays the role of a key value-added partner for upstream electronic component

manufacturers and downstream finished product manufacturers within the production and sales division of labor structure of the electronic information industry, achieving the goal of mutual prosperity and growth by maintaining the integration of the industry chain. For upstream manufacturers, distributors and agents can assist in constructing a complete marketing and distribution network, effectively reducing administrative and selling expenses as well as market development costs. For downstream manufacturers, they can flexibly and rapidly supply required components, assisting customers in optimizing inventory levels and reducing R&D and operating risks. Distributors located in the midstream consolidate the demands of downstream operators to conduct large-scale procurement to secure competitive price advantages, which are then combined with systematic inventory management and a diversified portfolio of distributed brands to provide one-stop-shop services. Under this model of professional division of labor, the operational efficiency of the electronics industry can be effectively enhanced, and supply chain resilience and industrial competitiveness can be further strengthened within a volatile market environment.

The upstream, midstream, and downstream relationships of the industry are shown below:



(iii) Various development trends of products

Passive components are indispensable electronic components widely used in PCs, mobile phones, home appliances, servers, network communication equipment, automobiles, and other products. As the scale of the global new energy vehicle market continues to expand, and with the vigorous development of AI computing technology and generative applications, automotive electronics and AI infrastructure have become the core dual engines driving the growth of MLCC demand. In recent years, as electric vehicles have become more widespread and adopted modular designs, combined with the increasing penetration rate of advanced driver-assistance systems, major industry leaders have gradually shifted their R&D focus and capacity allocation toward high-end technical fields such as automotive and industrial grades to meet market demand for high-reliability and long-life components. In addition, the architectural evolution of AI servers and next-generation network communication equipment has further increased the dependence on high-end specification passive components such as high-voltage and large-capacity types. Overall, benefiting from AI technology leading the digital transformation across various industries and driving a continuous increase in overall market demand, the breadth and depth of applications for passive components are highly promising, and future demand is expected to maintain a growth trend.

(iv) Product competition

the Company is a professional distributor and agent of electronic components, primarily selling and representing products such as capacitors, resistors, inductors, and protection components within the passive components category. In the domestic market, TWSE/TPEX listed companies whose business scope is relatively

similar to that of the Company include Holy Stone, Honey Hope Honesty, and PODAK. As for manufacturers, companies with similar product lines include Taiwan Chinsan Electronic, Lelon, and Jamicon. Facing a highly competitive market environment, the Company strives to establish differentiated advantages in the market through a diversified portfolio of distributed brands and by deeply cultivating high-value application fields. The business items of the Company and competitors are listed and analyzed as follows:

Main competitors	Business	Products
Nichidenbo	Electronics components	Passive components, aluminum electrolytic capacitors, solid capacitors, MLCC, inductors, etc.
Holy Stone	Electronics components	Passive components, active components, system modules, etc.
Honey Hope Honesty	Electronics components	MLCC, inductors, etc.
PODAK	Electronics components	Passive components, active components, etc.
Taiwan Chinsan Electronic	Electronics components	Aluminum electrolytic capacitors
Lelon	Electronics components	Aluminum electrolytic capacitors, aluminum foils, electronic materials, etc.
Jamicon	Electronics components	Aluminum electrolytic capacitors, filters, fans for DC motors, etc.

Data source: Annual reports of each entity on the Market Observation Post System.

(3) Technology and R&D Overview:

As a professional electronic component distributor, the Company primarily engages in agency and trading business and does not conduct R&D activities.

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

(i) Short-term plan

(a) Sales strategy aspect

① Continuously cultivate the electronic components distribution and agency field to consolidate technical marketing advantages.

② Employ experienced market development talents

Strengthen the market development unit, fully grasp the market pulse, and assist the marketing unit in promoting products to provide customers with more complete services.

③ Well-trained business ambassadors and a professional management team

The Company's senior executives are all professionals from the passive components industry. The Company continues to strengthen professional business knowledge, providing absolute advantages in current product promotion and future acquisition of new product agency rights.

④ Diversified industry coverage

Our products cover various industries such as 3C electronics, industrial, automotive, medical electronics, and AI high-performance computing. The Company continues to increase market share through its comprehensive sales network and diversify regional trade risks.

(b) Operation strategy aspect

① Deepen talent development

Employees are the main lifeblood of the Company. Therefore, the Company cultivates employees' skills and their recognition to the Company in order to achieve sustainable management.

② Optimize information technology systems

Strengthen information technology systems, improve the efficiency of information integration across various units and overseas locations, and enhance the overall competitiveness of the enterprise.

(c) Product strategy aspect

The Company and its subsidiaries are currently the agents of electronic components of NIPPON CHEMI-CON, Panasonic, AIC tech, KEMET, KYOCERA AVX, SAMSUNG, and EVERLIGHT, and we will use our market development experience to acquire more agency rights for other brands.

(d) Financial strategy aspect

The Company's highest principle is to maintain sound financial operations. Therefore, it has maintained good relationships with banks in order to respond to the needs arising from the increase in operation scale in the future and the fluctuations in the international economic and trade environment.

(ii) Long-term plan

(a) Sales strategy aspect

① With the marketing experience in Taiwan as the core, gradually establish a more comprehensive marketing network in the Asia-Pacific region.

② Develop a good mutual understanding with main customers and become their main electronic component supplier.

(b) Operation strategy aspect

① Integrate the resources of investee companies and make overall planning to enhance organizational operational efficiency and resilience.

② Moving towards internationalization to become an internationally renowned corporation is the vision of the Company's long-term plan and efforts.

(c) Product strategy aspect

① Continue introducing key components to enhance the completeness of the distributed products.

② In line with the development trends of its distributed product lines, flexibly adjust the distributed product portfolio to optimize the operating profit structure.

(d) Financial strategy aspect

Maintain a stable level of profitability and a sound dividend policy to share results with the investing public.

(5) Intellectual property management

To enhance corporate competitiveness, protect trade secrets, and strengthen the management of intellectual property, the Company has formulated the "Intellectual Property Asset Management Rights" to promote a management plan deeply integrated with its operational goals, adopting a dual-axis strategy that emphasizes both "preventive protection" and "forward-looking deployment" to effectively control related risks.

(i) Management plan and corresponding measures

(a) Trade secrets:

① Instill a culture of confidentiality through education, training, and campaigns, as well as by clearly defining confidentiality obligations in employment contracts and internal regulations.

② Control access permissions and requisition applications for important

documents to ensure their security.

- ③ Establish a Cyber security executive team responsible for reviewing various information security management programs, periodically reviewing cyber security policies, and continuously investing management resources related to cyber security to ensure cyber security.

(b) Trademarks:

- ① In response to market expansion, the trademark registration layout is reviewed as needed to clear obstacles in advance for brand development.
- ② Conduct quarterly inventories of the Group's trademark status to ensure the validity of rights, and establish response mechanisms for suspected infringement.
- ③ Set reminders for important timings through an intellectual property management system to avoid lapses in rights due to negligence.

© Others:

- ① Clearly stipulated that intellectual property rights arising from employees' work-related creations belong to the Company.
- ② All external contracts must be reviewed by the legal unit, with a focus on examining confidentiality, intellectual property ownership, and liability clauses to protect the rights and interests of the Company.
- ③ The use of illegal software is prohibited, and periodic inspections are conducted to prevent violations of the law.

(ii) Implementation status

- (a) The Company applies for and maintains trademarks in the primary markets where its core businesses are located (e.g., Taiwan and Mainland China). As of December 31, 2025, five trademarks have been registered.
- (b) Organized online intellectual property awareness seminars covering trade secret protection and trademark use management, effectively enhancing the awareness of responsibilities and execution capabilities of personnel in relevant departments.
- (c) The annual implementation status of intellectual property management was reported to the Board of Directors on November 12, 2025, ensuring that management policies are consistent with the overall corporate strategy and establishing a virtuous cycle of continuous improvement through the supervision of the Board of Directors.

2. Overview of market, production, and sales

(1) Market analysis

(i) Sales regions of main products:

- (a) The Company's main products are capacitors (including MLCCs, electrolytic capacitors, solid capacitors, and film capacitors), semiconductors, LEDs, etc.
- (b) the Company's products are mainly sold in the Greater China region, with a focus on developing emerging markets such as the Asia-Pacific region and India. In response to the trend of global supply chain relocation and risk diversification, the Company has established operating sites in the aforementioned regions to provide localized services to its broad customer base.

(ii) Market share:

Adhering to the business philosophy of "Integrity is the foundation; service is the principle; growth is the goal; and co-prosperity is the essence", the Company continues to expand the depth and breadth of its distributed products. In alignment with future market development directions, the Company is strengthening its

overseas channels and marketing outposts while optimizing supply chain integration efficiency to steadily increase its market share.

(iii) Future market supply and demand and growth

Passive components are indispensable components widely used in all electronic products, such as PCs, power supplies, mobile phones, tablet computers, servers, network communication equipment, automobiles, etc. Our Company's product application range covers all types of electronic products. The main sales market distribution for 2025 is as follows:

Unit: NT\$ thousand

Market segment	Operating revenue	Percentage of operating revenue (%)	Market segment description
IT	4,508,645	28.67	All IT-related industries, including Industrial computers (IPCs), servers, motherboards, laptops, display cards (GPU/graphics cards), and webcams.
Communications	2,985,486	18.98	All communications-related industries, including mobile phones, network communications, and cloud devices.
Power supply	2,427,364	15.43	Industries related to power supplies, uninterruptible power supply (UPS) systems, inverters, and solar power.
Contract manufacturing	2,060,535	13.10	Professional OEM/ODM providing services for a diverse range of product categories.
Consumer market	497,963	3.17	All related industries, including televisions, game consoles, medical devices, signage, and home appliance applications.
Others	3,247,852	20.65	Other industries including automotive electronics, industrial control equipment, and the Internet of Things (IoT).
Total	15,727,845	100.00	

(a) From the perspective of demand, it is expected that the demand for passive components will continue to grow in 2026 due to the following factors:

With the vigorous development of automotive electronics, artificial intelligence technology, the high-end server industry, high-performance computing for energy storage, energy storage systems, and next-generation communication technologies (Wi-Fi 7/5G), it is foreseeable that fields such as AI servers, automation applications, and cloud information networks will demonstrate strong growth in the future, among which the development of AI servers, AI accelerator cards, GPU, and ASIC applications is the most significant. Moreover, the high economic growth in emerging countries such as Southeast Asia has also driven a significant increase in the demand for related products. The rapid emergence of products in emerging industries, such as automotive electronics, green energy and energy conservation, AI infrastructure, AI servers, and Wi-Fi

7 applications, has brought diverse product choices and development opportunities to the market and has driven the continuous iterative upgrading of technologies in related industries. The growth of these emerging industries not only enhances demand but also further drives the development of peripheral industries and technologies, injecting growth momentum into future product innovation and market expansion.

- (b) From a supply-side perspective, in recent years, market development has gradually moved towards the fields of high performance and high computing power, driving product specifications towards the high end. As AI servers become widely adopted across various industries, the demand for key components has increased exponentially. AI server-related applications have become the primary growth driver for the industry. The quantity of built-in passive components has significantly increased compared to traditional servers, which in turn drives the continuous upward demand for products such as high-end MLCCs and polymer tantalum capacitors, and prompts the evolution of MLCCs toward high capacitance and high voltage (in coordination with the 800V power architecture).

At present, global leading manufacturers continue to invest in capacity expansion to respond to market transformation, and the supply situation is becoming stable. However, attention must be paid to the potential impact of supply shortages and price hike pressures in the memory market in 2026 on the shipments of downstream finished product factories due to mismatched components. The Company will actively maintain close communication with both the supply and demand sides to ensure supply chain resilience and stable supply.

- (iv) Competitive niche, advantageous and disadvantageous factors for future development and countermeasure

(a) Competitive niche

①The distributed products are sourced from internationally renowned manufacturers; the products are guaranteed and comprehensive, and the quality is trustworthy

the Company and its subsidiaries distribute products from internationally renowned manufacturers such as NIPPON CHEMI-CON, Panasonic, AIC tech, KEMET, KYOCERA AVX, and SAMSUNG. These internationally renowned manufacturers excel in product quality and technical expertise due to their professional technology and core components, and are able to meet the requirements of high-end applications such as AI servers and high-voltage power architectures, maintaining a lead over domestic manufacturers. Therefore, although the prices of components produced by these internationally renowned manufacturers are relatively high, their market demand remains quite stable, which also guarantees the market demand for the Company's products. Furthermore, since these internationally renowned companies possess not only professional technology but also the ability to research and develop to meet market trends, they are able to launch new products with competitive advantages in the market. Under the long-term and stable relationship between the Company and these major international companies, the Company is always able to obtain agency rights for new products, which also makes the Company more competitive in the market. The Company has been engaged in the distribution and sales of electronic components for more than 30 years and exhibits keen insight into market changes. Its primary focus is on capacitors in the passive components market.

Since the Company has devoted itself to the capacitor market for many years, it has a precise grasp of the channels. Further, the Company cooperates well with the major suppliers, providing its customers with products of complete specifications and reliable quality.

② Complete marketing channel network

Marketing channels serve as one of the important factors for the survival of professional distributors. The Company has engaged in distribution and trading for more than 30 years, has established a wide range of marketing channels and awareness, and expects to provide customers with complete solutions and perfect real-time services to reduce downstream manufacturers' inventory pressure to establish a good relationship with customers. In addition, the Company can promptly provide services and support for the latest products and technologies, further deepening its long-term partnership with customers. The Company has established subsidiaries overseas in addition to its marketing offices in Taiwan to oversee the development of the Hong Kong and Mainland China markets. Furthermore, in response to the global supply chain shift trend, the Company has implemented a southbound layout to proactively expand product sales through marketing personnel located throughout the Asia-Pacific region, thereby keeping abreast of customer development trends and providing timely services at all times. In response to the component needs of the downstream customers who set up factories overseas and to improve the flexibility of inventory management, the Company has set up widespread business bases, coupled with a complete marketing system, to form strong sales channels, which can effectively enhance the actual competitiveness of both the Company and its customers; furthermore, the expansion of the service market has strengthened the Company's capability to compete with foreign suppliers for the agency rights of new product lines.

③ Complete logistics operation system

In recent years, electronic products have been evolving rapidly. Most customers find inventory management of electronic components challenging and must rely on electronic component distributors for assistance, increasing business opportunities for distributors. The Company employs a computerized inventory management system to monitor purchasing and shipping status in real-time, providing immediate feedback on various management information. We handle the Company's inventory and inbound/outbound shipping operations in Hong Kong and mainland China through logistics companies. Under comprehensive information and warehouse management systems, we can confirm orders, sort goods, and deliver services in the shortest time, effectively mitigating the impact of supply chain fluctuations and immediately satisfying customer requirements to enhance the company's competitive advantage.

④ Wide range of product applications across various electronic sectors results in less impact from the economic cycle of any single industry

As capacitors are fundamental components in various electronic products, the recent demand for upstream passive components has grown significantly due to the robust development of communication equipment, AI technology, cloud equipment, energy-saving products, and automotive electronics.

The Company's sales and distribution encompass a diverse range of applications markets, including industrial machinery equipment, AI servers,

cloud equipment, communication equipment, power supply, automotive electronic products, and LED lighting application markets. As various industries are inevitably affected by international and regional seasonal needs, there are different business cycles. However, the electronics industry covered by the Company is relatively wide and less affected by the economic cycle of a single industry.

⑤ Professional management team

The high-level executives within the Company's main management team boast extensive marketing experience, and all have previously served at internationally renowned electronic component manufacturers. They possess over 20 years of work experience in the passive components marketing field, with rich experience and extensive networks in related industries and product domains, enabling them to effectively grasp industry dynamics and market trends and provide customers with timely and professional services. Therefore, the Company's professional management team has an absolute advantage in promoting existing products and competing for the agency and distribution of new products in the future.

⑥ The vertically integrated industry makes the value of distributors increasingly important

The Company has complete logistics and inventory management capabilities. In addition to providing customers with information on new products and new industry development areas, it also transfers downstream market information to upstream suppliers so that distributors play the role of bridge in the electronics industry. Under the industrial structure of this vertical division of labor, distributors, upstream suppliers, and downstream manufacturers form business partners, making distributors' value more important.

(b) Advantageous and disadvantageous factors for future development and countermeasure

① Favorable factors

A. Distributed products are sourced from internationally renowned manufacturers and are guaranteed

Whether the products distributed by professional distributors have a market competitive advantage is one of the important factors for professional distributors to compete with competitors in the market. The Company and its subsidiaries distribute products from internationally renowned manufacturers such as NIPPON CHEMI-CON, Panasonic, AIC tech, KEMET, KYOCERA, AVX, and SAMSUNG. These manufacturers possess specialized technology and core components, resulting in excellent product quality and higher technical levels, making it difficult for domestic manufacturers to compete. Therefore, although the components produced by these internationally renowned manufacturers are relatively high-priced, their market demand remains quite stable, which also ensures the market demand for the Company's products. Furthermore, since these internationally renowned companies possess not only professional technology but also the ability to research and develop to meet market trends, they are able to launch new products with competitive advantages in the market. Under the long-term and stable relationship between the Company and these major international companies, the Company is always able to obtain agency rights for new products, which further enhances the Company's competitiveness in the market.

- B. Extensive marketing channels and comprehensive marketing services that have been cultivated for many years

Marketing channels are one of the important factors for the survival of professional distributors. the Company has been engaged in distribution and trading for more than 30 years, having established extensive marketing channels and a strong market reputation, and is committed to providing customers with complete solutions and real-time services to alleviate the inventory pressure of downstream manufacturers, while providing the latest products and technical support, deepening the long-term partnership between the Company and its customers.

- C. Wide range of product applications results in less impact from the economic cycle of any single industry

Since capacitor are the basic component of various electronic products, in recent years, the demand for passive components has increased due to the booming market for communication equipment, AI technology, AI servers, GPU applications, cloud equipment, and energy-saving products. Looking forward, capacitor will grow with the aforementioned markets, and the capacitor market will have significant room for growth. The Company's sales and distribution products span industrial machinery equipment, computer power supplies, cloud equipment, communication devices, power sources, automotive electronic products, and LED lighting applications. While different industries inevitably experience varying business cycles, the Company covers a broad spectrum of electronic industry sectors, minimizing the impact of any single industry's performance fluctuations.

- D. The vertically integrated industry makes the value of distributors increasingly important

Distribution agents possess comprehensive logistics and inventory management capabilities, enabling the completion of order confirmation, goods preparation, and immediate delivery services within the shortest possible time. Furthermore, in addition to providing customers with information related to new products and the development of emerging industries to assist them in planning new products, distributors also provide feedback on downstream market dynamics to upstream suppliers, playing a key bridging role between the upstream and downstream of the electronics industry. Under this industrial structure of vertical division of labor, distributors form close business partnerships with upstream suppliers and downstream manufacturers, and their value is increasingly evident, making the role of distributors all the more important. the Company possesses comprehensive value chain integration capabilities, enabling it to provide customers with all-around solutions.

- E. Comprehensive delivery operation system

Electronic products have evolved rapidly, and customers find it difficult to manage the inventory of components, thus relying on the assistance of agents. Under the complete information management and warehouse management system, the Company is able to confirm orders and handle and deliver products in the shortest possible time, thereby enhancing the Company's competitive advantage.

- F. Strong management team

The senior executives within the management team of the Company each possesses over 20 years of experience in the passive component marketing

field. Most of them have gained experience at major international corporations and possess extensive industry knowledge and aligned philosophies, which are conducive to the business promotion of the Company.

② Unfavorable factors and countermeasures

A. Vendor (customer) relocation

Under the industrial structure of vertical division of labor, the low production costs, vast domestic market, and relatively complete industrial foundation in Mainland China have prompted domestic manufacturers to successively establish plants there; meanwhile, the global trend of low-price competition has also intensified the relocation of the manufacturing industry to reduce production costs. However, in recent years, Mainland China has been affected by multiple factors such as changes in the economic environment and geopolitical risks, leading to a gradual transformation of its role as the world's factory. Production capacity layout has shifted from concentration in a single market toward diversification and globalization, and relevant factories and production capacities have also begun to be successively dispersed to other countries.

Countermeasures:

a. Increase overseas marketing locations and train development and professional talent

Continuously expand overseas marketing and channel locations while cultivating cross-disciplinary professionals to enhance support capabilities for new products and markets, collect market information, keep abreast of market trends at all times, and actively seek cooperation opportunities with major international manufacturers to secure business opportunities and flexibly adjust sales directions, ensuring products meet market demands and thereby enhancing competitiveness. The Company simultaneously participates in domestic electrical and electronic industry associations to promote technical exchange and cooperation; it also makes long-term investments in human resources and technology to continuously enhance the capabilities and quality of marketing and professional personnel.

b. Strengthen corporate brand image and international exposure.

Enhance brand exposure and market recognition through electronic media and digital tools to increase global market influence; meanwhile, actively participate in international electronics exhibitions to expand international exchange and cooperation opportunities, and enhance the Company's competitive advantage within the industry chain.

c. Accelerate promotion of information system integration and computerization upgrades

Promote the establishment and integration of information systems and continuously perform computerization upgrades to enhance the operational efficiency and management capabilities across units and overseas locations.

B. Risk of exchange rate fluctuations

As the Company expands its overseas sales and purchases, fluctuations in exchange rates will have an impact on the Company's profitability.

Countermeasures:

a. Collect information on exchange rate changes at all times to fully grasp

exchange rate trends.

- b. The Company shall adopt the principle of natural hedges, i.e., the amounts of payables in foreign currencies arising from purchases from major suppliers are paid directly with the foreign currency receivables generated from sales, in order to minimize the net foreign currency position.
- c. When making quotations to customers, the Company shall consider the potential impact of exchange rate fluctuations and adopt a more conservative and stable exchange rate as the basis of the quotations to reduce the impact of exchange rate fluctuations on the Company's profitability.
- d. The Company shall sell forward in advance to promptly hedge the risk arising from exchange rate fluctuations.

(2) Main product applications and production processes

(i) Main products and their important usage:

Item	Main products	Usage
Capacitor	MLCCs, electrolytic capacitors, solid capacitors, film capacitors, etc.	Power supplies, motherboards, xDSL (Digital Subscriber Line), electronic ballasts, display cards (GPU/graphics cards), UPS systems, cloud server equipment, industrial automation equipment, IPCs, automotive electronic components, green energy/ECO products, IoT logistics systems, artificial intelligence (AI), 5G communication applications, etc.
Semiconductor	Integrated Circuit (IC)	Data storage devices, products for the telecommunications market, consumer electronics, etc.
LED	lamps, SMDs, backlight, digit/dot matrix display, high power, flash, lighting	Electronic toys, electrical products, industrial instruments, notebook computers, set-top boxes (STBs), ADSL, cable modems, backlight modules for mobile phones/TVs/monitors/laptops, mobile phone flash modules, lighting products (LED light bulbs, flat-panel lights, T5/T8 lamps, streetlights, recessed lights, etc.)
Others	Batteries, resistors, etc.	Motherboards, notebook computers, IPCs, industrial control automation equipment/industrial control systems, office business machines, e-books, game consoles, 3C consumer electronic products, etc.

(ii) Production process of main products: The Company is a professional distributor and agent of electronic components and does not engage in manufacturing; therefore, this section is not applicable.

(3) Supply situation of major raw materials

The Company is a professional distributor and agent of electronic components and is not in the manufacturing industry; therefore, this section is not applicable.

(4) List of major suppliers and customers

(i) Information on suppliers accounting for 10% or more of the Company's total procurement amount in any one of the most recent two years

Unit: NT\$ thousand

Item	2024				2025			
	Name	Amount	Percentage of annual net purchases (%)	Relationship with the issuer	Name	Amount	Percentage of annual net purchases (%)	Relationship with the issuer
1	Company A	3,915,088	36.54	None	Company A	4,637,740	33.72	None
2	Company B	1,654,693	15.44	None	Company B	1,920,405	13.96	None
3	Company C	582,167	5.43	None	Company C	1,950,721	14.18	None
	Others	4,563,117	42.59		Others	5,244,249	38.14	
	Net purchase	10,715,065	100.00		Net purchase	13,753,115	100.00	

Reasons for change: the supply condition of the Company's suppliers is good, and there is no significant change yet

(ii) Information on customers accounting for 10% or more of the Company's total sales amount in any one of the most recent two years

Unit: NT\$ thousand

Item	2024				2025			
	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer
1	Company AA	1,283,197	10.57	None	Company AA	1,224,812	7.79	None
2	Company BB	675,217	5.56	None	Company BB	1,971,978	12.54	None
	Others	10,182,682	83.87		Others	12,531,055	79.67	
	Net sales	12,141,096	100.00		Net sales	15,727,845	100.00	

Reason for change: the supply condition of the Company to its customers is good, and there is no significant change yet

3. Employees

Number of employees, average years of service, average age, and education levels (including the percentage of employees at each level) of the Group for the most recent two years and as of the publication date of the annual report

March 24, 2026

Item		Year		2024		2025		Current year as of March 24, 2026	
No. of employees	Sales and marketing			294		313		324	
	Administration			72		73		73	
	R&D			0		0		0	
	Total			366		386		397	
Average age				41.25		41.34		41.04	
Average years of service				10 years and 5 months		10 years and 5 months		10 years and 3 months	
Education distribution (%)	Ph.D.	—		—		—		—	
	Master's degree	15		4.10%		16		4.15%	
	College	312		85.25%		328		84.97%	
	High school	38		10.38%		41		10.62%	
	Below high school	1		0.27%		1		0.26%	

4. Disbursements for environmental protection

Any losses suffered by the Company for the most recent year and as of the publication date of the annual report due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in the environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken

(1) The Company has not encountered any environment-related issues or penalties for the most recent year and as of the publication date of the annual report.

(2) Estimated of current and future possible expenses and countermeasures

The Company specializes in the distribution and sales of electronic components. The production of certain semiconductor products is outsourced. There is no manufacturing or production process on the Company premises. Thus, the Company is in a low-pollution and low-risk industry. In addition, in response to the European Union's Restriction of Hazardous Substances Directive (RoHS) and REACH, each product distributed by the Company is strictly controlled by the supplier and complies with various specifications related to RoHS and REACH.

5. Labor relations

(1) Implementation status of the Group's employee benefit plans, continuing education, training, retirement systems, as well as the status of labor-management agreements and measures for preserving employees' rights and interests

The Group upholds the business philosophy of mutual prosperity, providing a

competitive salary package, diverse care and welfare benefits, profit-sharing with employees, and committing to creating a friendly workplace environment with equality, diversity, and tolerance.

(i) Employee welfare measure

- (a) Employee insurance: In addition to issuing our employees with labor and national health insurance, we also provide comprehensive group insurance plans, including accidental death and disability, accident insurance, and travel safety insurance, providing complete protection to our employees.
- (b) Health checkup: In principle, on-site health examinations are held regularly once a year, with 4 hours of official leave granted for each instance, along with monthly on-site medical interviews and consultations. Follow-up management and care are provided for employees with abnormal health examination data.
- (c) Car loans: The Group provides preferential loans to employees for capital expenditure on car purchases required by their duties.
- (d) Lactation rooms and childcare subsidies: The Company provides a friendly environment for lactation. To relieve the childcare burden of employees, childcare subsidies are offered to employees with children under the age of 12.
- (e) Mobile phone bill subsidies: Employees who require mobile phones for work duties and use their personal devices for official business are provided with a monthly allowance by the Group.
- (f) Subsidies for using private computer equipment for work: The Group provides monthly subsidies for employees who use private computer equipment for work.
- (g) Flexible working hours: To create a friendly workplace, the Group offers flexible shift options so that employees are able to balance between work and family or education needs.
- (h) Employee travel subsidies: 1 to 2 employee trips are arranged each year, and the joint Employee Welfare Committee provides subsidies depending on the income and expenditures of the year.
- (i) Holiday bonuses and allowances: In addition to distributing bonuses or gift vouchers for the three major holidays, the joint Employee Welfare Committee also provides allowances for weddings, childbirths, hospitalizations, and funerals.
- (j) Club activities: To enrich employees' leisure activities after work, promote interaction and team spirit among employees, employees are encouraged to establish clubs that are conducive to physical and mental health and have educational significance, with subsidies provided by the joint Employee Welfare Committee.
- (k) Birthday celebrations: The joint Employee Welfare Committee holds, in principle, a birthday luncheon once every two months and provide birthday grants.

(l) Birthday leaves: To express care and well-wishes for employees, the "Birthday Leave" benefit is provided, whereby employees may freely select one day off during their birth month.

(ii) Employee education and training

The Group is committed to creating a professional, safe, and sustainable working environment for mutual benefit, and constructing a comprehensive "learning organization" through a complete career development system for new employees, technical staff, and management. Through institutionalized education, training, and talent development programs, the Group assists employees in continuously refining their professional capabilities and enhances overall operational quality and sustainable competitiveness, achieving a win-win outcome for employee growth and Group development.

(a) Training categories and implementation status

General training and professional training are combined into a single training total, presented by course nature to enhance structural clarity.

① General training: A diversified career development system

Training Program	Description
New employee internal training	<p>Objective: To help new hires quickly integrate into the organizational culture, understand the Company's core values, and become familiar with products and operational processes.</p> <p>Target: All new employees.</p> <p>Total course hours: 530 hours</p>
Management training	<p>Objective: To cultivate the professional competencies of managers, such as business techniques, effective communication, and supervisory managerial skills.</p> <p>Target: Managers at Grade 7 and above, including Deputy Managers, Managers, Directors, Assistant Vice Presidents, Vice Presidents, General Manager, and Chief Executive Officer.</p> <p>Total course hours: 1,270.25 hours</p>
General employee competency development	<p>Objective: To enhance the basic knowledge and skills required for work for all employees across the Group, promote relevant laws and regulations, establish organizational culture, and</p>

	strengthen workplace soft skills. Target: All employees. Total course hours: 2,214.22 hours
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② Professional training: Strengthen departmental capabilities and enhance operational efficiency

Training Program	Description
Occupational safety and health training	Objective: To enhance employee safety awareness, reduce operational risks, and strengthen occupational safety management. Total course hours: 382.5 hours
Digital audio-visual learning	Objective: To cultivate professional competencies for all employees, such as business techniques, effective communication, and supervisory management skills. Total course hours: 1,168.37 hours
Sexual harassment prevention and awareness training	Objective: In accordance with the Gender Equality in Employment Act and the Group's "Measures for the Prevention, Complaint, and Disciplinary Action of Sexual Harassment", sexual harassment prevention and awareness training are planned annually to enhance the gender awareness and self-protection capabilities of all employees while building a zero-tolerance workplace culture. Total course hours: 485.1 hours
Compliance-related training: courses	Objective: To enhance the legal literacy of employees, strengthen their concept of regulatory compliance, and prevent them from inadvertently violating laws and regulations due to a lack of legal knowledge, which could result in a breach of the Company's ethical corporate management principles. Total course hours: 255.5 hours
Information security	Objective: To raise employees' awareness and

	capabilities regarding information security and personal data protection, thereby reducing risks and losses caused by data breaches or cyberattacks. Total course hours: 164.5 hours
Business and other professional training	Objective: To enhance employee competencies and leadership capabilities of mid-to-senior level management through internal courses led by various department heads introducing electronic product seminars, and external participation in major regulatory briefing sessions. Total course hours: 1,558.5 hours

(b) Annual training overview and achievement statistics

Unit: Hours

Employee Type	Calculation method	Male	Female	Subtotal
Executives	Actual no. of persons in the reporting period (A1)	65	52	117
	Training hours during the reporting period (B1)	749.19	521.06	1,270.25
	Average training hours during the reporting period (B1/A1)	11.53	10.02	10.86
Non-executives	Actual no. of persons in the reporting period (A2)	110	159	269
	Training hours during the reporting period (B2)	1,334.37	1,409.85	2,744.22
	Average training hours during the reporting period (B2/A2)	12.13	8.87	10.20
Total	Hours during the reporting period (Q)	2,083.56	1,930.91	4,014.47
	Total no. of employees at the end of the reporting period	175	211	386

	(R)			
	Average training hours per employee (Q/R)	11.91	9.15	10.40

(iii) Employee retirement system

Applicable employee retirement systems of the Company and its subsidiaries according to the operating regions of each company:

(a) For companies operating in Taiwan:

- ① Applicable to the pension system under the R.O.C. Labor Standards Act, which is a defined benefit pension plan. Payments of employee pension are calculated based on years of service and the average salary for the six months prior to the approved retirement date. An amount equal to 2% of employees' total monthly salaries is contributed to an employee retirement fund, which is managed by the Labor Pension Supervisory Committee and deposited in a dedicated account at the Bank of Taiwan by the supervisory committee of labor retirement reserve in the name of such committee.
- ② Applicable to the pension system under the R.O.C. Labor Pension Act, which is a government-managed defined contribution retirement plan, under which pension is contributed to individual accounts at the Bureau of Labor Insurance at a rate of 6% of employees' monthly salaries.

(b) For companies operating in Mainland China and Hong Kong, their employee retirement plans are defined contribution plan, which are accrued based on a certain percentage of wages in accordance with the standards prescribed by the respective local governments.

(iv) Labor-management agreements and various employee rights maintenance measures

The Group treats its employees according to principles of respect, tolerance, benevolence, and generosity. We enhance employee welfare measures and regularly convene labor-management meetings in the Taiwan region as a communication channel between employees and the Company. As a result, the Company has maintained excellent labor-management relations for many years. We expect to uphold this tradition, maintaining positive and harmonious labor relations with employees while jointly focusing on company operations. No labor disputes have occurred.

(v) Code of conduct and ethics for employees

(a) The Group has established its Work Rules, which are the applicable standards for employees' conduct. Whenever there is a revision of the Work Rules due to amendments to labor laws and regulations, the revision will be announced to employees after reporting to the competent authority pursuant to regulations so that employees can clearly know the rules of conduct in the workplace. If an employee meets the requirements for reward or punishment, the employee shall be rewarded or punished appropriately per the "Measures for Employee Reward and Punishment" established by the Company.

(b) All new employees of the Group shall sign a service contract with the Company, the main content of which is that employees shall keep the business

secrets they learned during their employment confidential and shall use the Computer software legitimately.

- (c) The Group has established Guidelines for the Adoption of Codes of Ethical Conduct to regulate the ethical behavior of all its employees. The Group places great importance on its employees' ethical conduct and requires them to conduct themselves in conformity with ethical and moral principles, and actively formulates various internal management measures in accordance with government laws and regulations to be promulgated to employees for their awareness and compliance.
 - (d) The Company has established Insider Trading Rules to regulate the confidentiality of internal material information before it is publicly disclosed, the prohibition of buying and selling, and the content, time, method, personnel, etc. of the public, and timely educates and promotes relevant regulations for directors, managerial officers and employees, establishing a good handling and disclosure mechanism, avoiding improper disclosure of information, and ensuring the occurrence and correctness of the information published externally.
- (vi) Workplace equality and diversity
- (a) The Group creates an equal and inclusive workplace by integrating labor diversity and equality. We also welcome different perceptions, values, interpersonal relationships, and social aspects of all people so that all workers can achieve their best performance and contribute to corporate sustainability and value creation.
 - (b) The Group strives to create a workplace free from discrimination, bullying, harassment, defamation, abuse, and violence. We do not treat job seekers or employees any differently because of their gender or sexual orientation, while at the same time gradually deepening equality and diversity concepts into the Company culture.
 - (c) To date, the Group has not been involved in any gender or racial discrimination cases, nor has the Group violated any human rights. We do not hire new employees based on their race, class, language, ideology, religion, party affiliation, national origin, place of birth, gender, sexual orientation, age, marriage, physical appearance, physical or mental disability, or blood type. All of our employees are promoted or provided with training in an equal manner, and there is no preferential treatment of employees due to their background.
- (vii) Work environment and employee safety protection measures
- (a) Cooperating with the Park Management Committee, the Company regularly tests and maintains the fire safety equipment and public facilities. Furthermore, smoking is prohibited in all buildings pursuant to governmental laws.
 - (b) In addition to the management of the park's security, access control guards are also set up to strengthen the safety of the Company.
 - (c) Occupational Safety and Health Work Code is formulated, and a labor safety and health manager is appointed to coordinate, plan, supervise, and implement labor safety and health affairs, thereby improving employee safety protection

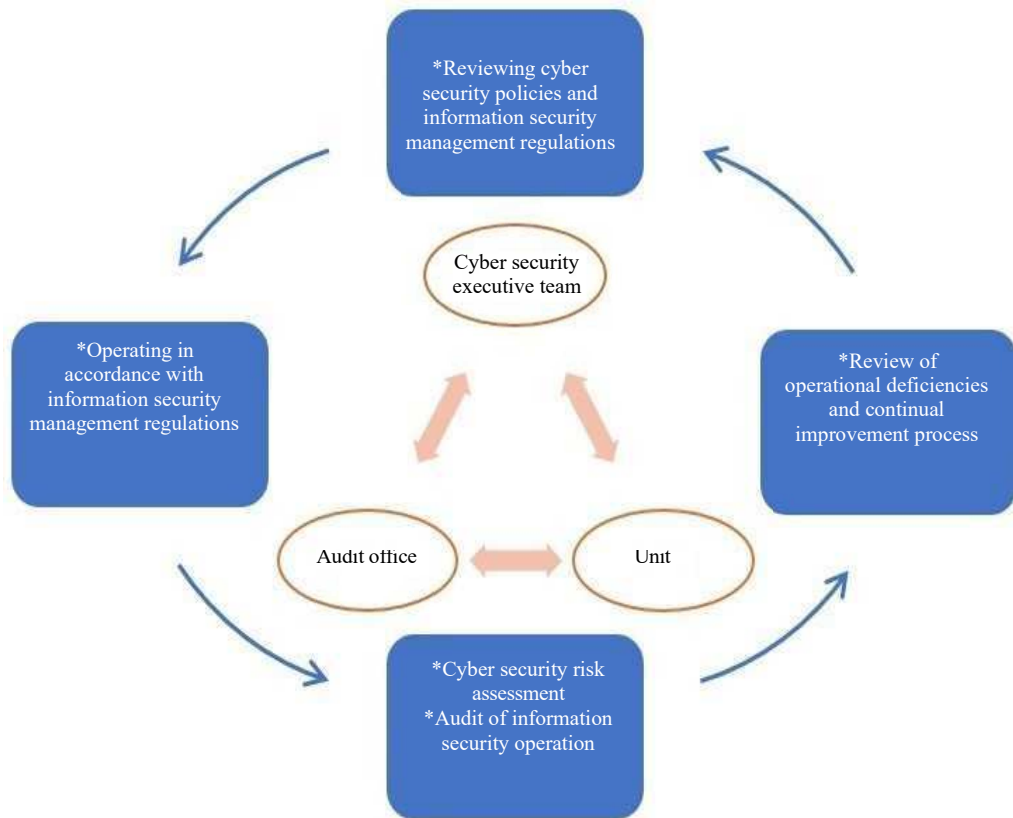
measures in the workplace.

- (d) Fire safety training is held regularly in accordance with government regulations to enhance employees' awareness of fire safety at home and at work and thereby ensure their personal safety.
 - (e) Cleaning and disinfection of all workplace facilities are implemented regularly to ensure a healthy and comfortable work environment.
 - (f) Employee health checkups are held regularly to ensure employees' physical health.
 - (g) Arrange monthly on-site medical and nursing services and conduct ad hoc health education and promotion.
- (2) List any losses suffered by the Company in the most recent year and as of the publication date of the annual report due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken
- (i) Since the establishment of the Group, there have been no labor disputes sufficient to affect the Company's financial and business operations.
 - (ii) Estimated losses at present and in the future and countermeasures
The Group provides a variety of channels to promote communication between employers and employees, deeply understand employees' satisfaction with the management and welfare system, and maintain good labor relations. The Group's labor relations are good and no labor disputes have occurred, nor have the Group suffered any related losses.

6. Cyber security management

In order to strengthen the risk management of cyber security, the Company has established a Cyber security executive team, set up a cyber security risk management framework, formulated cyber security policies and concrete management plans, invested resources in cyber security management, and regularly reviewed cyber security policies to ensure the security of cyber communications.

- (1) Cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.
 - (i) Cyber security risk management framework
The Cyber security executive team regularly reviews cyber security management policies and related measures. All members of each unit shall strictly follow the applicable regulations. Equipment such as servers are routinely inspected during daily operations to detect problems promptly. Coupled with the inspection conducted by the audit unit, the accuracy and effectiveness of the operations can be ensured by conducting a cyber security risk assessment. When errors, defects, and risks are identified, improvement actions are taken immediately in order to establish a continuous improvement management cycle for cyber security.



(ii) Cyber security policies

(a) Purpose

These policies have been established to strengthen cyber security risk management and ensure the security of data, systems, equipment, and networks.

(b) Objectives of cyber security

The Company ensures the accuracy, availability, integrity, and confidentiality of the Company's information operations. We protect against internal and external information security threats. In the event of an incident, we can respond rapidly, restore normal operations in minimal time, and mitigate damages caused by such incidents.

(c) Cyber security management measures

- ① Established a Cyber security executive team to formulate cyber security policies and specific management plans to ensure cyber security.
- ② Personal information shall be handled discreetly in accordance with the Personal Data Protection Act.
- ③ Passwords, anti-virus software, and update of virus pattern regularly are required for personal computers and servers.
- ④ Regulations regarding intellectual property rights shall be observed, and private computers shall be managed to ensure that the installed software is legitimately licensed.

- ⑤ Important data shall be backed up, and the validity of the backed-up data shall be checked periodically.
- ⑥ Disaster recovery plans shall be made so system operations can be quickly restored during a security incident.
- ⑦ Conduct cyber security awareness campaigns periodically and organize information security courses to strengthen colleagues' awareness of information security and legal concepts.

(d) Revisions and amendments

These policies, and any amendments thereto, shall be implemented upon approval by the General Manager of the Group.

(iii) Concrete management plans

- (a) After evaluation by our Cyber security executive team, the Company has determined that our current information security risk management protocol effectively protects our information security. Therefore, we have temporarily decided not to purchase cyber security insurance, considering it is still an emerging insurance category.
- (b) The Company's concrete management plans for cyber security can be divided into prevention, daily operational maintenance, and cyber security incident handling based on the timing of the occurrence of cyber security incidents. The concrete management plans are as follows:

Type	Explanation of measure	Content
Information collection and joint information security control	Joined the Taiwan Cyber Security Alliance	Ad hoc collection of Taiwan cybersecurity intelligence. The vulnerability is fixed according to the information security notification. Dedicated information security personnel participate in courses offered by the Taiwan Cyber Security Alliance to enhance information security protection capabilities.
External intrusion prevention	Install firewall and anti-virus software	Network firewall installation. Antivirus software installation on servers and computer hosts. Automatic updates of antivirus software virus definitions. Weekly computer scans using antivirus software.
Prevention of data leakage	Manage accounts and permissions	Personnel account review and management. Regularly check the system permission settings.
Maintaining daily operations	Data backup and related verification	Backup by data attributes, backup in multiple forms and offsite storage Running regular data recovery tests Performing daily server inspection and system testing. Conducting computer inspections regularly.

Handling of cyber security incidents	Formulation of relevant operating procedures and recovery plan	Establishing procedures for responding to and reporting cyber security incidents. Formulating disaster recovery plans. Regular drills when no incidents occur. Subsequent review and improvement of the disaster recovery plan implementation report.
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(iv) Resources invested in the management of cyber security

- (a) Conducted inventory and risk assessment of the information and communication system.
- (b) Conducted social engineering cybersecurity awareness education and training.
- (c) Completed "regular examination of the authority settings of the operating system".
- (d) Completed "computer inspection".
- (e) Completed a disaster restoration drill.
- (f) External training hours of the information security unit: 69.9 hours.
- (g) Conducted information security awareness training 9 times in total.

(2) Any losses suffered by the Company in the most recent year and as of the publication date of the annual report due to significant cyber security events, the possible impacts therefrom, and measures being taken or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided. In the most recent year and as of the publication date of the annual report, the Company did not encounter any significant cyber security events that violated cyber security and resulted in leakage of customer information or fines. There were also no complaints of judicial actions against the Company due to violation of customer personal data protection or loss of customer data.

7. Significant contracts

Supply/distribution contracts, technical cooperation contracts, engineering/construction contracts, long-term loan contracts, and other contracts that would affect shareholders' equity, where said contracts were either still effective as of the publication date of the annual report or expired in the most recent year:

March 24, 2026

Nature of contract	Parties	Commencement and expiration date	Main content	Restrictive clauses
Insurance contract	Tokio Marine Newa Insurance Co., Ltd.	2025.3.31–2026.3.31	Liability insurance for directors, supervisors and key personnel	The cumulative liability limit during the insurance period is US\$10,000,000
Supplier agency contract	Taiwan Chemi-Con Corporation	2021.4.1–2024.3.31, If neither party objects, the expiration date will be automatically extended to March 31, 2027	Sales agent of its products	None
Supplier agency	Panasonic Industrial Devices	2025.4.1–2026.3.31	Sales agent of its products	None

Nature of contract	Parties	Commencement and expiration date	Main content	Restrictive clauses
contract	Sales Taiwan Co., Ltd			
Supplier agency contract	Samsung Electro Mechanics (Shenzhen) Co., Ltd.	2026.1.1~2026.12.31	Sales agent of its products	None
Supplier agency contract	KYOCERA Asia Pacific Pte. Ltd. (Taipei Branch)	2018.10.1–2021.9.30, if neither party gives notice of non-renewal at least three months prior to the expiration of the term, the contract shall be automatically extended for one year, and the same shall apply thereafter.	Sales agent of its products	None
Supplier agency contract	Ko-E Electronic (Hong Kong) Limited	The term of this Contract shall be 12 months commencing from October 1, 2025. Prior to the expiration of the Contract, if the Distributor has no events of default as stipulated in this Contract and has achieved the sales targets stipulated in the Contract, and neither party has raised any objection, this Contract shall be automatically extended for one year commencing from the date of expiration	Sales agent of its products	None
Endorsement and guarantee	Panasonic Industrial Devices Sales Taiwan Co., Ltd	3 years from February 1, 2024.	Guarantor for subsidiary, KOHO (Taiwan) Co., Ltd.	The guaranteed amount is NT\$130,000,000

V. Review and Analysis of Financial Position, Financial Performance and Risks

1. Financial position

Comparative analysis of financial position

Unit: NT\$ thousand

Item \ Year	2025	2024	Amount of increase (decrease)	Change in percentage (%)
Cash and cash equivalents	1,568,455	888,588	679,867	76.51
Financial assets at fair value through other comprehensive income – current	93,695	1,275,790	(1,182,095)	(92.66)
Accounts receivable, net	5,323,242	4,263,950	1,059,292	24.84
Inventories	3,072,792	2,459,022	613,770	24.96
Financial assets at fair value through other comprehensive income – non-current	8,004,636	0	8,004,636	100.00
Property, plant, and equipment	325,438	670,531	(345,093)	(51.47)
Investment properties	550,856	189,147	361,709	191.23
Short-term	3,547,992	2,310,994	1,236,998	53.53
Accounts payable	1,711,572	1,287,387	424,185	32.95
Ordinary share capital	2,875,672	2,125,972	749,700	35.26
Capital surplus	7,777,226	1,627,745	6,149,481	377.79

Explanation of significant changes in assets, liability, and equity in the most recent two years (for those with changes exceeding 20% between periods and amounts exceeding 1% of total assets), their main causes, impacts, and future response plans:

1. The increase in cash and cash equivalents was primarily due to an increase in net profit for the year and short-term borrowings.
2. The decrease in non-current financial assets measured at FVOCI was primarily due to the reclassification to non-current financial assets measured at FVOCI based on the purpose for holding.
3. The increase in accounts receivable was primarily due to the growth in the scale of operations this year.
4. The increase in inventories was primarily due to revenue growth and an was primarily due to revenue growth and increased procurement for inventory stockpiling this year.
5. The increase in non-current financial assets measured at FVOCI, and ordinary share capital, and capital surplus were primarily due to the share exchange with WT Microelectronics Co., Ltd. through the issuance of new ordinary shares for capital increase by the Company.
6. The decrease in property, plant and equipment and the increase in investment properties were primarily due to the reclassification of property, plant and equipment to investment properties based on the purpose for holding.
7. The increase in short-term borrowings was primarily due to the higher working capital requirements for operations.
8. The increase in accounts payable was primarily due to revenue growth and increased procurement for inventory stockpiling this year.

2. Financial performance

Comparison and analysis of financial performance

Unit: NT\$ thousand

Item \ Year	2025	2024	Amount of increase (decrease)	Change in percentage (%)
Operating revenue	15,727,845	12,141,096	3,586,749	29.54
Operating costs	13,142,280	10,193,737	2,948,543	28.93
Gross profit	2,585,565	1,947,359	638,206	32.77
Operating expenses	998,026	832,338	165,688	19.91
Operating income	1,587,539	1,115,021	472,518	42.38
Non-operating income and expenses	1,304	103,177	(101,873)	(98.74)
Net income before tax	1,588,843	1,218,198	370,645	30.43
Income tax expense	313,350	253,168	60,182	23.77
Net profit for the year	1,275,493	965,030	310,463	32.17

1. Main reasons for material changes in operating income, operating profit, and net profit before tax in the past 2 years:

The Company experienced a slightly higher increase in operating revenue than in operating costs in 2025 compared with 2024, resulting in a gross profit from operations of NT\$2,585,565 thousand in 2025, an increase of 32.77% compared with NT\$1,947,359 thousand in 2024. Additionally, the increase in operating expenses in 2025 was less than the increase in gross profit from operations, leading to a net operating income of NT\$1,587,539 thousand in 2025, an increase of 42.38% compared with NT\$1,115,021 thousand in 2024. However, the net foreign exchange gains in 2025 significantly increased compared with 2024, and the dividend income also increased, resulting in a profit before tax of NT\$1,588,843 thousand in 2024, an increase of 30.43% compared to NT\$1,218,198 thousand in 2024.

2. Expected sales volume and the basis thereof: Not applicable as it has not been publicly predicted.

3. Possible impact on the Company's future financial business and corresponding plans:

(1) Financial business information

Unit: NT\$ thousand

Item	2025	2024	Increase (decrease) ratio (%)
Operating revenue	15,727,845	12,141,096	29.54
	1,588,843	1,218,198	30.43
Ratio of long-term capital to property, plant, and equipment (%)	4,350.81	1,010.47	330.57
Current ratio (%)	171.32	224.19	(23.58)
Quick ratio (%)	119.79	164.09	(27.00)

(2) Possible impact and countermeasures

The financial structure remains sound and maintained at appropriate ratios. The Company will maintain a stable financial structure to protect shareholder interests and accommodate future business growth requirements.

3. Cash flows

(1) Analysis of changes in cash flow in 2025

Unit: NT\$ thousand

Cash balance at the beginning of the period	Annual net cash flow from operating activities	Annual cash inflow (outflow) from investment and financing activities	Amount of cash surplus (shortfall)	Remedies for cash shortfall	
				Investment plan	Financial plan
888,588	89,383	590,484	1,568,455	-	-
Analysis of changes in cash flow in 2025:					
1、Operating activities: The net cash inflow from operating activities was primarily due to the increase in accounts receivable, increased procurement for inventory stockpiling, and accounts payable.					
2、Investing activities: The net cash inflow from investing activities was primarily due to the disposal of financial assets at amortized cost and the increased dividends received.					
3、Financing activities: The net cash inflow from financing activities was primarily due to the issuance of restricted shares for employees and the increase in short-term borrowings.					

(2) Improvement plan for liquidity deficiency: There is no cash liquidity deficiency.

(3) Liquidity analysis for the coming year

Unit: NT\$ thousand

Cash balance at the beginning of the period	Annual net cash flow from operating activities	Annual cash inflow (outflow) from investment and financing activities	Amount of cash surplus (shortfall)	Remedies for anticipated cash shortfall	
				Investment plan	Financial plan
1,568,455	1,397,351	(1,146,610)	1,819,196	-	-
Liquidity analysis for the coming year (2026):					
1. Operating activities: The net cash inflow from operating activities was primarily due to the increase in estimated net profit before tax and the decrease in accounts receivables.					
2. Investing and financing activities: The net cash outflow from investing and financing activities were primarily due to the distribution of cash dividends to shareholders and the receipt of cash dividends generated from investing activities.					

4. Impact of material capital expenditure in the most recent year on the Company's financial position and businesses

(1) Utilization of material capital expenditures in the most recent year and sources of funds in the most recent year: None.

(2) Expected benefits: Not applicable

5. Investment policy for the latest year, main causes for profits or losses, improvement plans and investment plans for the subsequent year

December 31, 2025; Unit: NT\$ thousand

Investor	Investee	Investment income (loss) recognized in 2025	Main causes of gain or loss	Improvement plan
Nichidenbo Corporation	VIC-DAWN Enterprise Co., Ltd.	102,646	Focusing on the core business	None
	Nichidenbo (Mauritius) Ltd.	28,831	Focusing on the core business	None
	Lipers Enterprise Co., Ltd.	161,100	Focusing on the core business	None
	Scope Technology Co., Ltd.	383,658	Focusing on the core business	None
	Advance Electronic Supply Inc.	156,207	Focusing on the core business	None
	TONSAM Corporation	20,061	Focusing on the core business	None
	Lipers (Hong Kong) Enterprise Co., Ltd.	20,470	Focusing on the core business	None
	KOHO (Taiwan) Co., Ltd.	93,489	Focusing on the core business	None
	Concord Advanced Technology Co., Ltd.	47,254	Focusing on the core business	None
Nichidenbo (Mauritius) Ltd.	Nichidenbo (Shenzhen) Trading Co., Ltd.	25,612	Focusing on the core business	None
	Nichidenbo Suzhou Trading Co., Ltd.	3,342	Focusing on the core business	None
Lipers (Hong Kong) Enterprise Co., Ltd.	Lipers Electronic (SZ) Co., Ltd.	21,645	Focusing on the core business	None

In response to market competition and in order to strengthen its core competencies, the Company mainly invests in companies that are related to its core business to strengthen the marketing network and strategic alliances, thereby enhancing the overall operational

performance of the Company. In addition, the Company keeps track of the operating conditions of its investee companies. It analyzes the performance of its investments in order to facilitate the decision-making authority in post-investment management tracking and evaluation.

the Company's reinvestment businesses accounted for under the equity method in 2025 have stable operations and are all profitable. Future investment plans will continue to focus on long-term strategic investments, and will be determined based on market conditions and the need to expand the scale of operations, taking into account future capital conditions, with continuous prudent evaluation to improve the Company's operating performance.

6. Risk analysis and assessment

(1) Impact of interest rate and exchange rate fluctuations and inflation on the Company's profit or loss, and future response measures

(i) Impact of interest rate changes on the Company's profit and loss and future countermeasures

Interest rate fluctuations are related to the Company's capital costs, and the Company has actively sought more favorable interest rates from banks. In 2025, Finance costs accounted for Operating revenue of 0.80%, so interest rate changes have no significant impact on profit and loss in 2025.

(ii) Impact of exchange rate changes on the Company's profit and loss and future countermeasures

Unit: NT\$ thousand	
Item	2025
Net foreign exchange gains	(34,567)
Operating revenue	15,727,845
Percentage of operating revenue	(0.22%)
Net income before tax	1,588,843
As a percentage of net income before tax	(2.18%)

Purchase and sale transactions are mainly in USD. To hedge the risk of exchange rate fluctuations, the Company uses natural hedges, i.e., the amounts of payables in foreign currencies arising from purchases from major suppliers are paid in the foreign currency of such purchases directly. Additionally, the following measures have also been taken to minimize the impact of exchange rate fluctuations on the Company.

The Company's concrete measures in response to exchange rate fluctuations:

- (a) The Company shall collect information on exchange rate fluctuations from time to time to grasp the trend of the exchange rate fully.
- (b) When making quotations to customers, the Company shall take the potential impact of exchange rate fluctuations into consideration and adopt a more conservative and stable exchange rate as the basis of the quotations in order to reduce the impact of exchange rate fluctuations on the Company's profitability.
- (c) The Company shall take hedging measures, sell foreign exchange forward in advance, and adjust foreign currency positions promptly to hedge the risks arising from exchange rate fluctuations.

(iii) Impact of inflation on the Company's profit and loss and future countermeasures

The Company closely monitors market price trends, adopts flexible strategies, and

actively coordinates with manufacturers to reduce the impact of inflation.

- (2) Policies, leading causes of gain or loss, and future response measures concerning high-risk, high-leveraged investments, lending or endorsement guarantees, and derivatives transactions

The Company has complied with "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees" and "Regulations Governing the Acquisition and Disposal of Assets":

- (i) In 2025, the Company did not engage in high-risk, high-leverage investments, and all investments were executed after careful evaluation.
- (ii) In 2025, the parties to whom the Company lent funds were limited to parent-to-subsidiary or subsidiary-to-subsidiary arrangements, conducted in compliance with relevant provisions of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees."
- (iii) In 2025, the endorsements and guarantees were limited to parent-to-subsidiary arrangements, conducted in compliance with relevant provisions of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees".
- (iv) Derivatives transactions in 2025 were limited to forward exchange contracts to hedge risks arising from exchange rate fluctuations on net assets or net liabilities denominated in foreign currencies and were not conducted for profit-making purposes.

- (3) Future research and development (R&D) plans and expected R&D expenses:

As a professional electronic component distributor, the Company primarily engages in agency and trading business and does not conduct R&D activities.

- (4) Effects of and response to changes in policies and regulations relating to corporate finance and sales

The Company's operations comply with all relevant domestic and foreign regulations, and we continuously monitor major domestic and foreign policy and legal changes. In the most recent year and as of the publication date of the annual report, no major impact on financial operations has occurred due to domestic or foreign policy and legal changes. We will continue to collect and evaluate the potentially significant impacts of such changes on our financial operations to understand market environment changes and fully implement timely response measures.

- (5) Response to technological and industry changes impacting corporate finance and sales:

The Company promotes various cyber security policies and implements various cyber security operations in accordance with the established "Information Security Management Measures", supervises employees to follow information security regulations, conducts information security risk assessments, reviews operational deficiencies, and continuously improves processes to ensure the Company's cyber security. In addition, the Company regularly conducts annual assessments on the effectiveness of the internal control system and information operation audit to ensure its effectiveness. For the most recent year and as of the publication date of the annual report, there has been no significant information security risk. Furthermore, the Company also pays prompt attention to the development and changes in the relevant industrial fields and continuously evaluates the impact of the relevant technological changes on the

- Company's financial operations so as to take appropriate measures in a timely manner.
- (6) Impact of corporate changes on risk management and the Company's responses
The Company actively strengthens internal management, improves management quality and efficiency, and pursues sustainable business operations. There has been no material change in the corporate image of the Company during the most recent year and as of the publication date of the annual report.
- (7) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken: Not applicable
- (8) Expected benefits from risks relating to and response to factory expansion plans: Not applicable
- (9) Risks associated with any concentration of sales or purchases operations and countermeasures:
- (i) Purchase aspect
The concentration of purchasing is due to the characteristics of the industry and the supply/demand in the market. The Company has signed long-term agency contracts with its suppliers to ensure a stable source of supply. In addition to continuing to strengthen the relationship with existing suppliers, the Company also proactively develops other product distribution lines in order to avoid the risk of concentration of purchasing.
- (ii) Sales aspect
In addition to continuously cultivating existing customers to maintain good relationships and developing product agency lines that align with market trends, the Company integrates electronic components and introduces relevant products in coordination with customers' research and development needs. Along with the expansion of its agency items, the Company is also committed to developing diverse new customer sources to avoid risks that may arise from the concentration of sales.
- (10) Effect upon and risk to the Company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10% stake in the Company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken: None
- (11) Effects of risks relating to and response to the changes in management rights: Not applicable
- (12) For litigation or non-litigation events, the Company must disclose any material litigation, non-litigation, or administrative disputes that have been definitively adjudicated or are still pending involving the Company, its director, supervisors, General Manager, responsible person, shareholders with shareholding percentages exceeding 10%, and subsidiary companies, where the outcome may significantly impact shareholders' equity or securities prices. Such disclosure should include the facts in dispute, the monetary amount involved, the litigation commencement date, the primary litigating parties, and the status of proceedings as of the publication date of the annual report: None
- (13) Other significant risks and countermeasures: None

7. Other significant matters

The Company values the accounts of its assets and liabilities on a monthly basis and

recognizes relevant allowance for losses. The basis of the evaluation is as follows.

(1) Loss allowance

The Company's allowance for losses of receivables is estimated and recognized based on the expected credit losses of debts, such as notes receivable, accounts receivable, and non-accrual receivables over their respective duration.

(i) Notes receivable: A provision of 0.5% is set based on the ending balance of notes receivable.

(ii) Accounts receivable: The Company uses a provision matrix, taking into account factors such as the customer's past default record, to determine the loss allowance for accounts receivable at the end of the period:

(a) When accounts receivable are overdue for more than 90 days: The expected credit loss rate is 100% as the recoverable amount can no longer be reasonably expected.

(b) When accounts receivable are overdue for less than 90 days:

① Statistical analysis of accounts receivable recovery patterns over the past two years, together with the aging transition status based on the period-end "Overdue Accounts Receivable Aging Analysis", is used to calculate the ratio at which accounts receivable in each aging category transition to subsequent aging intervals in the following month. These ratios are then used to calculate the probability of accounts receivable in each aging category becoming overdue by more than 90 days, thereby deriving the historical loss rate and standard deviation.

② The expected credit loss rate is determined by comprehensively considering the historical loss rate and standard deviation.

③ For accounts receivable in any aging interval with an expected credit loss rate below 0.5%, an allowance of 0.5% of the ending balance is established.

(c) Loss allowance (expected credit loss) = total carrying amount of accounts receivable * expected credit loss rate.

(iii) Non-accrual receivables: If a customer's unusual repayment, the receivable is reclassified as non-accrual receivables. In principle, an allowance is recognized at 100% of the closing balance of non-accrual receivables. However, if a recovery is probable after assessment, the allowance is identified based on the collateral provided and the estimated recoverable amount.

(2) Allowance for inventory valuation losses

Inventories are measured at the lower of cost or net realizable value. When comparing cost and net realizable value, except for the same type of inventories, inventories are evaluated by individual items. Net realizable value means the amount received if the inventory sells after deducting the selling cost in normal circumstances.

VI. Other Items Deserving Special Mention

1. Information on affiliates

(1) Consolidated business report of affiliates:

Please refer to Market Observation Post System > Single Company > Download Electronic Documents > Three Forms for Affiliates
https://mopsov.twse.com.tw/mops/web/t57sb01_q10

(2) Consolidated financial statements of affiliates:

the Company for the year ended December 31, 2025 (from January 1, 2025 to December 31, 2025), the entities included in the combined financial statements of affiliated enterprises prepared in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those included in the parent-subsidary consolidated financial statements prepared in conformity with IFRS 10. In addition, the information required to be disclosed in the affiliated enterprises' consolidated financial statements is already disclosed in the aforementioned parent-subsidary consolidated financial statements. Consequently, a separate set of affiliated enterprises' consolidated financial statements is not prepared.

(3) Affiliation report: Not applicable

2. Private placement of marketable securities in the most recent year and as of the publication date of the annual report : None

3. Any of the situations listed in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the securities, has occurred in the most recent year and as of the publication date of the annual report: None

4. Other matters that require supplementary explanation: None

NICHIDENBO CORPORATION

Chairperson: CHOU, WEI LIN