

Stock code: 3114



HOWTEH TECHNOLOGY CO., LTD.

2024

Annual Report

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

Published on May 9, 2025

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CPA firm: Ernst & Young

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

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

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One. Letter to Shareholders

I. 2024 Business Performance

(I) Business Plan implementation achievements:

Global inflationary pressure has eased gradually in the past year and the labor market has improved significantly. The rapid development of AI technology and strong growth in related product demand have become the key to driving economic recovery. However, the continuation of Russia-Ukraine War, the political instability in the Middle East, and the escalation of the US-China trade war still bring uncertainties in the global market, particularly for the impact of end-user demand and excess production, and the supply chain still needs to face the pressure of inventory adjustment. Faced with challenges, we continue to develop more new application products and create market opportunities.

In 2024, the Company recorded a consolidated revenue of NT\$2.76 billion, up 0.8% from NT\$2.74 billion in 2023; a gross profit of NT\$270 million; a post-tax profit of NT\$120 million; and an EPS of NT\$1.80.

(II) Status of budget execution

Since the Company did not disclose a financial forecast for 2024, there was no such thing as budget implementation and achievement.

(III) An analysis of income and expenses and profitability

Unit: NT\$1,000

Item	2024	2023	Change percentage (%)
Operating revenue	2,764,919	2,743,028	0.80%
Operating gross profit	271,211	287,387	-5.63%
Operating profit	73,830	99,728	-25.97%
Net profit after tax	116,965	100,772	16.07%

Item	2024	2023
Return on assets (%)	5.02	4.12
Return on equity (%)	7.41	6.70
Operating profit to paid-in capital (%)	11.34	15.31
Profit before tax to paid-in capital (%)	22.32	19.57
Net profit margin (%)	4.23	3.67
Earnings per share (NT\$)	1.80	1.55

(IV) Research and Development

The Company is mainly engaged in the trading of electronic components and related products, and has no R&D investment expenses for its own production. With professional marketing and sales personnel, in addition to the existing connectors, acoustic products, wires, driving IC, PCB equipment, and other products, we continue to develop more new application products as the agent and have successfully assisted in the introduction of the application and sales of end customers' products. With our newly established sales offices in Vietnam and Beijing, China, we have successively developed contacts with customers

of development potential, expanded the scale of the Company's operational services, and created more growth opportunities.

II. Summary of the 2025 Business Plan

(I) Business strategies

1. Developing new suppliers, new products, new applications, and new services

Setting up a development department, which shall keep abreast of current events in the technology industry, and shall be exclusively responsible for developing the ODM business and agency business, and for creating product applications, so as to broaden the business reach. Actively deepening the cooperative and dependent relationship with existing customers and developing new customer bases.

2. Improving the ability of the professional technical team, integrating demand with applications, and providing comprehensive services

The Company attaches importance to human resources use and improvement. By holding various internal education and training courses and on-the-job training, and by actively participating the seminars on industrial trends and technologies, the Company hones employees' professional skills. By developing solutions tailored to the needs of clients and original manufacturers, the Company better its service quality and operating procedures, in order to align with market trends and demand.

3. Implementing the operating and administrative mechanism to better market competitiveness.

The Company will respond to global economic growth and grasp industry changes and clients' operating status in order to develop the strategy for developing products tailored to the local's needs; manage accounts in relation to clients and implement the purchase-sales-inventory mechanism; reduce cost and expenditures; and properly manage cash flows, so as to increase competitiveness in the market.

(II) Expected sales and expectation basis

The Company is a professional agent for electronic components, and process equipment and consumables, the products include electronic components (connectors, audio component and wires in principle), and PCB manufacturing equipment, testing instruments and materials.

1. In terms of connectors:

The growth momentum of connectors in 2025 comes from the upgrade in product specifications led by artificial intelligence. The shipments of global servers and high-speed transmission cables are increasing. AI continues to expand into edge devices such as PCs and smartphones. In terms of vehicle technology, the three major technology combinations of autonomous driving, connectivity, and electrification are the main components of active system integration in addition to electrical connections of automotive connectors, enabling high-speed data transmission and diagnostic functions. Under the trend of global net zero emissions, the rapid growth of new energy vehicles has become an inevitable trend. The demand for related charging

stations, energy storage containers, and in-vehicle infotainment systems continues to grow.

2. In terms of audio semiconductor industry:

MEMS microphones are extensively employed in Internet of Things (IoT) and virtual reality (VR) instruments, hearing aids, tablets, cell phones, and other consumer electronics such as TVs, smart speakers, and TWS earphones, opening up the opportunities for growth in the MEMS microphone market. In general, the MEMS microphone market in 2025 is steadily growing. With the penetration of smart equipment and voice recognition technology, the market has promising prospects.

3. In terms of PCB equipment:

The PCB industry is expected to grow by 5-6% in 2025, mainly driven by the growth of servers and network communications related to AI. On the other hand, consumer electronics and mobile phones are expected to grow moderately and steadily. The development of high-performance computing HPC, 5G, automotive, and low earth orbit satellites will drive PCB industry growth and increase the overall PCB industry demand.

(III) Important production and sales policies

Since the Company's operations are mainly marketing and trading of products on an agency basis, the Company's production and sales policy will excessively focus on the following:

1. Improvement in professional competency

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

2. To develop markets outside the China block

We will actively tap into the markets other than the China block. For instance, we will launch suitable products and services in Southeast Asia.

3. Effective prevention of credit risks

We will strictly control and monitor clients' financial structure and credit rating, and will insure accounts receivables to lower the risk of default on debt.

4. Scheduling and management of a suitable level of inventories

We will always keep an eye on clients' demand, according to which we will adjust inventory levels to avoid overstock. In addition, through our systematic and well-organized internal inventory management system, we will make the inbound and outbound inventories more smooth and more readily available for clients in need; doing so can avoid unnecessary loss as a result of mismanagement.

III. The Company's development strategy for the future

The products which the Company sells as an agent include electronic components, printed

circuit board process equipment, testing instruments and related consumables for mainstream products that are required to produce mainstream products. Since the demand for end products, e.g., smartphones, tablet PCs, notebooks, wearing devices, and system peripheral industry, electronic communications remain strong every year and keeps the output value high, and they don't feature alternate peak seasons and low seasons, the Company is less prone to the impact of change in general business climate or ups and downs of a single industry.

In response to future market demand and competitive environment, the Company will adopt the following development strategy:

1. Short-term Development Plans

(1) Developing agentship for new products, new applications, and new services

Stay informed of the latest trends in the tech industry whenever necessary and solicit the ODM business and agency business from brands.

(2) Product application development

A. Smart speakers/5G/electric vehicles are the largest growing applications

- Provide as many (much) smart speakers/5G/electric vehicles products and services to customers.
- Embrace Thunderbolt & USB Type-C possibilities and actively pursue new customer sources.
- Utilize MEMS related products more extensively and reach out to new customer groups.

B. PCB related equipment development

- Seize the opportunity to invest in expanding the flexible PCB factory and IC carrier board factory and bring in corresponding equipment products where appropriate; solicit consumables business, OEM business, and agency business; and foster a close cooperation and interdependence relationship with the equipment clients.
- Target large-size substrate market with laminating and cutting machines and focus on specialized models that meet the demand for large-size boards and high yield rates. This strategy differentiates the products from competitors and reduces competitive risks.
- Market deployment of new application Glass Substrate cutting machine.

2. Long-term Development Plans

- (1) Strengthen the strategic alliance partnership with upstream and downstream manufacturers and clients, and jointly carry out business expansion in the Greater China region to achieve the goal of a win-win situation for all parties involved.
- (2) To cope with the migration of clients and suppliers in this industry, in addition to establishing a thorough marketing and service team in the Greater China region, the company has also established a business base in Vietnam to present comprehensive and prompt services.
- (3) Persevere in winning agentship for new products, and collaborate with clients on the R&D of new products, so as to increase the Company's added value.
- (4) Continue to develop independent products, and increase operating profit through value-added technical services.

IV. Effects of environmental changes in terms of external competition, laws and regulations, and the macro business environment

(I) Effect of external competition

Nowadays innovation and application of technological products have become more intensive, and fierce competition remains among industry peers. Under such circumstance, overall competitiveness can be improved only by cultivating one's sensitivity to market changes, by grasping market demand shift and product technology evolution, by introducing business of new product applications and innovation in the capacity of an agent in a timely manner, by adopting excellent marketing techniques, and by enhancing the indispensable partnership of companies throughout the supply chain.

(II) Effects of laws and regulations

The Company will keep abreast of the international relationship, politics, and monetary policy of Taiwan, China, Hong Kong, and Vietnam, and changes in important policy and laws therein, that might impact the Company's business or financial performance, so as to formulate countermeasures and methods. Doing so will enable the Company to comply with laws and regulations while achieving optimal corporate governance and operational performance.

(III) Effect of macroeconomic environment

Looking ahead to 2025, the global economy is expected to be affected by the United States' aggressive tariff policies. Global economic growth forecasts have been revised downward, primarily due to escalating trade tensions, rising inflationary pressures, and heightened policy uncertainty. Nevertheless, benefiting from AI, cloud computing, and high-performance computing applications, as well as growing demand for software and hardware related to automation, digital transformation, and net-zero initiatives, the Company will continue to promote economic development and foster innovative and integrated growth potential.

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

We wish you all health and good fortune.

Chairman: Chen, Kuo-Hung

Two. Corporate Governance Report

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

(I) Directors

1. About the Directors

April 21, 2025

Title	Nationality or Place of Registration	Name	Gender Age	Date of election	Tenure	Date first elected or appointed	Shareholding when elected or appointed		Current shareholding		Shareholding of spouse and underage children		Shareholding in the name of others		Main career (academic) achievements	Concurrent duties in the Company and other companies	Spouse or relatives of the second degree or closer acting as manager, director or supervisor			Remarks
							Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage			Title	Name	Relationship	
Chairman	ROC	Chen, Kuo-Hung	Male 61~70	June 21, 2024	3 years	September 5, 1992	5,548,984	8.52%	5,048,984	7.75%	2,595,564	3.99%	0	0%	Department of Electrical Engineering, National Taiwan University General manager, Tailyn Technologies, Inc. Chief Strategy Officer, Stark Technology Inc.	Representative of a corporate director, Tailyn Technologies, Inc. Director, Stark Technology Inc. Chairman, Chaintel Technology Co., Ltd Chairman, Litetech System Co., Ltd. Independent Director, Flytech Technology Co., Ltd.	Director	Chen, Liang-Hsuan	Immediate family member	None
Director	ROC	Zhu Lin Investment Co., Ltd.	-	June 21, 2024	3 years	June 23, 2015	2,325,266	3.57%	2,325,266	3.57%	0	0%	0	0%	None	None	None	None	None	None
Representative of corporate director	ROC	Chen, Chun-Ting	Male 41~50	June 21, 2024	3 years	June 23, 2015	2,051,325	3.15%	2,051,325	3.15%	182,000	0.28%	0	0%	Institute of Electrical Engineering, University of California Chairman and General Manager, Tailyn Technologies, Inc.	Vice Chairman/Representative of a corporate director, Howteh Technology Co., Ltd. Chairman and General Manager, Tailyn Technologies, Inc. Representative of a corporate director, Zhu Lin Investment Co., Ltd. Director, Hui Hong Investment Co., Ltd.	Director	Chen, Hsin-Yi	Second-degree relative by blood	None
Director	ROC	Liu Yi Investment Co., Ltd.	-	June 21, 2024	3 years	June 21, 2018	912,628	1.40%	912,628	1.40%	0	0%	0	0%	None	None	None	None	None	None

Title	Nationality or Place of Registration	Name	Gender Age	Date of election	Tenure	Date first elected or appointed	Shareholding when elected or appointed		Current shareholding		Shareholding of spouse and underage children		Shareholding in the name of others		Main career (academic) achievements	Concurrent duties in the Company and other companies	Spouse or relatives of the second degree or closer acting as manager, director or supervisor			Remarks
							Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage			Title	Name	Relationship	
Representative of corporate director	ROC	Chen, Hsin-Yi	Female 51~60	June 21, 2024	3 years	June 21, 2024	2,017,378	3.10%	2,017,378	3.10%	0	0%	0	0%	PhD in Musical Arts, University of Southern California CEO, Taipei Rosyclouds Foundation for Education	CEO, Taipei Rosyclouds Foundation for Education Assistant Professor, String Section, Department of Music, National Taiwan University of Arts Director, Hui Hong Investment Co., Ltd.	Director	Chen, Chun-Ting	Second-degree relative by blood	None
Representative of corporate director	ROC	Wu, Li-Shan	Male 61~70	June 21, 2024	3 years	June 21, 2024	445,132	0.68%	445,132	0.68%	663	0.00%	0	0%	Electronics Department, Lee-Ming Institute of Technology Vice General Manager, Howtech Technology Co., Ltd. General Manager, Kuen Piin Enterprise Co., Ltd.	General Manager, Howtech Technology Co., Ltd.	None	None	None	None
Director	ROC	Hung, Ming-Chi	Male 51~60	June 21, 2024	3 years	June 16, 2009	430,405	0.66%	430,405	0.66%	0	0%	0	0%	University of Houston-Downtown, Computer Science Major. IBM Engineer Technological manager, Metaage Corporation	Division Chief, Ardentec Corporation	None	None	None	None
Director	ROC	Chen, Liang-Hsuan	Male 31~40	June 21, 2024	3 years	June 21, 2024	2,771,013	4.25%	3,271,013	5.02%	0	0%	0	0%	Master of Science in International Business, Hult International Business School Manager, Zeng lan Investment Co., Ltd.	-	Chairman	Chen, Kuo-Hung	Immediate family member	None

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

Note: If the general manager or person of an equivalent post (the highest level manager) and the chairman of the board of directors of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g. increasing the number of independent directors and ensuring that a majority of directors do not concurrently serve as an employee or managerial officer): None.

2. Major shareholders of corporate shareholders

April 21, 2025

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

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

April 21, 2025

Name of corporate/juristic person	Major shareholders of the corporate/juristic person	Shareholding percentage
Tailyn Technologies, Inc. (Shareholding record date was March 25, 2025)	Howteh Technology Co., Ltd.	11.02%
	Hui Hong Investment Co., Ltd.	4.99%
	Yang Jing Investment Co., Ltd.	3.56%
	Chen, Chun-Ting	3.14%
	Hong Tai Investment Co., Ltd.	3.14%
	Chen, Wen-Hsiung	2.11%
	Liu, Lin-Sheng	2.02%
	Chen, Cheng	1.96%
	Chen, Wen-Shang	1.84%
	Yu, Chang-Tsan	1.83%

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

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

Name \ Criteria	Professional qualifications and experience (Note 1)	State of independence (Note 2)	Number of concurrent duties as an independent director at a public company
Liu Yi Investment Co., Ltd. Representative: Wu, Li-Shan	Currently serving as the General Manager of Howteh Technology Co., Ltd. Mr. Wu, Li-Shan possesses practical experience and is able to submit opinions and strategies with respect to corporate governance and business administration at Board of Directors meetings in a timely manner, so as to provide a basis for the management team to formulate and execute business strategy. Not a person with any of the circumstances under Article 30 of the Company Act.	—	None
Hung, Ming-Chi	Currently serving as the Division Chief of Ardentec Technology Inc. Mr. Hung, Ming-Chi possesses practical experience and is able to submit opinions and strategies with respect to corporate governance and business administration at Board of Directors meetings in a timely manner, so as to provide a basis for the management team to formulate and execute business strategy. Not a person with any of the circumstances under Article 30 of the Company Act.	—	None
Chen, Liang-Hsuan	Used to be the Manager of Zeng Lan Investment Co., Ltd. Ms. Chen, Liang-Hsuan possesses practical experience and is able to submit opinions and strategies with respect to corporate governance and business administration at Board of Directors meetings in a timely manner, so as to provide a basis for the management team to formulate and execute business strategies. Not a person with any of the circumstances under Article 30 of the Company Act.	—	None

Cheng, Tien-Tsung	<p>MBA, Santa Clara University in California, USA; used to be the CEO of FIH Mobile Limited, a subsidiary of FOXCONN Group, the Vice President of FOXCONN Group, the Asia Region President of Texas Instruments, and the President of China Region, HP.</p> <p>Being an expert in industry management and administration, international marketing, and corporate governance, Mr. Cheng, Tien-Tsung is able to submit recommendations with respect to business decision-making, to an extent that improves the Board of Directors' corporate governance quality and the supervisory function of the Audit Committee.</p> <p>Not a person with any of the circumstances under Article 30 of the Company Act.</p>	<p>During the two years before being elected or during the term of office, the independent director has met the following independence criteria:</p> <p>(1) Not an employee of the Company or any of its affiliates.</p> <p>(2) Not a director or supervisor of the Company or any of its affiliates.</p> <p>(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate that reaches one percent or more of the total number of issued shares of the company or ranks among the top 10 in terms of shareholding.</p> <p>(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under Subparagraph 1 or any of the persons in the preceding two subparagraphs.</p> <p>(5) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act.</p>	1
Li, Ta-Ching	<p>PhD in Management Science, Management Science Institute of Tamkang University; used to be the COO of Stark Technology Inc.</p> <p>Being an expert in industry analysis and management and corporate governance, Mr. Li, Ta-Ching is able to submit recommendations with respect to business decision-making, to an extent that improves the Board of Directors' corporate governance quality and the supervisory function of the Audit Committee.</p> <p>Not a person with any of the circumstances under Article 30 of the Company Act.</p>	<p>(6) Not a director, supervisor, or employee of a company whose majority board seats and voting rights are controlled by a person same as the person controlling a majority seats and voting powers of the Company.</p> <p>(7) Not a director, supervisor, or employee of a company or institution whose chairman, general manager, or a person holding an equivalent position is a person same as the chairman, general manager, or a person holding an equivalent position of the Company, or a spouse thereof.</p> <p>(8) Not a director, supervisor, manager, or shareholder holding 5% or more of the shares of a specific company or institution with a financial or business relationship with the Company.</p>	None
Tseng, Ming-Jen	<p>MBA, Tamkang University; Bachelor of Electrical Engineering, National Taiwan University. Currently serving as the Chairman of Ability Enterprise Co., Ltd.</p> <p>Being an expert in tech industry management, financial analysis, and corporate governance, Mr. Tseng, Ming-Jen is able to submit recommendations with respect to industry analysis and integration, risk management, and business decision-making, to an extent that improves the Board of Directors' corporate governance quality and the supervisory function of the Audit Committee.</p> <p>Not a person with any of the circumstances under Article 30 of the Company Act.</p>	<p>(9) Not a professional individual who, or an owner, partner, director, supervisor, or manager of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the company over the past 2 years and has received cumulative compensation not exceeding NT\$500,000, or a spouse thereof;</p> <p>(10) Not a person who is a spouse or relatives of second degree of kinship of other directors.</p> <p>(11) Not a person elected in the capacity of the government, a corporation, or a representative as provided in Article 27 of the Company Act.</p>	None

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

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

5. Diversity and Independence of the Board of Directors

(1) Diversity of the Board of Directors:

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

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

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

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

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

Expected goals:

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

Current status of implementation:

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

If the number of directors of the same gender on the board of directors of the company is less than one-third, state the reasons and the measures to be taken to improve the gender diversity of the board of directors:

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

(2) Independence of the Board of Directors:

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

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

April 21, 2025

Title	Nationality	Name	Gender	Date of appointment to position	Shareholding		Shareholding of spouse and underage children		Shareholding in the name of others		Main career (academic) achievements	Concurrent duties in the Company and other companies	Managers with spouses or relatives with second degree of kinship			Remarks
					Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage			Title	Name	Relationship	
General Manager	Taiwan	Wu, Li-Shan	Male	August 10, 2017	445,132	0.68%	663	0%	0	0%	Electronics Department, Lee-Ming Institute of Technology General Manager, Kuen Piin Enterprise Co., Ltd.	Director, Gitech Electronic Industries Co., Ltd. Director, Howtech International Inc.(Samoa) Director, Shanghai Howtech International Trading Inc. Director, Kunshan Howtech International Trade Co., Ltd. Director, Howtech Vietnam Co., Ltd.	None	None	None	None
Vice General Manager	Taiwan	Chuang, Kun-Lin	Male	July 1, 2016	44,042	0.07%	0	0%	0	0%	Institute of Enterprise Management, National Yunlin University of Science and Technology Associate General Manager, Howtech Technology Co., Ltd.	None	None	None	None	None
Associate General Manager	Taiwan	Chiu, Chi-Wei	Male	March 25, 2024	20,824	0.03%	0	0%	0	0%	Institute of Business Administration, National Central University Senior Manager of the Division, Howtech Technology Co., Ltd.	None	None	None	None	None

Title	Nationality	Name	Gender	Date of appointment to position	Shareholding		Shareholding of spouse and underage children		Shareholding in the name of others		Main career (academic) achievements	Concurrent duties in the Company and other companies	Managers with spouses or relatives with second degree of kinship			Remarks
					Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage			Title	Name	Relationship	
Special Assistant to General Manager, Financial Officer, CGO	Taiwan	Li, Kun-Cheng	Male	August 12, 2024	50,895	0.08%	0	0%	0	0%	Institute of Business Administration, National Chung Cheng University Chief of the Division, Howtech Technology Co., Ltd.	None	None	None	None	None
Accounting officer (Temporary)	Taiwan	Chen, Yi-Ching	Female	March 12, 2025	0	0%	0	0%	0	0%	Accounting Department, Takming University of Science and Technology Assistant Manager of the Accounting Department, Nam Liong Global Corporation	None	None	None	None	None

Note 1: If the general manager or person of an equivalent post (the highest level manager) and the chairman of the board of directors of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g. increasing the number of independent directors and ensuring that a majority of directors do not concurrently serve as an employee or managerial officer): None.

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

(I) Remuneration to ordinary directors and independent directors

Unit: NT\$1,000

Title	Name	Directors' remuneration								The ratio of the sum of A, B, C, and D to the net profit after tax (Note10)		Remuneration for concurrent duty as an employee								Sum of A, B, C, D, E, F, and G as a % of the net profit (loss) after tax (Note 10)		Remuneration received from an investee other than a subsidiary, or the parent company (Note 11)
		Compensation (A) (Note 2)		Disability retirement benefits (B)		Directors' compensation (C) (Note 3)		Fees for professional practice (D) (Note 4)				Salary, bonus, and special reimbursement (E) (Note5)		Disability retirement benefits (F)		Employee compensation (G) (Note 6)						
		The Company	All companies within the financial statements (Note 7)	The Company	All companies within the financial statements (Note 7)	The Company	All companies within the financial statements (Note 7)	The Company	All companies within the financial statements (Note 7)	The Company	All companies within the financial statements (Note 7)	The Company	All companies within the financial statements (Note 7)	The Company	All companies within the financial statements (Note 7)	The Company		All companies within the financial statements (Note 7)		The Company	All companies within the financial statements (Note 7)	
Amount in cash	Amount in shares															Amount in cash	Amount in shares					
Chairman	Chen, Kuo-Hung	4,775	4,775	0	0	3,150	3,150	520	520	7.22%	7.22%	1,278	1,278	0	0	0	0	0	0	8.31%	8.31%	None
Director	Liu Yi Investment Co., Ltd. Representative: Chen, Che-Hung (Note 12)																					
Director	Zhu Lin Investment Co., Ltd. Representative: Chen, Chun-Ting																					
Director	Liu Yi Investment Co., Ltd. Representative: Chen, Hsin-Yi (Note 13)																					
Director	Liu Yi Investment Co., Ltd. Representative: Wu, Li-Shan (Note 13)																					
Director	Tsai, Tsai-Tien (Note 12)																					
Director	Hung, Ming-Chi																					
Director	Chen, Liang-Hsuan (Note 13)																					

Independent director	Cheng, Tien-Tsung	0	0	0	0	1,350	1,350	840	840	1.87%	1.87%	0	0	0	0	0	0	0	0	1.87%	1.87%	None
Independent director	Li, Ta-Ching																					
Independent director	Tseng, Ming-Jen																					

1. Please describe the remuneration policy, system, criteria, and structure for independent directors, and the relevance of remuneration to factors such as the duty and risk they assume and the time they invest:
Remuneration to independent directors is based on the results of director performance evaluation, and on the results of evaluation by the Remuneration Committee by looking at each director’s extent of participation in the Company’s operations and their contribution value. The remuneration proposes reasonable and fair remuneration that is linked to performance and risk, and submits the proposal to the Board of Directors for resolution.

2. Aside from the remuneration disclosed in the above table, is there any other remuneration received by directors in the most recent year from any company included in the financial statements for their services rendered (such as serving as an advisor other than an employee): None.

Table of Remuneration Ranges

Directors' remuneration range	Name of Director			
	Remuneration equal to the sum of A, B, C, and D		Remuneration equal to the sum of A, B, C, D, E, F, and G	
	The Company (Note 8)	All consolidated entities (Note 9) H	The Company (Note 8)	All consolidated entities (Note 9) I
Under NT\$1,000,000	Representative of Liu Yi Investment Co., Ltd.: Chen, Hsin-Yi; Tsai, Tsai-Tien; Hung, Ming-Chi; Chen, Liang-Hsuan; Cheng, Tien-Tsung; Li, Ta-Ching; Tseng, Ming-Jen	Representative of Liu Yi Investment Co., Ltd.: Chen, Hsin-Yi; Tsai, Tsai-Tien; Hung, Ming-Chi; Chen, Liang-Hsuan; Cheng, Tien-Tsung; Li, Ta-Ching; Tseng, Ming-Jen	Representative of Liu Yi Investment Co., Ltd.: Chen, Hsin-Yi; Tsai, Tsai-Tien; Hung, Ming-Chi; Chen, Liang-Hsuan; Cheng, Tien-Tsung; Li, Ta-Ching; Tseng, Ming-Jen	Representative of Liu Yi Investment Co., Ltd.: Chen, Hsin-Yi; Tsai, Tsai-Tien; Hung, Ming-Chi; Chen, Liang-Hsuan; Cheng, Tien-Tsung; Li, Ta-Ching; Tseng, Ming-Jen
NT\$1,000,000 (incl.)~NT\$2,000,000 (excl.)	Representative of Liu Yi Investment Co., Ltd.: Chen, Che-Hung; Representative of Zhu Lin Investment Co., Ltd.: Chen, Chun-Ting; Representative of Liu Yi Investment Co., Ltd.: Wu, Li-Shan	Representative of Liu Yi Investment Co., Ltd.: Chen, Che-Hung; Representative of Zhu Lin Investment Co., Ltd.: Chen, Chun-Ting; Representative of Liu Yi Investment Co., Ltd.: Wu, Li-Shan	Representative of Liu Yi Investment Co., Ltd.: Chen, Che-Hung; Representative of Zhu Lin Investment Co., Ltd.: Chen, Chun-Ting; Representative of Liu Yi Investment Co., Ltd.: Wu, Li-Shan	Representative of Liu Yi Investment Co., Ltd.: Chen, Che-Hung; Representative of Zhu Lin Investment Co., Ltd.: Chen, Chun-Ting; Representative of Liu Yi Investment Co., Ltd.: Wu, Li-Shan
NT\$2,000,000 (incl.)~NT\$3,500,000 (excl.)				
NT\$3,500,000 (incl.)~NT\$5,000,000 (excl.)	Chen, Kuo-Hung	Chen, Kuo-Hung	Chen, Kuo-Hung	Chen, Kuo-Hung
NT\$5,000,000 (incl.)~NT\$10,000,000 (excl.)				
NT\$10,000,000 (incl.)~NT\$15,000,000 (excl.)				
NT\$15,000,000 (incl.)~NT\$30,000,000 (excl.)				
NT\$30,000,000 (incl.)~NT\$50,000,000 (excl.)				
NT\$50,000,000 (incl.)~NT\$100,000,000 (excl.)				
Above NT\$100,000,000				
Total	11 persons	11 persons	11 persons	11 persons

Note 1: The name of each director shall be stated separately (for a corporate shareholder, the names of the corporate shareholder and its representative shall be stated separately) and the names of the ordinary directors and independent directors shall be stated separately, based on the amount of the aggregated remuneration items paid to each. If a director concurrently serves as a general manager or a vice general manager, please complete this Table and Table 3-1, or Tables 3-2-1 and 3-2-2.

Note 2: This refers to director base compensation in the most recent fiscal year (including director salary, duty allowances, severance pay, and various rewards and incentives, etc.).

Note 3: Please fill in the amount of director profit-sharing compensation approved by the board of directors for distribution for the most recent fiscal year.

Note 4: This refers to director expenses and perquisites in the most recent fiscal year (including travel expenses, special disbursements, stipends of any kind, and provision of facilities such as accommodations or vehicles, etc.). If housing, car or other forms of transportation, or personalized expenses are provided, disclose the nature and cost of the property provided, the actual or fair market rent, fuel expenses, and any other amounts paid. Additionally, if a driver is provided, please add a note explaining the relevant base compensation paid by the Company to the driver, but do not include it in the calculation of the director remuneration.

Note 5: This includes any remuneration received by a director for concurrent service as an employee in the most recent year (including concurrent service as general manager, vice general manager, other managerial officers, or non-managerial employee) including salary, duty allowances, severance pay, rewards, incentives, travel expenses, special disbursements, stipends of any kind, and provision of facilities such as accommodations or vehicles, etc. If housing, car or other forms of transportation, or personalized expenses are provided, disclose the nature and cost of the property provided, the actual or fair market rent, fuel expenses, and any other amounts paid. Additionally, if a driver is provided, please add a note explaining the relevant base compensation paid by the Company to the driver, but do not include it in the calculation of the director remuneration. Additionally, salary expenses recognized as share-based payment under IFRS 2—including employee share subscription warrants, new restricted employee shares, and participation in share subscription under a rights offering, etc.—should be included in the calculation of remuneration.

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

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

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

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

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

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

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

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

Note 12: Removed since the election of directors on Jun 21, 2024, and the remuneration is disclosed till the removal date .

Note 13: Elected since the election of directors on Jun 21, 2024, and the remunerations is disclosed from the elected date.

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

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

Unit: NT\$1,000

Title	Name	Salary (A) (Note 2)		Disability retirement benefits (B)		Bonus and special reimbursement (C) (Note 3)		Employee compensation (D) (Note 4)				The ratio of the sum of A, B, C, and D to the net profit after tax (%) (Note 8)		Remuneration received from an investee other than a subsidiary, or the parent company (Note 9)
		The Company	All companies within the financial statements (Note 5)	The Company	All companies within the financial statements (Note 5)	The Company	All companies within the financial statements (Note 5)	The Company		All companies within the financial statements (Note 5)		The Company	All companies within the financial statements (Note 5)	
								Amount in cash	Amount in shares	Amount in cash	Amount in shares			
General Manager	Wu, Li-Shan	6,565	6,565	3,232	3,232	3,507	3,507	650	0	650	0	11.93%	11.93%	None
Vice General Manager	Chuang, Kun-Lin													
Vice General Manager	Chang, Da-Chien (Note 10)													

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

Table of Remuneration Ranges

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

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

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

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

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

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

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

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

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

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

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

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

Note10: Retired on October 30, 2024.

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

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

Unit: NT\$1,000

	Title (Note 1)	Name (Note 1)	Amount in shares	Amount in cash	Total	Ratio of total amount to the net profit after tax (%)
Manager	General Manager	Wu, Li-Shan	—	990	990	0.85%
	Vice General Manager	Chuang, Kun-Lin				
	Associate General Manager	Chiu, Chi-Wei				
	Special Assistant to General Manager, Financial Officer, and CGO	Li, Kun-Cheng				

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

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

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

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

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

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

Unit: NT\$1,000

Category	The Company		Consolidated entities	
	2024	2023	2024	2023
Directors’ remuneration	11,913	10,195	11,913	10,195
Ratio of total director remuneration to the net profit after tax	10.19%	10.12%	10.19%	10.12%
Remuneration of general manager and vice general managers	13,954	11,783	13,954	11,783
Remuneration to general manager and vice general managers as a percentage of net income after tax	11.93%	11.69%	11.93%	11.69%
Net income after tax	116,965	100,772	116,965	100,772

2. The Company pays remuneration to directors, general manager, and vice general managers based on their extent of participation in the Company’s operations, their contribution, and their performance evaluation results, and by reference to the industry’s payment standards and future risks, upon approval from the Board of Directors, as required by the Company Act and the Company’s Articles of Association.

III. State of operation of corporate governance

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

In 2024, the Board of Directors held a total of 5 meetings (A); the attendance by directors is stated as follows:

Title	Name	Number of attendance (presence) in person (B)	Number of attendance by proxy	Attendance (presence) rate (B/A)	Remarks
Chairman	Chen, Kuo-Hung	5	0	100%	
Director	Liu Yi Investment Co., Ltd. Representative: Chen, Che-Hung	2	0	100%	Resigned on June 21, 2024
Director	Zhu Lin Investment Co., Ltd. Representative: Chen, Chun-Ting	5	0	100%	
Director	Liu Yi Investment Co., Ltd. Representative: Chen, Hsin-Yi	3	0	100%	Newly elected on June 21, 2024
Director	Liu Yi Investment Co., Ltd. Representative: Wu, Li-Shan	3	0	100%	Newly elected on June 21, 2024
Director	Tsai, Tsai-Tien	0	0	0%	Resigned on June 21, 2024
Director	Hung, Ming-Chi	5	0	100%	
Director	Chen, Liang-Hsuan	3	0	100%	Newly elected on June 21, 2024
Independent director	Cheng, Tien-Tsung	4	0	80%	
Independent director	Li, Ta-Ching	5	0	100%	
Independent director	Tseng, Ming-Jen	5	0	100%	

Other matters to be recorded:

- In the event of any of the following in a Board of Directors meeting, the dates of the meeting, session, contents of motions, the opinions of independent directors, and the Company's response to the opinions should be specified:
 - Items listed in Article 14-3 of the Securities and Exchange Act: The Company has established the Audit Committee. As such, the circumstances listed under Article 14-3 of Securities Exchange Act regulation do not apply.
 - Any other documented objections or qualified opinions raised by an independent director against a board resolution: No such occurrence.
- Disclosure regarding avoidance of interest-conflicting motions, including the names of directors concerned, the motions, the nature of conflicting interests, and the voting process:
 - In the 14th meeting of the 9th Board Meeting, Chairman Mr. Chen, Kuo-Hung avoided the discussion and did not vote the motion of the distribution of compensation to employees and directors of 2023.
 - In the 3rd meeting of the 10th Board Meeting, Director Mr. Chen, Chun-Ting avoided the discussion and did not vote the motion on Related-party Transaction in 2024.
 - In the 3rd meeting of the 10th Board Meeting, Director Mr. Wu, Li-Shan avoided the discussions and did not vote the motions of the re-appointment after retirement of the General Manager, the proposal on manager compensation, the proposal for distribution of the 2024 year-end bonus to managers.

3. Evaluation of the Board of Directors:

Evaluation periodicity	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Once per year	January 1, 2024 through December 31, 2024	1. Board of Directors 2. Members of Board of Directors 3. Remuneration Committee 4. Audit Committee	Internal self-evaluation	For details, see the “2024 Board of Directors Performance Evaluation Results”

[2024 Board of Directors Performance Evaluation Results]

- (1) Referencing regulations: To implement corporate governance and improve the Board of Directors’ functions, the Company carried out its 2024 Board of Directors performance evaluation by the “Rules for Performance Evaluation of Board of Directors” passed through a resolution at the Board of Directors meeting dated August 11, 2020.
- (2) Evaluation scope: Evaluation of Board of Directors as a whole, individual Board of Directors members, and functional committees (including Remuneration Committee and Audit Committee), by means of internal self-evaluation.
- (3) Evaluation results: Each evaluation indicator is ranked on a scale from 5 points to 1 point, with 5 being prime, 4 being excellent, 3 being good, 2 being mere satisfactory, and 1 being deficient; below is a summary of the evaluation results:

(A) Board of Directors Performance Self-evaluation Results

Evaluation aspect	Item	Average score	Total score
A. Participation in the operations of the Company	12	4.83	4.97
B. Improvement in the quality of the Board of Directors’ decision making	12	5.00	
C. Composition and structure of the Board of Directors	7	5.00	
D. Election and continuing education of the directors	7	5.00	
E. Internal control	7	5.00	

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

Evaluation aspect	Item	Average score	Total score
A. Alignment with the goals and tasks of the Company	3	4.85	4.78
B. Awareness of the duties of a director.	3	4.70	
C. Participation in the operations of the Company	8	4.71	
D. Management of internal relationship and communication	3	4.81	
E. Professionalism and continuing education of the directors	3	4.85	
F. Internal control	3	4.78	

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

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

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

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

Summary conclusion:

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

4. An evaluation of targets (e.g., establishment of an audit committee and improvement in information transparency) for strengthening of the functions of the board during the current and immediately preceding fiscal years, and measures taken toward achievement thereof:
- (1) The Company’s Board of Directors operates and exercise its powers by laws and regulations, its Articles of Association, and resolutions of the Shareholders’ Meeting. All directors possess the professional knowledge, skills, and literacy necessary for performing their duties and uphold the principle of fiduciary duty and duty of care, aiming to maximize the profits for all shareholders.
 - (2) The Company pays close attention to any change in the regulatory framework made by the competent authorities, reviews, where appropriate, the “Rules of Procedure for Board of Directors Meetings,” assesses the “Audit Committee Charter” and “Remuneration Committee Charter,” and implements any amended laws or regulations, aiming to improve information transparency. So far the implementation goes well.
 - (3) The Company set up functional committees, e.g., Remuneration Committee and Audit Committee, in 2011 and 2021, respectively, and continues to improve their functions.
 - (4) The Company has disclosed its internal regulations and material Board of Directors resolutions on its website and the Market Observation Post System, so as to facilitate shareholders’ understanding of the Company’s dynamics and improve the transparency of its information.
 - (5) To implement corporate governance, protect shareholders’ rights and interests, and strengthen the functions of the Board of Directors, the Company passed a resolution at the Board of Directors meeting dated March 22, 2023 to appoint a Chief Governance Officer starting from June 1, 2023, who would assist in the operation of the Board of Directors.
 - (6) The Company arranges for directors to take external corporate governance courses every year. The continuing education courses taken by the Company’s directors in 2024 are as follows:

Title	Name	Course date	Organizer	Course name	Course hours
Chairman	Chen, Kuo-Hung	May 10, 2024	Taiwan Investor Relations Institute	Analysis of sustainable trends: ESG thinking and actions that companies should have	3
		August 9, 2024	Taiwan Investor Relations Institute	Business Cycle and Industry Trends	3
Director	Chen, Chun-Ting	May 10, 2024	Taiwan Investor Relations Institute	Analysis of sustainable trends: ESG thinking and actions that companies should have	3
		August 9, 2024	Taiwan Investor Relations Institute	Business Cycle and Industry Trends	3

Title	Name	Course date	Organizer	Course name	Course hours
Director	Chen, Hsin-Yi	August 9, 2024	Taiwan Investor Relations Institute	Business Cycle and Industry Trends	3
		October 28, 2024	Taipei Foundation of Finance	Development Trends of Generative AI Industry	3
		November 8, 2024	Taipei Foundation of Finance	On the Role and Accountability of Controlling Shareholders from the Perspective of Corporate Governance	3
		November 14, 2024	Greater China Financial and Economic Development Association	Global political and economic analysis after the US presidential election	3
Director	Wu, Li-Shan	August 9, 2024	Taiwan Investor Relations Institute	Business Cycle and Industry Trends	3
		October 23, 2024	Greater China Financial and Economic Development Association	Talking about the discovery and cultivation of talents	3
		November 8, 2024	Taipei Foundation of Finance	On the Role and Accountability of Controlling Shareholders from the Perspective of Corporate Governance	3
		December 16, 2024	Taipei Foundation of Finance	Key indicators and trend analysis of international situation observation in 2025	3
Director	Hung, Ming-Chi	November 8, 2024	Taipei Foundation of Finance	On the Role and Accountability of Controlling Shareholders from the Perspective of Corporate Governance	3
		December 16, 2024	Taipei Foundation of Finance	Key indicators and trend analysis of international situation observation in 2025	3
Director	Chen, Liang-Hsuan	August 9, 2024	Taiwan Investor Relations Institute	Business Cycle and Industry Trends	3
		October 26, 2024	Accounting Research and Development Foundation	Legal responsibilities and case analysis related to the competition for company management rights	3
		November 16, 2024	Accounting Research and Development Foundation	The latest ESG sustainability policy laws and regulations related to annual report preparation	3
		November 26, 2024	Accounting Research and Development Foundation	Common deficiencies in financial report review and common issues in asset acquisition/disposal	3
Independent director	Cheng, Tien-Tsung	August 9, 2024	Securities and Futures Institute (SFI)	Global ICT Supply Chain and the Evolved Semiconductor Industry	3
		October 30, 2024	Securities and Futures Institute (SFI)	International Trends in AI Governance	3
Independent director	Li, Ta-Ching	April 18, 2024	Institute of Financial Law and Crime Prevention	Money laundering prevention and anti-terrorist financing practices and insider trading prevention advocacy	3
		May 16, 2024	Taiwan Securities Association	Financial Consumer Protection Law and the Principle of Fair Customer Treatment	3
		September 5, 2024	Taiwan Securities Association	Information security threat trends and crisis management	3
		October 17, 2024	Taiwan Securities Association	Sustainable Finance Trends and Nature-related Financial Disclosure Framework (TNFD)	3

Title	Name	Course date	Organizer	Course name	Course hours
		November 14, 2024	Securities and Futures Institute (SFI)	New thinking behind the semiconductor industry revolution behind artificial intelligence	3
		December 18, 2024	Securities and Futures Institute (SFI)	Silicon Photonics Defines the Network: Trends in Silicon Photonics (SiPh) and Co-Packaged Optics (CPO)	3
Independent director	Tseng, Ming-Jen	June 27, 2024	Taiwan Investor Relations Institute	Greenhouse Gas Carbon Management/Carbon Tariffs & Carbon Rights	3
		July 10, 2024	Taiwan Investor Relations Institute	Enterprise risk management under ESG	3
		August 30, 2024	Taiwan Investor Relations Institute	ESG performance management and corporate value layout	3

(II) Operation of the Audit Committee

The Audit Committee held 4 meetings [A] in the most recent year (2024); the attendance of independent directors is as follows:

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

Other matters to be recorded:

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

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

Audit Committee meeting date	Motion contents and measures taken afterwards	Items listed in Article 14-5 of the Securities and Exchange Act	Matters not approved by the Audit Committee but approved by more than two-thirds of all directors
1st term 11th meeting March 14, 2024	1. Passed the proposal on the results of assessment of the independence of the attesting CPAs from Ernst & Young.	V	None
	2. Passed the proposal on appointment of attesting CPAs for 2024 and review of audit fees.	V	None
	3. Passed the proposal on the Company's statement of effectiveness of its internal control system for 2023.	V	None
	4. Passed the proposal on the Company's Business Report and Financial Statements for 2023.	V	None
	5. Passed the proposal to amend some provisions of the "Rules of Procedure for Board of Directors Meetings."	V	None
	6. Passed the proposal to provide endorsements and guarantees to the subsidiary "Giteh Electronic Industries Co., Ltd."	V	None
	Audit Committee resolution: The proposal was passed in its entirety by all members present. The Company's response to Audit Committee members' opinion: None. The proposals were submitted to and approved by the Company's Board of Directors.		
1st term 12th meeting May 9, 2024	1. Passed the proposal on the Company's consolidated financial statements for the first quarter of 2024.	V	None
	2. Passed the proposal to allow the Company to provide endorsement and guarantee for the Company's sub-subsidiary "Howteh Vietnam Co., Ltd."	V	None
	Audit Committee resolution: The proposal was passed in its entirety by all members present.		
	The Company's response to Audit Committee members' opinion: None. The proposals were submitted to and approved by the Company's Board of Directors.		
2nd term 1st meeting August 8, 2024	1. Passed the proposal on the Company's consolidated financial statements for the second quarter of 2024.	V	None
	2. Passed the proposal to change the Company's financial officer, accounting officer.	V	None
	3. Passed the proposal to allow the Company's sub-subsidiary "Shenzhen Howteh Technology Co., Ltd." to loan funds to the Company's sub-subsidiary "Shanghai Howteh International Trading Inc."	V	None
	Audit Committee resolution: The proposal was passed in its entirety by all members present.		
	The Company's response to Audit Committee members' opinion: None. The proposals were submitted to and approved by the Company's Board of Directors.		
2nd term 2nd meeting November 13, 2024	1. Passed the proposal on the Company's consolidated financial statements for the third quarter of 2024.	V	None
	2. Passed the proposal on the Company's 2025 annual audit plan.	V	None
	3. Passed the proposal to allow the Company's sub-subsidiary "Shanghai Howteh International Trading Inc." to loan funds to the Company's sub-subsidiary "Shenzhen Howteh Technology Co., Ltd."	V	None

Audit Committee meeting date	Motion contents and measures taken afterwards	Items listed in Article 14-5 of the Securities and Exchange Act	Matters not approved by the Audit Committee but approved by more than two-thirds of all directors
	4. Passed the proposal to extend the Company's sub-subsidiary "Shanghai Howteht International Trading Inc." to transfer accounts receivable into funds for loan to the Company's sub-subsidiary "KunShan Howteht International Trading Inc."	V	None
	5. Passed the proposal to formulate the "Management Regulations of Sustainability Information" and the "Internal Control – Audit Particulars – Management of Sustainability Information."	V	None
	6. Passed the proposal to formulate the "Procedures for the Preparation and Assurance of Sustainability Report."	V	None
	7. Passed the proposal to amend some provisions of the "Charter for Audit Committee."	V	None
	8. Passed the proposal on the acquisition of the right-of-use asset from a related party.	V	None
	9. Passed the proposal on re-appointment after retirement of the General Manager.	V	None
	Audit Committee resolution: The proposal was passed in its entirety by all members present.		
	The Company's response to Audit Committee members' opinion: None. The proposals were submitted to and approved by the Company's Board of Directors.		

- (2) Any other resolutions that were approved by two thirds of Board members but not approved by the Audit Committee other than those described above: No such occurrence.
2. Implementation of recusal by independent directors due to conflict of interests: No such occurrence.
3. Status of communication between independent directors, the chief internal auditor, and CPAs:
- (1) The Company's Chief Internal Auditor regularly reports to and discusses with the Audit Committee members on audit matters and, after the monthly audit report was issued, immediately discusses and communicates with the same on any doubts they have. Communication between the Company's independent directors and Chief Internal Officers is good.
- (2) The Company's CPAs communicate mandatory matters and their review or audit results of the Company's quarterly financial statements at the quarterly Audit Committee meeting. Communication between the Company's independent directors and CPAs is good.

(III). Operations of the Remuneration Committee

1. Remuneration Committee members

Position	Name	Criteria	Professional qualifications and experience	State of independence	Number of concurrent duty as a Remuneration Committee member at a public company
Independent director (convener)	Tseng, Ming-Jen		Please refer to “Disclosure of information on directors’ professional qualifications and independent directors’ independence” on p.10 to p.12.		0
Independent director	Cheng, Tien-Tsung				0
Independent director	Li, Ta-Ching				0

2. Remuneration Committee duties

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

- (1) Establishing and periodically reviewing the policies, systems, standards, and structure for the compensation of the directors, and managerial officers.
- (2) Periodically reviewing and formulating remuneration for directors and managers.

3. Information on the operations of the Remuneration Committee

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

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

Other matters to be recorded:

- (1) If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, it should state the date, session, proposal content, resolution of the board, and its handling of the committee’s opinions (if the remuneration approved by the board is better than the recommendation proposed by the committee, the difference and reasons should be stated): No such occurrence.
- (2) For the proposals by the Remuneration Committee, if any members have objections or reservations that are put down in records or written statements, the date, session, proposal content, the opinions of all members, its handling of the members’ opinions should be stated:

Remuneration Committee	Motion contents and measures taken afterwards	Reservation or objection by Remuneration Committee members
5th term 8th meeting March 14, 2024	1. Review of the proposal to distribute remuneration to employees and directors of 2023	None
	Remuneration Committee resolution: The proposal was passed in its entirety by all members present.	
	The Company's response to Remuneration Committee members' opinion: None. The proposals were submitted to and approved by the Company's Board of Directors.	
6th term 1st meeting November 13, 2024	1. Re-appointment after retirement of the General Manager.	None
	2. Review manager compensation.	None
	3. Discussion on the proposal for distribution of the 2024 year-end bonus to managers.	None
	Remuneration Committee resolution: The proposal was passed in its entirety by all members present.	
	The Company's response to Remuneration Committee members' opinion: None. The proposals were submitted to and approved by the Company's Board of Directors.	

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

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

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary description	
(IV) Has the Company formulated internal regulations to prevent insiders from trading securities using undisclosed information on the market?	V		for compliance. (IV) The Company has formulated its “Procedures for Processing Material Inside Information to Prevent Insider Trading” and “Procedures for Ethical Management and Guidelines for Conduct,” which prohibit insiders from using non-public information to trade marketable securities.	
III. Composition and responsibilities of the Board of Directors (I) Has the Board of Directors formulated policy and specific management goals regarding the diversity and implemented the same accordingly?	V		(I) The Company has formulated its Board of Directors membership diversity policy in its “Corporate Governance Best Practice Principles.” The Company elects to have 9 directors, including 3 independent directors, in consideration of its business development and scale and practical operating needs. All incumbent Board of Directors members possess the knowledge, skills, and literacy required for performing their duties; they have also set concrete management goals to implement the Board of Directors diversity policy. For details, see Diversity and Independence of the Board of Directors on p.13 to p.14 of this annual report.	No significant difference
(II) In to the Remuneration Committee and the Audit Committee established in accordance with law, has the company voluntarily set up other functional committees?		V	(II) The Company has set up its Remuneration Committee and Audit Committee, which exercise powers by the “Remuneration Committee Charter” and the “Audit Committee Charter,” respectively. Both committees function well. In the future, the Company might set up other functional committees depending on actual	

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary description	
(III) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as a reference in determining salary/compensation for individual directors and their nomination and additional office terms?	V		operational needs. (III) In order to implement corporate governance, enhance the functions of the Company's Board of Directors, and establish performance targets to enhance the operational efficiency of the Board of Directors, the Company has formulated its "Rules for Performance Evaluation of Board of Directors," by which the Company internally evaluates the performance of the Board of Directors annually and submits the evaluation results to the Board of Directors. For the status of implementation of Board of Directors performance evaluation, see p.23 to p.24 on this annual report. The 2024 self-evaluation results have been submitted to the Board of Directors meeting dated March 12, 2025.	
(IV) Does the company regularly evaluate the independence of attesting CPAs?	V		(IV) By referencing the "Certified Public Accountant Act" and Statement No.10 of "The Norm of Professional Ethics for Certified Public Accountant of the Republic of China," the Company formulates independence evaluation criteria to assess the independence of CPAs every year. In addition, the Company requires attesting CPAs to provide a statement of independence and audit quality indicators, and submits the same to the Audit Committee and Board of Directors for approval. The results of assessment of the 2025 attesting CPAs' independence were submitted to and approved by the Audit Committee on March 12, 2025, and then by the Board of Directors on March 12, 2025. According to the	

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary description	
			Company's assessment, CPA Chang, Chiao-Ying and CPA Chang, Chih-Ming from Ernst & Young meet the Company's independence criteria, and are therefore qualified to be the Company's attesting CPAs. For the criteria for assessing CPA independence, see the notes.	

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

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

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary description	
official filing of an annual financial report within two months after the end of an accounting period, and publish/file Q1, Q2 and Q3 financial reports along with the monthly business performance statements before the required due dates?			statements within specified due dates and declares its monthly operating performance every month as required by law.	
VIII. Does the company have other important information that is helpful to understand its implementation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, continuing education of directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, the company's purchase of liability insurance for directors and supervisors, and so on)?	V		<p>1. Employee rights: To safeguard employees' rights, the Company has formulated its "Work Rules" and "Measures of Prevention, Complaint, and Punishment of Sexual Harassment," by which it respects employees' human rights and uphold their legitimate rights. In addition, the Company has also set up an internal website, where employees may submit their opinions and discuss about benefits, and which is a real-time communication channel with employees.</p> <p>2. Employee care: The Company puts people first in that it has formulated comprehensive management system with respect to working environment, benefits, on-the-job training, retirement, and dependent care, so as to enable employees to devote themselves to promoting the various types of business, thereby jointly maximizing profits. Benefits in this regard include group insurance for all employees; childbirth allowance; funeral subsidies; insurance for employees on business travel; parental leave without pay; and various measures for family care.</p>	No significant difference

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary description	
			<p>Since the Company is an agent of other companies, employees work mainly in office buildings; the Company's office is a commercial building guarded by dedicated security guards day and night and regularly maintained, which should be considered a safe workplace for employees. The Company values employees' health, so it offers a complimentary physical checkup for employees every year. More physical checkup items are added year on year at the request of employees. To insure employees against physical injury, the Company purchased an Employer's Liability Insurance, which will entitle employees to insurance benefits if they sustain injury at work during their employment. The Company further purchased a public liability insurance for persons going in and out of the Company's warehouse, and for tally clerks.</p> <p>3. Investor relations: By disclosing its financial, business, and corporate governance information on its website, the Company enhances information transparency and maintains a good interaction with investors. Please visit the Company's website: https://www.howteh.com.tw.</p> <p>4. Supplier relations: The Company has set up its Supplier Management Rules, and designated different departments to be responsible for communication with different suppliers and stakeholders, and to coordinate any related affairs. In doing so, the Company</p>	

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary description	
			<p>provides a clear communication channel.</p> <p>5. Stakeholders' rights: The Company has clearly indicated a stakeholder complaint filing channel on its website and annual report, so as to maintain stakeholders' rights.</p> <p>6. Directors' continuing education: The Company provides directors with information on applicable laws and regulations and continuing education courses as required by law. The Company's directors also take continuing education courses that offer professional information with respect to corporate governance, finance, and business. Please see p.24 to p.26 in the annual report.</p> <p>7. Implementation of risk management policies and risk measurement standards: By following its comprehensive internal control system and relevant regulations, the Company prevents the occurrence of fraud and reduces risks. Please see p.101 to p.103 of this annual report.</p> <p>8. Implementation of customer policies: The Company has set up customer complains processing procedures, by which it opens to, and deals with, customer complaints; it also establishes preventive measures accordingly to prevent recurrence.</p> <p>9. The Company's purchase of liability insurance for directors: The Company has purchase directors and officers liability insurance of USD3 million from MSIG Mingtai Insurance</p>	

Evaluation Items	The State of Operation			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary description	
			Company, Limited. for directors to cover the period from August 25, 2024 and August 25, 2025. Such purchase has been reported to the Board of Directors on August 8, 2024.	
IX. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement: The company has improved information transparency and disclosure timeliness and will enhance disclosure on its website to improve information transparency.				

(Note) Evaluation of the attesting CPAs

Evaluation Items	Evaluation results	Whether the person qualifies for independence
(1) Does the CPA have direct or indirect material financial interests with the Company?	No	Yes
(2) Does the CPA provide/accept endorsement and guarantees or lend or borrow funds from/to the Company or its directors?	No	Yes
(3) Does the CPA have a business relationship with the Company, or have an implicit employment relationship with the Company?	No	Yes
(4) Is/Was the CPA or any member of the engagement team one of the Company's directors, managers, or a person wielding significant influence over the Company's audit work currently or in the past two? years?	No	Yes
(5) Does the CPA simultaneously provide the Company with non-audit service items that will directly impact the audit work?	No	Yes
(6) Does the CPA serve as an agent of the stock or securities issued by the Company?	No	Yes
(7) Does the CPA serve as a defendant for the Company or mediate the disputes with another party on behalf of the Company?	No	Yes

(8) Is the CPA a relative or family member of the Company's directors, managers, or persons wielding significant influence over the audit case?	No	Yes
(9) Is there a partner CPA who has resigned within the past year and used to be the Company's director, manager, or a person wielding significant influence over the audit work?	No	Yes
(10) Did the CPA accept gifts or giveaways of significant value from the Company's director or manager?	No	Yes
(11) Does the CPA provide the Company with audit service for seven years or more in a row?	No	Yes

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

Evaluation Items	The State of Operation			Deviation from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons:
	Yes	No	Summary description	
I. Has the Company established a governance structure to promote sustainable development, and designated a full-time (part-time) unit to promote sustainable development, which is to be handled by the senior management with the authorization of the Board of Directors, and the actual supervision of the Board of Directors?	V		The Company's Board of Directors designated the General Manager Office to be a full-time (part-time) unit, which shall take charge of developing sustainable development policy and system or relevant management approaches, setting feasible goals and implementing the same, and tracking implementation achievements and reporting the same to the Board of Directors.	No significant difference
II. Does the company conduct risk assessments on environmental, social, and corporate governance issues related to the Company's operations in accordance with the principle of materiality, and formulate relevant risk management policies or strategies?	V		(I) Environmental protection Being an electronic components distributor, the Company is mainly engaged in trading and R&D of electronic components, and is not involved in any manufacturing activities. Due to the nature of the industry it is in, the Company did not pollute the environment in any way. Nonetheless, being aware of a corporate citizen, the Company profoundly understands the importance of environmental sustainability. Therefore, the Company introduces an environmental management system to minimize the	No significant difference

Evaluation Items	The State of Operation			Deviation from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons:
	Yes	No	Summary description	
			<p>risk of environmental violations; what’s more, it has been promoting its carbon reduction and energy conservation program, through which it enhances employees’ environmental awareness and improves the efficiency in resource consumption.</p> <p>(II) Product liability The Company demands that suppliers obtain necessary environmental certificates (e.g., emissions monitoring), permits, and registration documents and regularly maintain and update the same. The Company also demands that suppliers identify and manage the chemical substances and other substances that, if released to the environment, will cause hazards, and thereby ensure substances can be safely processed, transported, stored, used, recycled, reused, and disposed of. The Company also abides by the Restriction of Hazardous Substances (RoHS) and the Registration, Evaluation, Authorization, Restriction of Chemicals (REACH) promulgated by the European Union. Aside from that, the Company also demand that suppliers disclose a statement on their website asserting compliance with the said regulations, or provide a certificate issued by Taiwan Testing and Certification Center or SGS, in order to ensure the regulatory compliance of the electronic components sold by the Company to downstream manufacturers.</p> <p>(III) Labor relations</p>	

Evaluation Items	The State of Operation			Deviation from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons:
	Yes	No	Summary description	
			<p>Human resources are allocated based on each department’s annual plans. Through diverse recruitment channels, HOWTEH pursues talents who satisfy its core values.</p> <p>The Company values talent retention. By having an interview with terminated employees, the Company gathers the causes of their termination and related information, analyzes the data to formulate remedial plans, and then gives feedback to department chiefs so that they can carry out remedial measures, e.g., personnel management, adjustment of job design, and improvement in recruitment offers.</p> <p>(IV) Anti-corruption By putting in place anti-fraud measures, e.g., the “Ethical Corporate Management Best Practice Principles,” “Codes of Ethical Conduct,” “Procedures for Ethical Management and Guidelines for Conduct,” “Internal Control System,” “Authorization System,” and division of function, coupled with the implementation of internal audit, internal control self-evaluation, and provision of a channel for reporting unethical conduct, the Company implements its anti-corruption measures.</p> <p>(V) Customer privacy The Company keeps trade secrets strictly confidential. No person of the Company may disclose to any other party any trade secrets, trademarks, copyrights, and other intellectual</p>	

Evaluation Items	The State of Operation			Deviation from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons:
	Yes	No	Summary description	
			<p>properties of the clients or suppliers of which they have learned, nor may they inquire about or collect any trade secrets, trademarks, copyrights, and other intellectual properties of clients and suppliers unrelated to their individual duties. The Company further entered into a non-disclosure agreement (NDA) with clients and original brands. The Company has also launched 5 concrete measures to protect trade secrets.</p> <p>(VI) Compliance with socioeconomic laws and regulations The Company abides by the Fair Trade Act, Foreign Trade Act, Regulations Governing Export and Import of Strategic High-tech Commodities, the USA’s Export Administration Regulations, Regulations Governing Trade between the Taiwan Area and the Mainland Area, and other international standards. All products comply with international safety standards and import and export laws. The Company verifies the compliance of its operations and abides by its ethical code; it also publicizes laws and regulations internally.</p>	
<p>III. Environmental Issues</p> <p>(I) Has the Company set up an appropriate environmental management system based on the characteristics of its industry?</p>	V		<p>(I) Since the Company is an agent, ISO14001 and related environmental management systems do not apply to the industry to which the Company belongs. Despite so, the Company still strives to create proper systems for the management of operating activities</p>	No significant difference

Evaluation Items	The State of Operation			Deviation from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons:
	Yes	No	Summary description	
(II) Is the Company committed to improving the efficiency of resource utilization and using recycled materials with a low impact on the environment?	V		and office environment. In terms of operating activities, the Company urges its suppliers to value compliance of their production environment and products with RoHS directives, and monitors their compliance. In terms of the internal environment, the Company purchases energy-efficient electric appliances and lighting fixtures, reduces the use of disposable products, and sets the switch of lights on automatically during noon break and the start and end of business hours to reduce unnecessary waste. (II) The Company launches a green campaign and continues to promote the reuse of paper; practices in this regard include waste paper recycling, the use of both sides of paper, and the use of office accessories and equipment made of eco-friendly materials and bearing an energy efficiency mark.	
(III) Does the Company evaluate the potential risks and opportunities of climate change to the Company now and in the future, and take corresponding measures to respond to climate related issues?	V		(III) The Company continues to promote energy conservation measures, greening work, and tree planting work.	
(IV) Does the Company make statistics on greenhouse gas emissions, water consumption and the total weight of waste for the past two years, and formulate policies for energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction or other waste management?	V		(IV) The Company made statistics and formulate a carbon reduction and energy conservation policy, the Company puts in place its principles for energy efficient conduct in offices during daily operations. The Company actively promotes environmental awareness and encourages employees to practice green conduct in day-to-day life, e.g., use of	

Evaluation Items	The State of Operation			Deviation from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons:
	Yes	No	Summary description	
			e-statements to reduce consumption of paper and transportation resources and turning off lights when leaving. The Company increasingly digitalizes its approval process and cancels the original paperwork approval process, thereby slashing paper consumption. The Company aims to create a sustainable environment, actively implement eco-friendly operational approaches, and reduce energy consumption.	
IV. Social Issues (I) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations as well as the International Bill of Human Rights?	V		(I) The Company recognizes and supports principles set forth in the various international human rights conventions, e.g., “Universal Declaration of Human Rights,” “United Nations Guiding Principles on Business and Human Rights,” “The United Nations Global Compact,” and “ILO Convention.” In addition, the Company has drafted its policy that values human rights at the workplace, provides a safe and healthy workplace, and respects employees’ rights to free association; the policy is applicable to the Company, subsidiaries over which the Company has substantive control, and suppliers. By putting in place proper management approaches and procedures, the Company eliminates any conduct that infringes or violates human rights; it also regularly reviews safety and health risks facing employees, and carries out remedial plans based on the identification results. The Company will also pay close attention to	No significant difference

Evaluation Items	The State of Operation			Deviation from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons:
	Yes	No	Summary description	
(II) Has the Company formulated and implemented reasonable employee welfare measures (including remuneration, vacation, and other benefits, etc.), and appropriately reflected operating performance or results in employee remuneration?	V		<p>the development of the human rights policy of domestic and foreign enterprises and the changes in the business environment, so as to gain a reference for reviewing and refining this policy.</p> <p>(II) The Company provides employees with multiple benefits measures that are beyond the legal requirements. For instance, the Company’s leave system is better than what is required by the “Labor Standards Act;” employees start enjoying annual leave in proportion to their service days, starting from their first day at the Company, and are offered fully-paid sick leave and injury leave according to their service years. In addition, employees are offered bonuses for the three major Chinese festivals, group comprehensive insurance, subsidies for continuing education, congratulation money for marriage, childbirth subsidies, and funeral subsidies. Furthermore, to take care of employees’ health, the Company offers them free health checkup that surpasses the mandatorily required one in terms of both frequency and number of checkup items. The Company’s remuneration system is formulated by taking into consideration industry characteristics, overall remuneration planning, market competitiveness, the Company’s operating performance, risk management, and industry peers’ payment standards. This precludes the possibility in which managers and salespersons engage in business</p>	

Evaluation Items	The State of Operation			Deviation from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons:
	Yes	No	Summary description	
(III) Operating performance or results are also appropriately reflected in the compensation of employees (annual salary adjustment and promotion based on performance appraisal).	V		<p>conduct that exceeds the Company’s risk appetite in order to pursue remuneration. The Company also regularly reviews the remuneration system and performance in order to implement a reasonable remuneration policy.</p> <p>(III) The Company’s workplace complies with regulatory requirements and has been inspected and approved by the competent authority. A fire safety evacuation drill and labor safety awareness sessions are regularly held. The Company also compiles an emergency response manual, by which it carries out drills and simulations from time to time, to reduce the possibility of the occurrence of work-related accidents. The Company regularly organizes health checkups for employees, and identifies key checkup items, hoping to help employees spot an illness early and thereby implement the concept of illness prevention. The Company also arranges for physicians to provide health consultations after health checkups, continues to launch health promotion events, and irregularly provides employees with health-promoting information, so as to take care of their physical and mental health. In 2024, no fire incidents occurred at our company, internal regular fire prevention promotion, disaster response, fire safety training are conducted to enhance colleagues' awareness of safety and security and set up fire prevention teams to respond to fire incidents.</p>	

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

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

Evaluation Items	The State of Operation			Deviation from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons:
	Yes	No	Summary description	
V. Does the Company make reference to international reporting standards or guidelines to prepare sustainable development or other reports that disclose non-financial information about the Company? Does the company obtain third party assurance or certification for the reports above?		V	The Company’s Board of Directors meeting dated March 27, 2015 approved the Company’s “Corporate Social Responsibility Best Practice Principles” and the Company’s Board of Directors meeting dated March 22, 2023 approved the Company’s “Sustainable Development Best Practice Principles”, which have been implemented accordingly. The Company will prepare a corporate social responsibility report of 2024 that disclosed non-financial information, and there was no such thing as third party certification.	No significant difference
VI. If the Company has adopted its own sustainable development best practice principles based on the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” please describe any deviation from the principles in the Company’s operations: The Company’s Board of Directors meeting dated March 27, 2015 approved the Company’s “Corporate Social Responsibility Best Practice Principles,” and the Company’s Board of Directors meeting dated March 22, 2023 approved the Company’s “Sustainable Development Best Practice Principles” both were implemented accordingly. Therefore, the operation did not significantly deviate from the principles.				
VII. Other important information to facilitate better understanding of the company’s promotion of sustainable development: The Company spares no efforts in improving environmental protection, occupational safety, and health promotion. All employees also strive to reduce the energy consumption of office equipment, replace obsolete equipment, and reduce resource consumption. The Company will continue to pay attention to the development of each issue and trend, so as to gain a reference for striding towards corporate sustainable goals.				

(VI) Implementation of Climate-Related Information

Item	Implementation status				
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	The Sustainable Development Committee, composed of the General Manager and senior executives appointed by the Company, leads the Sustainable Development Task Force in identifying sustainability and climate change-related risks. The committee conducts assessments and analyses of climate-related risks and opportunities, formulates and implements response plans, and has been reporting the results and performance of its actions to the Board of Directors on a regular basis starting from 2024.				
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term). 3. Describe the financial impact of extreme weather events and transformative actions.	Risk	Item	Issues	Potential operational and financial impacts	Response measures
	Transition risk	Policies and regulations	Carbon fee and taxes for greenhouse gas emissions	Increased operating costs (such as higher compliance costs and insurance premiums) Short term	As the Company is not part of a high carbon-emission industry, the operational impact is minimal; however, carbon reduction targets are still set and green electricity is purchased.
			Add relevant regulations	Increased costs due to fines and legal judgments Short term	Closely monitor regulatory developments and review the Company's current status to ensure compliance, then formulate appropriate measures to meet legal requirements.
		Market	Rising raw material costs	Increased operating costs and reduced profitability Short and medium term	1. Maintain close communication with suppliers and continuously monitor the situation. 2. Work collaboratively with suppliers to develop energy-saving products in order to reduce environmental impact. 3. Actively seek agency opportunities and develop low-carbon products.

	Physical risk	Long term	Average temperature rise	Increased water and electricity consumption Short, medium and long term	1. Promote energy-saving and carbon reduction measures. 2. Actively upgrade office equipment across locations by adopting LED lighting and installing energy-efficient glass for lighting and air conditioning control. 3. Install water-saving devices.
	Opportunity	Product and service	Diversified business activities	Reduced energy consumption lowers operating costs Short term	The Company utilizes client-side e-commerce platforms for quotations, order placement, demand forecasting, shipping, invoicing, and reconciliation. Throughout these processes, paper documents have been replaced with
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall riskmanagement system.	1. Identify potential transitional and physical risks (a total of 4 items) to the Company's operations caused by climate change and potential opportunities (a total of 1 item). 2. Based on risk factors provided by each department, discussions are conducted to select high-risk items and opportunities, which are then linked to short-, medium-, and long-term key climate risk indicators. Financial impact assessments are carried out through quantitative or qualitative methods, followed by the development of response strategies and the setting of key climate targets.				
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described	Physical risks are assessed with reference to key climate science findings from the IPCC AR6 report and data from the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP). Based on scenarios such as SSP5-8.5, temperature increases of over 1.8°C and 3.4°C during the years 2050 to 2100 are projected to evaluate potential impacts on future operations and associated financial implications. Response and management measures are then developed accordingly. Flood and landslide risk assessments were conducted for the Company's major operational sites in Taiwan, including the Taipei Head Office and the Taoyuan Logistics Center: (Taipei Head Office) The site is not directly located within a flood-prone area based on 650 mm of rainfall within 24 hours, but such a zone exists within a 500-meter radius. In the event of a flood, employee commuting safety may be severely affected. The site is not within a potential landslide zone. (Taoyuan Logistics Center) The site is directly located within a flood-prone area based on 650 mm of rainfall within 24 hours. In the event of a flood, the site may face flooding threats that could impact delivery schedules and employee				

	<p>commuting. The site is not within a potential landslide zone.</p> <p>In the short term, floods and landslides are not expected to have significant impact on Taiwan's main island; therefore, the results of the current hazard potential analysis will not be considered for the time being. However, the Company recognizes that climate-related impacts are closely tied to supply chain operations throughout the procurement, product delivery, and service processes. As such, these risks are incorporated into the overall risk assessment and response strategy. In addition to allocating resources to actively develop and distribute low-carbon products that meet customer requirements and environmental regulations, the Company also strengthens its supply chain management. This includes consideration of raw material selection, manufacturing, transportation, end-use, and final disposal or recycling, in order to reduce environmental impact and maintain competitiveness while coexisting sustainably with the planet.</p>
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>Planning in progress.</p> <p>Target setting:</p> <ol style="list-style-type: none"> 1. To minimize the environmental impact of our operations, we have invested significant resources across all environmental indicators. These include initiatives in energy conservation and carbon reduction, water resource efficiency, pollution prevention, and hazardous substance management, all aligned with our vision for sustainable development. The annual reduction targets for water usage and greenhouse gas emissions are set at 5%. 2. Complete the greenhouse gas inventory for 2024 by 2025. 3. Conduct greenhouse gas inventory verification in 2026.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	In planning
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	In planning

9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).	Refer to 1-1 and 1-2
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1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Year

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

Item/Year	2023		2024	
	Total emissions (tons of CO ₂ e)	Intensity (tons CO ₂ e/million revenue)	Total emissions (tons of CO ₂ e)	Intensity (tons CO ₂ e/million revenue)
Scope 1				
Parent company	—	—	16.9435	0.0081
Subtotal	—	—	16.9435	0.0081
Scope 2				
Parent company	74.1346	0.0334	59.7274	0.0285
Subtotal	74.1346	0.0334	59.7274	0.0285
Scope 3				
Parent company	—	—	38.0860	0.0182
Subtotal	—	—	38.0860	0.0182
Total	74.1346	0.0334	114.7569	0.0548
Note : Parent company revenue (millions) in 2023 and 2024 is 2,222.054 and 2,093.004.				

1-1-2 Greenhouse Gas Assurance Information (describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion) :

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

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

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

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

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

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

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

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

Evaluation Items	The State of Operation			Deviation From the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Company” and the Reasons.
	Yes	No	Summary description	
whistleblowers from being improperly treated due to reporting?			whistle-blowing matters shall represent in writing they will keep the whistleblowers’ identity and contents of information confidential and the whistleblowing content is not a false report or malicious accusation. The Company also undertakes to protect the whistleblowers from improper treatment due to their whistleblowing.	
IV. Enhance Information Disclosure (I) Does the Company disclose the content and implementation results of its Ethical Corporate Management Best Practice Principles on its website and the Market Observation Post System?	V		The Company already disclosed its internal regulations pertaining to ethical corporate management on the Corporate Governance Zone on the Company’s website.	No significant difference
V. If the Company has established its own ethical corporate management best practice principles in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies,” please state the differences between its own principles and the state of implementation: The “Procedures for Ethical Management and Guidelines for Conduct” was formulated at the Board of Directors meeting dated March 27, 2015 and amended at the Board of Directors meeting dated March 25, 2021, and have been implemented accordingly. Therefore, the implementation did not significantly deviate from these principles.				
VI. Other important information that is conducive to understanding the implementation of ethical corporate management (e.g., the Company’s review or revision of its own ethical corporate management best practice principles): Upholding the philosophy of “Trustworthiness and Teamwork,” “Improvement in Quality,” “Customer Service,” and “Innovation and Growth,” the Company’s Chairman leads the management team, to jointly promote each category of business. The competencies of the team as a whole bring about prominent operational performance, creating the most optimal profits for shareholders, employees, clients, and suppliers and thereby forging a long-term virtuous relationship. In terms of investor relations: In addition to fulfilling the obligation of information disclosure, the Company announces financial and important information as required; it further discloses complete information on the website of Howtech Technology Co., Ltd. at the disposal of all investors,				

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

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

(IX) State of implementation of the internal control system

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

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

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

Date	Important resolutions
June 21, 2024	<ol style="list-style-type: none">1. Passed the proposal on the 2023 Business Report and Financial Statements.2. Passed the 2023 Earnings Distribution Proposal. Execution status: The proposal was carried out according to the resolution of the Shareholders' Meeting. The distribution was completed on August 5, 2024.3. Passed the proposal to amend the company's "Articles of Incorporation." Execution status: The proposal was carried out according to the resolution of the Shareholders' Meeting.4. Passed the proposal to amend the company's "Rules of Procedure for Shareholders' Meetings." Execution status: The proposal was carried out according to the resolution of the Shareholders' Meeting.5. Passed the proposal on election of all Directors. Execution status: The change registration was approved by the Ministry of Economic Affairs on August 2, 2024.6. Passed the proposal on lifting the non-compete restriction on Directors. Execution status: Announce the related resolution after the Shareholders' Meeting on June 21, 2024.

2. Material Resolutions of the Board of Directors

Date	Important resolutions
9th term 14th meeting March 14, 2024	<ol style="list-style-type: none">1. The Company passed the proposal on the list of non-audit service to be provided by Ernst & Young and its affiliates in 2024.2. The Company passed the proposal on suitability and independence of attesting CPAs.3. The Company passed the proposal to change CPAs for internal rotation of the CPA firm.4. The Company passed the proposal on appointment of attesting CPAs for 2024 and review of audit fees.5. The Company passed the proposal on the Company's statement of effectiveness of its internal control system for 2023.6. The Company passed the proposal on the Company's Business Report and Financial Statements for 2023.7. The Company passed the proposal to distribute remuneration to employees and directors of 2023.8. The Company passed the 2023 Earnings Distribution Proposal.9. The Company passed the proposal to amend some provisions of the "Rules of Procedure for Board of Directors Meetings."10. The Company passed the proposal on election of all Directors.11. The Company resolved to accept submission of proposals for the 2024 General Shareholders' Meeting.12. The Company resolved to accept nomination of candidates for Directors

Date	Important resolutions
	<p>(including Independent Directors).</p> <p>13. The Company passed the proposal on lifting the non-compete restriction on the newly elected Directors.</p> <p>14. The Company passed the proposal on matters relating to the 2024 General Shareholders' Meeting.</p> <p>15. The Company passed the proposal to provide endorsements and guarantees to the subsidiary "Giteh Electronic Industries Co., Ltd."</p> <p>16. The Company passed a proposal to allow the Company to raise its financial credit limit through financial institutions and renew the facilities due.</p>
9th term 15th meeting May 9, 2024	<p>1. The Company passed its consolidated financial statements for Q1 2024.</p> <p>2. The Company passed the proposal to amend some provisions of the "Articles of Incorporation."</p> <p>3. The Company passed the proposal on nomination and review candidates.</p> <p>4. The Company passed the proposal on matters relating to the 2024 General Shareholders' Meeting.</p> <p>5. The Company passed the proposal to allow the Company to provide endorsement and guarantee for the Company's sub-subsidiary "Howteh Vietnam Co., Ltd."</p> <p>6. The Company passed a proposal to allow the Company to raise its financial credit limit through financial institutions and renew the facilities due.</p>
10th term 1st meeting June 21, 2024	<p>1. The Company passed on election the Chairman.</p> <p>2. The Company passed on election the Vice Chairman.</p> <p>3. The Company passed on appointment the members of the 6th Remuneration Committee.</p>
10th term 2nd meeting August 8, 2024	<p>1. The Company passed its 2024 Q2 consolidated financial statements.</p> <p>2. The Company Passed the proposal to change the Company's financial officer, accounting officer.</p> <p>3. The Company Passed the proposal to change the Company's Corporate Governance Officer.</p> <p>4. The Company passed the proposal to allow the Company's sub-subsidiary "Shenzhen Howteh Technology Co., Ltd." to loan funds to the Company's sub-subsidiary "Shanghai Howteh International Trading Inc."</p> <p>5. The Company passed a proposal to allow the Company to raise its financial credit limit through financial institutions and renew the facilities due.</p>
10th term 3rd meeting November 13, 2024	<p>1. The Company passed its 2024 Q3 consolidated financial statements.</p> <p>2. The Company passed the proposal on the Company's 2025 annual business plan.</p> <p>3. The Company passed the proposal on the Company's 2025 annual audit plan.</p> <p>4. The Company passed the proposal to allow the Company's sub-subsidiary "Shanghai Howteh International Trading Inc." to loan funds to the Company's sub-subsidiary "Shenzhen Howteh Technology Co., Ltd."</p> <p>5. The Company passed the proposal to extend the Company's sub-subsidiary "Shanghai Howteh International Trading Inc." to transfer accounts receivable into funds for loan to the Company's sub-subsidiary "KunShan Howteh International Trading Inc."</p> <p>6. The Company passed the proposal to formulate the "Management Regulations of Sustainability Information" and the "Internal Control – Audit Particulars – Management of Sustainability Information."</p> <p>7. The Company passed the proposal to formulate the "Procedures for the Preparation and Assurance of Sustainability Report."</p> <p>8. The Company passed the proposal to amend some provisions of the Company's "Charter for Audit Committee."</p>

Date	Important resolutions
	<ol style="list-style-type: none"> 9. The Company passed the proposal to amend some provisions of the Company's "Corporate Governance Best Practice Principles." 10. The Company passed the proposal to change custodian of the ministry of economic affairs seal. 11. The Company passed the proposal on the acquisition of the right-of-use asset from a related party. 12. The Company passed the proposal on re-appointment after retirement of the General Manager. 13. The Company passed the proposal on managers compensation. 14. The Company passed the proposal to distribute year-end bonus to managers of 2024. 15. The Company passed a proposal to allow the Company to raise its financial credit limit through financial institutions and renew the facilities due.
10th term 4th meeting March 12, 2025	<ol style="list-style-type: none"> 1. The Company passed the proposal on the list of non-audit service to be provided by Ernst & Young and its affiliates in 2025. 2. The Company passed the proposal on suitability and independence of attesting CPAs. 3. The Company passed the proposal on appointment of attesting CPAs for 2025 and review of audit fees. 4. The Company passed the proposal on the Company's statement of effectiveness of its internal control system for 2024. 5. The Company passed the proposal on the Company's Business Report and Financial Statements for 2024. 6. The Company passed the proposal to distribute remuneration to employees and directors of 2024. 7. The Company passed the 2024 Earnings Distribution Proposal. 8. The Company passed the proposal to amend some provisions of the "Articles of Incorporation." 9. The Company resolved to accept submission of proposals for the 2025 General Shareholders' Meeting. 10. The Company passed the proposal on Lifting the non-compete restriction on the Director. 11. The Company passed the proposal on matters relating to the convention of the 2025 General Shareholders' Meeting. 12. The Company passed the proposal to change the Company's spokesperson. 13. The Company passed the proposal to change the Company's accounting officer. 14. The Company passed a proposal to allow the Company to raise its financial credit limit through financial institutions and renew the facilities due.
10th term 5th meeting May 9, 2025	<ol style="list-style-type: none"> 1. The Company passed its consolidated financial statements for Q1 2025. 2. The Company passed the proposal to amend some provisions of the "Articles of Incorporation." 3. The Company passed the proposal to create a position of and appoint the CEO. 4. The Company passed the proposal on appointment of the Co-General Manager. 5. The Company passed the proposal to provide endorsement and guarantee to the Company's sub-subsidiary "Howteh Vietnam Co., Ltd." 6. The Company passed a proposal to allow the Company to raise its financial credit limit through financial institutions and renew the facilities due.

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

IV. Information on the professional fees of attesting CPAs

Unit: NT\$1,000

CPA firm	CPA name	CPA audit period	Audit fee	Non-audit fee	Total	Remarks
Ernst & Young	Chang, Chiao-Ying	2024	2,494	436	2,930	
	Chang, Chih-Ming					

- (I) Where the audit fee paid in the year of the replacement of CPA firm is less than the audit fee in the year before the change, the amount of audit fees before and after replacement should be disclosed and the reasons: No such occurrence.
- (II) Where the audit fee has decreased by 10% or more from the previous year, the amount, percentage and reason for the decrease in the audit fee should be disclosed: No such occurrence.
- (III) Non-audit fees in 2024 were fees of NT\$206 thousand for taxation attestation, fees of NT\$230 thousand for transfer pricing report.

V. Information on replacement of CPAs

(I) About predecessor CPAs

Date of replacement	March 14, 2024		
Reason for replacement and explanation	The original CPAs of the Company were Wang, Hsuan-Hsuan, Chang, Chih-Ming, due to the internal rotation of Wang, Hsuan-Hsuan, the CPAs were changed to Chang, Chiao-Ying, Chang, Chih-Ming.		
Describe whether the Company terminated or the CPAs terminated or did not accept the engagement	<div>Parties</div> <div>Circumstances</div>	CPAs	The Company
	Terminated the engagement	Not Applicable	Not Applicable
	No longer accepted (discontinued) the engagement	Not Applicable	Not Applicable
If the CPAs issued an audit report expressing any opinion other than an unqualified opinion during the 2 most recent years, specify the opinion and the reasons	None		
Disagreement with the Company?	Yes		Accounting principles or practices
			Disclosure of financial reports
			Audit scope or steps
			Other
	No	V	
	Specify details		
Other disclosures (Any matters required to be disclosed under sub-items d to g of Articles 10.6.A)	None		

(II) About successor CPAs

Name of accounting firm	Ernst & Young
Names of CPAs	Chang, Chiao-Ying, Chang, Chih-Ming
Date of engagement	March 14, 2024
Subjects discussed and results of any consultation with the CPAs prior to the engagement, regarding the accounting treatment of or application of accounting principles to any specified transaction, or the type of audit opinion that might be issued on the company's financial report	None
Successor CPAs' written opinion regarding the matters of disagreement between the Company and the former CPAs	None

(III) Predecessor CPA's letter of response to items listed in Article 10, Subparagraph 6, Item 1 and Item 2, Sub-item 3 of these standards: None.

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

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

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

Unit: Share

Title	Name	2024		Year-to-date through May 9, 2025	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged
Chairman/Major shareholder	Chen, Kuo-Hung	(247,000)	0	0	0
Director	Liuyi Investment Co., Ltd.	5,000	0	0	0
	Representative: Chen, Che-Hung (Note 1)	0	0	0	0
Director	Zhu Lin Investment Co., Ltd.	0	0	0	0
	Representative: Chen, Chun-Ting	(89,000)	0	0	0
Director	Liuyi Investment Co., Ltd.	5,000	0	0	0
	Representative: Chen, Hsin-Yi (Note 2)	0	0	0	0
Director	Liuyi Investment Co., Ltd.	5,000	0	0	0
	Representative: Wu, Li-Shan (Note 2)	0	0	0	0
Director	Tsai, Tsai-Tien (Note 1)	0	0	0	0

Title	Name	2024		Year-to-date through May 9, 2025	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged
Director	Hung, Ming-Chi	0	0	0	0
Director	Chen, Liang-Hsuan (Note 2)	500,000	0	0	0
Independent director	Cheng, Tien-Tsung	0	0	0	0
Independent director	Li, Ta-Ching	0	0	0	0
Independent director	Tseng, Ming-Jen	0	0	0	0
General Manager	Wu, Li-Shan	0	0	0	0
Vice General Manager	Chuang, Kun-Lin	0	0	(10,000)	0
Vice General Manager, CFO, and CGO	Chang, Da-Chien (Note 3)	0	0	0	0
Associate General Manager	Chiu, Chi-Wei (Note 4)	0	0	0	0
Special Assistant to General Manager, Financial Officer, CGO	Li, Kun-Cheng (Note 5)	0	0	0	0
Accounting Manager	Lan, Tzu-Chiao (Note 6)	0	0	0	0
Accounting Manager (Temporary)	Chen, Yi-Ching (Note 7)	0	0	0	0

Note 1: Removed since the election of directors on June 21, 2024, and the number of shares held is disclosed till the removal date.

Note 2: Elected since the election of directors on June 21, 2024, and the number of shares held is disclosed from the elected date.

Note 3: Mr. Chang, Ta-Chien retired on October 30, 2024, and the number of shares held is disclosed till the retirement date.

Note 4: Mr. Chiu, Chi-Wei appointed on March 25, 2024, and the number of shares held is disclosed from the appointment date.

Note 5: Mr. Li, Kun-Cheng appointed on August 12, 2024, and the number of shares held is disclosed from the appointment date.

Note 6: Mr. Lan, Tzu-Chiao appointed on August 12, 2024, resigned on March 12, 2025, and the number of shares held is disclosed from appointment date until resignation date.

Note 7: Ms. Chen, Yi-Ching appointed on March 12, 2025, and the number of shares held is disclosed from the appointment date.

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

Unit: Share

Name	Reason of Transfer	Date of transaction	Counterparty	The relationship between the counterparty and the company, directors, supervisors, managerial officers and shareholders with 10% or more equity	Shares	Transaction price
Chen, Chun-Ting	Gift	March 28, 2024	Chen, Liang-Wei	Father and son	89,000	N/A
Chen, Kuo-Hung	Gift	December 13, 2024	Chen, Liang-Hsuan	Father and son	500,000	N/A

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

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

April 21, 2025

Name	Shareholdings of the Principal		Shareholding of spouse and underage children		Shares held in the name of others		The name of and relationship among the top 10 shareholders if anyone is a related party, a spouse, or a relative within second degree of kinship of another.	
	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Title (or Name)	Relationship
Hui Hong Investment Co., Ltd. Person in charge: Chen, Che-Hung	5,639,875	8.66%	0	0	0	0	Chen, Hsin-Ju Chen, Hsin-Yi Chen, Chun-Ting Chen, Kuo-Hung Wang, Hsiang-Ching	Daughter Daughter Son In-laws In-laws
Chen, Kuo-Hung	5,048,984	7.75%	2,595,564	3.99%	0	0	Zhu Lin Investment Co., Ltd. - Chen, Che-Hung Hui Hong Investment Co., Ltd. - Chen, Che-Hung Chen, Liang-Hsuan Wang, Hsiang-Ching	In-laws In-laws Son Spouse
Chen, Liang-Hsuan	3,271,013	5.02%	0	0	0	0	Chen, Kuo-Hung Wang, Hsiang-Ching	Father Mother
Wang, Hsiang-Ching	2,595,564	3.99%	5,048,984	7.75%	0	0	Zhu Lin Investment Co., Ltd. - Chen, Che-Hung Hui Hong Investment Co., Ltd. - Chen, Che-Hung Chen, Liang-Hsuan Chen, Kuo-Hung	In-laws In-laws Son Spouse
Zhu Lin Investment Co., Ltd. Person in charge: Chen, Che-Hung	2,325,266	3.57%	0	0	0	0	Chen, Hsin-Ju Chen, Hsin-Yi Chen, Chun-Ting Chen, Kuo-Hung Wang, Hsiang-Ching	Daughter Daughter Son In-laws In-laws
Chen, Hsin-Ju	2,069,610	3.18%	0	0	0	0	Zhu Lin Investment Co., Ltd. - Chen, Che-Hung Hui Hong Investment Co., Ltd. - Chen, Che-Hung Chen, Hsin-Yi Chen, Chun-Ting	Father Father Sister Brother
Chen, Chun-Ting	2,051,325	3.15%	182,000	0.28%	0	0	Zhu Lin Investment Co., Ltd. - Chen, Che-Hung Hui Hong Investment Co., Ltd. - Chen, Che-Hung Chen, Hsin-Ju Chen, Hsin-Yi	Father Father Sister Sister
Chen, Hsin-Yi	2,017,378	3.10%	0	0	0	0	Zhu Lin Investment Co., Ltd. - Chen, Che-Hung Hui Hong Investment Co., Ltd. - Chen, Che-Hung Chen, Hsin-Ju Chen, Chun-Ting	Father Father Sister Brother
Tsai, Tsai-Tien	1,315,698	2.02%	0	0	0	0	None	None
Chen, Che-Hung	1,161,206	1.78%	0	0	0	0	Chen, Hsin-Ju Chen, Hsin-Yi Chen, Chun-Ting Chen, Kuo-Hung Wang, Hsiang-Ching	Daughter Daughter Son In-laws In-laws

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

May 9, 2025

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

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

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

Three. Fund Raising Status

I. Capital and shares

(I) Source of share capital

1. Capital formation process

May 9, 2025

Year and Month	Issue price	Authorized capital		Paid-in capital		Remarks		
		Shares (in thousand shares)	Amount (in NT\$1,000)	Shares (in thousand shares)	Amount (in NT\$1,000)	Source of share capital (in NT\$1,000)	Use of assets other than cash for the share amount	Others
August 1978	1,000	3	3,000	3	3,000	Incorporation	None	None
June 1979	1,000	5	5,000	5	5,000	Follow-on offering of 2,000	None	None
April 1985	1,000	10	10,000	10	10,000	Follow-on offering of 5,000	None	None
September 1986	1,000	15	15,000	15	15,000	Follow-on offering of 5,000	None	None
August 1988	1,000	32	32,000	32	32,000	Follow-on offering of 17,000	None	None
July 1992	1,000	50	50,000	50	50,000	Recapitalization of earnings of 12,800 Follow-on offering of 5,200	None	None
April 1997	1,000	10,000	100,000	65	65,000	Recapitalization of earnings of 15,000	None	None
May 1998	10	10,000	100,000	8,320	83,200	Recapitalization of earnings of 13,000 Follow-on offering of 5,200	None	Note 1
March 1999	10	10,816	108,160	10,816	108,160	Recapitalization of earnings of 24,960	None	Note 2
April 2000	10	17,306	173,056	17,306	173,056	Recapitalization of earnings of 64,896	None	Note 3
December 2000	25	19,900	199,000	19,900	199,000	Follow-on offering of 25,944	None	Note 4
May 2001	10	37,000	370,000	24,380	243,800	Recapitalization of earnings of 39,800 Recapitalization of employee bonus of 5,000	None	Note 5
June 2002	10	37,000	370,000	28,337	283,370	Recapitalization of earnings of 36,570 Recapitalization of employee bonus of 3,000	None	Note 6
July 2003	10	37,000	370,000	34,505	345,050	Recapitalization of earnings of 56,674 Recapitalization of employee bonus of 5,006	None	Note 7
July 2004	10	60,000	600,000	40,481	404,810	Recapitalization of earnings of 51,758 Recapitalization of employee bonus of 8,002	None	Note 8
July 2005	10	60,000	600,000	43,000	430,000	Recapitalization of earnings of 20,240 Recapitalization of employee bonus of 4,950	None	Note 9
July 2006	10	60,000	600,000	44,300	443,000	Recapitalization of earnings of 8,600 Recapitalization of employee bonus of 4,400	None	Note 10
July 2007	10	60,000	600,000	45,260	452,600	Recapitalization of earnings of 4,430 Recapitalization of employee bonus of 5,170	None	Note 11
July 2008	10	60,000	600,000	46,320	463,200	Recapitalization of earnings of 4,526 Recapitalization of employee bonus of 6,074	None	Note 12
July 2009	10	60,000	600,000	48,605.7	486,057	Recapitalization of earnings of 22,857	None	Note 13
July 2010	10	60,000	600,000	50,045	500,457	Recapitalization of earnings of 14,400	None	Note 14
April 2011	10	60,000	600,000	50,013	500,137	Retirement of treasury shares of 320	None	Note 15
July 2018	10	60,000	600,000	52,014	520,142	Recapitalization of earnings of 20,005	None	Note 16

Year and Month	Issue price	Authorized capital		Paid-in capital		Remarks		
		Shares (in thousand shares)	Amount (in NT\$1,000)	Shares (in thousand shares)	Amount (in NT\$1,000)	Source of share capital (in NT\$1,000)	Use of assets other than cash for the share amount	Others
July 2019	10	80,000	800,000	56,000	560,000	Recapitalization of earnings of 39,858	None	Note 17
July 2020	10	80,000	800,000	59,080	590,800	Recapitalization of earnings of 30,800	None	Note 18
July 2022	10	80,000	800,000	62,625	626,248	Recapitalization of earnings of 35,448	None	Note 19
August 2023	10	80,000	800,000	65,130	651,298	Recapitalization of earnings of 25,050	None	Note 20

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2. Types of issued shares

May 9, 2025

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

3. Shelf registration information: None.

(II) Name of major shareholders:

April 21, 2025

Shares Name of major shareholder	Number of shares held	Shareholding percentage (%)
Hui Hong Investment Co., Ltd.	5,639,875	8.66%
Chen, Kuo-Hung	5,048,984	7.75%
Chen, Liang-Hsuan	3,271,013	5.02%
Wang, Hsiang-Ching	2,595,564	3.99%
Zhu Lin Investment Co., Ltd.	2,325,266	3.57%
Chen, Hsin-Ju	2,069,610	3.18%
Chen, Chun-Ting	2,051,325	3.15%
Chen, Hsin-Yi	2,017,378	3.10%
Tsai, Tsai-Tien	1,315,698	2.02%
Chen, Che-Hung	1,161,206	1.78%

(III) Dividends policy and implementation status

1. Dividend policy prescribed in the Articles of Association:

If the Company has earnings at the end of any fiscal year, it shall allocate no less than 3% of such earnings as employee remuneration, which may be distributed in shares or cash, subject to the resolution of the Board of Directors. The recipient of such distribution shall include employees of a controlled or affiliated company who meet certain criteria. The Company may also allocate no greater than 5% of the said earnings as directors' remuneration. The employee remuneration proposal and director remuneration proposal shall be submitted and reported to the shareholders' meeting. However, if the Company still has accumulated losses, an amount equal to such losses mentioned in the preceding paragraph shall be reserved in advance, and the remainder may then be distributed as employee remuneration and director remuneration according to the percentage mentioned in the preceding paragraph.

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

According to the Company Act, legal reserves shall be continuously provided until it reaches the paid-in-capital. Legal reserves may be used to compensate for prior losses. When the Company is not in loss, it may distribute the legal reserve portion that exceeds 25% of the paid-in-capital, in cash or new shares to shareholders in proportion to their original shareholding percentage.

2. Proposed dividend distribution by the shareholders' meeting

Unit: NTD

Opening balance	312,394,013
Plus: Net profit after tax for the current year	116,965,462
Plus: Other comprehensive income (remeasurements of defined benefit plan for 2024)	4,230,272
Less: 10% provided as legal reserves	(12,119,573)
Distributable earnings	421,470,174
Distributions:	
Shareholder dividend - cash (NT\$1.2 per share, and NT\$1,200 per thousand shares)	(78,155,750)
Undistributed earnings at the end of the period	343,314,424

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

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

Item\Year		2025 (estimates)
Paid-in capital - opening balance		NT\$ 651,297,920
Cash dividend and stock dividend distributed this year	Cash dividend per share	NT\$ 1.2
	Number of shares distributed to each share through recapitalization of earnings	—
	Number of shares distributed to each share through recapitalization of capital reserves	—
Change in operating performance	Operating profit	N/A (Note)
	Percentage of YoY increase (decrease) in operating profits	
	Net income after tax	
	Percentage of YoY increase (decrease) in net income after tax	
	Earnings per share	
	Percentage of YoY increase (decrease) in EPS	
	Average annual return on investment (i.e., the reciprocal of average annual P/E ratio)	
Proforma EPS and P/E ratio	Were the earnings recapitalized to be distributed in cash dividend in full instead	
	Proforma EPS	
	Proforma average annual return on investment	
	Had the earnings not been recapitalized	
	Proforma EPS	
	Proforma average annual return on investment	
	Had the earnings not been recapitalized but had been distributed in cash dividend in full	
	Proforma EPS	
	Proforma average annual return on investment	

Note: The Company did not disclose financial forecast for either 2024 or 2025.

(V) Remuneration to employees and directors

1. Percentage or scope of remuneration paid to employees and directors that are stipulated in the Articles of Association:
If the Company has earnings at the end of any fiscal year, it shall allocate no less than 3% of such earnings as employee remuneration, which may be distributed in shares or cash, subject to the resolution of the Board of Directors. The recipient of such distribution shall include employees of a controlled or affiliated company who meet certain criteria. The Company's Board of Directors may also resolve to allocate no greater than 5% of the said earnings as directors' remuneration. The employee remuneration proposal and director remuneration proposal shall be submitted and reported to the shareholders' meeting. However, if the Company still has accumulated losses, an amount equal to such losses mentioned in the preceding paragraph shall be reserved in advance, and the remainder may then be distributed as employee remuneration and director remuneration according to the percentage mentioned in the preceding paragraph.
2. The basis for estimating the amount of remuneration to employees and directors, the basis for calculating the number of shares for employee remuneration distributed in stock and the accounting treatment if the actual amount distributed differs from the estimated amount:
 - (1) According to the Company's Articles of Association, the Company shall distribute no less than 3% of annual earnings as employee remuneration and no greater than 5% of such annual earnings as director remuneration, and shall present such remuneration under salary expenses.
 - (2) The basis for calculating the number of shares for employee remuneration distributed in stock and the accounting treatment if the actual amount distributed differs from the estimated amount: If the amount determined by the Board of Directors after the reporting date deviates significantly, such deviation will be adjusted through the profit and loss of the year in which distribution is made.
3. Distribution of remuneration approved by the Board of Directors:
 - (1) If there is any discrepancy between that amount of employee remuneration and director remuneration and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed:
The Company's earnings distribution proposal for 2024 was passed by the Board of Directors meeting dated March 12, 2025 through a resolution. The remuneration distributed to employees and directors is as follows:

Unit: NTD

Item	Estimated figure in 2024	Amount to be distributed as determined by the Board of Directors	Differentials	Cause of discrepancy	Status of treatment
Employee remuneration (in cash)	4,500,000	4,500,000	0	None	N/A
Remuneration for directors	4,500,000	4,500,000	0		

- (2) The amount of any employee remuneration distributed in stocks and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee remuneration: N/A.
4. The actual distribution of employee and director remuneration for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution

and the recognized employee and director remuneration, additionally the discrepancy, cause, and how it is treated:

Director remuneration and employee remuneration for 2023 distributed by the Company in 2024 were NT\$3,000 thousand and NT\$4,000 thousand, respectively, and the difference from the figure recognized in the financial statements is NT\$786 thousand, the difference is due to batch distribution.

(VI)Repurchase of the Company's shares: None.

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

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

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

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

Four. Operational Highlights

I. Business activities

(I) Business scope

1. Main areas of business operations

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

2. Revenue weight

Unit: NT\$1,000

Product name	2024	Revenue weight
Connectors, flexible flat cables, and electric audio products	2,747,980	99.38%
Domestic and foreign PCB board and IC substrate and equipment and related materials	17,011	0.62%
Total	2,764,919	100.00%

3. Major lines of products (services):

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

4. Planned new products (services)

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

(II) Industry Overview

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

1. Current status and development of the industry

As high-frequency computer, communications, and consumer electronics are constantly put on market, the prominent connector specifications will be the latest USB 4.0 transmission standards and Type-C connectors. In addition, this specification technology has also been adopted by Apple, Intel, Qualcomm, Microsoft, Google, and other major brands. USB Type-C and Thunderbolt have been widely used by international brands for their mobile phone products and notebook computer products. Since notebook computers are transitioning toward compactness, they are equipped with even fewer ports. As a result, the demand for docking stations soared. In addition, Type-C and Thunderbolt have been gaining a share of the market for PCs, tablet PCs, and smartphones, and are upgrading to higher specifications. Furthermore, the demand for servers boomed, thanks to the successive establishment of data centers, and to the replacement of devices by enterprises. As network traffic builds up constantly, spurring the demand for higher transmission speed. What's more, AI, 5G, and autonomous cars will continue to drive up the demand for the expansion of data centers.

The launch of net-zero carbon emissions and international policies have pushed up global sales of electric vehicles. According to DIGITIMES Research, global electric vehicle sales are expected to maintain more than 40% this year. With the continuous upgrade of technology for autonomous driving and smart cockpit and the demand for 5G high-speed transmission, the functions attached to cars at the design stage are versatile. The use of a wide range of parts and components has notably increased PCB consumption volume and technology and specifications. Companies are keen to tap into the market for substrates, HDIs, and flexible PCBs; technology will trend towards minimization, high frequency, high intensity, and high power.

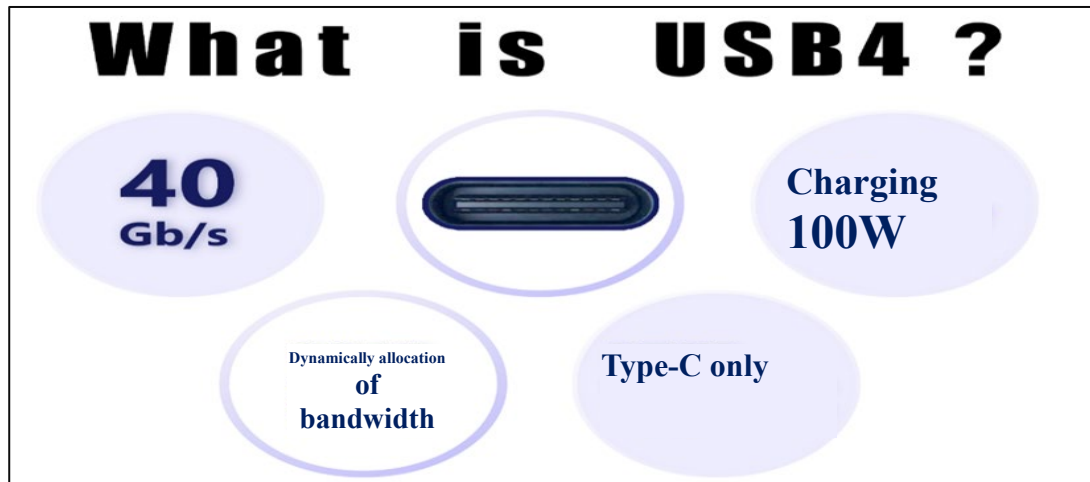
(1) The hardware industry of the electronic components industry

A. USB Type-C

In 2019, USB-IF released the USB4 standard, which is built on the USB3.2 Gen 2×2 interface; all USBs of the USB4 standards will only use Type-C, aiming to unify the connection ports across devices. This resolved the confusion between

Type-A, Type-B, and Micro under USB 3.X, as was the case in the past. Type-C ports support reverse insertion, enabling insertion and removal from either side at any time. At present, the standards have evolved into the USB PD 4.0 standard; the minimum standard of USB4 is a half rate of 20Gbps (USB 3.2 Gen 2×2). The maximum transmission rate is capped at 40Gbps; signals from USB, Displayport, and PCI Express are integrated through the “tunnel”.

USB4 supports PD protocol, or PD3.0 for the time being; USB4 can be used with devices whose rated power supply voltage between 7.5 W and 100W. An updated version, namely, PD3.1, will be available in the future and, if used with a regular USB4 cable, enable a USB to be compatible with charging power up to 240W, a level ideal for support of even gaming laptops.



Version	Issue time	Name on the market	Bits/sec	Outer box label	Connector and cable markers	Charging sign	Certified connectors
USB 1.0	Jan 1996	Low Speed Full Speed	1.5 Mbps 12 Mbps				
USB 1.1	Aug 1998	Full Speed with updated	1.5 Mbps 12 Mbps				
USB 2.0	Apr 2000	High Speed	480 Mbps				Type-A Mini-A Micro-A Type-C
USB 3.0 USB 3.2 Gen1x1	Nov 12, 2008	Super Speed USB 5Gbps	5 Gbps				Type-A Mini-A Micro-A Type-C
USB 3.1 USB 3.2 Gen2x1	Jul 26, 2013	Super Speed USB 10Gbps	10 Gbps				Type-C
USB 3.2 USB 3.2 Gen2x2	Sep 22, 2017	Super Speed USB 20Gbps	20 Gbps				Type-C
USB4 USB4 Gen2	Sep 3, 2019	USB4™ 20Gbps	20 Gbps				Type-C
USB4 USB4 Gen3	Sep 3, 2019	USB4™ 40Gbps	40 Gbps				Type-C

Hand-held devices, today's peripherals	PROFILE 1	5V @ 2A	10W Default start-up profile
Tablets, netbooks, most peripherals	PROFILE 2	5V @ 2A 12V @ 1.5A	18W
Thinner notebooks, larger peripherals	PROFILE 3	5V @ 2A 12V @ 3A	36W
Larger notebooks, hubs, docks	PROFILE 4	5V @ 2A 12V @ 3A 20V @ 3A	60W Limit for Micro-A/B
Workstations, hubs, docks	PROFILE 5	5V @ 2A 12V @ 5A 20V @ 5A	100W Limit for Standard A

}

Requires
new
detectable
cables for
>1.5A or
>5V

At present, chip manufacturers of USB PD controllers spare no effort to develop safe and protective semiconductor solutions, which support not only PC and smartphone applications but also a wide range of DC-powered devices, including PC peripherals, AC adapters, projectors, household robots, and other consumer electronics products. This trend will effectively facilitate the application of a single USB Type-C cable to perform power supply and data transmission tasks.

B. Thunderbolt

Intel has developed Thunderbolt™ technology as a connection standard offering power, data, and video signals on a single connection. The interfaces have gradually been applied to devices such as laptops, desktop computers, docking stations, displays, and memory. Thunderbolt has always been popular among consumers because of its robust functionality, which allows for data transfer, power delivery, and audio/video transmission via a single cable connection. In response to market developments, Intel officially released Thunderbolt 5 in September 2023 and demonstrated Thunderbolt 5-compatible laptops and docking stations.

Thunderbolt 5 is designed based on the complete version of the USB4 V2 specification, with a conventional symmetric transmission mode speed of up to 80Gbps. It can also provide an asymmetric transmission mode with speeds up to 120Gbps (transmitting 120Gbps, receiving 40Gbps), which is three times the transmission bandwidth of Thunderbolt 4. The power supply wattage can also reach up to 240W. The powerful functionality of Thunderbolt 5 not only meets the usage scenario needs of general users but also satisfies the ultra-high requirements for high-resolution displays of professional users such as gamers and video producers.

Name	Logo	Icon	Port	Cable
Thunderbolt™ 5				

C. Audio MEMS microphones

With the successful development of Google Assistant and Siri and the increased demand for sound reception in various applications, microelectromechanical systems (MEMS) microphones have gradually appeared in everyone's life, from mobile phones and laptops to wireless earphones and even in cars and hearing aids. Taking the current smartphone as an example, audio MEMS microphones, user interface, power management, content awareness and circuit board space are all necessary parts for furthering functional progress.

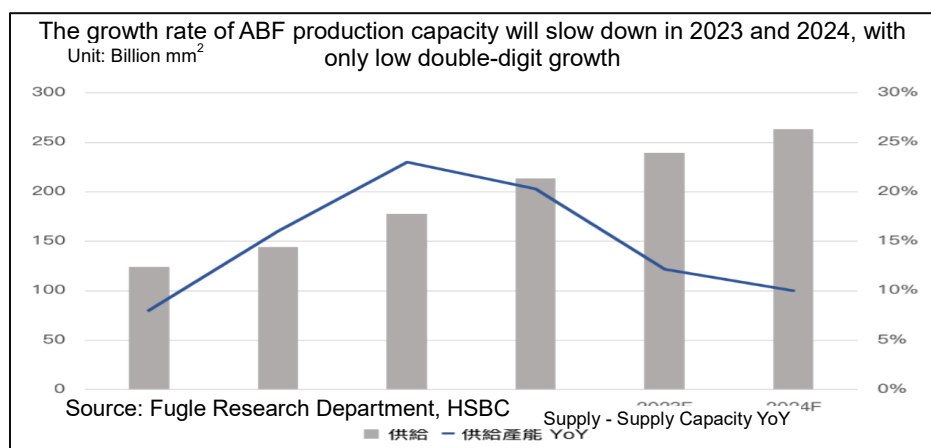
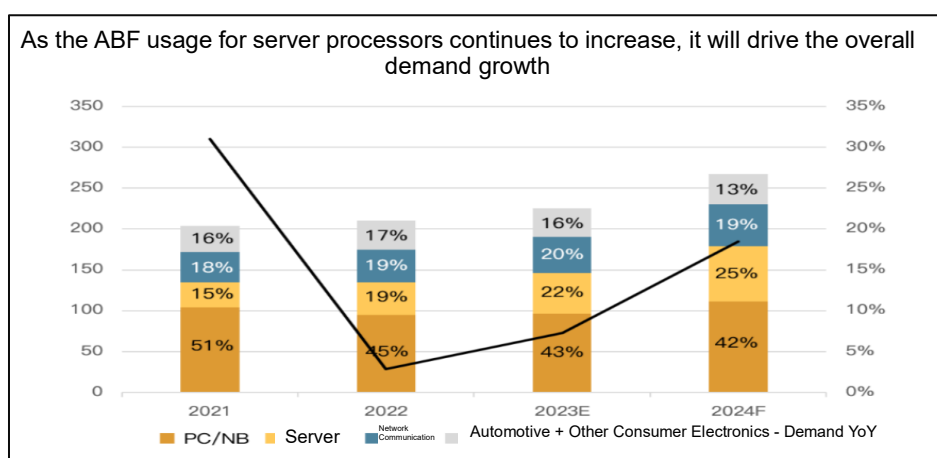
Over the past few years, the advancement of AI has augmented the proficiency of speech recognition, thus making speech a major human-machine interface. Its application range has broadened from mobile phones to cutting-edge products such as smart speakers, televisions, and cars, thereby driving the market demand for MEMS microphones. The market for microphones with a high signal-to-noise ratio (SNR) is growing rapidly. Intel launched the Project Athena laptop innovation program, which requires laptop microphones to have a higher SNR, and each laptop must have at least two sets of MEMS microphones. Therefore, microphones with higher sound reception quality are a common trend for all devices in the future. Different type of end product requires different microphone array. As a Knowles agent, the Company continues to develop microphone array solutions, which have become an important competitive edge for the Company.

(2) Equipment sale industry

With the rapid development of the AI industry, ABF concept stocks have become a focal point for investors. ABF substrates play a critical role in the field of high-end

IC substrates, and the related industries continue to grow in response to increasing demand driven by emerging applications such as cloud computing, 5G, and AI. The global ABF substrate market is projected to reach USD 6.3 billion by 2030, with a compound annual growth rate of 5.3% from 2024 to 2030. The main driving forces of the market include the increasing adoption of automotive electronics, the growing demand for wearable electronic devices, and the advancement of semiconductor packaging technologies such as FOWLP and EBC packaging. The outlook for the global ABF substrate market remains promising, with growth opportunities in the PC, AI chip, server switch, and gaming console sectors.

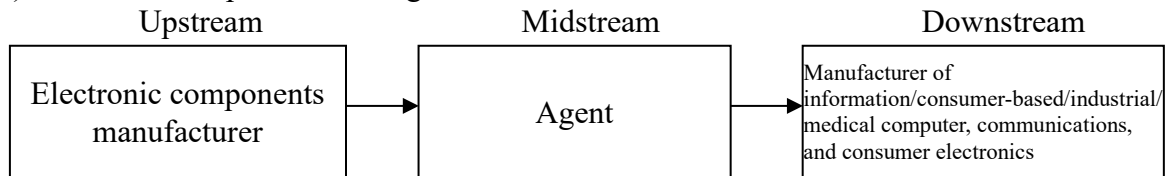
ABF is one of the materials used to manufacture IC substrates, and because of its excellent material properties, it can achieve better precision and thickness. Consequently, the demand for ABF substrates (IC substrates made with ABF material) has dramatically increased with the growth of the high-speed computing chip market, with related application scenarios including servers, network communications, consumer electronics, etc. Our company represents Canon Machinery Inc's solder ball flattening machines and flip-chip substrate cutting machines used in the solder ball flattening process for PCB flip-chip substrates. According to the Taiwan Printed Circuit Association (TPCA), emerging application demands are driving substrate technology innovation. Examples include the undersupply of servers, high-performance AI chips, and HBM, as well as Intel's 2023 announcement of plans to achieve mass production of glass substrates by 2030. These developments enable advanced packaging technologies to overcome the limitations of traditional transistor density through horizontal or vertical chip integration, creating new possibilities for high-end applications such as HPC and AI. These trends are expected to play a pivotal role in the future development of the semiconductor and substrate industries.



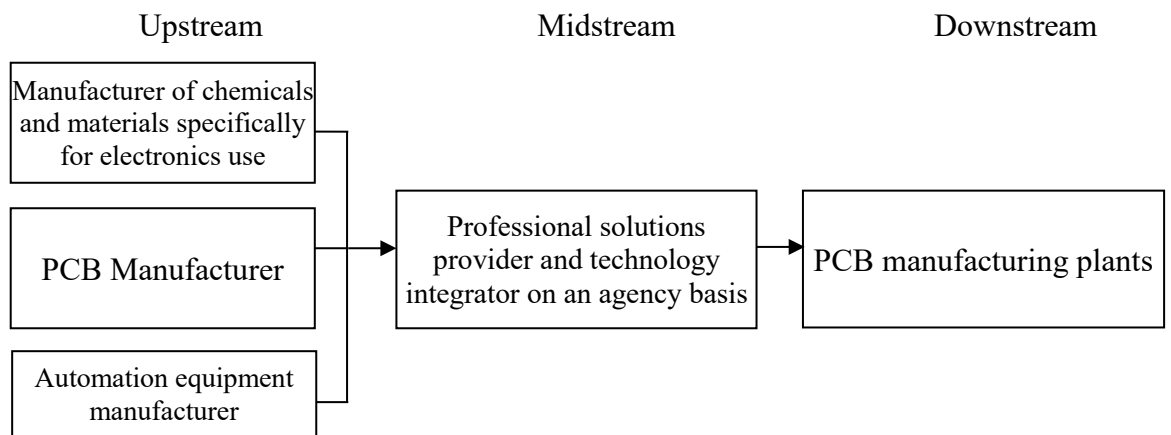
2. Links between the upstream, midstream, and downstream segments of the industry supply chain

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

(1) Electronic components sale agent



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



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

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

(1) Electronic components - connectors and wires

A. Connectors

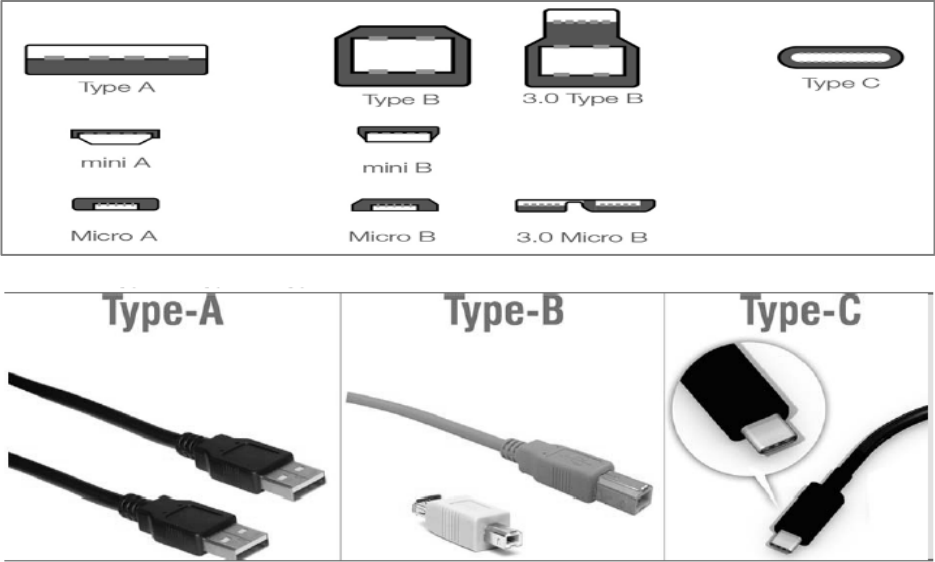
Feature: The connector is a type of port, a connection component employed in conjunction with electronic components such as ICs. By using the connector, the signal between the electronic circuit and the electronic device can be effectively transmitted.

Connectors, in terms of electronic signals and power supplies, are components and accessories used for connecting other components together, forming a bridge between all signals. Connectors' quality not only influences the dependability of signal and current transmission, but also determines the operation quality and lifespan of the entire electronic device.

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

Technology: As smartphone and notebook computers become slimmer, their internal connectors must also be designed to be smaller and thinner. This

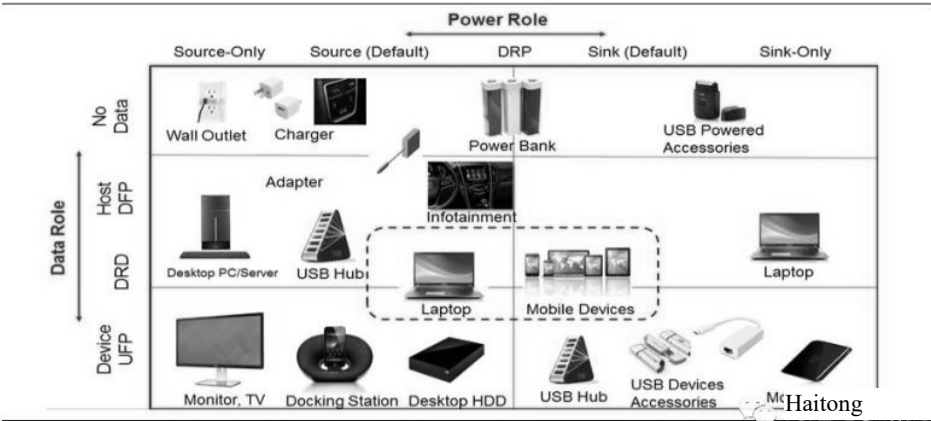
means that Fine Pitch and Low Profile connectors become the best connection option for these devices. A Type C connector is 8.3mm x 2.5mm with 24 pins. However, due to the demanding specifications of fine pitch and low profile, the Pitch-to-Pitch distance is 0.3-0.4mm, which is narrower and thinner than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



Data source: Google

Development trend and competition:

As the market with the most expansive usage, Type-C will principally be used on mobile phones, tablets, and notebook computers in the primary stage; however, its application scope will be expanded in the future. According to the statistics provided by Market Research Future, USB type-C market is projected to grow from USD48.32 billion in 2025 to USD335.73 billion by 2034, Recent trends in the USB Type-C market include the adoption of higher power delivery capabilities, enabling faster charging and extended functionality for peripherals and devices.



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

B. Cables

Regarding the cables, Intel’s Thunderbolt 3 technology was first introduced in 2017. The same protocol specification was later contributed to USB-IF in 2019, laying the foundation for the USB4 open specification released in the same year. Intel subsequently integrated TBT4 functionality into its CPUs, enabling broader adoption of devices and accessories within the TBT4 and USB4 ecosystems. Well-known laptops, computers, and accessories that support TBT3 and TBT4

include Apple's MacBook Air and MacBook Pro series, Dell's XPS series laptops, and OWC's TBT4 docks. TBT4 and USB4 applications have also begun referencing the same USB4 specifications in areas such as electrical, link, and protocol definitions. In addition, following the announcement that USB4 Version 2 supports 80 Gbps, TBT5 has also begun to support USB4 Version 2.

Since the Type-C connector boasts a fine-pitch, high-bandwidth, high-power, ultra-thin, and reversible insertion architecture, connector manufacturers are facing challenges as to how to ensure the speed and detection of high-speed data and signals, and the design of connectors and connecting cables. As for high-current, high-capacity, and high-voltage Type C connectors, we believe that their technical sophistication is high, making development difficult and necessitating a lengthy certification process from customers in order to ensure safety. This has significantly raised the technical barrier to product development compared to before. Although the market for Type C connectors is huge, not everyone can get a win out of it, so the knockout competition between the manufacturers is about to start.

(2) PCB and IC substrate

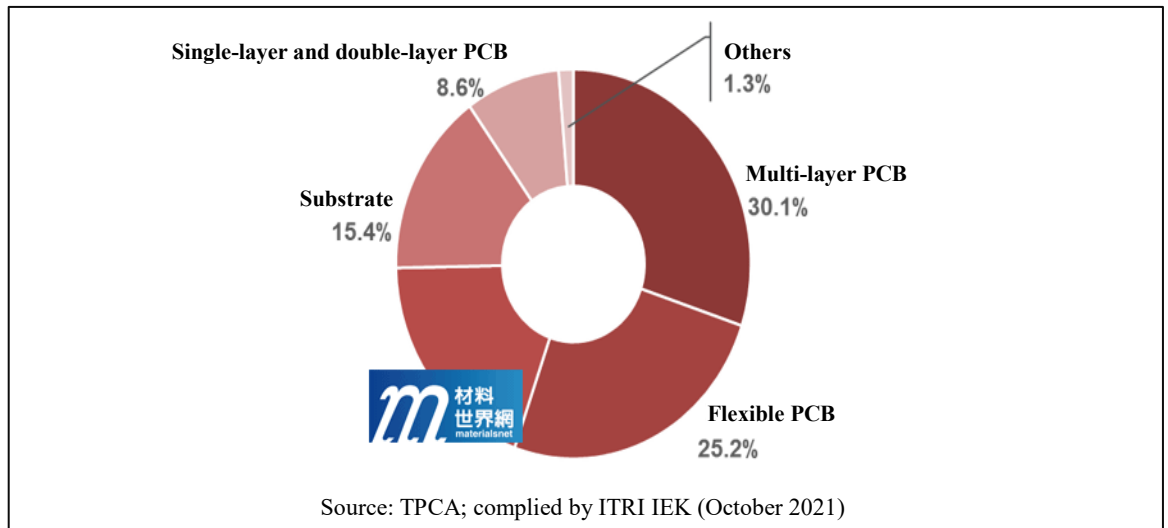
In 2024, although the PCB industry faces numerous challenges due to market demand, technological development, and geopolitical factors, China-based PCB manufacturers continue to dominate the global market with advantages in economies of scale and cost efficiency. Their applications span across 5G, consumer electronics, electric vehicles, and smartphones. In contrast, Taiwan-based PCB manufacturers have encountered weaker-than-expected revenue performance due to the slowdown in global electronics market demand, particularly the sharp decline in consumer electronics. While Taiwan-based players appear to be at a disadvantage in terms of revenue compared to their Chinese counterparts, they maintain a competitive position in the PCB industry by leveraging advanced manufacturing technologies and high-end products such as high-frequency and high-speed PCBs, high-density interconnect, and advanced packaging.

Looking ahead to 2025, the development of Taiwan's PCB industry is expected to be influenced by what the TPCA describes as "four positives and three negatives." Nevertheless, driven by trends such as AI, electric vehicles, and satellite deployment, the industry's output value is projected to grow moderately this year. TPCA pointed out that one of the positive factors is the continued expansion of AI applications from the cloud to the edge, which is expected to further drive demand for high-end PCB products. Second, under policy support and with Chinese automakers actively expanding into overseas markets, the penetration rate of electric vehicles is expected to rise further. Third, as inventory pressure in end markets eases, key sectors such as smartphones, computers, and semiconductors are projected to enter a recovery phase. Fourth, the development of other emerging applications such as satellite communications, VR, AR, MR, and wearable devices is expected to bring new growth opportunities to the PCB industry.

The worldwide market size of multi-layer PCBs with four or more layers in 2016 was calculated at around US\$21.06 billion, as far as product process is concerned, making up 38.9% of the PCB market, with flexible PCB leading the charge at 20.1%, HDI board in second place at 14.2% and IC substrates in third at 12.1%.

Due to the speedy advancement of downstream electronic information technology, the demand for high-density, high-multilayer, and high-tech PCB products will become increasingly apparent, and products such as multilayer PCB, HDI boards, and flexible PCB with considerable technical complexity will remain on the rise. It is predicted that between 2016 and 2021, the annual compound growth rate of 6-layer boards, 8-16-layer boards, and 18-layer and higher PCBs will surpass the 10-year average annual growth rate, being 2.4%, 2.6%, and 2.9%, respectively. Additionally, the compound annual growth rates of HDI boards and flexible PCB are

2.8% and 3.0%, respectively.



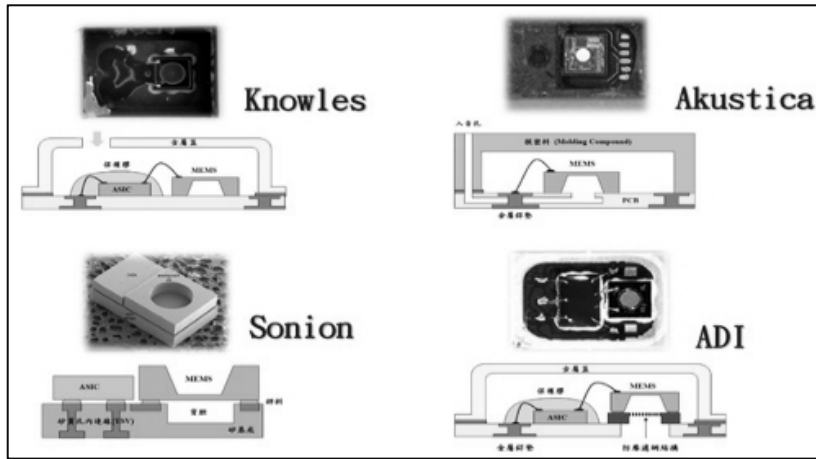
(3) Audio MEMS microphones

MEMS mics have a compact size, consume a minimal amount of energy, and possess greater protection from external interferences (temperature, vibration, EMF, etc.) than ECM microphones, while being able to tolerate high temperatures up to 260°C in SMT. The essential design of the speaker and the receiver is analogous; both stimulate the diaphragm to emit sound through the impetus of the voice coil and magnet. The speaker is typically located at a distance of multiple centimeters or even meters from the listener, whereas the receiver is usually employed in close proximity to the ear; the speaker power can vary from 0.2W to multiple Watts, whereas the receiver is generally only 0.01W to 0.1W.

Driven by ease of use, demand for voice control in products is increasing. In addition to continued growth in traditional consumer electronics such as smartphones and notebooks, MEMS microphones are also being widely adopted in emerging smart wearable devices such as true wireless stereo (TWS) earphones and smartwatches.

In other emerging application fields such as automotive, healthcare, the Internet of Things (IoT), and smart manufacturing, expectations for voice control are also rising. Automotive manufacturers have begun incorporating voice control into smart cockpit systems, and these services and applications all require the support of MEMS microphones.

According to a report by Yole Developpement, the global MEMS sensor market is projected to reach nearly USD 17.7 billion by 2025, with a compound annual growth rate of 7.4%. It is evident that, driven by diverse market applications, MEMS microphones remain in the development phase. The primary MEMS microphone manufacturers are the following:



(4) Semiconductor Industry

The Market Intelligence & Consulting Institute (MIC) of the Institute for Information Industry released its semiconductor trend forecast, indicating that the global semiconductor market will continue to grow significantly from 2024 to 2025, reaching a new peak not seen since 2018. Among the key growth drivers are the rebound in memory prices and rising demand for AI. According to MIC Industry Consultant Pan Chien-Kuang, over 80% of the semiconductor market growth in 2024 is expected to come from memory output value, while AI accounts for just over 10%. Looking ahead to 2025, memory is projected to remain the primary growth driver at around 50%, but AI's share will rise to approximately 40%. In addition, growth momentum in logic chips for information and communication applications also warrants attention.

The momentum of AI PCs and AI smartphones is worth anticipating, as the integration of semiconductors and AI reshapes the global technology ecosystem. MIC estimates that Taiwan's semiconductor industry output value will reach NTD 4.76 trillion in 2024, representing a 21.3% increase. With mainstream ICT products stabilizing and rebounding, growth momentum is expected across several sub-sectors, including 28% growth in foundry, 15% in IC design, 18% in memory/IDM, and 6% in IC packaging and testing. Looking ahead to 2025, advanced chips will continue to drive the growth of Taiwan's semiconductor output value. The overall output value of Taiwan's semiconductor industry is projected to grow by 15.9% to reach NTD 5.52 trillion in 2025. Sub-sector growth estimates include 18% for foundry, 14% for IC design, 15% for memory/IDM, and 10% for IC packaging and testing. Industry consultant Pan, Chien-Kuang stated that the development of Cloud AI from 2023 to 2024, along with the expanding influence of Edge AI driven by AI PCs and AI smartphones from the second half of 2024 through 2025, will create business opportunities for Taiwan's supply chain.

In 2025, the penetration rates of AI PCs and AI smartphones are expected to reach 16.8% and 25%, respectively, driving upgrades in related components. As generative AI (GenAI) gradually reaches end-user devices, the Market Intelligence & Consulting Institute (MIC) has released forecasts for terminal products including AI PCs and AI smartphones. Regarding AI PCs, the global penetration rate is projected to reach 16.8% in 2025, with total shipments of 44 million units. Senior Industry Analyst Tseng, Chiao-Ling stated that processors with computing power of over 40 TOPS are concentrated in launches during the second half of 2024, resulting in relatively low AI PC penetration in 2024. However, with the release of next-generation AI processors and Arm-based processors in 2025, the AI PC penetration rate is expected to increase, surpassing 60% by 2028 with global shipments reaching 163 million units. As for AI smartphones, GenAI applications have become a key focus for major smartphone brands in 2024, being integrated into flagship and high-end models. The global AI smartphone market penetration rate is expected to reach 13% in 2024, with total shipments of 156 million units.

Looking ahead to 2025, the global AI smartphone market penetration rate is projected to reach 25%, with shipments totaling 303 million units. AI smartphones are expected to expand into mid-range and entry-level models by 2026, and the global penetration rate is forecast to surpass 60% by 2028.

Looking ahead to the development of AI PCs and AI smartphones, Tseng, Chiao-Ling, Senior Industry Analyst at MIC, identified three major trends. First, the advancement of AI PCs and AI smartphones will drive upgrades in related components. In addition to processors offering higher computing power, memory will also be a key factor. For example, DRAM in PCs will need to be upgraded to 16GB, while smartphones will require at least 8GB depending on the operating system. Moreover, the design of memory itself will need significant changes to meet the evolving demands of future GenAI smartphones. In addition, thermal components must ensure the operational stability of PCs and smartphones. Major manufacturers have begun planning the adoption of various thermal solutions, driving the development of the related supply chain. Second, the development of AI PC applications is showing a trend of “one world, two systems.” Due to domestic localization policies, language differences, and AI application review mechanisms, China has developed its own AI PC ecosystem. Observing the differences in dominant markets between the global and Chinese supply chains, the global supply chain is prioritizing AI applications in commercial sectors, while China is focusing on integrating AI applications at the mass consumer level. Third, PC AI features may move toward a subscription-based model in the future, and both Apple and Samsung AI smartphones may ultimately adopt a paid service model for advanced AI functions.



(III) Technology and R&D Overview:

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

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

Company has won the agentship.

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

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

1. Short- and Long-term Development Plans

(1) Developing agentship for new products, new applications, and new services

Stay informed of the latest trends in the tech industry whenever necessary and solicit the ODM business and agency business from brands.

(2) Product application development

A. Smart speakers/5G/electric vehicles are the largest growing applications

- Provide as many (much) smart speakers/5G/electric vehicles products and services to customers.
- Embrace Thunderbolt & USB Type-C possibilities and actively pursue new customer sources.
- Utilize MEMS related products more extensively and reach out to new customer groups.

B. PCB related equipment development

- Seize the opportunity to invest in expanding the flexible PCB factory and IC carrier board factory and bring in corresponding equipment products where appropriate; solicit consumables business, OEM business, and agency business; and foster a close cooperation and interdependence relationship with the equipment clients.
- Target large-size substrate market with laminating and cutting machines and focus on specialized models that meet the demand for large-size boards and high yield rates. This strategy differentiates the products from competitors and reduces competitive risks.
- Market deployment of new application Glass Substrate cutting machine.

2. Long-term business plan

(1) Strengthen the strategic alliance partnership with upstream and downstream manufacturers and clients, and jointly carry out business expansion in the Greater China region to achieve the goal of a win-win situation for all parties involved.

(2) To cope with the migration of clients and suppliers in this industry, in addition to establishing a thorough marketing and service team in the Greater China region, the company has also established a business base in Vietnam to present comprehensive and prompt services.

(3) Persevere in winning agentship for new products, and collaborate with clients on the R&D of new products, so as to increase the Company's added value.

(4) Continue to develop independent products, and increase operating profit through value-added technical services.

II. Market and sales overview

(I) Market analysis

1. Geographic areas where the main products (services) are provided

The products the Company trades as an agent mainly include the domestic/foreign prestigious brands' equipment required for the manufacturing of audio elements, semiconductors, electronic parts, PCBs, and IC substrates, chemical substances, and optoelectronic semiconductor process testing instruments and consumables. The Company sells mainly to Taiwanese businessmen in China and will continue to develop clients of Chinese companies and Southeast Asia companies.

Unit: NT\$1,000

Region \ Year	2022		2023		2024	
	Amount	percentage (%)	Amount	percentage (%)	Amount	percentage (%)
Taiwan	2,302,816	70.99%	2,040,901	74.40%	1,897,277	68.62%
China and Southeast Asia	941,213	29.01%	702,127	25.60%	867,642	31.38%
Total	3,244,029	100.00%	2,743,028	100.00%	2,764,919	100.00%

2. Market shares

The Company's consolidated operating revenue in 2024 amounted to NT\$2.765 billion. Despite a difficult global economic climate, revenue figures have been bolstered by the increased sale of MEMS audio products, IC semiconductors, and Thunderbolt high-speed product lines, a reason the consolidated revenue remained in good shape for 2024. Since the Company is an SME, although it has been able to yield positive results in sales, the volume is relatively modest when compared to global demand for the production of computers, communications and consumer electronics, meaning that there is still ample room for future growth.

3. Future market supply, demand, and growth

(1) In terms of supply of and demand for connectors:

The growth momentum of connectors in 2025 comes from the upgrade in product specifications led by artificial intelligence. The shipments of global servers and high-speed transmission cables are increasing. AI continues to expand into edge devices such as PCs and smartphones. In terms of vehicle technology, the three major technology combinations of autonomous driving, connectivity, and electrification are the main components of active system integration in addition to electrical connections of automotive connectors, enabling high-speed data transmission and diagnostic functions. Under the trend of global net zero emissions, the rapid growth of new energy vehicles has become an inevitable trend. The demand for related charging stations, energy storage containers, and in-vehicle infotainment systems continues to grow.

A. Computers and servers:

According to a survey by TrendForce, the global notebook market in 2024 is affected by high interest rates and geopolitical factors, resulting in a slow recovery in demand. Annual shipments are projected to reach 174 million units, representing a year-over-year growth of 3.9%. Looking ahead to 2025, the conclusion of the U.S. presidential election is expected to reduce political uncertainty, and the Federal Reserve's anticipated interest rate cuts starting in September 2024 will help improve capital liquidity. In addition, the end of Windows 10 support and business replacement demand are expected to drive notebook shipments to grow by 4.9% year-over-year, reaching 183 million units. TrendForce noted that the core positioning of notebooks remains focused on productivity. The main source of

shipment growth continues to be pent-up replacement demand, while the contribution of AI notebooks remains relatively limited. Although AI-related features are becoming a trend in specification upgrades, the penetration rate of AI notebooks is expected to increase naturally as brands continue to integrate AI functionality.

According to the latest research report by DIGITIMES, global server shipments are projected to reach 15.24 million units in 2025, representing a 2.3% year-over-year growth. While the market remains on a growth trajectory, rising global tariff tensions and escalating geopolitical risks are causing enterprises to adopt a more conservative approach to capital expenditures, resulting in slower market growth compared to 2024. High-end AI servers remain the primary growth driver. However, as the market enters a more mature phase, enterprise investments are expected to become more rational and strategically deployed, leading to a shift in the market's growth model.

B. Renewable energy vehicle and electric vehicle markets:

TrendForce reported that global sales of battery electric vehicles (BEVs), plug-in hybrid electric vehicles (PHEVs), and hydrogen fuel cell vehicles, are expected to reach 16.29 million units in 2024, representing a 25% year-over-year increase. China's market share is projected to expand to 67%. In 2025, global NEV sales are forecast to grow by 18%, with continued growth anticipated in the Chinese market, while policy changes in the United States may introduce several variables affecting sales performance. TrendForce estimates that the global new energy vehicle market will reach 19.2 million units in 2025. Growth in the Chinese market is expected to continue, supported by the extension of vehicle replacement subsidy policies. However, Chinese automotive groups face three major challenges: intense competition in the domestic market, substantial resource investment in overseas expansion, and escalating technological competition. As a result, the original multi-brand strategies have entered a phase of consolidation. This wave of mergers is expected to continue throughout the year, with a rising likelihood of mergers between groups. The U.S. market remains relatively uncertain. According to TrendForce analysis, if former President Trump's proposed repeal of the USD 7,500 tax credit for new energy vehicles gains congressional support, the global annual NEV sales growth rate in 2025 is expected to decline from 18% to 16%.

C. Other consumer electronics products :

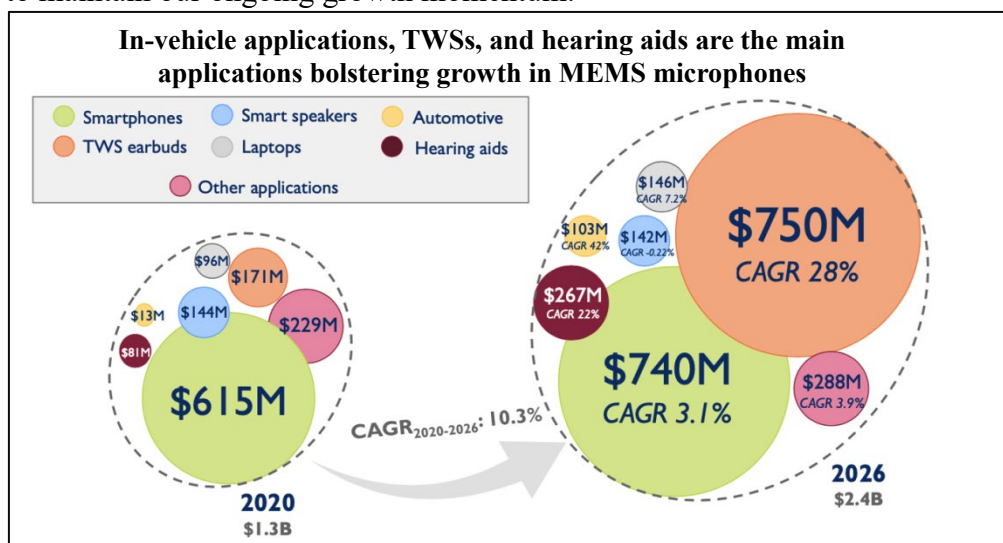
Amidst the AI boom, the concept of smart terminals (On-device AI) has also emerged recently. Major manufacturers like Samsung Electronics and Google plan to launch products equipped with "smart terminal" technology. In addition to smartphones and AI notebooks, Bluetooth earphones with smart terminal technology are expected to hit the market, with subsequent developments attracting attention from all sectors.

As smart terminals are gradually applied to end devices, they are also expected to drive growth in the smartphone market. According to Morgan Stanley's forecast, mobile phone shipments are expected to increase by 3.9% and 4.4% in 2024 and 2025, respectively, thanks to smart terminals.

(2) In terms of supply and demand in the audio semiconductor industry:

IMARC Group has estimated that the global MEMS microphone market will climb to US\$3.28 billion in 2027, from US\$1.63 billion in 2021. The compound annual growth rate (CAGR) between 2022 and 2027 is 11.80%. MEMS microphones are extensively employed in Internet of Things (IoT) and virtual reality (VR) instruments, hearing aids, tablets, cell phones, and other consumer electronics such as TVs, smart speakers, and TWS earphones, opening up the opportunities for growth in the MEMS microphone market. The increased popularity of microphones has additionally increased their demand. Handheld devices such as tablets and smartphones require ultrathin, low-power parts; MEMS microphones happen to

offer power efficiency, heightened sensitivity, and a high signal-to-noise ratio. Over the last few years, the Company has been devoted to marketing campaign for solicitation of agentship for products. Thanks to the sound and reliable relationship between the brands and clients, our profits have risen year after year. With the future looking dubious, we will continue to strengthen customer support and services, offer more extensive value-added services, and develop new products and new customers to maintain our ongoing growth momentum.



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

The TPCA stated that the total output value of Taiwan’s printed circuit board (PCB) industry chain reached NTD 1.22 trillion in 2024, representing an annual growth rate of 8.1%, primarily driven by the expanding demand for AI server applications. The materials and equipment supply chains also benefited accordingly. According to a joint analysis report released by TPCA and the Industrial Technology Research Institute’s IEK, the total output value of Taiwan’s PCB industry chain reached NTD 1.22 trillion in 2024, with an annual growth rate of 8.1%. Looking ahead to 2025, TPCA indicated that Taiwan’s PCB industry chain is expected to maintain steady growth, driven by continued demand for AI servers, high-performance computing, and Edge AI applications. The materials and equipment supply chains will benefit from advanced processes and the launch of new PCB production capacity in Southeast Asia. The total domestic and overseas output value of Taiwan’s PCB industry chain is projected to reach NTD 1.29 trillion, representing an annual growth rate of 5.8%.

The Company holds that HPC, 5G, in-vehicle electronics, and construction of low Earth orbit satellites will boost the growth of the PCB industry. Being the “Mother of electronic products”, PCB has a wide range of downstream applications, including communications, mobile phones, computers, automobiles, and other electronics. The emergence of 5G technology has had a beneficial influence on PCB in that it has led to an amplified appetite for terminals and base stations. Furthermore, the increase in the per unit use of PCB in terminals and base stations has caused an upsurge in the overall demand for PCB.

The overall industry development trend indicates that the global PCB industry is transitioning towards higher density, precision, and reliability, while concurrently reducing costs, enhancing performance, minimizing dimensions, lightening weight and thickness, raising productivity, and lowering environmental impact, in order to align with the development of downstream end-user electronic products. In the near future, High Density Interconnect, Flexible Printed Circuit, Rigid-Flex PCB, and IC substrates will become the primary area of development.

4. Competitive niche

(1) Remarkable technical competencies

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

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

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

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

(1) Positive factors

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

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

B. Stable supply of raw materials and equipment

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

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

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

(2) Negative factors

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

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

Response measures:

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

cushion the market impact.

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

B. Fluctuations in exchange rates and raw materials

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

Response measures:

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

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

1. Major usage of the company's products:

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

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

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

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

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

Information on major suppliers for the most recent 2 fiscal years

Unit: NT\$1,000

Item	2023				2024				Year-to-date through March 31, 2025			
	Name	Amount	As a percentage of net purchases for the year (%)	Relationship with the Issuer	Name	Amount	As a percentage of net purchases for the year (%)	Relationship with the Issuer	Name	Amount	Percentage of net purchases up to the preceding quarter of the current fiscal year (%)	Relationship with the Issuer
1	Company A	217,843	9.30	None	Company A	297,241	12.04	None	Company A	73,653	11.58	None
2	Company B	376,053	16.05	None	Company B	397,317	16.09	None	Company B	127,773	20.09	None
3	Company C	1,206,965	51.50	None	Company C	1,255,621	50.84	None	Company C	319,725	50.28	None
	Others	542,635	23.15		Others	519,529	21.03		Others	114,752	18.05	
	Net purchase	2,343,496	100.00		Net purchase	2,469,708	100.00		Net purchase	635,903	100.00	

Information on major customers for the most recent 2 fiscal years

Unit: NT\$1,000

Item	2023				2024				Year-to-date through March 31, 2025			
	Name	Amount	As a percentage of net sales for the year (%)	Relationship with the Issuer	Name	Amount	As a percentage of net sales for the year (%)	Relationship with the Issuer	Name	Amount	Percentage of net sales up to the preceding quarter of the current fiscal year (%)	Relationship with the Issuer
1	Company D	446,733	16.29	None	Company D	443,533	16.04	None	Company D	100,178	15.72	None
	Others	2,296,295	83.71		Others	2,321,386	83.96		Others	537,092	84.28	
	Total net sales	2,743,028	100.00		Total net sales	2,764,919	100.00		Total net sales	637,270	100.00	

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

Year		2023	2024	Up to May 9, 2025
Number of employees	Business unit	37	46	41
	Management unit	45	34	33
	Total	82	80	74
Average age		41.3	43	43
Average service years		8.2	7.71	8.5
Education degree dispersion rate	PhD	0	0	0
	Master degree	11	10	9
	College diploma	59	66	61
	Senior high school	12	4	4
	Below senior high school	0	0	0
	Total	82	80	74

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

measures being or to be taken.

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

V. Labor-management relationship

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

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

2. Reasonable compensation and benefits

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

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

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

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

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

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

3. Employee training and development

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

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

Below is an account of the staff training situation in 2024:

Item	No. of courses	No. of trainees	Total training hours
1. Orientation for new comers	10	12	109
2. Professional competency training	43	116	691
3. Managerial skills training	5	12	183.5
4. Liberal training	5	360	736
5. Personal enrichment training	5	104	272
Total	68	604	1,991.5

4. Retirement system and implementation

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

- A. Having worked for 15 years and attained the age of 55.
- B. Having worked for 25 years.
- C. Having worked for 10 years and attained the age of 60.

(2) Pension payment standards:

- A. Old scheme: The Labor Standards Act shall apply, and employee pension is calculated based on the service years under the old scheme and the average of regular wages for the 6 months prior to retirement.
- B. New scheme: The Labor Pension Act shall apply, and employers shall contribute an amount equal to 6% of employees' insured salary interval to employees' individual pension account every month.

The Company makes a monthly pension contribution equal to 5% of employees' salary (due to option between the new scheme and old scheme), and deposits it in a dedicated account with the Bank of Taiwan. As of December 31, 2024, the pension fund balance amounted to NT\$16,972 thousand.

The Company conducted an actuarial valuation by the FSC-endorsed International Accounting Standards No.19 "Employee Benefits" on the measurement date, which was December 31, 2024. The fair value in excess of defined benefit obligations is recognized as net defined benefit asset on the balance sheet.

5. Employee conduct and ethical principles:

(1) The Company has established internal regulations to govern employees conduct; such internal regulations include Employee Manual, Attendance Management Rules, Regulations for Promotion and Job Transfer, Regulations for Business Travel Management, Gender Equality Management Rules, and Corporate Governance - Code of Ethical Conduct, for employees to follow, and feature the following content:

- A. The discipline, etiquette, and working attitude required of an employee.
- B. Set up employee evaluation standards as a reference for salary adjustment, bonus distribution, and promotion.
- C. Reward or punish employees for the profits or loss brought to the Company by their conduct.

(2) Have employees sign the "Intellectual Property Rights and Undertaking of Confidentiality", which stipulates that employees be obliged to keep confidential the Company's tangible and intangible operating assets and data and that employee be banned outright from infringing on the Company's interests.

(3) The Company discloses its "Corporate Governance - Codes of Ethical Conduct", "Procedures for Processing Material Inside Information to Prevent Insider Trading", and "Procedures for Ethical Management and Guidelines for Conduct" on its official website.

6. Labor - management negotiation

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

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

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

- (II) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None

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

VI. Cyber security management

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

1. Cyber security risk management structure

The organization has an individual division devoted to information security management. The chief of the IT Department is obligated for the coordination and advancement of information security management issues, and to create an information security promotion taskforce when necessary. The convener of the information security

promotion taskforce shall be General Manager. The chief of the IT Department is responsible for carrying out safety issues and submitting a report every year.

2. Information security policy

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

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

3. Specific management project and investments in resources

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

(II) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided.

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

VII. Important contracts

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

Important contracts

Type of contract	Party	Contract start date and end date	Main content	Restrictive clauses
Distribution contract	JAE Taiwan	January 1, 2008 ~ automatic renewal	Product sale in the capacity of an agent	None
Distribution contract	Sumitomo Electric Industries, Ltd.	October 1, 2009 ~ automatic renewal	Product sale in the capacity of an agent	None
Distribution contract	SYNTIANT (Knowles)	June 1, 2010 ~ automatic renewal	Product sale in the capacity of an agent	None
Distribution contract	YE-DATA	June 20, 2011 ~ automatic renewal	Product sale in the capacity of an agent	None
Distribution contract	eEver Technology, Inc.	March 11, 2018 ~ automatic renewal	Product sale in the capacity of an agent	None
Distribution contract	AWINIC	January 1, 2024 ~ December 31, 2025	Product sale in the capacity of an agent	None
Distribution contract	CANON MACHINERY INC.	January 1, 2024 ~ December 31, 2025	Product sale in the capacity of an agent	None

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

I. Financial position

Financial position analysis and comparison table

Unit: NT\$1,000

Item \ Year	2024	2023	Difference	
			Amount	%
Current assets	2,045,882	2,004,477	41,405	2.07%
Investments accounted for using the equity method	—	—	—	—
Property, plant and equipment	109,364	109,513	(149)	(0.14%)
Intangible assets	553	840	(287)	(34.17%)
Other assets	369,026	404,759	(35,733)	(8.83%)
Total assets	2,524,825	2,519,589	5,236	0.21%
Current liabilities	903,792	955,618	(51,826)	(5.42%)
Non-current liabilities	12,237	17,102	(4,865)	(28.45%)
Total liabilities	916,029	972,720	(56,691)	(5.83%)
Equity attributable to owners of the parent company	1,608,796	1,546,869	61,927	4.00%
Share capital	651,298	651,298	—	—
Capital reserves	52,062	52,062	—	—
Retained earnings	672,681	629,642	43,039	6.84%
Other equity	232,755	213,867	18,888	8.83%
non-controlling interest	—	—	—	—
Total equity	1,608,796	1,546,869	61,927	4.00%

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

Decrease in current liabilities and total liabilities: Mainly due to the decrease in the accounts payable this year.

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

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

II. Financial performance

Financial performance analysis and comparison table

Unit: NT\$1,000

Item \ Year	2024	2023	Amount of increase (decrease)	Change ratio (%)
Net operating revenue	2,764,919	2,743,028	21,891	0.80%
Operating costs	2,493,708	2,455,641	38,067	1.55%
Operating gross profit	271,211	287,387	(16,176)	(5.63%)
Operating expenses	197,381	187,659	9,722	5.18%
Operating Income	73,830	99,728	(25,898)	(25.97%)
Non-operating income and expenses	71,539	27,731	43,808	157.97%
Net profits before tax	145,369	127,459	17,910	14.05%
Income tax expense	28,404	26,687	1,717	6.43%
Net profit after tax	116,965	100,772	16,193	16.07%

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

1. Decrease in net operating profit: mainly due to the decrease in operating gross profit.
2. Increase in non-operating income and expenses: mainly due to the increase in gains from foreign currency exchange.
3. Increase in net profit before tax / net profit after tax: Mainly due to the increase in non-operating income.

(II) Expected sales and expectation basis

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

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

Benefited from moderate expansion of product lines of its agency business and thanks to effective business promotion, operating revenue and profits in recent year have been stable, improving the Company's operating performance and financial structure to a prominent level. To maintain sales growth momentum, the Company regularly holds sales meetings to examine the business promotion effectiveness; the Company's sales units also get a good grasp of the development of the industry and customers so that the Company can adjust its short-, medium- and long-term sales pace. In doing so, the Company expects to effectively promote its business and achieve a more optimum performance in the future.

III. Cash flow

Cash flow analysis

Unit: NT\$1,000

Cash opening balance (1)	Estimated net cash flows from operating activities (2)	Estimated net cash flows from investing activities (3)	Estimated net cash flows from financing activities (3)	Effects of exchange rate changes on cash and cash equivalents (5)	Cash surplus (deficiency) amount (1)+(2)+(3) + (4)+(5)	Cash deficiency remedial measures	
						Investment plan	Financing plan
848,981	122,290	6,665	(123,423)	45,501	900,014	—	—

(I) Analysis of cash flow changes in 2024: The Company's net cash in 2024 increased from 2023 by NT\$51,033 thousand. The cash flow changes of various operating activities are as follows:

1. Net inflows from operating activities in the amount of NT\$122,290 thousand: mainly due to the decrease in accounts payables and inventories this year compared with last year.
2. Net inflows from investing activities in the amount of NT\$6,665 thousand: mainly due to

dividends income from equity securities.

3. Net outflows from financing activities in the amount of NT\$123,423 thousand: mainly due to the repayment of short-term loans in accordance with this year's capital scheduling plan.

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

(III) Cash liquidity analysis for the coming year

Unit: NT\$1,000

Cash opening balance (1)	Estimated net cash flows from operating activities (2)	Estimated net cash flows from investing activities (3)	Estimated net cash flows from financing activities (3)	Effects of exchange rate changes on cash and cash equivalents (5)	Cash surplus (deficiency) amount (1) +(2) +(3) + (4) +(5)	Remedy for estimated cash shortfalls	
						Investment plan	Financing plan
900,014	113,295	10,779	(92,156)	0	931,932	—	—

1. Analysis of annual cash flow changes:

Operating activities: It is projected that the net cash inflow from operating activities will be NT\$113,295 thousand.

Investing activities: It is expected that investing activities will bring in a net cash inflow of NT\$10,779 thousand.

Financing activities: The estimated net cash outflow from financing activities is NT\$92,156 thousand.

2. Measures to be taken to cope with a cash deficiency and liquidity analysis: There is no shortage of cash.

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

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

Reinvestment Analysis Table

Unit: NT\$1,000

Description Item	Carrying amount - ending balance (Note)	Policy	Main reasons for profit or loss	Remedial plan	Other investment plans in the future
Giteh Electronic Industries Co., Ltd.	641,689	Expand overseas markets	Gains of NT\$35,580 thousand from investment accounted for using the equity method were recognized in 2024, mainly due to recognition of the profits from the growth of sales of electronic products of Giteh as an agent.	None	None
Howteh International Inc. (Samoa)	177,035	Expand overseas markets	In 2024, the investment loss of NT\$1,453 thousand was recognized, mainly due to the recognition of investees' losses.	None	None
KunShan Howteh International Trading Inc.	(7,352)	Inject working capital to expand the mainland China market by leveraging China's policy incentives.	The gains of NT\$694 thousand on investment accounted for using the equity method were recognized in 2024, mainly due to development of new clients.	None	None

Note: The above disclosures are investment whose amount exceeds 5% of the paid-in capital as of 2024.

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

(I) Risk management organizational structure:

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

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

(II) The effect upon the company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate and response measures to be taken in the future:

1. The impact of changes in interest rate in the most recent year on the company's profit and loss, and future response measures:
 - (1) The company's annual interest expense in 2024 is NT\$11,966 thousand.
 - (2) The Group conducts an interest rate sensitivity analysis mainly for the accounts exposed to interest rate risks at the end of the reporting date, including investment with a floating interest rate, loans with a floating interest rate, and interest rate swap contracts. The Company expects its profits in 2024 and 2023 to decrease by NT\$375 thousand and NT\$401 thousand, respectively, based on the assumption that the interest rate increases by 10 basis points in a given fiscal year in which the Group holds such investments.
 - (3) The Company is able to get a relatively low interest rate due to its good operating performance, sound financial structure and good corporate reputation, and does not expect itself to be significantly impacted by interest rate changes in the future.
2. The impact of changes in interest rate in the most recent year on the company's profit and loss and future response measures:
 - (1) In 2024, the Company recognized net foreign currency exchange gains of NT\$55,127 thousand.
 - (2) The Group conducts an exchange rate risk sensitivity analysis mainly to gain the understanding of the impact of major foreign currency monetary items on the Group's profit or loss were each relevant foreign currency to depreciate/appreciate at the end of the reporting period. The Group mainly faces exchange rate risks from the USD, CNY, and HKD, for which a sensitivity analysis is provided below:
 - If the TWD appreciates by 1% against the USD, the Group's profits in 2024 and 2023 will decrease by NT\$12,219 thousand and NT\$10,184 thousand, respectively.

- (3) A certain portion of the Group's foreign currency receivables and foreign currency payables is denominated in the same currency, creating a natural hedging effect. However, to cope with the excessively volatile exchange rate fluctuation in the market recently, the Company will manage to minimize the differences between its rights of claim and its debt and adjust its foreign currency position in order to minimized foreign exchange rate risks.
3. The impact of inflation in the most recent year on the company's profit and loss, and future response measures:
The increase in materials price in 2024 also slightly drove up the quotations given by suppliers for some parts and materials; however, this did not significantly impact the Company's profit or loss.
- (III) The company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future:
1. Engagement in high-risk, highly-leveraged investments
The Company focuses on its core business, and has not been engaged in in high-risk, highly-leveraged investment.
 2. Engagement in loaning of funds to others and providing endorsement or guarantee
In the most recent year and in the current year as of the date of publication of the annual report, loaning of funds and provision of endorsement and guarantee took place only between the Company and subsidiaries in which the Company holds 100% stake, and among subsidiaries, in accordance with the policy and measures formulated by reference to the Company's "Procedures for Extending Loans to Others" and "Procedures for Endorsements and Guarantees". Relevant operation is carried out cautiously by taking into account risk conditions and relevant regulations.
 3. Engagement in derivatives trading
The Company's derivatives trading policy mainly aims to hedge risks. In the most recent year and in the current year as of the publication date of the annual report, the Company did not engage in any derivatives trading.
- (IV) Estimated R&D plans and R&D expenses for the future
Since the Company is a product sales agent and trader, the Company did not incur any R&D expenses in both 2024 and 2023 and still has no plan to develop an R&D budget for 2025.
- (V) Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response.
The Company keeps abreast of the regulatory framework that might impact its operations, and revises its internal systems and regulations accordingly. Starting from 2013, the Company fully adopted the IFRS for preparation of financial statements. Since the amendments to IFRS will be successively released, the Company will be vigilant and set to cooperate by forming response measures.
- (VI) The impact of technological changes (including information security risks) and industrial changes on the company's financial and business performance and response measures:
Technological development indeed opens up tremendous business opportunities for the Company. The Company has staffed the President's Office with dedicated personnel responsible for grasping the industrial development trends by utilizing the industrial information obtained at the meetings held by the industry or online, and the information based on the sales persons' mastery of the market trend, thereby formulating the Company's development strategy and recommending and planning the launch of new products and boosting operating performance in the future. Moreover, with the development of technology, the Company is faced with increasing information security risks. In an effort to improve the overall information security protection, we perform information security control by strengthening intrusion detection protection, completing off-site backup and

information security detection protection, and setting up an appropriate information access control mechanism while providing periodic information security education to reduce information security risks.

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

1. The Company has been incorporated for more than 40 years. During its engagement in the electronic and information industry, HOWTEH has been practicing its core values of “Trustworthiness and teamwork”, “Improvement in quality” and “Customer Service”, striving to offer the best service to its high-tech client base. In the past, by integrating the supply and demand throughout the downstream, midstream and upstream, HOWTEH gave a brilliant performance as a leading distributor, which also made huge contribution to clients, winning not only recognition but also trust and support from clients. Therefore, the Company has never been subject to any negative coverage in the industry, which is what we are proud of.
2. To cope with the revolution that comes with rapid industrial development, HOWTEH, aside from upholding the three set of core values as mentioned above, is actively promoting its business philosophy of “Innovation and Growth.” By leveraging the various types of innovative technology logistics and constantly introducing new products, the Company gives full play to its powers of integration, thereby providing clients with comprehensive total solutions; this will not only ease clients’ worries about “business flow, information flow, and money flow” but also bring considerable business opportunities to the Company, potentially boosting the operating profits.

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

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

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

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

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

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

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

VII. Other important matters: None.

Six. Special Items

I. Information on affiliates

(I) Consolidated Business Report of Affiliated Enterprises

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

(II) Consolidated Financial Statements of Affiliated Enterprises

Since the consolidated entities are the same as those in the Consolidated Financial Statements of Howtech Technology Co., Ltd. for 2024, we do not separately prepare another set of Consolidated Financial Statements of Affiliated Enterprises. Please refer to the Consolidated Financial Statements of Howtech Technology Co., Ltd. for 2024.

(III) Affiliation Report: not applicable.

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

III. Other matters that require additional explanation: none.

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