Stock Code: 6831

TAIWAN MICROLOOPS CORP.

2025 Annual Report

Printed on May 11, 2026

<u>Notice to readers</u>

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

Website for Annual Report: https://mops.twse.com.tw

Website of the Company: https://www.microloops.com

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2. Headquarters and plants
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   Tel: (02)8226-8518

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5. Name of overseas exchange where securities are listed, and the methods for inquiring the foreignlisted securities: None.

6. Company website: https://www.microloops.com

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One. Letter to Shareholders

Dear Ladies and Gentlemen, we are pleased to present you with the business performance in 2025 and the future outlook as below:

I. 2025 Business Report

(I) Implementation results of the business plan

The Company's consolidated revenue for 2025 reached NT$3,703.31 million, representing breakthrough growth compared with 2025. Consolidated net income after tax was NT$300.67 million, maintaining a trend of profit growth. In 2025, the Company benefited from the transition of AI infrastructure construction from the experimental stage to large-scale deployment, driving a structural and explosive growth in demand for thermal solutions for high-performance computing and AI servers. As processor power consumption continued to rise, the Company leveraged its advanced 3D VC and high-end air cooling solutions to successfully enter the ASIC chip and general server supply chains of global mainstream cloud service providers (CSPs), boosting revenue momentum.

In response to the transformation toward next-generation thermal technologies, the Company continued to enhance automated production efficiency and yield management in 2025. In terms of liquid cooling deployment, the Company not only deepened its immersion liquid cooling R&D collaboration with Intel but also actively advanced customer certification and mass production plans for key liquid cooling components, such as cold plates, to address the thermal management challenges associated with high-wattage AI computing power. Looking ahead, the Company will continue to optimize its product portfolio by adopting a dual-track strategy that integrates air cooling upgrades with liquid cooling innovations, further strengthening its core value within the AI supply chain and enabling shareholders, customers, and employees to share in the achievements of sustainable operations.

Unit: NTD Thousand

Item	2025	2024	Increase (decrease) in amount	Change (%)
Operating revenue	3,703,312	2,005,017	1,698,295	84.70
Operating cost	2,834,937	1,542,214	1,292,723	83.82
Gross profit	868,375	462,803	405,572	87.63
Operating expense	442,224	335,359	106,865	31.87
Operating profit	426,151	127,444	298,707	234.38
Non-operating revenue	(77,709)	13,958	(91,667)	(656.73)
Net income before tax	348,442	141,402	207,040	146.42
Income tax gains	47,775	35,466	12,309	34.71
Net income for the current period	300,667	105,936	194,731	183.82

(II) Budget execution status: The Company does not disclose financial forecasts outward and thus this is not applicable.

(III) Analysis on revenue, expenditure, and profitability

Item		2025	2024	Increase (decrease)
Financial structure	Ratio of liabilities to assets (%)	43.84	44.42	(0.58)
	Ratio of long-term funds to fixed assets (%)	298.69	226.17	72.52
Solvency	Current ratio (%)	185.10	167.38	17.72
	Quick ratio (%)	159.29	140.42	18.87
Profitability	Return on assets (%)	7.99	4.50	2.26
	Return on equity (%)	13.69	7.82	5.58
	Basic earnings per share (NTD)	4.94	1.80	3.14

(IV) Research and development status

1. R&D expenses in the most recent two years

Unit: NTD Thousand

Item / Year	2025	2024
Consolidated R&D expenses (A)	172,821	130,491
Consolidated net operating revenue (B)	3,703,312	2,005,017
As a percentage of consolidated net operating revenue (A/B)%	4.67	6.51

2. Research and development results

(1) Setup of the VC clean room workshop and monitoring system

(2) Introduction of the fully automatic transfer platform to the VC high temperature process.

(3) Development of AI-based VC and module quality control identification systems

(4) Setup of fully automatic VC production lines without chemical pollution

(5) Mass production of 2D VC vapor chambers for AI TPU chips

(6) Establishment of an automatic water-cooling production line.

(7) Development of full liquid cooling modules for servers, including CPU and memory cooling modules

(8) Development of two-phase flow cold plates

(9) Development of diffusion node technology for water-cooling plates

(10) Trial production of 2.5D VC vapor chambers for TPU chips

(11) Development of the ADM SP7 water-cooling plate and heat sink for Intel Oak Stream CPUs.

II. 2025 Business Plan Overview

(I) Management approach

1. Innovation: We believe "without creativity, without new momentum" to remind ourselves of the importance in innovation, persistence and deep cultivation.
2. Convincing: We adhere to the belief of becoming a "trustworthy" cooling solution provider. Not only in the cooling industry do we use the technologies and experiences that we have learned, but we also provide reliable and cost-effective solutions for other industries.
3. Expertise: We firmly believe that we are a very "professional" company. We understand how important the essence of a product is. Not only do we want good quality, but we also desire good performance, timely service, and reliability.

(II) Expected sales volume and its basis: The Company does not disclose financial forecasts outward and thus this is not applicable.

(III) Key production and marketing policies

1. Manufacturing: Intelligent manufacturing and scaling up liquid cooling production capacity.

   Deepening intelligent production systems: We will leverage edge AI monitoring and highly automated production lines to maximize product yield rates and ensure our ability to meet delivery requirements for large-volume orders in 2026.

   Strengthening production and sales momentum and inventory forecasting: We will continue to monitor the deployment schedules of global cloud service providers (CSPs), shorten production cycle times, and dynamically adjust production capacity allocation.

   Supply chain resilience management: We will establish strategic alliances with key upstream raw material suppliers to maintain cost competitiveness and stable sources of supply amid global raw material market volatility in 2026, while implementing green procurement practices in line with sustainable production objectives.

2. Sales: Diversified industry deployment and technology output

   Strengthening our core position in AI servers and data centers: We will provide comprehensive technology solutions ranging from upgraded air cooling to liquid cooling for high-wattage ASIC/GPU servers, thereby increasing the sales contribution of high-margin products.

   Expanding the leading advantages of vapor chamber technology into diversified applications: As a pioneer in vapor chamber technology, we will continue to optimize solutions for high-power products. In addition to reinforcing our presence in the AI PC and high-end graphics card markets, we will further extend our 3D VC technology into industries requiring high reliability, including smart home appliances, medical equipment, industrial control systems, and low Earth orbit satellites.

   Global strategic services: We will strengthen strategic partnerships with system integrators, establish a global technical support network, and expand the application footprint of our products in the global thermal solutions market.

III. Future Development Strategies of the Company; the impact of the external competitive environment, regulatory environment, and overall business environment

(I) Future development strategies of the Company

1. Deepening the high-performance computing and gaming ecosystem: We will continue to collaborate with strategic partners in the co-development of high-end graphics cards and target the next-generation AI PC and high-end gaming notebook markets by providing solutions featuring lightweight designs and high thermal management efficiency. We will also expand our customer base to sustain revenue momentum.
2. Implementing dedicated thermal solutions for AI servers and ASICs: As generative AI moves toward large-scale commercial deployment, chip thermal design power has exceeded the kilowatt level. The Company will continue to enhance integrated thermal solutions for traditional servers and high-end AI servers targeting self-developed ASIC chips and high-end GPUs of GSPs, thereby strengthening its market leadership.
3. Capturing momentum from edge computing and diversified replacement demand: As the surge in device purchases during the pandemic enters a replacement cycle and AI PC penetration continues to increase, gaming notebooks and commercial PCs are expected to maintain strong replacement demand in 2026. The Company will actively align with the product development schedules of brand customers and optimize shipment allocation.
4. Leading advanced liquid cooling technologies and rack-level component development: The Company will continue to work closely with Intel's advanced thermal technology joint laboratory to deepen forward-looking R&D in immersion liquid cooling technologies. At the same time, the Company will comprehensively implement highly customized solutions for key rack-level liquid cooling components.
5. Deepening ESG governance and climate risk management: The Company is fully preparing for the adoption of IFRS S1/S2 sustainability disclosure standards and will continue to deepen greenhouse gas inventory management and carbon reduction pathway planning. The Company is committed to fostering a corporate culture based on integrity, optimizing whistleblowing mechanisms, continuously cultivating a diverse, equitable, and inclusive workplace, participating in charitable initiatives, and realizing shared value in environmental protection, social responsibility, and corporate governance.
6. Expanding global talent deployment and digital transformation competitiveness: To adapt to the needs of global supply chain resilience and sustainable development, the Company plans to introduce more competitive and flexible compensation and benefits programs to attract and cultivate high-level thermal management professionals with international perspectives and digital expertise.

(II) The impact of the external competition environment, regulatory environment, and overall business environment

The Company pays attention to the impact of the external competitive environment, regulatory environment, and overall business environment in the industry where it operates. It responds to changes in related technologies and their development, closely monitors the future of the industry and market trends, and enhances its R&D capabilities and product competitiveness to meet market demands and maintain its competitive advantages. The Company will be committed to the professional heat dissipation field, continue to provide solutions for different industries around the world, and become a company focused on smart living.

Finally, on behalf of the management team and all our employees, I would like to take this opportunity to express my sincere thanks to you for your support and encouragement over the past year. Looking ahead to the coming year, the Company will strive to achieve the highest level of consensus among all employees in order to face future challenges with improved execution capabilities. We also hope that all shareholders can continuously provide us with guidance and advice. I would like to express my sincere gratitude and blessings to all of you.

I wish all shareholders

good health and all the best

Chairperson: Chao Yuan-Shan   Manager: Lin Chun-Hung   Accounting Officer: Lin Shih-Wen

Two. Corporate Governance Report

I. Information on directors, supervisors, president, vice presidents, assistant managers and heads of departments and branches

(I) Director

1. Information of directors

April 25, 2026

Title	Nationality or place of registration	Name	Gender Age	Date of election (assumption of office)	Term of office	Date of initial appointment	Shares held at the time of election		Current shares held		Shares held by spouse and underage children		Shares held in the name of others		Major experience/education background	Concurrent position in the Company and in other companies	Other department heads, directors, or supervisors who are spouses or relatives within 2nd degree of kinship			Remarks
							Number of shares (shares)	Shareholding (%)	Number of shares (shares)	Shareholding (%)	Number of shares (shares)	Shareholding (%)	Number of shares (shares)	Shareholding (%)			Title	Name	Relationship	
Chairperson	Republic of China	Chao Yuan-Shan	Male 71 to 80	2024.06.19	3 years	2018.06.21	878,876	1.55	928,242	1.38	157,771	0.23	-	-	Bachelor, Department of Accounting, City University of Seattle, USA Senior Manager, CDIB Capital Group CFO, Walsin Lihwa Corporation Vice President of Finance, World Semiconductor Co., Ltd. Vice President of Finance, Winbond Electronics Corporation President, Lien Tai Venture Capital Corporation Chairperson, Rui Ban Technology Co., Ltd. Chairperson, Danen Technology Corporation	Chairperson, Huizhou Huiliqinn Technology Co., Ltd. Director, Weibo Investment Co., Ltd. Independent Director, Global Brands Manufacture Ltd.	Director	Chao Yuan-Chi	Second degree kinship	-
		Representing corporate shareholder: Heng Lang Co., Ltd.	-				6,942,802	12.21	7,323,892	10.85	-	-	-	-	-	-	-	-	-	-
Director	Republic of China	Chao Yuan-Chi	Male 71 to 80	113.06.19	3 years	2021.12.15	291,534	0.51	217,536	0.32	2,125,869	3.15	10,463,546	15.51	Master of Finance, New York University, USA Independent Director, Taipei Fubon Commercial Bank Co., Ltd.	Supervisor of Heng Lang Co., Ltd. Director, Dayu Optoelectronics Co., Ltd. Representative	Chairperson	Chao Yuan-Shan	Second degree kinship	-

Title	Nationality or place of registration	Name	Gender Age	Date of election (assumption of office)	Term of office	Date of initial appointment	Shares held at the time of election		Current shares held		Shares held by spouse and underage children		Shares held in the name of others		Major experience/education background	Concurrent position in the Company and in other companies	Other department heads, directors, or supervisors who are spouses or relatives within 2nd degree of kinship			Remarks
							Number of shares (shares)	Shareholding (%)	Number of shares (shares)	Shareholding (%)	Number of shares (shares)	Shareholding (%)	Number of shares (shares)	Shareholding (%)			Title	Name	Relationship	
															Chairman and President, First Financial Holding Co., Ltd.	of corporate director, Key Ware Electronics Co., Ltd. Independent Director, Primasia Securities Co., Ltd. Director, Concepta Investments Limited Supervisor, Everlance Co., Ltd. President, Cheng Da Financial Management Consulting Limited Chairperson, Concord Asia Finance Ltd Director, Han Yow Investment Consulting Co., Ltd. Director, Shanghai Village Culinary Co., Ltd. Representative of director, Taian Green View Co., Ltd. Director, East Asia Construction Manager Co., Ltd. Independent Director, Mercuries & Associates Holding Limited				
		Representing corporate shareholder: Heng Lang	-				6,942,802	12.21	7,323,892	10.85	-	-	-	-	-	-	-	-	-	-

Title	Nationality or place of registration	Name	Gender Age	Date of election (assumption of office)	Term of office	Date of initial appointment	Shares held at the time of election		Current shares held		Shares held by spouse and underage children		Shares held in the name of others		Major experience/education background	Concurrent position in the Company and in other companies	Other department heads, directors, or supervisors who are spouses or relatives within 2nd degree of kinship			Remarks
							Number of shares (shares)	Shareholding (%)	Number of shares (shares)	Shareholding (%)	Number of shares (shares)	Shareholding (%)	Number of shares (shares)	Shareholding (%)			Title	Name	Relationship	
		Co., Ltd.																		
Director	Republic of China	Lin Chun-Hung	Male 41 to 50	2024.06.19	3 years	2020.06.25	453,472	0.80	560,180	0.83	-	-	-	-	Ph.D., Department of Mechanical Engineering, National Taiwan University R&D Manager, Cooler Master Development Corporation (Cooler Master Group) Project Manager, Cooler Master Technology Inc. (Cooler Master Group)	President, TAIWAN MICROLOOPS CORP. President, Huizhou Huiliqinn Technology Co., Ltd. President, Microloops Vietnam Corp. Company Limited (hereinafter referred to as Microloops Vietnam)	-	-	-	-
		Representing corporate shareholder: Heng Lang Co., Ltd.	-				6,942,802	12.21	7,323,892	10.85	-	-	-	-	-	-	-	-	-	-
Director	Republic of China	Hu I-Kan	Male 41 to 50	2024.06.19	3 years	2024.06.19	460,000	0.81	421,956	0.63	-	-	-	-	MBA, Shanghai Jiao Tong University Investment Director, Sinovo Growth Capital Management Co., Ltd. Vice Chairperson, Protect Animal Health Incorporation	Director and President, Panlabs Biologics Inc. Director, Hong Rui Industrial Co., Ltd. Director, Hua Sheng International Co., Ltd. Supervisor, Bei Guan Power Corporation Supervisor, Chong Ben Construction Co., Ltd. Chairperson, Hsin Lan Investment Limited.	-	-	-	-
Independent Director	Republic of China	Pan Jung-Chun	Male 71 to 80	2024.06.19	3 years	2021.07.07	-	-	-	-	-	-	-	-	Bachelor, Department of Banking and Insurance, Feng Chia	Director, Lixian Social Welfare Foundation Supervisor,	-	-	-	-

Title	Nationality or place of registration	Name	Gender Age	Date of election (assumption of office)	Term of office	Date of initial appointment	Shares held at the time of election		Current shares held		Shares held by spouse and underage children		Shares held in the name of others		Major experience/education background	Concurrent position in the Company and in other companies	Other department heads, directors, or supervisors who are spouses or relatives within 2nd degree of kinship			Remarks
							Number of shares (shares)	Shareholding (%)	Number of shares (shares)	Shareholding (%)	Number of shares (shares)	Shareholding (%)	Number of shares (shares)	Shareholding (%)			Title	Name	Relationship	
															University Director and President, Mega Asset Management Co., Ltd. Managing Independent Director, Chang Hwa Commercial Bank Ltd.	Chinese Financial Research and Development Association Director, Full Long Securities Co., Ltd.				
Independent Director	Republic of China	Hsing Chih-Chung	Male 71 to 80	2024.06.19	3 years	2021.07.07	-	-	-	-	-	-	-	-	EMBA, National Taiwan University of Science and Technology President, Allied Industrial Corp., Ltd.	Chairperson, Chung Wan Corp., Ltd.	-	-	-	-
Independent Director	Republic of China	Chang Min-Yu	Female 61 to 70	2024.06.19	3 years	2022.06.29	-	-	-	-	-	-	-	-	MBA, College of Management, National Taiwan University Bachelor, Department of Accounting, Tamkang University Independent Director, Taiwan Shin Kong Security Co., Ltd. Independent Director, Shin Shin Natural Gas Co., Ltd. Supervisor, Creative Sensor Inc. Joint Practitioner, Deloitte & Touche	Independent Taishin Shin Kong Financial Holding Co., Ltd. Independent Director, Taishin International Bank CPA, Min-Yu Chang CPA Firm	-	-	-	-

2. Major shareholders of the corporate shareholder

Corporate shareholder	Major shareholders of the corporate shareholder
Heng Lang Co., Ltd.	Hermax Holdings Limited (86.24%), Liu Lien-Chun (8.23%), Chao Heng-Hsueh (2.75%), Chao Heng-Tzu (2.75%) and Chao Yuan-Chi (0.03%)

3. Major shareholders of the major shareholder who is a corporate entity

Corporate entity	Major shareholders of the corporate entity
Hermax Holdings Limited	Liu Lien-Chun (99%) and Chao Yuan-Chi (1%)

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

Condition / Name	Professional qualifications and experience	Independence of independent directors	Number of other public companies where a position is held concurrently
Heng Lang Co., Ltd. Representative: Chao Yuan-Shan	For education and professional experience, please refer to "1. Information of Directors." None of the circumstances under Article 30 of the Company Act are applicable.	None of the circumstances under Article 26--3 of the Securities Act are applicable	1
Heng Lang Co., Ltd. Representative: Chao Yuan-Chi	For education and professional experience, please refer to "1. Information of Directors." None of the circumstances under Article 30 of the Company Act are applicable.	None of the circumstances under Article 26--3 of the Securities Act are applicable	2
Heng Lang Co., Ltd. Representative: Lin Chun-Hung	For education and professional experience, please refer to "1. Information of Directors." None of the circumstances under Article 30 of the Company Act are applicable.	None of the circumstances under Article 26--3 of the Securities Act are applicable	-
Hu I-Kan	For education and professional experience, please refer to "1. Information of	None of the circumstances under Article 26--3 of the Securities Act are applicable	-

Name \ Condition	Professional qualifications and experience	Independence of independent directors	Number of other public companies where a position is held concurrently
	Directors." None of the circumstances under Article 30 of the Company Act are applicable.		
Independent Director Pan Jung-Chun	For education and professional experience, please refer to "1. Information of Directors." None of the circumstances under Article 30 of the Company Act are applicable.	All Independent Directors of the Company meet the independence criteria set forth in Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," including but not limited to: neither the Independent Directors themselves, their spouses, nor relatives within the second degree of kinship serve as directors, supervisors, or employees of the Company or its affiliated enterprises; they do not hold shares of the Company; they do not serve as directors, supervisors, or employees of companies with specific relationships with the Company; and they have not provided commercial, legal, financial, accounting, or other services to the Company or its affiliated enterprises and received compensation exceeding NT$500 Thousand within the past two years.	-
Independent Director Hsing Chih-Chung	For education and professional experience, please refer to "1. Information of Directors." None of the circumstances under Article 30 of the Company Act are applicable.		-
Independent Director Chang Min-Yu	For education and professional experience, please refer to "1. Information of Directors." None of the circumstances under Article 30 of the Company Act are applicable.		2

5. Diversification and independence of the Board of Directors

(1) Diversification of the Board of Directors

In addition to the knowledge, skills, and abilities needed for the execution of their duties, all the directors of the Company possess the overall decision-making, risk management, and business administration capabilities necessary, enabling the Board of Directors to make forward-looking, objective, and comprehensive decisions. The Company enhances the professionalism of its directors by arranging various training courses that enable them to carry out their duties faithfully, fulfill their duty of care as good administrators, fully utilize their management, decision-making, leadership, and supervisory functions, and strengthen the competence of the Board of Directors.

The diversification of the 9th Board of Directors is implemented as follows:

Name of director	Basic composition						Professional experience/field				Background				
	Nationality	Gender	Age	Concurrent position as an employee	Independent director service term		Finance, accounting and law	Medical and biotechnology	Manufacturing and investment	Banking and insurance	Professional (lawyer and CPA)	Commerce	Business administration	Finance	Machinery and electronics
					1–-5 years	Over 5 years									
Chairperson Chao Yuan-Shan	Republic of China	Male	71~80	–	NA		✓	–	✓	✓	–	✓	✓	✓	–
Director Chao Yuan-Chi	Republic of China	Male	71~80	–	NA		✓	–	✓	✓	–	✓	✓	✓	–
Director Lin Chun-Hung	Republic of China	Male	41~50	✓	NA		–	–	✓	–	–	✓	✓	–	✓
Director Hu I-Kan	Republic of China	Male	41~50	–	NA		–	✓	✓	–	–	✓	✓	–	–
Independent Director Pan Jung-Chun	Republic of China	Male	71~80	–	✓	–	–	–	–	✓	–	✓	✓	✓	–
Independent Director Hsing Chih-Chung	Republic of China	Male	71~80	–	✓	–	–	–	✓	–	–	✓	✓	–	–
Independent Director Chang Min-Yu	Republic of China	Female	61~70	–	✓	–	✓	–	–	✓	✓	–	✓	✓	–

The specific management objectives of the Company's diversity policy for the Board of Directors and the achievement status in 2025 are as follows:

A. The Company shall have at least three independent directors, and the number of independent directors shall be no less than one-third (inclusive) of all directors. The Company currently has seven directors, including three independent directors.

B. In terms of professional knowledge and skills, the Company aims to have Board members who are capable in various fields, including finance, accounting, law, business management, and industrial knowledge. The members of the Board of Directors currently possess all the necessary professional qualifications.

If the number of directors of either gender in the Board of Directors of a TWSE/TPEx listed company is insufficient, the reasons and the measures to be taken to improve the gender diversity of directors should be stated:

It is expected that at least two female directors will be added in the re-election of directors in 2027.

(2) Independence of the Board of Directors

The director election procedure of the Company is open, fair and compliant with the Company's "Articles of Incorporation," "Director Election Regulation," "Corporate Governance Best-Practice Principles," "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and "Article 14-2 of the Securities and Exchange Act." The current Board of Directors is comprised of three independent directors (42.86%) and four non-independent directors (57.14%).

The Board of Directors guides the strategies of the Company, supervises the management, and is responsible to the Company and shareholders. The Board of Directors carries out all the tasks and arrangements of the corporate governance system in accordance with laws, the Articles of Incorporation, or the resolutions of the shareholders' meeting, and exercises its power accordingly. The Board of Directors emphasizes independence and transparency. All the directors and independent directors are independent individuals and exercise their powers independently. The three independent directors abide by relevant laws and regulations. They review the control of existing or potential risks of the Company in conjunction with the authority of the Audit Committee to effectively supervise the implementation of the Company's internal controls, the selection (or dismissal) and independence of CPAs, and the proper preparation of the financial statements.

In addition, the Company has established the election of directors in accordance with the "Director Election Regulations." The cumulative voting method is adopted for the election and shareholders are encouraged to participate in the voting. Shareholders holding more than a certain number of shares may propose a list of candidates. The qualifications of the candidates are reviewed, confirmation is made regarding whether they have violated the requirements set forth in Article 30 of the Company Act, and relevant acceptance operations are announced in accordance with the law to protect the rights and interests of shareholders, prevent the nomination rights from being monopolized or misused, and maintain independence.

(II) Information on president, vice presidents, assistant managers and heads of departments and branches

April 25, 2026; Unit: Share; %

Title	Nationality	Name	Gender	Date of election Date	Shares held		Held by spouse and underage children		Held in the name of others		Major experience/education background	Concurrent position in other companies	Managerial officer who is a spouse or relative within 2nd degree of kinship			Remarks
					Number of shares (shares)	Shareholding (%)	Number of shares (shares)	Shareholding (%)	Number of shares (shares)	Shareholding (%)			Title	Name	Relationship	
President	Republic of China	Lin Chun-Hung	Male	2019.10.24	560,180	0.83	-	-	-	-	Ph.D., Department of Mechanical Engineering, National Taiwan University R&D Manager, Cooler Master Development Corporation (Cooler Master Group) Project Manager, Cooler Master Technology Inc. (Cooler Master Group)	President, Huizhou Huiliqinn Technology Co., Ltd. President, Vietnam Microloops	-	-	-	-
Vice President	Republic of China	Chen Chien-Heng	Male	2019.09.01	332,554	0.49	250,276	0.37	-	-	National Chung-Hsing Senior High School Deputy Sales Manager, Cooler Master Development Corporation (Cooler Master Group)	-	-	-	-	-
Vice President	Republic of China	Huang Meng-Kai	Male	2025.12.30	130,000	0.19	-	-	-	-	San-Chung Commercial and Industrial Vocation High School Senior Manager, President's Office, Xinruilian Science&Technology Co., Ltd. President, Xigmatek Co., Ltd.	Chairperson, Vietnam Microloops	-	-	-	-
Assistant Vice President	Republic of China	Tsai Tsih-Ming	Male	2021.07.15	1	0.00	-	-	-	-	MBA, National Taiwan University Senior Manager, Cooler Master Co., Ltd Manager, WiBASE Industrial Solutions Inc. (Wistron Group)		-	-	-	-
Assistant Vice President	Republic of China	Lin Chi-Wen	Male	2022.02.21	37,702	0.06	24,470	0.04	-	-	Bachelor, Department of Accounting, Soochow University	Director, Vietnam Microloops Assistant Vice	-	-	-	-

Title	Nationality	Name	Gender	Date of election Date	Shares held		Held by spouse and underage children		Held in the name of others		Major experience/education background	Concurrent position in other companies	Managerial officer who is a spouse or relative within 2nd degree of kinship			Remarks
					Number of shares (shares)	Shareholding (%)	Number of shares (shares)	Shareholding (%)	Number of shares (shares)	Shareholding (%)			Title	Name	Relationship	
											Accounting Department Manager, Allied Industrial Corp., Ltd.	President, Finance and Accounting Center, Huizhou Huiliqinn Technology Co., Ltd.				
Assistant Vice President	Republic of China	Li Chuan-Lun	Male	2026.04.01	150	0.00	-	-	-	-	MBA, Hong Kong Asia Business College Administrative Director, China Operations, Acme Electronics Corporation Director of Human Resources and Administration, MSI Computer (Shenzhen) Co., Ltd.	Assistant Vice President, Administration Center, Huizhou Huiliqinn Technology Co., Ltd. Assistant Vice President, Administration Center, Vietnam Microloops	-	-	-	-

(III) If the chairperson is the same person as the president or the equivalent position (the manager at the highest level), or if they are spouses or relatives of one another, the reasons, rationality, necessity, and corresponding measures should be stated: N/A

II. Remuneration paid to directors, president, and vice presidents in the most recent year

(I) Remuneration to directors and independent directors

December 31, 2025; Unit: NTD Thousand; %

Title	Name	Remuneration to directors								The sum of A, B, C and D and its percentage in net income after tax		Remuneration received by concurrent employees								Sum of A, B, C, D, E, F and G and its percentage in net income after tax		Remuneration from the reinvested business other than the subsidiaries or from the parent company
		Remuneration (A)		Retirement pension (B)		Remuneration to directors (C) Note		Business execution expense (D)				Salaries, bonuses, and special expenditure (E)		Severance pay and pension (F)		Remuneration to employees (G) Note						
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company: Cash Amount	The Company: stock Amount	All companies included in the financial statements: Cash Amount	All companies included in the financial statements: stock Amount	The Company	All companies included in the financial statements	
Director	Heng Lang Co., Ltd. Representative: Chao Yuan-Shan Heng Lang Co., Ltd. Representative: Chao Yuan-Chi Heng Lang Co., Ltd. Representative: Lin Chun-Hung Hu I-Kan	4,056	4,056	-	-	6,450	6,450	160	160	10,666 3.55%	10,666 3.55%	10,467	10,899	108	108	2,601	-	2,601	-	23,842 7.93%	24,274 8.07%	-
Independent Director	Pan Jung-Chun Hsing Chih-Chung Chang Min-Yu	720	720	-	-	4,147	4,147	285	285	5,152 1.71%	5,152 1.71%	-	-	-	-	-	-	-	-	5,152 1.71%	5,152 1.71%	-

1. Please describe the independent director's remuneration policy, system, standards, and structure, and explain the relationship between the remuneration amount and factors such as the responsibilities, risks, and time commitment involved.
   The Remuneration Committee reviews the remuneration of each independent director based on their participation in the Company's operations and their contribution. It links the reasonable and fair performance risk to the remuneration and submits a proposal to the Board of Directors for resolution after taking into account the level of salary in the industry.
2. In addition to the disclosures in the above table, the remuneration of directors for providing services (e.g. as the consultant of non-employees) to all the companies in financial statements in the recent year:
   No such situation.

Note: The actual allocated amounts have not yet been approved by the Board of Directors; therefore, only the proposed amounts are disclosed.

Table for Remuneration Ranges

Range of remuneration paid to directors	Name of director			
	The total amount of the first four remuneration items (A+B+C+D)		The total amount of the first seven remuneration items (A+B+C+D+E+F+G)	
	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements
Less than NTD 1,000,000	Chao Yuan-Shan, Hu I-Kan, Lin Chun-Hung, Pan Jung-Chun, Hsing Chih-Chung, Chang Min-Yu	Chao Yuan-Shan, Hu I-Kan, Lin Chun-Hung, Pan Jung-Chun, Hsing Chih-Chung, Chang Min-Yu	Chao Yuan-Shan, Hu I-Kan, Pan Jung-Chun, Hsing Chih-Chung, Chang Min-Yu	Chao Yuan-Shan, Hu I-Kan, Pan Jung-Chun, Hsing Chih-Chung, Chang Min-Yu
NTD 1,000,000 (inclusive) - NTD 2,000,000 (exclusive)	-	-	-	-
NTD 2,000,000 (inclusive) - NTD 3,500,000 (exclusive)	-	-	-	-
NTD 3,500,000 (inclusive) - NTD 5,000,000 (exclusive)	-	-	-	-
NTD 5,000,000 (inclusive) - NTD 10,000,000 (exclusive)	Chao Yuan-Shan	Chao Yuan-Shan	Chao Yuan-Shan	Chao Yuan-Shan
NTD 10,000,000 (inclusive) - NTD 15,000,000 (exclusive)	-	-	Lin Chun-Hung	Lin Chun-Hung
NTD 15,000,000 (inclusive) - NTD 30,000,000 (exclusive)	-	-	-	-
NTD 30,000,000 (inclusive) - NTD 50,000,000 (exclusive)	-	-	-	-
NTD 50,000,000 (inclusive) - NTD 100,000,000 (exclusive)	-	-	-	-
More than NTD 100,000,000	-	-	-	-
Total	7 people	7 people	7 people	7 people

(II) Remuneration to supervisors: The Company has established the Audit Committee, so there is no remuneration to supervisors.

(III) Remuneration to the President and Vice Presidents

December 31, 2025; Unit: NTD Thousand

<table>
<tr><th rowspan="3">Title</th><th rowspan="3">Name</th><th colspan="2">Salary (A)</th><th colspan="2">Severance pay and pension (B)</th><th colspan="2">Bonus and special subsidies (C)</th><th colspan="4">Employees' remuneration (D) Note 2</th><th colspan="2">The sum of A, B, C and D and its percentage in net income after tax</th><th rowspan="3">Remuneration from the reinvested business other than the subsidiaries or from the parent company</th></tr>
<tr><th rowspan="2">The Company</th><th rowspan="2">All companies included in the financial statements</th><th rowspan="2">The Company</th><th rowspan="2">All companies included in the financial statements</th><th rowspan="2">The Company</th><th rowspan="2">All companies included in the financial statements</th><th colspan="2">The Company</th><th colspan="2">All companies included in the financial statements</th><th rowspan="2">The Company</th><th rowspan="2">All companies included in the financial statements</th></tr>
<tr><th>Cash amount</th><th>Stock amount</th><th>Cash amount</th><th>Stock amount</th></tr>
<tr><td>President</td><td>Lin Chun-Hung</td><td rowspan="3">6,768</td><td rowspan="3">7,200</td><td rowspan="3">216</td><td rowspan="3">216</td><td rowspan="3">11,800</td><td rowspan="3">11,800</td><td rowspan="3">3,902</td><td rowspan="3">-</td><td rowspan="3">3,902</td><td rowspan="3">-</td><td rowspan="3">22,686
7.55%</td><td rowspan="3">23,118
7.69%</td><td rowspan="3">-</td></tr>
<tr><td>Vice President</td><td>Chen Chien-Heng</td></tr>
<tr><td>Vice President</td><td>Huang Meng-Kai (Note 1)</td></tr>
</table>

Note 1: Vice President Huang Meng-Kai was promoted to the manager pursuant to a resolution adopted by the Board of Directors on December 30, 2025.

Note 2: The actual allocated amounts have not yet been approved by the Board of Directors; therefore, only the proposed amounts are disclosed.

Table for Remuneration Ranges

Breakdown of remuneration to President and Vice President	Name of the President and Vice President	
	The Company	All companies included in the financial statements
Less than NTD 1,000,000	Huang Meng-Kai	Huang Meng-Kai
NTD 1,000,000 (inclusive) - NTD 2,000,000 (exclusive)	-	-
NTD 2,000,000 (inclusive) - NTD 3,500,000 (exclusive)	-	-
NTD 3,500,000 (inclusive) - NTD 5,000,000 (exclusive)	-	-
NTD 5,000,000 (inclusive) - NTD 10,000,000 (exclusive)	Chen Chien-Heng	Chen Chien-Heng
NTD 10,000,000 (inclusive) - NTD 15,000,000 (exclusive)	Lin Chun-Hung	Lin Chun-Hung
NTD 15,000,000 (inclusive) - NTD 30,000,000 (exclusive)	-	-
NTD 30,000,000 (inclusive) - NTD 50,000,000 (exclusive)	-	-
NTD 50,000,000 (inclusive) - NTD 100,000,000 (exclusive)	-	-
More than NTD 100,000,000	-	-
Total	3 people	3 people

(IV) Name of managers who received employee remuneration and the status of distribution

December 31, 2025; Unit: NTD Thousand

	Title	Name	Stock amount	Cash amount	Total	As a percentage of net income after tax (%)
Manager	President	Lin Chun-Hung	-	5,723	5,723	1.90%
	Vice President	Chen Chien-Heng				
	Vice President	Huang Meng-Kai				
	Assistant Vice President	Tsai Tsih-Ming				
	Assistant Vice President	Lin Chi-Wen				

Note: The actual allocated amounts have not yet been approved by the Board of Directors; therefore, only the proposed amounts are disclosed.

(V) Analysis of the proportion of the total remuneration paid to the directors, supervisors, presidents, and vice presidents of the Company and all the companies in the consolidated statements in the most recent two years to the net profit after tax, and explanation of the policies, standards and combinations, as well as procedures for setting the remuneration, and the relevance to the operating performance of the Company and future risks:

1. Total remuneration as a percentage of net income after tax in the most recent two years

Unit: NTD Thousand

Item \ Year	2024		2025	
	The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements
Total remuneration to directors	9,140	9,140	15,818	15,818
Total remuneration to directors as a percentage of net income after tax (%)	8.63	8.63	5.26	5.26
Total remuneration to supervisors (Note 1)	-	-	-	-
Total remuneration to supervisors as a percentage of net income after tax) (%)	-	-	-	-
Total remuneration to the president and vice presidents (Note 2)	16,117	16,447	22,686	23,118
Total remuneration to the president and vice presidents as a percentage of net income after tax (%)	15.21	15.53	7.55	7.69

Note 1: After the full re-election at the general shareholders' meeting on July 7, 2021, all the supervisors were relieved of duty.

Note 2: The actual allocated amounts of employee remuneration have not yet been approved by the Board of Directors; therefore, only the proposed amounts are disclosed.

2. Policies, standards and combinations, as well procedures for setting the remuneration to the directors, supervisors, presidents and vice presidents, and their connections to business performance and future risk:

   The remuneration to the directors is paid in accordance with the Articles of Incorporation of the Company in consideration of the Company's operating results and the contribution to the Company's performance. The remuneration to the president and vice presidents is determined based on the positions held by them, the responsibilities borne by them, the business performance, and the future risks, and with reference to the standard in the same industry for the same position.

   The Company established the Remuneration Committee in 2021. The Committee regularly reviews the performance appraisal of directors and managers, and the policies, systems, standards and structures of remuneration, and submits the report to the Board of Directors for discussion.

   In conclusion, the remuneration policy and the procedure for determining the remuneration of directors, the president, and the vice president are positively related to the operating performance. The remuneration system is reviewed in a timely manner in accordance with the operations of the Company and relevant laws and regulations, in order to achieve a balance between sustainable operation and risk control.

III. Operation of corporate governance

(I) Operation of the Board of Directors

The Board of Directors held eight meetings (A) in the most recent year (2025). The attendance of directors is as follows:

Title	Name	Actual number of attendance (with or without voting rights) (B)	Attendance by proxy	Actual Attendance with or without voting rights (%) (B/A)	Remarks
Chairperson	Heng Lang Co., Ltd. Representative: Chao Yuan-Shan	8	0	100.00%	
Director	Heng Lang Co., Ltd. Representative: Chao Yuan-Chi	8	0	100.00%	
Director	Heng Lang Co., Ltd. Representative: Lin Chun-Hung	8	0	100.00%	
Director	Hu I-Kan	8	0	100.00%	
Independent Director	Pan Jung-Chun	8	0	100.00%	
Independent Director	Hsing Chih-Chung	8	0	100.00%	
Independent Director	Chang Min-Yu	8	0	100.00%	

Other matters to be recorded:

I. In case of any of the following circumstances in the operation of the board of directors, state the date of the board meeting, the number of the meeting session, the contents of the motion, all the opinions of the independent directors and the Company's handling of such opinions of the independent directors:

(I) Matters listed in Article 14-3 of the Securities and Exchange Act: N/A. The Company has established an Audit Committee and is subject to Article 14-5 of the Securities and Exchange Act. Please refer to IV (II), "Information on the operation of the Audit Committee" on pages 24–27.

(II) Other than the matters mentioned above, the resolutions with records or written statements on which independent directors have dissenting opinions or qualified opinions: None.

II. For the recusal of a director from a proposal due to a conflict of interest, the name of the director, the content of the proposal, the reason for the recusal, and the participation in voting shall be stated:

Date of meeting	Name of director	Proposal	Reasons for recusal	Participation in voting
2025.03.10	Chao Yuan-Shan Chao Yuan-Chi Lin Chun-Hung Hu I-Kan Pan Jung-Chun Hsing Chih-Chung Chang	1. Distribution of remuneration to managers, employees and directors for 2024 2. The appointment of a manager of the Company to concurrently serve as a manager of the sub-subsidiary, Vietnam Microloops Corp (hereinafter referred to as "Vietnam Microloops") 3. Lifting of competition prohibition against managerial officers of the Company 4. Lifting of non-competition restriction on	Own interests involved	(1) Remuneration to the managers: Director Chun-Hung Lin, who serves as the President concurrently, recused himself from the discussion and voting and did not participate in this discussion and voting. (2) Remuneration to directors: The remuneration to each director was voted on separately. When discussing and resolving their remuneration, the director involved recused himself/herself from the discussion and voting as required by law and did not participate in the discussion and voting. (3) Appointment of the managers:

		Min-Yu	the Company's directors		Director Chun-Hung Lin, who serves as the President concurrently, recused himself from the discussion and voting and did not participate in this discussion and voting. (4) The prohibition on competition for managers: Director Lin Chun-Hun, who serves as the President and a manager concurrently, recused himself from the discussion and voting and did not participate in the discussion and voting. (5) The prohibition on competition for directors: Based on individual voting for each director, when discussing and resolving matters concerning personal non-competition restrictions, each director legally recused themselves due to conflicts of interest and did not participate in the discussion or voting.
	2025.08.12	Lin Chun-Hung	1. 2025 remuneration to managers	Own interests involved	(1) Remuneration to the managers: Director Chun-Hung Lin, who serves as the President concurrently, recused himself from the discussion and voting and did not participate in this discussion and voting.
	2025.10.03	Lin Chun-Hung	1. Proposal for the Company’s managers and directors with employee status to participate in the employee subscription of newly issued shares for cash capital increase.	Own interests involved	(1) Employee share subscription by manager: Director Chun-Hung Lin, who serves as the President concurrently, recused himself from the discussion and voting in accordance with the law and did not participate in the discussion and voting.
	2025.12.30	Chao Yuan-Shan Chao Yuan-Chi Lin Chun-Hung Hu I-Kan Pan Jung-Chun Hsing Chih-Chung Chang Min-Yu	1. The 2026 remuneration and other compensations to the Chairperson 2. 2026 remuneration to directors (excluding Chairperson) and independent directors 3. Other 2026 compensations for managers 4. 2025 performance appraisal of managers and year-end bonus	Own interests involved	(1) Remuneration to Chairperson: Chairperson Chao Yuan-Shan recused himself from the discussion and voting of the remuneration and did not participate in the discussion and voting. (2) Remuneration to directors: The remuneration for each director was voted on separately. When discussing and resolving their remuneration, the director involved recused himself/herself from the discussion and voting as required by law and did not participate in the discussion and voting (3) Remuneration to Chairman: Director Lin Chun-Hung, who

				serves as the President concurrently, recused himself from the discussion and voting on the remuneration and did not participate in the discussion and voting. (4) Performance appraisal of managers and their year-end bonus: Director Lin Chun-Hung, who serves as the President concurrently, recused himself from the discussion and voting on the performance appraisal of managers and their year-end bonus, and did not participate in the discussion and voting.

III. TWSE/TPEx Listed Companies should disclose information including the evaluation cycle and period, evaluation scope, method and evaluation content of the Board's self (or peer evaluation), and the implementation status of the evaluation:

Evaluation cycle	Once a year
Evaluation period	2025/01/01–2025/12/31
Scope of evaluation	Performance evaluation of the overall Board of Directors, individual board members, and functional committees
Evaluation method	Internal self-evaluation of the Board of Directors, self-evaluation by board members, and self-evaluation by functional committees
Evaluation content	I. Board of Directors performance evaluation includes the following five dimensions: 1. Degree of participation in the Company's operations 2. Enhancement of the quality of Board of Directors decision-making 3. Composition and structure of the Board of Directors 4. Election and continuing education of directors 5. Internal control II. Performance evaluation of individual directors includes the following six dimensions: 1. Understanding of the Company's goals and missions 2. Awareness of directors' duties 3. Degree of participation in the Company's operations 4. Internal relationship management and communication 5. Professional expertise and continuing education of directors 6. Internal control III. Performance evaluation of functional committees includes the following five dimensions: 1. Degree of participation in the Company's operations 2. Awareness of the duties of functional committees 3. Enhancement of the quality of functional committee decision-making 4. Composition of functional committees and selection of committee members 5. Internal control

IV. Targets for enhancing the function of the Board of Directors in the current year and the most recent year (such as setting up an audit committee and improving information transparency) and implementation assessment: The Company established the Audit Committee and the Remuneration Committee in 2021. Please refer to IV (II), "Information on the operation of the Audit Committee" and (IV) "Information on the operation of the Remuneration Committee" on pages 24 and 33.

(II) Operation of the Audit Committee

The Audit Committee held seven meetings (A) in the most recent year (2025). The attendance of members is as follows:

Title	Name	Actual number of attendance (with or without voting rights) (B)	Attendance by proxy	Actual Attendance with or without voting rights (%) (B/A)	Remarks
Independent Director (Convener)	Pan Jung-Chun	7	0	100%	-
Independent Director	Hsing Chih-Chung	7	0	100%	-
Independent Director	Chang Min-Yu	7	0	100%	-

I. For the professional qualifications and experience of the members of the Audit Committee, please refer to pages 6–12, “Disclosure of information on the professional qualifications and independence of independent directors.”

II. The formation and operation of the Audit Committee:

The Company’s Audit Committee consists of three independent directors with a term from June 19, 2024, to June 18, 2027. The Committee is mainly responsible for the supervision of the following matters:

(I) Appropriate expression of the Company’s financial statements
(II) Selection (dismissal) of CPAs and their independence and performance
(III) Effective implementation of the Company’s internal control
(IV) The Company’s compliance with related laws and rules
(V) Control over the Company’s existing or potential risks

III. Other matters to be recorded:

(I) Where any of the following circumstances occur to the operation of the Audit Committee, the date, term, and proposal of the Audit Committee meeting, as well as the dissent, reservation, or major suggestion of any independent director, the Audit Committee’s resolution, and how the Company handles the Committee’s opinions shall be specified:

1. The matters referred to in Article 14-5 of the Securities and Exchange Act:

Audit committee date/meeting session	Proposal	Audit Committee’s resolution and the Company’s response to the Audit Committee’s opinions
2025.03.10 (1st meeting in 2025)	1. 2024 Business Report and financial statements 2. 2024 earnings distribution 3. 2024 distribution of cash dividends to shareholders from earnings 4. The Company’s 2025 financial statements and tax certification fees 5. 2024 self-assessment results under the internal control system and issuance of the Statement of Internal Control System for listing of stocks 6. Lifting of non-competition restriction on the Company's directors	1. Resolution: All members present agree to pass the resolution and submit to the Board of Directors for approval. 2. The Company's response to Audit Committee's opinions: Submitted to the Board of Directors subject to approval of all directors present
2025.04.14 (2nd meeting in 2025)	1. Amendment to the risk management policy and procedures 2. Since the balance of the Company’s accounts receivable exceeds the normal credit period for more than three months and is intended to be classified as a case other than loaning of funds to others.	
2025.05.13 (3rd meeting in	1. 2025 Q1 consolidated financial statements 2. Amendment to the Audit Committee Charter	

	2025)	3. Since the balance of the Company's accounts receivable exceeds the normal credit period for more than three months and is intended to be classified as a case other than loaning of funds to others.	
	2025.08.12 (4th meeting in 2025)	1. 2025 Q2 consolidated financial statements 2. Proposal for amendments to the Company's internal control system operation for the "Payroll Cycle." 3. Proposal for amendments to the Company's internal control system operation for "Computer Processing Operations." 4. Proposal for a cash capital increase through issuance of new shares for the Company's initial public offering and public underwriting. 5. Since the balance of the Company's accounts receivable exceeds the normal credit period for more than three months and is intended to be classified as a case other than loaning of funds to others.	
	2025.10.03 (5th meeting in 2025)	1. Proposal for providing endorsement and guarantee for the subsidiary, Microloops Vietnam Corp (hereinafter referred to as "Microloops Vietnam"). 2. Since the balance of the Company's accounts receivable exceeds the normal credit period for more than three months and is intended to be classified as a case other than loaning of funds to others.	
	2025.11.7 (6th meeting in 2025)	1. 2025 Q3 consolidated financial statements 2. Since the balance of the Company's accounts receivable exceeds the normal credit period for more than three months and is intended to be classified as a case other than loaning of funds to others.	
	2025.12.30 (7th meeting in 2025)	1. 2026 budget planning of the Company 2. 2026 audit plan of the Company 3. Proposal not to distribute the 2025 earnings of the Company's overseas investee companies. 4. Proposal to increase the investment amount in the subsidiary, Vietnam Microloops Corp (hereinafter referred to as "Vietnam Microloops"). 5. Since the balance of the Company's accounts receivable exceeds the normal credit period for more than three months and is intended to be classified as a case other than loaning of funds to others.	

2. Other than the those described above, any resolutions unapproved by the Audit Committee but passed by more than two-thirds of directors: None.

(II) Where the implementation status of recusal bearing on the interest of an independent director is involved, the name of the independent director, proposal, reasons for the recusal, and participation in the voting shall be specified: None.

(III) Communication between independent directors and internal chief audit/CPAs (major matters, methods and results of communication on the Company's financial and business conditions, etc., should be included):

1. Policy of communication between the independent directors, internal audit officer, and CPAs:
   (1) The internal audit officer and the independent directors shall meet at least once per quarter. The independent directors shall give opinions or instructions on the implementation status of the internal audit reported by the audit officer at the Audit Committee meeting. They shall communicate by phone or email from time to time and can call a meeting at any time if any major unusual matters occur.
   (2) The independent directors and the CPAs hold a communication meeting at least once a year. The CPAs report and communicate to the independent directors on the Company's consolidated financial position and overall operations, internal control audit status, new IFRS bulletins, tax laws, securities and exchange laws, new audit bulletins, and recent important legal amendments. The communication meeting shall be recorded and the records shall be retained.
2. The communication on implementation between the independent directors, the internal audit officer and CPAs in 2025:
   (1) Communication between the Head of Internal Audit and Independent Directors:
   The Company's audit head submits the previous month's audit report to independent directors via email every month, while simultaneously reporting on the Company's recent major operational activities. Communication between both parties is satisfactory. The audit head attends the Audit Committee meeting quarterly to report on the execution of audit operations for the previous quarter. After being reviewed and approved by the Audit Committee, the report is then presented to the board of directors. The main communication points are summarized as follows:

Date	Focus of communication	Communication result
2025.03.10	(1) 2024 Q4 audit result report. (2) Deficiency follow-up and review report under the 2024 Q4 audit result report	Noted and no suggestions
2025.05.13	(1) 2025 Q1 audit result report. (2) Deficiency follow-up and review report under the 2025 Q1 audit result report	Noted and no suggestions
2025.08.12	(1) 2025 Q2 audit result report. (2) Deficiency follow-up and review report under the 2025 Q2 audit result report	Noted and no suggestions
2025.11.07	(1) 2025 Q3 audit result report. (2) Deficiency follow-up and review report under the 2025 Q3 audit result report	Noted and no suggestions

   (2) Communication between the CPAs and the governing body:

Date	Focus of communication	Communication result
2025.03.10	1. Description of the 2024 financial statements, CPAs' audit opinions, audit scope, and key audit matters. 2. Impact of the latest amendments to laws and regulations: (1) Amendments to the Q&A for the Regulations Governing Establishment of Internal Control Systems. (2) Amendments to Article 14 of the Securities and Exchange Act. (3) Announced amendments to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers."	No suggestions
2025.05.13	1. Explanation of the CPA's review scope, review conclusion, and review findings, etc., for the financial report for the first quarter of 2025. 2. Impact of the latest amendments to laws and regulations: (1) Information reporting operations and material information of listed companies. (2) Draft amendment to Article 10-1 of the Industrial Innovation Statute regarding tax credits for equipment investment (third reading by the Legislative Yuan).	No suggestions

	2025.08.12	1. Explanation of the CPA's review scope, review conclusion, and review findings, etc., for the financial report for the second quarter of 2025. 2. Impact of the latest amendments to laws and regulations: (1) IFRS 18 – new statement of profit or loss structure. (2) Announced draft amendments to the Regulations Governing Information to be Published in Annual Reports of Public Companies.	No suggestions
	2025.11.07	1. Explanation of the CPA's review scope, review opinion, and review findings, etc., for the financial report for the third quarter of 2025. 2. Annual audit plan	No suggestions

(III) Corporate governance implementation and the deviations from the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies and reasons

Assessment item	Implementation			Deviations from Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Summary	
I. Has the Company established and disclosed the Corporate Governance Best-Practice Principles in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?	✓		The Company has established the "Corporate Governance Best-Practice Principles" in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and disclosed it on the Company's website and the "Corporate Governance Section of Market Observation Post System."	No significant deviation
II. Shareholding structure and shareholders' equity (I) Has the Company established internal operating procedures to deal with shareholders' suggestions, doubts, disputes and lawsuits, and implemented them in accordance with the procedures?	✓		(I) The Company has appointed a shareholder service agent to handle stock affairs, and has also established a spokesperson system, in which the spokesperson (or acting spokesperson) accepts and responds to the suggestions and concerns of shareholders.	No significant deviation
(II) Has the Company maintained a register of major shareholders with controlling power as well as a register of persons exercising ultimate control over those major shareholders?	✓		(II) The Company keeps track of the actual status of directors, managers, and major shareholders holding more than 10% of the shares. The Company declares the relevant information on the MOPS on a monthly basis.	No significant deviation
(III) Has the Company established and implemented risk control and firewall mechanisms between itself and its affiliates?	✓		(III) The Company has established the "Regulations Governing the Financial and Business Matters Between Related Parties" and the "Regulations Governing the Supervision and Management of Subsidiaries." The Company's supervision and management of subsidiaries are implemented in accordance with the relevant regulations, and the business transactions between the Company and its affiliates are handled in accordance with relevant transaction management regulations in order to implement the risk control and firewall mechanism.	No significant deviation
(IV) Has the Company stipulated internal regulations prohibiting inside personnel from trading securities using information that has not yet been disclosed on the market?	✓		(IV) The Company has established the "Internal Material Information Processing Procedure" and "Insider Trading Prevention Management Regulations," and communicated related laws and regulations to insiders from time to time.	No significant deviation
III. The composition and duties of the Board of Directors (I) Does the Board of Directors have a diversity policy and specific management goals and implement these accordingly?	✓		(I) The Company's directors are specialized in different fields. The Company has implemented the policy of diversification of the Board of Directors and specific management goals.	No significant deviation

Assessment item	Implementation			Deviations from Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Summary	
(II) In addition to the Remuneration Committee and Audit Committee, has the Company voluntarily set up other functional committees?		✓	(II) The Company established the Remuneration Committee and Audit Committee on July 16, 2021. These two functional committees are composed of three independent directors, respectively.	To be set up depending on the actual needs of the Company
(III) Has the Company established the Regulations Governing the Board Performance Evaluation and its evaluation methods, and does the Company perform a regular performance evaluation each year and submit the results of performance evaluations to the Board of Directors and use them as a reference in determining compensation for individual directors, their nomination, and additional office terms?	✓		(III) The Company's Board of Directors has approved the establishment of the "Regulations Governing the Board Performance Evaluation" to conduct performance appraisal of the Board of Directors and functional committees (including the Remuneration Committee and Audit Committee) at least once a year and submit the evaluation results to the Board of Directors. At the end of each year, the finance and accounting center is responsible for the implementation and coordination of the evaluation, and internal questionnaires are adopted. The evaluation is conducted through internal self-assessment. The evaluation of Board members and functional committee members is conducted through self-assessment, including the performance of the Board of Directors, individual members of the Board of Directors, and the functional committees. The performance appraisal standards of the Board of Directors and functional committees mainly include participation in the Company's operations, improvement of the decision-making quality of the Board of Directors and functional committees, composition and structure of the Board of Directors and functional committees, selection and ongoing education of directors and committee members, and internal control, among other factors. The evaluation results are submitted to the Board of Directors and used as a reference for determining the remuneration of individual directors and their selection or nomination. The Company has completed the 2025 performance appraisal. The results of the evaluation show that the overall Board of Directors and committees are operating well. The results of the performance appraisal were reported to the Board of Directors on December 30, 2025.	No significant deviation
(IV) Does the Company regularly assess the independence of the independent auditors?	✓		(IV) On March 11, 2026, the Board of Directors evaluated the independence of the CPAs based on the Audit Quality Indexes	No significant deviation

Assessment item	Implementation			Deviations from Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Summary	
			(AQIs) and decided the appointment of the CPAs based on the evaluation results.	
IV. Does the Company, if listed on TWSE/TPEx, appoint adequate persons and a chief governance officer to be in charge of corporate governance matters (including, but not limited to, providing directors and supervisors with the required information for business execution, assisting directors and supervisors in complying with laws and regulations, handling matters related to the Board meetings and shareholders' meetings, and keeping minutes of the Board meetings and shareholders' meetings in accordance with the law)?	✓		The Company's Assistant Vice President of the Finance and Accounting Center serves as the Chief Corporate Governance Officer concurrently and the Finance and Accounting Center is responsible for corporate governance matters.	No significant deviation
V. Has the Company established communication channels for stakeholders (including but not limited to shareholders, employees, customers and suppliers), set up a stakeholder section on the Company's website, and responded appropriately to important corporate social responsibility issues that are of most concern to stakeholders?	✓		The Company has appointed a spokesperson and an acting spokesperson and established a communication channel for stakeholders to respond to and handle important corporate social responsibility issues that are of most concern to stakeholders in a timely manner.	No significant deviation
VI. Has the Company appointed a professional shareholder service agent to handle shareholders' meeting affairs?	✓		The Company has appointed HORIZON SECURITIES CO., LTD. as the shareholder service agent to handle shareholders' meeting affairs.	No significant deviation
VII. Disclosure of Information (I) Has the Company set up a website to disclose financial, business, and corporate governance information? (II) Does the Company have other means to disclose information (e.g. an English website, dedicated personnel to collect and disclose information, a spokesperson system, content of investor conferences on the Company's website)? (III) Does the Company announce and report the annual financial reports within two months after the end of the fiscal year, and announce and report the first, second, and third quarter financial reports and monthly operating status before the	 ✓ ✓	 ✓	(I) The Company has set up a website to disclose financial, business, and corporate governance information in accordance with laws and regulations. (II) The Company has appointed a spokesperson and an acting spokesperson to handle related matters, and appointed dedicated personnel to be responsible for the collection and disclosure of relevant information. (III) The Company announced and filed its financial report-related information and monthly revenue information within the prescribed deadlines, and also announced and filed such information on the Market Observation Post System before the	No significant deviation No significant deviation No significant deviation

Assessment item	Implementation			Deviations from Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Summary	
prescribed deadline?			required deadlines, while simultaneously uploading it to the Company’s website.	
VIII. Is there any other important information that helps understand the Company’s corporate governance practices (including but not limited to employee rights, employee care, investor relations, supplier relations, rights of stakeholders, continuing education of directors and supervisors, implementation of risk management policies and risk assessment standards, implementation of customer policies, and liability insurance for directors and supervisors)?	✓		(I) Employee rights: The Company protects the legal rights of employees and formulates personnel management regulations to protect the rights of the employees. In addition to the pension, labor insurance, and health insurance for employees as required by law, the Company provides group insurance to enhance employee protection. The Company also provides employees with sufficient education and training, as well as channels for them to fully express their opinions, in the hope of establishing a relationship of mutual trust between the Company and its employees. (II) Employee care: In addition to the government’s relevant regulations, the Company regularly subsidizes employee health checkups, establishes policies for wedding, funeral, and celebration care, and organizes gatherings and employee trips from time to time to enhance the physical and mental well-being of employees. (III) Investor relations: The Company fully discloses information on the MOPS and the Company’s website to enable investors to fully understand the Company’s operational status and communicate with them through shareholders’ meetings and spokespersons. (IV) Supplier relations: Based on the principle of ethical corporate management, the Company insists on the transparency of operations. All the subsidiaries of the Group uphold the spirit of mutual trust and mutual benefit to maintain good relationships with the suppliers, grow together with them, and create a win-win situation. (V) Rights of stakeholders: The Company has established a spokesperson system, established communication channels for customers, employees, shareholders, and suppliers, and respects their legitimate rights and interests. (VI) Continuing education of directors: Please refer to (VII) for details. The Company discloses such information in the	No significant deviation

<table>
<tr><th rowspan="2">Assessment item</th><th colspan="3">Implementation</th><th rowspan="2">Deviations from Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>"Corporate Governance Section of Market Observation Post System" as required by law.
(VII) Implementation of risk management policies and risk assessment standards: The Company has established an internal control system and related management measures, and implements them in accordance with laws to reduce and prevent any possible risks.
(VIII) Implementation of customer policies: The Company maintains good communication channels for customers and has a good implementation status.
(IX) Liability insurance for directors: The Company has taken out liability insurance for directors to protect the rights and interests of shareholders. This information is disclosed in the "Corporate Governance Section of Market Observation Post System."</td><td></td></tr>
<tr><td colspan="5">IX. Please describe improvements made based on the corporate governance evaluation results published by the TWSE Corporate Governance Center in the most recent year, and propose prioritized enhancements for the issues and measures that have not yet been improved:
The Company was listed on November 25, 2025 and, as less than one year had elapsed in 2025, it was not included among the evaluated companies.</td></tr>
</table>

(IV) Operation of the Remuneration Committee:

1. Information of the Remuneration Committee members

Identity	Name/condition	Professional qualifications and experience	Independence	Number of other public companies where the individual concurrently serves as a member of the remuneration committee
Independent Director (Convener)	Pan Jung-Chun	All the members are independent directors. Please refer to pages 10–11, Disclosure of information on the professional qualifications and independence of independent directors.		0
Independent Director	Hsing Chih-Chung			0
Independent Director	Chang Min-Yu			1

2. The focus of the Remuneration Committee

(1) Regularly review the performance appraisal of directors and managers, and the policies, systems, standards and structures of remuneration.

(2) Regularly assess and review the content and amount of the remuneration to directors and managers.

3. The Remuneration Committee consists of three members, all of whom are independent directors, with a term of office from July 11, 2024 to June 18, 2027.

The Remuneration Committee held 4 meetings (A) in the most recent year (2025). The attendance of members is as follows:

Title	Name	Actual number of attendance (with or without voting rights) (B)	Attendance by proxy	Actual Attendance with or without voting rights (%) (B/A)	Remarks
Independent Director (Convener)	Pan Jung-Chun	4	0	100%	-
Independent Director	Hsing Chih-Chung	4	0	100%	-
Independent Director	Chang Min-Yu	4	0	100%	-

Other matters to be recorded:

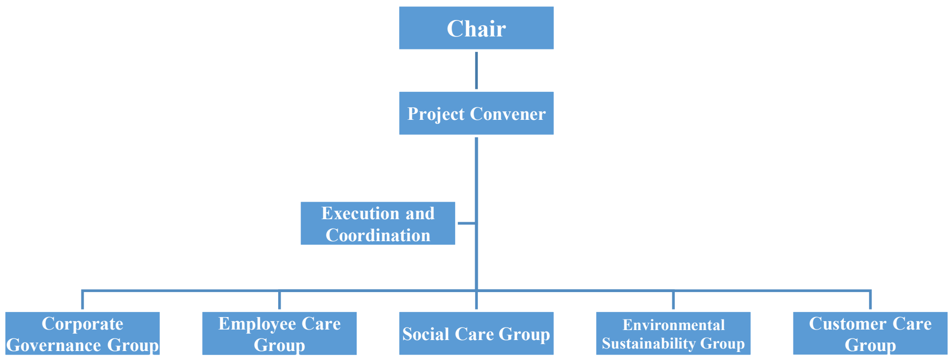
Remuneration Committee Date/meeting	Proposal	Remuneration Committee's resolution and the Company's response to the Remuneration Committee's opinions
2025.03.10 (1st meeting in 2025)	1. Distribution of remuneration to employees and directors for 2024 2. Distribution of remuneration to managers, employees and directors for 2024 3. The appointment of a manager of the Company to concurrently serve as a manager of the sub-subsidiary, Vietnam Microloops Corp (hereinafter referred to as "Vietnam Microloops")	1. Resolution: All members present agree to pass the resolution and submit to the Board of Directors for approval. 2. The Company's response to Remuneration Committee's opinions: Submitted to the Board of Directors subject to approval of all directors present.
2025.08.12 (2nd meeting in 2025)	1. 2025 remuneration to managers	
2025.10.03 (3rd meeting in	1. Proposal for the Company's managers and directors with employee status to participate in	

2025)	the employee subscription of newly issued shares for cash capital increase.	
2025.12.30 (4th meeting in 2025)	1. The 2026 remuneration and other compensations to the Chairperson 2. 2026 remuneration to directors (excluding Chairperson) and independent directors 3. Appointment of the Company's manager 4. Other 2026 compensations for managers 5. 2025 performance appraisal of managers and their year-end bonus	

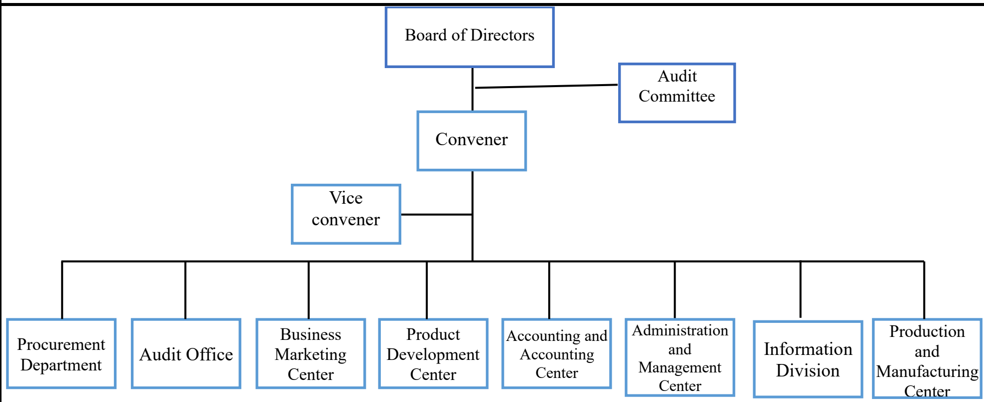
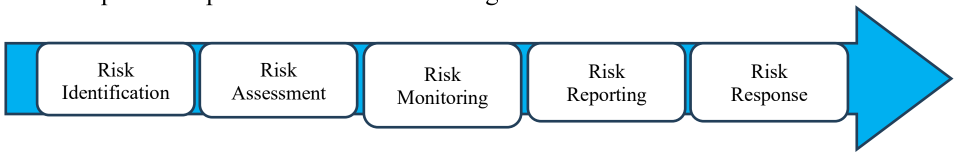
I. If the Board of Directors declines to adopt or revise the recommendations of the Remuneration Committee, specify the date and session of the Board meeting, the content of the motion, the resolution of the Board of Directors, and the Company's response to the Remuneration Committee's opinions. (If the remuneration approved by the Board of Directors is better than that recommended by the Remuneration Committee, the differences and reasons shall be stated): None.

II. If any member has a dissenting or qualified opinion with respect to a resolution of the Remuneration Committee, and said dissenting or qualified opinion has been recorded or prepared as a written declaration, the date and session of the meeting, the content of the motion, the opinions of all members, and how said dissenting or qualified opinion is handled shall be stated: None.

(V) Implementation of sustainable development and deviation from the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons

Assessment item	Implementation			Deviation from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies and reasons Listed Companies and reasons
	Yes	No	Summary	
I. Has the Company established a governance structure that promotes sustainable development and a dedicated (or ad hoc) unit that specializes in it? Is the Board of Directors authorized to handle this matter? How does the Board of Directors supervise this matter?	✓		The Board of Directors resolved to establish the "Sustainable Development Best-Practice Principles" on February 18, 2021. The Sustainable Development Committee was established on November 29, 2023, and its name was changed to Sustainable Development Team on December 23, 2024. The Chairperson acts as the chair and the President acts as the convener of the Team. Its organizational structure is as follows:  To further implement and promote sustainable development, the Company's Board of Directors resolved on April 14, 2025 to approve the preparation of the 2024 Sustainability Report in accordance with the GRI Standards. The Company has also planned to incorporate the SASB Standards into the preparation of the 2025 Sustainability Report. In addition, the greenhouse gas inventory verification has been	Please refer to the description on the left side

Assessment item	Implementation			Deviation from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies and reasons Listed Companies and reasons
	Yes	No	Summary	
			entrusted to an external company for ISO 14064 verification. The implementation status was reported to the Board of Directors on December 30, 2025. Supervision of the Board of Directors on the sustainable development: The Board of Directors fulfills the duty of care as a good administrator and provides an opinion or instruction on the results of implementation, which are used as a reference for future improvements.	
II. Does the Company implement risk assessments of environmental, social, and corporate governance issues related to its operations, and establish relevant risk management policies or strategies based on the principle of materiality?	✓		1. Risk management policy: In order to strengthen corporate governance and effectively implement a sound corporate risk management mechanism to reduce the risks that the Company may face in its operations, the Company established the “Risk Management Policy and Procedure” on December 27, 2023. The Board of Directors gave its approval on the same day. Each department discloses the risk exposure status of its operating activities and proposes self-assessment and response measures. The risk assessment data of the departments are summarized and submitted to the convener to achieve the goal of sustainable and stable operations. 2. The structure of the risk management organization: In terms of the Company’s risk management organization and system, the Board of Directors is the highest authority for the Company’s risk management, and the Company’s overall risk management is promoted and implemented in accordance with the law. The risk of the Company’s business operations is clearly understood, and the effectiveness of risk management is ensured. The President serves as the convener and regularly reports the risk management results to the Board of Directors. The organizational structure is as follows:	No significant deviation

Assessment item	Implementation			Deviation from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies and reasons Listed Companies and reasons
	Yes	No	Summary	
			 3. Scope and implementation of risk management:  The Company followed the aforementioned five steps in the "Risk Management Policy and Procedure" to assess the frequency of occurrence and extent of losses of the risk sources for each department for 2026 in terms of economy, governance, environment and society, and conducted risk level measurement. The Company identified the possible risk sources for 2026 and proposed corresponding policies to the Board of Directors on March 11, 2026.	

<table>
<tr><th rowspan="2">Assessment item</th><th colspan="3">Implementation</th><th rowspan="2">Deviation from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies and reasons Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>4. The Board of Directors reported the following risk management items and responses for 2026 on March 11, 2026:

<table>
<tr><th>Aspect</th><th>Risk item</th><th>Risk content</th><th>Action</th></tr>
<tr><td rowspan="2">Economy/governance aspect</td><td rowspan="2">Strategic risk</td><td>The Company has formulated operating strategies, annual budgets, business performance, etc., and the achievement rate is too low.</td><td>Through the Board of Directors' meetings, the professional experiences of each director are used to meet the business management needs and assist the Company with review and approval. Implementation commenced after the Board of Directors gave its approval.</td></tr>
<tr><td>Political and economic tensions between the United States and China continue to escalate, while the AI wave continues to expand bilaterally. Demand for AI core chips, whether general-purpose or application-specific, is likewise expanding in both directions, driving overall demand to continue rising.</td><td>The Company will increase the number of production sites and enhance supply capacity to diversify the risks arising from trade sanctions. It will also expand the development of customers for general-purpose chips while continuing to deepen its engagement with ASIC customers to broaden market coverage, thereby diversifying regions and products and reducing the risk of excessive reliance on any single customer.</td></tr>
<tr><td>Economy/governance aspect</td><td>Legal risk</td><td>1. The Company's product might infringe upon patents and this may constitute a serious illegal act,</td><td>1. Prevention in advance:
(1)The Product Development Center will work closely with the Administration</td></tr>
</table>
</td><td></td></tr>
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Assessment item	Implementation							Deviation from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies and reasons Listed Companies and reasons
	Yes	No	Summary					
					causing the management to bear civil or criminal liabilities or, in terms of minor impact, damaging the Company's finances or business reputation. 2. Infringement upon the copyrights of others may seriously violate the law, and management may bear civil and criminal liabilities, or, in cases of minor impact, may result in financial or business losses.	and Management Center to conduct relevant searches, analyses, and research on intellectual property rights during product design and development. If needed, they will obtain legal licenses or recuse themselves when necessary to avoid infringement. (2) The Administration and Management Center shall conduct irregular training on legal compliance for all employees of the Company, so that employees can clearly understand the risks and losses of violating copyright law. 2. Effective response afterwards In the rare circumstances when violations are identified, the Administration and Management Center will immediately clarify the facts with related units to actively protect the rights and interests of the Company and customers.	
				Financial risk	If the currency of the main business activities is different from the functional currency, the exchange rate fluctuation may affect the profit and loss and future	1. The remitted payments for goods are converted into NTD or deposited in foreign currency accounts depending on the actual fund demand and exchange	

Assessment item	Implementation						Deviation from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies and reasons Listed Companies and reasons
	Yes	No	Summary				
					expenses.	rate changes. The Company will use foreign exchange flexibly to reduce the impact of exchange rate changes. 2. The Company will keep an eye on the impact of the economic situation on the exchange rate, fully grasp the trend of the exchange rate, and take necessary hedging measures.	
					In response to customers' surging demand for thermal management components, the need for advanced inventory preparation and R&D funding has increased significantly. In addition, fluctuations in accounts receivable turnover days may place pressure on working capital management.	The Company has strengthened its cash flow forecasting mechanism by increasing the forecasting frequency to a weekly basis. It is also negotiating flexible financing facilities with partner banks to ensure sufficient support for capacity expansion needs.	
			Economy/governance aspect	Operational risk	The Company's major customers have shifted from system manufacturers to international leading companies. However, its R&D resources may not be able to keep pace in a timely manner, including: 1. Insufficient language proficiency or professional expertise, resulting in ineffective communication with	1. Continue recruiting R&D talent and strengthen both the quality and quantity of human resources to meet customers' increasing consumption of R&D resources. 2. Establish FAE or PM functions to enhance customer communication and market analysis capabilities, thereby aligning more closely with market and	

Assessment item	Implementation: Yes	Implementation: No	Implementation: Summary				Deviation from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies and reasons Listed Companies and reasons
					customers. 2. Product development and manufacturing capabilities may fail to keep pace with customers' schedules and quality requirements. 3. Stagnation in technological development or incorrect strategic direction, causing products to fall out of alignment with future mainstream market trends.	customer needs. 3. Strengthen the implementation of customer requirements in product development and manufacturing processes to satisfy customer expectations. 4. Continue developing new products to maintain product competitiveness.	
					The Company has suffered losses in terms of finance and goodwill due to violations of ethical corporate management and code of conduct.	1. Conduct education, training and promotion of ethical corporate management to employees from time to time 2. Establish a whistleblowing system for stakeholders to report any misconducts.	
					Information security risks such as computer virus attacks, hackers' intrusions, data destruction and database abnormalities are a serious concern.	1. Establish a dedicated information security unit to conduct information security planning and reduce the risk of information security incidents. In accordance with Article 9-1 of the Regulations Governing the Establishment of Internal Control Systems by Public Companies, the Information Security Department has been established under the	

Assessment item	Implementation			Deviation from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies and reasons Listed Companies and reasons
	Yes	No	Summary	
			Information Division to carry out the Company's information security planning. 2. Enhance the information security awareness of the employees and conduct training, inspections and tests from time to time. The Company continues to conduct employee information security education and training. In October 2025, "Social Engineering" training was conducted, and in December 2025, "General Information Security Awareness" training and assessments were conducted to enhance employees' information security awareness. 3. The Company has introduced the ISO 27001 system to strengthen the information security environment. On April 16, 2025, Taiwan Microloops Corp. obtained the Information Security Management System certification, ISO/IEC 27001:2022.	

<table>
<tr><th rowspan="2">Assessment item</th><th colspan="3">Implementation</th><th rowspan="2">Deviation from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies and reasons Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td><table><tr><td>Environmental aspect</td><td>Unpredictable climate change risks</td><td>Extreme weather caused the production center to sustain power interruptions or floods, which increased equipment repair costs and disrupted operations.</td><td>1. Strengthening weather monitoring and early warning systems: Establish climate warning mechanisms to obtain weather change information in advance so that timely response measures can be implemented.
2. Enhancing infrastructure protection: Conduct comprehensive evaluations and inspections of plant drainage systems to ensure their capacity to withstand extreme rainfall events. Implement waterproofing and flood prevention measures at factory sites, such as installing flood barriers and elevating equipment installation heights, to reduce flooding risks.
3. Strengthening backup power systems: In addition to leasing backup power equipment, the Company may consider establishing its own backup power generation systems, such as diesel generators, to ensure that critical equipment can continue operating during power outages and minimize operational downtime.</td></tr></table></td><td></td></tr>
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Assessment item	Implementation: Yes	Implementation: No	Implementation: Summary				Deviation from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies and reasons Listed Companies and reasons
						4. Establishing disaster emergency response plans: (1) In addition to prioritizing personnel rescue, detailed disaster emergency response plans shall be established to clearly define emergency reporting procedures, allocation of responsibilities, and resource deployment plans. (2) The plans shall include equipment protection measures, data backup procedures, and business continuity plans to ensure rapid recovery of production following a disaster event. (3) Emergency drills shall be conducted regularly to enhance employees' ability to respond to extreme weather events and ensure the effectiveness of the response plans.	
			Environmental aspect	Unpredictable climate change	The greenhouse effect and the ENSO have caused a rise in temperature, which will increase the air conditioning load and raise operating costs.	1. Optimizing air conditioning systems: Gradually phase out old air conditioning equipment and introduce highly efficient, energy-saving air conditioning systems to improve energy efficiency ratios and reduce energy consumption. The Company also promotes air	

Assessment item	Implementation							Deviation from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies and reasons Listed Companies and reasons
	Yes	No	Summary					
							conditioning use management guidelines to reduce unnecessary energy consumption. 2. Increasing green coverage: Reasonably plan green areas around and within the plant sites, plant trees and vegetation to mitigate the urban heat island effect, and improve the working environment.	
				Hazard risk		1. The Headquarters is located in a region with frequent earthquakes. If a major earthquake occurs, it may cause a major disaster loss to the Company. 2. Water and fire are merciless. Fire can cause serious damage to the Company.	1. The Company has established a system for disaster recovery and regular drills are conducted to strengthen the recovery after the disaster. Disaster recovery plans and drills were established for the ERP system and firewall system, and the drill results were submitted through the BPM system test drill result reporting process. Drill date: December 19, 2025. 2. The Company arranges training from time to time to increase the awareness of disaster prevention and improve the ability of the employees to respond to disasters. 3. confirm the reporting process, regularly arrange drills to strengthen response	

Assessment item	Implementation: Yes	Implementation: No	Implementation: Summary				Deviation from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies and reasons Listed Companies and reasons
						ability.	
				Legal risk	The control of greenhouse gas emissions and levying carbon tax/carbon fee caused the operating cost to rise.	Promote greenhouse gas inventory and formulate reduction and energy-saving plans.	
				Hazard risk	Improper operation of equipment or exposure to hazardous substances during experimental processes may pose potential health risks to personnel.	1. Review the SDS of materials used in laboratories and establish a database for emergency response reference. 2. Continue personnel training.	
			Social aspect	Legal risk	Major occupational disasters caused factory shutdowns or labor disputes, further causing significant economic losses to the Company.	The Company has made occupational safety and health management a priority and has effectively implemented it. Fire drills and industrial safety training are held regularly each year to train employees in emergency response and self-safety management. The training can improve employees' awareness and ability regarding safety and health.	
				Operational risk	The labor-capital relations are tense, causing the loss of human resources and possible shutdown of the factory or interruption of operation.	1. Strengthen the communication channels between the employer and employees, set up email boxes, and provide appropriate complaint channels that are compliant with the regulations. 2. Regularly hold labor–management meetings to listen and respond to	

<table>
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<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>workers needs.
3. Ensure the fairness and reasonableness of various opportunities in the Company, and ensure that employees receive no differential treatment or any form of discrimination.</td><td></td></tr>
<tr><td>III. Environmental topics
(I) Has the Company established a suitable environmental management system based on its industrial characteristics?</td><td>✓</td><td></td><td>(I) The Company's Huizhou plant has established an environmental management system in accordance with the ISO 14001 standard (certification validity period: March 8, 2023 to March 7, 2026) and has continuously passed third-party verification. In addition, based on the verification results of the ISO 14064-1 organizational greenhouse gas inventory introduced in 2025, the Company analyzed carbon emission hotspots and formulated short-, medium-, and long-term emission reduction targets.</td><td>No significant deviation</td></tr>
<tr><td>(II) Has the Company striven to improve the efficiency of energy resource utilization and use renewable materials with low impact on the environment?</td><td>✓</td><td></td><td>(II) In order to fulfill our social responsibility to protect the environment and prevent pollution, we avoid using hazardous raw materials in our production and R&D processes, reduce waste generation and resource waste, improve the efficiency of resource utilization, and reduce the load on the environment.</td><td>No significant deviation</td></tr>
<tr><td>(III) Has the Company evaluated the potential risks and opportunities</td><td>✓</td><td></td><td>(III) When assessing risk control for 2026, the Company has included the potential impacts of climate change on the present and future of the organization. The Company has implemented the ISO 14064-1 organizational greenhouse gas inventory verification to identify its greenhouse gas</td><td>Please refer to the description on the left side</td></tr>
</table>

<table>
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<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>associated with climate change in relation to its current and future operations, and implemented appropriate countermeasures for climate-related challenges?</td><td></td><td></td><td>emission hotspots and has formulated relevant energy management policies to reduce the impact of its operating activities on the natural environment.</td><td></td></tr>
<tr><td>(IV) Did the Company keep statistics on the greenhouse gas emissions, water consumption, and total weight of waste in the past two years, and formulate policies on energy saving and carbon reduction, greenhouse gas reduction, water consumption, or other waste management?</td><td>✓</td><td></td><td>(IV) The Company began collecting statistics on greenhouse gas emissions, water consumption, and waste weight in 2024 and 2025 through the preparation of the 2025 Corporate Sustainability Report. The statistics are as follows:
1. Greenhouse gas emission statistics for the Microloops Group
Unit: tCO2e
<table>
<tr><td rowspan="2">Year</td><td colspan="2">Scope 1</td><td colspan="2">Scope 2</td><td rowspan="2">Total
(Scope 1 and Scope 2)</td></tr>
<tr><td>Microloops</td><td>Huiliqinn</td><td>Microloops</td><td>Huiliqinn</td></tr>
<tr><td>2024
(Note 1)</td><td>7.90</td><td>29.27</td><td>65.07</td><td>4,586.64</td><td>4,688.88</td></tr>
<tr><td>2025
(Note 2)</td><td>10.6010</td><td>74.1388</td><td>161.7042</td><td>7,173.7696</td><td>7,420.214</td></tr>
</table>
Note 1: Scope 1: Microloops’s calculations of carbon emissions based on the “Greenhouse Gas Emission Factor Table 6.0.4” announced on the National Greenhouse Gas Registration Platform of the Environmental Protection Administration; Huiliqinn’s calculations of carbon emissions based on the China Products Carbon Footprint Factors Database (2022)” announced by CAPE, Ministry of Ecology and Environment of China
Scope 2: Microloops’s calculations of carbon emissions based on the 2003 purchased electricity emission</td><td>Please refer to the description on the left side</td></tr>
</table>

<table>
<tr><th rowspan="2">Assessment item</th><th colspan="3">Implementation</th><th rowspan="2">Deviation from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies and reasons Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>factor = 0.494Kg CO2e/kWh announced by the Energy Administration, Ministry of Economic Affairs; Huiliqinn’s calculations of carbon emissions based on the China Products Carbon Footprint Factors Database (2022)” announced by CAPE, Ministry of Ecology and Environment of China
Note 2: The greenhouse gas emissions for 2025 have obtained a reasonable assurance level under ISO 14064-1:2018.
2. Microloops Group’s water withdrawal statistics
Unit: Tone
<table>
<tr><th>Year</th><th>Microloops (Note)</th><th>Huiliqinn</th><th>Total</th></tr>
<tr><td>2024</td><td>NA</td><td>18,656</td><td>18,656</td></tr>
<tr><td>2025</td><td>NA</td><td>46,018</td><td>46,018</td></tr>
</table>
Note: Microloops is an office-based company without additional water connection. So, there is no water expense.
3. Microloops Group’s waste statistics
Unit: Tone
<table>
<tr><th rowspan="2">Year</th><th rowspan="2">Microloops (Note 1)</th><th colspan="2">Huiliqinn</th><th rowspan="2">Total</th></tr>
<tr><th>Hazardous waste</th><th>Non-hazardous waste</th></tr>
<tr><td>2024 (Note 2)</td><td>NA</td><td>4.688</td><td>50.28</td><td>54.968</td></tr>
<tr><td>2025 (Note 2)</td><td>NA</td><td>22.01</td><td>97.537</td><td>119.547</td></tr>
</table>
Note 1: Microloops is engaged in sales and R&D operations rather than manufacturing. So, there is no industrial waste generated.
Note 2: All domestic waste is disposed by the management committee of the building and the factory. So, there is no definite weight statistics.</td><td></td></tr>
<tr><td>IV. Social topics
(I) Has the Company formulated relevant</td><td>✓</td><td></td><td>(I) The Company complies with relevant regulations in all locations where it operates, and recognizes and supports international human rights conventions such as the "United Nations Universal</td><td>No significant deviation</td></tr>
</table>

Assessment item	Implementation			Deviation from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies and reasons Listed Companies and reasons
	Yes	No	Summary	
management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?			Declaration of Human Rights," "United Nations Global Compact," and "International Labour Organization Conventions." The Company has established a "Human Rights Policy" that respects the protections stipulated in these human rights conventions and has published it on the Company's website.	
(II) Has the Company established and implemented reasonable employee welfare measures (including remuneration, leave and other benefits), and appropriately reflected business performance or results in employee remuneration?	✓		(II) The Company has established reasonable personnel policies, performance management measures, and personnel regulations, such as employee benefits and leave, to fairly reward operating performance for employees. The Company has a comprehensive labor insurance, health insurance, and pension system that addresses employee benefits. The Company has established an Employee Welfare Committee in accordance with the Labor Standards Act and relevant laws and regulations. The Committee is responsible for employee travel subsidies, wedding subsidies, childbirth subsidies, injury and sickness condolences, employee and family member funeral subsidies, three major holidays, birthday vouchers, children's scholarships, group insurance, irregular recreational activities, and afternoon tea times to maintain the physical and mental well-being of employees.	No significant deviation
(III) Has the Company provided employees with a safe and healthy work environment, and provided regular safety and health education to employees?	✓		(III) The Company regularly reviews and maintains the safety and health of the work environment. Through continuous education, training, and promotion, the Company equips employees with emergency response skills and conveys the importance of safety. This commitment encourages employees to improve workplace safety and health, ultimately reducing hazards in the work environment that could affect employee safety and health. The Company has implemented a flexible working and leaving time system of one hour to ensure the safety of employees.	No significant deviation

Assessment item	Implementation			Deviation from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies and reasons Listed Companies and reasons
	Yes	No	Summary	
(IV) Has the Company established an effective career capacity development training program for employees?	✓		(IV) Employees are the Company's important assets. In order to establish an effective talent cultivation plan, the Company implements internal and external employee education and training programs based on the annual education and training plan to strengthen their career development capabilities.	No significant deviation
(V) Has the Company complied with relevant laws and international standards on issues such as customer health and safety, customer privacy, marketing and labeling of products and services, and formulated relevant consumer or customer protection policies and complaint procedures?	✓		(V) The Company has set up a "Stakeholder" section on its website and assigned dedicated personnel to handle related matters. The Company has established the "Customer Complaint Management Regulations" to establish a customer-oriented quality system, and conducted customer satisfaction surveys in accordance with the "Customer Satisfaction Survey Procedure" to evaluate customer satisfaction with the Company's products or services in an objective manner.	No significant deviation
(VI) Does the Company have a policy in place to manage suppliers, and require them to comply with relevant regulations on environmental protection,	✓		(VI) The Company has established the "Procurement Management Regulations" and selected suppliers that have the environment-related licenses and emphasize environmental protection and social responsibilities. The competence of the suppliers is reviewed on a regular basis.	No significant deviation

Assessment item	Implementation			Deviation from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies and reasons Listed Companies and reasons
	Yes	No	Summary	
occupational safety and health, or labor rights?				
V. Does the Company compile the sustainability report or other reports that disclose non-financial information of the Company with reference to internationally accepted report preparation guidelines or guides? Has the report mentioned above been assured, verified, or certified by a third party?	✓		The Company has already established a sustainability task force and issued the 2024 Sustainability Report in accordance with GRI Standards on March 31, 2025, which was approved by resolution of the Board of Directors on April 14, 2025. The report will subsequently be voluntarily filed and disclosed on the Company's website. As this was the Company's first sustainability report, the Company plans to incorporate the SASB industry-specific standards into the preparation of the 2025 Sustainability Report. Currently, the report has not undergone third-party verification; therefore, no assurance or verification opinion has been issued.	No significant deviation
VI. If the Company has established its own corporate sustainable development best-practice principles in accordance with the "Corporate Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, please describe the current practices and any deviations from the established principles: The Board of Directors of the Company passed the establishment of the "Corporate Sustainable Development Best-Practice Principles" on February 18, 2021. The Board of Directors passed the amendments to the Principles on September 29, 2022, and December 27, 2023. The implementation status is regularly reviewed in accordance with the Principles for Improvement. The "Sustainable Development Committee" was established on November 29, 2023, and the name was changed to the "Sustainable Development Team" on December 23, 2024 to actively promote the sustainable development of the Company				
VII. Other important information that helps understand the implementation of sustainable development: 1. Environmental protection: The Company avoids the use of hazardous substances in the production and R&D process and actively promotes compliance with laws and regulations related to lead-free or ROHS in order to meet the environmental protection needs and enhance environmental awareness. 2. Social contribution and social welfare: The Company provides scholarships through the Employee Welfare Committee to encourage children of the employees with excellent quality of education and provide substantial encouragement.				

Assessment item	Implementation			Deviation from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies and reasons Listed Companies and reasons
	Yes	No	Summary	
3. Consumer Rights: The Company strictly manages quality at each stage of the process through the ISO 9001 quality management system to ensure that the best services and products are provided to customers. 4. Human Rights: The Company maintains an equal relationship between labor and management, treating each employee with integrity and respect for their work performance. As a result, no labor disputes have occurred, clearly demonstrating the Company's emphasis on human rights issues. Furthermore, to raise awareness of human rights protection, the Company implemented specific management programs for employees by organizing human rights education and training on March 28, 2025. The course topic was "Freedom and Right to Personal Security," with a duration of 1 hour. A total of 44 colleagues completed the training, resulting in 44 total training hours. This information has been disclosed on the Company's website. 5. Safety and health: The Company provides employees with a safe working environment. To ensure the safety of employees' commuting, the Company has set a one-hour flexible working and leaving time system and also organizes employee dinners from time to time.				

(VI) The state of the Company's ethical corporate management and any deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons

Assessment item	Implementation			Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons
	Yes	No	Summary	
I. Establishment of ethical corporate management policy and proposal (I) Has the Company formulated an ethical corporate management policy approved by the Board of Directors, and have the policy and practice of ethical corporate management been stated in the regulations and external documents, and have the Board of Directors and senior management actively implemented the ethical corporate management policy?	✓		(I) The Company has established the "Ethical Corporate Management Best-Practice Principles," "Procedure for Ethical Management and Guidelines for Conduct" and "Code of Ethical Conduct" to specify relevant policies and regulations, in order to establish an ethical corporate management culture. The Company's standard contracts and external documents require the trading counterparts to comply with the ethical management policy, and the employment contract also requires the employees to comply with the ethical management policy. The Board of Directors and the management have adopted ethical management as the Company's business philosophy and actively implement related policies.	No significant deviation

Assessment item	Implementation			Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons
	Yes	No	Summary	
(II) Has the Company established a mechanism for assessing the risk of unethical conduct, regularly analyzed and assessed business activities with a higher risk of unethical conduct within the scope of business, and established a program to prevent unethical conduct accordingly and at least cover the preventive measures for the behaviors in Paragraph 2, Article 7 of the "Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies"?	✓		(II) The Company engages in business activities based on the principles of fairness, honesty and transparency, and has established the "Ethical Corporate Management Best-Practice Principles," "Procedure for Ethical Management and Guidelines for Conduct" and "Code of Ethical Conduct" to specifically regulate the matters that should be paid attention to by the Company's personnel when conducting business.	No significant deviation

Assessment item	Implementation			Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons
	Yes	No	Summary	
(III) Has the Company had the operating procedures, code of conduct, disciplinary actions, and complaint system explicitly stated in the prevention of unethical conduct plan, implemented these, and regularly reviewed and revised the aforementioned plan?	✓		(III) In addition to the "Ethical Corporate Management Best-Practice Principles" and "Code of Ethical Conduct" that prohibit unethical conduct, the Company has established the "Procedure for Ethical Management and Guidelines for Conduct" to regulate the handling procedures for unethical conduct among employees. It has also implemented a reward and complaint system to ensure that relevant personnel comply with requirements, prevent unethical conduct from occurring, and take appropriate implementation actions.	No significant deviation
II. Ethical corporate management in practice (I) Has the Company evaluated the integrity of the counterparties and specified the integrity clauses in the contracts it signs with the counterparties?	✓		(I) The Company has established the "Ethical Corporate Management Best-Practice Principles" and conducted various assessments, including ethical conduct, when doing business, and has explained the Company's ethical policies to the counterparties.	No significant deviation

Assessment item	Implementation			Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons
	Yes	No	Summary	
(II) Has the Company established a body that specializes in promoting ethical corporate management under the Board of Directors, and regularly (at least once a year) reports to the Board of Directors on the implementation of the ethical corporate management policies and the prevention of unethical conduct, and the supervision?	✓		(II) The Company has appointed the Finance and Accounting Center to be responsible for implementing the ethical corporate management policy and for formulating and supervising programs to prevent unethical conduct. The Company held internal ethical management training from December 8 to December 10, 2025, and the finance and accounting officer reported the implementation status to the Board of Directors on December 30, 2025. The auditors supervise the implementation during the daily audit. If there is any abnormality, they may report it to the Board of Directors at any time. Job Responsibilities: 1. Assist in integrating integrity and ethical values into the Company's business strategies, and develop relevant fraud prevention measures in compliance with legal requirements to ensure ethical corporate management. 2. Regularly analyze and assess the risk of unethical conduct within business operations, and accordingly formulate programs to prevent unethical conduct, while establishing standard operating procedures and behavioral guidelines for work-related activities within each program. 3. Plan internal organization, staffing, and responsibilities, and implement mutual supervision and check-and-balance mechanisms for business activities with higher risk of unethical conduct within the scope of operations. 4. Promotion and coordination of integrity policy advocacy training. 5. Planning of whistleblowing systems to ensure implementation effectiveness. 6. Assisting the Board of Directors and management in examining and evaluating whether preventive measures established to implement integrity management are operating effectively, and regularly assessing compliance with relevant business processes and	No significant deviation

<table>
<tr><th rowspan="2">Assessment item</th><th colspan="3">Implementation</th><th rowspan="2">Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>preparing reports.
7. Creating and properly preserving documentation related to integrity management policies and compliance declarations, implementation commitments, and execution status.
Work plan:
<table>
<tr><td rowspan="3">Advocacy</td><td>Internal:
The Finance Department arranges annual educational training courses focused on integrity and handles reports of unethical conduct incidents. Annual reporting to the board of directors regarding the implementation status of integrity measures.</td></tr>
<tr><td>External:
The Procurement Department promotes the Company's integrity management policies to cooperating suppliers and requires them to sign an "Integrity Commitment Letter."</td></tr>
<tr><td>Whistleblowing System:
We provide reporting channels for internal and external stakeholders to report violations of integrity, which can be done via telephone, mail, or email.
Address: Financial Accounting Department, 11F, No. 788, Zhongzheng Rd., Zhonghe Dist., New Taipei City, Taiwan
Email address: bod@microloops.com
Whistleblower hotline: (02)8226-8158 Extension:6000</td></tr>
</table></td><td></td></tr>
</table>

Assessment item	Implementation			Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons
	Yes	No	Summary	
(III) Has the Company formulated a policy to prevent conflicts of interest, provide appropriate channels of expression, and implement this policy?	✓		(III) The Company's "Code of Ethical Conduct" specifies that the Company's personnel shall handle business in an objective and efficient manner and shall not use their positions in the Company to enable themselves, others, or other enterprises to receive improper benefits. The Company specifies the conflict of interest policy in the "Procedure for Ethical Management and Guidelines for Conduct" to outline the avoidance measures when a stakeholder has a conflict of interest in a proposal before the Board of Directors. The Company has established a stakeholders section on its website where stakeholders can express their concerns. The Company has designated personnel responsible for handling and responding to these matters.	No significant deviation
(IV) In order to implement ethical corporate management, has the Company established an effective accounting system and internal control system, required the internal audit unit to formulate relevant audit plans based on the risk assessment results of unethical conduct, and conducted audits on	✓		(IV) In order to ensure the implementation of ethical management, the Company has established an effective accounting system and internal control system. In addition to the fact that the internal audit unit formulates relevant audit plans based on the evaluation results, the Company conducts compliance audits. If necessary, the Company will commission CPAs to perform the audit.	No significant deviation

Assessment item	Implementation			Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons
	Yes	No	Summary	
compliance with the prevention of unethical conduct programs, or entrusted a CPA to conduct audits? (V) Has the Company organized internal and external training on ethical management on a regular basis?	 ✓		 (V) The Finance and Accounting Center conducts internal dissemination from time to time and uploads the dissemination information to the Company’s website. Information on integrity promotion courses conducted this year is as follows: Course Topic: Integrity Management Promotion Course Duration: 0.5 hours Participants: 7 directors, 66 employees	 No significant deviation
III. Whistleblowing system in practice (I) Has the Company established a concrete whistleblowing and reward system, provided a whistleblowing channel, and appointed appropriate personnel	 ✓		 (I) In the “Ethical Corporate Management Best-Practice Principles” and “Procedure for Ethical Management and Guidelines for Conduct,” the Company specifies the reporting procedures and complaint channels. Employees may report or complain through the internal email box to the acting spokesperson or the finance and accounting officer. If any material violation is discovered or if the Group is likely to suffer significant damage, a report shall be prepared immediately and the Board of Directors and the Audit Committee shall be notified in writing.	 No significant deviation

Assessment item	Implementation			Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons
	Yes	No	Summary	
to handle the affairs with respect to the reported person?				
(II) Has the Company established the standard procedures for handling whistleblowing matters, the follow-up measures to be taken after the investigation, and a related confidentiality mechanism?	✓		(II) The Board of Directors approved the “Whistleblowing System” on December 27, 2023. The system has standard acceptance and investigation procedures for unethical conduct. The identity of the whistleblowers and the content of the whistleblowing are strictly kept confidential.	No significant deviation
(III) Has the Company taken measures to protect whistleblowers from improper treatment due to their whistleblowing?	✓		(III) The Company takes protective measures for the whistleblowers to ensure they will not be subject to improper treatment due to their whistleblowing.	No significant deviation

Assessment item	Implementation			Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons
	Yes	No	Summary	
IV. Enhancement of information disclosure Has the Company disclosed the ethical corporate management best-practice principles and the implementation status on the website and the MOPS?	✓		The Company discloses the contents and implementation results of the “Ethical Corporate Management Best-Practice Principles,” “Procedure for Ethical Management and Guidelines for Conduct” and “Code of Ethical Conduct” on the Company’s website and the MOPS.	No significant deviation
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/GTSM Listed Companies,” please describe the current practices and any deviations from the established Principles: The Company has established the “Ethical Corporate Management Best-Practice Principles” to clearly regulate the matters to be followed by the Company’s personnel. The rewards and punishments are also specified in relevant regulations, and there is no significant difference from the “Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies.				
VI. Other important information that helps understand the Company’s ethical corporate management practices: (e.g. reviews over the Company’s corporate management best-practice principles): (I) The Company complies with relevant laws and regulations, the competent authorities’ regulations, and other commercial behavior-related laws and regulations, and uses these as the basis for implementing ethical management. (II) The Company’s “Code of Ethical Conduct” specifies the ethical standards that employees (including directors, managers, and other employees) must comply with in order to implement the ethical corporate management policy.				

Assessment item	Implementation			Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons
	Yes	No	Summary	
(III) The Company's "Internal Material Information Processing Procedure" has a mechanism for handling and disclosing internal material information to ensure consistency and accuracy of the information disclosed to the public. (IV) The Company's "Rules of Procedure for Board of Directors Meetings" has a system for directors' conflicts of interest. If there is any conflict of interest (whether directly or indirectly), the director shall state the important aspects of the interest at the current Board of Directors meeting. If the interest of the Company is prejudiced, the director shall not participate in the voting or discussion but shall state the important aspects of the director's interest at the current Board of Directors meeting. He/she shall recuse himself/herself from the discussion and voting and shall not exercise the voting rights on behalf of another director. (V) The Company's "Insider Trading Prevention Management Regulations" expressly stipulate that insiders and information receivers shall not have any knowledge of material information according to the law and shall not trade, after the material information is confirmed but not disclosed, or within 18 hours after it is disclosed, in any listed stocks of the Company or any stocks or other equity securities that the Company trades on the premises of a security dealer. Furthermore, they shall not sell any corporate bonds of the Company or any non-equity corporate bonds that the Company trades on the premises of a security dealer. This is to ensure that the Company may prevent any person who knows the material information from violating insider trading rules due to unfamiliarity with relevant laws and regulations. (VI) The Company's "Corporate Governance Best-Practice Principles" clearly stipulate that insiders shall not trade the shares during the period of 30 days before the announcement of the annual financial reports and 15 days before the announcement of the quarterly financial reports.				

(VII) Other important information that helps understand the Company's corporate governance practices:

All directors of the Company have completed the required hours of continuing education in accordance with the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies.

Title	Name	Continuing education date	Organizer	Course	Hours
Chairperson	Chao Yuan-Shan	2025.03.03	Taiwan Institute of Directors	Corporate Governance and Securities Regulations	3
		2025.08.20	Taiwan Institute of Directors	Leading Strategies for AI in Digital Transformation	3
Director	Chao Yuan-Chi	2025.03.03	Taiwan Institute of Directors	Corporate Governance and Securities Regulations	3
		2025.08.20	Taiwan Institute of Directors	Leading Strategies for AI in Digital Transformation	3
Director	Hu I-Kan	2025.03.03	Taiwan Institute of Directors	Corporate Governance and Securities Regulations	3
		2025.06.09	Securities and Futures Institute	Corporate Governance and Securities Regulations	3
Director	Lin Chun-Hung	2025.03.03	Taiwan Institute of Directors	Corporate Governance and Securities Regulations	3
		2025.08.20	Taiwan Institute of Directors	Leading Strategies for AI in Digital Transformation	3
Independent Director	Pan Jung-Chun	2025.03.03	Taiwan Institute of Directors	Corporate Governance and Securities Regulations	3
		2025.08.20	Taiwan Institute of Directors	Leading Strategies for AI in Digital Transformation	3
Independent Director	Hsing Chih-Chung	2025.03.03	Taiwan Institute of Directors	Corporate Governance and Securities Regulations	3
		2025.08.20	Taiwan Institute of Directors	Leading Strategies for AI in Digital Transformation	3
Independent Director	Chang Min-Yu	2025.03.03	Taiwan Institute of Directors	Corporate Governance and Securities Regulations	3
		2025.08.20	Taiwan Institute of Directors	Leading Strategies for AI in Digital Transformation	3

(VIII)The following information on the implementation of the internal control system should be disclosed

1. Internal Control Statement: This has been published and reported as required. Please visit the MOPS.
2. If a CPA is retained for the review of the internal audit system, disclose the Auditor’s Report: The required report and public disclosure have been completed. Please refer to the Market Observation Post System for further information.

(IX) Major resolutions of the shareholders’ meeting and the Board of Directors in the most recent year and up to the publication date of the annual report

1. Major resolutions of the shareholders’ meeting and the implementation status

Date	Major resolution	Implementation status
2025.05.26	Ratification of 2024 Business Report and financial statements	Adopted.
	2024 earnings distribution.	Adopted.
	Amendment to the “Articles of Incorporation”	The resolution of the shareholders' meeting has been implemented.
	Lifting of non-competition restriction on the Company's directors	The resolution of the shareholders' meeting has been implemented.

2. Major resolutions of the Board of Directors

Date	Major resolution
2025.03.10	1. 2024 Business Report and financial statements 2. 2024 earnings distribution 3. 2024 distribution of cash dividends to shareholders from earnings 4. Distribution of remuneration to employees and directors for 2024 5. Distribution of remuneration to managers, employees and directors for 2024 6. The Company’s 2025 financial statements and tax certification fees 7. Definition of the Company’s basic-level employees 8. Amendment to the “Articles of Incorporation” 9. 2024 self-assessment results under the internal control system and issuance of the Statement of Internal Control System for listing of stocks 10. Application to Taiwan Cooperative Bank for renewal of financing facilities 11. Sub-subsidiary Huizhou Huili Qian Electronics Technology Co., Ltd. intends to apply to Bank of China for financial facilities 12. Sub-subsidiary Huizhou Huili Qian Electronics Technology Co., Ltd. intends to apply to E.SUN Commercial Bank for financing facilities 13. The appointment of a manager of the Company to concurrently serve as a manager of the sub-subsidiary, Vietnam Microloops Corp (hereinafter referred to as “Vietnam Microloops”) 14. Lifting of competition prohibition against managerial officers of the Company 15. Lifting of non-competition restriction on the Company's directors 16. Establishment of a dedicated body for internal material information 17. Convention of the 2025 general shareholders’ meeting of the Company
2025.04.14	1. The Company’s 2024 Sustainability Report 2. Application to Taipei Fubon Commercial Bank for financing facilities 3. Amendment to the risk management policy and procedures 4. Since the balance of the Company’s accounts receivable exceeds the normal credit period for more than three months and is intended to be classified as a case other than loaning of funds to others.
2025.05.13	1. 2025 Q1 consolidated financial statements 2. Amendment to the Audit Committee Charter 3. Application to Mega International Commercial Bank for financing facilities 4. Since the balance of the Company’s accounts receivable exceeds the normal credit period for more than three months and is intended to be classified as a case other than loaning of funds to others
2025.08.12	1. 2025 Q2 consolidated financial statements 2. 2025 remuneration to managers 3. Proposal for amendments to the Company’s internal control system operation for the “Payroll Cycle.” 4. Proposal for amendments to the Company’s internal control system operation for “Computer Processing Operations.”

Date	Major resolution
	5. The subsidiary Microloops Vietnam Corp Company Limited (hereinafter referred to as “Microloops Vietnam”) proposed the adoption of the “Procedures for Acquisition or Disposal of Assets” and other related matters 6. Application to Mega International Commercial Bank for financing facilities 7. Application to Taipei Fubon Commercial Bank for financing facilities 8. The sub-subsidiary Microloops Huizhou Corp. intends to apply to financial institutions for credit facilities 9. The sub-subsidiary Microloops Huizhou Corp. intends to apply to financial institutions for credit facilities 10. Proposal for a cash capital increase through issuance of new shares for the Company’s initial public offering and public underwriting 11. Since the balance of the Company’s accounts receivable exceeds the normal credit period for more than three months and is intended to be classified as a case other than loaning of funds to others
2025.08.27	1. The subsidiary Microloops Vietnam Co., Ltd. (hereinafter referred to as “Microloops Vietnam”) proposed the acquisition of use rights in the Minh Duc Industrial Park, Hung Yen Province 2. The Company proposed the procurement of a 3D computed tomography X-ray system
2025.10.03	1. Proposal for the Company’s managers and directors with employee status to participate in the employee subscription of newly issued shares for cash capital increase 2. 1. Proposal for providing endorsement and guarantee for the subsidiary, Microloops Vietnam Corp (hereinafter referred to as “Microloops Vietnam”) 3. The subsidiary “Vietnam Microloops Corp., Ltd.” (hereinafter referred to as “Vietnam Microloops”) proposed applying for a credit facility from financial institutions 4. Application to Cathay United Bank for financing facilities 5. Application to Far Eastern International Bank for financing facilities 6. Application to Mega International Commercial Bank for financing facilities 7. Application to Shanghai Commercial & Savings Bank for financing facilities 8. Application to First Commercial Bank for financing facilities 9. Since the balance of the Company’s accounts receivable exceeds the normal credit period for more than three months and is intended to be classified as a case other than loaning of funds to others
2025.11.07	1. 2025 Q3 consolidated financial statements. 2. Since the balance of the Company’s accounts receivable exceeds the normal credit period for more than three months and is intended to be classified as a case other than loaning of funds to others
2025.12.30	1. The 2026 remuneration and other compensations to the Chairperson 2. 2026 remuneration to directors (excluding Chairperson) and independent directors 3. Appointment of the Company’s manager 4. Other 2026 compensations for managers 5. 2025 performance appraisal of managers and their year-end bonus 6. 2026 budget planning of the Company 7. 2026 audit plan of the Company 8. Proposal not to distribute the 2025 earnings of the Company’s overseas investee companies 9. Proposal to increase the investment amount and capital expenditures in the subsidiary, Vietnam Microloops Corp (hereinafter referred to as “Vietnam Microloops”) 10. Procurement of equipment by the sub-subsidiary Huizhou Huiliqinn Technology Co., Ltd 11. Proposal for the adoption of the “Standard Operating Procedures for Handling Requests Raised by Directors.” 12. Application to First Commercial Bank for financing facilities 13. Since the balance of the Company’s accounts receivable exceeds the normal credit period for more than three months and is intended to be classified as a case other than loaning of funds to others 14. Proposal to Adjust the Company’s Organizational Structure
2026.03.11	1. 2025 Business Report and financial statements 2. 2025 self-assessment results under the internal control system and issuance of the Statement of Internal Control System 3. 2025 earnings distribution 4. 2025 distribution of cash dividends to shareholders from earnings

Date	Major resolution
	5. Distribution of remuneration to employees and directors for 2025 6. Proposal for the other remuneration of manager Huang Meng-Kai for 2026 7. Proposal for the definition of basic-level employees of the Company for 2026 8. Assessment of the independence and competency of the Company's CPAs 9. Proposal for the pre-approval list of non-assurance services provided by the Company's CPA firm 10. The Company's 2026 financial statements and tax certification fees 11. Amendment to the Approval Authority Management Regulations 12. Amendment to the Company's "Procedure for Acquisition or Disposal of Assets" 13. Microloops Vietnam Corp. Company Limited (hereinafter referred to as "Microloops Vietnam") proposes revisions to its "Procedures for Acquisition or Disposal of Assets 14. The sub-subsidiary Microloops Huizhou Corp. (hereinafter referred to as "Huizhou") intends to amend "Procedure for Acquisition or Disposal of Assets." 15. Proposal for the election of two additional directors of the Company. 16. Determination of the period and location for accepting the nomination of director candidates to be nominated by shareholders for the 2026 general shareholders' meeting 17. Sub-subsidiary Huizhou Huili Qian Electronics Technology Co., Ltd. intends to apply to Bank of China for financial facilities 18. Sub-subsidiary Huizhou Huili Qian Electronics Technology Co., Ltd. intends to apply to E.SUN Commercial Bank for financing facilities 19. Sub-subsidiary Huizhou Huili Qian Electronics Technology Co., Ltd. intends to apply to Cathay United Bank (China) for financing facilities 20. Application to CTBC Bank for financing facilities 21. Application to Bank of Taiwan for financing facilities 22. Application to Taiwan Cooperative Bank for financing facilities 23. Proposal for the reassignment of the representative of corporate director of the overseas subsidiary Microloops Vietnam Corp. Limited 24. Proposal for the promotion of the Company's managers. 25. Proposal for the removal of non-compete restrictions on three managers of the Company serving positions in subsidiaries and sub-subsidiaries 26. Convention of the 2026 general shareholders' meeting of the Company 27. Since the balance of the Company's accounts receivable exceeds the normal credit period for more than three months and is intended to be classified as a case other than loaning of funds to others

(X) If directors or supervisors have expressed dissenting opinions with respect to the material resolutions of the Board of Directors in the most recent year and up to the publication date of the annual report, and such dissenting opinions have been recorded or prepared as written statements, the main contents of such dissenting opinions should be disclosed: None.

IV. Information on CPA's professional fees

(I) Information on professional fees:

Unit: NTD Thousand

Name of CPA firm	Name of CPA	CPA's audit period	Audit fee	Non-audit fee (Note)	Total	Remarks
KPMG Taiwan	Huang Yeh-Hua Yeh Sheng-Ho	2025.01.01–2025.12.31	3,890	2,298	6,188	

Note: Non-audit fees include S1/S2 advisory fees of NT$1,200 thousand, transfer pricing of NTD 390 thousand, tax consultation of NTD 365 thousand, and other expenses of NTD 343 thousand

(II) 2025 CPA Competence and Independence Evaluation Form (with reference to Audit Quality Indicators):

One. Review of independence criteria (if "No" is selected for any of the following items, further explanation is required)					
Item	Evaluation	Selection			Remarks
		Yes	No	N/A	
01	The CPA or his/her spouse and minor children do not have any investment or financial interest in the Company.	V			
02	The CPA or his/her spouse and minor children do not have loans from the Company. However, this does not apply to the appointment of a financial institution as the proxy and the transaction concerned is a normal business transaction.	V			
03	The CPA firm does not provide assurance service reports on the effective operation of the financial information system it designed or assisted in implementing.	V			
04	The CPA or any member of the audit service team has not been a director, manager, or in a position that has significant influence on the audit case in the current period or in the last two years.	V			
05	The non-audit services provided to the Company do not directly affect important items of the audit cases.	V			
06	The CPA or any member of the audit service team does not promote or serve as agents for the shares or other securities issued by the Company.	V			
07	The CPA or any member of the audit service team does not represent the Company and third parties for any legal cases or other disputes.	V			
08	The CPA or any member of the audit service team does not have a spousal, lineal blood or lineal affinity relationship, or collateral blood relationship within the second degree of kinship with the Company's directors, managers, or persons with significant influence on the audit case.	V			
09	The former CPA who has been relieved of duty within one year and served as a director or manager or assumed a position that has significant influence on the audit case.	V			
10	The CPA or any member of the audit service team does not receive gifts or special favors of great value from the Company, directors, managers, or major shareholders.	V			
11	The CPA is not currently employed by the client or the person under audit to perform regular work, receive a fixed salary, or serve as a director or supervisor.	V			
12	listed company The CPA has not been providing the Company with audit services for seven consecutive years. Non-listed company The CPA has not been providing the Company with audit services for ten consecutive years.	V			

Two. Review of independence implementation (if "No" is selected for any of the following items, further explanation is required)					
Item	Evaluation	Selection			Remarks
		Yes	No	N/A	
01	If the commissioned CPA has direct or material indirect interests in the matters that affect his/her impartiality and independence, has he/she avoided and declined the engagement?			V	No such circumstance
02	When the CPA provides audit, review, reexamination or project review of the financial statements and makes an opinion, in addition to maintaining independence of mind, is the CPA independent in appearance?	V			
03	Is the members of the audit service team, other co-practicing CPAs, shareholders of corporate accounting firms, accounting firms, affiliated firms, and alliance firms, also independent of the Company?	V			
04	Are the CPAs committed to performing professional services with a positive attitude?	V			
05	Are the CPAs always objective and impartial in the performance of their professional duties, and have they avoided bias, conflict of interest, or undue influence of others to override their professional judgment?	V			
06	The CPAs do not have a lack or loss of independence that affects their integrity and impartiality.	V			
Three. Review of competence and professionalism (if "No" is selected for any of the following items, further explanation is required)					
Item	Evaluation	Selection			Remarks
		Yes	No	N/A	
01	There is no record of the CPA disciplinary committee in the most recent two years. The CPA firm has not been involved in any litigation cases in the most recent two years.	V			
02	The CPA firm has sufficient scale, resources and regional coverage to provide audit service for the Company.	V			
03	The CPA firm has defined the quality control procedures, which cover the aspects including the level and key points of the audit process, the way of handling audit issues and making judgments, independent quality control review and risk management.	V			
04	The CPA firm's risk management, corporate governance, financial accounting and related risk control have been notified to the Audit Committee of any significant problems and developments.	V			

(III) When the Company changes its accounting firm and the amount of audit fees paid in the year of the change is less than that in the year preceding the change, the amount of public audit fees before and after the change and the reasons thereof shall be disclosed: None.

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

V. Information on changes of CPAs: None.

VI. The Company's chairperson, president, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm: None.

VII. The transfer and pledge of shares by directors, supervisors, managers, and shareholders with more than 10% ownership interest in the most recent year and up to the publication date of the annual report

(I) Changes in equity of directors, supervisors, managers, and major shareholders

The Company reports the changes in equity of directors, supervisors, managers and major shareholders on the MOPS every month. For related information, please visit the MOPS.

(II) The counterparties of equity transferred by directors, supervisors, managers and major shareholders are related parties: None.

(III) The counterparties of the equity pledged by directors, supervisors, managers and major shareholders are related parties: None.

VIII. Shareholders ranked in the top ten in terms of shareholding ratio, who are related to each other or are spouses of each other or have a relative relation within the second degree of kinship with each other

April 25, 2026; Unit: Share; %

Name	Shares held by the individual		Shares held by spouse and underage children		Total shares held in the name of others		The names and relationships of the top-10 shareholders who are related to each other or are spouses of each other or have a relative relation within the second degree of kinship with each other		Remarks
	Number of shares	Shareholding ratio %	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio %	Name	Relationship	
Heng Lang Co., Ltd. Responsible person: Liu Lien-Chun	7,323,892	10.85	-	-	-	-	Hermax Holdings Limited Liu Lien-Chun	Same responsible person Responsible person	-
	2,125,869	3.15	217,536	0.32	10,463,546	15.51	Heng Lang Co., Ltd. Hermax Holdings Limited Chao Yuan-Wen	Same responsible person Same responsible person Affinity relationship within the second degree of kinship	-
Hu Ting-Wu	5,142,277	7.62	-	-	1,459,653	2.16	-	-	-
Yuan Ching Investment Co., Ltd. Responsible person: Hsieh Hong-Min	3,572,419	5.29	-	-	-	-	-	-	-
	488,000	0.72	-	-	3,915,419	5.80	Deyin Investment Co., Ltd. Responsible person: Huang Cheng-Wen	Affinity relationship within the second degree of kinship	-
Hermax Holdings Limited Responsible person: Liu Lien-Chun	2,994,021	4.44	-	-	-	-	Heng Lang Co., Ltd.	Same responsible person	-
	2,125,869	3.15	217,536	0.32	10,463,546	15.51	Heng Lang Co., Ltd. Liu Lien-Chun Chao Yuan-Wen	Same responsible person Responsible person Affinity relationship within the second degree of kinship	-
Liu Lien-Chun	2,125,869	3.15	217,536	0.32	10,463,546	15.51	Heng Lang Co., Ltd. Hermax Holdings Limited Chao Yuan-Wen	Same responsible person Same responsible person Affinity relationship within the	-

Name	Shares held by the individual		Shares held by spouse and underage children		Total shares held in the name of others		The names and relationships of the top-10 shareholders who are related to each other or are spouses of each other or have a relative relation within the second degree of kinship with each other		Remarks
	Number of shares	Shareholding ratio %	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio %	Name	Relationship	
								second degree of kinship	
Chao Yuan-Wen	1,666,328	2.47	-	-	-	-	Liu Lien-Chun	Affinity relationship within the second degree of kinship	-
Deyin Investment Co., Ltd. Responsible person: Huang Cheng-Wen	1,425,360	2.11	-	-	-	-	-	-	-
	383,659	0.57	-	-	1,425,360	2.11	Yuan Ching Investment Co., Ltd. Responsible person: Hsieh Hong-Min	Affinity relationship within the second degree of kinship	-
Fubon Financial Holding Venture Capital Co., Ltd Responsible person: Kung Tien-Hsing	1,239,000	1.84	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Investment Account of Morgan Stanley International Limited under Custody of HSBC Bank (Taiwan) Limited	985,630	1.46	-	-	-	-	-	-	-
Investment Account of UBS Europe SE under Custody of Citibank (Taiwan) Limited	942,000	1.40	-	-	-	-	-	-	-

IX. The total number of shares held by the Company and its directors, supervisors, managers, and enterprises directly or indirectly controlled by the Company in the same invested business, and the consolidated shareholding ratio

December 31, 2025; Unit: 1,000 shares; %

Invested business	The Company's investment		Investments of directors, supervisors, managers, and directly or indirectly controlled enterprises		Consolidated investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Microloops Technology (Samoa) Corp.	20,621	100%	-	-	20,621	100%

Invested business	The Company's investment		Investments of directors, supervisors, managers, and directly or indirectly controlled enterprises		Consolidated investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Huizhou Huiliqinn Technology Co., Ltd.	(Note 1)	100%	-	-	(Note 1)	100%
Microloops Vietnam Corp. Company Limited	(Note 1)	100%	-	-	(Note 1)	100%

Note 1: It is a limited company and has not issued stocks.

Three.Fundraising status

I. Capital & shares

(I) Source of capital stock

1. Type of share

April 25, 2026; Unit: Share; %

Type of share	Authorized capital			Remarks
	Outstanding share	Unissued share	Total	
Registered common share	67,500,000	32,500,000	100,000,000	Listed stocks

2. Formation of capital stock

Unit: share; NTD

Year/month	Issue price ($)	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of capital stock	Property other than cash as capital contribution	Others
2002.11	10	4,400,000	44,000,000	4,368,895	43,688,950	Capital of NTD 43,688,950	-	2002.11.08 Fu-Jian-Shang-Zi No. 091236106
2004.08	10	20,000,000	200,000,000	9,622,000	96,220,000	Capital increase in cash by NTD 70,006,630 Capital reduction by eliminating common stocks of NTD 17,475,580 Authorized capital increase by NTD 156,000,000	-	2005.08.26 Fu-Jian-Shang-Zi No. 09316481620
2005.06	10	20,000,000	200,000,000	12,622,000	126,220,000	Capital increase in cash by NTD 30,000,000	-	2005.06.20 Fu-Jian-Shang-Zi No. 09410165300
2006.03	10	20,000,000	200,000,000	15,122,000	151,220,000	Capital increase in cash by NTD 25,000,000	-	2006.03.30 Fu-Jian-Shang-Zi No. 09574529610
2006.12	10	20,000,000	200,000,000	19,122,000	191,220,000	Capital increase in cash by NTD 40,000,000	-	2006.12.01 Fu-Jian-Shang-Zi No. 09586044700
2007.05	-	50,000,000	500,000,000	19,122,000	191,220,000	Authorized capital increase by NTD 300,000,000	-	2007.05.18 Jing-Shou-Zhong-Zi No. 09632118950
2008.07	10	50,000,000	500,000,000	31,622,000	316,220,000	Capital increase in cash by NTD 125,000,000	-	2008.07.14 Jing-Shou-Zhong-Zi No. 09732647110
2009.03	10	50,000,000	500,000,000	31,638,000	316,380,000	Capital increase in cash by NTD 160,000	-	2009.03.09 Jing-Shou-Zhong-Zi No. 09831867820
2010.09	10	50,000,000	500,000,000	36,638,000	366,380,000	Capital increase in cash by NTD 50,000,000	-	2010.09.30 Jing-Shou-Zhong-Zi No. 09932643320
2011.05	-	50,000,000	500,000,000	23,243,737	232,437,370	Capital reduction by eliminating common stocks of NTD 133,942,630	-	2011.05.30 Jing-Shou-Zhong-Zi No. 10032049010
2011.08	10	50,000,000	500,000,000	29,243,737	292,437,370	Capital increase in cash by NTD 60,000,000	-	2011.08.11 Jing-Shou-Zhong-Zi No. 10032366780
2013.01	10	50,000,000	500,000,000	35,243,737	352,437,370	Capital increase in cash by NTD 60,000,000	-	2013.01.15 Jing-Shou-Zhong-Zi No. 10233038760
2013.04	10	50,000,000	500,000,000	40,243,737	402,437,370	Capital increase in cash by NTD 50,000,000	-	2013.04.10 Jing-Shou-Zhong-Zi No. 10233366180
2014.05	-	50,000,000	500,000,000	20,243,737	202,437,370	Capital reduction by eliminating common stocks of NTD 200,000,000	-	2014.05.15 Jing-Shou-Zhong-Zi No. 10333336730
2014.06	10	50,000,000	500,000,000	25,243,737	252,437,370	Capital increase in cash by NTD 50,000,000	-	2014.06.27 Jing-Shou-Zhong-Zi No. 10333448200
2015.03	10	50,000,000	500,000,000	20,692,391	206,923,910	Capital increase in cash by NTD	Capital increase of NTD 15,000,000	2015.03.04 Jing-Shou-Zhong-Zi No.

Year/month	Issue price ($)	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of capital stock	Property other than cash as capital contribution	Others
						85,000,000 Capital reduction by eliminating common stocks of NTD 145,513,460	from creditor's rights	10433151020
2016.05	-	50,000,000	500,000,000	12,448,275	124,482,750	Capital reduction by eliminating common stocks of NTD 82,441,160	-	2016.05.30 Xing-Bei-Fu-Jing-Si-Zi No. 1055181807
2016.10	10	50,000,000	500,000,000	16,448,275	164,482,750	Capital increase in cash by NTD 32,700,000	Capital increase of NTD 7,300,000 from creditor's rights	2016.10.05 Xing-Bei-Fu-Jing-Si-Zi No. 1055313762
2017.07	10	50,000,000	500,000,000	23,948,275	239,482,750	Capital increase in cash by NTD 45,000,000	Capital increase of NTD 30,000,000 from creditor's rights	2017.07.03 Xing-Bei-Fu-Jing-Si-Zi No. 1068041750
2017.11	-	50,000,000	500,000,000	17,448,275	174,482,750	Capital reduction by eliminating common stocks of NTD 65,000,000	-	2017.11.01 Xing-Bei-Fu-Jing-Si-Zi No. 1068069393
2017.12	10	50,000,000	500,000,000	20,948,275	209,482,750	Capital increase in cash by NTD 35,000,000	-	2017.12.25 Xing-Bei-Fu-Jing-Si-Zi No. 1068083903
2019.10	10	50,000,000	500,000,000	29,948,275	299,482,750	Capital increase in cash by NTD 90,000,000	-	2019.10.14 Xing-Bei-Fu-Jing-Si-Zi No. 1088069622
2020.05	10	50,000,000	500,000,000	32,448,275	324,482,750	Capital increase in cash by NTD 25,000,000	-	2020.05.26 Xing-Bei-Fu-Jing-Si-Zi No. 1098035355
2020.10	45	50,000,000	500,000,000	37,448,275	374,482,750	Capital increase in cash by NTD 50,000,000	-	2020.10.16 Xing-Bei-Fu-Jing-Si-Zi No. 1098074073
2021.07	-	100,000,000	1,000,000,000	37,448,275	374,482,750	Authorized capital increase by NTD 500,000,000	-	2021.07.21 Xing-Bei-Fu-Jing-Si-Zi No. 1108048517
2022.09	50	100,000,000	1,000,000,000	43,448,275	434,482,750	Capital increase in cash by NTD 60,000,000	-	2022.09.19 Xing-Bei-Fu-Jing-Si-Zi No. 1118066181
2023.09	-	100,000,000	1,000,000,000	50,877,930	508,779,300	Capital increase of NTD 74,296,550 from earnings	-	2023.09.20 Jing-Shou-Shang-Zi No. 11230181590
2024.04	60	100,000,000	1,000,000,000	56,877,930	568,779,300	Capital increase in cash by NTD 60,000,000	-	2024.04.01 Jing-Shou-Shang-Zi No. 11330044410
2024.09	-	100,000,000	1,000,000,000	60,000,000	600,000,000	Capital increase of NTD 31,220,700 from earnings	-	2024.09.09 Jing-Shou-Shang-Zi No. 11330164590
2025.12	120	100,000,000	1,000,000,000	7,500,000	675,000,000	Capital increase in cash by NTD 75,000,000	-	2025.12.12 Jing-Shou-Shang-Zi No. 11430194610

3. If the Company is approved to issue securities by way of a public offering, the information on the approved amount, the intended issuance and issued securities should be disclosed: None.

(II) List of major shareholders

List all shareholders with a stake of 5 percent or greater. If there are fewer than ten such shareholders, the names of the top-10 shareholders and the number and percentage of their stakes should be disclosed

April 25, 2026

Share / Major shareholder	Number of shares held (share)	Shareholding ratio (%)
Heng Lang Co., Ltd.	7,323,892	10.85
Hu Ting-Wu	5,142,277	7.62
Yuan Ching Investment Co., Ltd.	3,572,419	5.29
Hermax Holdings Limited	2,994,021	4.44
Liu Lien-Chun	2,125,869	3.15
Chao Yuan-Wen	1,666,328	2.47
Deyin Investment Co., Ltd.	1,425,360	2.11
Fubon Financial Holding Venture Capital Co., Ltd.	1,239,000	1.84
Investment Account of Morgan Stanley International Limited under Custody of HSBC Bank (Taiwan) Limited	985,630	1.46
Investment Account of UBS Europe SE under Custody of Citibank (Taiwan) Limited	942,000	1.4

(III) Dividend policy and implementation status

1. Dividend policy

   If the Company has earnings in the annual final accounts, the earnings should be distributed in the following order:

   (1) Payment of taxes and levies.

   (2) Offset of accumulated losses

   (3) 10% of the surplus is set aside as the legal reserve in accordance with the law, unless it has reached the same amount as the paid-in capital.

   (4) Special reserve set aside or reversed in accordance with the law or the regulations or the competent authority.

   (5) In addition to paying dividends, any surplus that remains may be combined with undistributed earnings from previous years to calculate the bonus for shareholders. The Board of Directors prepares an earnings distribution proposal in accordance with the dividend policy outlined in Paragraph 2 of this Article and submits it to the shareholders' meeting for a resolution on the distribution of dividends and bonuses to shareholders.

   As the Company’s business grows, the dividend distribution policy must be based on the Company’s current and future investment environment, capital needs, domestic and foreign competition, and capital budgets, while taking into account shareholders’ interests, balancing dividends, and the Company’s long-term financial planning. The Board of Directors shall prepare a proposal for the distribution of dividends every year in accordance with the law and submit it to the shareholders’ meeting. The Company’s shareholders’ dividends may be paid in cash or stock. The total amount of shareholders’ dividends shall not be less than 5% of the distributable earnings. The percentage of cash dividends distributed to shareholders shall not be less than 10% of the total dividends.

2. Distribution of dividends for the current year:

   The Company’s 2025 earnings distribution was approved by the Board of Directors on March 11, 2026. The proposed cash dividend to shareholders is NTD 3.00 per share, totaling NTD 202,500,000, subject to approval by the shareholders’ meeting to be held on June 23, 2026.

(IV) Impact of the proposed stock dividend distribution on the Company’s operating performance and earnings per share for the current year: The Company did not propose any stock dividend distribution for the current year; therefore, this is not applicable.

(V) Remuneration to employees and directors

1. The amount or scope of remuneration to employees and directors as stated in the Articles of Incorporation

   If the Company makes a profit in a year, no less than 3% of the profit shall be distributed as remuneration to employees and no less than 1.5% of the employee remuneration shall be distributed for basic-level employees; no more than 3% of the profit shall be distributed as remuneration to directors.

The remuneration to employees as mentioned in the preceding paragraph may be paid in the form of stock or in cash. The remuneration may be paid to employees of the Company or its subsidiaries who meet the criteria set forth by the Board of Directors. The remuneration to directors, as mentioned in the preceding paragraph, may only be paid in cash. However, if the Company has accumulated losses, the amount of loss shall be covered first.

1.1 Remuneration to directors

(1) The remuneration of the Company's directors includes compensation, directors' salary and professional service fees:

I. Directors' compensation: The Board of Directors determines the amount of compensation for directors in accordance with the "Regulations Governing the Remuneration to Directors, Functional Committee Members and Managers," based on the directors' level of participation in the Company's operations and the value of their contributions, as well as the usual standards for other listed companies. The amount of remuneration is determined by the Board of Directors under its authorization. During the discussion, the director concerned shall recuse himself/herself from voting on his/her remuneration. The 2025 remuneration to directors was determined by the Board of Directors. The usual remuneration standards for other listed companies is not related to the profitability of the Company. However, the remuneration to the directors is reasonable.

II. Directors' salary: The salary of directors is paid after the end of the fiscal year in accordance with the Articles of Incorporation to certain percentage of the profit in the current year. The proposed salary for directors in 2025 was submitted by the Remuneration Committee on March 11, 2026, and approved by the Board of Directors. The salary for directors is 2.9% of the profit in 2025, amounting to NT$10,597 thousand, and is primarily linked to the Company's net profit and operating performance. The salary for independent directors is determined by considering the overall remuneration level for independent directors among listed companies (including directors' compensation and salary), the degree of participation in the Board of Directors and functional committees, and the positions they assume. The salary for directors, other than independent directors, is determined by considering the salary level of independent directors, the degree of participation in the Company's operations, the extent of involvement in the Board of Directors, and the positions they hold.

III. The professional service fees include the transportation allowances for independent directors attending the Board of Directors meetings, the rental of the cars allocated to the directors other than independent directors, the depreciation of the cars, the fuel expenses, and the maintenance costs. The transportation allowances for directors are paid based on actual attendance, to the extent equivalent to those paid by other companies. In addition, the two directors who are not independent are allocated cars, including the car assigned to the director who also serves as a manager. The Company bears the rental and depreciation of the car, as well as the fuel expense and maintenance costs.

(2) Remuneration that all companies included in the consolidated financial statements pay to the directors of the Company:

Including the remuneration, salary and professional service fee to directors, mainly the transportation allowance for attending the Board of Directors' meetings, which is paid based on the actual attendance.

(3) The remuneration to the directors shall be re-evaluated at the time of re-election and adjusted after taking into consideration the usual standards of other listed companies and the reasonableness linked to the performance of the Company.

1.2 Remuneration to managers

The Company determines the job rank and remuneration of each senior manager in accordance with the "Regulations Governing the Remuneration to Directors, Functional Committee Members and Managers" and the senior managers' duties, experience and professional skills, and with reference to the remuneration level in the market.

(1) The remuneration to managers includes salary (fixed remuneration), pension, and bonus (including special allowance):

I. Salaries (fixed remuneration): The Company determines the monthly salaries based on job grade, performance, and market remuneration levels. Salaries are adjusted according to the Company's operating performance and individual performance.

II. Pension: The pension expenses for 2025 are appropriated for senior managers who have chosen the new pension plan under the law. The Company contributes 6% of the monthly salary to the individual pension account at the Bureau of Labor Insurance.

III. Bonus: The bonus for senior managers is calculated in accordance with the "Regulations Governing the Remuneration to Directors, Functional Committee Members and Managers," as recommended by the Remuneration Committee and approved by the Board of Directors. The key performance indicators are mainly based on the Company's earnings and quality (such as customer satisfaction), performance (revenue and profit targets), and other indicators. The Company has long implemented a year-end bonus based on its annual net operating profit to share operating results with all employees.

Regarding bonuses for managers, the Remuneration Committee and the Board of Directors determine the total short-term performance bonus based on (1) personal ability optimization, (2) talent cultivation within the team, and (3) achievement of the departmental performance goals set by senior management. The short-term performance bonus is paid based on the achievement of the indicators after the Remuneration Committee approves the evaluation coefficient and submits it to the Board of Directors for approval before payment.

IV. Other salaries include the rental of the cars allocated to the managers, the depreciation of the cars, the fuel expenses, and the maintenance costs.

(2) The remuneration that all companies included in the consolidated financial statements, excluding the Company, to the managers of the Company: None

General Employees: The Company has established comprehensive compensation policies and frameworks, as well as performance reward measures. Remuneration is determined based on a holistic assessment of education, years of service, experience, job responsibilities, and other factors to attract, motivate, reward, and retain outstanding talent. There is no gender discrimination, and the Company adheres to corporate responsibility standards for employee safety and company regulations. This ensures the reasonableness and fairness of the employee salary structure, which serves to motivate employees and drive better performance. According to Article 23 of the Company's Articles of Incorporation, if the Company reports a profit for the year (profit before tax for the current year), it shall adjust individual compensation based on performance to maintain overall competitive compensation levels. After deducting employee and director remuneration from profits, no less than 3% shall be appropriated as employee remuneration. Employee remuneration may be distributed in the form of stock or cash, and the recipients include employees of controlling or subsidiary companies who meet the conditions set by the board of directors. The Company participates in market compensation surveys annually to determine monthly salaries for general employees based on their position level and performance, with reference to external market salary levels, economic trends, and market compensation standards. Salary adjustments and bonus distributions (including employee remuneration) are determined according to the Company's operational performance and individual performance.

2. The basis for estimating the amount of remuneration to employees and directors, the calculation basis for the remuneration to be distributed in stock, and the accounting treatment when the actual distribution amount differs from the estimated amount are as follows:

Employee and directors' remuneration are accrued based on the current year's profitability and within the percentage ranges prescribed in the Articles of Incorporation. If the actual amount resolved to be distributed differs from the estimated amount, the difference shall be treated based on the change in accounting estimate.

3. The Board of Directors' resolution on the distribution of remuneration

(1) The amount of the remuneration to employees and directors distributed in cash or in stock. If the amount of expenses recognized is different from the amount estimated for the year, the difference, the cause, and the treatment of the difference should be disclosed:

The distribution of employee and director remuneration for 2025 fiscal year was approved by the Board of Directors on March 11, 2026, to be distributed in cash. Employee remuneration amounts to NT$10,963 thousand and director remuneration amounts to NT$10,597 thousand, both to be paid entirely in cash. There is no difference between the aforementioned distribution amount and the book entry in 2025.

(2) The amount of employee remuneration distributed in stock as a percentage of the sum of the post-tax net income and total employee remuneration for the current period:

The Company's Board of Directors resolved on March 11, 2026 to distribute the remuneration to employees in cash. So, this is not applicable.

4. Report on remuneration distribution to the shareholders' meeting and results

The Company will report the distribution of employee and director remuneration for the 2025 fiscal year at the regular shareholders' meeting on June 23, 2026, with employee remuneration of NT$10,963 thousand and director remuneration of NT$10,597 thousand to be distributed in cash. There is no difference between these amounts and the estimated employee and director remuneration recognized by the Company for fiscal year 2025.

5. The actual distribution of remuneration to employees,directors and supervisors in the previous year (including the number of shares, the amount of cash, and the price of the stock), as well as any differences from the recognized remuneration to employees, directors and supervisors, the amount of such differences, the reasons for them, and the treatment of such differences:

At the meeting of the Board of Directors held on March 10, 2025, the Company approved the distribution of employee remuneration and director remuneration for fiscal year 2024 in the amounts of NT$4,214 thousand and NT$4,074 thousand, respectively, which were consistent with the estimated expenses for 2024.

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

II. Corporate bonds (including overseas corporate bonds): None.

III. Issuance of preferred shares: None.

IV. Issuance of global depository receipts: None.

V. Issuance of employee stock warrants: None.

VI. Issuance of new shares with restricted stock awards: None.

VII. Issuance of new shares in connection with the merger or acquisition of other companies: None.

VIII. Implementation of capital utilization plans: None.

(I) Project

As of the quarter before the publication date of the annual report, the previous issuances have not been completed or those that have been completed in the most recent three years but have not yet realized in terms of benefits as planned:

N/A

(II) Implementation status

The implementation and comparison with the original estimated benefits as of the quarter before the publication date of the annual report:

(1) The declaration was approved based on the Letter Tai-Cheng-Shang-Yi No. 1141804101 on September 25, 2025. 7,500 thousand common shares were issued. The fundraising and execution were completed.

Four. Operation Overview

I. Description of the business

(I) The scope of the business

1. Main business activities

CC01030	Electric Appliance and Audiovisual Electric Products Manufacturing
CC01060	Wired Communication Equipment and Apparatus Manufacturing
CC01070	Wireless Communication Mechanical Equipment Manufacturing
CC01080	Electronics Components Manufacturing
CC01990	Electrical Machinery, Supplies Manufacturing
CC01110	Computer and Peripheral Equipment Manufacturing
CC01120	Data Storage Media Manufacturing and Duplicating
CD01030	Automobiles and Parts Manufacturing
F219010	Retail Sale of Electronic Materials
ZZ99999	All business items that are not prohibited or restricted by law, except those that are subject to special approval.

2. Sales percentage of major products:

Unit: NTD Thousand; %

Major product	2024		2025	
	Operating revenue	Sales percentage	Operating revenue	Sales percentage
Thermal module	2,004,553	99.98	3,701,503	99.95
Others	464	0.02	1,809	0.05
Total	2,005,017	100.00	3,703,312	100.00

3. The Company's current products (services)

The Company mainly provides a full range of cooling system solutions, including notebook computers, desktop computers, servers, display cards, network communication equipment, car-borne automated driving systems, and specialized industrial products. We are committed to providing cooling solutions for public power supply systems, 5G and IoT systems, automotive power systems, cloud storage systems, and more.

4. New products (services) planned to be developed

Project	Purpose	Description
B300 water block development	Heat dissipation of high power server calculation unit	Develop a water block for the NVidia B300 chip.
Solder-free water block	Heat dissipation of high power server calculation unit	Use diffusion bonding to replace traditional solder welding and produce water blocks free from internal solder contamination.
Diamond-copper material development	Fundamental R&D of heat dissipation materials	Develop composite materials using diamond and copper for heat dissipation of high-end chips.
Two-phase liquid cooling development	Heat dissipation of high power server calculation unit	Develop water blocks and CDUs suitable for two-phase liquid cooling applications.
Setup of automatic production and inspection equipment for cooling head modules	For producing cooling head modules	Introduce automated production and inspection to the first liquid cooling production line to win other orders of high-end servers.

Project	Purpose	Description
Plat Tube 3DVC	Heat dissipation of high power server calculation unit	Use flat heat pipes to replace first-generation round heat pipes in the production of 3D VC.
3rd generation TPU heat sink	Heat dissipation of high power server calculation unit	Develop the 3rd generation TPU heat sink and introduce fully automated production.
VC X-ray full inspection equipment	VC production quality	Introduce full X-ray inspection for VC products and train AI for fully automated inspection to ensure the correct arrangement of VC copper pillars.

(II) Industry Overview

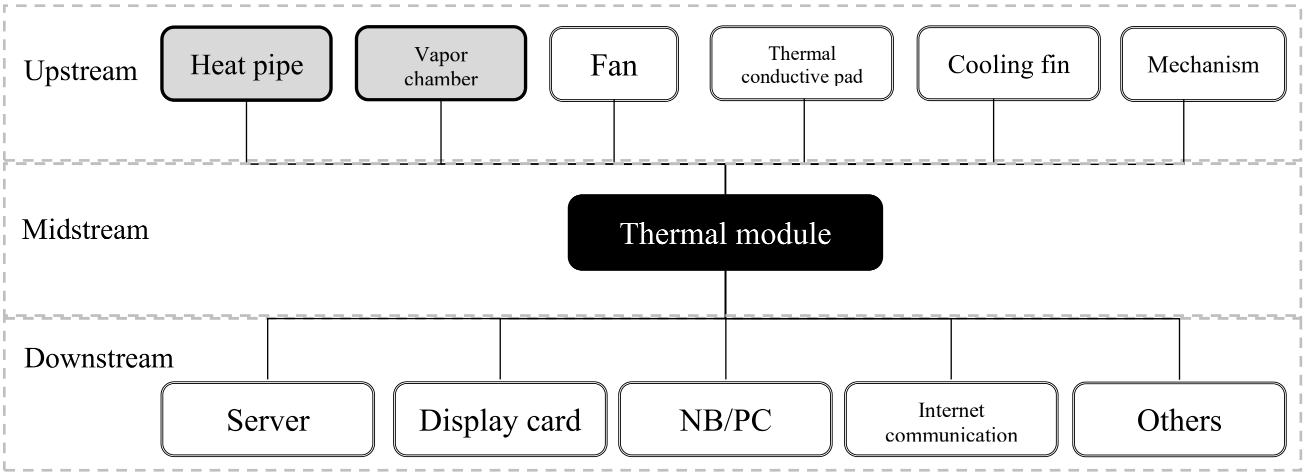
1. Current status and development of the industry

The main application market of the past heat dissipation sector is the PC industry. In recent years, it has gradually expanded into communication, automotive, medical care, and aerospace industries. The cooling solution primarily utilizes copper or aluminum heat sinks, heat pipes, and fans to create an effective cooling system. Since space is relatively abundant, volume restrictions on the system design are not significant. However, as electronic products are becoming lighter, thinner, and smaller, circuit chips and electronic components are constantly reduced in size, but their performance is improved. The area and space for heat dissipation are restricted in these circumstances. Therefore, to avoid compromising the performance and reliability of products in high-temperature and high-eat environments, manufacturers of thermal modules are moving toward the development of thin heat dissipation components. In this circumstance, heat dissipation management is becoming increasingly important to the information and 3C industries.

Although the PC industry has reached saturation in recent years, the emergence of the e-sports industry has facilitated the generation of more computing data and statistics, which in turn increases the demand for heat dissipation for processors and independent display cards. In addition, with the arrival of cloud computing, IoT (Internet of Things), and 5G communication applications, along with the advancement of AI technology and its applications, more data will be generated and accumulated. This will drive a new wave of demand for heat dissipation products in the server, base station, and automotive markets. Therefore, vapor chambers, watercooling parts, special material components, and even composite heat dissipation products will be used in more applications.

2. Association between upstream, midstream and downstream industries

The Company's main product is thermal modules. The thermal modules consist of fans, cooling fins, heat pipes, vapor chambers, thermal paste, and related components. They are used in the heat dissipation of various heating elements. The Company is particularly specialized in the manufacturing of vapor chambers. They are composed of metal plates, copper powder, copper mesh, and copper columns. The association between the upstream and downstream sectors of the thermal module industry is shown below:



3. Product development trends

In the past, the cooling solutions primarily used copper or aluminum heat sinks, heat pipes, or fans to create a cooling system for the PC industry. However, the demand for cooling products will continue to increase as the design of electronic products in recent years has become lighter, more efficient, and multifunctional. This means that the heat dissipation process must be modified. In this circumstance, the manufacturers of thermal modules have begun to develop cooling solutions, such as vapor chambers and heat pipes. With the global advancement into the 5G era, the booming development of new applications – such as the Internet of Things, the Internet of Vehicles, smart manufacturing, and smart cities – has led to a continuous increase in the demand for heat dissipation. The applications of end cooling products are analyzed as follows:

(1) Servers and data centers

With the launch of ChatGPT by OpenAI in 2022, followed by AI-Bing, Bard, and other artificial intelligence technologies, the cloud processing demands created by digital transformation and the enormous data processing requirements of generative AI have prompted businesses and cloud service providers to invest in data center infrastructure. According to estimates by DIGITIMES Research Center, the global generative AI market will reach US$40 billion in 2024 and grow to US$1.5 trillion by 2030, with a compound annual growth rate (CAGR) of 83% from 2022 to 2030, demonstrating the strong demand for generative AI. Global data center capacity is expected to double by 2030, representing a compound annual growth rate of approximately 14%. From 2026 to 2030 alone, approximately 100 GW of additional capacity will be required, equivalent to approximately US$1.2 trillion in real estate investment value. The proportion of AI workloads is expected to increase from 25% in 2025 to 50% in 2030, with inference computing anticipated to surpass training workloads beginning in 2027.

With increasingly advanced algorithms, data volumes, and computing power, traditional servers using central processing units (CPU) as their main computing resource have gradually become insufficient. Due to their relatively low overall system power consumption, most can operate with basic air cooling solutions. However, today's high-end servers commonly utilize CPU+GPU (Graphics Processing Unit) configurations, with GPUs providing the primary computing power. Given that a single GPU consumes more power than a CPU, and most high-end servers are equipped with multiple GPUs, advanced air cooling solutions such as 3D VC (Vapor Chamber) and even more effective liquid cooling solutions have emerged to meet the cooling demands of high-performance servers.

(2) High-end gaming notebooks

If the development of gaming notebooks over the past few years were plotted as a curve, it would show that performance growth has already reached a relatively mature stage. For gamers, the question is no longer whether a device can run games, but rather “how well it performs,” “how stable it is,” and “whether the overall experience remains consistent.”

The year 2026 marks the point at which these key technologies are truly integrated and implemented. High-end gaming notebooks are no longer merely gaming devices. They now simultaneously serve as platforms for gaming, live streaming, content creation, and even AI computing terminals. Users expect a single device to handle multiple high-intensity scenarios without having to compromise between performance and usability. Advancements in mobile platform performance are narrowing the gap between notebooks and desktop computers. For gamers, this means that demanding AAA games, high-frame-rate competitive gaming, as well as real-time streaming and content creation, can all be achieved on portable devices. The key market focus has shifted from “maximum performance” to “sustained high performance over extended periods.” In the high-end segment, stability has become one of the most important considerations for users. The true value of performance lies not in short-term benchmark results, but in whether the device can maintain consistent, quiet, and reliable performance during extended gaming sessions, live streaming, or content creation. As a result, the importance of overall system integration and thermal design has surpassed that of individual hardware components.

Market value estimation

According to Business Research Insights, the global gaming notebook market is estimated to reach approximately US$14.79 billion in 2026 and is expected to continue growing at a compound annual growth rate (CAGR) of 5.8%, reaching approximately US$24.63 billion by 2035.

Shipment forecast

According to the Global Gaming Laptop Market Research Report 2026 published by QY Research, the report covers shipment volumes (in K units) from 2021 to 2032 and includes forecasts for 2025–2031, although specific annual figures were not publicly disclosed. In general, shipment volumes can be roughly estimated based on market value and unit prices. For example, assuming an average unit selling price of US$1,500, a market value range of US$14.79–19.3 billion would imply estimated shipments of approximately 9.9–12.9 million units in 2026.

Similarly, the gaming PC market, which also declined as pandemic-driven benefits faded, has experienced a new wave of growth since the second quarter of 2024, influenced by brand manufacturers actively launching new products and distribution channels increasing their restocking efforts. Additionally, the Chinese market, which has seen sluggish consumer demand in recent years, has not only revitalized its gaming market but also contributed to the global gaming market recovery following the release of the domestically-produced AAA game "Black Myth: Wukong." Moreover, with numerous high-profile game titles set to launch in 2025, coinciding with generational display card redesigns from industry giants NVIDIA and AMD, consumer upgrades driven by the pursuit of better gaming experiences and application performance are expected, becoming a crucial driver for the overall gaming market recovery.

(3) High-end graphics cards

High-end graphics card demand outlook

High-end consumer graphics cards (such as NVIDIA GeForce RTX 5080/NVIDIA GeForce RTX 5090 and AMD Radeon RX 9070 XT)

As global digital content, the gaming industry, and artificial intelligence applications continue to expand, high-end graphics cards have gradually evolved from purely gaming hardware into key foundational components for high-performance computing and visual processing. Entering 2026, demand for high-end graphics cards is demonstrating structural growth characteristics featuring “stable volume, rising value, and expanding applications.”

A. Gaming and high-end gaming applications remain the core demand foundation

In the gaming market, 4K resolution, high refresh rates, and real-time ray tracing technologies have gradually expanded from enthusiast gamers to mainstream heavy users, continuously driving demand for higher graphics performance. Large-scale AAA games and e-sports competitions continue to raise requirements for frame rate stability and image precision, making mid- to low-end graphics cards increasingly unable to deliver a complete user experience. As a result, high-end graphics cards have become the preferred upgrade option.

In addition, gaming content creation and live streaming have become highly integrated. Simultaneously performing "gaming, streaming, recording, and post-production tasks" has become increasingly common, significantly increasing demand for GPUs with real-time computing and multitasking capabilities and further supporting rigid demand for high-end graphics cards.

B. Rapid expansion of AI and professional creator demand

The most significant driver of high-end graphics card demand growth in 2026 comes from the rapid expansion of AI and creator markets. Generative AI, local inference, real-time image processing, and 3D content generation are gradually extending from cloud platforms to edge devices, driving demand for graphics cards equipped with high memory bandwidth and AI acceleration capabilities as core hardware configurations for next-generation creators and professional users.

Applications such as film and television post-production, architectural visualization, industrial design, and scientific computing continue to grow. Coupled with the widespread adoption of AI-assisted design tools, the demand for high-performance graphics cards traditionally associated with workstation markets is increasingly overlapping with demand for high-end consumer graphics cards, forming a converging "Gaming × Creator × AI" market.

C. High-end notebooks and lightweight devices are reshaping demand structure

In terms of device form factors, demand for high-end graphics cards is no longer concentrated solely in desktop graphics cards. The rapid growth of high-performance gaming notebooks, creator notebooks, and small form factor (SFF) systems has significantly increased demand for GPUs that combine high performance, low power consumption, and superior thermal efficiency.

The adoption of high-end GPUs by OEM and ODM manufacturers as key product differentiation specifications has also structurally increased both the per-unit product value and gross margin profile of high-end graphics cards.

D. Demand characteristics shifting toward "high ASP and longer lifecycle"

Overall, the high-end graphics card market in 2026 demonstrates the following demand characteristics:

- Stable but moderate shipment growth
- Continued increases in average selling prices (ASP)
- Longer product lifecycles and more diversified usage scenarios
- Demand is becoming less susceptible to fluctuations in any single application segment.

Compared with the past, when the market was highly dependent on gaming industry cycles, high-end graphics cards have evolved into strategic components spanning gaming, AI, content creation, and professional applications, significantly enhancing demand resilience. Overall, demand for high-end graphics cards in 2026 is not expected to be driven by short-term surges, but rather by structural growth based on technology upgrades, expanding applications, and increasingly diverse usage scenarios. Although growth in the overall PC market has slowed, high-end graphics cards continue to maintain industry characteristics of “low volume, high value, stable demand, and margin optimization,” and remain a critical growth engine that semiconductor and system manufacturers cannot afford to overlook.

(4) Liquid cooling solutions for automotive/AI servers

With growing global concern for environmental protection and sustainable development, major automobile manufacturers are increasingly investing in electric vehicle research and development. As electric and smart vehicle technologies advance, cooling requirements have expanded from in-car entertainment systems to encompass vehicle cabins, power systems, headlights, wireless charging pads, and Advanced Driver Assistance Systems (ADAS). As vehicles enter the realm of autonomous driving, the integration of artificial intelligence systems becomes essential for processing vast amounts of data calculations and decision analysis. Air or liquid cooling solutions effectively manage the substantial heat generated during computation processes, combined with various heat sources from the vehicle itself, ensuring stable operation of all vehicle functions.

As governments worldwide introduce subsidies for electric vehicle purchases to advance toward the global goal of net-zero emissions by 2050, breakthroughs in battery technology, the rapid development of autonomous driving systems, and applications of vehicle networking technology have secured electric vehicles a significant position in the currently fossil fuel–dominated automotive market. According to the Industrial Technology Research Institute’s Industry, Science, and Technology International Strategy Center, global economic activity is gradually recovering from the pandemic in 2024. Combined with China’s increased subsidies for vehicle scrapping and replacement in the third quarter and aggressive stimulation of fourth-quarter economic performance, global automobile sales are estimated to grow slightly by 1.3%. Furthermore, electric vehicle sales will continue to show an annual growth trend, with projected sales reaching 33.1 million units by 2026, accounting for 33.9% of total automobile sales.

4. Competition

The Company has developed in the field of vapor chambers for many years. As a market leader in vapor chamber products, our production capacity, cost, lead time, and quality have gained a foothold in the market. Our products can be found in applications such as servers, 5G base stations, e-sports laptops, and independent display cards. We increase the self-manufacturing rate, expand the product line of heat pipes, and add self-manufactured heat pipe solutions to the thermal modules, allowing the Company to better control the characteristics of the components and the supply of heat pipes, and to effectively utilize different components in designing cooling solutions. In terms of production, the Company has actively introduced automation in the assembly lines of vapor chambers, heat pipes, and modules. This not only reduces costs but also improves production efficiency and enhances product stability. These are favored by customers.

(III) Overview of technology and R&D

1. R&D expenses in the most recent year and up to the publication date of the annual report

Unit: NTD Thousand

Item \ Year	2025
Consolidated R&D expenses (A)	172,821
Consolidated net operating revenue (B)	3,703,312
As a percentage of consolidated operating revenue (%)	5%

2. Technologies or products developed successfully in the most recent year and up to the date of publication of the annual report

Year	R&D result
2025	1. Setup of the VC clean room workshop and monitoring system 2. Introduction of the fully automatic transfer platform to the VC high temperature process. 3. Development of AI-based VC and module quality control identification systems 4. Setup of fully automatic VC production lines without chemical pollution 5. Mass production of 2D VC vapor chambers for AI TPU chips 6. Establishment of an automatic water-cooling production line. 7. Development of full liquid cooling modules for servers, including CPU and memory cooling modules 8. Development of two-phase flow cold plates 9. Development of diffusion node technology for water-cooling plates 10. Trial production of 2.5D VC vapor chambers for TPU chips 11. Development of the ADM SP7 water-cooling plate and heat sink for Intel Oak Stream CPUs.

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

1. Short-term business development plan
   (1) Expand the market for cooling fans and heat sink modules required for liquid-cooled and air-cooled servers and data centers.
   (2) Continue to strengthen the market for cooling fans and modules needed for discrete graphics cards and high-end gaming laptops.
   (3) Develop the market of thin thermal modules.
   (4) Develop the application market of cooling fans related to autonomous driving.
2. Long-term business development plan
   (1) Develop the application market of cooling fans and modules other than independent display cards and notebooks.
   (2) Develop key heat dissipation technologies for thinness and lightness
   (3) Continue developing the application market of cooling fans related to autonomous driving.
   (4) Develop the application market of high-efficiency cooling fans and modules for air-cooled servers and communication equipment.
   (5) Develop the market of liquid cooling thermal modules for cloud servers.
   (6) Develop smart chip cooling products, cooling fans and thermal modules.

II. Market, production and sales overview

(I) Market analysis

1. Sales (provision) of the main products (services)

Unit: NTD Thousand

Sales area \ Year		2024		2025	
		Amount	Percentage (%)	Amount	Percentage (%)
Domestic		1,016,444	50.70	2,409,541	65.06
Overseas	China	955,575	47.66	1,219,137	32.92
	Others	32,998	1.64	74,634	2.02
Total		2,005,017	100.00	3,703,312	100.00

2. Market share

The main products of the Company include heat dissipating components for AI servers, automotive electronics, e-sports display cards, and e-sports notebooks. In addition to the development and production of thermal modules and vapor chambers, the Company has successfully developed ultra-thin vapor chambers, and automotive liquid cooling plates and vapor chambers. In addition, the Company continues to conduct market research and investigations, improves existing production processes, and strives to develop high value-added products to enhance our competitiveness and profitability, thereby helping the Company maintain its market position and share.

3. Future market supply-demand status and growth

The emergence of Generative AI (GenAI or GAI) is leading the development of the global technology industry. Particularly, the launch of Chat GPT has driven the AI industry to enter a new phase of development and accelerated the realization of commercial applications. This trend not only stimulates strong market demand for AI servers, but also causes global cloud service providers to expand their AI server business. In the future, the market of AI servers is expected to expand rapidly. The unit price of high-value products has already produced significant influence on the overall server market.

When the demand for AI servers increases drastically, the Company faces two major problems directly. One issue is the problem of power consumption, and the other is how to address high-efficiency heating. High temperature is often the first factor that destabilizes the system. Therefore, high-efficiency heat dissipation devices have become indispensable to ensure that AI servers operate steadily.

Looking ahead, competition in the global high-end AI server market is expected to become increasingly diverse. US hyperscale data center operators will remain the primary customers; however, as supply chain capacity expands sufficiently to meet the needs of other customers, the proportion of demand from these customers is also expected to increase. This trend will further drive demand for thermal management solutions. The gross profit of AI servers is higher. As more materials are used and the average price of the heat dissipation components increases, AI servers will improve the revenue and valuation in the entire heat dissipation market.

In addition to the upgrade of the semiconductors for the charging module, the heat problem existing in the cable and the charging gun of the high power charging pile needs to be solved. The development of autonomous driving is a trend in the EV sector. The autonomous driving system consumes even more power and there will be more demand for heat dissipation. The automotive sector is expected to become the next niche market for the thermal management industry.

4. Competitive niches

(1) Excellent R&D and technology capabilities

As products become more differentiated, manufacturers must have adaptable processes and strong R&D capabilities to meet customer needs in a timely manner by accommodating the unique product specifications of each customer. The Company has professional and capable R&D teams that have developed numerous thermal module solutions based on years of practical experience. They have the ability to develop equipment and build automated production lines, enabling the Company to quickly develop new products, ensure flexible delivery, pursue high-quality strategies, and maintain mass production capabilities. Based on our long-term professional experience in R&D, design, and manufacturing, we continuously pursue technological innovation and excellence, master key heat dissipation component technologies, gain insights into market development trends, and strive to develop industry-leading new products and applications to enhance our productivity and market competitiveness.

(2) Provision of diversified products and comprehensive services

The products of the Company is mainly thermal modules. The Company has excellent mold development and design capabilities. We can provide a wide range of system cooling solutions to meet the needs of our customers and establish diverse product lines. We can meet the needs of customers for various specifications and heat dissipation efficiency through mutual support among departments, providing them with comprehensive system cooling products and services.

(3) Competitive product price

The Company is actively expanding production scale and reducing production costs through mass production and economies of scale. The Company maintains strong long-term relationships with upstream suppliers and has competitive advantages in procurement costs. This makes the Company's product price extremely competitive.

5. Favorable and unfavorable factors and countermeasures for our development vision

(1) Favorable factors

A. The Company and its subsidiaries have professional R&D teams and technology capabilities

Since its establishment, the R&D team has continuously increased professional talents and invested R&D funds to strengthen the technology cores The Company possesses in-house product research and development capabilities, as well as extensive experience in managing development schedules. We are committed to improving manufacturing processes, enhancing quality, and innovating products. In addition to obtaining international quality certifications including ISO 9001, ISO 14000, and IATF 16949, we have also secured numerous important patents and received certification from many well-known domestic and foreign manufacturers. This fully demonstrates that our company's R&D capabilities and product quality are highly recognized by our customers.

B. Continued growth of market demands

The innovation of AI technology comes in waves one after another, bringing with it ever-increasing demands for data computing. With such high computing power, high energy consumption inevitably occurs. To ensure stable processor operation, highly efficient cooling solutions have become an essential requirement. According to a Maximize Market Research report, the global heat sink market size is influenced by emerging applications and advancements in electronic technology. The global heat sink market is projected to grow at a compound annual growth rate of 7.5% from 2025 to 2032, reaching $13.61 billion. The Company has established deep roots in the thermal management field for many years. In addition to actively meeting customer demands, we are committed to research and development and innovation, proactively seeking optimal thermal solutions. With continuous market momentum growth, the Company anticipates further business expansion.

C. Competitive product function and price; setup of diversified product lines

Thermal modules differ from general components, featuring highly customized characteristics. Therefore, considering major manufacturers' cost-saving objectives while balancing product quality and efficiency, possessing major manufacturer certifications, stable cooperative relationships, and key component self-manufacturing capabilities has become an essential entry barrier for thermal module manufacturers. In addition to offering various thermal management solutions and establishing diverse product lines and customer bases, the Company continuously refines manufacturing processes and improve yield rates. We maintain long-term positive relationships with major upstream suppliers to sustain our competitive advantage in procurement costs.

(2) Unfavorable factors and countermeasures

A. Fierce product competition

Due to the increasingly fierce competition of electronic products, the manufacturers of components are increasingly required to reduce the prices. This, coupled with the shorter product life cycle and more competitors, means the manufacturers are facing the pressure of price competition in the industry.

Response measures:

The Company will continue to pay close attention to market development trends, actively improve R&D and design capabilities, expand product lines, enhance the added value of products, develop alternative technologies, increase the self-manufacturing rate of key components, and introduce automated production lines to achieve economies of scale.

B. Urgent talent demand

The explosion of the AI era, accompanied by rapid product and technology evolution, has dramatically increased the demand for professional talent as we strive to meet customer requirements and provide superior services and higher quality products. The Company is smaller in scale and started later compared to our industry peers, which somewhat diminishes our ability to attract talent.

Countermeasures:

We provide more comprehensive benefit packages and have established employee profit-sharing and stock subscription plans to reduce employee turnover and enhance employee cohesion.

C. The rising labor cost

The rapid economic development in China in recent years, the increase in national income, and the rising wages make labor recruitment and production costs go up in recent years. Currently, the assembly, testing, and packaging of thermal modules must rely on manual operation, and this imposes more pressure on the manufacturer.

Countermeasures:

In addition to developing high-performance and high-margin products continuously, the Company has improved the production lines and moved toward automated manufacturing to reduce labor requirements, realizes the benefits from the economies of scale, and reduces the production cost.

(II) Important applications and production processes of major products

1. Important application of major products

Product	Application
Thermal module	Our products are primarily used for cloud computing servers, telecommunications and networking equipment, graphics cards, laptops and desktop computers, gaming consoles, automated industrial machinery, industrial computers, aerospace applications, vehicle control systems, smart home appliances and equipment, as well as cooling solutions for new energy vehicles.

2. Production process of major products

Thermal module

1. Soldering
2. Welding
3. Performance testing
4. Assembly of accessories
5. Visual inspection
6. Finished product

Vapor chamber

1. Washing
2. Diffusion bonding
3. Water injection pipe welding
4. Redox
5. Water injection and deaerating
6. Aging
7. Leveling
8. Performance testing
9. Finishing
10. Visual inspection
11. Finished product

Heat pipe

1. Pipe cutting/washing
2. Shrink tube head
3. Fill powder
4. Sintering
5. Shrink pipe tail
6. Welding head
7. Water injection and deaerating
8. Welding tail
9. Forming
10. Aging
11. Performance testing
12. Finishing
13. Visual inspection
14. Finished product

(III) Supply of main raw materials

Raw material	Supplier	Supply status
Aluminum fins, copper plates for top and bottom covers	P01	Good
Thermal module	P02	Good

(IV) The name of the customers that accounted for more than 10% of the total purchase (sales) amount in any of the most recent two years, the proportion of the purchase (sales) amount, and reasons for the changes in the amount of purchase (sales)

1. Information on major suppliers accounting for more than 10% of the total purchase in the most recent two years

Unit: NTD Thousand

Item	2024				2025			
	Name	Amount	As a percentage of net purchase of the year (%)	Relations with the issuer	Name	Amount	As a percentage of net purchase of the year (%)	Relations with the issuer
1	P01	288,974	25.24	None	P01	627,243	27.11	None
2	Others	855,983	74.76	-	Others	1,686,789	72.89	-
	Net purchase	1,144,957	100.00	-	Net purchase	2,314,032	100.00	-

Explanation of changes: The Company continues to purchase raw materials from major suppliers to maintain stable product quality. The purchasing amounts and proportions fluctuate according to customer orders.

2. Information on major customers accounting for more than 10% of the total sales in any of the most recent two years

Unit: NTD Thousand

Item	2024				2025			
	Name	Amount	As a percentage of net sales of the year (%)	Relations with the issuer	Name	Amount	As a percentage of net sales of the year (%)	Relations with the issuer
1	Group A	749,902	37.40	None	Group A	1,905,797	51.46	None
2	Others	1,255,115	62.60		Others	1,797,515	48.54	
	Net sales	2,005,017	100.00		Net sales	3,703,312	100.00	

Explanation of changes: The Company has experienced changes in customer rankings, operating revenue, and proportions primarily due to business expansion and shifts in market demand from end customers in the product application sectors.

III. Employee information in the most recent two years:

Unit: person; year

Item	Year	2024	2025	As of March 31, 2026.
Number of employees	Directly	105	161	150
	Indirect	284	275	271
	Total	389	436	421
Average age		35.08	35.82	35.73
Average years of service		2.43	3.28	3.32
Education distribution ratio (%)	Doctoral degree	0.52	0.69	0.95
	Master’s degree	4.11	3.44	3.09
	College/university	36.76	35.32	36.10
	High school	30.08	29.59	30.88
	High school or below	28.53	30.96	28.98
	Total	100.00	100.00	100.00

Note: Only the employees under the formal system of the Company and the subsidiaries that are incorporated in the consolidated financial statements are included.

IV. Information on environmental expenditure

The losses (including compensation and environmental protection audit results that violate environmental protection regulations, sanction date, sanction code, regulatory provisions that were violated, details of the regulatory violation, and sanction details) due to environmental pollution in the most recent year and up to the publication date of the annual report should be indicated. Please provide the estimated amounts likely incurred now and in the future, as well as the countermeasures to be taken. If it is impossible to provide reasonable estimates, the reasons why reasonable estimates are impossible must be specified: None.

V. Labor–management relations

(I) The Company’s employee welfare measures, continuing education, training, retirement system and its position, labor–management agreements. and measures for protection of employees’ rights and interests.

1. Employee welfare measures

The Company’s employee welfare measures are handled in accordance with the Labor Standards Act, Labor Insurance Act and related laws and regulations. In addition to the labor insurance and health insurance, the Company takes out group insurance for the employees. The Company has established employee management regulations in accordance with the Labor Standards Act and relevant laws and regulations of the government to clearly specify the rights and obligations of the employees. To provide a more complete welfare system, the Company has established an employee welfare committee in accordance with the law. It is led by the employees to deal with employee welfare matters and organize relevant activities.

2. Continuing education and training measures

The Company has established various employee education and training regulations to improve the ability and competitiveness of employees and achieve the goals of sustainable operations and development. If necessary, the department heads and employees may participate in the training courses provided by external organizations to enhance the professional competence and core competitiveness of the employees and strengthen the training and education channels for them.

3. Retirement system and its implementation

The Company abides by the “Labor Pension Act” to adopt a defined contribution plan for employees’ retirement. The Company contributes 6% of the employee’s monthly salary to the employee’s individual pension account at the Bureau of Labor Insurance. Taiwan Microloops Corp. has no employees who qualify for the old labor pension system. For those eligible for the new labor pension system, the Company contributes 6% of employees’ salaries monthly to individual accounts at the Bureau of Labor

Insurance. In 2025, the recognized pension contribution under the new system amounted to NT$3,894 thousand. No employees qualified for retirement in 2025.

4. Agreement between employer and employees and protection of employees' rights and interests

The Company has harmonious labor–management relations. The rights and obligations of both parties are handled in accordance with relevant laws and the regulations of the Company. Employees can communicate with the Company over any systems and the working environment. This will be used as an important reference for the administrative management in order to maintain good interaction with the Company. As a bridge of communication between the employer and employees, the Company holds labor–management meetings regularly to handle the matters concerning employees' rights and interest. Activities are held from time to time to enhance the harmonious working atmosphere and cohesion between the Company and employees.

(II) The losses (including violations of the Labor Standards Act as a result of the labor inspection, sanction date, sanction code, regulatory provisions that were violated, details of the regulatory violation, and sanction details) due to labor–management disputes in the most recent year and up to the publication date of the annual report, and please indicate the estimated amounts likely incurred now and in the future and the countermeasures to be taken; if it is impossible to provide reasonable estimates, facts as to why reasonable estimates are impossible shall be specified: None.

VI. Cybersecurity management

(I) The cybersecurity risk management structure, cybersecurity policy, specific management plans, and resources invested in cybersecurity management:

1. Cybersecurity risk management structure

To strengthen cybersecurity protection and management mechanisms, the Company has established "Computer Processing Operations Cycle" in accordance with Article 9 of the "Regulations Governing Establishment of Internal Control Systems by Public Companies" for related control operations using computerized information systems, as well as "Information Security Management Regulations" to ensure the security of computer data, information systems, information equipment, and network equipment.

In addition, our Company has established the Information Security Department as the dedicated unit for information security in accordance with Article 3 of the "Information Security Management Guidelines for TWSE/TPEx Listed Companies," and has appointed the head of the Information Security Department as the Company's information security officer, responsible for promoting, coordinating, supervising, and reviewing information security management matters.

2. Cybersecurity policy

To strengthen information security management, ensure the confidentiality, integrity, and availability of our information assets, provide a continuous business operation environment for the Company, and comply with relevant regulatory requirements, protecting against internal and external deliberate or accidental threats, we have established the policy that "Information Security is Everyone's Responsibility." Strengthen information security concepts in daily operations through management methods and promotional activities.

3. Specific management plans and resources invested in cybersecurity management

In addition to checking information assets on a regular basis, the Company conducts risk management based on information security management objectives and personal data risk assessments to implement various control measures.

The Company provides regular information security and personal data protection education, training and dissemination.

The Company sets up backups and redundancies, and conducts recovery tests and drills regularly for important information systems to maintain their availability.

All computers are equipped with anti-virus software and virus code updates are checked regularly. The use of unauthorized software is prohibited.

Server passwords are changed regularly. Employees are required to keep their accounts, passwords and permissions properly and change passwords regularly.

4. The Company has implemented the ISO 27001 information security management system and obtained the ISO/IEC 27001:2022 certification on April 16, 2025, and subsequently underwent the annual follow-up audit on March 10, 2026 , and successfully completed recertification on the same date.

(II) The losses, possible impacts and countermeasures caused by major information security incidents in the most recent year and up to the publication date of the annual report; if it is impossible to provide reasonable estimates, facts as to why reasonable estimates are impossible shall be specified: The Company did not experience any significant cybersecurity incidents in the most recent year and up to the publication date of the annual report.

VII. Important contracts

Contract nature	Party	Contract period	Main contents	Restrictive clause
Bank contract	The Shanghai Commercial & Savings Bank	10/01/2024–10/01/2025	Short-term credit line	None
Bank contract	Far Eastern International Bank	01/17/2025–01/17/2026 1/17/2025–11/17/2026	Short-term credit line	None
Bank contract	Taiwan Cooperative Bank	05/27/2024–04/02/2025 05/21/2025–04/22/2026	Short-term credit line	None
Bank contract	Mega International Commercial Bank	07/26/2024-07/25/2025 09/04/2025–09/03/2026	Short-term credit line	None
Bank contract	Mega International Commercial Bank	07/26/2024-07/25/2025	Short-term secured credit line	None
Bank contract	Shin Kong Commercial Bank	01/22/2025–01/22/2026	Short-term credit line	None
Bank contract	Taipei Fubon Commercial Bank	08/31/2024-08/31/2025 08/25/2025–08/25/2026	Short-term credit line	None
Bank contract	Taipei Fubon Commercial Bank	08/31/2024-08/31/2025	Export financing	None
Bank contract	Cathay United Bank	12/06/2024–12/06/2025 12/06/2025–12/06/2026	Short-term credit line	None
Bank contract	First Bank	01/13/2026–01/13/2027	Short-term credit line	None
Lease contract	Chen ○○, Chuang ○○	07/01/2023–08/31/2025	Office on the 16th floor and parking spaces	None
Lease contract	Funchen, Inc.	09/01/2023–08/31/2025	Office on the 18th floor	None
Equipment procurement contract	Shanghai Yuan Hua Electronic Technology Co., Ltd.	11/5/2025–12/30/2026	Procurement of a Huiliqinn X-ray computed tomography inspection system (industrial CT)	None
Lease contract	Huizhou Huizhou Yue Tai Xiang Technology Co., Ltd.	01/01/2025–12/31/2031	Huiliqinn factory lease agreement	None
Lease contract	Core5 Hung Yen I Company Limited	2/4/2025–2/3/2028	Microloops Vietnam factory lease agreement	None

Five. Review and Analysis of Financial Status and Performance and Risks

I. Financial status

(I) Main reasons for the material changes in assets, liabilities and equity in the most recent years, and the effect thereof

Unit: NTD Thousand; %

Year / Item	2025	2024	Difference	
			Amount	%
Current assets	3,664,864	1,672,843	1,992,021	119.08
Property, plant and equipment	1,017,196	809,188	208,008	25.71
Right-of-use assets	180,199	213,798	(33,599)	(15.72)
Intangible assets	23,704	35,724	(12,020)	(33.65)
Other assets	132,180	97,989	34,191	34.89
Total assets	5,018,143	2,829,542	2,188,601	77.35
Current liabilities	1,979,902	999,406	980,496	98.11
Non-current liabilities	219,908	257,371	(37,463)	(14.56)
Total liabilities	2,199,810	1,256,777	943,033	75.04
Capital stock	675,000	600,000	75,000	12.50
Capital reserve	1,631,724	701,026	930,698	132.76
Retained earnings	501,719	276,052	225,667	81.75
Other equity	9,890	(4,313)	14,203	(329.31)
Total equity	2,818,333	1,572,765	1,245,568	79.20

Main reasons for the material changes (variations of 20% or more with an amount of more than NTD 10 million) and their impact are analyzed as follows:

(1) Current assets: Primarily attributable to operational growth in 2025, resulting in increases in cash and accounts receivable.
(2) Property, plant and equipment: Primarily attributable to machinery and equipment purchases in 2025.
(3) Intangible assets: Primarily attributable to the purchase of drafting software in 2024, with no such purchases in 2025. In addition, due to the expiration of the amortization period for computer software, the assets were reclassified to assets under management.
(4) Other assets: Primarily attributable to purchases of testing and mold equipment in 2025.
(5) Current liabilities: Primarily attributable to operational growth in 2025, resulting in increases in both short-term borrowings and accounts payable.
(6) Capital surplus: Primarily attributable to the share premium from the cash capital increase in 2025 amounting to NT$918,856 thousand.
(7) Other equity: Primarily attributable to an increase in exchange differences arising from the translation of the financial statements of foreign subsidiaries in 2025.

(II) Impact and future countermeasures:

The aforementioned changes have no significant impact on the Company and no response plan is required.

II. Financial performance

(I) Main reasons for the material changes in the operating revenue, operating net profit, and net profit before tax in the most recent two years

Unit: NTD Thousand; %

Item \ Year	2025	2024	Increase (decrease) in amount	Change (%)
Operating revenue	3,703,312	2,005,017	1,698,295	84.70
Operating cost	2,834,937	1,542,214	1,292,723	83.82
Gross profit	868,375	462,803	405,572	87.63
Operating expense	442,224	335,359	106,865	31.87
Operating net profit	426,151	127,444	298,707	234.38
Non-operating income and expense	(77,709)	13,958	(91,667)	(656.73)
Net income before tax	348,442	141,402	207,040	146.42
Income tax gains (expense)	47,775	35,466	12,309	34.71
Net income for the current period	300,667	105,936	194,731	183.82
Other current comprehensive income (net amount after tax) for the current period	14,203	15,416	(1,213)	(7.87)
Total comprehensive income for the current period	314,870	121,352	193,518	159.47
Net profit attributable to the parent company for the current period	300,667	105,936	194,731	183.82
Total comprehensive income attributable to the parent company	314,870	121,352	193,518	159.47
Main reasons for material changes (variations of 20% or more with an amount of more NTD 10 million) and their impact are analyzed as follows: (1) Operating revenue: Primarily attributable to the continued growth in AI server demand in 2025, resulting in an increase in operating revenue compared with the previous year. (2) Operating costs: Primarily attributable to operational growth in 2025. (3) Gross profit from operations: Primarily attributable to operational growth in 2025. (4) Operating expenses: Primarily attributable to operational growth and continued investment in research and development in 2025, resulting in an increase in related operating expenses compared with the previous year. (5) Non-operating income and expenses: Primarily attributable to the combined effects of increased disposal losses from obsolete equipment and higher foreign exchange losses in 2025. (6) Total comprehensive income for the period: Primarily attributable to operational growth in 2025.				

(II) Sales volume forecast and the basis therefore, and the effect upon the Company’s future financial operations as well as measures to be taken in response:

Not applicable because the Company does not disclose financial forecasts.

III. Cash flow

(I) Analysis of changes in cash flow in the most recent year

Unit: NTD Thousand

Item \ Year	2024	2025	Increase (decrease) in amount	Increase (decrease) ratio (%)
Operating activities	136,909	(240,411)	(377,320)	(275.60)
Investment activities	(517,875)	(441,830)	76,045	14.68
Financing activities	295,983	1,244,905	948,922	320.60

(1) Decrease in cash inflows from operating activities: Primarily attributable to increased inventory preparation and higher accounts receivable resulting from the growth in operating revenue in 2025.
(2) Increase in cash outflows from investing activities: Primarily attributable to the purchase of property in 2024.
(3) Increase in cash inflows from financing activities: Primarily attributable to the cash capital increase conducted in 2025.

(II) Plan for insufficient liquidity: No such circumstances.

(III) Analysis of cash liquidity in the coming year

Unit: NTD Thousand

Cash balance at beginning of period a	Expected net cash flow from operating activities for the year b	Net cash flow from financing and investment activities for the year c	Estimated cash surplus (shortfall) amount (a+b-c)	Remedial measures for the estimated cash shortfall	
				Investment plan	Financial management plan
1,106,146	(213,991)	(525,500)	366,655	-	-

(1) Analysis of cash flow changes in the coming year
   A. Operating activities: Operating profits are expected to continue growing, accompanied by increases in inventory preparation and accounts receivable.
   B. Financing and investing activities: Primarily attributable to the continued optimization of production processes through the purchase of automated equipment, the distribution of cash dividends, and cash capital increases.
(2) Remedial measures for the estimated cash flow shortfall: None.

IV. Major capital expenditures in the last year and their impact on the finance and business: None.

V. Reinvestment policy in the most recent year, main reasons for the profit/loss, improvement plan, and investment plan for the next fiscal year

(I) The Company’s reinvestment policy

The Company's investment policy is based on considerations of sustainable operations and operational growth. The Company has established "Procedures for Acquisition or Disposal of Assets" as operating guidelines for investment activities. All investment proposals must be approved by the board of directors before implementation.

(II) Main reasons for profit or loss on investment in the most recent year, improvement plan, and the investment plan for the coming year

Unit: NTD Thousand

Invested business	Main business activities	2025 profit/loss of the investee	Reasons for profit or loss	Improvement plan	Investment plan for the coming year
Microloops Technology (Samoa) Corp.	Investment business	162,566	The profit is attributable to the investment in the Huizhou subsidiary.	None	-
Huizhou Huiliqinn Technology Co., Ltd.	Manufacture of peripheral products related to thermal modules	144,762	Rising terminal market demand leads to increased profits	None	-
Microloops Vietnam Corp. Company Limited (Vietnam Greatest Idea Strategy)	For the Group's Vietnam sales operations.	-326	Plant construction is underway.	None	

VI. Analysis and assessment of risks

(I) Impact of changes in interest and exchange rates and inflation on the profit and loss of the Company, and countermeasures to be taken in the future

Unit: NTD Thousand

Item \ Year	2024		2025	
	Amount	Percentage of operating revenue (%)	Amount	Percentage of operating revenue (%)
Operating revenue	2,005,017	100.00	3,703,312	100.00
Interest income	9,349	0.47	7,008	0.18
Interest expense	1,014	0.05	15,875	0.04
Exchange gain	50,374	2.51	(28,377)	-0.8

1. Changes in interest rate

The operations of the Company is mainly based on our own funds and the interest income is not the main source of revenue. The interest expense of the Company in the most recent two years accounted for 0.05% and 0.04% of the net operating revenues, respectively. Therefore, the impact of interest rate changes on the Company is not significant. The Company maintains good relationships with banks and regularly evaluates the financing interest rate. In the future, if there is a short-term capital demand, the Company can obtain a better interest rate by negotiating with the bank to reduce the interest rate risk that may arise from liabilities.

2. Changes in exchange rate

The Company primarily receives sales payments in US dollars while making procurement payments mainly in Chinese yuan. Therefore, exchange rate fluctuations have a certain degree of impact on the Company. However, the net foreign exchange gains of the Company accounted for 2.51% and -0.8% of net operating revenue in the past two years, respectively, so the impact of exchange rate fluctuations on the Company remains limited. Furthermore, the Company maintains close communication with banks to stay informed of the latest exchange rate information and to forecast future exchange rate trends, which serve as a reference for adjusting foreign currency positions to mitigate the impact of exchange rate risks on the Company.

To cope with exchange rate fluctuations, the Company adopts the following measures:

A. The Company's payments for goods are converted into NTD or deposited into foreign currency accounts, depending on the actual fund demand and exchange rate fluctuations. The Company will use foreign exchange flexibly to reduce the influence of exchange rate changes.

B. B. The Company's finance departments continuously collect international financial information and exchange rate fluctuation data, while maintaining close communication with banks to monitor exchange rate trends and changes in real time, thereby reducing the negative impacts caused by exchange rate fluctuations.

C. The Company has established "Procedures for Engaging in Derivatives Trading," which regulate the trading, risk management, performance evaluation and other operational procedures related to derivative financial products. These procedures have been approved by resolution of the shareholders' meeting and serve as the necessary measures for operations related to derivative financial products.

3. Inflation

The Company did not suffer significant impact from inflation. The Company will pay close attention to the fluctuation of market prices in order to respond to the impact of inflation on the Company's operations.

(II) Policies on engaging in high-risk and high-leverage investments, loaning funds to others, endorsements and guarantees as well as derivative transactions, main reasons for profit and loss, and countermeasures to be taken future

1. Policies on engaging in high-risk and high-leverage investments, main reasons for profit and loss, and countermeasures to be taken in the future:

   The Company did not engage in high-risk and high-leverage investments in the most recent year and up to the publication date of the annual report.

2. Policies on loaning funds to others and endorsements and guarantees, main reasons for profit and loss, and countermeasures to be taken future:

   The Company's procedures for loans to others and endorsement and guarantee transactions are prudently carried out in accordance with the Company's "Procedures for Endorsement and Guarantee" and "Procedures for Loans to Others."

3. Policies on engaging in derivative transactions, main reasons for profit and loss, and countermeasures to be taken future:

   For the most recent year and up to the date of publication of the annual report, the Company has handled matters in accordance with the "Derivatives Trading Procedure" established by the Company.

(III) R&D plans in the future and expenditures expected in connection therewith.

1. R&D plans in the future

R&D plans in the future

Project	Purpose	Description
B300 water block development	Heat dissipation of high power server calculation unit	Develop a water block for the nVidia B300 chip.
Solder-free water block	Heat dissipation of high power server calculation unit	Use diffusion bonding to replace traditional solder welding and produce water blocks free from internal solder contamination.
Diamond-copper material development	Fundamental R&D of heat dissipation materials	Develop composite materials using diamond and copper for heat dissipation of high-end chips.
Two-phase liquid cooling development	Heat dissipation of high power server calculation unit	Develop water blocks and CDUs suitable for two-phase liquid cooling applications.
Setup of automatic production and inspection equipment for cooling head modules	For producing cooling head modules	Introduce automated production and inspection to the first liquid cooling production line to win other orders of high-end servers.
Plat Tube 3DVC	Heat dissipation of high power server calculation unit	Use flat heat pipes to replace first-generation round heat pipes in the production of 3D VC.
3rd generation TPU heat sink	Heat dissipation of high power server calculation unit	Develop the 3rd generation TPU heat sink and introduce fully automated production.
VC X-ray full inspection equipment	VC production quality	Introduce full X-ray inspection for VC products and train AI for fully automated inspection to ensure the correct arrangement of VC copper pillars.

2. Expenditures R&D expenses

The Company invested NTD 172,821 thousand in research and development in 2025. We will allocate R&D budgets based on the development progress of new products and technologies, adjusting the funds accordingly to support R&D projects while considering both this progress and market changes. In addition to purchasing R&D related software and hardware equipment, the Company continues to recruit experienced and creative R&D talents to enhance R&D capabilities and increase the competitive advantages of the Company.

(IV) Impacts of the changes in important domestic and overseas policies and laws on the Company's finance and business, and response measures

The Company has complied with the laws and regulations of the competent authorities in the execution of its business, consistently paying attention to significant domestic and foreign policy development trends and regulatory changes, and providing this information to management as a reference for business strategies. Therefore, in terms of changes in domestic and foreign policies, as well as laws and regulations, the Company is able to fully respond to changes in the market environment. In the most recent year, up to the publication date of the annual report, there was no significant impact on the finances and business of the Company due to changes in important domestic and foreign policies and laws.

(V) The impact of changes in technologies (including cybersecurity risks) and industries on the finance and business of the Company, and response measures

The Company monitors changes in related technologies and technology developments in the industry in which we are engaged, tracking the prospects of the industry as well as market variations. We also enhance our R&D capabilities and product competitiveness to meet market demands and maintain our competitive advantage. In addition, the Company continues to invest in the development of new products and formulate related response plans to maintain a conservative and stable financial structure, as well as a flexible capital arrangement, in response to future changes. In the most recent year and up to the publication date of the annual report, there was no significant impact on the finance and business of the Company due to changes in technologies (including cybersecurity risks) and industries.

(VI) Impact of corporate image change on corporate crisis management, and response measures

The Company focuses on the research and development of its core business, actively strengthens internal management, improves quality and efficiency, and complies with laws and regulations. They aim to enhance management quality and performance to meet corporate governance requirements while maintaining harmonious labor–management relations and continuously upholding a positive corporate image. There were no events that would negatively affect the Company’s corporate image in the most recent year and up to the publication date of the annual report.

(VII) Expected benefits and potential risks of merger and acquisition, and response measures

The Company did not have any merger or acquisition plans in the most recent year leading up to the publication date of the annual report. If the Company evaluates and implements the aforementioned plans in the future, we will follow relevant laws and regulations and our internal management regulations.

(VIII)Expected benefits and potential risks of capacity expansion, and response measures

In the most recent year and as of the date of publication of the annual report, there is no plan for relocation of the Company. If the Company evaluates and implements the aforementioned plans in the future, we will follow relevant laws and regulations and our internal management regulations.

(IX) Risks associated with over-concentration of purchase or sale, and response measures

1. Risks associated with G6284 over-concentration, and response measures

The main raw materials of the Company is upper and lower copper foil covers and aluminum products. In 2024 and 2025, the percentage of purchases from the largest supplier accounted for 25.24% and 27.11% respectively. Although there is a concentration in purchasing, the proportion from the largest supplier in 2024 only increased by 1.87% compared to 2024. To avoid excessive concentration of purchases with primary suppliers, the Company has actively sought cooperation with other suppliers to reduce this risk, while maintaining relationships with existing suppliers that provide excellent quality. In 2024, the Company increased purchases from other quality suppliers, demonstrating its commitment to diversifying procurement risks.

2. Risks associated with over-concentration in sale, and response measures

The Company mainly produces thermal modules. In 2024 and 2025, sales to the largest customer accounted for 37.40% and 51.46%, respectively, indicating a concentration in sales. The risk associated with this sales concentration is that if customers reduce their purchase volumes or terminate their distribution agreements, it could potentially cause a decline in the Company's revenue. In response to the company’s concentration of sales risk, our sales planning for thermal module products targets various application fields (servers, consumer electronics, 5G communications, and others). With increased capital expenditure by major cloud service providers (CSPs) on data centers, AI server demand has grown significantly, resulting in sales concentration with our largest customer. Currently, the Company is actively developing various customers in the server sector to expand sales markets, while also deepening cooperation and developing customers in the consumer electronics and other sectors. This has led to continued growth in both the other server sector customers and the consumer electronics sector customers, demonstrating that our response measures are viable.

(X) The impact on and risk to the Company in the event that a significant quantity of shares belonging to a director, supervisor, or shareholder holding more than 10% of the stakes has been transferred or otherwise converted to others, as well as the response measures.

No major quantity of shares belonging to a director, supervisor, or shareholder holding more than 10% of stakes was transferred in the most recent year and as of the date of publication of the annual report.

(XI) The impact upon and risks to the Company arising from change of management rights, and response measures

There was no change in management rights occurring to the Company in the most recent year and up to the publication date of the annual report.

(XII) Litigation or non-litigation events

1. If there are any material litigation, non-litigation, or administrative events in the most recent two years leading up to the publication date of the annual report that have been determined by a court verdict or are still pending, and the results of which may have a significant impact on shareholders' options or stock prices, the facts in dispute, the amount of the subject matter, the commencement date of the litigation, the main parties involved, and the handling status up to the publication date of the annual report should be disclosed:

(1) Litigation case between Huiliqinn and Hongde Company

[Huizhou Court (2025) Yue 1302 Min Chu No. 8985]

On July 1, 2022, Huiliqinn entered into a "Labor Service Contract Agreement" with Huizhou Hongde Human Resources Co., Ltd. (hereinafter referred to as "Hongde Company"), under which Hongde Company agreed to provide labor dispatch services to Huiliqinn. On March 14, 2024, a dispatched worker assigned by Hongde Company to Huiliqinn, surnamed Wu, intentionally used a lighter to ignite alcohol, resulting in burn injuries. During the course of treatment, Huiliqinn discovered that Wu's identity (who was, in fact, Zhu impersonating Wu) was suspicious and immediately reported the matter to the local labor security supervisory authority. Following an official investigation, the authority found that the dispatched worker had fraudulently used another person's identity information and was, in fact, an underage worker below the age of 16.

Accordingly, on July 1, 2024, Huiliqinn filed a civil lawsuit with the Huicheng District People's Court of Huizhou City, Guangdong Province (hereinafter referred to as the "Huizhou Court"), alleging that Hongde Company had engaged in unlawful conduct and breached the "Labor Service Contract Agreement" entered into by both parties, and that Zhu's guardian, Zhu's father, had failed to fulfill his guardianship responsibilities. Huiliqinn therefore requested the court order Hongde Company and Zhu's father to jointly compensate Huiliqinn for economic losses amounting to RMB 160,000 and order Hongde Company to pay liquidated damages of RMB 50,000 to Huiliqinn.

On February 25, 2025, Hongde Company filed a civil counterclaim, alleging unlawful conduct by Huiliqinn and asserting that Zhu's father, as guardian, should bear liability for damages. Hongde Company requested the court order Huiliqinn and Zhu's father to jointly compensate Hongde Company for economic losses totaling RMB 96,880.

On June 16, 2025, the Huizhou Court rendered its judgment, ordering Hongde Company to compensate the plaintiff, Huiliqinn, in the amount of RMB 13,472.80 within seven days from the effective date of the judgment. Liability in this case was apportioned 60% to Huiliqinn and 40% to Hongde Company. The court dismissed Huiliqinn's remaining claims, as well as the remaining counterclaims asserted by Hongde Company.

As Huiliqinn considered the court's allocation of liability to be inequitable, it filed an appeal on July 4, 2025. The case is currently pending appellate review. As the disputed amount involved in this case is not material to the Company and its subsidiaries, it is not expected to have a material impact on their financial condition or business operations.

[Huizhou Court (2025) Yue 1302 Min Chu No. 3605]

On July 1, 2022, Huiliqinn entered into a "Labor Service Contract Agreement" with Hongde Company, under which Hongde Company agreed to provide labor dispatch services to Huiliqinn. However, due to multiple breaches of contract and unlawful acts committed by Hongde Company in connection with case (2025) Yue 1302 Min Chu No. 8985, Huiliqinn suffered damages. The aforementioned unlawful acts were the subject of an administrative penalty imposed by the local competent authority in Huizhou, the "Social Affairs Administration Bureau of Zhongkai High-Tech Zone Administrative Committee," under Administrative Penalty Decision No. Hui Zhong She Guan Jian Fa Jue Zi [2024] No. B4. As the disputed amount reached RMB 210,000, and to prevent Hongde Company from evading its assets and intentionally failing to pay wages owed to dispatched employees, Huiliqinn temporarily withheld payment and, under the supervision of the competent authority, directly distributed wages to the dispatched employees while resolving the dispute through legal proceedings. Hongde Company, however, alleged that Huiliqinn had refused to pay labor service fees on various grounds and therefore filed a lawsuit with the Huizhou Court on April 12, 2024, requesting the court to order Huiliqinn to pay labor service fees of RMB 118,936.50, together with interest.

After trial, the Huicheng District People's Court of Huizhou City held that Hongde Company's dispatch arrangement for the personnel involved violated mandatory legal regulations, rendering the related labor service relationship invalid. As for Huiliqinn's claim regarding advances paid for Zhu's medical expenses and other related costs, the court noted that such claims had already been filed separately and did not arise from the same legal relationship as the present case. Therefore, the court did not accept Huiliqinn's defense that such advanced expenses should offset the outstanding labor service fees.

Accordingly, on August 6, 2025, the court rendered a judgment ordering Huiliqinn to pay Hongde Company RMB 78,196.50, together with corresponding interest, within seven days from the date the judgment became final and binding.

The Company had already separately filed claims against Hongde Company for the economic losses incurred. However, after evaluating the overall risks and cost-effectiveness, the Company decided not to appeal this case and, on September 4, 2025, paid Hongde Company RMB 78,196.50 together with interest in accordance with the judgment, thereby concluding the case. Considering the scale of the disputed amount and the financial and operational conditions of the Company and its subsidiaries, the dispute did not have a material impact on the overall financial condition or business operations of the Company.

(2) Litigation case between Huiliqinn and Jinyean Technology

On July 28, 2022, Huiliqinn entered into a "Basic Purchase Contract" and a "Quality Agreement" with Gian Technology Co., Ltd. (hereinafter referred to as "Gian Company") for the procurement of molds and products. However, beginning in April 2023, Gian Company committed multiple breaches of contract, including delayed deliveries and the delivery of products that failed to meet the agreed upon quality standards, causing losses to Huiliqinn. Accordingly, Huiliqinn requested Gian Company to rectify the relevant quality defects and temporarily suspended payment until the corrective actions were completed. Gian Company, however, alleged that Huiliqinn had refused to pay outstanding amounts on various grounds and should therefore bear the corresponding liability for breach of contract. Gian Company subsequently filed a lawsuit requesting the court to order Huiliqinn to pay outstanding goods payments of RMB 525,349.25, together with interest and attorney fees of RMB 28,000, for a total amount of RMB 553,349.25.

The first hearing of this case was held by the Huizhou Court on June 19, 2025. Multiple settlement discussions were conducted with Gian Company on the same day, but no agreement was reached. Huiliqinn therefore filed a counterclaim before the court during the hearing, requesting the court to order Gian Company to pay liquidated damages for delayed delivery, penalties for product quality breaches, and compensation for economic losses totaling RMB 5,022,002.38, together with the case acceptance fees.

The second hearing of the case was held by the Huizhou Court on July 18, 2025. Prior to the hearing, Huiliqinn and Gian Company reached a settlement agreement confirming that, upon Huiliqinn's payment of RMB 230,000 to Gian Company, all rights and obligations arising from the transactions involved in this case would be fully settled, and neither party would assert any further claims against the other in relation to the disputed amounts. The settlement agreement was confirmed by the court, and a civil mediation statement issued by the Huizhou Court was received on July 23, 2025. Upon receipt of the civil mediation statement, neither party was permitted to initiate further litigation regarding the dispute in this case. Huiliqinn paid RMB 230,000 to Gian Company on July 31, 2025, thereby concluding the case. As the disputed amount involved in this case was not material to the Company and its subsidiaries, it was not expected to have a material impact on their financial condition or business operations.

2. If any of the Company's directors, supervisors, presidents, substantial persons-in-charge, major shareholders holding more than 10% of shares, or affiliated companies have been involved in any material litigation, non-litigation, or administrative events within the two years preceding the publication date of the annual report – events that have been determined by a court verdict or are still pending, and whose outcomes may significantly impact shareholders' options or stock prices – the facts in dispute, the amount involved, the commencement date of the litigation, the main parties involved, and the handling status up to the publication date of the annual report should be disclosed.

(XIII) Other significant risks and countermeasures: None.

Countermeasures

The Company's products are primarily sold to customers in Taiwan and China for assembly, after which the assembly manufacturers sell to end customers. Since the Company's direct shipments to the United States represent only a minimal portion of its business, the U.S. tariffs currently have no direct impact on the Company. In terms of procurement, since most of the Company's suppliers are located in China, and the sources of raw materials are not from the United States, the procurement aspect has not been affected.

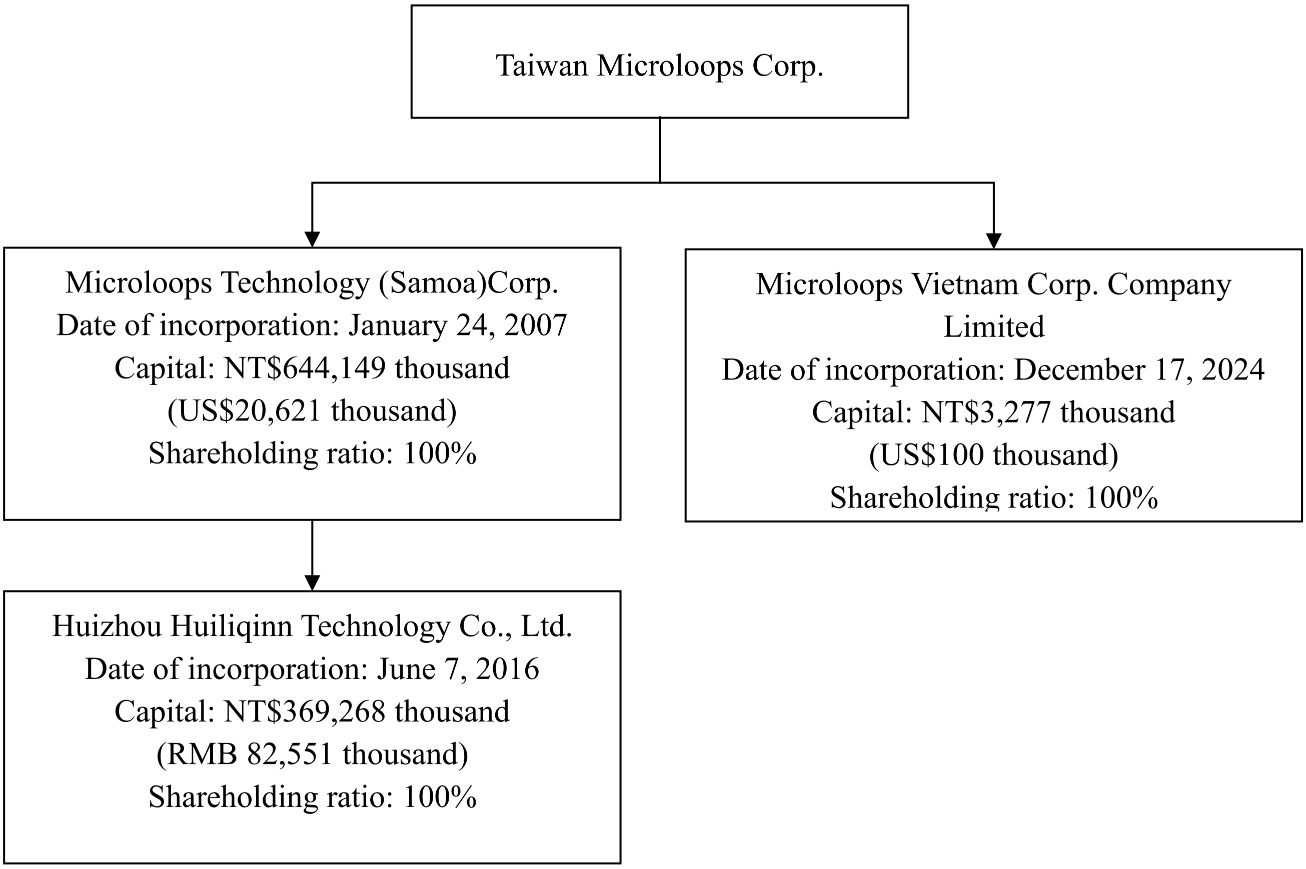
As the United States tariff policies have not yet been finalized, the Company will closely monitor policy and tax system changes, flexibly adjust inventory management, supply chain configuration, and pricing strategies accordingly, to maintain operational resilience and stable development.

VII. Other important matters: None.

Six. Special Notes

I. Information on affiliated companies

(I) Organizational chart of affiliated enterprises



(II) Basic information of affiliated companies

Unit: NTD Thousand

Affiliated company	Date of incorporation	Address	Paid-in capital	Principal operating or production activities
Microloops Technology (Samoa) Corp	2007.01.24.	Portcullis Chambers, P.O. Box 1225, Apia, Samoa	644,149	Various investments
Huizhou Huiliqinn Technology Co., Ltd.	2016.06.17.	1-5Fl., (Building 1), No. 1, Chenjiang Street, Nantong Road, Zhongkai High-tech Industrial Park, Huizhou City, Guangdong Province, China	369,268	Manufacture of peripheral products related to thermal modules
Microloops Vietnam Corp. Company Limited	2024.12.17.	Room 2126, 21st Floor, Capital Tower, 109 Tran Hung Dao Street, Old Quarter, Hoan Kiem District, Hanoi, Vietnam	3,277	For the Group's Vietnam sales operations.

(III) Data of common shareholders inferred to have control or to be in a subordinate relationship: None.

(IV) Businesses covered by affiliated companies: Please refer to “(II) Basic information of affiliated companies” for the main business activities of each affiliated company.

(V) Information on directors, supervisors and presidents of affiliated companies

Unit: NTD Thousand

Affiliated company	Title	Name or representative	Shares held	
			Number of shares/contribution	Shareholding ratio (%)
Microloops Technology (Samoa) Corp	Chairperson	Representative of Taiwan Microloops Corp Chao Yuan-Shan	20,621 / 644,149	100
Huizhou Huiliqinn Technology Co., Ltd.	Chairperson President Supervisor	Representative of Microloops Technology (Samoa) Corp.: Chao Yuan-Shan Lin Chun-Hung Tseng Yu-Chi	Note / 369,268	100
Microloops Vietnam Corp. Company Limited	Chairperson President	Representative of Taiwan Microloops Corp.: Huang Meng-Kai Lin Chun-Hung	Note / 3,277	100

Note: The company does not issue shares.

(VI) Operation overview of affiliated companies

December 31, 2025; Unit: NTD Thousand

Affiliated company	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit	Profit (loss) for the period (after tax)	After-tax earnings per share (NTD)
Microloops Technology (Samoa) Corp	644,149	645,791	105	645,686	-	-46	144,723	7
Huizhou Huiliqinn Technology Co., Ltd.	369,268	2,389,989	1,745,011	644,978	3,288,063	235,725	144,762	(Note)
Microloops Vietnam Corp. Company Limited	3,277	2,619	84	2,535	-	-437	-326	(Note)

Note: The company does not issue shares.

(VII) Consolidated financial statements of affiliated companies

The companies that should be included in the consolidated financial statements of affiliated enterprises pursuant to the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those to be included in the consolidated financial statements of the parent and subsidiaries under IFRS 10. Additionally, the related information to be disclosed in the consolidated financial statements of affiliated enterprises has already been disclosed in the consolidated financial statements of the parent and subsidiaries. So, no consolidated financial statements for affiliated enterprises are prepared separately.

(VIII)Consolidated financial statements of affiliated enterprises

The Company is not a subordinate enterprise of another company as defined in the chapter on Affiliated Enterprises of the Company Act; therefore, it is not necessary to prepare a report on the relationship with the controlling company.

II. Private placement of securities in the most recent year and up to the publication date of the annual report

III. Other necessary supplements: None.

Seven. Any of the matters listed in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act, which occurred in the most recent year and up to the publication date of the annual report and might materially affect shareholders’ equity or the stock price: None.