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2025
Microtek Annual Report

Smart Inspection, Guarding Every Moment of Quality

Printed on March 31, 2026

1.Headquarters and Plant

Address	:	No.6, Industry East Road 3, Hsinchu Science Park, Hsinchu , Taiwan
Tel	:	(03)5772155
Taipei office	:	9F, No. 76, Sec 2, Dunhua S. Rd, Da-an District Taipei , Taiwan
Tel	:	(02) 27035566

2.Stock Transfer Agent

Name	:	Capital Securities Corporation
Address	:	B2, No. 97, Sec 2, Dunhua S. Rd, Da-an District Taipei, Taiwan
Web-Site	:	http://www.capital.com.tw
Tel	:	(02) 27023999

3.Auditors

Auditors	:	Chun-Yuan Wu、Chien-Hui Lu
Accounting Firm	:	KPMG Certified Public Accounting Firm
Address	:	68F, Taipei 101 Tower. No.7 Sec. 5. Xinyi Rd, Taipei , Taiwan
Web-Site	:	www.kpmg.com.tw
Tel	:	(02) 81016666

4.Spokesperson & Deputy Spokesperson

Spokesperson	:	Hui-Chuan Tai/ Vice president
Tel	:	(03) 5772155
Web-site	:	chuan.tai@microtek.com.tw
Deputy Spokesperson	:	Ching-Chi Chang /Section manager
Tel	:	(03) 5772155
Web-site	:	serene.chang@microtek.com.tw

5.Overseas Securities exchange	:	None
6. Corporate Web-site	:	www.microtek.com

1.Letters to Shareholders

Dear shareholders, customers, employees and friends,

Microtek's revenue reached NT$ 746 million in 2025, that was 4 percent higher than the previous year. Operating expense was $ 325 million, that was 3 percent higher than the previous year. Net operating gain reached NT$ 7.32 million. Net profit after tax was NT$39.75 million.

1. Accomplishments of the Year 2025

(1) Results of Operating Plans:

Unit : NT$K

Item	2025	2024	Variable Proportion
Operating Revenue	746,385	717,115	4%
Gross Profit	332,293	261,129	27%
Operating expense	324,981	315,252	3%
Operating income(loss)	7,321	(54,123)	114%
Non-operating income(loss)	111,832	115,341	(3%)
Income before Tax	119,144	61,218	95%
Tax	30,922	3,114	893%
Net Income	88,222	58,104	52%
Net income attributable to shareholders of the parent	39,748	27,800	43%

(2) Budget Implementation Efficiency

Microtek did not compile an annual budget for the year of 2025. Therefore, this category is not applicable.

(3) Financial Performance

Unit : NT$K

Item	2025	2024	Variable Amounts
Net cash flow from operating activities	140,197	210,514	(70,317)
Net cash flow from investing activities	(89,212)	5,959	(95,171)
Net cash flow from financing activities	(45,559)	(51,148)	5,589

(4) Profitability Analysis

Year		2025	2024
Return on assets (%)		3.04	2.10
Return on equity (%)		3.67	2.50
Income to capital stock (%)	Operating Income	0.36	(2.63)
	Income before tax	5.79	2.98
Profit margin (%)		11.82	8.10
Earnings per share(NT$)		0.20	0.14

(5) Technological Developments

(i) Develops new generation multi-function inspection instrument with high level platform.

(ii) Develops professional biotechnology assistance interpretation software.

(iii)Develops new generation professional image capture device with high speed interface.

(iv) Develops new generation non-destructive digital inspecting device.

(v) Develops analysis technology with AI.

(vi) Keep on developing high pixels, high speed capture image modules which is applied to high speed field.

(vii) Enhances image storage manage system for various professional field.

2. Operational Highlights of the Year 2026

(1) Management Policy

In response to the global trend of digital transformation and AI, Fulltech's management policy focuses on vertical integration from image capture to intelligent applications. Fulltech is not only a hardware manufacturer but also a comprehensive provider of image processing solutions. Beyond consolidating existing niche markets, the core objective is to accelerate AI application deployment by combining automated optical systems with deep learning, targeting various imaging applications and precision inspection fields

(2) Key Policies

Market and Sales Strategy:

Microtek focuses on general-purpose imaging equipment as the core of its market and sales strategy. Amid the rapid advancement of AI, Microtek leverages imaging and AI applications to assist various industries in achieving automation, providing customers with comprehensive solutions while actively expanding its presence in both domestic and international markets.

Product Development and Manufacturing:

In product development and manufacturing, Microtek integrates its core imaging technologies with the latest AI advancements to build intelligent imaging capabilities. By incorporating multi-dimensional system integration, these technologies are widely applied across optical imaging products and automated equipment.

3. The Effects of the Corporation's Developing Strategies for the Future, the External Competition Environment, Regulations and the Macro-Economic Environment

Microtek focuses on imaging and artificial intelligence as its core development drivers. Through imaging acquisition equipment and automated systems, it actively expands market presence and enhances technological barriers to entry.

Microtek continues to invest in research and development and innovation to deliver efficient, precise, and internationally competitive intelligent imaging solutions. By doing so, it aims to create long-term value for customers and achieve its objectives of sustainable corporate growth.

(i) AI Development:

Microtek is committed to building proprietary core AI capabilities through continuous investment in deep learning and digital imaging technologies. It develops in-house algorithms and platforms while accumulating industry-specific data, enabling broad application across diverse sectors.

(ii) Imaging Equipment and Automated Inspection Solutions

Microtek focuses on imaging acquisition and application integration technologies. Driven by the trends of digital transformation and smart manufacturing, imaging technologies have evolved from standalone acquisition devices into intelligent tools for analysis and decision support.

Microtek adopts a development strategy centered on the integration of hardware, software, and system applications to deliver imaging solutions characterized by high efficiency, precision, and stability. These solutions enable customers across various industries to enhance quality management and improve operational efficiency.

(iii) ESG-Oriented Governance

In pursuing sustainable operations and fulfilling its corporate social responsibilities, the Company adopts an ESG-oriented approach. On the environmental front, it is committed to reducing the carbon footprint of its products and promoting green supply chain management. Socially,Microtek places strong emphasis on employee training and workplace safety, fostering a diverse and inclusive working environment. From a governance perspective, Microtek adheres to corporate governance principles, ensures transparent information disclosure, and strengthens internal controls and ethical business practices.

In response to the increasingly dynamic global market environment in recent years, Microtek will continue to move forward with a steady and disciplined approach, guided by its established strategies and objectives. It remains committed to strengthening its competitive advantages and driving profitable growth, ensuring stable and long-term development.

Best Regards,

Chairman Chin-Lai Wu

2.Corporate Governance Report

2.1 Directors and Management Team

2.1.1 Directors

Mar. 28, 2025

Title	Nationality/ Place of Incorporation	Name	Gender/ Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			(Note)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	R.O.C	Paulko Enterprises Co. Ltd.		May 30, 2023	3	Jun. 25 2002	36,201,662	17.60%	66,398,965	32.29%										
Chairman	R.O,C.	Legal Representative Chin-Lai Wu	M 51-60				50,300	0.02%	50,300	0.02%	-	-	-	-	MS in EE, University of Southern California, USA General Instrument Inc.	Representative of Shanghai Microtek Technology Co.,Ltd.	-	-	-	
Director	R.O.C	Legal Representative Hsu Paul A	M 41-50				-	-	-	-	-	-	-	-	Ed. D.in Educational Leadership Program, UCLA	CEO of Lotus Creek Foundation	Director	Cheng-Hsun Hsu	Son/Father	1
Director	R.O.C	Legal Representative Cheng-Hsun Hsu	M 81-90				-	-	-	-	-	-	-	-	MS in Business Administration, University of Southern California The first chairman of The Allied Association for Science Park Industries					1
Director	R.O.C	San Yu Lumber & Plywood Corp.		May 30, 2023	3	May 30 2023	25,053,819	12.18%	-	-					-					2
		Legal Representative Cheng-Hsun Hsu	M 81-90				5,143,484	2.50%	-	-	-	-	-	-	MS in Business Administration, University of Southern California The first chairman of The Allied Association for Science Park Industries		Director	Clark / Paul	Son/Father	2
		Legal Representative Clark Bob Hsu	M 51-60				-	-	-	-	-	-	-	-	Master of USA Anderson School at UCLA	Vice Chairman, Board of Directors - Preferred Bank	Director	Cheng-Hsun Hsu	Son/Father	2

Title	Nationality/ Place of Incorporation	Name	Gender	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			(Note)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	R.O.C	Adara International		May 30, 2023	3	Apr. 9 1999	2,934,365	1.43%	2,934,365	1.43%					-					
		Legal Representative Ching-Hui Hsieh	F 61-70				1,359	-	1,359	-	-	-	-	-	MS in Arts Missouri State University Solomon Technology	General Manager of Microtek International, Inc. Group	-	-	-	
		Legal Representative Po-Tsung Lin	M 61-70				77,206	0.04%	77,206	0.04%	6,419	-	-	-	BS in Business Administration , Fu Jen Catholic University	GM of Marketing and Sales Unit in Microtek International Inc.	-	-	-	
Independent Director	R.O.C	Wei-Lee Chang	M 61-70	May 30 2023	3	May 17 2017	19,772	-	19,772	-	-	-	-	-	MS in Management of Technology, National Chiao Tung University iCAN Project Consultant	-	-	-	-	
Independent Director	R.O.C	Chih-Lee Liu	M 61-70	May 30 2023	3	May 28 2020	4,000	-	4,000	-	-	-	-	-	BS in Public Finance, National Chengchi University Director of Microtek International Inc. (Retired)	-	-	-	-	
Independent Director	R.O.C	Chien-Ru Liu	M 61-70	May 30 2023	3	May 30 2023	-	-	-	-	-	-	-	-	MS in Business Administration, Washington University, General Manager of Microtek International, Inc.(Retired)	-	-	-	-	

1.Paulko Enterprises Co. Ltd appointed Mr. Hsu Cheng-Hsun as its corporate representative on November 19, 2025.
2.On November 18, 2025, San Yu Lumber & Plywood Corp. transferred more than one-half of the shares it held at the time of appointment, and the appointment was thereby automatically terminated in accordance with the Company Act.

Directors are major shareholders of corporate shareholders

Name of Corporate Shareholders	Major Shareholders of Corporate Shareholders
Adara International Inc.	Microtek International Inc. (Shareholding 100%)
Paulko Enterprises Co., Ltd.	Tai-wood Investments Ltd.(Shareholding 100%)

Major shareholders of corporate shareholders are legal persons and these major shareholders are:

Name of the Corporate	Major Shareholders of the Corporate
Tai-wood Investments Ltd.	Woodland Company Ltd (Shareholding 100%)

Professional Qualifications and Independence Analysis of Directors and Supervisors

Criteria / Name	Professional Qualification and Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Representative of Paulko Enterprises Co.Ltd. Chin- Lai Wu	1.Expertise and experience：Research and development of image related technology. 2.Other position：Legal representative of Shanghai Microtek Technology Co., Ltd. 3.Not been a person of any conditions defined in Article 30 of the Company Law.	NA	None
Representative of Paulko Enterprises Co. Ltd.- Cheng-Hsun Hsu	1.Expertise and experience：chairman of the board /leading and management experience of image related business. 2.Other position：None 3.Not been a person of any conditions defined in Article 30 of the Company Law.	N/A	None
Representative of Adara International Inc. Ching-Hui Hsieh	1.Expertise and experience：Administration and material management of image related business. 2.Other position：GM of Microtek International Inc. Group. 3.Not been a person of any conditions defined in Article 30 of the Company Law.	N/A	None
Representative of Adara International Inc. Po-Tsung Lin	1.Expertise and experience：Procurement, sales, GM of overseas subsidiary. 2.Other position：GM of Marketing and Sales Units in Microtek International Inc. 3.Not been a person of any conditions defined in Article 30 of the Company Law	N/A	None

Criteria / Name	Professional Qualification and Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Wei-Lee Chang (Independent Director)	1.Expertise and experience：Sales in image capture business/ management of technology industry/Consultants of new venture business. Been a National Chiao Tung University iCAN Project Consultant. 2.Other position：None. 3.Not been a person of any conditions defined in Article 30 of the Company Law.	1.Director and his spouse, relatives within the second degree of kinship is not director, supervisor, or employee of the corporate and its related party. 2. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company. 3.Director holds 19,772 shares. 4.Not been a director, supervisor, or employee of a company or institution with specific relationship to the company. 5. Not working in a company or related party which provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company in the past 2 years. And have no remuneration in those company. 6. Independence Criteria accords with “Regulations Governing appointment of independent directors and compliance Matters of public companies.”	None

Criteria / Name	Professional Qualification and Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chih-Lee Liu (Independent Director)	1.Expertise and experience：financial management. Been a director of financial department in Microtek International Inc.(Retired) 2.Other position：None. 3.Not been a person of any conditions defined in Article 30 of the Company Law.	1. Director and his spouse, relatives within the second degree of kinship is not director, supervisor, or employee of the corporate and its related party. 2. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company. 3. Director holds 4,000 shares. 4. Not a director, supervisor, or employee of a company or institution with specific relationship to the company 5. Not working in a company or related party which provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company in the past 2 years. And have no remuneration in those company. 6.Independence Criteria accords with "Regulations Governing appointment of independent directors and compliance Matters of public companies."	None

Criteria / Name	Professional Qualification and Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chien-Ru Liu (Independent Director)	1.Expertise and experience：financial and business management. Been a general manager in Microtek International Inc.(Retired) 2.Other position：Humble House Independent Director. 3.Not been a person of any conditions defined in Article 30 of the Company Law.	1.Director and his spouse, relatives within the second degree of kinship is not director, supervisor, or employee of the corporate and its related party. 2.Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company. 3. No holding shares. 4. Not a director, supervisor, or employee of a company or institution with specific relationship to the company 5. Not working in a company or related party which provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company in the past 2 years. And have no remuneration in those company. 6.Independence Criteria accords with “Regulations Governing appointment of independent directors and compliance Matters of public companies.”	None

Diversified policy and independence of board member

(1) Diversified policy: The Rules for Election of Directors should be held with the considerations of the diversification of the Board members; ex: gender, age, nationality. The company's target for the proportion of female directors is 20%. Also professional background (such as, law, accounting, industry, finance, marketing, technology or industrial experience) should be included. The corporation currently has 7 directors, including 3 employee directors, 1 non-employee directors and 3 independent directors. There is one female director currently. Employee directors proportion is 43%, independent directors proportion is 43%, female director proportion is 14%. The tenure of office of one independent director is under 3 years, the tenure of office of one independent directors are 4-6 years and the tenure of office of another independent directors are 7-9 years. One director is over 80 years old, 5 directors are 61-70 years old, and 1 director is under 50 years old. 3 directors have specialty in operating judgement, management capacity and international market viewpoint; 2 directors have specialty in technology industry knowledge; 2 director has specialty in accounting and finance.

(2) Independence：There are 7 directors in board of director, including 3 independent directors, proportion is 43%. Independent directors' independence Criteria accords with "Regulations Governing appointment of independent directors and compliance Matters of public companies". There are 7 members of the board of directors who do not have the relations of spouse, relatives within the second degree of kinship.

2.1.2 Management Team

Mar.28,2025

Title	National-ity	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Note
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
General Manager	R.O.C	Ching-Hui Hsieh	F	Nov.8 2019	1,359	-	-	-	-	-	MS in Arts of Missouri State University Solomon Technology	Director of BOD-Shanghai Microtek Technology Co.,Ltd. /Microtek Computer Technology (Wu Jiang) Co., Ltd.	-	-	-	
Business General Manager	R.O.C	Po-Tsung Lin	M	Nov.8 2019	77,206	0.04%	6,419	-	-	-	BS in Business Administration, Fu Jen Catholic University	Director of BOD-Shanghai Microtek Technology Co., Ltd. /Microtek Computer Technology (Wu Jiang) Co., Ltd.	-	-	-	
Vice President	R.O.C	Kuo-Huei Yu	M	Dec.1 2022	89,868	0.04%	-	-	-	-	MS in Technology Business Administration ,National Tsing Hua University	None	-	-	-	
Vice President	R.O.C	Hui-Chuan Tai	M	Dec.1 2022	-	-	-	-	-	-	MS in Information Science, Fo Guang University	None	-	-	-	
Director	R.O.C	Harn-Jou Yeh	M	Jan.4 2013	1,812	-	-	-	-	-	Ph.D., Mechanical Engineering, The University of Iowa	None	-	-	-	
Director	R.O.C	Kuo-Kuei Kao	M	Jan.1 2017	-	-	-	-	-	-	Tungnan Junior College	None	-	-	-	
Director	R.O.C	MingZhen Chen	M	Oct.1 2017	-	-	-	-	-	-	BS in Industrial Engineering ,Chung Yuan Christian University	None	-	-	-	
Director	R.O.C	Hung-Chen Wang	M	Nov.1 2018	14,894	0.01%	7,430	-	-	-	BS in Electrical Engineering, National Sun Yat-sen University	None	-	-	-	
Director	R.O.C	Yi-Hsuan Su	M	June.1 2022	-	-	-	-	-	-	Tatung Institute of Technology	None	-	-	-	
Manager	R.O.C	Lee-Ying Chu	F	Mar.10 2020	254	-	-	-	-	-	BS in Accounting, Feng Chia University	None	-	-	-	
Manager	R.O.C	An-Yan LI	M	Aug.9 2024	-	-	-	-	-	-	BS in Accounting, Chung Yuan Christian University	None	-	-	-	

2.2 Remuneration of Directors, Independent Directors, President, and Vice Presidents

2.2.1 Remuneration of Directors and Independent Directors

Unit : NT$K

Title	Name	Remuneration								Total Remuneration and Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employ								Total Compensation and ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Remuneration from ventures other than subsidiaries or from the parent company
		Base Compensation (A)		Severance Pay (B)		Directors Compensation(C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)						
		The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	All companies in the consolidated financial statements	
																Cash	Stock	Cash	Stock			
Director	Representative of Paulko Enterprises Co. Ltd. Chin-Lai Wu	0	0	0	0	284	284	1,150	1,150	1,434 3.6%	1,434 3.6%	10,530	10,530	216	216	60	0	60	0	12,240 30.8%	12,240 30.8%	0
Director	Representative of Paulko Enterprises Co. Ltd. Hsu Paul A (note1)																					
Director	Representative of Paulko Enterprises Co. Ltd. Cheng- Hsun Hsu (note1)																					
Director	Representative of San Yu Lumber & Plywood Corp. Cheng- Hsun Hsu(note2)																					
Director	Representative of San Yu Lumber & Plywood Corp. Clark Bob Hsu (note2)																					
Director	Representative of Adara International Inc. Ching-Hui Hsieh																					

Title	Name	Remuneration								Total Remuneration and Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employ								Total Compensation and ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Remuneration from ventures other than subsidiaries or from the parent company
		Base Compensation (A)		Severance Pay (B)		Directors Compensation(C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)						
		The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	All companies in the consolidated financial statements	
																Cash	Stock	Cash	Stock			
Director	Representative of Adara International Inc. Po-Tsung Lin																					
Independent Director	Wei-Lee Chang																					
Independent Director	Chih-Lee Liu	0	0	0	0	213	213	610	610	823 2.1%	823 2.1%	0	0	0	0	0	0	0	0	823 2.1%	823 2.1%	0
Independent Director	Chien-Ru Liu																					

1.Please describe the policy, system, standard, and structure of remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration：The corporate still has accumulated losses and does not have a remuneration system for independent directors, it will only pay for the traveling expenses when a meeting held.

2.In addition to the above remuneration, director remuneration shall be disclosed as follows when received from companies (ex. parent company, companies included in the consolidated financial statements, non-employee consultants of investment companies.：None.

Note 1: Paulko Enterprises Co. Ltd appointed Mr. Hsu Cheng-Hsun as its corporate representative on November 19, 2025.
Note 2: On November 18, 2025, San Yu Lumber & Plywood Corp. transferred more than one-half of the shares it held at the time of appointment, and the appointment was thereby automatically terminated in accordance with the Company Act.

Range of Remuneration

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements
Under NT$1,000,000	Chin-Lai Wu, Hsu Paul A ,Cheng-Hsun Hsu, Clark Bob Hsu, Ching-Hui Hsieh, Po-Tsung Lin, Wei-Lee Chang, Chih-Lee Liu, Chien-Ru Liu	Chin-Lai Wu, Hsu Paul A ,Cheng-Hsun Hsu, Clark Bob Hsu, Ching-Hui Hsieh, Po-Tsung Lin, Wei-Lee Chang, Chih-Lee Liu, Chien-Ru Liu	Hsu Paul A ,Cheng-Hsun Hsu, Clark Bob Hsu, Wei-Lee Chang, Chih-Lee Liu, Chien-Ru Liu	Hsu Paul A ,Cheng-Hsun Hsu, Clark Bob Hsu, Wei-Lee Chang, Chih-Lee Liu, Chien-Ru Liu
NT$1,000,000～NT$1,999,999	-	-	-	-
NT$2,000,000～NT$3,499,999	-	-	Po-Tsung Lin	Po-Tsung Lin
NT$3,500,000～NT$4,999,999	-	-	Chin-Lai Wu , Ching-Hui Hsieh	Chin-Lai Wu , Ching-Hui Hsieh
NT$ 5,000,000～NT$9,999,999	-	-	-	-
NT$10,000,000～NT$14,999,999	-	-	-	-
NT$15,000,000～NT$29,999,999	-	-	-	-
NT$30,000,000～NT$49,999,999	-	-	-	-
NT$50,000,000～NT$99,999,999	-	-	-	-
Over NT$100,000,000	-	-	-	-
Total	9	9	9	9

2.2.2 Remuneration of the President and Vice Presidents

Unit : NT$K

<table>
<tr><th rowspan="3">Title</th><th rowspan="3">Name</th><th colspan="2">Salary(A)</th><th colspan="2">Severance Pay (B)</th><th colspan="2">Bonuses and Allowances (C)</th><th colspan="4">Employee Compensation (D)</th><th colspan="2">Total remuneration and Ratio of total remuneration (A+B+C+D) to net income (%)</th><th rowspan="3">Remuneration from ventures other than subsidiaries or from the parent company</th></tr>
<tr><th rowspan="2">The company</th><th rowspan="2">Companies in the consolidated financial statements</th><th rowspan="2">The company</th><th rowspan="2">Companies in the consolidated financial statements</th><th rowspan="2">The company</th><th rowspan="2">Companies in the consolidated financial statements</th><th colspan="2">The company</th><th colspan="2">Companies in the consolidated financial statements</th><th rowspan="2">The company</th><th rowspan="2">Companies in the consolidated financial statements</th></tr>
<tr><th>Cash</th><th>Stock</th><th>Cash</th><th>Stock</th></tr>
<tr><td>General Manager</td><td>Ching- Hui Hsieh</td><td rowspan="4">10,905</td><td rowspan="4">10,905</td><td rowspan="4">425</td><td rowspan="4">425</td><td rowspan="4">-</td><td rowspan="4">-</td><td rowspan="4">100</td><td rowspan="4">-</td><td rowspan="4">100</td><td rowspan="4">-</td><td rowspan="4">11,430
28.8%</td><td rowspan="4">11,430
28.8%</td><td rowspan="4">-</td></tr>
<tr><td>Business GM</td><td>Po-Tsung Lin</td></tr>
<tr><td>Vice President</td><td>Kuo-Huei Yu</td></tr>
<tr><td>Vice President</td><td>Hui-Chuan Tai</td></tr>
</table>

Range of Remuneration

Range of Remuneration	Name of President and Vice Presidents	
	The company	Companies in the consolidated financial statements (E)
Under NT$1,000,000	-	- -
NT$1,000,000～NT$1,999,999	-	-
NT$2,000,000～NT$3,499,999	Kuo-Huei Yu, Po-Tsung Lin, Hui-Chuan Tai	Kuo-Huei Yu, Po-Tsung Lin, Hui-Chuan Tai
NT$3,500,000～NT$4,999,999	Ching- Hui Hsieh	Ching- Hui Hsieh
NT$ 5,000,000～NT$9,999,999	-	-
NT$10,000,000～NT$14,999,999	-	-
NT$15,000,000～NT$29,999,999	-	-
NT$30,000,000～NT$49,999,999	-	-
NT$50,000,000～NT$99,999,999	-	-
Over NT$100,000,000	-	-
Total	4	4

Employee Compensation

31-Dec-2025

	Title	Name	Employee Compensation - in Stock (Fair Market Value)	Employee Compensation - in Cash	Total	Ratio of Total Amount to Net Income (%)
Executive Officers	General Manager	Ching-Hui Hsieh	None	324	324	0.8%
	Business GM	Po-Tsung Lin				
	Vice President	Kuo-Huei Yu				
	Vice President	Hui-Chuan Tai				
	Director	Harn-Jou Yeh				
	Director	Kuo-Kuei Kao				
	Director	Ming-Zheng Chen				
	Director	Hung-Chen Wang				
	Director	Yi-Hsuan Su				
	Manager	Lee-Ying Chu				
	Manager	An-Yan Li				

2.2.3 Comparison of Remuneration for Directors, Supervisors, President and Vice Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, Supervisors, President and Vice Presidents：

There is no significant difference for total remuneration paid to the president and vice president in the last two years.

Year	Total remuneration paid to directors, (Unit:NT$K)		Ratio of total remuneration paid to directors in net income (%)	
	The corporation	Companies in the consolidated financial statements	The corporation	Companies in the consolidated financial statements
2025	13,063	13,063	32.9%	32.9%
2024	12,432	12,432	45%	45%

Year	Total remuneration paid to president and vice presidents(Unit:NT$K)		Ratio of total remuneration paid to president and vice presidents in net income (%)	
	The corporation	Companies in the consolidated financial statements	The corporation	Companies in the consolidated financial statements
2025	11,430	11,430	28.8%	28.8%
2024	11,086	11,086	40%	40%

It is stipulated in the Article 16 of the Articles of Incorporation that the Compensation Committee shall have the power to determine the remuneration of directors based on how a director participates and contributes in the Corporation’s operation and with reference to the standards implemented by the other companies in the same industry. However, since the corporation's profit is not up to the standard, the directors currently do not receive regular remuneration except for the traveling expenses when they attend a meeting of the board of directors each time. The aforementioned remuneration represents salary received in the employee capacity.

Article 27 of the Company’s Articles of Incorporation stipulates that if the Company records a profit for the year, the Board of Directors shall resolve to allocate between 2% and 10% of such profit as employee compensation, and additionally allocate no less than 0.5% for salary adjustments or compensation for grassroots employees. However, if the Company has accumulated losses, such losses shall first be offset.

Employee compensation as referred to in the preceding paragraph may be distributed in the form of shares or cash. After the distribution of employee compensation, the remaining profit may, upon the recommendation of the Remuneration Committee and approval by the Board of Directors, be used to pay directors’ remuneration in an amount not exceeding 3% of the aforementioned profit.

As the Company turned profitable in the current year, it has accordingly allocated employee compensation, grassroots employee compensation, and directors’ remuneration in accordance with the Articles of Incorporation.

The remuneration paid by the corporation to managers is based on their educational backgrounds, work experiences and references to the salaries paid in the same industry; also, it refers to the proportion of powers and responsibilities of the position, the achievement of personal performance and the contribution to the company's operating goals, and the risk of the position. Ex. achievement of sales, profit, result of research and development, regulation compliance, internal control implement and formulate reasonable remuneration policy.

2.3 Implementation of Corporate Governance

2.3.1 Board of Directors

Four meetings of the Board of Directors were held in total in the recent year.
The attendance of the directors was as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Chairman	Representative of Paulko Enterprises Co.Ltd. Chin-Lai Wu	4	0	100%	
Director	Representative of Paulko Enterprises Co.Ltd. Hsu Paul A	4	0	100%	1
Director	Representative of Paulko Enterprises Co.Ltd. Cheng- Hsun Hsu	0	0	0%	1
Director	Representative of San Yu Lumber & Plywood Corp. Cheng- Hsun Hsu	4	0	100%	2
Director	Representative of San Yu Lumber & Plywood Corp. Clark Bob Hsu	3	1	75%	2
Director	Representative of Adara International Inc. Ching-Hui Hsieh	4	0	100%	
Director	Representative of Adara International Inc. Po-Tsung Lin	4	0	100%	
Independent Director	Wei-Lee Chang	4	0	100%	
Independent Director	Chih-Lee Liu	4	0	100%	
Independent Director	Chien-Ru Liu	4	0	100%	

1. Paulko Enterprises Co. Ltd appointed Mr. Hsu Cheng-Hsun as its corporate representative on November 19, 2025.
2. On November 18, 2025, San Yu Lumber & Plywood Corp. transferred more than one-half of the shares it held at the time of appointment, and the appointment was thereby automatically terminated in accordance with the Company Act.

Other matters：

1.If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified:

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

The Board of Directors	Proposal Contents	Opinions of All Independent Directors and How the Corporation Deals with These Opinions
8th round of the 17th session, held on March 11 2025	Pass the appointment and remuneration of a certified public accountant. Resolution: Approved by all independent directors.	Approved and carried by all independent directors

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

2. If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: None.

3. Information about the evaluation cycle and period, evaluation scope, method and evaluation items of the board of directors or its peers.

Evaluation Cycle	Evaluation Period	Scope of Evaluation	Evaluation Method	Evaluation Items
Once a Year	1- Jan- 2025 ~31-Dec- 2025	(a)Board of Directors (b)Individual director (c)Audit committee (d) Remune-ration committee	(a)internal evaluation by the Board of Directors (b)self-evaluation by directors (c) internal evaluation by functional committees	(a) The performance evaluation of the board of directors: The degree of participation in the corporation's operations, the quality of decisions, the composition and structure of the board, the selection and continuous education of directors, and internal control. Results: In addition to not all attending the shareholders meeting, directors have complete their duties in the degree of participation in the corporation's operations, the quality of decisions, the composition and

Evaluation Cycle	Evaluation Period	Scope of Evaluation	Evaluation Method	Evaluation Items
				structure of the board, the selection and internal control. (b) Self-performance evaluation of directors: Mastery of corporation goals and tasks, awareness of directors' responsibilities, participation in company operations, internal relationship management and communication, directors' professional and continuing education, internal control. Results: directors have completed their duties in mastery of corporation goals and tasks, awareness of directors' responsibilities, participation in company operations, internal relationship management and communication, professional specialty and internal control (c) Evaluation of audit committee and remuneration committee: Participation in the company's operations, awareness of the responsibilities of functional committees, decision-making quality, committee composition and member selection, internal control. Results: Functional committees have

Evaluation Cycle	Evaluation Period	Scope of Evaluation	Evaluation Method	Evaluation Items
				complete their duties in participation in the company's operations, awareness of the responsibilities of functional committees, decision-making quality, committee composition and member selection, internal control.

4.Evaluate goals for strengthening functions of the board of directors (ex. Setting up an audit committee, enhancing information transparency, and so on) and operating status in the current year and the recent year:

(1)There are 9 directors appointed in 2025 by corporation(two directors were ipso facto discharged from the office on November 18, 2025.). When appointing these directors, the corporation adopts a diversified policy. These directors have diversified professions, capabilities and experience; thus, they can give full play to their strategic guidance functions in directing corporation business.

(2)The board of directors convenes at least once a quarter to review business performance and important decisions. A total of 4 meetings were held in 2025 with an average attendance rate of 97%.

(3)The Audit Committee and the Remuneration Committee should hold periodic meetings to supervise the operations of the corporation and to strengthen the management functions. A total of 4 audit committee meetings were held in 2025. A total of 2 remuneration committee were held in 2025. Average attendance rate is 100%.

2.3.2 Audit Committee

1. The Audit Committee is composed of three independent directors. The Audit Committee aims to assist the Board of Directors in supervising the financial statement process, the effective implementation of the corporation's internal control, compliance with laws and regulations, and corporation risk control.

   The Committee's primary duties and responsibilities are the following items:

   (1) Setting up or revising internal control standards in accordance with Article 14-1 of the Act.

   (2) Auditing the effectiveness of internal control standards.

   (3) Setting up or amending material financial procedures in acquisition and disposal of fixed assets, transactions of financial derivatives, loans, endorsements and guarantees in accordance with Article 36-1 of the Act.

   (4) Matters that involve personal interests of directors.

(5) Material transactions of assets or financial derivatives.
(6) Material loans, endorsements or guarantees.
(7) Public offering or private placement of equity linked securities.
(8) Engaging and removing the Company’s independent auditors and accessing such auditors’ remuneration, qualification, independence and performance.
(9) Appointing or removing managers of finance, accounting and internal auditing divisions
(10) Annual financial report duly signed or sealed by the chairman, general manager, and accounting officer, and the Q2 financial report required to be audited and attested by a certified public accountant (CPA).
(11) Other material items related to the Corporation or government agencies.

2. Operations and Major resolutions of the Audit Committee:

(1) Review Financial Reports

The corporation’s year 2025 business report, individual financial statement, consolidated financial statement, and profit and loss supplementary statement have been reviewed by the Audit Committee and found that there is no discrepancy.

(2) Assess the Effectiveness of the Internal Control System

The Audit Committee regularly reviews internal audit reports and communicates with the management, and conducts inspections through the operation cycle and various management systems to evaluate the effectiveness of the corporation's internal control, risk control and compliance with laws and regulations.

3. Operating Situations in Recent Years:

The Audit Committee held 4 meetings in the recent year and the attendance of the independent directors was as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Independent director	Wei-Lee Chang	4	0	100%	
Independent director	Chih-Lee Liu	4	0	100%	
Independent director	Chien-Ru Liu	4	0	100%	

Other mentionable items：

(1) If any of the following circumstances occurs, the dates of meetings, sessions, contents of motions, objections, reservations or major matters proposed by independent directors, resolutions of the Audit Committee and the Corporation’s response to the Audit Committee’s opinion should be specified:

A. Matters referred to in Article 14-5 of the Securities and Exchange Act.：

The Audit Committee	Proposal Contents	Opinions of All Independent Directors and How the Corporation Deals with These Opinions
8th round of the 3rd session, held on Mar. 11 2025	1.Approve the Financial Statements of the Year 2024 Resolution: Approved by all attendant members of the Audit Committee. 2.Approve the appointment and remuneration of a certified public accountant. Resolution: Approved by all attendant members of the Audit Committee. 3.Approve “The Declaration of the Internal Control System of the Year 2024”. Resolution: Approved by all attendant members of the Audit Committee.	Approved by all independent directors.
9th round of the 3rd session, held on May 8 2025	1. Approve the first quarter’s Financial Statement of the Year 2025. Resolution: Approved by all attendant members of the Audit Committee.	Approved by all independent directors
10th round of the 3rd session, held on Aug. 7 2025	1. Approve the second quarter’s Financial Statement of the Year 2025 Resolution: Approved by all attendant members of the Audit Committee. 2. Approve designating an acting agent for the Chief Accounting Officer position. Resolution: Approved by all attendant members of the Audit Committee.	Approved by all independent directors
11th round of the 3rd session, held on Nov. 11 2025	1. Approve the third quarter’s Financial Statement of the Year 2025. Resolution: Approved by all attendant members of the Audit Committee. 2. Approve amendments to the internal control system governing the payroll cycle. Resolution: Approved by all attendant members of the Audit Committee.	Approved by all independent directors

B. Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors.：None。

(2) If there are independent directors’ avoidance of motions in conflict of interest, the directors’ names, contents of motion, causes for avoidance and voting should be specified: None.

(3) Communications between the independent directors, the Corporation's chief internal auditor and CPAs:

A. Communications between the independent director and CPAs: CPAs shall report to the independent directors at least once a year on the review of the Corporation's overall financial statements, whether there are adjustment entries, suggestion of internal control and the impact of legal amendments on the company. The communication situation is as the followings:

Date	Communication Matters	Communication Results
Mar. 11 2025	Auditing scopes of consolidated financial statement of the year 2024, responsibilities and independence of CPAs, key audit matters, updates of important regulations and explanation of audit quality index.	Independent directors and internal audit fully understand the audit plan of CPAs.
Nov. 11 2025	The audit plan for the financial statements for Fiscal Year 2025.	Independent directors and internal audit fully understand the audit plan of CPAs.

B. Communications between the independent directors and the internal auditor: The internal audit conducts internal audit operations every month and prepares written reports to present to the audit committee. The communication situation is as the followings:

Date	Communication Matters	Communication Results
Mar. 11 2025	The 1th communication meeting in 2025.	Opinions of Independent Directors: All independent directos have no opinion on the matter.
May. 8 2025	The 2th communication meeting in 2025.	Opinions of Independent Directors: All independent directos have no opinion on the matter.
Aug. 7 2025	The 3th communication meeting in 2025.	Opinions of Independent Directors: Recommended establishng formal procedures for the monitoring, collection, and write-off of accounts receivable of the significant subsidiary Shanghai Joinwit on which expected credit losses have been recognized.
Nov. 11 2025	The 4th communication meeting in 2025.	Opinions of Independent Directors: All independent directos have no opinion on the matter.

Attendance of Supervisors at Board Meetings：Not Applied.

2.3.3 Corporate Governance Implementation Status and Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reason
	Yes	No	Abstract Illustration	
1.Does the company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"?	V		The Corporation has provided for "Corporate Governance Best Practice Principles" and disclosed them in the official website.	No Difference
2.Shareholding structure & shareholders' rights				No Difference
(1) Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		(1) The Corporation has set up a spokesman system which responsible for dealing with requests and suggestions from shareholders. Also, the Corporation has appointed the professionals and the legal units to deal with disputes and litigations.	
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		(2) The Corporation has dominated the major shareholders.	
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	V		(3) The Corporation has provided for "Procedures for Supervisions and Management of Subsidiaries". The internal audit committee and management should regularly implement internal audit and control operations.	
(4) Does the company establish internal rules against insiders trading with undisclosed	V		(4) The Corporation has formulated "Procedures for Handling Material Inside Information" and	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reason
	Yes	No	Abstract Illustration	
information?			"Insider Trading Rules", promoting the prohibition of insider trading for current directors, managers and employees at least once a year. The Corporation provides educational advocacy for new directors within 3 months after taking office and properly propagates new recruits during training.	
3. Composition and Responsibilities of the Board of Directors (1) Does the Board develop and implement a diversified policy, specific goals for the composition of its members?	V		(1) The Rules for Election of Directors should be held with the considerations of the diversification of the Board members; ex: gender, age, nationality. The company's target for the proportion of female directors is 20%. Also professional background (such as, law, accounting, industry, finance, marketing, technology or industrial experience) should be included. The corporation currently has 7 directors, including 3 employee directors, 1 non-employee director and 3 independent directors. There is one female director currently. Employee directors proportion is	No Difference

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reason
	Yes	No	Abstract Illustration	
			43%, independent directors proportion is 43%, female director proportion is 14%. The tenure of office of one independent director is under 3 years, the tenure of office of one independent directors are 4-6 years and the tenure of office of another independent directors are 7-9 years.1 director is over 80 years old, 5 directors are 61-70 years old, 1 directors are 51-60 years old. 3 directors have specialty in operating judgement, management capacity and international market viewpoint; 2 directors have specialty in technology industry knowledge, and 2 directors have specialty in accounting and finance.	.
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?		V	(2) It will be carried out after evaluated.	The board of directors has carried out all enterprise management decision-making
(3) Does the company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of Directors and referenced when determining the	V		(3) The corporation has formulated a performance evaluation method for the board of directors, which should be evaluated once a year. The evaluation methods include evaluation of the board of	No Difference

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reason
	Yes	No	Abstract Illustration	
remuneration of individual directors and nominations for reelection?			directors, self-evaluation of directors and performance evaluation of functional committees. Evaluation indicators include the degree of participation in the corporation's operations, awareness of professional responsibilities, composition of the board of directors, decision-making quality, continuous education, and internal control. Directors have complete their duties. The results of the performance evaluation will be reported to the board of directors and used as a reference for the nomination of individual directors. At present, all the directors of the corporation have not received remuneration except for traveling allowance when they attended a meeting each time.	
(4) Does the company regularly evaluate the independence of CPAs?	V		(4) The board of the company evaluate the audit quality of CPA’s and its audit team in accordance with Audit Quality Index.It also evaluates the independence of the item listed below in the meeting of the board of directors every year: A. The directors and employees of the	No Difference

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reason
	Yes	No	Abstract Illustration	
			corporation are not partners, managers or employees of the accounting firm. B. The corporation does not invest in the accounting firm and does not have any capital loan transactions with it. C. The partners and managers of the accounting firm do not hold more than 5% of the corporation's shares. D. The partners and managers of the accounting firm do not serve as directors, supervisors or major shareholders of the companies who have specific financial and business dealings with the corporation.	
4. Does the company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the board of directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?	V		The following business was being implemented in 2025 by corporate governance supervisor: (1) Draft the agenda of the board of directors and notify the directors seven days in advance, convene a board of directors meeting, provide meeting materials and prepare minutes after the meeting. (2) Handle the pre-registration for the date of the shareholders' meeting and prepare the meeting notice, meeting handbook and meeting minutes of the shareholders' meeting. (3) Handle amendments of articles of the	No Difference

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reason
	Yes	No	Abstract Illustration	
			incorporation. (4) Assist independent directors to meet with accountants and internal audit to understand the financial and operational situations of the corporation. (5) Assist in independent directors to attend continuous training courses. (6) Review whether it is necessary to release material information after the board of directors has been held. (7) Cooperating with the corporate governance laws, revise relevant measures and regulations of the corporation. (8) Assist directors to understand corporate governance codes and conditions. In 2025, the governance supervisor had attended training courses including "Sustainability Information Management," "Key Practices in Internal Control and Internal Audit," and the "2025 Briefing on Legal Compliance for Insider Equity Transactions," with a total of 9 training hours completed.	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reason
	Yes	No	Abstract Illustration	
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	V		The corporation has created "Investors" section in its official website in which investors, customers and suppliers can communicate and exchange opinions.	No Difference
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The corporation assigns a professional stock agency to handle the affairs related to shareholders' meetings.	No Difference
7. Information Disclosure				
(1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	V		(1) The corporation has created an official website in which corporate business, financial information and corporate governance are revealed in details.	No Difference
(2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	V		(2) The corporation assigns a specific person to collect and disclose the corporate information and implements a spokesman system. The video of Investor conference had been uploaded to the website of the company.	No Difference
(3) Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as		V	(3) The corporation has not announced its financial statements earlier yet; however, it declares quarterly financial statements and the operation status of each month in a	Cooperate with laws and regulations.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reason
	Yes	No	Abstract Illustration	
well as monthly operation results, before the prescribed time limit?			prescribed period of time.	
8. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	V V V V V V		(1) Employee Rights: The corporation hires and manages its employees in accordance with the Labor Standards Law; also, it should guarantee the legal rights of employees. (2) Employee Wellness: The corporation should provide a good working environment and on-site job trainings; also, it should set up the Employees' Welfare Committee to take care of wellness of employees. (3) Investor Relations: The corporation should set up a spokesman system and provide good communication channels (4) Supplier Relations: The corporation should maintain good relationships with suppliers and create business opportunities together. (5) Stakeholder Rights: Stakeholders who have suggestions to the corporation should be able to communicate with the corporation directly. (6) Advanced Studies of Directors: The corporation's directors have a level of proficiency in business, finance,	No Difference

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reason
	Yes	No	Abstract Illustration	
			manufacturing, technology, operation or management. Also, the corporation regularly update the written information relevant to the corporate governance laws to the directors for references.	
	V		(7) Risk Management Policy and Risk Measurement Standards: The corporation has established various operating regulations and management systems which authorize supervisors in all levels with limited terms of reference. The corporation should also perform internal audits regularly.	
	V		(8) Customer Policies: The corporation continuously contacts with new customers, maintain good relationships with existed customers and earn profits together.	
	V		(9) Purchase Liability Insurance for Directors and Supervisors: The corporate has purchased the liability insurance for directors.	
9.Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement	V		(1) The improved items in the Corporate Governance Evaluation System of the year of 2025 are listed as the follows: A. The disclosure of website information. (2) The priority should be strengthened in the	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reason
	Yes	No	Abstract Illustration	
measures.			Corporate Governance Evaluation System: A. Strengthen the disclosure of website information.	

2.3.4 Composition and Operations of the Remuneration Committee

1.Professional Qualifications and Independence Analysis of Remuneration Committee Members

31 Dec.2025

Criteria / Name	Professional Qualification and Experience	Independence Criteria
Wei-Lee Chang (Independent Director)	1.Expertise and experience：Sales in image capture business / management of technology industry/Consultant of new venture business. Been a National Chiao Tung University iCAN Project Consultant. 2.Other position：None. 3.Not been a person of any conditions defined in Article 30 of the Company Law.	1.Director and his spouse, relatives within the second degree of kinship is not director, supervisor, or employee of the corporate and its related party. 2.Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company. 3.Director holds 19,772 shares. 4.Not a director, supervisor, or employee of a company or institution that has a specific relationship with the company. 5.Not working in a company or related party which provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company in the past 2 years. And have no remuneration in those company. 6. Independence Criteria accords with “Regulations Governing appointment of independent directors and compliance Matters of public companies.”

Criteria / Name	Professional Qualification and Experience	Independence Criteria
Chih-Lee Liu (Independent Director)	1.Expertise and experience：financial management. Been a director of financial department in Microtek International Inc.(Retired) 2.Other position：None. 3.Not been a person of any conditions defined in Article 30 of the Company Law.	1. Director and his spouse, relatives within the second degree of kinship is not director, supervisor, or employee of the corporate and its related party. 2. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company. 3. Director holds 4,000 shares. 4. Not a director, supervisor, or employee of a company or institution that has a specific relationship with the company 5. Not working in a company or related party which provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company in the past 2 years. And have no remuneration in those company. 6. Independence Criteria accords with "Regulations Governing appointment of independent directors and compliance Matters of public companies."

Criteria / Name	Professional Qualification and Experience	Independence Criteria
Chien-Ru Liu (Independent Director)	1.Expertise and experience：financial and business management. Been a general manager in Microtek International Inc.(Retired) 2.Other position：Independent director of Humble House. 3.Not been a person of any conditions defined in Article 30 of the Company Law.	1. Director and his spouse, relatives within the second degree of kinship is not director, supervisor, or employee of the corporate and its related party. 2. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company. 3. No holding shares. 4. Not a director, supervisor, or employee of a company or institution that has a specific relationship with the company 5. Not working in a company or related party which provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company in the past 2 years. And have no remuneration in those company. 6. Independence Criteria accords with "Regulations Governing appointment of independent directors and compliance Matters of public companies."

2. Operation of Remuneration Committee Meetings

(1) There are 3 members in the Remuneration Committee.

(2) The members three-year term starts from May 30,2023 and conclude on May 29, 2026. A total of 2 Remuneration Committee meetings were held in the previous year.

The attendance record of the Remuneration Committee members was as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Convener	Wei- Lee Chang	2	-	100%	
Committee Member	Chih- Lee Liu	2	-	100%	
Committee Member	Chen- Lu Liu	2	-	100%	
Other mentionable items: 1. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company’s response to the remuneration committee’s opinion (ex., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None. 2. Resolutions of the remuneration committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members’ opinions and the response to members’ opinion should be specified: None.					

(3) Duties and Responsibilities of the Remuneration Committee:

The function of the corporation’s remuneration committee is to review the remuneration policy, system, standards, and structure for directors, supervisors and managerial officers from objective perspectives. The main duties and responsibilities are as follows：

A. Prescribe and periodically review the remuneration policy, system, standards, and structure for directors, supervisors and managerial officers.

B. Set up the remuneration items and payment standards.

C. Periodically review the performance evaluation of directors, supervisors and managerial officers, and the remuneration and benefits.

D. Supervise changes in the corporation’s remuneration system and external remuneration payment standards.

(4) Proposals of the Remuneration Committee Meetings

Date of the Remuneration Committee Meeting	Proposal	Resolution	Action
Mar. 11, 2025	1.The performance evaluation and remuneration for managers above director's level. 2.Non-distribution of employees' bonus and directors compensation.	Approved by all members of the Remuneration Committee.	It's submitted to the Board of Directors and approved by all members.
Nov. 11, 2025	1.The performance evaluation and remuneration for managers above director's level.	Approved by all members of the Remuneration Committee.	It's submitted to the Board of Directors and approved by all members.

2.3.5 Fulfillment of Sustainable Development and Deviations from the "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies"

Project Item	Implementation Status			Deviations from "Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies" and Reason
	Y	N	Abstract Explanation	
1.Does the company build the governance structure of sustainable development, establish exclusively (or concurrently) dedicated first-line managers authorized by the board to be in charge of proposing the corporate social responsibility policies and reporting to the board?	V		The company establishes "Sustainable Development Committee" been supervised by board of directors, pointing general manager as CEO. Sustainable Development Committee includes governance group, environment group and social group. Each group formulates the task plan, holds meeting periodically and report in board of directors annually. "Sustainable Development Committee" has reported the performance of sustainable development including protection of environment ,social responsibility and corporate governance in board of directors on Aug.7 2025.	No difference.
2. Does the company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?	V		The company establishes "Risk Management Team" and formulates policy of risk management. The manage scope includes environment, social and corporate governance. The valuation results of ESG policy is as followings: The company has few assembly production, the number of employee	No difference.

Project Item	Implementation Status			Deviations from "Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies" and Reason
	Y	N	Abstract Explanation	
			is under 100. There is no much water and electricity consumed. No sewage, no air pollution, no soil pollution in the company. The company hire and take care employees according to labor law, value shareholder's interest. There is no material risk which cause damage to stakeholders.	
3. Environmental issues (1)Does the company establish proper environmental management systems based on the characteristics of their industries?	V		Microtek has obtained ISO 14001 certification in 2008. Since products of the company is Information technology, no matter the material itself or the manufacturing and sales process, there will be no serious environmental hazards, and no noise or harmful gas emission, So the risk in management and operation is relatively low. The focus of the environmental management operation is as following: 1. Material selection: The company's products are designed and manufactured with materials that comply with the EU RoHS directive and conform to world standards. 2. Producing control: The company has a clean	

Project Item	Implementation Status			Deviations from "Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies" and Reason
	Y	N	Abstract Explanation	
			room, and the main assembly operations are completed indoors. The soldering process has used lead-free operations, and no harmful solvents are used. No harmful gases and annoying noises will be generated during the production process, and the environmental conditions are regularly monitored. Waste such as: carton boxes, plastic bags, polaroid, waste solder, etc., are collected and handed over to qualified waste disposal companies for recycling. 3. Disposal of domestic waste: Waste paper, various bottles and cans, and packaging are also collected and handed over to the management unit of the Science park for treatment, and the domestic wastewater is also treated by the Science park management unit in a unified manner, in line with relevant regulations. The company's certification for its environmental management system is ISO 14001:2015. The	

Project Item	Implementation Status			Deviations from "Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies" and Reason
	Y	N	Abstract Explanation	
			current certificate is valid until June,2026.	
(2)Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	V		The company committees to promoting green and environmental protection. From selections of materials for product design and manufacturing to marketing sales and corporate operations, the corporation always puts the energy-saving and environmental protection at the first position. All products should comply with the standards, such as WEEE. RoHS, Eup and so on.	
(3)Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	V		The "Sustainable Development Committee" is responsible for climate change. The company follows policy of green intelligence and cycling economic. The company continues to promote a low-carbon and friendly environment policy, reduce the greenhouse effect, and develops green products to reduce the impact of climate change.	
(4)Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies	V		1.The greenhouse gas, water consumption, weight of waste: A. Scope 1 greenhouse gas emissions was 4 tons and 2.85 tons in years of 2024 and	

Project Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies” and Reason
	Y	N	Abstract Explanation	
on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?			2025 respectively. Scope 2 greenhouse gas emissions was 578 tons and 546 tons in years of 2024 and 2025 respectively, which are expected to be reduced by 3% in 2026. B. Water consumption was 3.6 thousand tons and 4.8 thousand tons in years of 2024 and 2025, which are expected to be reduced by 3% in 2026. C. The total harmless waste was 3.6 tons and 4.6 tons in years of 2024 and 2025 respectively. The harm waste was both 0 tons in years of 2024 and 2025 respectively, which are expected to be reduced by 3% in 2026. 2.The corporation makes monthly statistics on greenhouse gas emissions and water consumption. Trained by education and publicity, the corporation tries its best to implement energy-saving and carbon-reduction policies by reducing spikes in electricity consumption during the day, replacing	

Project Item	Implementation Status			Deviations from "Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies" and Reason
	Y	N	Abstract Explanation	
			electronic power-saving ballasts and lamps, reusing water resources and so on.	
4.Social issues (1)Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	V		The company follows universal declaration of human rights, international labor organization and make work rules, policy of human rights. Including: Anti-discrimination, no child labor, labor and wage, freedom of employment, forced labor prohibition, equal treatment, health and safety of environment, job training and development.	
(2) Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and does business performance or results reflect on employee salaries?	V		1. The corporation provides employees with reasonable remuneration based on industry average salary; also, it allocates labor insurances, health insurances, retirement funds and vacations to employees according to the laws. The company offers special festivals bonus, scholarship of employee's children every semester. Female employee portion is 35%. Senior manager employee portion is 19%. 2. The Articles of the Incorporation have stipulated that if the corporation makes a profit, it should provide a certain percentage of surplus to	

Project Item	Implementation Status			Deviations from "Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies" and Reason
	Y	N	Abstract Explanation	
			distribute as employees' compensations.	
(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	V		1. The corporation formulates safety and health regulations, which include work safety, fire safety, access management, first aid treatment, work safety regular inspection standards and so on. Also, it deploys professional work safety personnel to provide employees with a safe and healthy working environment. For new colleagues, the corporation will arrange industrial safety and health education courses; for other colleagues, the corporation will regularly arrange civil defense regiment training, firefighting training courses and other more training courses. 2. The company inspects high voltage electricity once a half year. The latest inspection date is in January. 2026. The company inspects drinking water once a month. The latest inspection date is in March 2026. The company inspects operating environment once a half year. The latest inspection date is in	

Project Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies” and Reason
	Y	N	Abstract Explanation	
			March 2026.The company inspects fire safety facility once a month and contracts professional organization for inspection once a year. The latest inspection date is in November 2025. The company maintains elevator safety once a month and contracts professional organization for inspection once a year. The latest inspection date is in February 2026. 3. There are no occupational injuries. 4. There is no fire incident.	
(4)Does the company provide its employees with career development and training sessions?	V		Employees are able to discuss career development plans with their supervisors when a performance appraisal is holding. Every month, the corporation arrange training courses for employees based on professional projects of each department.	
(5)Do the company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are	V		The products sold by the corporation are in compliance with the international safety standards and certifications. The sales and marketing of the products follow business norms and there is no false advertising. All products have terms of	

Project Item	Implementation Status			Deviations from "Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies" and Reason
	Y	N	Abstract Explanation	
relevant consumer protection and grievance procedure policies implemented?			warranty. When customers have any questions towards the usage, maintenance or warranty of products. They can consult with the corporation via the official website or telephone.	
(6) Does the company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results.		V	When purchasing raw materials, the corporation has made clear requirements towards specifications and safety standards. Also, the corporation has set up an evaluation system for choosing suppliers in order to conduct on-site inspections of its product resources and production processes.However, the company does not ask supplier to follow regulations about environmental protection, occupational safety and health, labor human rights.	It is expected to be completed within one year.
5. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as corporate sustainability report?	V		The company has completed and filed "2024 Sustainability Report" in Aug. 2025 which has been uploaded to website of the company.	
Do the reports above obtain assurance from a third party verification unit?		V	The Report had not been verified and assuranced by third party verification unit yet.	It will be the plan of "Sustainable Development

Project Item	Implementation Status			Deviations from "Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies" and Reason
	Y	N	Abstract Explanation	
				Committee" and expected to be completed within one year.

6.Describe the difference, if any, between actual practice and the corporate social responsibility principles, if the company has implemented such principles based on the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies:
Sustainable Development principles are not established yet.

7.Other useful information for explaining the status of corporate sustainable development practices: None.

2.3.5.1 The action of the company for climate change risks and opportunities：

ITEM	Implementation Status
1.Describe the supervision and governance of climate-related risks and opportunities by the board of directors and management	(1) The company has established a Sustainable Development Committee and Risk Management Team, reporting on execution status to the board of directors at least once a year. (2) The Sustainable Development Committee reviewed by the board of directors supervises the company's sustainable development management policies, strategic objectives, and execution, with the operating unit regularly reporting progress to the board of directors. (3) The Risk Management Team, chaired by the general manager, promotes the integration of environmental impact reduction concepts into various stages of the product life cycle, formulates waste disposal policies, and continues to advocate for energy conservation and carbon reduction to comply with government policies on zero carbon emissions and the European Union's Carbon Border Adjustment Mechanism (CBAM), reporting execution status to the board of directors annually.
2.Describe how to affect the company's business, strategy, and finance (short-term, medium-term, long-term risk) by the identified climate risks. Summaries are as follows:	(1)Risks: A.Short-term risks: Typhoons, floods causing operational losses. These extreme weather events can lead to decreased or interrupted production capacity (such as production stoppages, transportation difficulties, supply chain interruptions), damaged operational assets, resulting in operational losses, and reduced revenue. B.Medium-term risks: Transition costs of new technologies, low-carbon environmental protection. Responding to green environmental protection demands will result in increased operating costs or revenue declines and changes in investment costs and production output.

ITEM	Implementation Status
	C.Long-term risks: Costs associated with carbon reduction policies and regulations. Stricter regulations may result in additional carbon reduction costs and decreased profits. (2)Opportunities: A.Short-term opportunities: Promote energy conservation and waste reduction and promote water and electricity conservation concepts. B. Medium-term opportunities: Green procurement and supplier management. Supporting enterprises with low-carbon and sustainable products. C. Long-term opportunities: Developing and promoting low-carbon product services and reduce the climate change impact.
3.Descrbe extreme weather events and transformation actions' impact on finance:	Extreme weather events such as typhoons, floods, etc., will affect decreased or interrupted production capacity, premature scrapping of existing assets, leading to increased operating costs, and reduced revenue. The company continues to plan and promote low-carbon green production and services and reduce the climate change impact to avoid extreme weather events.
4.Description of the integration of climate risk identification, assessment, and management processes into the overall risk management system:	The company's climate risk identification, assessment and management process is as follows: (1)Risk Identification: A.The company conducts climate risk and opportunity identification annually based on industry characteristics. B.The Risk Management Team regularly integrates overall risk identification. C.Reference to international institution climate risk reports.

ITEM	Implementation Status
	(2)Risk Measurement: A.The company evaluates the impact and extent of various risks based on industry characteristics. B.Measurement scope includes geographical scope, production chain impacts, and financial impacts. (3)Risk Monitoring: A.Environmental and social risk factors for each industry are included in the industry risk level assessment mechanism. B.Monitoring climate risk indicators to control value losses caused by climate risks. (4)Risk Reporting: Various risk indicators and execution status are reported to the board of directors regularly.
5.If scenario analysis is used to assess resilience to climate change risks, the scenario, parameters, assumptions, and key financial impacts should be explained.	The company did not use scenario analysis to assess resilience to climate change risk.
6.If there are transformation plans to manage climate-related risks, explain the plan's content, and indicators and objectives used to identify and manage actual risks and transformation risks.	The company did not have transformation plans to manage climate-related risks
7.If internal carbon pricing is used as a planning tool, explain the basis for price setting.	The company did not use internal carbon pricing as a planning tool.

ITEM	Implementation Status
8.If climate-related goals are set, explain the activities covered, greenhouse gas emission scope, planning period, annual progress, etc. If carbon offsetting or renewable energy certificates (RECs) are used to achieve related goals, explain the source and quantity of offset carbon credits or the quantity of RECs.	The company has completed the greenhouse gas emission reporting planning and is expected to complete internal verification and external validation planning in 2025, with the reporting operation slated for completion in 2026.
9.Greenhouse gas reporting and assurance.	Greenhouse gas reporting and assurance are not yet required.

2.3.6 Fulfillment of Ethical Corporate Management , Discrepancy between the company and "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and the Reason.

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1. Establishment of ethical corporate management policies and programs				
(1) Does the company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?	V		(1) The corporation has set up The Procedures for Ethical Management and these procedures has been disclosed in the corporate official website. The regulations should be specified by the work rules which guide employees.	No Difference
(2) Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Do the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?	V		(2) The corporation uses departmental organization and authority to set up a mutual supervision and check-and-balance mechanism to prevent business activities involving higher risks of dishonest behavior. The work rules should clearly state that employees must not accept entertainment, gifts, rebates or other illegal benefits due to their duties or violations of their duties.	

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and amendments?	V		(3) To prevent the dishonest behaviors, the corporation formulate various methods, the accounting system and the internal control system. Also, auditors should regularly check the compliance of these systems.	
2.Fulfill operations integrity policy (1) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	V		(1) When developing new customers and suppliers, the corporation conduct investigations, evaluations, credit checking and verifications to avoid dealing with people with records of dishonest behavior.	The corporation has not set up a specific unit to promote the corporate integrity management yet. Each department performs the corporate integrity management policy separately based on their functions and verified by the internal audit.
(2) Does the company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?		V	(2) The corporation has not set up a specific unit to promote the corporate integrity management yet. Each department performs the corporate integrity management policy separately based on their functions.	

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	V		(3) In employment contracts and work rules, the corporation stipulate clearly that employees cannot use their positions to disclose secrets to benefit themselves or others. Also, The Procedures for the Meetings of the Board of Directors have stipulated that directors cannot discuss and vote for the matters of the meeting which are involved with their own interests or with the legal persons whom are represented by; or, those may be harmful to the interests of the corporation.	
(4) Does the company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?	V		(4) To prevent the dishonest behaviors, the corporation formulate various methods, the accounting system and the internal control system. Also, auditors should regularly check the compliance of these systems.	
(5) Does the company regularly hold internal and external educational trainings on operational integrity?	V		(5) The corporation hold seminars regularly to promote the corporate integrity management philosophy.	

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
3.Operation of the integrity channel				No Difference
(1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	V		(1) The corporation has adopted a concrete whistle-blowing system and appointed a unit, e-mail address to handle whistle-blowing system.	
(2) Does the company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures?	V		(2) The corporation has made standard operation procedures in place for investigating accusation cases. The unit in duty should keep the identity of the reporter confidential.	
(3) Does the company provide proper whistleblower protection?	V		(3) The whistleblower will not be improperly punished for reporting.	
4.Strengthening information disclosure Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS?	V		The Procedures for Ethical Management has been disclosed in the corporate official website.	No Difference
5.If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, please describe any discrepancy between the policies and their implementation. The corporate has set up The Procedures for Ethical Management. The contentment includes: (1) Employees are prohibited from providing, accepting, promising or requesting any improper benefits, or engaging in other acts directly or indirectly that violate integrity, illegality, or breach of fiduciary obligations, in order to obtain or maintain benefits.				

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(2) Employees shall abide by the provisions of the Securities Exchange Law. They shall not use the undisclosed information to engage in insider trading and nor shall they disclose it to others. (3) Directors shall avoid discussing or voting the proposals listed by the board of directors which are interested by themselves or by the legal persons who are represented by them. Others related to The Procedures for Ethical Management have no major differences from The Ethical Corporate Management Best Practice Principles.				
6.Other important information to facilitate a better understanding of the company's ethical corporate management policies (e.g., review and amend its policies): None.				

2.3.7 Other Important Information Regarding Corporate Governance：None。

2.3.8 Internal Control Systems

1. Statement of Internal Control

Microtek International, Inc. / Internal Control System Statement

Based on the findings of a self-assessment, Microtek International, Inc. states the following in regards to its internal control system during the year 2025：

1. The company is aware that the establishment, implementation and maintenance of the internal control system is the responsibility of the Board or Directors and the managers of the company. The company has established the system for the purpose of guaranteeing the reliability、timeliness and transparency report of the effectiveness and efficiency of the operation(including profitability、performance、asset security, etc.) and ensuring all are in compliance with relevant laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can only provide reasonable assurance of accomplishing the three aforementioned objectives. Moreover, the effectiveness of internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and the company takes immediate remedial actions in response to any identified deficiencies.
3. The company evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of the Internal Control System by Public Companies (herein below, the Regulations). The criteria adopted by the Regulations identify five key components of managerial internal control (1) control environment. (2) risk assessment. (3) control activities (4) information and communication and (5) monitoring activities.
4. The company had evaluated the design and operation effectiveness of its internal control system according to the aforesaid Regulations.
5. Based on the findings of such evaluation, the Company believes that, on December 31,2025, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance on our operational effectiveness and efficiency, reliability, timeliness, transparency or reporting, and compliance with applicable rulings, laws and Regulations.
6. This statement is an integral part of the Company's annual report for the current period and prospectus. and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liabilities under Articles 20,32,171 and 174 of the Securities and Exchange Law.
7. This statement was approved by the Board of Directors in their meeting held on Mar 11,2026 with all 7 attending directors affirming the content of Statement.

Microtek International, Inc.
Chairman：Chin-Lai Wu
General Manager: Ching-Hui Hsieh

2.If CPAs are engaged to review internal control system, the report shall be disclosing: None.

2.3.9 Major Resolutions of Shareholders' Meeting and Board Meetings:

Date	Session	Resolutions
Mar. 11, 2025	Board of Directors	1. Approve The Internal Control System Statement for 2024. Implementation Status: It has been reported to the competent authority and listed as the main content in the Annual Report. 2. Approve to convene the shareholders' meeting of the year 2025. Implementation Status: The shareholders' meeting will be convened on May 27, 2025. 3. Approve The Business Report and Financial Statements of the year 2024 Implementation Status: The Financial Statements has been declared and will be recognized in the shareholders' meeting. 4. Approve "Deficit compensation of the year of 2024". Implementation Status: It will be recognized in the shareholder's meeting. 5. Approve the amendments to the Company's Articles of Incorporation. Implementation Status: It will be recognized in the shareholder's meeting.
May 8, 2025	Board of Directors	1. Approve The Financial Statements of the Quarter 1 of 2025. Implementation Status: It has been declared. 2. Approve the revision of the"Standard Operating Procedures for Handling Directors' Requests." Implementation Status: It was been approved and has been declared.
May 27, 2025	Shareholders' Meeting	1. Adopt The Business Report and Financial Statements of the year of 2024. 2. Adopt "Deficit compensation of the year of 2024". Implementation Status: No dividends will be distributed; and if there is a surplus in the following years, a compensation will be made up. 3. Approve the amendments to the Company's Articles of Incorporation. Implementation Status: It was been approved and has been declared.

Date	Session	Resolutions
Aug. 7, 2025	Board of Directors	1.Approve The Financial Statements of the Quarter 2 of 2025. Implementation Status: It has been declared. 2.Approve the Sustainability Report of 2024 Implementation State: It has been declared.
Nov. 11, 2025	Board of Directors	1. Approve The Internal Audit Plan of the year of 2026 Implementation Status: It will be executed as planned. 2. Approve The Financial Statements of the Quarter 3 of 2025. Implementation Status: It has been declared. 3. Approve t the Revision to the Internal Control System for the Payroll Cycle. Implementation Status: It was been approved and has been declared.
Mar. 10, 2026	Board of Directors	1. Approve The Internal Control System Statement for 2025. Implementation Status: It has been reported to the competent authority and listed as the main content in the Annual Report. 2. Approve to convene the shareholders' meeting of the year 2026. Implementation Status: The shareholders' meeting will be convened on May 26, 2026. 3. Approve The Business Report and Financial Statements of the year 2025. Implementation Status: The Financial Statements has been declared and will be recognized in the shareholders' meeting 4. Approve "the Proposal for Distribution of 2025 Earnings". Implementation Status: It will be recognized in the shareholder's meeting. 5. Approve revising" The Article of Incorporation" Implementation Status: It will be recognized in the shareholder's meeting.

2.3.10 Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors：None.

2.4 Information Regarding the Company’s Audit Fee and Independence Audit Fee

Unit : NT$K

Accounting Firm	Name	Period	Audit Fee	Non audit Fee	Total	Remark
KPMG Certified Public Accounting Firm	Chun-Yuan Wu	Jan. 2025-Dec.2025	2,790	500	3,290	Non audit fee :Tax return, business tax audit ,non supervisory salary audit
	Chien-Hui Lu	Jan. 2025-Dec.2025				

1.Replacement of accounting firm and the audit fee in the replacing year is less than that in the previous year：None.

2.Audit Fees were reduced by over 10% compared with the previous year：None.

2.5 Information on change of CPA in the past two years：None.

2.6 Has any of the Company’s Chairman, Chief Executive Officer, Chief Financial Officer, and managers in charge of its finance and accounting operations served in the Company’s CPA firm or its affiliates during past year: None.

2.7 Equity transfer or changes to equity pledged of Directors, Supervisors, Managers and Major Shareholders

Change in shareholdings：

Title	Name	2024		As of Mar. 31, 2025	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Major shareholder	Guang Ju Holding Co., Ltd. (formerly Youe Chung Investment Co., Ltd.)(note 1)	(11,261,000)	(12,500,000)	(2,360,000)	-
Major shareholder	Wilson Investment Ltd.	-	-	-	-
Director /Major shareholder	Paulko Enterprises Co. Ltd.	30,197,303	-	-	-
Director/ Major shareholder	San Yu Lumber & Plywood Corp. (note 2)	(30,197,303)	-	-	-
Chairman	Legal Representative of Paulko Enterprises Co. Ltd. Chin-Lai Wu	-	-	-	-
Director	Legal Representative of Paulko Enterprises Co. Ltd. Cheng-Hsun Hsu	-	-	-	-
Director	Adara International Inc.	-	-	-	-
Independent Director	Wei-Lee Chang	-	-	-	-
Independent Director	Chih- Lee Liu	-	-	-	-
Independent Director	Chien-Ru Liu	-	-	-	-
General Manager	Ching- Hui Hsieh	-	-	-	-
Business GM	Po-Tsung Lin	-	-	-	-
Vice President	Kuo-Huei Yu	-	-	-	-
Vice President	Hui-Chuan Tai	-	-	-	-
Director	Harn-Jou Yeh	-	-	-	-
Director	Kuo-Kuei Kao	-	-	-	-
Director	Ming-Zheng Chen	-	-	-	-
Director	Hung-Chen Wang	-	-	-	-
Director	Yi-Hsuan Su	-	-	-	-
Manager	Lee-Ying Chu	-	-	-	-
Manager	An-Yan Li	-	-	-	-

Note 1: Shareholding was reduced to below 10% as of January 21, 2026. Note 2: All shareholdings were disposed of on November 18, 2025, and the status as a director and major shareholder was concurrently terminated.

Stock transfer to related parties：None.

2.8 Relationship among the Top Ten Shareholders

Name	Current Shareholding		Spouse's/ minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Note
	Shares	%	shares	%	shares	%	Name	Relationship	
Paulko Enterprises Co. Ltd.	66,398,965	32.29%	-	-	-	-	Wilson Investment Ltd	Common shareholder	
Paulko Enterprises Co. Ltd. Representative Chin-Yu Lee	-	-	-	-	-	-	None	None	
Wilson Investment Ltd.	37,528,872	18.25%	-	-	-	-	Paulko Enterprises Co. Ltd.	Common shareholder	
Wilson Investment Ltd. Representative Yi-hsuan Liu	-	-	-	-	-	-	None	None	
Guang Ju Holding Co., Ltd..	20,000,000	9.73%	-	-	-	-	None	None	
Guang Ju Holding Co., Ltd.. Representative Jun-guang Tu	-	-	-	-	--	-	None	None	
Adara International Inc.	2,934,365	1.43%	-	-	-	-	None	None	
Adara International Inc. Representative Chin-Lai Wu	50,300	0.02%	-	-	-	-	Paulko Enterprises Co. Ltd.	Company of being Representa-tive	
CITI Bank in custody for Berkerly SBL/PB Investment	1,460,000	0.71%	-	-	-	-	None	None	
Yi Shui Tan Investment Corp.	1,048,000	0.51%	-	-	-	-	None	None	
Chih-yu Chen	990,000	0.48%	-	-	-	-	None	None	
Ching-hui Ji	902,000	0.44%					None	None	
CITI Bank (Taiwan) Limited S/A UBS Europe SE Investment Account	863,147	0.42%	-	-	-	-	None	None	
HSBC Bank(Taiwan) limited in custody for Goldman Sachs Investment	847,968	041%					None	None	

2.9 Ownership of Shares in Affiliated Enterprises

Unit：shares

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors/Supervisors/Managers		Total Ownership	
	Shares	%	shares	%	shares	%
Adara International Inc.	2,000,000	100%	-	-	2,000,000	100%
MTK Computers Limited	60,850,000	100%	-	-	60,850,000	100%
Shanghai Microtek Technology Co., Ltd.	-	-	-	100%	-	100%
Microtek Computer Technology(Wu Jiang)Co., LTD.	-	-	-	100%	-	100%
Shanghai Joinwit Optoelectronic Tech Co., Ltd.	-	-	-	65.92%	-	65.92%
Shanghai Fong-teng Co., Ltd.	-	-	-	46.14%	-	46.14%
Shanghai Microtek Medical Device Co., Ltd.	-	-	-	100%	-	100%
Domex Technology Corporation	64,587	0.32%	-	-	64,587	0.32%
Epoch Electronics Corp.	-	-	498,778	7.67%	498,778	7.67%

3.Capital Review

3.1 Capital and Shares

3.1.1 Source of capital

Unit:NT $K、Shares $K

Date	Par value (NT$)	Authorized capital		Paid-in capital		Remark		
		Shares	Amount (NT$ thousands)	Shares	Amount (NT$ thousands)	Sources of Capital	Capital Increased by Assets Other than Cash	Date of approval and document number
2006.06.14	Note 4	400,000	4,000,000	205,661	2,056,608	-	-	-
2002.09.18	Note1	650,000	6,500,000	205,661	2,056,608	Note 1	None	2002.9.12(91) Tai-Tsai-Tzeng(1) No.091014122
1999.12.25	11	650,000	6,500,000	453,997	4,539,974	Capital increase by cash 800,000	None	1999.10.11(88) Tai-Tsai-Tzeng (1) No.80644 1999.11.03(88) Tai-Tsai-Tzeng(1) No.94935
1998.05.30	Note 2	450,000	4,500,000	373,997	3,739,974	Capitalization of retained earnings 652,625 Convertible bonds 1,524	None	1998.5.5 (87) Tai-Tsai-Tzeng(1) No.37777
1998.01.15	Note 3	450,000	4,500,000	308,583	3,085,825	Convertible bonds 80,162	None	1998.1.8 (87) Tai-Tsai-Tzeng(1) No.96733

Unit：Share

Share Type	Authorized Capital					Remarks
	Issued Shares			Un-issued Shares	Total	
	Listed	Un-listed	Total			
Common stock	205,660,827	-	205,660,827	194,339,173	400,000,000	-

Note 1：Make up for losses from the reduced capital.
Note 2： Increase the capital from the retained earnings.
Note 3： Converted from corporate bonds.
Note 4： Amend The Articles of Incorporation to reduce the rated share capital.

Information for Shelf Registration：None.

3.1.2 List of Major Shareholders

Shares / Name	Shares	Percentage
Paulko Enterprises Co., Ltd.	66,398,965	32.29%
Wilson Investment Ltd.	37,528,872	18.25%
Guang Ju Holding Co., Ltd..	20,000,000	9.73%
Adara International Inc.	2,934,364	1.43%
CITI Bank in custody for Berkerly SBL/PB Investment	1,460,000	0.71%
Yi Shui Tan Investment Corp.	1,048,000	0.51%
Chih-yu Chen	990,000	0.48%
Ching-hui Ji	902,000	0.44%
CITI Bank (Taiwan) Limited S/A UBS Europe SE Investment Account	863,147	0.42%
HSBC Bank(Taiwan) limited in custody for Morgan Stanley International Investment	847,968	0.41%

3.1.3 Dividend Policy and Implementation Status

1. Dividend Policy

   The dividend policy of the corporation is that at least 50% of the cumulated distributable surplus for the current year should be allocated as dividends. However, if the dividend per share is less than 0.5, in the consideration of the payment cost and other factors, the dividend shall not be granted.

   The priority of distributed dividends is cash dividends. If the distributable dividend per share exceeds two NTD, an appropriate amount of stock dividends will be allocated. However, the proportion of stock dividends will not exceed 50% of the total dividends.

2. Proposed Distribution of Dividend

   As of the end of the current year, there are no retained earnings available for distribution; therefore, no dividends are proposed to be distributed

3.1.4 Effect on business performance and earnings per share of any stock dividend distribution proposed

At the corporate regular shareholder’s meeting in 2026, no proposed stock dividends were distributed, which had no impact on the corporate operating performance and earnings per share.

3.1.5 Compensation of Employees, Directors and Supervisors

1. Information Relating to Compensation of Employees, Directors and Supervisors in the Articles of Incorporation：

   Article 27 of the Company’s Articles of Incorporation stipulates that if the Company records a profit for the year, the Board of Directors shall resolve to allocate between 2% and 10% of such profit as employee compensation, and additionally allocate no less than 0.5% for salary adjustments or compensation for grassroots employees. However, if the Company has accumulated losses, such losses shall first be offset.

   Employee compensation as referred to in the preceding paragraph may be distributed in the form of shares or cash. After the distribution of employee compensation, the remaining profit may, upon the recommendation of the Remuneration Committee and approval by the Board of Directors, be used to pay directors’ remuneration in an amount not exceeding 3% of the aforementioned profit.

2. The basis for estimating the amount of employee, director, and supervisor compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period：None

3. Sribution of Compensation of Employees, Directors and Supervisors approved in the Board of Directors Meeting:

   (1) Recommended Distribution of Compensation of Employees, Directors and Supervisors:：The Board of Directors approved employee compensation for 2025 in the amount of NT$1,403 thousand, grassroots employee compensation of NT$100 thousand, and directors’ remuneration of NT$497 thousand on March 10, 2026, all to be paid in cash.

   (2) The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee compensation.

   The company does not propose to distribute remuneration to employees in stocks.

4. Information of 2024 Distribution of Compensation of Employees, Directors and Supervisors (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed) and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor compensation, additionally the discrepancy, cause, and how it is treated.

As the Company had accumulated losses in the previous year, no employee compensation or remuneration for directors and supervisors was distributed.

3.1.6 Buy-back of Treasury Stock：None.

3.2 Corporation bonds、preferred shares、Global depository receipts、subscription of warrants for employees、subscription of new shares foe employee restricted stocks、issuance new shares due to merge or acquisition of another company：None.

3.3 Financial plans and Implementation：None.

4.Operation Highlights

4.1 Business Activities

4.1.1 Business Lines

The main business of Microtek is to design, manufacture and provide image scanners and their related applications. Main products and their percentages of sales revenue are listed as the follows: The revenue of image scanners and applications is NT$164,020 thousand (22%); The revenue of optical election devices is NT$582,365 thousand (78%)

4.1.2 Industry Profile

1. In recent years, with the continuous advancement of artificial intelligence (AI) and deep learning technologies, image recognition, analysis, and processing technologies have become increasingly mature and have been rapidly applied across various industries.
2. In the industrial manufacturing sector, the integration of artificial intelligence (AI) technologies with imaging equipment has driven the development of automated optical inspection (AOI) systems toward greater intelligence. By incorporating AI algorithms and image capture technologies, enterprises are able to enhance product quality inspection capabilities while improving production efficiency and process stability. These technologies are also gradually being extended to other application areas, demonstrating the broad industrial potential of intelligent imaging applications.
3. The global expansion of 5G networks and fiber-to-the-home (FTTH) infrastructure, coupled with the rapid growth of AI servers and high-bandwidth data centers, has further driven increasing demand for high-speed data transmission equipment, creating new market opportunities for the industry.

4.1.3 Technology and Research Profiles:

1. Microtek has been strongly dedicated to the technical development of digital imaging devices and image processing software and hardware. NT$103,136 thousand was committed to research and development in 2025, accounting for 14% of the turnover. The products listed below have been developed successfully:

   (1) Scanners:

   - Completed the development of the high-speed model XT3700, supporting mixed application scenarios, including books, documents, and photographs, and incorporating multiple functional enhancements and specification optimizations.
   - Completed Linux software support for more scanner models to meet the usage needs and development trends of specific regional markets, thereby further enhancing product competitiveness and driving sales growth.

(2) Industrial Applications:

- Completed the launch of the QC-430 imaging optical module, specifically designed for PWBA inspection equipment..
- Completed the launch of an online AI inspection solution system for hook and loop fabric.
- Completed the development and launch of an AI-powered online inspection system solution for circular knitting machines in the textile industry, enhancing real-time detection capabilities during the production process.

(3) Optoelectronic:

- Completed the development of a polarization-maintaining MPO testing system, a miniaturized optical power meter probe, a rotating polarization state analyzer, a laser driver, and 2U platform-based modular VOA products.
- Completed the development of polarization state analyzer, laser

2. Current Development Plans:

(1) Image Scanners:

- Developed the USB 3.1 high-speed model SM3200XL, NDT-2000, Medi-7000 and F2, enhancing scanning transmission rates and various specifications.
- Continuously developing Linux software to match specific regional usage trends.

(2) Industrial Applications::

- Developed industrial non-destructive testing equipment featuring a high-speed USB 3.1 interface, enhancing overall scanning efficiency and image quality, while supporting multiple peripheral devices.
- Developed an offline AI inspection system solution for fabric inspection machines in the textile industry.

(3) Biotechnology and Medical Services:

- Developed a USB 3.1 high-speed bio-gel scanner, improving data transmission rates and optimizing multiple product specifications.
- Developed a USB 3.1 high-speed medical film scanner, enhancing scanning transmission speed and optimizing multiple product specifications.

(4) Optoelectronic:

- Developed a high-speed polarization state analyzer.
- Developed a high-performance transient interruption monitoring instrument.
- Developed a non-contact METS testing system.
- Developed 2U chassis-based modular products.

4.1.4 Short-term and Long-term Business Development Strategies

1. In the short-term

(1) Launched high-speed document scanners and high-quality photo-grade scanning equipment.

(2) Provide customized industrial camera modules and detection systems to meet the needs of the industry.
(3) Collaborate with industrial and biotech manufacturers to develop inspection equipment and modules.
(4) Advanced the development of an AI-based automated inspection system for the textile industry. Through intelligent inspection, the system reduces waste generation during production processes, improves resource utilization efficiency, and helps address labor shortages. It also contributes to manufacturing process optimization and supports sustainable development.
(5) Enhanced the scalability of its products in communications, sensing, and optical network testing, while expanding into emerging applications such as industrial control, security, and medical fields.

2. In the long-term:
(1) Continued to develop distinctive imaging modules and advanced high-speed, high-stability, high-resolution, and multi-light-source image acquisition equipment and systems, providing integrated solutions for the industry to support automated production lines and intelligent inspection systems. Through modular design and technology integration, the Company assists enterprises in enhancing inspection efficiency and quality management capabilities, while expanding application value across biomedical, industrial, and various smart manufacturing sectors.
(2) In response to the trend toward industrial intelligence and automation, the Company continued to invest in the research and development and application of AI-based automated inspection technologies, integrating image acquisition with intelligent analytics capabilities to expand applications in manufacturing and related industries, thereby enhancing product competitiveness and capturing emerging industry opportunities.
(3) Accumulated expertise in optoelectronic inspection technologies, strengthened supply chain collaboration, and increased the self-sufficiency rate of key components. The Company continues to expand investment in advanced technology research and development, thereby building strong technological barriers to enhance its competitive advantage.

4.2 Production and Marketing Profiles

4.2.1 Market and Sales review

1. Marketing Profile:
(1) Global labor shortages and the rapid advancement of AI technologies have accelerated demand across industries for automation and intelligent inspection solutions.
(2) The expansion of smart factory deployment in the manufacturing sector

continues, with the integration of sensors, IoT, and AI enabling real-time production line monitoring, quality optimization, and improved energy and resource efficiency.

(3) The biotechnology and medical sectors continue to innovate, with the growing adoption of telemedicine and health monitoring technologies, coupled with an aging population, driving rapid market growth.

(4) In high-tech industries, including aerospace and energy, increasing requirements for product quality and safety are driving the integration of AI with imaging equipment, enhancing the precision and efficiency of non-destructive testing and expanding into diverse applications.

(5) The accelerated deployment of global fiber optic network infrastructure and 5G communication technologies is driving strong demand for high-quality, high-performance optical fiber testing, installation, and maintenance equipment.

(6) The rapid expansion and upgrading of data centers, particularly the stringent requirements for high-speed, high-capacity optical modules and optical interconnect technologies, are creating new growth opportunities for advanced optoelectronic testing instruments.

2. Niche and Competing Advantages:

(1) Microtek possesses an advanced image acquisition and management technology platform, integrating deep learning and machine vision to deliver intelligent automated inspection solutions that enhance production efficiency and accuracy. In addition, with years of dedicated experience in the optical fiber communication testing field, Microtek has established leading domestic technological expertise and brand advantages, providing comprehensive optical fiber solutions.

(2) Microtek has established operational bases in Taiwan and China, and, through distribution partners worldwide, provides localized services and solutions to continuously support customer needs across different regions.

(3) Microtek possesses in-house developed products and a cross-disciplinary team of professionals spanning electronics, mechanics, optics, hardware and software, as well as optical communication software. This enables rapid integration of scanner and imaging module technologies to deliver customized solutions.

(4) Microtek continues to develop distinctive imaging modules, high-resolution image acquisition equipment, and AI-based automated inspection systems, integrating them into applications across industrial, textile, biomedical, and medical inspection fields. In parallel, Microtek is advancing high-precision optical fiber testing instruments and optical network solutions to enhance inspection efficiency, reduce resource waste, and promote smart manufacturing and sustainable development.

(5) Microtek possesses cross-disciplinary technology integration and

collaborative development capabilities, enabling it to expand market applications and strengthen its unique competitive advantages in a highly competitive market environment.

(6) With the increasing demand for industrial intelligence, automation, and high-bandwidth data centers, optoelectronic products continue to benefit. Leveraging the Microtek’s existing technologies, products, and customer service capabilities, it is expected that optoelectronic instruments and equipment will see broader integrated applications and improved market prospects.

4.2.2 Use and Productive Process of Main Products

1. Use of Main Products

Products	Use of Products
Scanners for the Business	The design of scanners is used for scanning of documents, graphs, pictures and films. Based on requirements of users, these scanners can be categorized into scanners for soho and home offices, scanners for digitizing large volumes of documents in corporations, scanners for professional pictures and scanners for digitizing large-scale papers or cultural relics.
Scanners for the Medical	The essences for scanners used in the medical are capturing of professional images and processing technology. To meet requirements of different departments, Microtek can provide total solutions with professional scanners and image managing software.
Scanners for the Biotechnology	The scanners grouped in the category focus on capturing of images related to biotechnological testing and inspections. For example, pathological section images of electrophoresis gel and scanning of analysis of ELISA.
Scanners for the Industry	The scanners are designed with high-precision scanning mechanisms and low-noise circuits. Plus, the use of image management software, the scanners are suitable for digitizing, storing, report making and sharing information and films related to the NDT. Practitioners can enhance work efficiency with economical and practical prices.
Application Solutions	Leveraging Microtek's decades of accumulated expertise in imaging capture hardware design, image processing algorithms, combined with advanced AI analysis techniques, and efficient data management system solutions, we provide comprehensive solutions for the industry.
Optoelectronic	Microtek’s inspection products are primarily applied in traditional optical communications, sensing, optical networks, and high-speed optical modules, while continuing to expand into emerging application areas such as industrial control, security, and medical sectors.

2. Productive Process of Main Products：

A. Assembly of PCB

Material preparation
↓
Surface parts attached
↓
Plug-in
↓
Wave soldering
↓
Automated testing
↓
Testing
↓
PCB of image scanners
↓
Assembly of the system

B. Assembly of the System

Assembly of modular parts
↓
Adjustment and assembly of CCD/CHASSIS
↓
Assembly of mechanisms
↓
Pre-test
↓
Burn in test
↓
Testing of the system
↓
Packaging and storing
↓
Shipment

3.2.3 Supply Status of Raw Materials:

Microtek always maintains friendly cooperative relationships with main suppliers of raw materials, which not only effectively controls sources of goods, shortens delivery time but also enhances quality of charge-in materials and lowers risks. In order to disperse the excessively concentrated procurement of raw materials, the main materials such as electronic parts, lenses, motors, power supplies, and mechanical parts are ordered separately from Taiwan, Japan, the United States, and the Mainland China. Microtek requires the suppliers to provide stable and continuous supplements based on the order requirements and by this way to achieve production scheduling, logistics control, cost reduction and autonomy. For the key components, cooperating with the RD department, study the feasibility of using 2nd source to avoid risks of suspension of supply and demand at any time. For the procurement of parts for a few custom cases, we closely cooperate with suppliers to improve production efficiency and reduce costs through reasonable planning of inventory and adoption of current alternative technologies, so as to meet the special needs of customers.

3.2.4 Information on clients/suppliers who have accounted for at last 10% of sales/purchasing in either of last two years：

Major suppliers: In the last two years, no major suppliers accounted for more than 10% of the total purchase amount.

Unit: NT$K

	2024				2025			
ITEM	Name	Amount	Percent	Relation with company	Name	Amount	Percent	Relation with company
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
	Other	302,954	100%		Other	400,800	100%	
	Total	302,954	100%		Total	400,800	100%	

Major customers：Major customers had changed in 2024 and 2025 due to increase of optoelectronic business.

Unit: NT$K

	2024				2025			
ITEM	Name	Amount	Percent	Relation with company	Name	Amount	Percent	Relation with company
1	Hsu chuang	90,345	13%	None	Xin Yi Sheng	140,769	19%	None
2	Xin Yi Sheng	72,101	10%					
3								
4								
5								
6								
7								
8								
9								
10								
	Other	554,669	77%		Other	605,616	81%	
	Total	717,115	100%		Total	746,385	100%	

4.3 Human Resource

Year		2024	2025	Feb. 28, 2026
Number of Employees	Direct Labor	64	51	53
	Technical	85	83	86
	Management	130	117	124
	Total	279	251	263
Average Age		44.09	44.49	44.88
Average Years of Service		14.55	14.91	14.97
Education	Ph.D.	0%	0%	0%
	Masters	9%	9%	9%
	Bachelor's Degree	55%	55%	55%
	Senior High School	20%	18%	19%
	Below Senior High School	16%	18%	17%

4.4 Environmental Protection Expenditure

Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions): None.

4.5 Labor Relations

4.5.1 List any employee benefit plans, continuing education, training, retirement systems, the status of their implementation, and the status of labor agreements and measures for preserving employees' rights and interests：

The corporation's labor relation is always harmonious and there has been no labor dispute. There is a complete system for the recruitment, selection, training and management of employees, so that the employees' career planning and the corporation's interests can be combined perfectly to establish a work team looking for the high output. In addition, in order to reward employees for dedicated services and stabilize their retirement life, the corporation and its subsidiaries have established retirement plans. The corporation's retirement plan includes methods in accordance with articles of The Labor Standards Act that the corporation should transfer 6% of the employee's monthly salary as the retirement pension to the labor individual retirement account in the Taiwan Bank established by the Labor Insurance Bureau in accordance with the labor pension regulations.

The labor retirement reserve fund account balance for the end of 2025 is NT$107,011 thousand; and the amount of transferring to the labor individual retirement account is NT$3,880 thousand. Subsidiaries contributed NT$12,577 thousand to pension funds in accordance with local regulations. In addition to participating in labor and health insurances required by laws, the corporation also provide employees with other benefits, such as group and travel insurances. Overseas subsidiaries also participate in social insurance and provident funds in accordance with local government regulations. At the same time, they provide employees with the group accident insurance. The corporation allocates the total revenue of each month in proportion as employees' welfare funds to implement leisure, sports, and recreation activities based on the annual work plan and budget. Overseas subsidiaries also allocate 2% of the total salary of each month as union funds to carry out various leisure activities for employees. The corporation has also set up facilities, such as a training classroom, an audiovisual center and a library, to provide employees with continuous leisure activities, in-service trainings and information. In further, the corporation tries to maintain a perfect working environment and to enhance the welfare of all employees.

4.5.2 Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including labor inspection results found in violation of the Labor Standards Act, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions) and disclose any……: None

4.6 Information security management

4.6.1 Information security risk management framework, policy, implement and resource of information security.

1. Information Security Risk Management Framework: In order to improve information security management, Microtek has formed an information security management committee composed of the chief officer of all Business Units, financial and accounting centers and technology department, with the general manager as the convener. Information Security Management Committee is responsible for formulating information security policies and planning, promoting and implementing information security management programs. Regularly review and report information security-related issues and implementation status to the board of directors.
2. Information Security Policy: To strengthen information security management, application system, equipment and internet safety and assure employee's research results, equity of shareholders. Information Security Management Committee formulate structure of information security, management plan, test system of risk and audit procedure for system compliance. Management plans include staff management, computer system safety, internet safety, access control, application system development, physical and environmental security, disaster

recovery plan, information security incident reporting. The employee must follow "The rules for internet use" and "The rules for e-mail use" .

3.Information Security Solution:

(1)Personnel management: establish and enhance the information security awareness and management of all employees and about their related responsibilities, and hold information security education and training for new personnel regularly.

(2)Computer system security management: Establish application system and software usage and management specifications, and take necessary protective measures, establish detection and prevention of computer viruses and malicious software, and ensure the systems work normally.

(3)Network security management: formulate network access permissions, information equipment networking security control, e-mail and Internet usage specifications, and prevent data and systems from being intruded through various security levels of technology and control.

(4)Access control: establish employee account and access authority management policy, update and strengthen passwords, and review all systems access permissions of users regularly.

(5)Application system development and maintenance security management: self-developed or outsourced application systems should be subject to security controls to avoid improper software, backdoors and computer viruses jeopardizing system security.

(6)Physical and environmental security**:** establish physical and environmental safety management for physical equipment placement, maintenance, surrounding environment and personnel access control.

(7)Disaster Recovery Plan: Develop database backup and disaster recovery plans and management.

(8)Information security incident reporting: formulate information security incident reporting procedures according to the level of information security incidents to ensure timely response and effective handling of information security incidents when they occur

(9)The information security management method, refers to and pays attention to the changes in the information environment to implement the information security management policy.

4.Resource of Information security: There is a manager and a staff in information security department. The department monitor company's internet, continue to install hardware and software equipment to keep information security. IT department has reported 2025 security execution plan to board of director on Nov.11 2025.

4.6.2 Any losses suffered, influenced by significant information security event, solutions made by the company. The reason of suffered loss not able to be estimated: None.

4.7 Significant Contracts

Agreement	Counterparty	Period	Major Contents	Restrictions
Land Lease	The Science Park Bureau	From 1/1/2023 to 12/31/2042	The area is 1.94 hectares. The rent is paid once a month and the monthly rent is NT$1,016 thousand.	None

5.Review of Financial Conditions, Financial Performance, and Risk Management

5.1Analysis of Financial Status

Unit：NT$K

Year / Item	2024	2025	Difference	
			Amount	%
Current Assets	1,555,152	1,578,520	23,368	2%
Property、plant and equipment	375,955	351,271	(24,684)	(7%)
Intangible assets	49,854	51,724	1,870	4%
Other assets	980,563	1,055,647	75,084	8%
Total Assets	2,961,524	3,037,162	75,638	3%
Current liability	275,236	314,984	39,748	14%
Long-term Liabilities	359,734	319,017	(40,717)	(11%)
Total Liabilities	634,970	634,001	(969)	-
Capital stock	2,056,608	2,056,608	-	-
Capital surplus	-	-	-	-
Retained Earnings	(33,405)	13,231	46,636	140%
Other Adjustments	277,836	268,182	(9,654)	(3%)
Treasury stock	(49,781)	(49,781)	-	-
Non-controlling Equity	75,296	114,921	39,625	53%
Total stockholders' equity	2,326,554	2,403,161	76,607	3%
1.increase in current liability is due to increase of accrued expense. 2.Increase in retained earnings and non-controlling equity is due to net income increase.				

5.2 Analysis of Financial Performance

Unit：NT$K

Item \ Year	2024	2025	Difference	%
Sales revenue	717,115	746,385	29,270	4%
Gross Profit	261,129	332,293	71,164	27%
Operating income(Loss)	(54,123)	7,312	61,435	114%
Non-operating income and expense	115,341	111,832	(3,509)	(3%)
Income before tax	61,218	119,144	57,926	95%
Net income	58,104	88,222	30,118	52%
Other comprehensive income	51,435	(1,788)	(53,223)	(103%)
Total comprehensive income	109,539	86,434	(23,105)	(21%)
Net income attributable to shareholders of the parent	27,800	39,748	11,948	43%
Net income attributable to non-controlling interest	30,304	48,474	18,170	60%
Comprehensive income attributable to non-controlling interest	77,227	36,982	(40,245)	(52%)
Comprehensive income attributable to non-controlling interest	32,312	49,452	17,140	53%
1.The turnaround from loss to profit was mainly attributable to increases in operating revenue and gross profit 2.The decrease in non-operating income was mainly attributable to foreign exchange losses.				

<u>The expected sales volume and its basis, which may have the possible impact on the corporation’s future financial business and the corresponding plan:</u>

The company will focus on application solutions, industrial, medical and biotechnology developments. The overall sales volume is expected to increase, but the gross profit margin can be increased and operating profit can also be improved.

5.3 Analysis of Cash Flow

Unit：NT$K

Cash and Cash Equivalents, Beginning of Year (1)	Net Cash Flow from Operating Activities (2)	Cash Outflow (3)	Cash Surplus (Deficit) (1)+(2)-(3)	Leverage of Cash Deficit	
				Investment Plans	Financing Plans
526,750	140,197	(126,165)	540,782	-	-

1. Analysis of change in cash flow in the current year:
   (1) Operating activities：increase of cash-related net income.
   (2) Investing activities: Cash outflows increased due to new investments aimed at generating stable income streams.
   (3) Financing activities: Cash decrease is due to repay borrowing and subsidiaries distribute dividends.
2. Liquidity analysis for the next year：

Cash and Cash Equivalents, Beginning of Year	Estimated Net Cash Flow from Operating Activities	Estimated Cash Outflow	Estimated Cash Surplus (Deficit)	Leverage of Cash Deficit	
				Investment Plans	Financing Plans
540,782	150,000	(50,000)	640,782	-	-

5.4 The Effect on financial operations of any significant capital expenditure：

There is no significant capital expenditure in last year.

5.5 Investment Policy in the Last Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year：

1. There is no investment plan in the last year.
2. There in no investment plan for the coming year.

5.6 Analysis of Risk Management

5.6.1 Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures：

Interest rate：In the year of 2025, the interest rate has remain constant compared to last year; The interest amount was NT$ 321 thousand, which excluded the interest of the lease liability. It was an decrease comparing with that of the previous year.

Foreign exchange rates: The exchange loss for the whole year of 2025 was NT$13,019 thousand. The Corporation continues to appropriately manage foreign currency net assets to reduce the impact of exchange rate risks on the corporation

Inflation: None

5.6.2 Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions：

The Corporation does not engage in high-risk and high-leverage investments.

Also, it does not loan funds to others, make endorsement guarantees and purchase derivative products.

5.6.3 Future Research & Development Projects and Corresponding Budget：

The scanner dvision will leverage its core image capture technologies to expand into various application fields. The optoelectronics division will continue to optimize its existing products toward greater stability, higher speed, and enhanced efficiency. Microtek expects to invest approximately NT$85,000 thousand in research and development expenditures in fiscal year 2026.

5.6.4 Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales： None.

5.6.5 Effects of and Response to Changes in Technology and the Industry (Including information security risk) Relating to Corporate Finance and Sales:

The industry and technology fields where the Corporation engaged in have no major changes. The company has formed an information security management committee with the general manager as the convener. The Information Security Management Committee is responsible for formulating information security policies and planning, promoting, implementing information security management programs. The committee reports to the board of directors about information security-related issues and implementation status at least once a year. The latest report date in on 11 Nov. 2025.

5.6.6 The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company's Response Measures:

The Corporation has no intention to change its corporate image.

5.6.7 Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans：

The Corporation has no acquisition plans.

5.6.8 Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans：

The Corporation has no plans to expand factories.

5.6.9 Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration：

Purchase: The corporation's main components are purchased from regions such as Taiwan, Japan, USA and China. In addition, it continues to look for new suppliers to diversify supply and reduce costs

Sales: The corporation mainly operates its own brands. In China, it sells as regional agents and distributors through wholly-owned subsidiaries; in other places such as Europe, America, Asia Pacific, and Taiwan, it sells as distributors and also cooperates with retailers. Thus, there is no risk of sales concentration.

5.6.10 Effects of, Risks Relating to and Response to Large Share Transfers or

Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%: No effects to the corporation in share transfer.

5.6.11 Effects of, Risks Relating to and Response to the Changes in Management Rights：

The Corporation has no change in management rights.

5.6.12 Litigation or Non-Litigation Matters: None.

5.6.13 Other Major Risks：None**.**

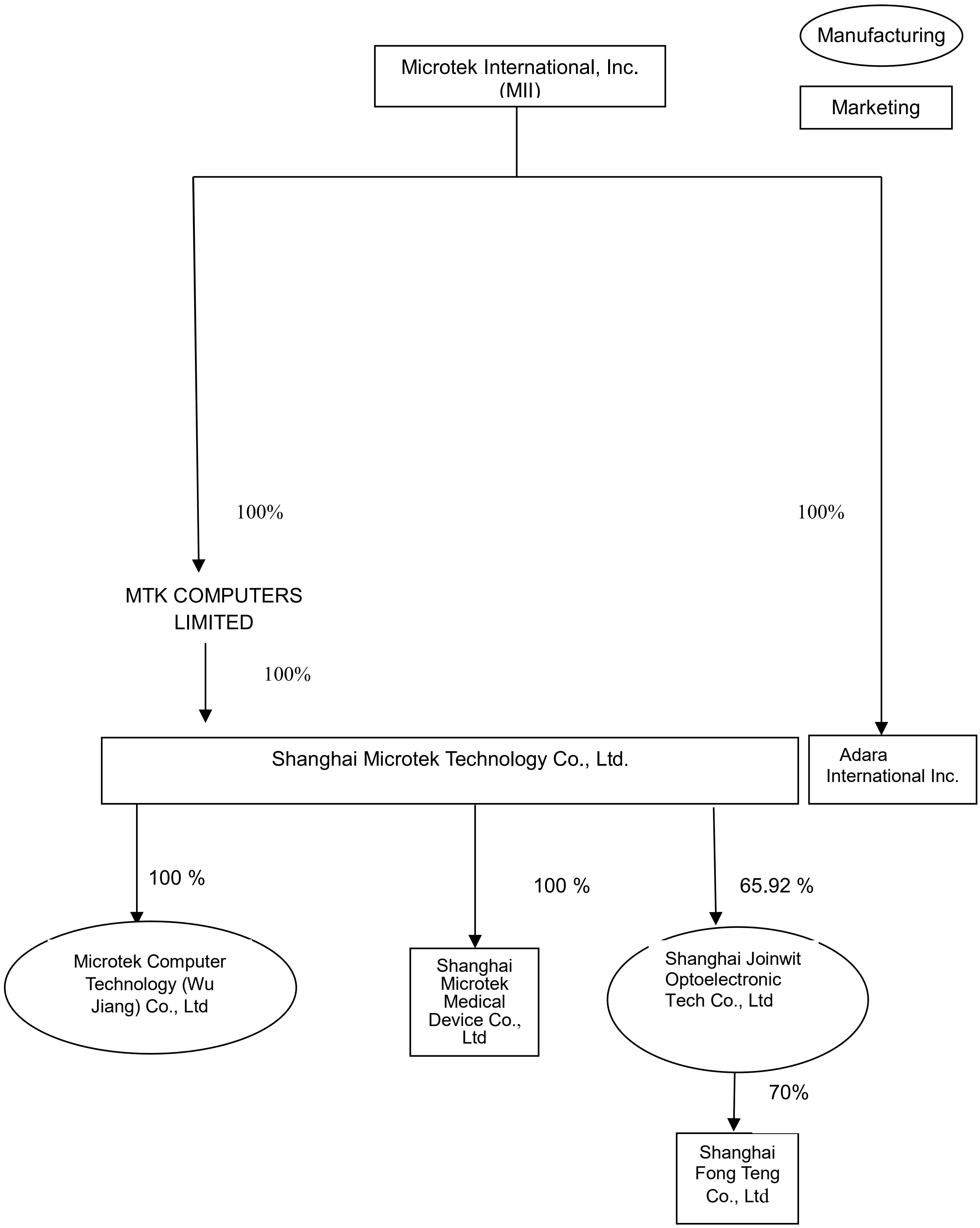
5.7 Other important matters：None.

6.Special Disclosure

6.1Summary of Affiliated Companies

6.1.1 Consolidated Business Reports

6.1.1.1 Organization chart of affiliated companies



6.1.1.2 Summary of Affiliated Companies

Company	Date of incorporation	Address	Paid-in Capital	Major business activities
Adara International Inc.	1988.11.20	Taipei City, Taiwan	NT 20,000,000	Sales, maintenance of image scanners and application project in the domestic market
MTK COMPUTERS LIMITED	1991.11.12	Causeway Bay , Hong Kong	US 7,801,282 Currency rate:32.20	Holding company to invest on Shanghai Microtek Technology Co., Ltd.
Shanghai Microtek Technology Co., Ltd.	1992.10.26	Shanghai City, P.R.C	US 18,000,000 Currency rate:33.187	Producing, sales and maintenance of image scanners in the Mainland China
Microtek computer Technology(Wu Jiang) CO., Ltd.	1999.04.20	Wujiang Economic and Technology Development Zone, Suzhou, Jiangsu , P.R.C	US 6,000,000 Currency rate:31.294	Producing, sales and maintenance of image scanners in the Mainland China
Shanghai Joinwit Optoelectronic Tech Co., Ltd.	1998.09.11	Shanghai City, P.R.C	RMB 31,000,000 Currency rate：4.496	Electronic communication and electronic system services technology
Shanghai Fong-teng Co., Ltd.	2006.06.27	Shanghai City, P.R.C	RMB 500,000 Currency rate：4.496	Providing advisory and service for the electronic information and technology
Shanghai Microtek Medical Device Co., Ltd.	2009.09.25	Shanghai City, P.R.C	RMB 1,000,000 Currency rate：4.496	Providing advisory and service for the selling of medical devices and R&D

6.1.1.3 Companies presumed to have a relationship of control and subordination where the shareholders in common: None

6.1.1.4 Directors 、Supervisors and presidents of affiliated companies

Unit:：Share、%

Company	Title	Name or Representative	Shareholding	
			Share	Shareholding %
Adara International Inc.	Director(Note1) Supervisor(Note1)	Chin-Lai Wu Mei-Rong Chen	2,000,000 2,000,000	100% 100%
MTK COMPUTERS LIMITED	Director	Chin-Lai Wu, Ching-Hui Hsieh	0	0
Shanghai Microtek Technology Co., Ltd.	Director General Manager	Chin-Lai Wu, Ching-Hui Hsieh, Po-Tsung Lin Po-Tsung Lin	-	0

Company	Title	Name or Representative	Shareholding	
			Share	Shareholding %
Microtek computer Technology(Wu Jiang) CO., Ltd.	Director General Manager	Chin-Lai Wu, Ching-Hui Hsieh, Po-Tsung Lin Wan-Cheng Hsu	-	0
Shanghai Joinwit Optoelectronic Tech Co., Ltd.	Director General Manger	Huai-Zhuyin tsuei, Po-Thsung Lin, Wan-Cheng Hsu Huai-Zhuyin tsuei	-	34%
Shanghai Fong-teng Co., Ltd.	General Manger	Huai-Zhuyin tsuei	-	0
Shanghai Microtek Medical Device Co., Ltd.	General Manger	Po-Tsung Lin	-	0

Note1：The Director and supervisor of Adara International is the representative of Microtek International, Inc.

6.1.1.5 The Operating Status of the Affiliated Company

Unit：NT$K

Company	Capital	Total Assets	Total Liabilities	Net worth	Sales	Operating Income	Net Income	EPS(NT$)(After Tax)
Adara International Inc.	20,000	34,351	40	34,311	-	(70)	199	(0.1)
MTK COMPUTERS LIMITED	251,199	42,601	-	42,601	-	(149)	(2,975)	Note 1
Shanghai Microtek Technology Co., Ltd	597,364	1,449,776	179,235	1,270,541	129,276	(41,337)	82,478	Note 1
Microtek computer Technology(Wu Jiang) CO., Ltd.	223,311	465,520	52,117	413,403	64,310	(28,688)	(2,154)	Note 1
Shanghai Microtek Digital Technology Co., Ltd(Note 2)	-	-	-	-	-	-	228	Note 1
Shanghai Joinwit Optoelectronic Tech Co., Ltd	139,376	543,122	205,105	338,017	582,365	152,489	142,235	Note 1
Shanghai Fong-teng Co., Ltd	2,248	4	279	(275)	-	-	-	Note 1
Shanghai Microtek Medical Device Co., Ltd	4,496	4,976	-	4,976	-	-	1	Note 1

Note1: The companies are overseas subsidiaries and the most of them do not issue capital shares. Therefore, their earnings (loss) per share can only be calculated as parts in domestic subsidiaries.

Note2: A resolution for liquidation was approved by the Board of Directors on May 28, 2025, and the liquidation procedures were completed on June 24, 2025.

6.1.2 Declaration of consolidated financial statements of Microtek International Inc., and subsidiaries

The entities that are required to be included in the combined financial statements of Microtek International Inc dated from Jan.31,2025 to Dec. 31, 2025, under the Criteria Governing the preparation of Affiliation Reports ,Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financing Reporting Standard 10 “Consolidated Financial Statements” .In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Micorkek International Inc., and subsidiaries do not prepare a separate set of combined financial statements.

Microtek International Inc.,

Chairman: Chin-Lai Wu

Mar. 10,2026

6.1.2 Affiliation Reports： N/A

6.2 Private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of annual reports：None.

6.3 Other matters：None。

6.4 If any of the situations listed in Article 36, Paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might affect shareholders’ equity or stock price of company, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of annual reports: None.

Headquarter

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Stock Transfer Agent

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B2, No. 76, Sec 2, Dunhua S. Rd, Dn-an District Taipei 10683, Taiwan
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