Contents

One. Letter to Shareholders

Dear shareholders:

In 2025, the global economy demonstrated remarkable resilience amid significant volatility. A defining event of the year was the Trump administration's initiation of reciprocal tariffs in April, which triggered a trade war. Despite the resulting tariff pressures, global inflation has largely cooled, and the Federal Reserve has restarted its rate-cutting cycle to maintain economic momentum. Governments worldwide continue to implement fiscal stimulus and deepen investments in the AI industry, guiding the global economy from a downturn toward a stable recovery.

In Taiwan, the overall economic performance remained steady throughout 2025. The export structure continued to benefit from robust demand for AI, high-performance computing (HPC), and related electronic products. Domestically, the economy saw gradual improvement as consumption and investment momentum rebounded. However, the pace of recovery varied across different sectors; while technology thrived, certain traditional industries and service sectors continued to face challenges from rising cost pressures and intense market competition.

I. Operational Results for 2025

1. Consolidated revenue and profitability

The Company's consolidated revenue in 2025 reached 13.6 billion, with the consolidated revenue proportion of each business as follows: flour milling business, 37%; system integration services business, 49%; investment business, 11%; real estate leasing business, 3%.

Additionally, the net profit attributable to the owners of the parent company was NT$4.6 billion, with earnings per share (EPS) of NT$2.57. The Company did not disclose financial forecasts for 2025. Hence, there is no budget achievement status.

2. Research and Development

(1)Flour milling business: Continue to deepen the application of digitalization and intelligent systems. By leveraging AI and data analytics, the business aims to optimize raw material utilization and process management, thereby enhancing product quality and R&D efficiency.

(2) System Integration Business: Maintain the R&D momentum in smart technology and defense applications. The focus will be on strengthening system integration capabilities and expanding into diverse application scenarios.

(3)Renewable Energy Business: Consistently invest in low-carbon and diversified energy technologies. The business will promote power generation and application solutions to reinforce its strategic layout in the global energy transition.

3. Operating results

(1) Lien Hwa Milling Foods Corporation: The net profit after tax for 2025 grew by 33% compared to the previous year.

(2) Lien Hwa Properties Corporation: Rental income has achieved steady growth for eight consecutive years. Furthermore, the company has effectively utilized its asset resources to invest in solar power generation and distribution.

(3) MiTAC Information Technology Corp.: Revenue reached NT$6.66 billion in 2025, setting a record high. The net profit after tax increased by 45% compared to the previous year.

4. Corporate sustainability responsibility (ESG)

The Company continues to advance corporate governance, environmental protection, and social responsibility through the Sustainable Development Committee under the Board of Directors. In 2025, the Company persisted in deploying renewable energy facilities across its various properties to achieve energy-saving, carbon reduction, and low-carbon transition goals. By doing so, the Company integrates sustainability principles into both daily operations and long-term strategic decision-making.

II. 2026 Business Plan and Development Strategy

Looking ahead to 2026, international forecasting agencies generally anticipate that the global economy will maintain a trajectory of moderate growth. Generative AI, digital transformation, and innovations in energy technology continue to serve as the primary engines of momentum. However, policy shifts in major economies, persistent geopolitical risks, and evolving trade environments may still introduce volatility to the global economic landscape. The Company will cautiously navigate these external changes by continuing to drive the following strategic focus areas:

1. Flour milling business

   Consistently strengthen food R&D capabilities. Through professional laboratory experimentation and advanced processing technologies, we aim to provide customers with diverse and highly differentiated product solutions.

2. Real estate business

   Optimize the layout of logistics and industrial facilities while promoting intelligent management. By integrating renewable energy applications, the Company seeks to enhance the long-term operational efficiency and value of its asset portfolio.

3. System integration business

   Future initiatives will center on the dual-axis "Digital Twin" integration of AI and ESG, developing specialized solutions for digital finance, smart city governance, intelligent transportation, and smart manufacturing.

   Regarding international markets, the primary focus will remain on electronic ticketing and rail electromechanical systems, specifically targeting Hong Kong, India, and Vietnam. Furthermore, we will bolster our presence in the smart manufacturing sector by leveraging the advantages of Taiwan's semiconductor industry to expand our market share in Singapore and surrounding regions.

4. New Energy business

   With low-carbon energy solutions as our core strategy, we are developing diversified fuel models and application patterns to proactively respond to global energy transition and carbon reduction trends.

III. External Competitive and Macro-Economic Environment

Facing a rapidly changing industrial environment, the Company will continue to focus on digital and low-carbon transformation. By integrating emerging technologies—including Cloud Computing, the Internet of Things (IoT), Blockchain, Artificial Intelligence, and 5G networks—we aim to apply these innovations across diverse scenarios to enhance operational efficiency and sustainable competitiveness.

Moving forward, the Company will designate AI digitalization and sustainable energy as our core development pillars. By leveraging the collective resources of the Group, we will strengthen risk management and organizational resilience. Our goal is to drive steady, long-term growth and consistently create stable, enduring value for our shareholders.

Sincerely,

Wish you all happiness and health.

Chairman: Matthew Feng-Chiang Miau

President: Roger Lin

Two. Corporate Governance Report

I. Background information of Directors, President, Vice Presidents, Assistant Vice Presidents, and the heads of the departments and branches

(I) Background of directors

March 31, 2026 Unit: Share, %

Title	Nationality	Name	Gender/Age	Date elected / appointed	Term of office	Date first elected	Shares held as of elected date		Current shares held		Shares held by spouse and underage children		Shares held in the names of others		Major academic and career achievements	Current positions in the Company and other companies	Other supervisors, directors or supervisors in a spousal relationship or within the second degree of kinship			Note
							Shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Chairman	Republic of China	Y. S. Educational Foundation	—	May 27, 2024	3 years	July 29, 2021	47,451,866	3.00	53,810,415	3.00	—	—	—	—	—	—	—	—	—	
	USA	Representative: Matthew Feng-Chiang Miau	Male 71~80 years old	May 27, 2024	3 years	Nov. 17, 1999	—	—	57,281,603	3.19	—	—	—	—	Honorary Ph.D., National Chiao Tung University MBA, Santa Clara University BSEE, University of California, Berkeley Laureate of Industrial Technology Research Institute (ITRI) President, UPC Technology Corp. President, Linde Lienhwa Industrial Gases Co., Ltd. Chairman, SYNNEX Corporation Independent Director, Galileo International, Inc. Independent Director, The BOC Group Plc. Independent Director, Linde AG Delegate, APEC Business Advisory Council (ABAC) Convener, Civil Advisory Committee of National Information & Communications Initiatives (NICI) Director, TD SYNNEX Corporation President, Chinese National Federation of Industries. Independent Director of Cathay Financial Holdings Co., Ltd.	Chairman and CSO, Lien Hwa Industrial Holdings Corp. Chairman, UPC Technology Corp. Chairman, Synnex Technology International Corp. Chairman, MiTAC Holdings Corp. Chairman, MiTAC Inc. Director, Getac Holdings Corp. Independent Director, Cathay Financial Holding Co. Ltd. Director, CTCI Foundation	Vice Chairman	Feng-Sheng Miao	Brothers	

Title	Nationality	Name	Gender/Age	Date elected / appointed	Term of office	Date first elected	Shares held as of elected date		Current shares held		Shares held by spouse and underage children		Shares held in the names of others		Major academic and career achievements	Current positions in the Company and other companies	Other supervisors, directors or supervisors in a spousal relationship or within the second degree of kinship			Note
							Shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Vice Chairman	Republic of China	Feng-Sheng Miao	Male 71~80 years old	May 27, 2024	3 years	June 7, 1991	35,257,233	2.23	39,981,701	2.23	1,598,232	0.09	—	—	Master of Electrical Engineering, Santa Clara University, USA President of MiTAC Inc. Chairman of Linde Lienhwa Industrial Gases Co., Ltd. Chairman of Hantong Venture Capital Corp.	Vice CEO, the Company Director, UPC Technology Corporation Director, MiTAC Inc. Director, MiMAC InformationTechnology Corp. Director, Great Wall Enterprise Co., Ltd. Honorary Chairman, Linde Lienhwa Industrial Gases Co., Ltd. Director, Lienhwa Lox Cryogenic Equipment Corp. Director, Confederate Technology Co., Ltd. Director, Far Eastern Industrial Gases Co., Ltd. Director, Hua Cheng Investment Co., Ltd. Director,United Industrial Gases Co., Ltd. Supervisor, Harbinger VII Venture Capital Corp.	Chairman	Matthew Feng-Chiang Miau	Brothers	(Note1)
Director	Republic of China	Roger Lin	Male 61~70 years old	May 27, 2024	3 years	January 13,2020	—	—	—	—	—	—	—	—	National Taiwan University, TW, Business Administration Manager of the Finance Department in UPC Technology Corporation. Special Assistant to Chairman of MiTAC-SYNNEX Group Assistant V.P. of the HR&Administration Department in Oriental Union Chemical Corporation	President, Lien Hwa Industrial Holdings Corp.	—	—	—	
Director	Republic of China	UPC Technology Corporation	—	May 27, 2024	3 years	June 17, 1994	153,289,977	9.68	173,830,833	9.68	—	—	—	—	—	—	—	—	—	
	Republic of	Representative: Song-En Sun	Male 71~80 years old	May 27, 2024	3 years	June 7, 1991	—	—	2,294,930	0.13	58,377	0.00	—	—	School of Management, National Taiwan University	Chairman, Pao Hwa Trading Co., Ltd. Chairman, Yih Yuan Investment Corp.	—	—	—	

Title	Nationality	Name	Gender/Age	Date elected / appointed	Term of office	Date first elected	Shares held as of elected date		Current shares held		Shares held by spouse and underage children		Shares held in the names of others		Major academic and career achievements	Current positions in the Company and other companies	Other supervisors, directors or supervisors in a spousal relationship or within the second degree of kinship			Note
							Shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Director	Republic of China	Yih Yuan Investment Corp.	—	May 27, 2024	3 years	June 26, 2018	144,804,821	9.14	166,371,666	9.26	—	—	—	—	—	—	—	—	—	
	Republic of China	Representative: Cheng-Yu Tan	Male 71~80 years old	May 27, 2024	3 years	June 26, 2018	—	—	22,149,477	1.23	—	—	—	—	Department of Chemistry Engineering, Chung Yuan Christian University	Director, First Textile Industrial Inc. Director, Shin Tai Investment Co., Ltd. Chairman, Sheng- Dao Tan charitable Foundation.	—	—	—	
	Republic of China	Representative: Jason Chow	Male 61~70 years old	May 27, 2024	3 years	June 26, 2018	—	—	42,656,237	2.38	—	—	14,560,560	0.81	Master of Economics, Ohio University	President, Linde Lienhwa Industrial Gases Co., Ltd.	—	—	—	
Independent director	Republic of China	Lucy-Sun Hwang	Female 71~80 years old	May 27, 2024	3 years	June 25, 2015	—	—	—	—	—	—	—	—	Doctor of Food Science, Rutgers University Lifetime Distinguished Professor, Institute of Food Science and Technology, National Taiwan University Director in Institute of Food Science and Technology, National Taiwan University	Professor Emeritus, Institute of Food Science and Technology, National Taiwan University	—	—	—	

Title	Nationality	Name	Gender/Age	Date elected / appointed	Term of office	Date first elected	Shares held as of elected date		Current shares held		Shares held by spouse and underage children		Shares held in the names of others		Major academic and career achievements	Current positions in the Company and other companies	Other supervisors, directors or supervisors in a spousal relationship or within the second degree of kinship			Note
							Shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Independent director	Republic of China	Hsing-Yi Chow	Male 61-70 years old	May 27, 2024	3 years	May 27, 2024	–	–	–	–	–	–	–	–	Doctor of Business Administration, Indiana University President of the National Chengchi University, Dean of the College of Commerce, Vice Dean, Chair of the Department of Financial Management, Director of the Investor Research Center of the College of Commerce, Full Professor of the Department of Financial Management at the National Chengchi University Director of CTCI Education Foundation Supervisor of Taipei Exchange Director of Koo Foundation Director of International Cooperation and Development Fund	Director of ESG World Citizens & Digital Governance Foundation Director of Global Views Education Foundation Director of Koo Foundation Sun Yat-Sen Cancer Center Director of Andrew T. Huang Medical Education Promotion Fund Founder of Balanced and Holistic Investments Chairman of Taiwan Institute of Directors Chairman of Financial Literacy & Education Association Independent Director of Coretronic Corporation				
Independent director	Republic of China	Chien You Lin	Male 61-70 years old	May 27, 2024	3 years	May 27, 2024	–	–	–	–	–	–	–	–	Chairman of the Humax East Vice Chairman of the Humax West Co.,LTD Vice Chairman of the DoubleTree Investment Inc.	Chairman of the Humax East Director of Scholarship of Guang Yuan Charitable Foundation Executive Director of Humax West Co.,LTD Executive Director of DoubleTree Investment Inc.				

Note1: Where the Chairman of the Board of Directors and the President or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as increasing the number of independent director seats, and more than half of all directors must not concurrently serve as employees or managers) must be disclosed.:None.

Note2: resigned on May 27, 2024.

2. Major institutional shareholders March 31, 2026

Name of corporate shareholder (Note 1)	Major shareholders of the corporate shareholder (Note 2)	
	Shareholders	Shareholding%
Y. S. Educational Foundation	MiTAC International Corp.	10.00
	Getac Holdings Corp.	10.00
	Synnex Technology International Corp.	20.00
	Lien Hwa Industrial Holdings Corp.	20.00
	UPC Technology Corp.	20.00
	Mix System Holdings Ltd.	20.00
UPC Technology Corp.	Lien Hwa Industrial Holdings Corp.	31.93
	Synnex Technology International Corp.	5.18
	LIN,GAO-HUANG	2.25
	Mei An Investment Co., Ltd.	1.96
	Yih Yuan Investment Corp.	1.62
	Liberty Stationery Corp.	1.55
	Tsu Fung Investment Corp.	1.31
	MiTAC International Corp.	1.22
	Polunin Emerging Markets Small Cap Fund, LLC	1.22
	Tong Da Investment Corp	1.09
Yih Yuan Investment Corp.	Overcome Holdings Limited (British Virgin Islands)	96.30
	Others	3.70

Note 1: If directors and supervisors are representatives of corporate shareholders, the names of corporate shareholders shall be displayed.

Note 2: The above table shows the names and shareholding ratios of major shareholders (top 10 shareholders) in each of the Company's corporate shareholders. Table below shall be used if the major shareholder is also a juridical person.

Note3: If a corporate shareholder is not a company, the name of the shareholder and the shareholding ratio to be disclosed as previously mentioned shall be the name of the contributor or donor and the contribution or contribution ratio.

3. The major shareholders of major juridical person shareholders March 31, 2025

Name of corporate entity (Note 1)	Major shareholders of the corporate shareholder (Note 2)	
	Shareholders	Shareholding%
MiTAC International Corp.	MiTAC Holdings Corp.	100.00
Getac Holdings Corp.	MiTAC International Corp.	30.50
	Yuanta Taiwan Dividend Plus ETF account	4.98
	Mei An Investment Co., Ltd.	2.55
	Taishin Life Insurance Co., Ltd. has fully entrusted its second phase of investment account to Taishin Investment Trust	2.33
	Hua Nan Bank entrusted for custody to Yuanta Taiwan Value High Dividend ETF	2.15
	Fuh Hwa Taiwan Technology Dividend Highlight ETF under custody of Taipei Fubon Commercial Bank Co., Ltd.	2.11

Name of corporate entity (Note 1)	Major shareholders of the corporate shareholder (Note 2)	
	Shareholders	Shareholding%
	Taiwan Cooperative Bank Co., Ltd. entrusted TCB SITE with its first investment management mandate for fiscal year 2016	1.79
	New Labor Pension Fund	1.53
	Tus Fung Investment Corp.	1.46
	Taiwan Business Bank in custody for united Taiwan High Dividend Recovery 30 ETF	1.31
Synnex Technology International Corp.	MiTAC Inc.	15.62
	Yuanta Taiwan Dividend Plus ETF account	4.87
	Morgan Stanley & Co International PLC investment account held in custody by HSBC Bank (Taiwan) Limited	3.91
	Lien Hwa Industrial holdings Corp.	3.57
	Nan Shan Life Insurance Co., Ltd.	2.65
	Yuanta Taiwan High Dividend Low Volatility ETF	2.25
	Rong Syuan Investments Co., Ltd.	2.16
	HSBC Bank (Taiwan) Co., Ltd. is entrusted with the custody of Goldman Sachs International Investment Account	1.75
	Matthew Feng-Chiang Miau	1.71
	Farglory Life Insurance Co., Ltd.	1.60
Lien Hwa Industrial Holdings Corporation	UPC Technology Corp.	9.68
	Yih Yuan Investment Corp.	9.26
	Yi Feng Investment Co., Ltd.	4.86
	Matthew Feng-Chiang Miau	3.19
	Paul Miao	3.01
	Y.S. Educational Foundation	3.00
	Lien Hwa Industrial Holdings Corporation Employee Welfare Committee	2.82
	MiTAC International Corp.	2.79
	Jason Chow	2.38
	Feng-Sheng Miao	2.23
UPC Technology Corp.	Lien Hwa Industrial Holdings Corp.	31.93
	Synnex Technology International Corp.	5.18
	LIN,GAO-HUANG	2.25
	Mei An Investment Co., Ltd.	1.96
	Yih Yuan Investment Corp.	1.62
	Liberty Stationery Corp.	1.55
	Tsu Fung Investment Corp.	1.31
	MiTAC International Corp.	1.22

Name of corporate entity (Note 1)	Major shareholders of the corporate shareholder (Note 2)	
	Shareholders	Shareholding%
	Polunin Emerging Markets Small Cap Fund, LLC	1.15
	Tong Da Investment Corp	1.09
Mix System Holdings Ltd.	MiTAC International Corp.	100.00
Liberty Stationery Corp	Zhi-Jiang Investment Co., Ltd.	19.74
	Song Zhen International Co., Ltd.	9.93
	Masateru Kadota	9.67
	Yayoi Kadota	8.65
	Takanori Kadota	8.90
	Complete Connection Limited	5.77
	Ching-Shen Yu	5.19
	Hsiu-Wen Hou	4.07
	Nan Fang Investment Co., Ltd.	4.02
	Cheng Chang	3.56
Mei An Investment Co., Ltd.	Vision Quest Overseas Ltd.	82.25
	JumpStart Investments Ltd.	16.67
	Others	1.08
Tsu Fung Investment Corp.	MiTAC International Corp.	100.00
Tung Da Investment Co., Ltd.	Ho Li Investment Co., Ltd.	19.99
	Te-Chien Chou	0.05
	Synnex Technology International Corporation	19.99
	Hua Cheng Investment Co., Ltd.	19.99
	Wei Cheng Investment Co., Ltd.	19.99
	Tsu Fung Investment Corp.	19.99
Yi Feng Investment Co., Ltd.	Rich Cycle Limited	100.00
Overcome Holdings Limited (British Virgin Islands)	Paoder Holdings Inc.	100.00
Polunin Emerging Markets Small Cap Fund, LLC	Non-group company	-

Note 1: Where major shareholders listed in Table above are corporate entities, the names of the corporate entities shall be displayed.

Note 2: The above table shows the names and shareholding ratios of major shareholders (top 10 shareholders) in the respective corporate entities.

Note 3: If a corporate shareholder is not a company, the name of the shareholder and the shareholding ratio to be disclosed as previously mentioned shall be the name of the contributor or donor and the contribution or contribution ratio.

1. Disclosure of information as professional qualifications and independent status of directors and independent directors:

Criteria / Name	Professional qualification and experience	Independence criteria	Number of positions as independent director in other public companies
Y.S. Educational Foundation Representative: Matthew Feng-Chiang Miau	More than five years of professional experience in business, law, finance, accounting, or other areas required for the Company's operations. Demonstrates strong management capabilities in IT channel planning, global manufacturing, corporate operations and resource coordination, joint ventures and strategic alliances, as well as venture capital investment. Does not fall under any of the circumstances specified in Article 30 of the Company Act. Please see Page 3 of the annual report for a description of main academic and career background.	N/A	—
Feng-Sheng Miao	Possesses commercial, financial, and accounting expertise and work experiences that are relevant to the Company's business activities. Does not exhibit any of the conditions listed in Article 30 of The Company Act. Please see Page 4 of the annual report for a description of main academic and career background.		—
Roger Lin	Possesses commercial, financial, and accounting expertise and work experiences that are relevant to the Company's business activities. Does not exhibit any of the conditions listed in Article 30 of The Company Act. Please see Page 4 of the annual report for a description of main academic and career background.		—
UPC Technology Corp. Representative: Song-En Sun	Possesses commercial, financial, and accounting expertise and work experiences that are relevant to the Company's business activities. Does not exhibit any of the conditions listed in Article 30 of The Company Act. Please see Page 4 of the annual report for a description of main academic and career background.		—
Yih Yuan Investment Corp. Representative: Cheng-Yu Tan	Possesses commercial, financial, and accounting expertise and work experiences that are relevant to the Company's business activities. Does not exhibit any of the conditions listed in Article 30 of The Company Act. Please see Page 5 of the annual report for a description of main academic and career background.		—
Yih Yuan Investment Corp. Representative: Jason Chow	Possesses commercial, financial, and accounting expertise and work experiences that are relevant to the Company's business activities. Does not exhibit any of the conditions listed in Article 30 of The Company Act. Please see Page 5 of the annual report for a description of main academic and career background.		—

Criteria Name	Professional qualification and experience	Independence criteria	Number of positions as independent director in other public companies
Lucy-Sun Hwang	Possesses commercial expertise and work experiences that are relevant to the Company's business activities. Lecturer or above of a subject that is relevant to the Company's operations in a public or private tertiary institution. Does not exhibit any of the conditions listed in Article 30 of The Company Act. Please see Page 5 of the annual report for a description of main academic and career background.	1.None of the individual, spouse, and 2nd-degree relatives or closer serve as director, supervisor, or employee in the Company or any of its related enterprises. 2.Does not hold shares of the Company whether using the name of self, spouse, or 2nd-degree relatives or closer (or proxies). 3. Does not serve as director, supervisor, or employee of the Company or any company it has special relationship with (see Subparagraphs 5-8, Paragraph 1, Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). 4.Did not provide commercial, legal, financial, or accounting service to the Company or any of its related enterprises in the last 2 years. 5.In compliance with the Financial Supervisory Commission regulations titled "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and the qualification criteria set forth in Article 14-2 of the Securities and Exchange Act.	—
Hsing-Yi Chow	Possesses commercial expertise and work experiences that are relevant to the Company's business activities. Lecturer or above of a subject that is relevant to the Company's operations in a public or private tertiary institution. Does not exhibit any of the conditions listed in Article 30 of The Company Act. Please see Page 6 of the annual report for a description of main academic and career background.	1. None of the individual, spouse, and 2nd-degree relatives or closer serve as director, supervisor, or employee in the Company or any of its related enterprises. 2. Does not hold shares of the Company whether using the name of self, spouse, or 2nd-degree relatives or closer (or proxies). 3. Does not serve as director, supervisor, or employee of the Company or any company it has special relationship with (see Subparagraphs 5-8, Paragraph 1, Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). 4.Did not provide commercial, legal, financial, or accounting service to the Company or any of its related enterprises in the last 2 years. 5.In compliance with the Financial Supervisory Commission regulations titled "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and the qualification criteria set forth in Article 14-2 of the Securities and Exchange Act.	1

Criteria / Name	Professional qualification and experience	Independence criteria	Number of positions as independent director in other public companies
Chien You Lin	Possesses commercial expertise and work experiences that are relevant to the Company's business activities. Lecturer or above of a subject that is relevant to the Company's operations in a public or private tertiary institution. Does not exhibit any of the conditions listed in Article 30 of The Company Act. Please see Page 6 of the annual report for a description of main academic and career background.	1.None of the individual, spouse, and 2nd-degree relatives or closer serve as director, supervisor, or employee in the Company or any of its related enterprises. 2.Does not hold shares of the Company whether using the name of self, spouse, or 2nd-degree relatives or closer (or proxies). 3.Does not serve as director, supervisor, or employee of the Company or any company it has special relationship with (see Subparagraphs 5-8, Paragraph 1, Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). 4.Did not provide commercial, legal, financial, or accounting service to the Company or any of its related enterprises in the last 2 years. 5.In compliance with the Financial Supervisory Commission regulations titled "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and the qualification criteria set forth in Article 14-2 of the Securities and Exchange Act.	—

2. Diversity and independence of the board of directors:

(1) Board diversity:

According to Paragraph 3, Article 20 of the Company's "Corporate Governance Code of Conduct," board members should be diversified in a manner that supports the Company's operations, business activities, and growth requirements, provided that the number of directors who hold concurrent managerial positions do not exceed one-third of the board. A diversification policy should be devised based on, but is not limited to, the following two principles:

1. Background and value: Gender, age, nationality, culture etc.; female directors should account for at least one-third of total directors.
2. Knowledge and skills: Career background (e.g. law, accounting, industry, finance, marketing, or technology), professional skill, and industry experience.

In addition to the target percentage of female directors mentioned above, it is stated in Paragraph 4, Article 20 of the Company's "Corporate Governance Code of Conduct" that the board as a whole shall also possess the following capacity:

1. Operational judgment.
2. Accounting and financial analysis.
3. Business administration.
4. Crisis management.
5. Industry knowledge.
6. International markets.
7. Leadership.
8. Decision making.

The diversification of the board of directors of the Company is as follows:

Basic composition							Industry experience				Expertise				
Title	Name	Nationality	Gender/age	Concurrent employment position	Terms and years as independent director		Finance & Insurance	Information technology	Petrochemical	Food manufacturing	Financial accounting	Law	Electronics and electric engineering	Food technology	Chemical engineering
					1- 5 year	More than 5 years									
Chairman	Matthew Feng-Chiang Miau	USA	Male Age 71-80	✓			✓	✓	✓	✓	✓		✓		
Vice Chairman	Feng-Sheng Miao	Republic of China	Male Age 71-80	✓				✓	✓	✓	✓		✓		
Director	Chun Chen	Republic of China	Male Age 71-80				✓		✓	✓	✓	✓			
Director	Song-En Sun	Republic of China	Male Age 71-80						✓	✓	✓				
Director	Cheng-Yu Tan	Republic of China	Male Age 71-80						✓	✓	✓				✓
Director	Jason Chow	Republic of China	Male Age 61-70						✓	✓	✓				
Director	Roger Lin	Republic of China	Male Age 61-70	✓					✓	✓	✓				
Independent Director	Lucy-Sun Hwang	Republic of China	Female Age 71-80			✓				✓	✓			✓	
Independent Directo	Hsing-Yi Chow	Republic of China	Male Age 61-70		✓		✓	✓		✓	✓				
Independent Directo	Chien You Lin	Republic of China	Male Age 61-70		✓					✓	✓			✓	

(2) The Independence of the Board of Directors:

The current composition of our company's board of directors consists of 3 independent directors and 6 non-independent directors., and no more than half of total directors were 2nd-degree relatives or closer to each other. Directors did not exhibit any of the conditions listed in Paragraphs 3 and 4, Article 26-3 of the Securities and Exchange Act.

The board of directors provides guidance over corporate strategies, exercises supervision over the management, and is held responsible to the Company and its shareholders. The board of directors has exercised its authorities in accordance with laws, the Articles of Incorporation, and shareholder meeting resolutions with respect to various operations and arrangements concerning the corporate governance system. The board of directors functions with an emphasis on independence and transparency. All directors and independent directors are able to exercise authority independently. The three independent directors have complied with relevant laws and assumed duties as Audit Committee members. They exercise control over the Company's existing and potential risks, and supervise to ensure effective implementation of internal controls, proper appointment (dismissal) of financial statement auditors, and fair presentation of financial statements. Furthermore, the Company has stipulated in its "Procedures for Election of Directors" that directors and independent directors are to be elected using the candidate nomination system. This system encourages participation from shareholders, and those that hold shares above a certain number may propose a list of candidates. These candidates are then subjected to eligibility review to determine whether they violate any of the conditions described in Article 30 of The Company Act. The nomination proceeds entirely in compliance with laws and is announced to the public to prevent abuse of the nomination system, and thereby protect shareholders' interest.

(II) Information on Presidents, Vice Presidents, Assistant Presidents, and managers of each department and division

March 31, 2025

Title	Nationality	Name	Gender	Date elected / appointed	Shareholding under own name		Shares held by spouse or minor children		Shares held in the names of others		Major academic and career achievements	Concurrent posts in other companies	Managerial officers in a spousal relationship or within the second degree of kinship			Remark (Note)
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Vice CEO	Republic of China	Feng-Sheng Miao	Male	July 12, 2014	39,981,701	2.23	1,598,232	0.09	—	—	Master of Electrical Engineering, Santa Clara University, USA President of MiTAC Inc. Chairman of Linde Lienhwa Industrial Gases Co., Ltd. Chairman of Hantong Venture Capital Corp.	Vice CEO, the Company Director, UPC Technology Corporation Director, MiTAC Inc. Director, MiTAC InformationTechnology Corp. Director, Great Wall Enterprise Co., Ltd. Honorary Chairman, Linde Lienhwa Industrial Gases Co., Ltd. Director, Lienhwa Lox Cryogenic Equipment Corp. Director, Confederate Technology Co., Ltd. Director, Far Eastern Industrial Gases Co., Ltd. Director, Hua Cheng Investment Co., Ltd. Director,United Industrial Gases Co., Ltd. Supervisor, Harbinger VII Venture Capital Corp.	CSO	Matthew Feng-Chiang Miau	Brothers	
President	Republic of China	Roger Lin	Male	October 01, 2019	—	—	—	—	—	—	National Taiwan University, TW, Business Administration Manager of the Finance Department in UPC Technology Corporation. Special Assistant to Chairman of MiTAC-SYNNEX Group Assistant V.P. of the HR&Administration Department in Oriental Union Chemical Corporation	Director, Linde LienHwa Industrial Gases Co., LTD	None	None	None	

Title	Nationality	Name	Gender	Date elected / appointed	Shareholding under own name		Shares held by spouse or minor children		Shares held in the names of others		Major academic and career achievements	Concurrent posts in other companies	Managerial officers in a spousal relationship or within the second degree of kinship			Remark (Note)
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
CSO	USA	Matthew Feng-Chiang Miau	Male	May 11, 2020	57,281,603	3.19	—	—	—	—	Honorary Ph.D., National Chiao Tung University MBA, Santa Clara University BSEE, University of California, Berkeley Laureate of Industrial Technology Research Institute (ITRI) President, UPC Technology Corp. President, Linde Lienhwa Industrial Gases Co., Ltd. Chairman, SYNNEX Corporation Independent Director, Galileo International, Inc. Independent Director, The BOC Group Plc. Independent Director, Linde AG Delegate, APEC Business Advisory Council (ABAC) Convener, Civil Advisory Committee of National Information & Communications Initiatives (NICI) Director, TD SYNNEX Corporation President, Chinese National Federation of Industries.	Chairman, UPC Technology Corp. Chairman, Synnex Technology International Corp. Chairman, MiTAC Holdings Corp. Chairman, MiTAC Inc. Director, Getac Holdings Corp. Independent Director, Cathay Financial Holding Co. Ltd. Director, CTCI Foundation	Vice CEO	Feng-Sheng Miao	Brothers	
COS	Republic of China	Tsao-hua Hsu	Male	November 9, 2023	—	—	—	—	—	—	PhD, Department of Civil Engineering, National Chung Hsing University The Vice President of Taiwan Power Company.	Director and Senior Vice President of UPC Technology Corporation Director of Asia Hydrogen Energy Corporation.	None	None	None	
CFO	Republic of China	Chris Yen	Female	March 30, 2021	—	—	—	—	—	—	MBA State University of New York at Buffalo BA in Economics, National Taiwan University Senior Director of Finance, MiTAC Digital Corp., USA Senior Director of Finance Center, MiTAC International Corp.	None	None	None	None	
CGO	Republic of China	Milena.Hu	Female	August 11, 2025	—	—	—	—	—	—	Master of Laws, Northwestern University School of Law, USA Bachelor of Laws, National Taiwan University Senior Legal Manager, Leofoo Development Co., Ltd. Legal Manager, Genesys Logic, Inc. Legal Manager, Taiwan Cement Corporation	Senior Legal Manager, Lien Hwa Real Estate Co., Ltd.	None	None	None	

Note: Where the President or person of an equivalent post (the highest level manager) and Chairman of the Board of Directors are the same person, spouses, or relatives within the first degree of kinship, the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as increasing the number of independent director seats, and more than half of all directors must not concurrently serve as employees or managers) must be disclosed: None.

II.Remuneration paid to directors, supervisors, general managers, and assistant general managers

(I)Remuneration of Directors

Units: NTD thousand/thousand shares

Title	Name	Remuneration								The sum of A, B, C and D as a percentage of after tax profit (%)		Remuneration for part-time employees								The total amount of A, B, C, D, E, F and G in net income after tax (%)		Remuneration from invested businesses other than subsidiaries (Note 2)
		Compensation (A)		Retirement Pension (B) (Note 4)		Director remuneration (C) (Note 1)		Fees for services rendered (D)				Salaries, bonuses, special allowances etc (E)		Retirement Pension (F) (Note 4)		Employee remuneration (G) (Note 1)						
		The Company	All companies in financial report (Note 3)	The Company	All companies in financial report (Note 3)	The Company	All companies in financial report (Note 3)	The Company	All companies in financial report (Note 3)	The Company	All companies in financial report (Note 3)	The Company	All companies in financial report (Note 3)	The Company	All companies in financial report (Note 3)	The Company		All companies in financial report (Note 3)		The Company	All companies in financial report (Note 3)	
																Amount paid in cash	Share amount	Amount paid in cash	Share amount			
Chairman	Y. S. Educational Foundation Rep.: Matthew Feng-Chiang Miau	0	0	0	0	6,000	6,500	668	920	0.14	0.16	17,523	17,523	108	108	2,397	0	2,397	0	0.58	0.59	11,746
Vice Chairman	Feng-Sheng Miao																					
Director	Roger Lin																					
Director	UPC Technology Corporation																					
	Rep.: Song-En Sun																					
Director	Yih Yuan Investment Corp.																					
	Rep.:Cheng-Yu Tan																					
	Rep.: Jason Chow																					
Independent director	Lucy-Sun Hwang	1,200	1,200	0	0	3,000	3,000	308	308	0.10	0.10	0	0	0	0	0	0	0	0	0.10	0.10	0
	Hsing-Yi Chow																					
	Chien You Lin																					

Note1: 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 evaluation results of independent directors shall be handled in accordance with the evaluation indicators and standards of Article 8 of the company ’s board of directors ’performance evaluation method, and in accordance with the provisions of Article 19 of the company ’s articles of association, the board of directors shall be authorized to agree on the recommendations of the company ’s salary and remuneration committees and negotiate with the industry ’s usual standards .

Note2:Compensation received by director for providing service to any company included in the consolidated financial statements (Such as parent company, All companies in the consolidated financial statements and invested companies, etc. serving as a Consultants who are not employees) last year, except those disclosed in the above table: None

Note 1. This represents the estimated distribution which the board of directors has proposed for the most recent earnings appropriation and is pending shareholders' resolution.
2. The invested businesses are the investments made by the Company via the equity method.
3. All companies in consolidated report.
4. Retirement pensions are all amount of appropriation.

Range of Remuneration	Name of Directors			
	The total amount of the first four remuneration items (A+B+C+D)		The total amount of the first seven remuneration items (A+B+C+D+E+F+G)	
	The Company	All companies in financial report H.	The Company	All companies in financial report I
Less than NTD1,000,000				
NTD1,000,000 (incl.) ~ NTD2,000,000 (not incl.)	Representative of Y.S. Educational Foundation: Matthew Feng-Chiang Miau, Feng-Sheng Miao, Roger Lin, Representative of UPC Technology Corp.: Song-En Sun, Representative of Yih Yuan Investment Corp.: Cheng-Yu Tan, Representative of Yih Yuan Investment Corp.: Jason Chow, Lucy-Sun Hwang, Hsing-Yi Chow, Chien You Lin	Representative of Y.S. Educational Foundation: Matthew Feng-Chiang Miau, Feng-Sheng Miao, Roger Lin, Representative of UPC Technology Corp.: Song-En Sun, Representative of Yih Yuan Investment Corp.: Cheng-Yu Tan, Representative of Yih Yuan Investment Corp.: Jason Chow, Lucy-Sun Hwang, Hsing-Yi Chow, Chien You Lin	Representative of UPC Technology Corp.: Song-En Sun, Representative of Yih Yuan Investment Corp.: Cheng-Yu Tan, Representative of Yih Yuan Investment Corp.: Jason Chow, Lucy-Sun Hwang, Hsing-Yi Chow, Chien You Lin	Representative of UPC Technology Corp.: Song-En Sun, Representative of Yih Yuan Investment Corp.: Cheng-Yu Tan, Representative of Yih Yuan Investment Corp.: Jason Chow, Lucy-Sun Hwang, Hsing-Yi Chow, Chien You Lin
NTD2,000,000 (incl.) ~ NTD3,500,000 (not incl.)				
NTD3,500,000 (incl.) ~ NTD5,000,000 (not incl.)			Representative of Y.S. Educational Foundation: Matthew Feng-Chiang Miau,	Representative of Y.S. Educational Foundation: Matthew Feng-Chiang Miau,
NTD5,000,000 (incl.) ~ NTD10,000,000 (not incl.)			Roger Lin	Roger Lin
NTD10,000,000 (incl.) ~ NTD15,000,000 (not incl.)			Feng-Sheng Miao	Feng-Sheng Miao
NTD15,000,000 (incl.) ~ NTD30,000,000 (not incl.)				
NTD30,000,000 (incl.) ~ NTD50,000,000 (not incl.)				
NTD50,000,000 (incl.) ~ NTD100,000,000 (not incl.)				
More than 100,000,000 dollars				
Total	9	9	9	9

(II) Remuneration of the President and Vice Presidents

Units: NTD thousand/thousand shares

Title	Name	Salary (A)		Retirement Pension (B) (Note 4)		Bonus and special allowances etc (C)		Employee remuneration (D) (Note 1)				The sum of A, B, C and D as a percentage of after tax profit (%)		Remuneration from invested businesses other than subsidiaries (Y/N) (Note 2)
		The Company	All companies included in consolidated statements (Note 3)	The Company	All companies included in consolidated statements (Note 3)	The Company	All companies in financial report (Note 3)	The Company		All companies in financial report (Note 3)		The Company	All companies in financial report (Note 3)	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Vice CEO	Feng-Sheng Miao	11,013	11,013	216	216	11,678	11,678	3,240	0	3,240	0	0.57	0.57	13,607
President	Roger Lin													
CSO	Matthew Feng-Chiang Miau													
COS	Tsao-hua Hsu													

Note 1. This represents the estimated distribution which the board of directors has proposed for the most recent earnings appropriation and is pending shareholders’ resolution.
2. The invested businesses are the investments made by the Company via the equity method.
3. All companies in consolidated report.
4. Retirement pensions are all amount of appropriation.

Range of Remuneration

Range of Remuneration	Name of President and Vice Presidents	
	The Company	All companies in financial report E
Less than NTD1,000,000		
NTD 1,000,000 (incl.) ~ NTD2,000,000 (not incl.)		
NTD 2,000,000 (incl.) ~ NTD3,500,000 (not incl.)		
NTD 3,500,000 (incl.) ~ NTD5,000,000 (not incl.)	Matthew Feng-Chiang Miau	Matthew Feng-Chiang Miau
NTD 5,000,000 (incl.) ~ NTD10,000,000 (not incl.)	Feng-Sheng Miao, Roger Lin, Tsao-hua Hsu	Feng-Sheng Miao, Roger Lin, Tsao-hua Hsu
NTD10,000,000 (incl.) ~ NTD15,000,000 (not incl.)		
NTD15,000,000 (incl.) ~ NTD30,000,000 (not incl.)		
NTD30,000,000 (incl.) ~ NTD50,000,000 (not incl.)		
NTD50,000,000 (incl.) ~ NTD100,000,000 (not incl.)		
More than 100,000,000 dollars		
Total	4	4

(III) Names of management entitled to employee remuneration and amount entitled

Unit: NTD/thousand

	Title	Name	Share amount (Note)	Amount paid in cash (Note)	Total	As a percentage of net income (%)
Manager	Vice CEO	Feng-Sheng Miao	0	3,335	3,335	0.07
	President	Roger Lin				
	CSO	Matthew Feng-Chiang Miau				
	COS	Tsao-hua Hsu				
	CFO	Chris Yen				
	Corporate governance officer	Milena Hu				

Note: This represents the estimated distribution which the board of directors has proposed for the most recent earnings appropriation and is pending shareholders' resolution.

(IV) Analyze the remuneration to directors, president and vice presidents of the Company in proportion to the earnings after tax from the Company and companies included in the consolidated statements in the most recent two years and specify the policies, standards, and packages based on which they were paid, the procedures through which remunerations were determined, and their correlation with operating performance and future risks:

Unit: NTD/thousand

Year	Total remuneration paid to the directors, president and vice presidents of the Company	Proportion to Earnings After Tax (%)
2025	37,782	0.82
2024	32,081	0.77

The policy, standards and packages, and the procedures for determining the remuneration to the directors, supervisors, president and vice presidents, along with their correlation with operating performance and future risk exposure:

1. Remuneration policy, standards and packages

(1) In accordance with Article 19 of the Company's Articles of Incorporation, the Board is authorized to determine the remuneration of directors in accordance with the recommendation of the Remuneration Committee and in consideration of the general standard in the industry. Additionally, if there is profit in the year, not more than one percent of the profit in the year will be appropriated as the remuneration of directors in accordance with Article 28 of the Company's Articles of Incorporation. We periodically evaluate the remuneration of directors in accordance with the "Rules for Performance Evaluation of Board of Directors". The six KPIs of director performance include:

1. Alignment of the goals and missions of the company.
2. Awareness of the duties of a director.
3. Participation in corporate operations.
4. Management of internal relationships and communication.
5. The expertise and continuing education of directors.
6. Internal control.

The related performance evaluation and fairness of remuneration are all reviewed by the

Remuneration Committee and the Board.

(2) In accordance with the Company's salary policy, we specified the allowances and bonuses for officers to sympathize with and reward their efforts and contributions. We also grant bonuses based on the Company's annual operational performance, financial condition, operational condition, and personal performance of officers. Additionally, if there is profit in the year, no less than one permille of the profit in the year will be appropriated as the remuneration of employees in accordance with Article 28 of the Company's Articles of Incorporation. (of which, the employee compensation amount shall not be less than 0.1% distributed to entry-level employees). After the performance evaluation in accordance with the "Regulations for Employee Performance Evaluation", we approve the bonuses for officers according to the results. The KPIs of officer performance evaluation include:

1. Financial KPIs: Based on the achievement of revenue and profit targets.
2. Non-financial KPIs: Remunerations for operational performance are calculated based on targets and key performance of the responsible functions, operational and management capabilities, and realization of the corporate core value; and the remuneration system is reviewed at any time based on the actual operational condition and changes in the relevant laws and regulations.

Furthermore, with respect to the policy linking the compensation of senior managerial officers to ESG-related performance evaluations:

To strengthen corporate governance and promote sustainable development, the Company plans to incorporate sustainable development strategies and objectives into the annual performance goals of the General Manager and senior managerial officers, aligning them with incentive compensation. This approach aims to encourage senior executives to lead the team in driving the Company's steady growth, while proactively fulfilling their responsibilities and making a positive impact on the Company's sustainability efforts.

The General Manager, Vice President, and other senior managerial officers have established specific ESG performance indicators, with a weighting of 5%, as part of their annual performance objectives. This indicators include maintaining food safety standards, respecting human rights, obtaining external verification for greenhouse gas inventory, applying for certifications such as ISO 22000, ISO 45001, and ISO 14001, establishing solar energy systems, investing in hydrogen energy and researching innovative green energy solutions, as well as ensuring information security and occupational safety.

The principles and calculation methods for determining executive compensation have incorporated the aforementioned ESG performance indicators. Through this mechanism, the Company aims to incentivize the achievement of ESG goals while continuously enhancing shareholder value.

The related performance evaluation and fairness of remuneration are all reviewed by the Remuneration Committee and the Board.

(3) With respect to the charter of organization of the Remuneration Committee, out remuneration package covers cash rewards, employee stock option, profit-sharing and stock ownership, pension or termination payment, various allowances, and other substantive incentives. The scope of remunerations is consistent with the remuneration of directors and officers as stipulated in the Regulations Governing Information to be Published in Annual Reports of Public Companies.

2. Procedures for determination of remunerations

(1) To periodically assess the salary and remuneration of directors and officers, we combine the operational KPIs with the results of evaluation implemented in accordance with the "Regulations for Board Performance Evaluation" and the "Regulations for Employee Performance Evaluation" applicable to officers and employees and submit the final results to the Board for discussion and approval.

(2) To fully display the achievement of the operational KPIs, the performance of officers is measured based on the relevant financial KPIs, including the Company’s revenues and operating incomes in the year. The scope of evaluation covers: revenues and operating income of the core services. The scope of measurement of performance in non-financial KPIs covers various duty- and function-related KPIs, including operational safety management, supervision of financial plan implementation, revenue management, promotion of digital transformation and optimization, enhancement of internal control, quality assurance practices, and management.

(3) Each year, the Remuneration Committee and the Board evaluate and review the performance evaluation and fairness of remuneration of directors and officers. In addition to the achievement rate of personal performance and the contribution to the Company, we also consider the overall operational performance and the future risk and development trends of the industry. We review the remuneration system at any time based on the actual operational condition and changes in the relevant laws and regulations. Additionally, appropriate remunerations are granted in consideration of the Company’s current governance trends to balance sustainable operations and risk control. The actual amount of remuneration of directors and officers in 2025 was all reviewed by the Remuneration Committee and submitted to the Board for approval.

3. Correlations between operational performance and future risks

(1) We review the payment standards and systems relating to our remuneration policy based primarily on the Company’s overall operational performance. We also approve the payment standards based on the achievement rate of performance and contribution to improve the overall organizational and team performance of the Board and officers. Additionally, we also make reference to the salary standards in the industry to ensure industry-competitive remunerations for management and retain excellent managerial talents.

(2) We integrate officer KPIs into “risk control” to ensure that officers can manage and prevent risks within their duties. We also combine the results of performance evaluation with the relevant human resources and remuneration policies. Management makes important operational decisions after measuring various risk factors to reflect the decision performance in the Company’s profitability and integrate the remuneration of management into risk control performance.

III The state of the company's implementation of corporate governance

(I) Board of Directors

1. A total of 8 board meetings (A) were held in 2025; The attendance of the directors to the meetings is shown below:

Title	Name	Actual Attendance B	Number of proxy attendance	Percentage of actual attendance (%) (B/A)	Remarks
Chairman	Y.S. Educational Foundation Representative: Matthew Feng-Chiang Miau	7	1	88%	
Vice Chairman	Feng-Sheng Miao	8	0	100%	
Director	UPC Technology Corp. Representative: Song-En Sun	8	0	100%	
Director	Yih Yuan Investment Corp. Representative: Cheng-Yu Tan	8	0	100%	
Director	Yih Yuan Investment Corp. Representative: Jason Chow	8	0	86%	
Director	Roger Lin	8	0	100%	
Independent Director	Lucy-Sun Hwang	7	1	88%	
Independent Director	Hsing-Yi Chow	8	0	100%	
Independent Director	Chien You Lin	8	0	100%	

Other mandatory disclosures:

1. For board of directors meetings that meet any of the following descriptions, state the date, session, the discussed topics, independent directors' opinions and how the Company has responded to such opinions.

(1) Conditions described in Article 14-3 of the Securities and Exchange Act:

Date of board meeting	Session	Motion	Independent directors' opinions	Company's response to independent directors' opinions
January 17, 2025	The 24rd board 5th meeting	(1) Acknowledgment of endorsements/guarantees to external parties (2) Acknowledgment to acquisitions and disposals of long/short-term equity investments. (3) Submission of Discussion on Eligibility Criteria for the Fifth Employee Stock Warrant Holders of the Company	None	None
March 10, 2025	The 24rd board 6th meeting	(1)Acknowledgment to acquisitions and disposals of long/short-term equity investments. (2) Issuance of new shares against capitalized earnings. (3) Announcement that the Company's Board of Directors has amended certain provisions of the Fifth Employee Stock Option Issuance and Subscription Plan.	None	None
March 31, 2025	The 24rd board 7th meeting	(1) Discussion on the employee (excluding managers) subscription list and share allocation for the first tranche of the Fifth Employee Stock Option Plan. (2) Discussion on the manager subscription		

		list and share allocation for the first tranche of the Fifth Employee Stock Option Plan.		
May 14, 2025	The 24rd board 8th meeting	Acknowledgment to acquisitions and disposals of long/short-term equity investments.	None	None
August 11, 2025	The 24rd board 10th meeting	(1) Acknowledgment of endorsements/guarantees to external parties (2) Acknowledgment to acquisitions and disposals of long/short-term equity investments.	None	None
November 13, 2025	The 24rd board 11th meeting	(1)Acknowledgment of endorsements/guarantees to external parties (2)Acknowledgment to acquisitions and disposals of long/short-term equity investments. (3) Discussion on extending a NT$900 million loan to subsidiary, Lien Hwa Property Development Corporation. (4) Discussion on extending a NT$100 million loan to subsidiary, Lien Hwa Industrial Corporation. (5) Discussion on amendments to certain provisions of the Company's "Internal Control System" and "Detailed Rules for Internal Audit Implementation."	None	None
December 04, 2025	The 24rd board 12th meeting	(1) Discussion on employee (excluding managers) subscription list and share allocation for the second tranche of the Fifth Employee Stock Option Plan. (2) Discussion on manager subscription list and share allocation for the second tranche of the Fifth Employee Stock Option Plan.	None	None

(2) Any other documented objections or reservations raised by independent director against board resolution in relation to matters other than those described above: None.

2. Disclosure regarding avoidance of interest-conflicting motions, including the names of directors concerned, the motions, the nature of conflicting interests, and the voting outcome:

Date of board meeting	Name of recused director	Motion	Reasons for recusal	Voting process
January 17, 2025	Matthew Feng-Chiang Miau Feng-Sheng Miao Roger Lin	(1)Distribution of managers' year-end bonus for 2023 (2) Annual salary adjustment for the Company's managers.	Director concurrently serves as manager of the Company	The motion was passed as proposed without objection from remaining directors when inquired by the chairperson

3. Enhancements to the functionality of the board of directors in the current and the most recent year (e.g. establishment of an Audit Committee, improvement of information transparency etc.), and the progress of such enhancements:

(1) On November 13, 2024, we amended and implemented the "Rules of Procedure of the Meetings of Board of Directors". We also bought the directors and officers' liability insurance for all directors and disclosed information on the Market and Observation Post System (MOPS) by law. Apart from periodically disclosing the information regarding the Board meeting attendances and continuing education of directors over MOPS to acknowledge investors to ensure the timeliness and transparency of information disclosure. In the future, we will actively enhance Board competency in compliance with the law.

(2) The Company has established a Compensation Committee, an Audit Committee, and a Sustainability Committee under the Board of Directors to assist the Board in fulfilling its responsibilities. The Company Compensation

Committee evaluates the Company’s compensation policies and systems for directors and managerial officers from a professional and objective standpoint. It provides recommendations to the Board of Directors as a reference for decision-making. The Audit Committee convenes on average once per quarter and operates in accordance with applicable laws and its organizational regulations. Its responsibilities includes reviewing financial reports, assessing the effectiveness of internal control systems, overseeing the execution of internal audit tasks, appointing certified public accountants (including internal rotation), and assessing the independence of the external auditors. On November 13, 2024, the Company established the Sustainable Development Committee in accordance with its Sustainable Development Best-Practice Principles, tasked with fulfilling the sustainability goals designated by the Board of Directors. The Compensation Committee, Audit Committee, and Sustainability Committee are all each composed of three independent directors of the Company. The chairperson of each committee are responsible for reporting the resolutions and outcomes to the Board of Directors.

(3) To implement corporate governance and enhance Board competency, we set KPIs to enhance the efficiency of Board operation. In accordance with the “Regulations for Board Performance Evaluation” amended and approved by the Board on November 13, 2020, we evaluate the performance of the Board and functional committees in the previous year by the end of Q1 of each year. In 2025, the evaluation result of the board of directors was excellent, and the evaluation result of the functional committee was outstanding. The result was already reported to the Board on March 10, 2026.

2. Status of Board evaluation

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation approach	Evaluation content
Once per year	Evaluate the performance between January 1, 2025 and December 31, 2025.	Board of Directors	Internal self-evaluation on the Board of Directors	1. Participation in the operation of the company. 2. Improvement of the quality of the board of directors' decision making 3. Composition and structure of the board of directors 4. Election and continuing education of the directors 5. Internal control
		Individual directors	Self-evaluation on directors	1. Alignment of the goals and missions of the company 2. Awareness of the duties of a director 3. Participation in the operation of the company. 4. Management of internal relationship and communication 5. The director's professionalism and continuing education 6. Internal control
		Remuneration Committee	Self-evaluation on the Remuneration Committee	1. Participation in the operation of the company. 2. Awareness of the duties of the Remuneration Committee 3. Improvement of the quality of the Remuneration Committee's decision making 4. Makeup of the Remuneration Committee and election of its members 5. Internal control
		Audit Committee	Self-evaluation on the Audit Committee	1. Participation in the operation of the company. 2. Awareness of the duties of the Audit Committee 3. Improvement of the quality of the Audit Committee's decision making 4. Makeup of the Audit Committee and election of its members 5. Internal control
		Sustainability Committee	Self-evaluation on the Sustainability Committee	1. Participation in the company's operations. 2. Awareness of the duties of the Sustainability Committee.

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation approach	Evaluation content
				3. Improvement of the quality of the Sustainability Committee's decision-making. 4. Composition of the Sustainability Committee and election of its members. 5. Internal control.

(II) Operation of the Audit Committee:

1. The company established the "Audit Committee" on June 26, 2018, and it is composed of all independent directors and a Audit Committee meeting was convened every quarter. The main tasks of the Audit Committee are as follows:

(1) The stipulation of or amendments to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
(2) Assessment of the effectiveness of the internal control system.
(3) Stipulate or revise the regulations governing the significant financial business behaviors, including the acquisition and disposal of assets, trading of financial derivatives, loaning of funds, and handling endorsement/guarantees in accordance with Article 36.1 of the Securities and Exchange Act.
(4) Matters in which a director is a stakeholder.
(5) Material asset or derivatives transactions.
(6) Material loans of funds, endorsements, or provision of guarantees.
(7) Public offering, issuance, or private placement of equity-type securities
(8) The hiring or dismissal of a certified public accountant, or their compensation.
(9) The appointment and dismissal of the Finance Officer, Accounting Officer, or Internal Chief Auditor.
(10) Annual financial reports signed or stamped by the Chairman, managers, and Accounting officer.
(11) Other material matters required by the Company or by the competent authority.

2. A total of 5 Audit Committee meetings (A) were held in 2025; The attendance of the independent directors to the meetings is shown below:

Title	Name	Number of actual attendance (B)	Number of proxy attendance	Actual attendance (%) (B/A)	Remarks
Independent Director	Lucy-Sun Hwang	6	1	86%	
Independent Director	Hsing-Yi Chow	7	0	100%	
Independent Director	Chien You Lin	7	0	100$	
Other mandatory disclosures: I. Please see this annual report for professional backgrounds and experiences of Audit Committee members. II. For Audit Committee meetings that meet any of the following descriptions, details such as the date and session of Audit Committee meeting held, the motions discussed, Independent Directors' objections, reservations, or key recommendations, the Audit Committee's resolution, and how the Company has responded to Audit Committee's opinions are disclosed in the chart below. (I) Conditions described in Article 14-5 of the Securities and Exchange Act:					

Date of Audit Committee meeting	Session	Motion	Audit Committee resolution	Company's response to Audit Committee's opinions
January 17, 2025	The 4th meeting of the 3nd Audit Committee	(1) Acknowledgment of endorsements/guarantees to external parties (2) Acknowledgment to acquisitions and disposals of long/short-term equity investments. (3) Submission of Discussion on Eligibility Criteria for the Fifth Employee Stock Warrant Holders of the Company	Passed as proposed without objection	None; presented to the board of directors for resolution and passed
March 10, 2025	The 5th meeting of the 3nd Audit Committee	(1) Acknowledgment of endorsements/guarantees to external parties. (2) Consolidated financial report for 2024 (3) Issuance of new shares against capitalized earnings. (4) Announcement that the Company's Board of Directors has amended certain provisions of the Fifth Employee Stock Option Issuance and Subscription Plan. (5) Discussion on submitting the draft of the Company's 2024 Internal Control Effectiveness Assessment and the "Internal Control Statement" for filing with the Financial Supervisory Commission.	Passed as proposed without objection	None; presented to the board of directors for resolution and passed
March 31, 2025	The 6th meeting of the 3nd Audit Committee	Discussion on the employee (excluding managers) subscription list and share allocation for the first tranche of the Fifth Employee Stock Option Plan.	Passed as proposed without objection	None; presented to the board of directors for resolution and passed
May 14, 2025	The 7th meeting of the 3nd Audit Committee	(1) Acknowledgment to acquisitions and disposals of long-/short-term equity investments. (2)Consolidated financial report for Q1 2025	Passed as proposed without objection	None; presented to the board of directors for resolution and passed
August 11, 2025	The 8th meeting of the 3nd Audit Committee	(1)Acknowledgment of endorsements/guarantees to external parties. (2) Acknowledgment to acquisitions and disposals of long-/short-term equity investments. (3) Consolidated financial report for Q2 2025.	Passed as proposed without objection	None; presented to the board of directors for resolution and passed
November 13, 2025	The 9th meeting of the 3nd Audit Committee	(1) Acknowledgment of endorsements/guarantees to external parties. (2) Acknowledgment to acquisitions and disposals of long-/short-term equity investments. (3) Consolidated financial report for Q3 2025. (4) Discussion on extending a NT$900 million loan to subsidiary, Lien Hwa Property Development Corporation. (5) Discussion on extending a NT$100 million loan to subsidiary, Lien Hwa Industrial Corporation. (6) Discussion on amendments to certain provisions of the Company's "Internal Control System" and "Detailed Rules for Internal Audit Implementation."	Passed as proposed without objection	None; presented to the board of directors for resolution and passed

Deceember 04, 2025	The 10th meeting of the 3nd Audit Committee	(1) Discussion on employee (excluding managers) subscription list and share allocation for the second tranche of the Fifth Employee Stock Option Plan.	Passed as proposed without objection	None; presented to the board of directors for resolution and passed

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

III. Avoidance of involvements in interest-conflicting motions by independent directors; state the names of independent directors, the motion, the nature of conflicting interests, and the voting process: None.

IV. Communication between independent directors and internal/external auditors (e.g. discussions concerning the Company's financial and business affairs, the method of communication used, and the outcome):

(1) Communication between independent directors and external auditors: Independent directors of the Audit Committee engage external auditors in meetings at least once a quarter, and may call ad-hoc meetings at any time in the event of emergency.

Date	Nature	Topic of communication	Recommendations and the Company's response
March 10, 2025	The 5th meeting of the 3nd Audit Committee	(1) The Audit Committee reviewed financial statements. (2) CPA’s communication on the 2024 financial statements and key audit matters. (3) CPAs explained issues related to the recent legal and regulatory updates. (4) The Chief Accounting Officer reported on the contents of the 2024 consolidated financial statements.	No opinion was raised.
May 14, 2025	The 7th meeting of the 3nd Audit Committee	(1) The Audit Committee reviewed financial statements. (2) CPA's explanation on the scope of audit, conclusions, and key audit issues concerning the Q1 2025 consolidated financial statements. (3) CPAs explained issues related to the recent legal and regulatory updates. (4) The chief accounting officer explained the contents of the Q1 2025consolidated financial statements. (5) The chief accounting officer explained the budget achievement status of Q1 2025	No opinion was raised.
August 11, 2025	The 8th meeting of the 3nd Audit Committee	(1) The Audit Committee reviewed financial statements. (2) CPA's explanation on the scope of audit, conclusions, and key audit issues concerning the Q2 2025 consolidated financial statements. (3) CPAs explained issues related to the recent legal and regulatory updates. (4) The chief accounting officer explained the contents of the Q2 2025 consolidated financial statements. (5) The chief accounting officer explained the budget achievement status in the first half of 2025.	No opinion was raised.

November 13, 2025	The 9th meeting of the 3nd Audit Committee	(1) The Audit Committee reviewed financial statements. (2) CPA's explanation on the scope of audit, conclusions, and key audit issues concerning the Q3 2025 consolidated financial statements. (3) CPAs explained issues related to the recent legal and regulatory updates. (4) The chief accounting officer explained the contents of the Q3 2025 consolidated financial statements. (5) The chief accounting officer explained the budget achievement status in the first three quarters of 2025.	No opinion was raised.

(2) Communication between independent directors and the Auditing Supervisor:

1. The Auditing Supervisor makes monthly reports to independent directors on the audit tasks completed in the previous month. No objection was expressed by independent directors after review.
2. The Auditing Supervisor is called into Audit Committee meetings, held at least once a quarter, to report to independent directors on the latest audit progress. The Auditing Supervisor also discusses audit outcomes with committee members and tracks execution of any follow-up actions.

Date	Nature	Topic of communication	Recommendations and the Company's response
January 17 2025	The 4th meeting of the 3nd Audit Committee	Audit progress report.	No opinion was raised.
March 10, 2025	The 5th meeting of the 3nd Audit Committee	(1) Audit progress report. (2) Internal Control Effectiveness Assessment and “Internal Control Statement” Report	No opinion was raised.
May 14, 2025	The 7th meeting of the 3nd Audit Committee	(1)Audit progress report.	No opinion was raised.
August 11, 2025	The 8th meeting of the 3nd Audit Committee	Audit progress report.	No opinion was raised.
November 13, 2025	The 9th meeting of the 3nd Audit Committee	(1) Audit progress report. (2) Annual audit plan (3) Amendments to the “Internal Control System” and the “Detailed Rules for Internal Audit Implementation” regarding the payroll cycle.	No opinion was raised.
November 27, 2025	Communication Meeting	(1) Internal Control Self-Assessment Report (2) Explanation and communication regarding questions raised by the independent directors	No opinion was raised.

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

Assessment	Actual governance			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
1. Does the Company base on the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" to set up and disclose the Company's corporate governance best-practice principles?	✓		The Company has revised its own "Corporate Governance Best-Practice Principles " based on TWSE's template, and implemented with board of directors' approval on March 9, 2022. Detailed of which have been disclosed on the Company website under Home/Corporate Governance/Company Policies.	Compliant with the rationale and practices of Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.
2. Shareholding structure and shareholders' interests (1) Has the Company implemented a set of internal procedures to handle shareholders' suggestions, queries, disputes and litigations?	✓		The Company has established spokesperson, acting spokesperson and the Agency Department of CTBC Bank positions to handle shareholders' suggestions, concerns, and disputes.	Compliant with the rationale and practices of Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.
(2) Is the Company constantly informed of the identities of its major shareholders and the ultimate controller?	✓		The Company has the lists of actually control major shareholders and its ultimate controllers. Meanwhile, the Company declare shareholding of directors, major shareholders, and managers in accordance with Securities and Exchange Act on a regular basis.	Compliant with the rationale and practices of Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.
(3) Has the Company established and implemented risk management practices and firewalls for companies it is affiliated with?	✓		The Company has implemented policies based on rules of the Financial Supervisory Commission to regulate endorsements, guarantees, and lending activities among related enterprises. A subsidiary monitoring system has also been developed and implemented.	Compliant with the rationale and practices of Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.
(4) Has the Company established internal policies that prevent insiders from trading securities against non-public information?	✓		We have established the "Procedures for Handling Material Inside Information" and "Procedures for Ethical Management and Guidelines for Conduct" to specify the non-disclosure obligations for material information of insiders and the need to comply with the Securities and Exchange Act so as not to engage in insider trading with the undisclosed information acknowledged or disclose it to others to prevent them from engaging in insider trading with such undisclosed information.	Compliant with the rationale and practices of Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.

Assessment	Actual governance			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
3. Composition and responsibilities of the board of directors (1) Does the board of directors have a diversity policy and management goals that are duly enforced?	✓		According to Paragraph 3, Article 20 of the Company's "Corporate Governance Code of Conduct," board members should be diversified in a manner that supports the Company's operations, business activities, and growth requirements, provided that the number of directors who hold concurrent managerial positions do not exceed one-third of the board. A diversification policy should be devised based on, but is not limited to, the following two principles: 1. Background and value: Gender, age, nationality, culture etc.; female directors should account for at least one-third of total directors. 2. Knowledge and skills: Career background (e.g. law, accounting, industry, finance, marketing, or technology), professional skill, and industry experience. In addition to the target percentage of female directors mentioned above, it is stated in Paragraph 4, Article 20 of the Company's "Corporate Governance Code of Conduct" that the board as a whole shall also possess the following capacity: 1. Operational judgment. 2. Accounting and financial analysis. 3. Business administration. 4. Crisis management. 5. Industry knowledge. 6. International markets. 7. Leadership. 8. Decision making. The Company currently has 10 directors including 3 independent directors on board (of which Lo-Huo Chew resigned from the Audit and Remuneration Committees on June 1, 2023); together, they offer diverse expertise in finance, accounting, law, electronics, electrical engineering, food science, and chemical engineering. Board members include one female director and one director of U.S. nationality. Please see page 13 of the annual report for information on board diversity.	Compliant with the rationale and practices of Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.
(2) Apart from the Remuneration Committee and Audit Committee, has the Company assembled other functional committees at its own discretion?	✓		The Company has already assembled a Remuneration Committee and an Audit Committee, and Sustainable Development Committee and may establish other functional committees as needed in the future.	Compliant with the rationale and practices of Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.

Assessment	Actual governance			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
(3) Has the Company established a set of policies and assessment tools for evaluating board performance, and conducted performance evaluation on a yearly basis? Are performance evaluation results reported to the board of directors and used as reference for compensation and nomination decisions?	✓		The Company established a "Board Performance Evaluation Policy" on January 23, 2017 with the board's approval, and subsequently amended the policy on November 13, 2020. Since 2019, the Company has been assessing performance of the board of directors, individual board members, and functional committees in the previous year and reporting them to the board of directors before the end of the first quarter each year. Internal board performance assessment covers the following aspects: 1. Level of participation in the Company's operations. 2. Improvement of board decision quality. 3. Composition of the board of directors. 4. Election and continuing education of directors. 5. Internal control. Directors' individual performance assessment covers the following aspects: 1. Comprehension of the Company's targets and missions. 2. Directors' duty awareness. 3. Level of participation in the Company's operations. 4. Management and communication of internal relations. 5. Director's professionalism and ongoing education. 6. Internal control. Performance assessment of the Remuneration Committee covers the following aspects: 1. Level of participation in the Company's operations. 2. Awareness to Remuneration Committee's duties. 3. Improvement of Remuneration Committee decision quality. 4. Composition of Remuneration Committee and member selection. 5. Internal control. Performance assessment of the Audit Committee covers the following aspects: 1. Level of participation in the Company's operations. 2. Awareness to Audit Committee's duties. 3. Improvement of Audit Committee decision quality. 4. Composition of Audit Committee and member selection. 5. Internal control. Below are the outcomes of 2025 performance evaluation for the Company's board of directors and functional committees: (1) The board of directors gave a self-rated score of 4.98 (out of 5); (2) Individual directors gave a self-rated score of 4.99 (out of	Compliant with the rationale and practices of Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.

Assessment	Actual governance			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			5); (3) The Remuneration Committee gave a self-rated score of 4.96 (out of 5). (4) The Audit Committee gave a self-rated score of 5.00 (out of 5).(5)The Sustainability Committee gave a self-rated score of 4.93 (out of 5).Outcomes of the above performance evaluation were reported during the board of directors meeting held on March 10, 2026, and the methods and outcomes of performance evaluation were disclosed on Market Observation Post System and over the Company's website at the same time. Regulatory reporting was completed before the end of March 2026.	
(4) Are external auditors' independence assessed on a regular basis?	✓		Each year, we periodically assess the independence and suitability of CPAs. Evaluate whether the CPA has no interest in the company and professional qualifications, etc., and conduct an evaluation based on the audit quality indicators (AQI) information provided by the CPA firm in five major aspects: 1.Expertise: The experience of CPAs and auditing personnel. 2.Quality control: The hours of engagement and the proportion of public companies certified by CPAs and auditing personnel. 3.Independence: Proportion of non-auditing fees in the service fees. 4.Supervision: Known external audit defects and notification of defect improvement from the competent authorities. 5.Innovation capability: Use of digital auditing tools. After obtaining the CPA's statement, the evaluation results were submitted to the board of directors for approval on March 10, 2026.	Compliant with the rationale and practices of Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.
4. Has the TWSE/TPEX listed company allocated adequate number of competent corporate governance staff and appointed a corporate governance officer to oversee corporate governance affairs (including but not limited to providing directors/supervisors with the information needed to perform their duties, assisting directors/supervisors with compliance issues, convention of board meetings and shareholder meetings, and preparation of board/shareholder meeting minutes)?	✓		(1) The board of directors passed a resolution at the meeting held on August 11, 2025 to appoint Senior Manager Milena Hu as the Corporate Governance Officer, whose main responsibilities and duties are as follows: 1. Execute corporate governance-related tasks; 2. Handle matters relating to Audit Committee meetings, board of directors meetings, and shareholder meetings; 3. Provide directors with the information needed to perform duties and assist directors with compliance; 4. Provide information for corporate governance inspection and evaluation; 5. Supervise and assist subsidiaries with corporate governance; 6. Perform other tasks stipulated by laws or the Articles of	Compliant with the rationale and practices of Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.

Assessment	Actual governance			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			Incorporation. (2) Ongoing education of the Corporate Governance Officer is explained in Attachment 2.	
5. Has the Company provided proper communication channels and created dedicated sections on its website to address corporate social responsibility issues that are of significant concern to stakeholders (including but not limited to shareholders, employees, customers and suppliers)?	✓		The Company has created a stakeholders section on its website and assigned dedicated personnel to communicate, handle, and reply to stakeholders' queries. The ESG report has been made available on the website, which stakeholders may access and download at any time. Stakeholders section: https://www.lhicholdings.com/csr/index/crs-stakeholder/ TEL: (02) 2786-1188 ext 1634 E-mail: csr@lhic.com.tw See Pages 12-14 of the Company's 2024 ESG Report for issues that are of significant concern to stakeholders and responses of the Company.	Compliant with the rationale and practices of Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.
6. Does the Company engage a stock transfer agent to handle shareholder meeting affairs?	✓		The Company has commissioned the Agency Department of CTBC Bank as the stock transfer agent, which is responsible for handling shareholder meeting affairs.	Compliant with the rationale and practices of Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.
7. Information disclosure (1) Has the Company established a website that discloses financial, business, and corporate governance-related information?	✓		The Company maintains a website (https://www.lhicholdings.com/) and has created an investor section and a corporate governance section to make finance- and business-related corporate governance disclosures.	Compliant with the rationale and practices of Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.
(2) Has the Company adopted other means to disclose information (e.g. English website, assignment of specific personnel to collect and disclose corporate information, implementation of a spokesperson system, and broadcasting of investor conferences via the Company website)?	✓		The Company has established an English website and assigned dedicated personnel to gather and disclose information. In addition to a spokesperson, the Company has also adopted an acting spokesperson system and discloses relevant information in compliance with laws. Details of investor conferences are announced over "Market Observation Post System" and made accessible by investors immediately.	Compliant with the rationale and practices of Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.
(3) Does the Company publish and make official filing of annual financial report within two months after the end of an accounting period, and publish/file Q1, Q2 and Q3 financial reports along with monthly business performance before the required due dates?	✓		The Company published and filed its 2025 audited financial statements on March 10, 2026, and published/filed Q1, Q2, and Q3 financial statements along with monthly business performance before the required due dates.	Compliant with the rationale and practices of Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.

Assessment	Actual governance			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
8. Does the Company have other information that enables a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' interests, continuing education of directors/supervisors, implementation of risk management policies and risk measurements, implementation of customer policy, and liability insurance for directors and supervisors)?	✓		(1) Employee rights and care The Company values sustainability in its operations and growth, and has always adopted a people-oriented management approach that gives employees the utmost respect and care. In addition to organizing employee benefits in accordance with the Labor Standards Act and relevant regulations, an Employee Welfare Committee has been assembled to oversee employees' benefits and to provide employees with total care. Please see this annual report and the Company's ESG Report for more details. (2) Investor relations Upholding the principle of fair information disclosure, we disclose information regarding operations and finance to investors periodically, publish material information in real-time, and hold the annual general meeting (AGM) of shareholders' and investor conferences every year. We have also appointed the spokesperson and deputy spokespersons and assigned responsible staff and emails to handle the recommendations and questions of investors. (3) Supplier relations: The Company maintains good relationship with suppliers and is able to ensure stability of supply. (4) Stakeholders' interests: The Company serves stakeholders (including shareholders, investors, consumers, employees etc.) and addresses their interests through the use of stock transfer agent, dedicated investor relations officer, and e-mail. Issues that are of concern to stakeholders have been disclosed in the Company's ESG Report. (5) Ongoing education of directors (including independent directors): The Company arranges training courses for directors, and encourages directors and managers to participate in corporate governance-related courses. Directors' (and independent directors') ongoing education is presented in Attachment 1. (6) Risk management policy and risk assessment standards 1. The "Risk Management Policy and Procedures" have been approved by the Board and posted on the corporate website. 2. Five types of risks are identified for strategy, operation, finance, environment, and regulations. Each	Compliant with the rationale and practices of Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.

<table>
<tr><th rowspan="2">Assessment</th><th colspan="3">Actual governance</th><th rowspan="2">Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>type is subdivided into several items. Please refer to the official website/sustainable development/sustainable operation/risk management and procedures.
3. The Risk Management Team meeting was held on October 28, 2025 to identify and assess critical risk issues of the year and discuss the counteractions and risk management measures.
4. On November 13, 2025, the management team reported the operation of the Risk Management Team to the Board. Management proposed the corporate strategy to the Board. Based on the progress of the strategy, the Board will urge the team to make adjustments as necessary.
(7) Execution of customer policy: The Company maintains good relationship with all its customers.
(8) Purchase of liability insurance coverage for directors and key employees: The Company follows "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and its "Articles of Incorporation" by purchasing liability insurance coverage for directors. Details of which have been disclosed on the Market Observation Post System and reported during the board of directors meeting held on November 13, 2024 and November 13, 2025
<table>
<tr><th>Insured parties</th><th>Insurance company</th><th>Sum assured (NTD)</th><th>Period of coverage</th></tr>
<tr><td>All directors</td><td>Fubon Insurance Co., Ltd.</td><td>NT$ 319,300,000</td><td>September 7, 2024 to September 6, 2025</td></tr>
<tr><td>All directors</td><td>Fubon Insurance Co., Ltd.</td><td>NT$ 300,950,000</td><td>September 7, 2025 to September 6, 2026</td></tr>
</table>
(9) Succession plans for members of the board and key management personnel are presented in Attachment 3.</td><td></td></tr>
</table>

9. Please explain the improvements made, based on the latest Corporate Governance Evaluation results published by TWSE Corporate Governance Center, and propose enhancement measures for any issues that are yet to be rectified.

(1) Improvements made in regards to the most recent (2025) corporate governance evaluation:

Evaluation indicators for 2024	Improvement progress
2.19 Whether the Actual Attendance Rate of All Directors in the Evaluated Year Reached 85% or Above and Whether at Least Two Independent Directors Attended Each Board Meeting in Person?	The actual attendance rate of all directors in 2025 reached 85% or above, and at least two independent directors attended each board meeting in person.
4.13 Whether the Company Has Obtained ISO 14001, ISO 50001, or Equivalent Environmental or Energy Management System Certifications?	The Company has obtained ISO 14001 and ISO 50001 system certifications in 2025.

(2) Prioritized enhancements and measures for issues that have yet to be improved upon from the most recent (2025) corporate governance evaluation:

The Company conducted a corporate governance self-evaluation in accordance with the authority's instructions and introduced priority improvement measures for various indicators that it failed to accomplish. These measures are being implemented to progressively improve corporate governance practice and image.

Attachment 1. Ongoing Education of Directors (Including Independent Directors)

Title	Name	Course date	Organizer	Course name	Training hours
Chairman	Matthew Feng-Chiang Miau	October 15, 2025	Taiwan Institute of Directors	Co-creating a Sustainable Future: AI Empowerment and Digital Transformation	3
		July 9, 2025	Taiwan Stock Exchange Corporation	2025 Cathay Sustainable Finance and Climate Change Summit Forum	3
		June 25,2025	Taiwan Institute of Directors	Global Trends in Sustainable Financial Governance & Global Sustainable Risk Governance	3
Vice Chairman	Feng-Sheng Miao	November 7, 2025	Independent Director Association Taiwan	Potential Tax Risks Under Common Operating Models for Taiwanese Businesses	3
		August 8, 2025	Taiwan Corporate Governance Association	Where Should Overseas Wealth Go? Taiwan's Next Step from CRS to CFC: Sharing Anti-Tax Avoidance Trends	3
Director	Song-En Sun	March 14, 2025	Taiwan Corporate Governance Association	Circular Economy Benefits and Sustainable Finance Business Opportunities	3
		March 13, 2025	Chinese National Association of Industry and Commerce	Impact of Trump's New Policies on Corporate Operations and Investment & Countermeasures	3
	Cheng-Yu Tan	September 23, 2025	Taiwan Institute of Directors	150+ Years of Wisdom from an International Food Leader: Nestlé Creating Shared Value	3
		June 27 June	Taiwan Corporate Governance Association	Whither Diversity, Equity, and Inclusion (DEI) Policies?	1
		June 25,2025	Taiwan Institute of Directors	Global Trends in Sustainable Financial Governance & Global Sustainable Risk Governance	3
		March 11, 2025	Taiwan Corporate Governance Association	Trump 2.0, the End of Globalization, and Regional Wars	3

	Jason Chow	October 15, 2025	Taiwan Institute of Directors	Co-creating a Sustainable Future: AI Empowerment and Digital Transformation	3
		June 25, 2025	Taiwan Institute of Directors	Global Trends in Sustainable Financial Governance & Global Sustainable Risk Governance	3
	Roger Lin	June 25, 2025	Taiwan Institute of Directors	Global Trends in Sustainable Financial Governance & Global Sustainable Risk Governance	3
		February 14 2025	Taiwan Corporate Governance Association	Introduction to Sustainable Information, Sustainability Standards, and Reports for Listed Companies	3
Independent Director	Lucy-Sun Hwang	April 25, 2025	Taiwan Corporate Governance Association	Executive Compensation and ESG Performance System Design	3
		February 24, 2025	The Greater Chinese Financial Development Association	Trump's New Tariff Policies and Global Economic Shifts	3
	Hsing-Yi Chow	December 15, 2025	Taiwan Institute of Directors	Heading Towards 2026: Steering Asia and Building a Corporate Forward-Looking Blueprint	3
		October 27, 2025	Taiwan Corporate Governance Association	Sustainability Equals Innovation: Corporate Sustainability and ESG Value Management Trends	3
		October 27, 2025	Taiwan Corporate Governance Association	Integrity and Responsibility in ESG Investment: Strengthening Market Confidence and Investment	3
		June 02, 2025	Taiwan Institute of Directors	Benchmarking Practices in the Era of Co-governance	3
	Chien You Lin	April 29, 2025	The Greater Chinese Financial Development Association	Marketing Trends and Data Privacy in the Digital Age	3
		April 16, 2025	Institute of Financial Law and Crime Prevention	Corporate Sustainability Performance Benchmarking	3

Attachment 2: Education of the Corporate Governance Officer

Title	Name	Course date	Organizer	Course name	Training hours
Corporate Governance Officer	Milena.Hu	October 15, 2025	Taiwan Institute of Directors	Co-creating a Sustainable Future: AI Empowerment and Digital Transformation	3
		October 29, 2025	Independent Director Association Taiwan	Seminar on Corporate Governance x AI-Driven High-Efficiency Board Operations	3
		November 7, 2025	Securities and Futures Institut	Duties and Responsibilities of the Corporate Governance Officer	3
		December 16, 2025	Securities and Futures Institut	Policies for Sustainable Enterprises: Taiwan's Green Power Trading System and Procurement Practices	3
		December 26, 2025	Securities and Futures Institut	Operational Strategies and Outlook for Taiwan's Industries in 1H 2026 Under Geopolitical Risks	3

Attachment 3: Succession Plans for Members of the Board and Key Management Personnel

Parties	Succession plan and implementation
Members of the board	1. Directors of the Company are elected using the candidate nomination system mentioned in the "Articles of Incorporation." The Company has specified in its "Corporate Governance Code of Conduct" and "Procedures for Election of Directors" that board members are to be diversified. A diversity policy has also been established to accommodate the Company's operations, industry exposures, and growth requirements, and the diversity criteria takes into account several factors including but not limited to basic profile, value, professional knowledge, and kills. 2. Board of directors of the Company has been structured based on the Company's size and major shareholders' holding position. 3. The Company continues to enforce a director succession plan, and selects director candidates using the following standards: (1)Honest, responsible, innovative, and capable of making decisions; identifies with the Company's core values and offers professional knowledge and skills that are beneficial to the Company's management. (2)Possesses industry knowledge relevant to the Company's business activities. (3)Ability to contribute to an efficient, cohesive, and diverse board that meets the Company's requirements. (4)The board as a whole shall offer diverse expertise on corporate strategies, management, accounting, taxation, finance, and law. (5)The selection process for director candidates involves rigorous eligibility review and complies with relevant rules to ensure that suitable directors can be identified and selected efficiently in the case of vacancy or board expansion. 4. The Company has also implemented a "Board Performance Evaluation Policy" that introduces a variety of performance measurements including: comprehension of corporate goals and mission, duty awareness, participation in operations, internal relations and communication, professional capacity and education, internal control, and expression of opinions to ensure proper functioning of the board. Meanwhile, performance of individual directors is evaluated to provide reference when electing directors in the future.
Executive management	1. Employees graded head of center and above make up the Company's executive management. They are responsible for management duties throughout the organization, and all members of the management have persons of acting duty available to provide support. Members of the executive management not only have to possess the necessary expertise, skills, and career background but shall also share the Company's values and philosophy of "honesty, modesty, diligence, and caution." 2. In an attempt to develop a strong executive management team complete with persons of acting duty, the Company not only offers professional skill and corporate governance courses as part of its training system, but also arranges to have management candidates participate in board meetings and key management meetings on a regular basis, and provides on-job training for their project management skills. Arrangements are being made to have managers exchange practical experience on management issues on a quarterly basis, and an online learning platform has been made available, where managers are able to learn leadership skills, management skills, the latest technologies and innovations, and industry trends at their own discretion. From January to December 2025, a total of 11 sessions were organized. 3. The Company evaluates employees' performance on a yearly basis. Through routine observation and performance evaluation, employees are made aware of their weaknesses, the prerequisites for career advancement, and the Company's expectations. Outcomes of performance evaluation are used as reference for the succession plan.

(IV) Composition, responsibilities, and functionality of the Remuneration Committee:

1. Members of the Remuneration Committee

Criteria / Member	Name	Professional qualification and experience	Independence criteria	Number of positions as Remuneration Committee member in other public companies
Independent Director	Lucy-Sun Hwang	Please refer to page 11 to 13.		0
Independent Director	Hsing-Yi Chow			1
Independent Director (Convener)	Chien You Lin			0

Note: The Company assembled its "Remuneration Committee" in 2011. The committee is required to hold at least two meetings a year. It exercises the care of a prudent manager to fulfill the following duties, and offers recommendations for discussion by the board of directors.

(1) Establishment and regular review of directors' and managers' compensation policies, systems, standards and structures, and performance evaluation.

(2) Regular evaluation and determination of directors' and managers' salary and compensation.

2. Operations of Remuneration Committee

(1) The Company's Remuneration Committee consists of 3 members.

(2) Current term of office: The term of office commences from May 27, 2024 until May 26, 2027. The Committee held 3 meetings (A) in 2025, and the attendance of the Committee members is summarized as follows:

Title	Name	Actual Attendance (B)	Proxy Attendance	Percentage of actual (proxy) attendance (%) (B/A)	Remarks
Convener	Chien You Lin	3	0	100%	
Committee member	Lucy-Sun Hwang	3	0	100%	
Committee member	Hsing Yi Chow	3	0	100%	
Other remarks: I. In the event where the Remuneration Committee's proposal is rejected or amended in a board of directors meeting, please describe the date and session of the meeting, details of the agenda, the board's resolution, and how the company had handled the Remuneration					

Committee's proposals (describe the differences and reasons, if any, should the board of directors approve a solution that was more favorable than the one proposed by the Remuneration Committee):

II. Should any member object or express qualified opinions to the resolution made by the Remuneration Committee, whether on-record or in writing, please describe the date and session of the meeting, details of the agenda, the entire members' opinions, and how their opinions were addressed: None.

III. Discussion matters and resolutions of Committee meetings, and the Company's response to members' opinions:

Date of Remuneration Committee meeting	Proposal content	Voting result	Member has a dissenting or qualified opinion
The 2rd meeting of 6th Remuneration Committee meeting on January 17, 2025	1.Distribution of managers' year-end bonus for 2024 2.Review of directors' (including independent directors) remuneration distribution for 2024 3.Annual salary adjustment for the Company's managers. 4.Submission of Discussion on Eligibility Criteria for the Fifth Employee Stock Warrant Holders of the Company	The proposals were unanimously approved as proposed by all present members upon the chairman's inquiry.	None.
The 3th meeting of 6th Remuneration Committee meeting on March 31, 2025	1. Discussion on the manager subscription list and share allocation for the first tranche of the Fifth Employee Stock Option Plan.	The proposals were unanimously approved as proposed by all present members upon the chairman's inquiry.	None.
The 4rd meeting of 6th Remuneration Committee meeting on December 04, 2025	1.Discussion on manager subscription list and share allocation for the second tranche of the Fifth Employee Stock Option Plan.	The proposals were unanimously approved as proposed by all present members upon the chairman's inquiry	None.

(V) Promotion of Sustainable Development; deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies

Projects	Execution progress			Deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary	
1. Has the Company implemented a governance framework that supports sustainable development, and designated a unit that specializes (or is involved) in the promotion of sustainable development? Is the unit empowered by the board of directors and run by senior management, and how does the board supervise progress?	✓		1. In accordance with Article 9 of the "Sustainable Development Best Practice Principles," the "CSR Committee" was formed in 2016, consisting of the President's Office and senior officers from the corresponding units. In 2022, it was renamed the "Sustainable Development (ESG) Committee" to align with the regulatory amendments from the competent authorities.In 2024, the organizational structure was further adjusted, with independent directors added as committee members who now report directly to the Board of Directors.The President's Office serves as the full- (and part-) time unit of the ESG Committee. It is responsible for proposing and implementing policies, systems, and management approaches, along with specific plans for sustainable development. Additionally, the President's Office prepares the "sustainability (ESG) report" on a periodic basis. 2. The Committee is the platform for top-down integration and cross-departmental communication. Based on the necessity, it identifies material issues from time to time with each unit discussing issues and plans and establishes short-, medium-, and long-term sustainable development plans. The Committee identifies sustainability issues critical to corporate operations and that concern stakeholders and sets the relevant targets and policies to ensure the implementation of all plans and assess the performance of implementation.	Compliant with the rationale and practices of "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies."

Projects	Execution progress			Deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary	
			3. Committee operations in 2025 (1) Conduct the 2024 Greenhouse Gas (GHG) inventory for the entire group, including the parent and subsidiary companies, and perform external verification. The inventory progress is reported to the Board of Directors each quarter (March 10, May 14, August 11, and November 13 in 2025). (2) On August 04, 2025, the second meeting of the first Sustainable Development Committee was held to amend the "Sustainable Development Committee Charter" and establish a new "Risk Management Task Force." The completion of the 2024 Sustainability Report was also discussed. The relevant operational information has been disclosed on the Market Observation Post System. (3) For details on the implementation, please visit Sustainability Development > Sustainable Operations > Duties and Performance of Working Teams on the corporate website of Lien Hwa Holdings Corporation (https://www.lhicholdings.com/csr/index/csr-organization/CSR-commitee-02/) and P.45-46 of our 2024 Sustainability Report. 4. Each year, the Committee reports the performance of implementation to the Board. The 2024 performance in sustainability implementation was reported to the Board on August 11, 2025. The content of proposals included (1) the completion and key highlights of the 2024 Sustainability Report, and (2) the amendment of certain articles of the "Sustainable Development Committee Charter." 5. The Board assessed the Committee’s report contents and	

<table>
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<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>feasibility of strategies, reviewed the progress of strategies, and gave timely advice to the team or made timely adjustments.</td><td></td></tr>
<tr><td>2. Has the Company conducted risk assessment on environmental, social, and corporate governance issues that are relevant to its operations, and implemented risk management policies or strategies based on principles of materiality?</td><td>✓</td><td></td><td>1. We held the Risk Management Committee meeting on October 28, 2025, with this Company as the boundaries of risk assessment. Based on the relevance of the Company’s services and the significance of its impact on materiality, we included subsidiaries Lien Hwa Property Development and Lien Hwa Milling in the scope of material risk issues for risk identification and risk assessment. Then, we discussed the counteractions and management measures.
2. Based on the significance of impact, likelihood, and materiality in sustainable development, and through reviewing related literature at home and abroad and combining the assessment data of departments and subsidiaries, the ESG Committee identified three material risks: raw material risk, financial risk, and information security risk.
3. Based on the assessed risks, the Committee established the relevant risk management policies or strategies as follows:
<table>
<tr><th>Risk Issues</th><th>Risk Assessment Item</th><th>Risk management policy (Risk management policy or strategy)</th></tr>
<tr><td>Raw Material Risk</td><td>1.Risk of wheat supply interruption
2. Risk of uncertainty in wheat imports
3. Environmental regulations and Supply risks of sustainability requirements</td><td>1. Diversify supply sources by deploying across multiple countries and regions to reduce dependence on a single origin and mitigate climate risks.
2. Maintain stable supply sources from the United States, Canada, and Australia, distributed across the Northern and Southern Hemispheres to enhance supply resilience.</td></tr>
</table>
</td><td>Compliant with the rationale and practices of “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.”</td></tr>
</table>

Projects	Execution progress					Deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary			
					3. Sign medium-to-long-term contracts with core suppliers to ensure supply volume and stability. 4. Annually review major suppliers regarding origin compliance, quality stability, transportation capacity, and contingency plans. 5. Require major suppliers to establish secondary sources and alternative transportation routes. 6. Maintain a configuration of at least three suppliers per origin to minimize the risk of supply disruption. 7. Explicitly stipulate in contracts that wheat supply must comply with origin requirements and relevant Taiwanese import regulations. 8. Implement ESG audits and sustainability assessment mechanisms for suppliers, incorporating them into contract terms and incentive systems with annual tracking and auditing. 9. Establish policy communication and coordination mechanisms with trade associations and importers to monitor regulatory trends and improve response efficiency.	
			Financial Risk	1. Risk of rising interest rates 2. Exchange rate fluctuation risk 3. Credit risk	1. Collect macroeconomic and real-time interest rate information and regularly evaluate the trend of long- and short-term interest rates. 2. Adjust the borrowing cycle and interest calculation methods (fixed or floating) in real-time based on market conditions to control	

Projects	Execution progress					Deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary			
					the impact of interest rate fluctuations. 3. Continuously expand bank credit lines to enhance capital allocation flexibility and bargaining power. 4. Prepare weekly foreign exchange reports for management reference based on global political and economic developments and professional analytical reports. 5. Regularly discuss exchange rate trends to fully follow changes, manage exchange rate risks, and enhance response capabilities. 6. Conduct credit checks in accordance with the Regulations for Customer Credit Management and require collaterals as needed. 7. Regularly evaluate client credit line utilization annually and make appropriate adjustments. 8. Review collection status weekly and collaborate with business units to strengthen collection efforts and improve accounts receivable recovery efficiency. 9. Reduce capital costs and credit risk exposure by shortening lending periods and accelerating capital turnover.	
			Information security risks	1. Risk of information security attack	1. Replace legacy firewalls with Next-Generation Firewalls (NGFW) to strengthen network	

Projects	Execution progress			Deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary	
			detection and application data transmission monitoring, enhancing threat interception capabilities. 2. Replace legacy switches to improve network stability and security; external firewalls shall list explicitly accessible services to reduce the exposure surface. 3. Implement spam filtering mechanism to block malicious emails, phishing emails, malicious links, and attachments. 4. Adopt the ISO 27001 Information Security Management System (ISMS) to establish a management framework for policy, risk assessment, control measures, and continuous improvement. 5. Continuous social engineering drills, and education and training to enhance employees' awareness of information security. 6. Regularly track the evolution of external information security threats and conduct internal reviews and adjustments to ensure network and data security. 7. Implement computer room access control management, prohibiting entry for non-administrative personnel to reduce physical risks.	

Projects	Execution progress			Deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary	
			2. System operation disruption risk 1. Establish a dual-host HA mechanism or a backup host to ensure service continuity. 2. Implement recovery drills for the core system to verify disaster recovery capabilities and handling procedures. 3. Adopt 3-2-1 principle for key data backup (at least 3 backups stored in 2 media with at least 1 in a different place). 4. Establish a data center to upload local backup data in important hosts/devices to the data center on a daily basis. The backup data is stored remotely through the cloud. 4. On November 13, 2025, the management team reported the operation of the Risk Management Team to the Board. Management proposed the corporate strategy to the Board. Based on the progress of the strategy, the Board will urge the team to make adjustments as necessary.	
3. Environmental issues (1) Has the Company developed an appropriate environmental management system, given its distinctive characteristics?	✓		Comply with eco-protection laws and regulations, and entrust legal operators to clean and transport waste. The factory is also committed to recycling, sorting and reuse. Promote workplace hazard risk control, formulate an automatic inspection system to ensure the normal operation of machinery, equipment, and facilities, and regularly review and iteratively improve on-site work environment to provide safety and health for employees. Lien Hwa Milling Corp.'s food factory obtained ISO 14001 Environmental Management System certification in 2025,	Compliant with the rationale and practices of "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies."

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<tr><td></td><td></td><td></td><td>establishing a comprehensive environmental management framework that covers environmental policy formulation, identification of significant environmental aspects, compliance evaluation, risk and opportunity analysis, objective management, and continuous improvement mechanisms. Through the PDCA management cycle, the company regularly performs internal audits, management reviews, and performance monitoring to strengthen pollution prevention, effective resource utilization, and energy conservation measures, ensuring that environmental issues such as wastewater, exhaust gas, waste, and noise are effectively controlled. In the future, we will continue to promote environmental performance enhancement and sustainable development strategies, fulfilling corporate social responsibility and moving toward a low-carbon and environmentally friendly operating model.</td><td></td></tr>
<tr><td>(2) Is the Company committed to making efficient use of energy, and using renewable materials that produce less impact on the environment?</td><td>✓</td><td></td><td>The Company actively implements various energy reduction measures, selects equipment with high energy efficiency and energy-saving designs to reduce the energy consumption of the Company and products, and expands the use of renewable energy to optimize energy efficiency. In accordance with Article 8 of the Energy Administration Act, heavy energy users (contract capacity over 800kW) must achieve an average annual electricity saving rate of over 1% from 2015 to 2025. The Nangang Building is committed to energy conservation with outstanding results, reducing its contract capacity from 2,200kW in 2009 to 1,100kW in 2022; apart from equipment replacement, it focuses on adjusting the operation of major energy-consuming equipment, including lighting</td><td>Compliant with the rationale and practices of “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.”</td></tr>
</table>

Projects	Execution progress			Deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary	
			improvement (LED fixtures, infrared sensors, and microwave tubes), air-conditioning improvement (high-efficiency chiller operation and water pump inverters), and electricity improvement (maintaining power factor at over 98%), reaching an average annual saving rate of 1.2% from 2015 to 2025. Furthermore, Lien Hwa Milling Corp.'s food factory obtained ISO 50001 Energy Management System certification in 2025, establishing a systematic framework to achieve carbon-reduction goals. To strengthen these efforts, the Company established an "Energy Saving Improvement Task Force" to promote projects such as installing solar power systems, replacing old chillers, air compressors, and dryers, conducting leak repairs for air compression systems, and updating high-energy-consuming motors and lighting. As the completion schedules for most major projects are concentrated in 2026, the full benefits will gradually manifest from that year; consequently, the actual electricity saving for 2025 was 307,005 kWh, with an annual saving rate of 0.90%. However, from 2015 to 2025, the average energy saving rate reached 1.3%, exceeding the 1% policy requirement set by the Energy Administration. In the future, we will continue to enhance energy efficiency and reduce carbon emissions through optimized equipment and renewable energy, moving toward low-carbon and sustainable operation goals.	
(3) Does the Company assess potential risks and opportunities associated with climate change, and undertake measures in response to climate issues?	✓		Through ESG meetings and guidance by external consultants and the verification of senior management, we implemented according to the relevant regulatory requirements. We also actively understand the current status of implementation and issues including green power and carbon fee.	Compliant with the rationale and practices of "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies."

Projects	Execution progress			Deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary	
			Each year apart from the target of reducing total building electricity consumption (equivalent to GHG emission reduction) by 1%, in response to Taiwan's net zero 2050 target, we actively assess the relevant green power equipment and solar energy equipment for the building, hoping to become a net zero leadership enterprise as quickly as possible. Lien Hwa Milling closely monitors the potential risks and opportunities that climate change poses to corporate operations. We continuously assess the impact of climate-related issues on manufacturing costs, energy supply stability, regulatory compliance, and market competitiveness. In response to global net-zero trends, the implementation of carbon fee systems, and fluctuations in energy prices, the company actively strengthens its climate resilience and low-carbon transition capabilities through institutionalized management and equipment optimization strategies. In 2025, we participated in the "Cooling Action Demonstration Project" promoted by the Climate Change Administration of the Ministry of Environment. This initiative focuses on replacing high-energy-consuming equipment, such as process chillers, HVAC systems, and air compressors, to enhance overall energy efficiency and reduce greenhouse gas emissions. The equipment upgrades are scheduled for completion by June 2026, which will further optimize energy performance and mitigate the carbon footprint associated with electricity consumption. Furthermore, we plan to establish a new solar power site in 2026 to expand our proportion of renewable energy use. This	

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<tr><td></td><td></td><td></td><td>will reduce our reliance on traditional power, diversify energy supply risks, and improve long-term operational stability. Through this dual-track strategy of energy transition and efficiency enhancement, the company is steadily reinforcing its climate adaptation and decarbonization efforts.
Looking ahead, Lien Hwa Milling Corp. will continue to integrate energy management, equipment upgrades, and renewable energy deployment. We are committed to advancing toward low-carbon operations and net-zero goals, striving to become a net-zero leadership benchmark within the food manufacturing industry.</td><td></td></tr>
<tr><td>(4) Does the Company maintain statistics on greenhouse gas emission, water usage, and total waste volume in the last two years, and implement policies aimed at reducing greenhouse gas, water, and waste?</td><td>✓</td><td></td><td>1. In 2025, we and two subsidiaries (Lien Hwa Property Development and Lien Hwa Milling) passed the certification of ISO 14064-1 Scopes 1 and 2 inventory for the previous year and third-party (SGS) verification. The inventory of GHG emissions in 2024 and by the date of report publication is still in progress.
<u>GHG emissions in the past 2 years:</u>
Unit: tCO2e
<table>
<tr><th>Year</th><th>Scope 1</th><th>Scope 2</th><th>Emission intensity (Revenue: NT$1 million)</th></tr>
<tr><td>2023</td><td>1,338.83</td><td>15,922.12</td><td>2.21</td></tr>
<tr><td>2024</td><td>1,552.08</td><td>16,300.89</td><td>2.23</td></tr>
</table>
(1) The combined Scope 1 and Scope 2 GHG emissions for the Company, Lien Hwa Property Development, and Lien Hwa Milling Corp. in 2024 totaled 17,852.97 tCO2e. The</td><td>Compliant with the rationale and practices of “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.”</td></tr>
</table>

Projects	Execution progress			Deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary	
			emission intensity was 2.23 tCO2e (revenue: NT$1 million). Scope 2 purchased electricity was the primary source, accounting for 91% of the total emissions. (2) By implementing an energy management system to audit annual electricity consumption, we establish clear energy-saving targets and plans. Major carbon reduction measures include replacing high-energy-consuming equipment and installing solar power systems to enhance energy efficiency and carbon reduction performance in our manufacturing processes. (3) In response to climate change and promote sustainable operations, we will continue to discuss renewable construction and replace relevant energy-efficient products so as to continuously reduce total carbon emissions through active carbon reduction actions. 2. We care about environmental protection issues including water and electricity conservation. In water conservation, we begin with saving water in daily life to maximize the efficiency of water. In 2025, we and two subsidiaries (Lien Hwa Property Development and Lien Hwa Milling) passed the certification for 2024 ISO 14064-1 Scope 3 water consumption inventory for the previous year and third-party (SGS) verification.	

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<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>**Water consumption in the past 2 years:**
Unit: MT
<table><tr><th>Year</th><th>Total water consumption</th><th>Water consumption intensity (Revenue: NT$1 million)</th></tr><tr><td>2023</td><td>53,221</td><td>6.83</td></tr><tr><td>2024</td><td>52,449</td><td>6.55</td></tr></table>
(1)We are located in an office building where domestic water is the main type of water consumption. As all water comes from tap water, there is no impact on water sources. Inside the HQ building, apart from equipping sinks with sensor taps and urinals with sensor flush, we periodically review the pressure of the building’s water supply system to ensure no abnormal water discharge. Additionally, rainwater sensors are installed on the outdoor irrigation system to shut down automatic irrigation in the rain to save building water consumption.
(2)Lien Hwa Milling continues to implement water-saving measures from offices to production processes. These include installing water-saving valves on taps and equipping sinks and urinals with sensor-based systems to effectively conserve water resources. Additionally, the company conducts weekly patrols of the water supply system and maintains a database to monitor supply conditions. Through these multi-pronged efforts, water</td><td></td></tr>
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<tr><td></td><td></td><td></td><td>
consumption in 2024 decreased by 2.4% compared to the previous year, demonstrating a continuous improvement in water efficiency.
3. We are committed to environmental protection and actively implement waste reduction management. To achieve sustainable resource recycling, our waste disposal principle prioritizes reuse to minimize environmental impact, making incineration or landfill the last resort. In 2025, the Company and its two subsidiaries (Lien Hwa Property Development and Lien Hwa Milling Corp.) completed the 2024 ISO 14064-1 Scope 3 inventory of waste generated in operations for the previous year and obtained third-party verification from the Taiwan Electric Research & Testing Center
Waste production in the past 2 years:
Unit: MT
<table>
<tr><th>Year</th><th>Hazardous waste</th><th>Non-hazardous waste</th><th>Waste intensity (Revenue: NT$1 million)</th></tr>
<tr><td>2023</td><td>0</td><td>221.34</td><td>0.03</td></tr>
<tr><td>2024</td><td>0</td><td>179.22</td><td>0.02</td></tr>
</table>
Relevant measures include:
(1)Materials, raw materials, and office supplies intended for disposal are first gathered from recycling reusable materials for secondary use. The remainder of waste is sorted, stored, discharged, and recovered in accordance with the Waste Disposal Act of the Environmental Protection Administration (EPA), Executive Yuan.
</td><td></td></tr>
</table>

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			(2)A specialized dumpster site for general waste is established outside the building to prevent waste from scattering. Private licensed waste disposal contractors are hired to transport waste to the incineration plant for disposal.. (3)For food waste and kitchen leftovers generated by catering services in the building, providers have established a recycling system with full-range control to practice the circular economy. (4) Paper, PET bottles, and metal and aluminum cans are the major sources of recyclable waste in office buildings and plants. After sorting and gathering, they are recycled by licensed contractors for reuse. For employees to practice waste sorting, waste sorting and recycling are included in the education and training for new employees of plants to maintain office and plant sanitation. We reduce vending machines and increase water dispensers to encourage employees to prepare reusable cups and drink water to reduce the purchase of single-use bottled water and waste production. 4. Please refer to the “environmental sustainability” section on our corporate website or in our sustainability report for details regarding our GHG emissions, water consumption, and the total weight of waste produced in the past two years.	
4. Social issues (1) Has the Company developed its policies and procedures in accordance with laws and International Bill of Human Rights?	✓		1. The Company observes labor regulations of the home country and supports international human rights conventions including "UN Universal Declaration of Human Rights," "United Nations Global Compact," and "International Covenant on Economic, Social, and Cultural Rights," and has implemented its own "Lien Hwa Human	Compliant with the rationale and practices of “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.”

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<tr><td></td><td></td><td></td><td>Rights Commitment and Policy" to prohibit any behavior that violates or contradicts human rights. Details of this policy have been published on the Company's website. The Company also has a set of "Supplier Corporate Social Responsibility Code of Conduct" in place and invites suppliers to sign and make commitments to the code of conduct.
2. Summary of the Company's human rights management policy and solutions:
<table>
<tr><th>Human rights management policy</th><th>Specific programs and performance</th></tr>
<tr><td>Abide by government ESH and labor laws and regulations to protect the legal rights and interests of employees.</td><td>1. Apart from establishing the “Employee Work Rules”, “Human Rights Commitment and Policy”, “Ethical Corporate Management Best Practice Principles”, and the “Procedures for Ethical Management and Guidelines for Conduct”, we also sign the labor/employment contract with each employee in compliance with the local laws and regulations. No report of significant non-compliance with human rights, discrimination, labor-management disputes and litigious activity was reported in the reporting year.
2. By 2025, a total of 335 domestic and overseas suppliers have signed the “Supplier CSR Best Practice Principles”. We also implemented on-site evaluations of domestic suppliers of ingredients and packaging materials, and no non-compliance with our ESG policy was reported.</td></tr>
<tr><td>No forced or</td><td>1. Leave and advance application for working extra hours: We sponsor employee travels and encourage</td></tr>
</table></td><td></td></tr>
</table>

Projects	Execution progress				Deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
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			compulsory labor.	employees to maintain a work-life balance. One-hour off is arranged at noon for employees to have sufficient rest at noon. 2. A total of 10 labor-management meetings and 12migrant worker daily life exchange meetings were held in 2025.	
			Prevent occupational accidents and disease, protect occupational safety, and maintain employee health.	1.Each year, we arrange free health checkups for employees and prevent occupational accidents and diseases. Each year we arrange awareness education, communication, education and training, and audit of occupational safety and health. 2.Apart from arranging education and training on human rights during the monthly new employee training and periodic internal training, we also provide education and training courses for the employee code of conduct, privacy, information security, occupational safety and health, food safety, Halal food, sexual harassment prevention, and ethical corporate management to build an inclusive and dignified friendly workplace environment. In 2025, the total hours of education and training on human rights were 35.5 hours. 3.Emergency disaster kits were distributed to employees to enhance awareness and preparedness for earthquake safety. 4.Temporary shower facilities for emergency duty were installed to accommodate employees' hygiene needs during work-related stays or typhoon standby shifts. 5.Improvements were made to the access routes of the factory's clock-in stations to enhance employee safety during commutes.	

Projects	Execution progress			Deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
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(2) Has the Company developed and implemented reasonable employee welfare measures (including compensation, leave of absence and other benefits), and appropriately reflected business performance or outcome in employees' compensations?	✓		The Company has implemented employee welfare measures in accordance with the Labor Standards Act and relevant regulations, and stated them in detail in the "Work Rules." An "Employee Welfare Committee" has been assembled to organize benefits and activities for employees. Implementation progress is explained in the ESG Report. 1. Employee remuneration: According to the Company's Articles of Incorporation, profits concluded from a financial year are subject to employee remuneration of no less than 0.1%.(of which, the employee compensation amount shall not be less than 0.1% distributed to entry-level employees).Year-end bonus is determined mainly based on consolidated operating profits across key businesses managed by the Company, and takes into account performance evaluation of individual employees in the given year. It is a form of profit sharing and serves as incentive to employees. 2. Employee welfare measures: The Company has established a Joint Employee Welfare Committee and allocated a total budget of NT$2.75 million in 2025 to help the committee arrange benefits such as: trips, gatherings, birthday celebrations, wedding/funeral subsidies, birth incentives, and children's education support. The Company also offers complimentary annual health checkups, uniforms, dormitories, and education incentives as part of employees' benefits.	Compliant with the rationale and practices of "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies." .

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<tr><td></td><td></td><td></td><td>Employees are granted special leaves of absence based on years of service. Employees who have a need to take longer leave of absence due to child care, major injury/illness, or life-changing event may apply to take extended unpaid leave for their personal and family needs.
3. Workplace diversity and quality: The Company implements a competitive compensation system that sets salaries based on employees' career experience, professional knowledge, skills, years of service, and individual performance. Males and females are offered equal compensations and equal promotion opportunities for the same nature of work, and the Company does not discriminate whether by gender, ethnicity, religion, or political association. 34% of the Company's employees were female, whereas 6% of managers were female in 2025.
4.Reflecting operational performance in employee remuneration: In accordance with Article 28 of the Company’s articles of incorporation, when there is profit in the year, no less than one permille of the profit in the year should be appropriated as remuneration for employees (of which, the employee compensation amount shall not be less than 0.1% distributed to entry-level employees). Additionally, we participated in the market salary survey and adjusted salary based on the market salary standard, economic trends, and personal performance to maintain</td><td></td></tr>
</table>

Projects	Execution progress			Deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
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			overall remuneration competitiveness. In 2025, the average raise was 4%, including supervisor and non-supervisor posts. 5. Long-term Incentives and Talent Retention: In 2025, the Board of Directors approved a list of grantees based on factors such as seniority, job level, performance, overall contribution, or special merits. Two phases of Employee Stock Options were issued to achieve long-term incentive benefits and fulfill the purpose of talent retention.	
(3) Does the Company provide employees with a safe and healthy work environment? Are employees trained regularly on safety and health issues?	✓		1. Occupational safety and health policy: The Company enforces its safety and health policy out of "respect for life," and has adopted safety and health measures throughout plant premise to ensure employees' physical as well as mental health. Safety and health measures are examined and improved on an ongoing basis for ompliance with relevant regulations. Meanwhile, hazard prevention is being promoted as part of the occupational safety culture across plants. 2. The Company reported a disabling injury frequency rate of 0 in 2025. This marks the fourth consecutive year since 2021 that the goal of "zero hazards" has been maintained. The Company will continue aiming to achieve its "zero hazard" goal as a sustainable objective in the future. 3. Work safety training and communication (Taipei and Taoyuan) Participation of work safety training in 2025: 1,034	Compliant with the rationale and practices of “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.”

Projects	Execution progress			Deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary	
			enrollments, 4,212 man-hours Employees of the Company held a total of 203 occupational safety certifications. 4. Worker environment monitoring: The Company conducts regular audits on employees' work environment to ensure compliance with safety and health standards. Half-yearly factory noise and CO2 measurement, annual fire safety inspection, and biannual building inspection are some examples of the regular audits performed. 5. Equipment safety management: The Company classifies its equipment, tightens management over hazardous machinery and equipment, and performs thorough checks to ensure that equipment are able to function safely. The Company counted a total of 47 hazardous machinery in 2025; all of which are being checked according to "Regulations for Safety Inspection of Hazardous Machines and Equipment" to ensure that they are free of safety concerns. 6. There was no fire incident in our company in 2025. 7. The Company places the highest priority on employee safety and health, striving to build a safe, hygienic, and friendly working environment. Following the ISO 45001 Occupational Health and Safety Management System framework, we have established institutionalized risk management and continuous improvement mechanisms to ensure all operational activities comply with relevant legal	

Projects	Execution progress			Deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary	
			requirements and standards. Through hazard identification and risk assessment mechanisms, we regularly review potential risks such as manufacturing equipment, dust operations, working at heights, machinery operation, and contractor management. We implement multi-layered protection strategies—including engineering controls, administrative measures, and Personal Protective Equipment (PPE)—to minimize the possibility of occupational accidents. In terms of education and training, we design annual health and safety training programs based on job roles, including: ●Safety and health training for new employees. ●Regular refresher training for current employees. ●Professional training for specialized operations (e.g., machinery operation, electrical work, and crane operation). ●Fire drills and emergency response training. ●Behavioral safety observations and safety awareness activities. Furthermore, we conduct regular health check-ups, work environment monitoring, and occupational medicine consulting services to proactively monitor employee health and prevent occupational diseases. Moving forward, we will continue to strengthen our safety culture and risk prevention management to ensure that all employees can work in a secure and healthy environment.	
(4) Has the Company implemented an effective training	✓		The Company trains talents in line with business strategies,	Compliant with the rationale and

Projects	Execution progress			Deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary	
program that helps employees develop skills over their career?			annual targets, and requirements of various departments, and budgets and executes training programs according to its training policy. The Company has designed its training system primarily to help employees develop relevant skills. Training programs can be distinguished between general training (managerial and fundamental skills) and role-specific (professional) training. Employees are offered on-job training incentives as an encouragement for self-motivated learning, and to prepare them for new responsibilities in the future. 10,500 man-hours of training were delivered in 2025 through a combination of internal and external courses. The Company hosts annual performance interview, during which it discusses with employees about performance and career development. An effective training program has been implemented to help employees develop the skills needed to advance through their careers.	practices of "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies."
(5) Has the Company complied with laws and international standards with respect to customers' health, safety, and privacy, marketing and labeling in all products and services offered, and implemented consumer/customer protection policies and complaint procedures?	✓		The Company consistently upholds the principle of operating with integrity, strictly complying with government regulations and international standards to ensure that its product and services meet the highest health and safety standards. Relevant policies and complaint mechanisms have been established to protect consumer rights. 1. Marketing and Labeling Compliance Management: The Company prioritizes the accuracy and compliance of product marketing and information disclosure, ensuring that all promotional materials and product labeling are managed and reviewed in accordance with relevant laws	Compliant with the rationale and practices of "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies."

<table>
<tr><th rowspan="2">Projects</th><th colspan="3">Execution progress</th><th rowspan="2">Deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>and regulations to prevent the use of expressions that may be misleading or inconsistent with the facts. Throughout internal marketing and product development processes, relevant departments are required to adhere to the principles of integrity and fairness, ensuring that all external communications are reasonable and consistent to maintain consumer trust in the brand.
2. Product Label Review Mechanism: To ensure the accuracy and compliance of product labeling, the Company has established a rigorous review process. A professional team is responsible for reviewing all product labeling content to ensure full compliance with relevant government regulations. We adhere to high standards of quality control to guarantee that consumers receive clear and accurate product information, thereby safeguarding their right to be informed and their right to choose.
3. Diversified Communication and Customer Support Mechanisms: In response to digitalization and changing consumer communication habits, the Company continues to establish diversified communication channels, including the official website, customer service hotlines, emails, written correspondence, and social media platforms, to provide consumers with avenues for inquiries and feedback. The official website also features stakeholder-related information and contact windows, making it convenient for consumers and relevant stakeholders to raise questions or suggestions, thereby fostering two-way communication and information transparency.
4. Customer Complaint and Response Mechanisms: The Company has established a formal customer complaint handling process, which clearly regulates the procedures</td><td></td></tr>
</table>

Projects	Execution progress			Deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary	
			for receiving, internally referring, and responding to complaints, with relevant units handling cases according to their responsibilities and tracking the progress of improvements. We value customer feedback and regard it as an essential reference for reviewing and continuously improving the quality of our products and services, aiming to enhance the overall service level and customer satisfaction. The Company will continue to enhance its internal management and consumer protection mechanisms to ensure that its products and services meet the highest standards, while building a trustworthy and reputable brand image.	
(6) Has the Company implemented a supplier management policy that regulates suppliers' conducts with respect to environmental protection, occupational safety and health or work rights/human rights issues, and tracked suppliers' performance on a regular basis?	✓		The Company has a supplier management policy in place, and requires suppliers to issue a signed commitment to "Supplier Corporate Social Responsibility Code of Conduct," so that they can be held responsible for their conducts. The code of conduct covers a number of issues including environmental protection, occupational safety and health, and workers' rights. A total of 270 suppliers had signed commitment as of 2025. Furthermore, the Company organizes annual supplier audits to evaluate suppliers' conducts. As of 2025, no supplier had violated the "Supplier Corporate Social Responsibility Code of Conduct" to the extent that the Company considered material and necessary to terminate existing contract.	Compliant with the rationale and practices of “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.”
5. Does the Company prepare sustainability report or any report of non-financial information based on international reporting standards or guidelines? Are the abovementioned reports supported by assurance or opinion of a third-party certifier?	✓		With principles and framework for disclosure based on the latest Global Reporting Initiative (GRI) Standards 2021, our 2024 ESG report complied the Task Force on Climate-related Financial Disclosures (TCFD) framework, the Financial	Compliant with the rationale and practices of “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.”

Projects	Execution progress			Deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary	
			Supervisory Commission sustainability indicators and the Sustainability Accounting Standards Board (SASB) processed food industry indicators to cover the materiality issues concerned by stakeholders and information on environmental, governance, and social aspects. We also obtained the assurance standard No. 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the third party (KPMG) as per Accounting Research and Development Foundation, and implemented independent limited assurance for 10 items required for TWSE-listed food industry. Please refer to the Company’s ESG report for details. (https://www.lhicholdings.com/csr/report/) The GHG emissions disclosed in the report have been inventoried based on ISO 14064-1 and verified by SGS, a qualified certification body.	

6. If the Company has established sustainability policies in accordance with "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," please describe its current practices and any deviations from the Best Practice Principles:

The Company established its "Corporate Social Responsibility Code of Conduct" on November 9, 2015 and subsequently renamed it "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies." following resolution of board of directors' meeting dated March 9, 2022. The Company monitors its compliance with the code of conduct on a regular basis and makes improvements where appropriate. There has been no deviation from the code of conduct to date.

7. Other important information useful to the understanding of the implementation of sustainable development.
   1. Environmental protection: Please refer to III. Environmental Issues.
   2. Human rights and occupational safety and health: Please refer to V. Labor-Management Relations in Chapter Five.
   3. Community engagement, social contribution, social service, and social welfare:
      a. 2025 Donate Blood Together: On June 18, 2025, at the Nangang Lien Hwa Building, the Company called on employees of affiliates, neighboring companies, and local residents to join a one-day blood donation event. The activity successfully collected 110 blood bags, spreading warmth and love to the society.

<table>
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<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td colspan="5">b. Upholding the spirit of serving the community, the Company provides monthly sponsorship of pasta and rice cake flour to the "Children of Nangang Care Home" in the local community. Through this initiative, we hope to bring warmth and happiness to the children under care, allowing them to experience a sense of home while enjoying delicious pasta.
c.Subsidiary Lien Hwa Milling continues to respond:
(1) Deepening food and agriculture education, the subsidiary held two "Baking for Charity!" public welfare activities, bringing flour from the milling factory into local campuses. In 2025, the program reached the Miaoli region, visiting Fuji Elementary School and Nanhe Elementary School with a total of 82 participants, allowing children to understand the process from farm to table and experience the full transformation journey of wheat.
(2) Regular donations of flour to Hualien's Andrew Center, helping reduce the training costs of the center while encouraging the teachers and students at Andrew to produce high-quality baked goods. In addition to self-sufficiency, they also sell bread in local communities and participate in various activities.
(3) Long-term flour sponsorship to the Yujen Center for Disabled, supporting teaching activities that help individuals with intellectual disabilities learn to make mooncakes for sale during the Mid-Autumn Festival, while also enabling them to acquire practical skills.
(4) Since 2021, providing flour donations to "Taoyuan Youth Home" as support for its baking brand initiative, assisting at-risk youth in developing vocational skills and expanding their future career possibilities.
4. Lien Hwa Industrial Holdings Corporation and companies within the Group sponsored the Y.S. Educational Foundation, which aims to promote "Technology Education," "Food and Agriculture Education," and "Sustainable Development." Since 2003, the Y.S. Cup Creativity Competition has been held for college and university students to educate them on product design and software talent cultivation. Y.S. Cup is committed to promoting a quality information society and fostering international digital content and design talents with innovative thinking and technology education, maintaining corporate social responsibility, and enhancing art and humanities education, eco-protection, and social care. Over the past 20 years, the Y.S. Cup has provided a stage for young students to practice creative expressions, and has been recognized by the information technology, industrial design, and video art industries. In 2025, the 22nd Y.S. Cup themed "The Future of AI Smart Applications" expanded for the first time to include registration from high school and vocational school teams. Participating teams explored the integration of digital applications, industrial design, motion graphics, and future technology, opening up various possibilities for innovative design and digital creation. The Y.S. Educational Foundation has been investing resources for 20 years through the corporate power of Lien Hwa MiTAC Group, creating a stage for young creators and providing handsome rewards and internship opportunities to foster innovators as the foundation of national competence.
5. The Company regularly issues the latest version of ESG report each year. The 2024 annual report will be completed by August 31, 2025. If further information is required, please visit the Company’s official website under the “Sustainable Development” section to download the latest ESG report.</td></tr>
</table>

(VI) Climate-related information of listed companies

1 Implementation of climate-related information

Item	Implementation
1. Describe the Board of Directors and management's supervision and governance of climate-related risks and opportunities.	The procurement risks of water, electricity resources, and raw materials caused by climate change have been included in the scope of corporate risk management, and the senior managers of the team reports promotion results to the Board of Directors every year. Risks concerning water, electricity, and raw material procurement caused by climate change have been incorporated into the enterprise risk management framework. Every year, senior executives of the management team report the progress and results to the Board of Directors. To enhance the management of climate-related risks and opportunities, following the renaming of the "CSR Committee" to the "Sustainable Development Committee" in 2022, the organizational structure was specifically adjusted in 2024 to include independent directors as members, reporting directly to the Board of Directors. In addition to quarterly reports to the Board on greenhouse gas inventory progress, the second committee meeting was held on August 4, 2025, to amend the "Charter of the Sustainable Development Committee," officially incorporating a "Risk Management Task Force" into the organizational structure. The Risk Management Task Force held a meeting on October 28, 2025, to identify and evaluate significant risk issues faced by the company during the year and discuss response strategies and management measures. Among these, "raw material risk" was identified as a direct climate-related risk. On November 13, 2025, the management team reported the annual operations of the Risk Management Task Force to the Board of Directors. The management level proposes corporate strategies to the Board, which reviews the progress of these strategies and urges the management team to make adjustments when necessary.
2. Describe how the climate risks and opportunities identified affect the business, strategy, and finance (short, medium, and long-term).	The identified risks and opportunities are as follows: <Risks> Shortage or instability in the supply of major raw materials: In the short term, climate change may cause price volatility and logistics disruptions. In the medium term, the increase in pests and plant diseases must be considered, leading to changes in restrictions and regulations on the use of fertilizers and pesticides, which results in soil quality degradation. In the long term, factors such as the depletion of water or other natural resources may occur. These could lead to increased procurement costs and expenses, affecting production volumes. Cyber insecurity: With technological advancement and the increasing adoption of AI, corporate operations will rely more heavily on system resources and data analysis. However, the methods and scale of hacking and cyber fraud continue to evolve. Once a cyberattack occurs, data breaches can lead to the theft of corporate secrets or customer data, causing financial loss, reputational damage, and potential legal liabilities. <Opportunities>

Item	Implementation
	Market opportunities from energy restrictions or shortages: Future energy instability caused by climate change will drive demand for high-efficiency distributed power generation systems. In the short term, the Company will introduce energy-saving equipment to improve energy efficiency. In the medium to long term, we will integrate the construction of solar energy systems to not only reduce energy risks but also create market opportunities. Greenhouse gas emission restrictions or rising costs: As the era of carbon pricing arrives, the demand for corporate carbon reduction has significantly increased. In the short term, we are implementing energy-saving equipment. In the medium to long term, by combining low-carbon manufacturing processes and green power systems, we will not only enhance energy efficiency and competitiveness but also add value to our brand image.
3. Describe the financial impact of extreme weather events and transition action.	For Lien Hwa's primary raw material, wheat, extreme weather may impact crop harvests. Whether through droughts, floods, or windstorms and pest outbreaks, these factors can lead to wheat crop failure, which in turn directly increases inventory costs, operating costs, and operating cash outflows. In response to extreme weather, national policies are shifting toward low-carbon transition and green energy development. In alignment with government policies, Lien Hwa continues to implement energy-saving modules, replace high-energy-consuming equipment, and simultaneously install solar power systems. These actions will result in an upward trend for property, plant, and equipment (PP&E), intangible assets, operating expenses, operating cash outflows, investing cash outflows, and gains or losses on the disposal of property, plant, and equipment.
4. Describe how the identification, assessment, and management process of climate risks are integrated into the overall risk management system.	The Company has integrated climate-related risks into its overall risk management system, conducting identification, assessment, and management in accordance with existing risk management processes. In alignment with the framework of IFRS Sustainability Disclosure Standard S2 "Climate-related Disclosures," we identify climate risks and opportunities through cross-departmental meetings and joint discussions with external consultants. These risks are confirmed by senior management, and climate risk factors are integrated into operational risk management to develop action plans, serving as the foundation for subsequent management and improvement. For climate risks identified as material based on assessment results, the Company includes them in the risk management register, and the responsible units are tasked with executing and tracking the corresponding management measures and response strategies.
5. If the resilience to climate change risks is assessed using scenario analysis, the scenarios, parameters, assumptions, analytical factors and major financial impacts shall be explained.	The Company will use the physical risk of raw material (wheat) shortages and the transition risk of carbon pricing as the primary items for scenario analysis. Based on wheat price trends under NGFS climate scenarios (Fragmented World, Net Zero 2050), and assuming limited additional labor costs with the United States as the primary wheat production source, we analyze predictive reference results aligned with the company’s current status, including historical peak wheat prices. Faced with raw material shortages and carbon pricing, the Company’s operating costs and expenses may show an upward trend; however, these impacts are expected to be offset by continuously promoting energy efficiency improvements and the adoption of renewable energy.
6. If there is a transition plan to manage climate-related risks, explain the content of the plan, and the indicators and goals used to identify and manage physical risks and transition risks.	To manage climate-related risks, the Company has established relevant indicators for tracking, including greenhouse gas emissions, energy consumption, and water usage. Based on these climate indicators, targets are formulated to serve as a basis for assessing and identifying the impact of climate risks on operations. Transition plans include the replacement of high-energy-consuming equipment and the construction of solar power systems. Actual energy consumption, water usage, and greenhouse gas emissions are calculated annually to serve as a reference for internal management and subsequent improvement measures. In the future, the Company will continue to gradually establish specific reduction targets based on regulatory requirements, industry trends, and corporate operational status.

Item	Implementation
7. If the internal carbon pricing is used as a planning tool, the price setting basis should be stated.	Regarding the implementation of an internal carbon pricing system, the Company intends to include shadow pricing in investment cost analyses. Referencing the current domestic carbon fee (NT$300 per metric ton), this approach aims to understand the impact of potential carbon costs on operations and capital expenditures, serving as a supporting tool for evaluating carbon reduction investments, energy transition, and climate-related risk management. Moving forward, the system will be continuously adjusted based on actual operational conditions and management needs, serving as a key management tool to support energy-saving improvements and medium-to-long-term carbon reduction targets.
8. If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning schedule, and the progress reached each year should be stated; If Carbon Offset or Renewable Energy Certificates (RECs) are used to achieve relevant goals, the source and quantity of redeemed carbon credit or the quantity of the RECs should be stated.	Lien Hwa introduced the ISO 14064-1Greenhouse Gas Inventory Management System in 2022, inventorying the carbon emission data of LHIHC, Lien Hwa Property Development, and Lien Hwa Milling as the basis for subsequent carbon management. Since 2024, the scope of the inventory has been gradually expanded to include other domestic subsidiaries, and starting from 2025, it has extended to overseas operating sites. The scope of the 2025 inventory (based on 2024 data) covers the parent company and all subsidiaries, maintaining a boundary consistent with the consolidated financial statements. The combined Scope 1 and Scope 2 emissions for the Group totaled approximately 21,780 metric tons of CO2e. Moving forward, with 2024 as the base year, the Company will continue to replace energy-intensive equipment and install solar power systems, striving toward the goal of a 15% carbon reduction by 2030.
9. Greenhouse gas inventory and verification status, reduction targets, strategies, and specific action plans (please also 1-1 and 1-2).	Listed in 1-1 and 1-2.

1-1 The Company's greenhouse gas inventory and assurance status in the last two years

1-1-1 Greenhouse gas inventory information

Describe the greenhouse gas emissions (metric tons CO2e), intensity (metric tons CO2e/million dollars) and data coverage for the last 2 years.

The greenhouse gas emissions and intensity for 2023 and 2024 are listed in the table below, covering LHIHC, Lien Hwa Property Development, and Lien Hwa Milling. In compliance with the "Sustainable Development Roadmap for Listed Companies," the emissions of the Company and its consolidated subsidiaries are also listed separately. Data for 2025 is currently being calculated, and the complete information will be disclosed in the 2026 ESG Report.

Year	Data coverage	Emissions (Scope 1 + Scope 2)	Intensity
2022	The Company and key subsidiaries(LHDP and LHM)	17,635.71	2.21
2023	The Company and key subsidiaries(LHDP and LHM)	17,260.95	2.23
	The Company and its consolidated subsidiaries	21,780.08	1.68

Note:In accordance with the Sustainability Development Roadmap for TWSE/TPEx Listed Companies, our company is required to complete greenhouse gas (GHG) inventories for all parent and subsidiary companies starting from 2025. HH has proactively completed these inventories for the entire group in 2024, ahead of the regulatory schedule.

1-1-2 Greenhouse gas assurance information

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

Year	Indicator	Data (t-CO2e)	Scope of inventory	Verification Party	Verification Standard	Verification Opinions
2023	Direct GHG emissions (Scope 1)	1,338.8342	Parent company: Lien Hwa Industrial Holdings Subsidiaries: Lien Hwa Milling, Lien Hwa Property Development	SGS	ISO 14064-1	SGS ensures the consistency and properness of applicable scope, objectives, and standards based on inspection results, and sets forth a reasonable verification statement, listing unqualified opinions. SGS fairly presents greenhouse gas data and information, and prepares and implements greenhouse gas quantification, supervision, and reporting as per ISO 14064-1: 2018. This statement will be regarded as the claims of LHIHC, Lien Hwa Milling, and Lien Hwa Property Development.
	Indirect GHG emissions (Scope 2)	15,922.1235				
2024	Direct GHG emissions (Scope 1)	1,522.0819	Parent company: Lien Hwa Industrial Holdings Subsidiaries: Lien Hwa Milling, Lien Hwa Property Development	SGS	ISO 14064-1	Based on the verification process conducted by the Taiwan Power Research & Testing Center (TPRTC), it was found that the Greenhouse Gas (GHG) statement contains no material misstatements. The GHG report fairly presents all data and relevant information in accordance with ISO 14064-1. The verification results are as follows: Direct and indirect GHG emissions meet the reasonable assurance level, while other indirect GHG emissions meet the limited assurance level.
	Indirect GHG emissions (Scope 2)	16,300.8972				

1-2 Greenhouse gas reduction targets, strategies and concrete action plans

Describe the base year of greenhouse gas reduction, data, targets, strategies, specific action plans, and target achievement status.
To comply with the "Sustainable Development Roadmap for Listed Companies," the Company completed the greenhouse gas (GHG) inventory for all parent and subsidiary companies ahead of schedule in 2024. Consequently, the base year has been adjusted to 2024, with total Scope 1 and Scope 2 emissions for the entire Group reaching 21,780.02 t-CO2e. To mitigate the impact of climate change on the environment, Lien Hwa actively promotes energy-saving and carbon reduction, establishing a Group reduction target to decrease emissions by 15% from the base year level by 2030. To achieve this, Lien Hwa is progressively replacing high-energy-consumption equipment, implementing energy management systems, and installing renewable energy such as solar power. Through cross-departmental communication and collaboration, we are jointly formulating emission reduction strategies to move toward the long-term goal of net-zero emissions. Compared to the previous year, GHG emissions in 2024 showed an upward trend relative to 2023 due to increased production volume at Lien Hwa Milling. In conjunction with the adjustment of the base year, the entire Group will consolidate efforts starting from 2025, aiming to reduce carbon emissions by over 3,200 t-CO2e by 2030. Actual achievements will be continuously monitored and tracked.

(VII) Deviation and causes of deviation between the implementation of ethical corporate management and Ethical Corporate Management Best Practice Principles for TPEx-Listed Companies

Item for evaluation	Implementation Status			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and the causes of such deviations
	Yes	No	Summary	
I. Establish ethical business policies and programs (I) Has the Company stipulated the ethical corporate management policies approved by the Board of Directors and stated in its Memorandum or external correspondence about the polices and practices it has to maintain business integrity? Are the board of directors and the management committed in fulfilling this commitment?	✓		The "Ethical Corporate Management Practice Principles" of the company was approved by the Board of Directors. Article 5 of the Principles provides that the company stipulates ethical management policy in accordance with the operation spirit of integrity, transparency and responsibility. Article 8 specifies the commitment and implementation of declaration. Article 9 provides that the company shall engage in business activities fairly and transparently in accordance with the ethical management principle.	Compliant with the rationale and practices of "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies."
(II) Does the company establish the evaluation mechanism on the risk of unethical conducts, analyze and evaluate business activities with higher risk of unethical conducts within the business scope on a regular basis, and stipulate unethical conducts prevention projects that at least covers the prevention measures provided in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies"?	✓		Article 7 of the "Ethical Corporate Management Practice Principles" of the company provides that the company shall establish evaluation mechanism on the risk of unethical conducts and shall analyze and evaluate business activities with higher risk of unethical conducts within the business scope on a regular basis. As such, the "Procedures for Ethical Management and Guidelines for Conduct" covers conducts provided in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies." The procedure is published on the company's website/Corporate Governance/Corporate Governance	Compliant with the rationale and practices of "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies."

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<tr><th rowspan="2">Item for evaluation</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and the causes of such deviations</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>Regulations.</td><td></td></tr>
<tr><td>(III) Does the company have any measures against unethical conducts? Are these measures supported by proper procedures, behavioral guidelines, disciplinary actions and complaint systems and being reviewed for amendments to these measures on a regular basis?</td><td>✓</td><td></td><td>Procedures for Ethical Management and Guidelines for Conduct:
Article 7 of “Procedures for Ethical Management and Guidelines for Conduct” of the company provides the procedure for personnel who are provided with or are promised, either directly or indirectly, any benefits:
(1) If there is no relationship of interest between the party providing or offering the benefit and the official duties of this Corporation's personnel, the personnel shall report to their immediate supervisor within 3 days from the acceptance of the benefit, and the responsible unit shall be notified if necessary.
(2) If a relationship of interest does exist between the party providing or offering the benefit and the official duties of this Corporation's personnel, the personnel shall return or refuse the benefit, and shall report to his or her immediate supervisor and notify the responsible unit. When the benefit cannot be returned, then within 3 days from the acceptance of the benefit, the personnel shall refer the matter to the responsible unit for handling.
Disciplinary actions on violations and appeal system:
Article 23 of “Procedures for Ethical Management and</td><td>Compliant with the rationale and practices of “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.”</td></tr>
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Item for evaluation	Implementation Status			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and the causes of such deviations
	Yes	No	Summary	
			Guidelines for Conduct" of the company provides that: (1) The company shall link ethical management to employee performance evaluations and human resources policy, and establish clear and effective systems for rewards, penalties, and complaints. (2) If any personnel of the company seriously violates ethical conduct, the company shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of the company. (3) On the employee portal, we disclose the job title, name, date of offense, content of offense, and handling status of employees engaging in unethical behavior. In 2022, no employee unethical behavior was reported, and no employee was disciplined for unethical behavior.	
II. Implementation of ethical business practices (I) Does the Company have the integrity of the trade counterparty assessed and with the code of integrity expressed in the contract signed?	✓		Article 20 of "Procedures for Ethical Management and Guidelines for Conduct" of the company provides that before entering into a contract with another party, the company shall gain a thorough knowledge of the status of the other party's ethical management, and shall make observance of the ethical management policy of the company part of the terms and conditions of the contract, stipulating at the least the following matters:	Compliant with the rationale and practices of "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies."

Item for evaluation	Implementation Status			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and the causes of such deviations
	Yes	No	Summary	
			(1) When a party to the contract becomes aware that any personnel has violated the terms and conditions pertaining to prohibition of acceptance of commissions, rebates, or other improper benefits, the party shall immediately notify the other party of the violator's identity, the manner in which the provision, promise, request, or acceptance was made, and the monetary amount or other improper benefit that was provided, promised, requested, or accepted. The party shall also provide the other party with pertinent evidence and cooperate fully with the investigation. If there has been resultant damage to either party, the party may claim the damage from the other party, and may also deduct the full amount of the damages from the contract price payable. (2) Where a party is discovered to be engaged in unethical conduct in its commercial activities, the other party may terminate or rescind the contract unconditionally at any time. (3) Specific and reasonable payment terms, including the place and method of payment and the requirement for compliance with related tax laws and regulations.	

Item for evaluation	Implementation Status			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and the causes of such deviations
	Yes	No	Summary	
(II) Does the Company have a unit that enforces business integrity directly under the board of directors? Does this unit report its progress (regarding implementation of business integrity policy and prevention against dishonest conducts) to the board of directors on a regular basis (at least once a year)?	✓		The Administrative Information Center is in charge of formulating and supervising the ethical management policy and prevention plan. Implementation outcomes this year are as follows: (1) Supplier commitment: The Company has signed the Ethical Statement with 297suppliers. (2) Customer commitment: Ethical clauses are included in contracts signed with 49 clients. (3) Ethical education and training: 2,686 persons over 6,861 hours. (4) Promotion: Education and training materials on ethical management are available on the internal website for employees to read at any time. (5) Reporting mailbox: Internal food safety opinion (IS@lhic.com.tw); Internal/external whistleblowing (auditcommittee@lhic.com.tw); neither of which received cases. Implementation will be checked by the audit unit every year, and the results will be reported to the board of directors. The audit unit has checked the company's ethical compliance (preventing insider trading) this year and reported to the board of directors on August 11, 2025.	Compliant with the rationale and practices of “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.”

Item for evaluation	Implementation Status			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and the causes of such deviations
	Yes	No	Summary	
(III) Does the Company have developed policies to prevent conflicts of interest, provided adequate channel for communication, and substantiated the policies?	✓		Policy for the prevention on conflict of interests: The "Ethical Corporate Management Practice Principles" of the company specifies the recusal clauses for conflict of interests. When a director, managers, officers or other stakeholder of the company attending or present at a board meeting, or the juristic person represented thereby, has a stake in a matter under discussion in the meeting , that director, supervisor, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of this Corporation would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. Such director, managers, officers or other stakeholder may describe if they have potential conflict of interests with the company to the unit handling the Board of Directors' meeting. Whistleblowing channel: (1) Opinion mailbox (IS@lhic.com.tw) for insiders on food safety. (2) The Company has set up a mailbox (auditcommittee@lhic.com.tw) for internal and external reports and complaints on illegal (including corruption) and unethical behavior; no cases has been received this year.	Compliant with the rationale and practices of "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies."

Item for evaluation	Implementation Status			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and the causes of such deviations
	Yes	No	Summary	
(IV) Does the company establish effective accounting and internal control system for the implementation of ethical management that the internal audit unit drafts related audit projects in accordance with the evaluation result on the risk of unethical conducts and audit the compliance of unethical conduct prevention project or entrusts CPA for audits?	✓		The company has established effective accounting and internal control system and complied with these system pursuant to the "Ethical Corporate Management Practice Principles" of the company. The internal audit unit included the prevention on insider trading into the audit project through the internal control self-evaluation and risk evaluation every year. In 2025, no defects were found in this audit item.	Compliant with the rationale and practices of "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies."
(V) Does the Company organize internal or external training on a regular basis to maintain business integrity?	✓		In 2025, a total of 6,861 hours of education and training on (1) ethical corporate management, (2) information security, (3) food safety, and (4) occupational safety were arranged for 2,686 participants of Lien Hwa Industrial Holdings (including Lien Hwa Property Development and Lien Hwa Milling).	Compliant with the rationale and practices of "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies."
III. The operation of the whistleblowing system of the company (I) Does the Company have a specific report and reward system stipulated, a convenient report channel established, and a responsible staff designated to handle the individual being reported?	✓		Pursuant to the "Ethical Corporate Management Practice Principles" and the "Code of Ethical Conduct," the Company has established the "Whistleblowing Management Measures" and set up independent reporting channels (dedicated email: auditcommittee@lhic.com.tw) for internal and external personnel to report illegal (including corruption) and unethical conduct. The Administrative Information Center has been designated as the specialized unit in charge of handling whistleblowing cases. The personal information of the whistleblower and the content of the report will be kept strictly confidential throughout the process, and any form of retaliation, adverse treatment, or discrimination is strictly	Compliant with the rationale and practices of "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies."

Item for evaluation	Implementation Status			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and the causes of such deviations
	Yes	No	Summary	
			prohibited.	
(II) Does the Company have the standard investigating procedures, follow-up measures to be adopted and related confidentiality mechanism established for the incidents being reported?	✓		The "Whistleblowing Management Measures" of the Company explicitly define the following reporting and investigation procedures: (1) Acceptance and Case Filing: The dedicated unit is responsible for consolidating cases and convening project investigation meetings; cases involving professional fields are referred to relevant departments for assistance. (2) Preliminary Review: Confirm whether the case falls within the scope of acceptance. (3) Assignment of Investigation: General cases are investigated by the dedicated unit; if the reported incident involves directors or senior management, it shall be reported to the independent directors. (4) Implementation of Investigation: Evidence collection, interviews, and data analysis; external experts may be hired if necessary. (5) Recusal from Investigation: If an investigator has a conflict of interest with the whistleblower or the respondent, they shall voluntarily recuse themselves. (6) Investigation Timeline: Investigations shall, in principle, be completed within 3 months; the deadline may be extended for significant or complex cases. (7) Investigation Report Content: Fact-finding, attribution of	Compliant with the rationale and practices of “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.”

Item for evaluation	Implementation Status			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and the causes of such deviations
	Yes	No	Summary	
			responsibility, internal control deficiencies, disposal recommendations, and improvement measures. All records related to reporting, investigation, and disciplinary actions must be preserved for at least five years. If a case enters judicial proceedings, records shall be preserved until the conclusion of the litigation.	
(III) Does the Company have taken proper measures to protect the whistleblowers from suffering any consequence of reporting an incident?	✓		The "Whistleblowing Management Measures" of the Company explicitly define the following protection measures for whistleblowers: (1) The personal information of the whistleblower and the content of the report must be kept strictly confidential throughout the process. (2) Any form of retaliation, adverse treatment, or discrimination is prohibited. (3) Personnel involved in relevant investigations and handling are also entitled to the same protections.	Compliant with the rationale and practices of “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.”
IV. Enhanced information disclosure Has the Company disclosed its integrity principles and progress onto its website and Market Observation Post System (MOPS)?	✓		The content and the promotion result of the “Ethical Corporate Management Practice Principles” of the company has been disclosed on the MOPS, company’s website (main page/Corporate Governance) and annual report/Corporate Governance Operation.	Compliant with the rationale and practices of “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.”
V. For the companies which have established corporate social responsibility code of conducts in accordance with the “Corporate Governance Best-Practice Principles for TWSE and TPEX Listed Companies,” please describe the current practices and any deviations from the code of conduct: The “Ethical Corporate Management Practice Principles” of the company was stipulated pursuant to the “Corporate Governance Best-Practice Principles for TWSE and TPEX				

Item for evaluation	Implementation Status			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and the causes of such deviations
	Yes	No	Summary	
Listed Companies,” and there is no difference.				
VI. Other important information relevant to the understanding of actual ethical management: 1. The Company has implemented integrity management in accordance the Company Law, the Securities and Exchange Law, Business Accounting Law, Listed/OTC related regulations, or other commercial activities related regulations. 2. The “Board of Directors Conference Rules specifies the recusal of conflict of interests for directors. If a director, or the corporate entity that the director represents, is considered a stakeholder to the discussed agenda, the director must state the stakes involved during the current meeting session and shall disassociate from all discussions and voting if such stakes are in conflict against the Company's interests. In which case, the director may not exercise voting rights on behalf of other directors, and cannot act for other directors to exercise their voting rights. 3. The “Procedures for Handling Material Inside Information” of the company provide that directors, supervisors, managers, and employees shall exercise the due care and fiduciary duty of a good administrator and act in good faith when performing their duties, and shall sign confidentiality agreements. No director, supervisor, managerial officer, or employee with knowledge of material inside information of the company may divulge the information to others nor inquire about or collect any non-public material inside information of the company not related to their individual duties from a person with knowledge of such information, nor may they disclose to others any non-public material inside information of this Corporation of which they become aware for reasons other than the performance of their duties.				

(VIII) Other information enabling better understanding of the Company’s corporate governance that may be disclosed altogether:

The important information of the company has been made public on MOPS pursuant to the regulations of the competent authority. The website is: https://mopsplus.twse.com.tw/mops/#/web/home

(IX) Implementation of the internal control system:

1. Declaration of internal control policies：

   The important information of the company has been made public on MOPS pursuant to the regulations of the competent authority. The website is: https://mopsov.twse.com.tw/mops/web/t146sb10

2. If the internal control policy was reviewed by an external auditor, the result of such review must be disclosed: None.

(X) Important resolutions in shareholder meetings and board of directors meetings held in the last year up until the publication date of annual report

1. Shareholder's Meeting:

Date of meeting	Summary of key motions	Result	Execution progress
May 26, 2025	Acknowledgment of 2024 business report and financial statements.	Motion was voted and passed as originally proposed by the board of directors.	Executed according to resolution.
	Acknowledgment of 2024 earnings appropriation, including NT$1.3 of cash dividend and NT$0.5 of stock dividend per share.	Motion was voted and passed as originally proposed by the board of directors.	1. Ex-rights and ex-dividend record date: July 30, 2025. 2. Cash dividend payment date: August 20, 2025.
	Issuance of new shares against capitalized earnings.	Motion was voted and passed as originally proposed by the board of directors.	Issuance date of new share certificates: August 20, 2025.
	Amendment to the Articles ofIncorporation.	Motion was voted and passed as originally proposed by the board of directors.	The Ministry of Economic Affairs approved the registration change on June 25, 2025. The amended version has been posted on the Company's website and will be implemented in accordance with the revised regulations.

2. Board of Directors

Meeting date and session	Important resolutions
January 17, 2025 The 24rd board 5th meeting	1. Discussion of the 2025 business plan. 2. Discussion of the distribution of remuneration for directors for (including independent directors) 2024. 3. Discussion proposal on the distribution of year-end bonuses for managers in 2024. 4. The proposal for the annual salary adjustment of the company's managers. 5. The proposal to lift the non-compete restrictions on the company's managers. 6. The proposal to establish the qualification criteria for the holders of the company's fifth employee stock warrants.
March 10, 2025 The 24rd board 6th meeting	1. Discussion of the remuneration for employees for 2024. 2. Discussion of the assessment of the independence of CPAs and CPA firms. 3. Discussion of the completion of the business report and financial statement of 2024. 4. Discussion of the earnings distribution for 2024. 5. Discussion of capital increase out of earnings. 6. Proposal for Amendment to the Articles of Incorporation 7. Announcement that the Company's Board of Directors has amended certain provisions of the Fifth Employee Stock Option Issuance and Subscription Plan. 8. Discussion of the date and objectives for the 2025 AGM. 9. Proposal to submit the 2024 Internal Control Assessment and Statement to the SFB
March 31, 2025 The 24rd board 7th meeting	1. Discussion on the employee (excluding managers) subscription list and share allocation for the first tranche of the Fifth Employee Stock Option Plan. 2. Discussion on the manager subscription list and share allocation for the first tranche of the Fifth Employee Stock Option Plan.

Meeting date and session	Important resolutions
May 14, 2025 The 24rd board 8th meeting	1. Discussion of the completion of the 2025Q1 consolidated financial statement. 2. Discussion of the earnings distribution for 2025Q1 3. Proposal for the amendment to certain provisions of the "Operating Procedures for Financial and Business Matters Between Related Parties."
May 26, 2025 The 24rd board 9th meeting	1 Authorize the chairman of the board of directors to set a discussion plan for the company's 2025 cash dividend distribution record date and allotment record date and surplus-to-capital-increase record date for the issuance of new shares.
August 11, 2025 The 24rd board 10th meeting	1. Discussion of the completion of the 2025Q2 consolidated financial statement. 2. Discussion of the earnings distribution for 2025Q2. 3. The proposal regarding the completion of the company's "2024 Sustainability Report." 4. The proposal to amend certain provisions of the company's "Sustainability Development Committee Charter." 5. Proposal for the amendment to certain provisions of the "Risk Management Policy and Procedures." 6. Proposal for the change of the Company's Corporate Governance Officer.
November 13, 2025 The 24rd board 11th meeting	1. Discussion of the completion of the 2025Q3 consolidated financial statement. 2. Discussion of the earnings distribution for 2025Q3. 3. Discussion on extending a NT$900 million loan to subsidiary, Lien Hwa Property Development Corporation. 4. Discussion on extending a NT$100 million loan to subsidiary, Lien Hwa Industrial Corporation. 5.The proposal to amend certain provisions of the company's "Internal Control System" and "Internal Audit Implementation Rules." 6. The proposal to establish the company's internal audit plan for the year 2026.
December 04, 2025 The 24rd board 12th meeting	1. Discussion on employee (excluding managers) subscription list and share allocation for the second tranche of the Fifth Employee Stock Option Plan. 2. Discussion on manager subscription list and share allocation for the second tranche of the Fifth Employee Stock Option Plan.
January 30, 2026 The 24rd board 13th meeting	1. Discussion of the 2026 business plan. ◦ 2. Discussion of the distribution of remuneration for directors for (including independent directors) 2025. 3. Discussion proposal on the distribution of year-end bonuses for managers in 2025.. 4. The proposal for the company's issuance of employee stock warrants. 5. The proposal to establish the qualification criteria for the holders of the company's sixth employee stock warrants.
March 10, 2026 The 24rd board 6th meeting	1. Discussion of the remuneration for employees for 2025. ◦ 2. The proposal for the evaluation of the independence of the certified public accountant and the accounting firm. ◦ 3. Discussion of the completion of the business report and financial statement of 2025. 4. Discussion proposal on the distribution of year-end bonuses for managers in 2025. 5. Discussion of capital increase out of earnings. 6. Discussion of Change Financial Reporting CPAs. 7. Discussion of the date and objectives for the 2026 AGM ◦ 8. Proposal to submit the 2025 Internal Control Assessment and Statement to the SFB

(XI) Documented opinions or declarations made by Directors against the Important resolutions of the Board of Directors in the most recent year, up until the publication date of this annual report: None.

IV. Information on CPA professional fees

(I) Unit: NTD thousand

Name of CPA firm	Name of CPA	Audit period	Audit fee	Non-Audit Fees	Total	Remarks
KPMG	Swimming Hsu	January 1, 2025~ December 31, 2025	3,570	1,393	4,963	—
	Prudence KUO					

The 2025 non-audit fees is $1,393 thousand, include tax audit, capitalization of retained earnings for offering of new shares, ESG report confirmation, service fees for inspection on non-supervisor duties, and the advanced payment by CPA paid to KPMG, etc.

(II) When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: None.

(III) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more: None.

V. Information on replacement of certified public accountant

If the Company changes its auditors within or after the previous two years, the following information shall be disclosed:

(I) Ex-CPA:

Replacement date	Approved at the board of directors meeting on March 10, 2026		
Reasons and description of change	In response to the internal adjustment of KPMG, CPA Swimming Hsu and Prudence Kuo of KPMG were replaced by CPA Swimming Hsu and Linda Chiang from the first quarter of 2026.		
The commissioner or CPA terminates or declines the commission	Parties Situation	CPA	Commissioner
	Voluntary termination	N/A	N/A
	Refusal of (continued) commission	N/A	N/A
Opinions and reasons for issuing opinions of the audit report other than unqualified opinions in the last 2 years	None		
Any disagreement with the issuer	Yes		Accounting principles or practices
			Disclosure of financial statements
			Audit coverage or procedures
			Others
	None	V	
	Description	None	

Other matters to be disclosed (Matters covered in item 1-4 to 1-7, subparagraph 6, Article 10 of the regulations shall be disclosed)	None

(II) About the successor CPA:

Accounting firm	KPMG
Name of CPA	Swimming Hsu, Linda Chiang
Date of appointment	Approved at the board of directors meeting on March 10, 2026
The inquiry and result regarding the accounting process or principles of specific transactions and the possible opinions to be expressed on the financial statements before commissioning the CPAs	N/A
The written opinions of the successor CPAs different from the predecessor CPAs	N/A

(III) Reply letter from former CPA on matters provided in item 1 and matter No. 3 in item 2, paragraph 6, Article 10 of these Guidelines s: N/A.

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

VII. Any transfer of equity interests and/or pledge of or change in equity interests (during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report) by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

(I) Shareholding changes of directors, managerial officers and major shareholders

Unit: Share

Title	Name	2025		Current year, as of March 31	
		No. of increase (decrease) of shares held	No. of increase (decrease) of shares pledged	No. of increase (decrease) of shares held	No. of increase (decrease) of shares pledged
Chairman	Y.S. Educational Foundation	2,562,400	—	—	—
	Rep.: Matthew Feng-Chiang Miau	2,727,695	—	—	—
Vice Chairman	Feng-Sheng Miao	1,903,890	—	—	—
Director	UPC Technology Corporation	8,277,658	—	—	—
	Rep.: Song-En Sun	109,282	—	—	—
Director	Yih Yuan Investment Corp.	9,982,460	—	—	—
	Rep.: Cheng-Yu Tan	1,054,737		—	—
	Rep.: Jason Chow	2,031,249	2,800,000	—	—
Director	Roger Lin	—	—	—	—

Title	Name	2025		Current year, as of March 31	
		No. of increase (decrease) of shares held	No. of increase (decrease) of shares pledged	No. of increase (decrease) of shares held	No. of increase (decrease) of shares pledged
Independent director	Lucy-Sun Hwang	—	—	—	—
Independent director	Hsing-Yi Chow	—	—	—	—
Independent director	Chien You Lin	—	—	—	—
CSO	Matthew Feng-Chiang Miau	2,727,695	—	—	—
COS	Tsao-hua Hsu	—	—	—	—
CFO	Chris Yen	—	—	—	—
Corporate governance officer	Milena.Hu (Newly appointed as of August 11, 2025.)				
Corporate governance officer	Eva Lan (Rsigned on August 11, 2025.)	—	—	—	—

(II) Shares Trading with Related Parties: None

(III) Shares Pledge with Related Parties: None.

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

March 31, 2025

Name	Shares held by the shareholder		Shares held by spouse or minor children		Shares held in the names of others		The title or name and relation in case of the top-ten shareholders who are related parties to each other, in a spousal relationship or within the second degree of kinship as defined in the Statement of Financial Accounting Standards No. 6.		Remarks
	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding ratio	Name (or Name)	Relationship	
UPC Technology Corp.	173,830,833	9.68%	–	–	–	–	Matthew Feng-Chiang Miau Feng-Sheng Miao MiTAC International Corp.	Chairman Director The Chairman is the same person	
Representative:Matthew Feng-Chiang Miau	57,281,603	3.19%	–	–	–	–	Feng-Sheng Miao Paul Miao MiTAC International Corp.	Brothers Brothers Chairman	
Yih Yuan Investment Corp.	166,317,666	9.26%	–	–	–	–	–	–	
Representative: Song-En Sun	2,294,930	0.13%	58,377	0.00%	–	–	Yi Feng Investment Co., Ltd.	Director	
Yi Feng Investment Co.,	87,211,263	4.86%	–	–	–	–	–	–	

Name	Shares held by the shareholder		Shares held by spouse or minor children		Shares held in the names of others		The title or name and relation in case of the top-ten shareholders who are related parties to each other, in a spousal relationship or within the second degree of kinship as defined in the Statement of Financial Accounting Standards No. 6.		Remarks
	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding ratio	Name (or Name)	Relationship	
Ltd.									
Representative: So-Hua Sui	1,310	0.00%	—	—	—	—	Yih Yuan Investment Corp.	Director	
Matthew Feng-Chiang Miau	57,281,603	3.19%	—	—	—	—	Feng-Sheng Miao Paul Miao UPC Technology Corporation MiTAC International Corp.	Brothers Brothers Chairman Chairman	
Paul Miao	54,050,731	3.02%	—	—	—	—	Matthew Feng-Chiang Miau Feng-Sheng Miao	Brothers Brothers	
Y.S. Educational Foundation	53,810,415	3.00%	—	—	—	—	Feng-Sheng Miao	Director	
Representative: Hu-Shih Ching	3,176,407	0.18%	—	—	—	—	—	—	
Lien Hwa Industrial Holdings Corporation Employee Welfare Committee	50,569,839	2.82%	—	—	—	—	—	—	
Representative: Roger Lin	—	—	—	—	—	—	Y.S. Educational Foundation	Director	
MiTAC International Corp.	50,102,908	2.79%	—	—	—	—	Matthew Feng-Chiang Miau UPC Technology Corporation	Chairman The Chairman is the same person	
Representative: Matthew Feng-Chiang Miau	57,281,603	3.19%	—	—	—	—	Please refer to the above information	Please refer to the above information	
Jason Chow	42,656,237	2.38%	—	—	14,560,560	0.81%	—	—	
Feng-Sheng Miao	39,981,701	2.23%	1,598,232	0.10%	—	—	Matthew Feng-Chiang Miau Paul Miao UPC Technology Corporation Y.S. Educational Foundation	Brothers Brothers Director Director	

IX. The total number of shares and shareholding ratio held in the same invested business by the Company, the Company's directors, managerial officers, and enterprises directly or indirectly controlled by the Company.

December 31, 2025

Unit: Thousand shares; %

Invested businesses (Note)	Company's investment		Investments of directors, managerial officers and directly or indirectly controlled business		Consolidated investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
UPC Technology Corporation	424,881	31.93	45,634	3.43	470,515	35.36
Linde Lienhwa Industrial Gases Co., Ltd.	1,886	50.00	0	0.00	1,886	50.00
MiTAC Inc.	143,480	35.89	16,716	4.18	160,196	40.08
MiTAC Information Technology Corp.	79,080	37.66	68,490	40.29	147,570	77.95
Hua Cheng Investment Co.,Ltd.	140,456	100.00	0	0.00	140,456	100.00
Lienhwa United LPG	7,694	24.04	5,531	17.29	13,225	41.33
Fortune Dragon Holding Inc.	120,155	100.00	0	0.00	120,155	100.00
Feng Yao Energy Co., Ltd.	9,700	100.00	0	0.00	9,700	100.00
Lien Hwa Milling Corp.	74,999	74.999	1	0.001	75,000	75.00
Lien Hwa Property Development Corp.	200,100	100.00	0	0.00	200,100	100.00
Lien Hwa Industrial Corp.	2,400	100.00	0	0.00	2,400	100.00
Asia Hydrogen Energy Corporation	7,465	50.927	1	0.007	7,466	50.934
TXI BA WENG INC.	5,080	20.32	2,415	9.66	7,495	29.98

Note: The invested businesses are the investments made by the Company via the equity method.

Three. Information on capital raising activities

I. Capital and shares

(I) Source of capital

1. Issued shares

March 31, 2026

Year / month	Issue price (NTD)	Authorized capital stock		Paid-up capital		Remarks		
		Number of shares (share)	Amount (NTD)	Number of shares (share)	Amount (NTD)	Source of capital	Property other than cash as substitute for share price	Others
September 2025	10	2,500,000,000	25,000,000,000	1,795,960,668	17,959,606,680	Capitalization of retained earnings Offering of new shares	—	Note 1

Note 1: Authorization of Ching-Shou-Shang-Tzi No. 11430132870 on September 22, 2025.

2. Share categories

Type	Authorized capital stock			Remarks
	Outstanding shares (Note 1)	Unissued shares	Total	
Common stocks	1,795,960,668 shares	704,039,332 shares	2,500,000,000 shares	Note 2

Note 1: The outstanding shares were listed for trading on TPEX.

Note 2: 60,000,000 shares of the authorized capital stock are preserved for the employee stock option certificates.

3. Information on general declaration systems: None.

(II)List of major shareholders

March 30, 2026

Shares / Name of major shareholder	No. of shares held	Shareholding percentage (%)
UPC Technology Corp.	173,830,833	9.68
Yih Yuan Investment Corp.	166,371,166	9.26
Yi Feng Investment Co., Ltd.	87,211,263	4.86
Matthew Feng-Chiang Miau	57,281,603	3.19
Paul Miao	54,050,731	3.01
Y.S. Educational Foundation	53,810,415	3.00
Lien Hwa Industrial Holdings Corporation Employee Welfare Committee	50,569,839	2.82
MiTAC International Corp.	50,102,908	2.79
Jason Chow	42,656,237	2.38
Feng-Sheng Miao	39,981,701	2.23

(III) Dividend policy and the status of implementation

1. The dividend policy defined by the Articles of Incorporation

   The Company is currently in stable growth and most of the earnings of the Company come from the invested business recognized using the equity method. For the sustainable operation and long-term development of the Company, if there are earnings in the final account of the year, in addition to the reimbursement of the accumulated losses and the payment of taxes, 10% of the earnings shall be appropriated as legal reserve and appropriate a special reserve for the amount debited to the other shareholder's equity in the current year. The distribution of the remaining surplus together with the accumulated earnings of the previous years that have not been distributed is as follows:

   (1)The cash dividend: The distribution is planned by the Board of Directors in consideration of the financial structure of the Company, future capital needs and profitability. The cash dividend for shareholders shall not be less than 10% of the total amount of the current dividend and then reported to the Shareholders' Meeting.

   (2)The stock dividend: The distribution is planned by the Board of Directors in consideration of the current operating status and the capital needs, and submitted to the shareholder's meeting for discussion.

   (3)The balance is retained in accordance with the laws.

2. The company will maintain a stable dividend policy. In order to return the operating results to shareholders, the Company refers to the spirit of the Articles of Incorporation to appropriate an amount no less than 50% of the annual profit as the stock dividends each year since 2011 and the cash dividend ratio occupies not be less 50% among the distribution, and the board of directors of the company will continue this stable dividend policy.

3. Dividend distribution proposed for the next annual general meeting

   According to the above principles, the Board of Directors has proposed the (2025) dividend distribution with NTD1.80 per share of cash dividend and NTD 0.2 per share of stock dividend on March 10, 2026. The Board will submit the proposal to the regular shareholders' meeting for approval on May 28, 2026.

4. The explanation of the material change of proposed dividend policy: The proposed dividend policy does not have material changes.

(IV) Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at this shareholders' meeting.

Unit: NTD thousand

Year Item			2026 (estimated)
Opening paid-up capital			17,959,607
Dividend distribution of the current year (Note 1)	Cash dividends per share (NTD)		1.80
	Stock dividends per share (from capitalization of earnings)		0.02
	Stock dividends per share (from capitalization of reserves)		—
Changes in business performance	Operating profit		N/A (Note 2)
	Year-on-year ratio variation of operating profit		
	After-tax profit		
	Year-on-year percentage variation of after-tax profit		
	Earnings per share		
	Year-on-year percentage variation of earnings per share		
	Annual average ROI (a reciprocal of annual average PE)		
Pro forma EPS and PE ratio	If capitalized earnings were entirely distributed as cash dividends	Pro forma EPS	
		Pro forma annual ROI	
	Without capitalization of reserves	Pro forma EPS	
		Pro forma annual ROI	
	If capitalized earnings were entirely distributed as cash dividends without the capitalization of serves	Pro forma EPS	
		Pro forma annual ROI	

Note1: The distribution has not been approved at the 2026 regular shareholders' meeting.

Note 2: According to the "Regulations Governing the Publication of Financial Forecasts of Public Companies," the Company did not disclose the complete financial forecast, therefore it is not necessary to disclose the forecast information in 2026.

(V) Employee and director remuneration

1. Proportion or scope of remuneration to employees and directors as stated in the Articles of Incorporation:
   According to the Articles of Incorporation, annual profits concluded by the Company shall be subject to employee remuneration of no less than 0.1%.(of which, the employee compensation amount shall not be less than 0.1% distributed to entry-level employees). In addition, directors' remuneration may be provided up to 1% of the annual profit. However, profits must first be taken to offset against cumulative losses if any. Employees' remuneration, as mentioned above, can be paid in shares or cash to employees of affiliated companies that satisfy certain criteria.
2. Basis for estimating the remuneration amounts for employees, directors, and supervisors for the current period, calculation basis for the number of shares distributed as employee remuneration, and the accounting treatment for differences between actual and the

estimated amount.

(1) Basis for estimating the remuneration amounts of employees, directors, and supervisors for the current period: The estimated amount of the employee and director remuneration for the year 2025 is based on the Company's profit before tax for the period, excluding the amount for employee and director remuneration. The estimation also considers the distribution ratios stipulated in the Articles of Incorporation and is determined with reference to historical experience.

(2) Calculation basis for the number of shares distributed as employee remuneration and accounting treatment when there is a difference between the estimated and the actual distribution amount: The Company did not distribute employee remuneration in shares for the current period (2025), therefore the item is not applicable.

(3) Accounting treatment when the actual distribution amount differs from the estimated amount: If the actual remuneration amount of the Company differs from the estimated amount for the current period, the difference will be treated as a change in accounting estimates and recognized in profit or loss in the following year.

3. Board approval of the distribution of remuneration

(1) If the amount of the remuneration for employees and remuneration for directors and supervisors in cash or in stock is different from the amount estimated in the expense recognition year, disclose the difference, causes, and settlement: In 2025, the remuneration for employees and for directors was NT$4,773 thousand and NT$9,000 thousand respectively, which is consistent with the amount estimated in the expense recognition year.

(2) Percentage of the remuneration for employees paid in stocks in the net income after tax in the current individual financial statement and the total amount of remuneration for employees: N/A

4. Actual status of distribution of remuneration for employees and directors in the previous year (including the number, amount, and stock price of distributed shares); state the difference, causes, and settlement if it is different from the recognized remuneration for employees and directors: The remuneration for employees and for directors was NT$4,250 thousand and NT$9,020 thousand respectively, which is consistent with the recognized amount.

(IX) Buyback of Treasury Stock: None.

II. Issuance of corporate Bond:

Type of corporate bond	2022 First Secured Ordinary Corporate Bond of Lien Hwa Industrial Holdings Corporation
Issue (offering) date	May 17, 2022
Par value	One Million New Taiwan Dollars
Issuance and trading location	NA
Issue price	Issued at face value
Total amount	The total amount of corporate bonds issued is Aggregate amount NTD 2,500,000,000；comprised of NTD1.2 billion Tranche A and NTD1.3 billion Tranche B.
Interest Rate	The annual fixed coupon rate is at 1.30%
Tenor	5 years, Maturity: May 17, 2027
Corporate guarantors	Tranche A is entrusted to Mega International Commercial Bank Co., Ltd., and Tranche B is entrusted to Hua Nan Commercial Bank, Ltd. according to the entrustment guarantee contract signed by the individual and the performance of the corporate bonds guarantee contract.

Type of corporate bond		2022 First Secured Ordinary Corporate Bond of Lien Hwa Industrial Holdings Corporation
Trustee		Bank SinoPac CO., LTD.
Underwriter		Mega Securities Co., Ltd.
Lawyer		Yue, Chung Chieh Law Firm Yue, Chung Chieh
CPAs		CPAs Swimming Hsu of KPMG
Method of repayment		Repayment in lump sum upon maturity
Outstanding balance		NTD 2,500,000,000
Terms and conditions for early redemption or repayment		None.
Restrictive clauses		None.
Name of credit rating agency, dates of rating, and ratings awarded		None.
Attached with other rights	Amount of common stock, GDR/ADR or other securities already converted until the date of publication of the annual report (swapped or subscribed for)	NA
	Regulations for Issuance and Conversion (Swap or Subscription)	None.
Status of potential dilution of equity by the Regulations for Issuance and Conversion, Swap or Subscription, and the issuing terms and conditions, and impact thereof on the existing shareholders' equity.		None.
Name of custody institute		None.

III. The section on preferred shares shall: None.

IV.The section on global depository receipts : None.

V. The section on employee share subscription warrants

(1) Unexpired employee stock option warrants issued by the Company in existence as of the date of printing of the annual report, and the effect of such warrants upon shareholders’ equity：

March 31, 2025

Types of Employee Stock Options	Fifth Employee Stock Option Certificate (Tranche 1)	Fifth Employee Stock Option Certificate (Tranche 2)	Sixth Employee Stock Option Certificate
Effective date of declaration and total number of units	March 21, 2025／ 6,000 units	March 21, 2025／ 6,000 units	March 31, 2026／ 4,000 units
Issue Date	April 9, 2025	December 8, 2025	None
Units issued	2,991 units (note 1)	3,009 units (note 1)	None
Available units for issuance	3,009 units	0	4,000 units
Ratio of shares issuable to total shares issued.	0.16654%	0.16754%	-
Sock options duration	6 years	6 years	6 years
Exercise method	Issuance of new shares	Issuance of new shares	Issuance of new shares
Limit on subscription period and ratio (%)	The options holder may exercise their stock options according to the following schedule, starting from two years after the grant date of the employee stock option certificate and ending ten days before the expiration date, except during the suspension period as stipulated in Article 8, Paragraph 1. Schedule Exercisable ratio After 2 years 50% After 3 years 75% After 4 years 100%	The options holder may exercise their stock options according to the following schedule, starting from two years after the grant date of the employee stock option certificate and ending ten days before the expiration date, except during the suspension period as stipulated in Article 8, Paragraph 1. Schedule Exercisable ratio After 2 years 50% After 3 years 75% After 4 years 100%	The options holder may exercise their stock options according to the following schedule, starting from two years after the grant date of the employee stock option certificate and ending ten days before the expiration date, except during the suspension period as stipulated in Article 8, Paragraph 1. Schedule Exercisable ratio After 2 years 50% After 3 years 75% After 4 years 100%
Number of shares acquired through execution	0 share	0 share	0 share
Executed subscription amount	-	-	-
Number of unexercised share units	2,991 unit	3,009 unit	4,000 unit
Subscription price per share for unexercised subscriber	38.50	47.15	None
Percentage of unexercised subscription shares relative to total issued shares (%)	0.16654%	0.16754%	-
Impact on shareholders' equity	Since the option holders can only exercise their rights starting two years after the grant date and according to the exercise schedule specified in the plan, there is no actual impact on shareholders' equity as of the current period.	Since the option holders can only exercise their rights starting two years after the grant date and according to the exercise schedule specified in the plan, there is no actual impact on shareholders' equity as of the current period.	Since the option holders can only exercise their rights starting two years after the grant date and according to the exercise schedule specified in the plan, there is no actual impact on shareholders' equity as of the current period.

Note 1：Each unit of the employee stock option certificate entitles the holder to subscribe for 1,000 common shares of the Company.

(II) The names of ten-level company exccutives holding employee stock option warrants and the cumulative number of such warrants exercised by said executives as of the date of printing of the annual report

March 31, 2026
Unit: In thousands of New Taiwan Dollars / Share

Category	Title	Name	Number of shares subscribed	% of total issued shares (subscribed)	Exercised				Unexercised				
					Number of Shares Exercised	Exercise Price (NT$)	Total Exercise Amount	% of Total Issued Shares (Exercised)	Number of Shares Exercised	Exercise Price (NT$)		Total Unexercised Amount	% of Total Issued Shares (Unexercised)
										Term	Price		
Managers	CSO	Miau, Matthew Feng Chiang	1,074,000	0.05%	0	0	0	0.00%	1,074,000	fifth time and the first issue	38.5	45,752	0.05%
	Vice CEO	Feng-Sheng Miao											
	COS	Tsao-hua Hsu											
	President	Roger Lin								fifth time and the second issue	47.15		
	CFO	Chris Yen											
	CGO	Milena.Hu											
Employees	Senior Director	Joseph.Miau	1,542,000	0.08%	0	0	0	0.00%	1,542,000	fifth time and the first issue	38.5	65,742	0.08%
	Senior Director	Toby Collins											
	President (Subsidiary)	Michael Chang											
	Factory Manager (Subsidiary)	Pojen Chi											
	Assistant General Manager (Subsidiary)	Agnes Kuo											
	Vice President (Subsidiary)	Harrison Shao											
	Manager (Subsidiary)	Stanley Chien								fifth time and the second issue	47.15		
	Manager (Subsidiary)	Qiang Wu											
	Assistant Plant Manager (Subsidiary)	Leo Lee											
	Manager (Subsidiary)	Bon Lin											
	Senior Manager	Tiger Cheng											
	Manager	Raker Kuo											

VI. The section on new restricted employee shares: None.

VII. The section on issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: None.

VIII. The section on implementation of the company's capital allocation plans: None.

Four. Overview of business operation

The company is an industrial holding company The main businesses of the company's subsidiaries are flour manufacturing and sales, real estate leasing, and automation system integration business As such, the business performance will be described based on the main businesses of the subsidiaries.

I. Content of business

(I) Business scope

1. Content of main business:
   (1) General investment
   (2) Flour products
   (3) System integration services
   (4) Real estate leasing

2. Business ratios

Name of products	Weight of business activities (%) in 2025
Flour, wheat bran, and pasta	37
System integration services	49
Investment revenue	11
Real estate leasing	3
Total	100

3. The Company's current products and services
   (1) Flour products: Flour, wheat bran, wheat bran grains, wheat germ, and etc.
   (2) Product of secondary processing: Pasta
   (3) System integration services: Sales and integration services of information and communication software and hardware
   (4) Real estate leasing: Sales, purchase and leasing of lands and houses and real estate management development

4. New products and services planned for development

(1) Flour food products:

To address the dietary needs of the aging population for high-fiber, multi-grain, and high-protein products, the Company is developing premixes for high-fiber bakery goods, whole-grain steamed buns, high-protein Chinese pastries, and whole-wheat noodles. Additionally, we are launching four types of pet biscuit premixes to expand our presence in the ready-to-eat pet food market. Furthermore, we have obtained multiple Halal certifications for our flour and pasta products. We are also conducting research on new wheat varieties and processing equipment to develop products with enhanced functional properties and novel textures, providing consumers with a wider range of diverse choices.

(2) Secondary processing products

We continue to conduct research on various raw materials for semolina to understand their quality characteristics.By establishing production benchmarks and streamlining production processes, we aim to enhance product quality, develop new formulas to reduce costs, and further expand into overseas markets.

(3) System integration services

As government and corporations push for digital transformation, the issues of achieving net zero carbon emissions and promoting green energy persist. MiTAC Information Technology actively invests in the development of a data integration and governance platform called “cloud-edge-endpoint”. We hope to establish a solid foundation for digital and low-carbon transformation by integrating and applying emerging technologies such as AI, 5G communication, and blockchain.

MiTAC Information Technology has independently developed products such as MiSBot.ai, MiEcoMatrix, and MiAutoML, featuring No-Code / Low Code capabilities. These solutions enable non-IT professionals to create analytical charts and reports across various industries, conduct data aggregation, governance, and predictive analysis, and integrate cloud services to build a comprehensive AIoT solutions. MiTAC Information Technology will continue to focus on dual-axis digital transformation in the areas of AI and ESG, developing solutions applicable to various fields, including digital finance, smart city governance, smart transportation, and smart manufacturing, to capture ongoing business opportunities.

(4) Real estate lease

Sales increase every year at the advent of the new retailing era when online shopping is the mainstream. In 2021, we began to revitalize the idle land in Yangmei, Taoyuan, together with Ally Logistic Property to build a modernized large smart logistic park. With an investment of about NT$2.2 billion, the park occupies an area of about 52,893m2, with a building floor area of about 76,033m2. Facilities in the park include sustainable, eco-friendly warehousing, automated storage and retrieval system, energy-efficient equipment, conference space, and employee resting space. The estimated time of service will begin in 2025. In response to the demand for leasing factories and offices within one-day living circle in Taipei-Keelung metropolitan area following the development of the Keelung MRT, we plan to construct factories and offices on idle land in Qidu, with early integration of green energy equipment to boost sustainable development competitiveness and renewable energy development. We expect to depart from traditional real estate management practices by adopting diversified development strategy, mindset, and perspectives, thereby creating a larger development space and increasing asset value.

(II) Industry overview

- Flour products

1. Industry status and development:

The global food industry continues to be affected by supply chain instability, inflationary pressures, and geopolitical factors. The global supply chain is gradually shifting from an efficiency-oriented model to a framework that balances security and resilience; consequently, the stability of food raw material supplies has become a critical issue for industrial operations.

As a country highly reliant on imports for wheat raw materials, Taiwan's raw material prices and quality are susceptible to international supply and demand, climate change, logistics, and exchange rate fluctuations. Although wheat prices have retreated from their peaks in recent years, they remain above pre-pandemic levels. The uncertainty of raw material and transportation costs continues to be a primary risk for industrial operations.

In addition, extreme weather affects crop yields and quality. Fluctuations in wheat protein specifications and supply stability from major production areas have further increased the management costs for flour millers in terms of quality control and procurement.

2. Correlations of the up-, mid-, and down-stream dealers in the industry

The flour and pasta industry chain can be categorized into three major segments: upstream raw material supply, midstream manufacturing, and downstream sales channels, all of which are highly interconnected.

The upstream segment primarily relies on wheat as the main raw material. Prices are highly sensitive to the overall cost structure, influenced by global supply and demand, climate conditions, exchange rates, and energy costs. Industry players generally ensure supply stability and mitigate price fluctuation risks through joint procurement, independent sourcing, and flexible inventory management.

The midstream segment encompasses flour and food processing, including baking, noodles, Chinese flour-based foods, frozen prepared foods, and instant noodles. As market demand upgrades, midstream players are gradually shifting from simple processing toward formula R&D, quality stability, and customized services to enhance product value-added and strengthen customer loyalty.

The downstream sales channels include branded stores, chain restaurants, hypermarkets, baking supply stores, convenience stores, and e-commerce platforms. In recent years, driven by changes in labor structure and consumption patterns, the demand for fresh prepared foods, frozen foods, and standardized semi-finished products has increased. This has fostered closer collaboration between upstream and downstream players, driving the industry toward large-scale, efficient, and high-quality development.

3. Development trends of macroeconomics and industry and product competition

The flour industry in Taiwan, characterized by a limited market size and a large number of players, has long faced overcapacity and intense price competition, which has compressed overall profit margins. In recent years, market competition has gradually evolved into a stratified structure.

While the market for general-purpose flour remains primarily driven by price competition, the Company continues to invest resources into additive-free, high-performance, and professional-grade specialty flours. In response to market demand, we have developed functional products such as low-carb, high-fiber, and high-protein options to enhance the added value of our product portfolio.

● Secondary processed food

1. Current and future industry prospects

The Taiwanese pasta market has long been dominated by imported products. As the owner of the only pasta production facility in Taiwan, the Company possesses the manufacturing capability to complete production, quality control, and supply coordination locally. This provides a favorable foundation in terms of supply stability, delivery flexibility, and product consistency, helping to meet the demands of catering, fresh food, and frozen prepared food channels for stable supply.

In addition, as dietary patterns in overseas markets continue to westernize, pasta—as a staple dry noodle product—benefits from high cross-cultural acceptance, providing growth opportunities for the export market. The Company continues to evaluate its overseas market layout, combining its local production advantages to gradually enhance brand visibility and market competitiveness.

2. Association between upstream, midstream, and downstream industry participants

The upstream segment primarily utilizes Durum wheat flour as the main raw material. The Company continuously optimizes its raw material sourcing and allocation to ensure a stable supply of pasta and related secondary processed products, while balancing cost-effectiveness and quality consistency.

The midstream segment covers fresh food factories, Italian restaurants, pizza shops, convenience stores, and catering services. The Company is also actively expanding its presence in the household pasta and pre-mixed powder markets to broaden the scope of product applications.

Downstream sales channels include branded stores, chain restaurants, hypermarkets, baking supply stores, e-commerce platforms, and convenience stores. The Company continues to optimize its product portfolio and specifications to enhance market penetration and overall competitiveness.

3. Macroeconomics, industry trends, and the competitive landscape

In recent years, the macroeconomic environment has been impacted by inflationary pressures, shifts in consumer behavior, and uncertainties in international trade. While overall food consumption has become more cautious, demand for dining out and ready-to-eat meals remains resilient. Regarding industry trends, the markets for home-use pasta, pre-mixed powders, and semi-finished products are growing, with health, clean labels, and ingredient transparency becoming critical directions for product development. As market demand diversifies, the focus of competition is gradually shifting from price to product differentiation, manufacturing technology, and the ability to provide integrated solutions. In response to these trends, the Company continues to enhance quality stability and application flexibility through product value addition and process optimization, while adjusting product specifications and portfolios based on different channels and customer needs. Leveraging its local manufacturing foundation, the Company is actively developing products with health appeal and convenience features to increase added value and market competitiveness.

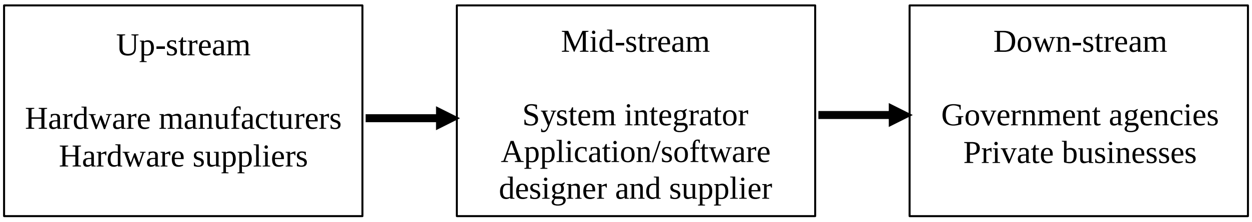
- System integration service

1. Current and future industry prospects

System integration is the process of combining different information and communication equipment, software, and applications and making them function or appear as a unified system. Although system integration may vary significantly in terms of size and complexity, the underlying tasks generally involve software development, hardware implementation, testing and calibration, training, and consultation. While Taiwan thrives in hardware manufacturing, it has relatively small demand for information service (including system integration), which makes talent recruitment all the more difficult. In the future, as information and communication technologies such as communications, cloud, artificial intelligence, and software-defined networks mature, whereas the pandemic and ESG issues give businesses the stimulus they need to undergo digital and low-carbon transformations. Demand for system integration is likely to expand in the future.

2. Association between upstream, midstream, and downstream industry participants

Manufacturers of automated machinery and IT products represent the upstream of the system integration segment; their products are integrated by software designers and system integrators in the midstream, which add value before they are sold to government agencies and private businesses in the downstream. For upstream manufacturers, the software developed by IT service provider adds value to hardware; and for downstream customers, well-integrated hardware and software not only reduce operating cost, but also increases service efficiency. Illustration of upstream, midstream, and downstream association:



3. Macroeconomics, industry trends, and the competitive landscape

System integration involves a diverse and increasing number of IT service providers; products in each market segment are so diversified and different in functionality that very few businesses engage in exactly the same activities despite the abundant number of competitors. Below is a list of main competitors that share more similarity with MiTAC in terms of business activity and market position:

Product category	Main competitors
System integration	SYSTEX, Syscom, Chunghwa Telecom, FET, International Integrated Systems, HwaCom Systems
Automated fee collection system	MDS, CECC, CTCI ASI

● Real estate leasing

1. Industry status and development:

Due to the development of technology and manufacturing industries, Taiwan’s commercial real estate industry continues to drive the demand for offices and production facilities. In particular, the iterative expansion of the semiconductor industry has brought strong demand for R&D and production space. Commercial facilities and shopping centers have been successively built to meet the needs of consumers. Facing the challenges of high cost of construction, the commercial real estate market should still respond cautiously. In the future, the commercial real estate industry is projected to continue growing. However, effectively addressing market equilibrium, iterative development, and market competition is essential to stabilize development and growth strategies..

2. Development trends and competition of products

With the adjustment of the global supply chain and the vigorous development of the technology industry, the demand for high-tech manufacturing plants continues to rise. In particular, the rapid development of the semiconductor industry has led to a significant increase in the demand for advanced manufacturing plants. As consumer demand and consumption patterns continue to change, commercial facilities and shopping centers are upgrading and expanding to meet diverse consumption patterns. In the future, with the increasing awareness of eco-protection and sustainable development, the demand for green buildings and eco-friendly commercial real estate will gradually rise. We hope to enhance asset value and boost the overall leasing profit.

(3) Technological research and development

1. R&D expenses made in the last year up until the publication date of annual report

Unit: NTD thousands

Year	2025	Jan-Mar 2026
R&D expenses	91,503	21,697

2. Technologies or products successfully developed

● Flour products:

(1) In response to foreign demand for enriched flour, the Company has developed four types of customized flour specifically for the Philippine market to expand its overseas presence. Additionally, the Company has launched seven types of Canadian nutritional additive products to assist customers in promoting their products for export to the Canadian market.

(2) Development of customer-oriented specialty flour, as： Specialized flours, including flour for Japanese ramen, frying and thickening flour, pizza flour, and flour for frozen dumplings, are developed to assist clients in overcoming high technical barriers. The Company also provides technical services to support clients during machine trial runs.

(3) Launched new products suitable for home baking: Blue Jacket additive-free high-gluten flour, rice-based sponge cake premix, churros premix, traditional crepe (batter-based) premix,

tangzhong bread premix, crispy cracker premix, Japanese-style fried chicken coating, and pet biscuit premix.

(4) In addition to developing specialized flours, the Company also helped producers develop production SOPs and control points for products such as flour for large toast processing plants in North, Central and South China, etc..

(5) Research on American, Australian, and Canadian wheat, and development of wheat species.

- System integration service:

(1) Completed the Diversified Payment System for 2028 stations of the Taipei Metro, including credit card and mobile QR code payment capabilities. The system was launched on January 3, 2026, and has been operating smoothly.

(2) Developed the "AutoGate" system, which utilizes individual facial recognition for gate clearance verification. It successfully passed the Taipei Metro's Proof of Concept (PoC) validation at the end of 2025 and is slated for future use as a fare collection gate.

(3)Collaborated with National Taipei University of Technology to develop a localized Train Control and Monitoring System (TCMS). The objective is to conduct pilot runs on Taoyuan Metro's Kawasaki rolling stock within three years, providing a domestic alternative to TCMS solutions from foreign manufacturers.

(4) Building on the "MiSBot.ai Generative AI Service" developed in 2024—the first on-premises AI model service—the company launched the derivative "Generative AI Intelligent Training Service" in 2025, which has won numerous awards both domestically and internationally. MiSBot.ai provides enterprises with generative AI solutions based on the Llama model, enabling on-premises deployment of Large Language Models (LLM). By building internal corporate knowledge bases, it ensures data security while flexibly adapting to various business needs, addressing enterprise pain points in information processing and manpower allocation.

(5) "MiEcoMatrix," developed in 2024, is the Group’s inaugural ESG War Room platform. It seamlessly integrates Environmental, Social, and Governance (ESG) principles with smart building technology. Utilizing advanced data collection and analysis tools, it automatically and rapidly gathers carbon emission data and leverages AI to provide robust forecasting and improvement recommendations, assisting enterprises in achieving long-term energy-saving and carbon reduction goals. In 2025, it was honored with the "National Brand Yushan Award - President's Premier Award" and the "Golden Ever Award."

(6) Successfully developed "MiAutoML," an automated AI model building tool that enables the rapid creation of AI models through No-Code and Low-Code methods. By significantly reducing development complexity, it represents a vital technological application for the entire AI industry.

(7) During the 2025 R&D process, fourteen AI-related patent applications were submitted. These include: an edge data ecosystem and method with real-time perception and pre-inference feedback; a data lakehouse system with multimodal data support and event-driven governance; and a user interaction task system and method with insight-driven and push-triggered capabilities. These innovations span multiple domains—from AI avatars to multimodal learning, and from human-computer interaction to AI model optimization—demonstrating MiTAC Information Technology’s profound expertise and strength in the field of AI.

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

1. Short-term business plans

(1) Flour milling products: Lien Hwa Milling In response to the rising trend of healthy eating, consumers are placing greater emphasis on simple formulas, nutritional structure, and ingredient quality. Leveraging its foundation in flour milling and blending technologies, the Company is focusing on high-value-added product development and advancing its strategic layout for functional flour. In the short term, the Company will continue to promote high-end functional products, such as low-carb flour, to meet the demands of the health-conscious and professional application markets, while gradually increasing market penetration.

Meanwhile, for the household and retail markets, the Company has launched small-packaging "Blue Jacket" additive-free high-gluten flour. This product emphasizes a "simple, natural, and additive-free" appeal, utilizing high-quality ingredients and strengthened quality control to enhance product texture and consumer trust. Additionally, to address the demand for home cooking and convenience, the Company continues to develop home cooking and baking premixes, expanding the application scenarios for baking and simple meal preparation.

Furthermore, as health trends extend into the pet food market, owners are increasingly demanding formula transparency and functional benefits in pet diets. Based on its experience in food-grade ingredient management, formulation design, and premix manufacturing, the Company has entered the pet food sector by establishing the "Petson" brand. This brand focuses on pet baking premixes and integrates functional claims during the R&D stage to strengthen product functionality, responding to market demands for health and companionship-oriented consumption. Looking ahead, the Company will strategically evaluate expanding into finished pet food products based on market feedback and R&D progress, gradually building a complete product line to diversify its product structure and cultivate new growth momentum.

Regarding brand strategy, the Company will continue to drive the brand image upgrade of "Blue Jacket." Through adjustments in packaging structure and visual design, we aim to strengthen product recognition and shelf-display effectiveness, while ensuring storage convenience and user experience to boost competitiveness in the retail market. Furthermore, based on the characteristics of different product lines, the Company will manage distinct brand positioning for human and pet products to ensure clear brand communication and focused resource allocation. In conjunction with the small-packaging product layout, we will continue to expand retail channel coverage to improve market penetration.

The marketing and channel strategy focuses on segmented market management and the delivery of brand value. By integrating group resources to develop e-commerce channels, the Company will construct a sales platform covering consumer food ingredients, noodle products, and pet food to strengthen online sales capabilities, increase brand touchpoints, and optimize overall operational efficiency.

(2) Secondary products: In response to shifts in consumer patterns and channel demands, the Company will focus on enhancing the quality stability of secondary processed products, advancing product differentiation, and adjusting channel strategies in the short term to strengthen overall market competitiveness. Our product strategy will emphasize improvements in flavor, texture consistency, and functional benefits, with continuous optimization of product specifications for ready-to-eat, microwavable, and frozen prepared foods to meet the application requirements of the catering, fresh food, and retail markets.

Regarding market positioning, besides deepening collaborations with existing clients, the Company will expand contract manufacturing (OEM) and sub-brand presence in the mid-to-low-end market segments based on product positioning, aiming to optimize capacity utilization and broaden the market base. Concurrently, we will strengthen the high-end positioning of the "Campania" brand to consolidate its brand image and enhance product recognition.

In terms of channel strategy, beyond established catering and mass-market channels, the Company will actively develop diverse sales outlets—including health food specialty stores, online retail platforms, and food service providers—to increase market coverage and consumer touchpoints.

Furthermore, through industry-academia collaboration and technical exchange, the Company will continue to drive innovations in functional pasta formulations and texture structures. These efforts are designed to increase product value-add and application flexibility, maintaining our competitive advantage while laying a solid foundation for future product development and market expansion.

(3) System integration services: ntegrating technology trends such as AI, BI, and ESG, the Company is actively developing “cloud-edge-endpoint” hardware and software products and services. By leveraging our self-developed ETL, AutoML, BI server, and data governance

platform MiAIOT, we have built the foundation for the “AI All-in-One Machine.” Under this framework, the Company is promoting comprehensive smart city solutions across various domains.

(4) Real estate leasing: Planning and integrating idle land, offices of affiliates, and revitalizing and upgrading old plants. In addition to the ongoing construction of the Taoyuan Yangmei modern large-scale smart logistics park in collaboration with Ally Logistic Property, the Company is planning to expand the development space of its existing real estate business as per the overall planning of the Qidu Plant in Keelung.

2. Long-term business plans

In recent years, competition in the domestic flour industry has intensified. As consumption patterns shift and health awareness rises, market demand has evolved from generic products to high-quality, specialty, and differentiated product portfolios. In response to these structural changes, the Company’s medium-to-long-term strategy will upgrade from being "product-oriented" to "business structure and capability-oriented" to strengthen its competitive foundation and support long-term growth.

In its core business, the Company will leverage its flour milling expertise and formulation capabilities to establish a high-value-added product structure. By accumulating R&D momentum, enhancing quality stability, and deepening application services, we aim to reduce reliance on single markets and price competition. Concurrently, the Company will continue to evaluate vertical integration, strategic alliances, technical cooperation, or investment opportunities to bolster key capabilities and channel resources, thereby improving operational efficiency and scale flexibility.

To navigate global economic volatility and raw material fluctuations, the Company will strengthen its R&D systems and organizational collaboration. By integrating internal R&D, manufacturing, brand, and channel resources across the Group, we aim to create a replicable and scalable operating model that supports growth and maintains a stable profit structure.

Regarding new business development, the Company will focus on health trends to build a dual-axis platform for "human and pet food." By extending our expertise in food-grade ingredient management, formulation design, and manufacturing, we are prudently advancing our pet food business. This initiative aims to accumulate R&D, branding, and channel experience, cultivating a long-term growth engine while diversifying operational risks.

In the pasta business, the Company aims to transition from a pure manufacturer to a professional platform integrating R&D, processing, and application development. By refining product specifications and expanding application scenarios, we will broaden the presence of pasta in the fresh food, ready-to-eat, and catering markets, gradually increasing our participation in the value chain to enhance long-term competitiveness.

Overall, our medium-to-long-term development will focus on "upgrading the core business, building a dual-axis health platform, and deepening pasta applications." Through capability accumulation, structural optimization, and strategic cooperation, the Company seeks to expand its market presence and lay a foundation for sustainable operations.

In the system integration business, the Company continues to strengthen the integrated application of AI, ESG platform software, and front-end devices. Platform software development emphasizes Low-Code/No-Code features and the principles of sharing and reuse to reduce costs, shorten delivery timelines, and provide high-quality solutions. For front-end device research and manufacturing, the Company focuses on achieving economies of scale through shared modules.

II. Market, production, and sales overview

(I)(1) Market analysis

1. Sales location and market share of main products

(1) Flour products: The Company’s flour products are sold in both domestic and overseas markets, with the domestic market remaining the primary focus, accounting for approximately a 30% market share in Taiwan. Regarding overseas markets, the main sales regions include Hong Kong, Macao, Singapore, and Malaysia.

(2) Secondary processed food: Pasta products are primarily sold in the domestic market, supplemented by export markets. The domestic market mainly serves brand OEM clients, food processors, and catering channels. For the export market, Hong Kong and Macao are the primary sales regions, maintaining stable shipments.

(3) System integration service: MiTAC ITC is a leading system integrator in Taiwan that specializes in project-based tasks. MiTAC ITC is an influential player in the world of ITC projects, and serves a wide spectrum of customers from government agencies, educational institutions, financial institutions to state-owned/private enterprises. Its overseas projects mostly involve smart traffic.

2. Future market supply, demand and growth

(1) Flour products: In the domestic flour market, there are still over a dozen manufacturers, and the industry is characterized by a structural oversupply of production capacity, leading to persistent price competition. Future market growth momentum will primarily stem from product upgrades, specialty flours, and high-value-added applications. In addition to maintaining stable product quality and strengthening its brand image, the Company is actively developing diverse sales models and professional application markets to consolidate its market position and improve its overall profit structure.

Secondary processed food: The domestic pasta market has reached a stage of maturity. Future growth will be driven by the development of differentiated products, the expansion of consumption scenarios, and the strategic response to competition from imported brands.

(2) System integration services: With further breakthroughs in artificial intelligence (AI) technology and the vigorous development of the Internet of Things (IoT), the convergence of both has evolved into AIoT, driving continuous development of new intelligent applications across various fields. It is expected that business opportunities related to AIoT governance platforms, business intelligence (BI), and 5G connectivity will grow significantly, with related applications becoming faster, broader, and more innovative. Furthermore, the digital transformation of governments and enterprises is expected to continue expanding.

(3) Real estate leasing: Taiwan's industrial and commercial economic activities remain active, leading to a strong demand for real estate. The proportion of investment rent collection increases annually. We will continue to diversify leasing targets, provide new spaces for tenants of current facilities, consolidate and optimize exsisting assets, and boost the percentage of rental income. The demand for industrial and commercial real estate is projected to grow steadily in the future.

3. Competitive advantages, opportunities, threats, and response strategies

●Flour products

(1) Opportunities

The Company possesses mature R&D capabilities and well-equipped production facilities, ensuring stable operations and consistent product quality. As the baking and food processing markets trend toward refinement, the demand for high-quality and professional-use flour continues to rise. Compared to small and medium-sized enterprises, the Company maintains superior control over international wheat sourcing, supply chain management, and quality control. Furthermore, with its professional R&D and customer service teams, the Company continuously introduces new raw materials and technologies to sustain its product competitiveness

(2) Threats

The domestic flour market has long been characterized by a relative oversupply, where excess capacity has led to intense price competition and placed the overall profit margins under pressure. Furthermore, some large-scale customers face limited flexibility in price adjustments due to the pricing structures of end-user channels, which further impacts the industry's overall profitability performance.

(3) Response measures

The Company will continue to invest in the research and development of high value-added and specialty-purpose flours to enhance product differentiation and increase the proportion of professional applications. Through consultative marketing and technical services, the Company assists customers in expanding into diverse application scenarios, thereby enhancing the overall value of its products.

●Secondary processed food

(1) Opportunities

The Company possesses local production capabilities for pasta and a professional R&D team. Through advanced manufacturing processes and stringent quality control, the Company maintains relative advantages in product freshness, quality stability, and supply flexibility.

(2) Threats

The domestic pasta market continues to be affected by price competition from imported products, particularly those from origins such as Turkey. The growth in import volumes has exerted pressure on both market share and profitability.

(3) Response measures

The Company will continue to strengthen product R&D and differentiation strategies, expanding the application of pasta into segments such as ready-to-eat (RTE), fresh food, and frozen prepared meals. By improving capacity utilization efficiency and supply stability, the Company aims to optimize its cost structure. Meanwhile, it will deepen collaborative relationships with key customers to enhance overall market competitiveness and ensure the steady development of the business.

●System integration service

(1) Opportunities

<u>Positive corporate image, extensive system integration experience, and group support</u>

MiTAC ITC not only inherits extensive system integration experience and competitive technologies from MiTAC Inc., but has also transformed from an integrated system solution provider into an IoT solution provider that takes advantage of "cloud" and "endpoint" computing to bring IoT technologies and innovative applications to customers of different industries. Related enterprises of the MiTAC-SYNNEX Group, including MiTAC, Getac, and Synnex, are able to offer assistance in terms of server and storage, rugged military equipment, and other information hardware, respectively, and contribute to creating synergy from integration of group resources.

(2) Threats

<u>Economic uncertainties, industry and labor policy changes, and talent shortage</u>

Changes in the global economic and trade co-opetition situation and increased economic uncertainty have an impact on business operations, asset investments, and the industrial supply chain. Additionally, with the rapid development of digital technology and companies' eagerness for digital and interdisciplinary talents, many job opportunities are created. However, the structural change of population aging and sub-replacement fertility also poses challenge for industries, leading to labor shortages. Due to the special nature of the system integration industry, the working hours often change due to the progress of individual projects, and the rigid labor policy makes it difficult for labor resources to respond. As the professional software shortage is also common in the industry, system integration companies must turn emerging technology into practice. Technology and trade knowledge go side by side, and talent development is difficult.

(3) Response measures

■ Continue monitoring changes in industry trends, new technologies, and innovative services; strive to increase added value and competitiveness of the products and services offered, and generate business yields.

■ Apart from setting up a software personnel development unit to develop new programmers, we actively recruit system designers to support the short-term and immediate software development needs of various business units.

■ Offer attractive benefits and a satisfactory work environment; share the Company's business success with employees through an employee profit sharing scheme for stronger unity; implement an employee training program supported by a certification system, and encourage employees to obtain professional qualification as a way to sustain service quality and raise customers' satisfaction.

●Leasing business

(1) Opportunities

The land advantage of the Company is that the lands are large with clear and simple titles. Most of them are located near major transportation facilities. In the future, they have a better chance to become the target of government rezoning and primary development.

(2) Threats

Because the Company holds a lot of land, if the national land tax and other related policies change in the future, it will increase the costs of land holding by the Company.

(3) Responsive measures

Analyze the location of the real estate and the surrounding environment, diversify and activate the land assets, increase the leasing income, and reduce the impact on the leasing business.

(II) Main applications and production processes for main products

1. Main applications of main products:

Main products	Main applications
Flours	Categorized as whole-grain flour, whole wheat flour, extra-high-gluten flour, high-gluten flour, medium-gluten flour, low-gluten flour, patent flour, and semolina, suitable for making bread, pastry, biscuits, cakes, steamed bread, noodles, buns, among other things. There are many other kinds of special products including Taiwan wheat flour, Taiwan wheat flavor flour, Taiwan wheat organic whole wheat flour, rice flour, and baked germ.
Pre-mixed flours	The Company’s current product lineup includes pancake and waffle premix, DIY pizza flour, rice-based egg cake premix, churros premix, traditional flour-paste pancake premix, Tangzhong (water-roux) bread premix, crispy cracker flour, Japanese-style fried chicken coating, and pet biscuit premix, all of which are specialty baking powders tailored for household use.
Wheat bran	Suitable for general feed and mixed feed.
Pasta	Long pastas, short pastas, quick noodles and snack foods are carefully made with semolina. The products are nutritious and hygienic, and supplied to the needs of domestic and foreign markets. Because of product diversification, they are favored by consumers.
System integration Business	Provide government agencies, educational institutions, financial institutions, state-owned/private enterprises with various integrated systems and overall outsourcing services; cloud platform, customer relationship software sales as an agency.
Automated control system	Combine computers, microprocessors, I/O devices, and IC smart cards, to promote integration of transportation control and tickets, and improve service quality; integration the RFID technologies from electronic tags, antennas, readers, and intermediary software (Gateway) to system integration, applied to library, and factory automation.

2.Production processes of main products:

Main products	Production processes
Flours	The raw material wheat is processed into a variety of refined flours such as medium-, high-, low-gluten and patent flour through the four steps including selection → tempering → grinding → flour blending, and separates the wheat germ and bran.
Pasta	The raw material semolina is processed as: squeezing→hanging→first drying→second drying→cooling→storage→cutting→packing and then shipping.
Organic wheat Whole grain powder	The raw material organic wheat is selected→ ground→sieved→packaged and shipped.
Rice flour	Raw rice → rinsing rice → grinding → sieving → packaging and shipping (raw flour) Raw rice → rinsing rice → grinding → maturing (pre-gelatinization) → sieving → shipping after packaging (cooked flour)

Note: System integration services are information services, and it is not applicable.

(III) Key Raw Material Supply Status:

Product	Raw material	Main source	Status of supply
Flour	Wheat	United States, Australia, and Canada	Stable
Pasta	Semolina	Dubai	Stable

Note: System integration services are information services, and it is not applicable.

(IV) Major customers and suppliers in the last two years

1. Information of suppliers whose purchases exceeded 10% of total Company purchases

Unit: NTD thousand

Item	2024				2025			
	Name	Amount	Percentage of total net procurement (%)	Relationship with the publisher	Name	Amount	Percentage of total net procurement (%)	Relationship with the publisher
1	A	2,442,089	29	None	A	2,091,062	28	None
2	Others	6,034,264	71		Others	5,424,878	72	
	Net purchase	8,482,353	100		Net purchase	7,515,940	100	

2. Information of customer whose sales exceeded 10% of total Company sales

The Company has no customer’s exceeded 10% of total operating revenue.

III. Number of Employees, Average Years of Service, Average Age, and Education Background Distribution in the Two Most Recent Fiscal Years

(Lien Hwa Industrial Holdings/Property Development/Milling/Taihwa/Oggi/Jian Foods/Asia Hydrogen Energy/MiTAC and MiTAC Information Technology and their subsidiaries)

Year		2024	2025	Year-to-date March 31 2026
Employee Count	Clerk	1,484	1,482	1,461
	Technicians	3	4	3
	General worker	108	110	108
	Others	26	32	47
	Total	1,621	1,628	1,619
Average age		42 years old	42 years old	43 years old
Average years of service		8 years	8.4 years	8.5 years
Academic Qualification Distribution (%)	Ph.D.	17	19	19
	Master's	330	333	331
	College	1,093	1,103	1,098
	Senior High School	160	159	155
	Schools at the Senior Secondary Level and Below	21	14	16

IV. Disbursements for environmental protection

(I) 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... as shown in the table below:

Company Name	Disposition Date	Disposition Reference Number	Articles of Law Violated	Content of Violations	Content of Dispositions
Lien Hwa Milling Corp.	December 16, 2025	Fu-Huan-Shui-Zi No. 1140360399	Article 18 of the Water Pollution Prevention Act; Paragraph 1, Article 10 of the Measures for the Management of Water Pollution Prevention and Control Measures and Reports on Examination	Failure to submit a runoff wastewater pollution reduction plan for approval prior to the commencement of the plant expansion project (Large Corridor).	A fine of NT$19,500.

Any estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken:None.

(II) The improvement measures of the Group are described as below:

1.Since the establishment of its plants, the Group's noodle business has simultaneously undertaken the planning and implementation of environmental protection while pursuing corporate development. In addition to establishing food safety management systems (ISO 22000 and HACCP), the Group obtained certifications for the Occupational Health and

Safety Management System (ISO 45001), Environmental Management System (ISO 14001), and Energy Management System (ISO 50001) in 2025. Furthermore, the Group conducts environmental management inspections and consistently invests in environmental protection equipment. We are planning to replace public utilities such as air compressors and chillers, and implement various energy-saving initiatives, including the construction of solar power generation facilities, to achieve the goals of environmental protection, energy conservation, and carbon reduction.

2.The Group's Nangang Office Building is committed to executing energy-saving measures with outstanding results. In addition to replacing equipment with energy-efficient models, we focus on adjusting the operation of major energy-consuming equipment. Our energy conservation practices include improvements in lighting, air conditioning, and power systems to effectively reduce electricity consumption.

3. The Group's flour business was fined NT$19,500 on December 16, 2025, due to a violation of Article 18 of the Water Pollution Prevention Act.

Following a review, the violation was found to be caused by insufficient control over the relevant reporting processes and did not involve environmental pollution, significant hazards, or any suspension of operations.

Immediate improvements have been completed, including strengthening the reporting and review process and conducting relevant educational training to prevent similar incidents from recurring.

(III) The expected environmental capital expenditure in the next two years:

Unit: NTD thousand

Item	Expected environmental expenditure amount:	Projected benefits
Solar power generation system installation	59,000	Reduction in carbon emissions
Replacement of chillers and air compressors with high-efficiency units	31,340	Improved operational efficiency and reduced energy consumption
Optimization of energy efficiency for utility equipment/systems	2,950	Reduced energy consumption
Replacement of process equipment with upgraded, energy-efficient models	8,470	Improved operational efficiency and reduced energy consumption
Installation of automatic pallet washing machines	35,000	Reduced water resource waste
Installation of color sorting machines	35,000	Lower energy consumption

V. Labor Relations

The Company's employee-employer relationship has always been harmonious. The performance results mainly come from the full dedication of all colleagues, and the Company actively promotes the benefits of all employees. The following only describes the Company's employee-employer relationship:

(I) Communication and motivations

1. Strengthen the communication between employees and senior management, and hold regular employee meetings every quarter to enable employees to have a deeper understanding of the Company's culture and operations, and to communicate directly with the management.
2. The establishment of the Company's internal website, which provides irregular updates on various company policies and external information.
3. To show care for employees and reduce the exhaustion of commuting between different office areas, the Company has invested budgets to set up a video conferencing system, thereby strengthening competitive advantages and staying in sync with global trends.
4. Regularly evaluate the internal fairness of labor and remuneration and combine this with the

performance appraisal system to establish a comprehensive appraisal and promotion system along with reasonable remuneration to motivate and retain talent.

5. Continuously implement diversified incentive measures, including retention bonuses for production units, functional allowances for warehousing units, and technical appraisal bonuses for quality assurance units, encouraging employees to develop multi-tasking capabilities and specialized expertise.
6. For employees on emergency call-outs during non-working hours, the Company provides transportation subsidies and a flexible delayed-start mechanism for the following day, balancing operational maintenance needs with employees' physical and mental rest.
7. Optimize the education and training support system by providing "training and study leave" and flexible shift adjustments, encouraging colleagues to participate in professional training to achieve a win-win for both personal growth and company development.
8. To enhance employees' awareness of workplace accidents and prevent their occurrence, the Company established "Guidelines for Rewarding and Penalizing Zero-Accident Working Hours" in 2024 to motivate employees to consistently maintain zero-accident records. In addition, the "Innovation Proposal Award" has been established to encourage employees to submit proposals that promote occupational safety and health.

(II) Employee welfare measures (Lien Hwa Industrial Holdings/Property Development/Milling/Taihwa)

We deeply believe that "talent" is the most important resource of an enterprise. How to make every employee to work with peace of mind and fully exploit their expertise, is the goal that the Company should strive for. Therefore, in order to attract outstanding talents, the Company provides stable salaries, establishes an excellent welfare system and a high-quality working environment, so that employees are willing to contribute to Lien Hwa Industrial Holdings. The Company's various welfare measures are as follows:

1. Profit and achievement sharing
   - Based on the Company’s operating and personal performance, year-end (including employee remuneration), bonus of Dragon Boat Festival and Mid-Autumn Festival, and employee remuneration are disbursed. For the Company’s sustainable operation and long-term development, while taking into account of the retention of talents and shareholders’ interests, the Articles of Incorporation of each company specify that employees’ remuneration should be distributed at a percentage of not less than 0.1% to 1% of the profit of the year, if any, to motivate employees to contribute to the Company for a long time.
   - Average salary adjustment across employees of the Company and key subsidiaries was reported at 4% in 2025
   - . • In 2025, the Company issued two tranches of Employee Stock Options to achieve long-term incentive benefits and fulfill the purpose of talent retention.
2. Diversified welfare measures
   - Joyful birthday parties and year-end parties.
   - Providing a wide range of books and magazines to enrich knowledge, and organizing reading clubs.
   - Providing uniforms and facilities including recreation rooms, gym, canteen, staff meals (redeemable with points), table soccer, air hockey, billiards, basketball courts, table tennis rooms, showers, and badminton halls.
   - Regular health examinations and health condition monitoring for employees.
   - Domestic tourism activities, departmental networking and club activities.
   - Subsidies for marriage, funerals, and childbirth; condolences for injury or illness, and various emergency relief.
   - Scholarships for employees' children (elementary and junior high school) and grants for

employee further education.

- Bonuses and gifts for the three major festivals and birthdays.
- Discounts on reservations at contracted hotels.
- Preferential registration fees at contracted daycare chains.
- The United Employee Welfare Committee was established in accordance with the law to promote various welfare activities.
- Childcare subsidies for employees with children aged 0 to 6.
- Movie tickets for selected cinemas and meal vouchers for chain brands.
- Providing high-performance windbreakers and windproof fleece vests.

3. Well rounded insurance and retirement programs

- A sound labor insurance and health insurance system provide basic protection for employees.
- Well-planned group insurance, including life insurance, accident insurance, accident medical insurance, hospitalization medical insurance, and cancer insurance; employees may also add their family members to the group insurance at their own expense.
- Increase accident insurance coverage for personnel stationed abroad and on overseas business trips, ensuring peace of mind at work and protection while traveling. For employees on overseas business trips, the group business travel insurance includes emergency medical evacuation services
- Establish the Employee Pension Supervisory and Management Committee pursuant to laws, and contribute pension reserves in accordance with the Labor Standards Act and the Labor Pension Act.

(III) Employees' continuing education (Lien Hwa Industrial Holdings/Property Development/Milling/Taihwa)

1.To cultivate excellent talents, and improve the competitiveness of the Company, base on the Company's key goals of the year, and the training requirements, and budget preparation and execution are conducted in accordance with the Training Management Regulations. The Company's training system is divided into company-wide training and trainings by functions.

(1) Company-wide training

Based on the Company's operating strategy and the need to improve the professional skills of employees and supervisors, the human resources unit plans the level-specific training courses and develops common training courses, including orientation training for new employees, occupational safety and health trainings, general management ability development, and work efficiency improvement training. In 2020, we provided a digital learning platform, without time and space restrictions, and colleagues might use the fragmented time to read, for more flexible learning.

(2) Trainings by functions

Develop professional courses and on-the-job training based on the Company's various departments and functions.

The following is an overview of the functions and objects of each type of training, and a brief introduction to the relevant measures to encourage learning:

(a) Orientation training

Including the company culture, working environment, employee rules, information and network system introduction, occupational safety and health, among other things.

(b) Common function development

Focus on common functions of employees, such as problem analysis and solving skills, communication skills, project management, team consensus, and service skills course training.

(c) Management trainings for trainees and officers

In order to cultivate management talents, the course include the skills required by trainees and officers. Emphasizing performance management, leadership, motivation skills, management forums, strategic planning, project management, team development, and organizational development capabilities.

(d) Improvement of professional knowledge

Every year, employees are assigned to participate in relevant courses organized by the Company or by external organizations depending on their job needs, to upgrade the Company's technical level, introduce innovative concepts, and improve management skills.

(e) Enhancing Legal Awareness and Compliance Consciousness

To enhance employees' legal awareness and compliance consciousness, and to reduce the risk of violations and legal liabilities, the Company organizes training courses on occupational safety, information security, personal data protection, and fire safety. These programs ensure that employees understand the laws and regulations relevant to their work, preventing non-compliance caused by unfamiliarity with the law. Furthermore, the Company implements principles of occupational safety and health as well as gender equality to build a respectful and law-abiding organizational culture, thereby enhancing corporate image and social responsibility.

(f) Scholarship and grants

The Company is committed to cultivating talents and encouraging colleagues to engage in academic research to enhance the overall industrial strength. The Company has formulated the "Scholarship and Grant Application Procedures" for employees to apply scholarships for on-the-job education.

2. The statistics of the company’s 2025 years of education and training are as follows: (Lien Hwa Industrial Holdings/Property Development/Milling/Taihwa/MiTAC and MiTAC Information Technology and their subsidiaries)

Self-conducted training people/hour	External training people/hour	Total expenses of trainings
8,462 people/hour	3,869 people/hour	NTD 3,694 thousands

(IV) Retirement System

1. Pursuant to laws, the Labor Pension Reserve Supervisory Committee has be set up, and the contribution of pension reserves is deposited in a special bank account in Bank of Taiwan on a monthly basis; and pursuant to the regulations of the labor retirement new system, the monthly labor pension is contributed to the individual labor pension account established by the Bureau of Labor Insurance. The participation rate of employees in the retirement program is 100%, and the employee’s retirement system is fully implemented as required by laws and regulations. In line with the amendment to Article 56 of the Labor Standards Act, the balance of the special account of the labor pension reserve has been estimated before the end of the current year, and the balance is insufficient to pay the employees who are qualified for the retirement criteria set forth in Article 53 or Article 54 Paragraph 1 in the next year; the difference will be appropriated at once before the end of March of the following year, and sent to the Company’s Labor Pension Reserve Supervisory Committee for deliberation.
2. Since July 1, 2005, employees’ pensions have been contributed pursuant to the "Labor Pension Act." For these employees choosing the new system, the Company contributes 6% of their salary monthly to their individual pension account at the Labor Insurance Bureau, as required by laws. At the same time, employees may voluntarily contribute to their pensions within the extent of their monthly salaries pursuant to laws. The new labor retirement system was implemented on July 1, 2005. Before the implementation of the

new system, the employees' existing seniority was retained. the employees onboard after the implementation of the new system are all applicable to the new system. Pension amounts are calculated and distributed by the old and the new system.

3. Employees who have one of the following circumstances may request their retirement:
   (1)Those who have served for 15 years or more, and are at least 55 years of age.
   (2)Those who have served for 25 years or more.
   (3)Those who have served ten years or more and have reached the age of sixty.
4. The calculation of the old system pension:
   (1) Before the implementation of the Labor Standards Act, i.e. for the employees serving in the Company until July 31, 1984, one year of service earns two bases; after the 15th year, one year of service earns half of a base. Service under six month is deemed half of a year; more than six month is deemed one year; the maximum is limited to 35 bases.
   (2) After the implementation of the Labor Standards Act (after August of 1984), employees working for the Company will be given two bases for each full year of service, aftere the 15th year, each full year is given one base. Service under six month is deemed half of a year; more than six month is deemed one year.
   (3) The total pension before and after the enforcement of the Labor Standards Act is limited to 45 bases.

(V) Employees' behaviors and moral principles

The Company formulates relevant working rules, labor contracts and codes of ethics pursuant the provisions of the Labor Standards Act, for employees to observe. The various regulations are as follows:

1. Departmental duties: clearly regulate the duties and organizational functions of each unit.
2. Attendance planning: improve the attendance system and establish good discipline for employees.
3. Leave application rules: serves as the basis for paid and unpaid leaves applied by employees.
4. Reward and punishment regulations: Reward or punish the Company's operating profit and loss caused by employee's conducts.
5. Appraisal rules: Assess employees' work results and performance, as the basis for salary adjustment, promotion, and bonus distribution.
6. Prevention and treatment of sexual harassment: To prevent sexual harassment in the workplace, and maintain the gender equality at work and human dignity.
7. Work handover regulations: In order to facilitate the transfer of the undertaking business to be carried out smoothly when an employee is re-appointed to other position or resigns.
8. Ethical corporate management best practice principles and prevention of unethical conducts: Require directors, supervisors, and employees not to directly or indirectly provide, promise, request or accept any improper benefits, or commit other violations in the process of engaging in business activities.

(VI) Working environment and protection measures against employees' personal safety:

1. Commissioned a qualified security company to perform access management and safety maintenance operations.
2. Outsourcing a professional cleaning and maintenance vendor; values environmental tidiness and hygiene.
3. Implement the occupational safety and health, and contractor construction management.
4. Security inspections of fire-fighting pipelines and fire-fighting equipment are conducted regularly every quarter, and the actual fire alarm status is simulated every year to test whether the fire-fighting equipment functions normally, and the local fire brigade is engaged to hold firefighting drills and lectures every six months.
5. Formulate the mechanical and electrical equipment maintenance procedures, and implement the regular maintenance of electrical, elevator, air-conditioning, monitoring

systems and other equipment in accordance with the regular maintenance plan, to maintain the safety of personnel.

(VII) Human Rights Commitments and Policies

In order to fulfill its corporate social responsibility, protect the basic human rights and related rights of all employees, customers and stakeholders, the Company observes domestic labor laws and supports international human rights conventions, including "Universal Declaration of Human Rights," the "The United Nations Global Compact," and the relevant requirements of the “International Covenant on Economic, Social and Cultural Rights,” to establish the Company’s human rights commitments and policies, for preventing any violations and infringement of human rights, thereby fully protecting the legitimate interests of employees, and enhancing the awareness of human rights of stakeholders. For partners, the "Suppliers’ Code of Practice for Corporate Social Responsibility" has been formulated, to expect and require all partners to conform to the basic spirit of the commitment.

According to the Company's operating characteristics, the following topics are monitored, and relevant action plans are taken as implementation:

I. Human Rights:

1. Support and respect international human rights within the scope of corporate influence.
2. Comply with the government's laws and regulations related to environmental, safety, and health and labor, protect the legitimate interests of employees, and no endangerment to the basic rights of labor.

II. Labor:

1. No restriction to employees' freedom of association, and the right to collective bargaining is effectively recognized.
2. Do not force or coerce employees to work.
3. Do not hire or support child labor.
4. Gender equality and diversified employment is enforced: no discrimination or labor differential treatment due to race, age, political orientation and religious beliefs.

III. Environment:

1. Adopt the approaches of fulfilling corporate environmental responsibility, build a friendly environment, reduce carbon emissions, save energy and reduce waste.
2. Prevent occupational disasters and diseases, ensure the safety of employees at work and maintain their health.
3. Through these commitments and policies, the Company demonstrates intentions of implementation, and integrates them into business strategies, company culture and daily operations. Our activities and related work results have been compiled in the Company's Corporate Social Responsibility Report, and our results and progress are explained in the relevant chapters.

(VIII) Losses arising as a result of employment disputes in the last year up until the publication date of annual report (including violations against Labor Standards Act found during a labor inspection; explain the date of penalty, reference number, the laws violated, the violating action, and the nature of penalty). Please quantify the estimated losses and state any response actions, and state reasons if losses can not be reasonably estimated:

The Group did not suffer any losses due to employment dispute in the most recent year up until the publication date of annual report. The Group prides itself for taking good care and sharing profit with employees. The Company has a multitude of communication channels in place to maintain employment relationship. It is extremely unlikely to suffer losses from employment dispute in the future.

(IX) The Company attaches great importance to personal data protection and management. In accordance with the Personal Data Protection Act, the Company has established its "Personal Data Protection Management Regulations." The scope of application includes all Company personnel, as well as vendors and individuals who have business dealings with the Company. The scope covers all personal data collected, processed, utilized, or stored by the Company.

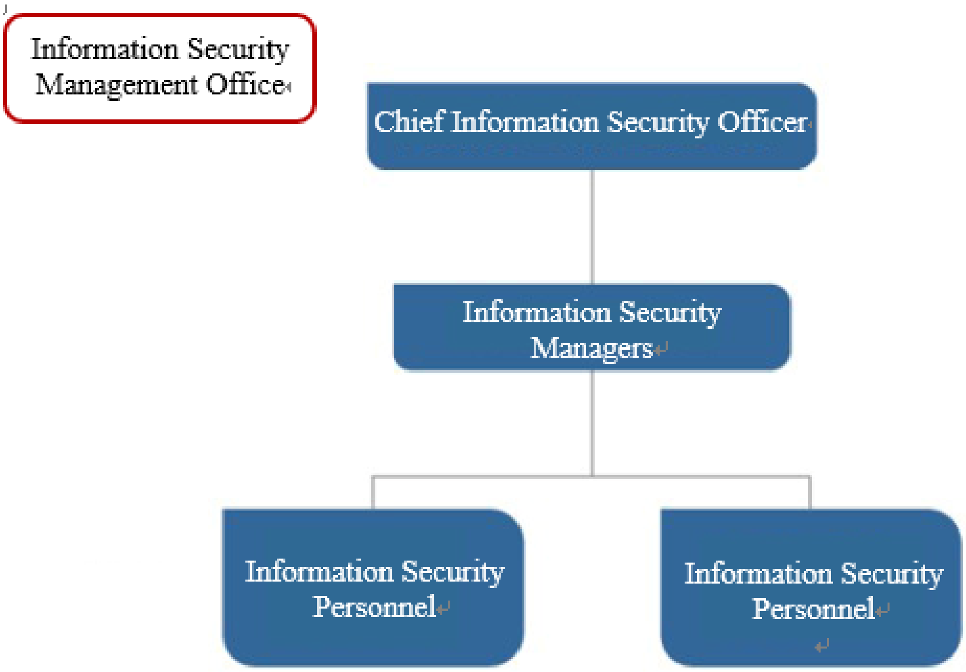
To effectively manage privacy-related risks, the Company has designated the Human Resources Division and the Information Technology Department to be responsible for the planning, implementation, management, and construction of information security protection measures. In 2025, a total of 161 hours of training related to personal data protection were conducted. There were no incidents of violations of the Personal Data Protection Act during the current year.

VI. Cyber security management

(1)Below is an explanation to the Company's cybersecurity risk management framework, cybersecurity policy, management practices, and resources committed.

1. Cybersecurity risk management framework

To strengthen cybersecurity governance, the Company has established a dedicated unit, the Information Security Management Office, which is staffed with a Chief Information Security Officer (CISO), information security managers, and specialized personnel. The Information Security Management Office is responsible for planning and implementing comprehensive security defenses, covering core server room management, data and file protection, network and email security, and system access control. The CISO reports to the Board of Directors on an annual basis regarding cybersecurity governance effectiveness, material topics, and future strategic planning, ensuring that information security policies are aligned with the Company's business strategies.



2. Cybersecurity policy

To create a secure, reliable, and digitalized environment that ensures the security of the Company's data, systems, equipment, and networks and continuity of information systems used across departments for the protection of the Company's interests. The Company has implemented the cybersecurity policy below:

- Strengthening Management Systems and Compliance Certification

(1) Alignment with International Standards: Actively implementing cybersecurity governance, the Company expects to obtain ISO/IEC 27001 Information Security Management System certification, establishing standardized risk assessment processes to ensure continuous compliance with international cybersecurity regulations.

(2) Policy Compliance and Communication: Regular cybersecurity education and training are conducted to strengthen employees' understanding of cybersecurity policies, laws,

regulations, and operating procedures, thereby enhancing overall risk awareness and emergency response capabilities.

- Enhancing Intelligent Defense and Monitoring Mechanisms

(1)24/7 Monitoring and Early Warning: Implementing a SIEM (Security Information and Event Management) platform to integrate logs from various devices, performing proactive threat detection and correlation analysis to ensure cybersecurity incidents are identified and addressed in real time.

(2) Multi-layered Protection: To counter computer viruses and malicious attacks, Cloud-based Detection and Response (XDR) and Intrusion Prevention Systems have been deployed to ensure a high level of security for systems and files.

- Deepening Data Governance and Asset Protection

(1) Core Data Protection: Establishing a DLP (Data Loss Prevention) system to strictly control the flow of sensitive information, preventing unauthorized modification or leakage of data, and ensuring the confidentiality and integrity of corporate assets.

(2) Access Control and Authorization: System accounts and access rights are assigned based on the principles of "segregation of duties" and "least privilege." When employees undergo job rotations or resignation, asset handover and access revocation procedures are strictly enforced.

- Ensuring Business Continuity and Resilience

(1)Sustainability Planning: Disaster recovery plans and backup mechanisms for critical business systems have been established for natural disasters or major security incidents to ensure business continuity.

(2) Equipment Maintenance and Management: Implementing asset lifecycle management, the use of unlicensed software is strictly prohibited, and computer hardware facilities are maintained in appropriate environments to ensure stable operation

3. Management solutions

In addition to the cybersecurity policy described above, the Company also incorporates the use of different information technologies for cybersecurity control:

Cybersecurity management measures		
Category	Item	Solution/practice
Management Systems	ISO/IEC 27001 Information Security Management System Certification	The Company expects to obtain international certification and establish standardized risk assessments and the PDCA (Plan-Do-Check-Act) management cycle to ensure the effectiveness and consistency of cybersecurity policy implementation.
Network security	Implementation of firewall	The network firewall requires all special connections to undergo additional approval and prevents attacks from malware and viruses while browsing webpages.
	Deployment of Cloud-based Detection and Response (XDR) Services	Deployment of Cloud-based Detection and Response (XDR) services provides cross-platform threat detection and response capabilities to monitor both internal and external security statuses.
	Implementation of Web Application Firewalls (WAF)	Implementation of Web Application Firewalls (WAF) protects web applications from malicious attacks and unnecessary internet traffic, including bots, injections, and application-layer Denial of Service (DoS).
	Establishment of Security Information and Event Management (SIEM)	Integration of network, server, and security device logs across the company, utilizing an intelligent correlation analysis platform to detect hidden threats in real time and trigger automated response alerts.
	Use of Antivirus Software	All computer terminals have antivirus software installed with virus definitions updated automatically to minimize the chances of infection.
	Control of User Web Browsing Activities	Access to websites that may contain Trojan horses, ransomware, or malware is automatically filtered and blocked.
Security of application systems	Update of operating system	The Company uses genuine operating systems. All computer terminals execute Windows security updates automatically to prevent damage from system vulnerabilities.

Cybersecurity management measures		
Category	Item	Solution/practice
Management Systems	ISO/IEC 27001 Information Security Management System Certification	The Company expects to obtain international certification and establish standardized risk assessments and the PDCA (Plan-Do-Check-Act) management cycle to ensure the effectiveness and consistency of cybersecurity policy implementation.
	Implementation of asset management software	Unauthorized software installation is restricted to prevent users from installing unapproved programs, thereby reducing cybersecurity risks.
	Backup of important programs and databases	Important programs and data are backed up based on the 3-2-1 principle (3 copies on 2 different media with 1 copy at an alternative location). System recovery drills are held regularly to ensure the effectiveness of the backup system.
	Management of mail security	Spam mail filtering and isolation have been implemented to prevent virus infection through e-mail.
Data security	Important files are uploaded onto server and backed up	The Company requires all internal departments to upload important files onto server. The server has been configured to back up regularly (based on the 3-2-1 principle).
	Implementation of Data Loss Prevention (DLP) System	Real-time detection and control are applied to the flow of sensitive data and customer information to prevent unauthorized external transmissions (such as via USB, email, or cloud storage) and ensure data confidentiality.
	Control of account security	The Company requires all users to set up high complexity passwords and change them on a regular basis.
	Control of data access and confidentiality	Users are granted account access based on their assigned responsibilities, so that they have access only to appropriate data. Those without user account are unable to access system data.

4. Commitment of cybersecurity management resources (manpower, time, and budget)

The Company is committed to building a highly resilient cybersecurity defense system to ensure the security of corporate customer data. The current defense architecture integrates key infrastructures such as Next-Generation Firewalls (NGFW), Intrusion Prevention Systems (IPS), and Extended Detection and Response (XDR).

To address the challenges of digital transformation, the Company has planned and executed the following key projects for the year 2026:

Deepening Management Compliance: Actively promoting the certification process for the ISO/IEC 27001 Information Security Management System to ensure that management processes comply with international standards.

Strengthening Detection Capabilities: Implementing a SIEM (Security Information and Event Management) platform to enhance the identification and early warning capabilities of cybersecurity threats through automated correlation analysis.

Implementing Data Governance: Establishing a DLP (Data Loss Prevention) system to precisely control the flow of sensitive information and fulfill our commitment to protecting customer privacy.

Furthermore, the Company regularly conducts cybersecurity education training and communicates current event case studies. The internal audit unit performs a specialized audit at least once a year; any abnormal findings are tracked for improvement by the Cybersecurity Management Office to ensure the effectiveness of internal control systems and achieve business continuity goals.

(2) Losses and possible impacts as a result of major cybersecurity incident in the last year up until the publication date of annual report, and response measures: None.

VII. Important contracts:

Contract nature	Lien Hwa principals	Counterparties	Duration	Main details	Restrictive clauses
Construction contract	Lien Hwa Property Development Corporation	Ally Logistic Property	October 29, 2021 to July 31, 2025	Design, planning, and construction of collaborative development project – Lien Hwa Fugang	According to the contract

				Logistics Center.	
Property leasing agreement	Lien Hwa Property Development Corporation	Ally Logistic Property	20 years from the day after completion of Lienhwa Fugang Logistics Center.	The leasing agreement will be signed only upon completion of Lien Hwa Fugang Logistics Center.	According to the contract
Investment agreement	Lien Hwa Property Development Corporation	Ministry of Economic Affairs	From March 13, 2023 to 5 years after the start of operation of the plan	Lien Hwa and Fugang Logistic Center has its own land for construction, ownership, and entrusted a third party to operate.	According to the contract
Construction contract	MiTAC Information Technology Corp	Department of Rapid Transit Systems, New Taipei City Government	The effective date of the contract is December 19, 2024, and the construction period starts from the commencement date of March 20, 2025, with a duration of 2,580 days.	Construction Contract for the Donghu-Xizhi Section of the Metro Project	According to the contract

Five. Rreview and analysis of the company's financial position and financial performance, and a listing of risk

I. Financial position

Unit: NTD thousand

Year / Item	December 31, 2024	December 31, 2025	Difference	
			Amount	%
Current assets	15,965,077	15,946,415	(18,662)	(0.12)

Property, plant and equipment	4,427,703	4,453,983	26,280	(0.59)
Intangible assets	224,754	135,938	(88,816)	(39.52)
Other assets	71,485,339	75,812,484	4,327,145	6.05
Total assets	92,102,873	96,348,820	4,245,947	4.61
Current liabilities	14,212,842	13,468,509	(744,333)	(5.24)
Non-current liabilities	4,089,844	4,342,828	252,984	6.19
Total liabilities	18,302,686	17,811,337	(491,349)	(2.68)
Share capital	17,104,388	17,959,607	855,219	5.00
Capital reserve	1,150,677	1,164,546	13,869	1.21
Retained earnings	16,201,843	17,919,323	1,717,480	10.60
Other equities	18,067,464	20,290,782	2,223,318	12.31
Treasury stock	(136,868)	(136,868)	-	-
Non-controlling interests	21,412,683	21,340,093	(72,590)	(0.34)
Total equities	73,800,187	78,537,483	4,737,296	6.42

(I) Material changes in assets, liabilities, and shareholders' equity in the last two years (variations above 20% and amounting to at least NT$10 million); describe the causes and impacts of such variations, and any response plans:

1. Decrease in intangible assets: Primarily due to the recognition of goodwill impairment loss on subsidiaries.

(II) The aforesaid changes do not impact the Company and subsidiaries materially.

II. Financial Performance

Unit: In thousands of New Taiwan Dollars

Year Item	2024	2025	Increase (decrease) amount	Variation ratio (%)
Operating revenue	12,946,776	13,583,582	636,806	4.92
Operating cost	10,254,375	10,176,206	(78,169)	(0.76)
Gross profit	2,692,401	3,407,376	714,975	26.56
Operating expenses	1,361,477	1,360,511	(966)	(0.07)
Operating profit	1,330,924	2,046,865	715,941	53.79
Non-operating revenue and expenses	3,732,888	3,830,387	97,499	2.61
Net income before taxes of the continuing department	5,063,812	5,877,252	813,440	16.06
Less: Income tax expenses	197,028	299,729	102,701	52.13
Current net profit	4,866,784	5,577,523	710,739	14.60
Other comprehensive income for the period (net value after tax)	6,227,894	1,786,305	(4,441,589)	(71.32)
Total comprehensive income in current period	11,094,678	7,363,828	(3,730,850)	(33.63)

(I) Explanation to significant changes in the last two years: (variations above 20%)

1. Increase in gross profit and operating income: Primarily due to the increase in investment income during the year.
2. Increase in income tax expenses: Mainly due to the increase in income tax expenses calculated according to law for the current year.
3. Decrease in other comprehensive income for the period (net of tax): Primarily due to the decrease in unrealized gains on financial assets measured at fair value through other comprehensive income during the year.

4. Decrease in total comprehensive income for the period: Mainly due to the decrease in other comprehensive income for the current period.

(II) Expected sales volume, the basis and possible impact on the Company's future financial operations and countermeasure: N/A.

III. Cash Flow

Unit: NTD thousand

Opening cash Balance	Net cash flow from operating activities for	Net cash flow from year-round investment	Retained (insufficient)	Remedy for cash shortage	
				Investment	Finance
4,966,714	6,224,986	(5,811,802)	5,379,898	—	—

1. Analysis of cash flow changes in recent fiscal years:
   (1) Operating activities: The increase in net cash inflow compared to the previous period is primarily due to a significant increase in project collections during the year.
   (2) Total cash outflow for the year: The cash outflow for this year is mainly attributable to the repayment of bank loans and the distribution of dividends.
2. Improvement plan for insufficient liquidity: There is no such circumstance.
3. Cash liquidity analysis for the coming year:

Unit: NTD thousand

Cash balance at beginning of period	Estimated net cash flow from year-round operating activities	Estimated net cash flow from year-round investment and financing activities	Estimated retained (insufficient) amount of cash	Remedy for estimated cash shortage	
				Investment plans	Finance plans
5,379,898	4,886,054	(3,837,164)	6,428,788	—	—

(1) Analysis of cash flow changes:
   A. Operating activities: It is expected that operating activities in 2026 will result in a net cash inflow, primarily driven by operating profits and the net changes in assets and liabilities related to business operations.
   B. Annual cash outflow: The main purposes of cash outflow are the repayment of bank loans and the distribution of cash dividends.

(2) Remedy for cash：None。

IV. The effect upon financial operations of any major capital expenditures during the most recent fiscal year：: None

V. The Company's reinvestment policy for the most recent fiscal year

(I) The major causes for profits or losses regarding the reinvestment policy of the current year:

1. Reinvestment policy in recent years: The reinvestment of the Company is a long-term strategic plan based on the consideration of the future business needs to increase the revenue and profits.
2. The major causes for profits or losses and improvement plans: The profit is due to the stable growth of the invested businesses and the proper control of the cost while the loss is due to the unreached sales. For invested businesses having no business activities or poor performance, the Company will take various factors into consideration to form proper management policies to increase the management performance and control the investment losses.

(II) Investment plans for the coming year: We will follow the business strategies to perform the investment plans.

VI. Risk analysis and assessment

(I) Impacts of interest and exchange rate fluctuations and inflation on the profit and loss of the Company as well as future countermeasures

1. Impact of interest and exchange rate fluctuations on the profit and loss of the Company

Amount: NTD thousands

Item	2024		2025	
	Amount	Occupied proportion of operating revenue %	Amount	Occupied proportion of operating revenue %
Interest expense	(38,696)	(0.30)	(58,746)	(0.43)
Exchange gains	44,306	0.34	(6,909)	(0.05)
Gains (losses) on financial assets and liabilities at fair value through profit or loss	99,533	0.77	105,854	0.78

2. Future counteraction for changes in the interest rate and exchange rate:

In fund utilization, the Company operates with a focus on liquidity, security, and profitability, while periodically assessing money market interest rates, financial information, and foreign exchange market fluctuations. Therefore, the impact of interest rate and exchange rate changes on the Company remains within a reasonable range.

3. Impact of inflation and future counteraction

There has been no significant inflation from 2025 up to the date of publication of the annual report.

(II) Policies relating to the conducts of high risk and high-leverage investments, loans to others, endorsements/guarantees, and the derivatives transactions, and the main causes of profits or losses generated thereby and future countermeasures:

1. Engagement in high-risk, high-leverage investments

For 2025 and up to the date of publication of this annual report, the Group has not engaged in any high-risk or high-leverage investments; all investments are executed only after careful assessment.

2. Loaning funds to others and endorsements/guarantees

(1) Loaning funds to others is conducted in accordance with the "Procedures for Loaning of Funds to Others." The entities to whom funds are loaned and the amounts involved are both in compliance with relevant laws and regulations.

(2) Endorsements and guarantees are conducted in accordance with the "Procedures for Endorsements and Guarantees." The entities for whom endorsements and guarantees are provided and the amounts involved are both in compliance with relevant laws and regulations..

3. Derivatives transactions

For 2025 and up to the date of publication of this annual report, the Group's derivative transactions have been conducted in accordance with the "Procedures for Acquisition or Disposal of Assets—Procedures for Derivatives Trading."

1. Flour segment

Future research and development efforts will continue to focus on integrating and analyzing data from testing instruments to establish flour blending technologies for diverse wheat varieties. The Company also plans to set up a small-scale processing plant and add or replace certain instrumental equipment. By aligning product manufacturing processes with instrumental data testing, the results will enhance the precision of flour blending assessments, aiming to provide flour products better suited for downstream applications.

In line with the cost efficiency strategy, the Company will continue to seek new varieties and suppliers of wheat that comply with regulatory requirements, exploring the substitutability, stability, and procurement optimization of various wheat types. In 2025, the Company assisted the Australian Export Grains Innovation Centre (AEGIC) in testing and researching varieties isolated from AHW that are better suited for noodle processing characteristics. Furthermore, the Company is actively seeking other suitable auxiliary materials, additives, and secondary suppliers to prevent raw material shortages.

In response to market demands from domestic and international business as well as regular market research, the Company continues to develop various specialized products and premixes, optimize existing items, and develop new recipes to support marketing activities and business expansion.

Regarding food safety, the entire product range continues to comply with the latest versions of international food safety certification standards and undergoes various verifications. In accordance with customer requirements, outsourced testing is conducted to serve as a guarantee of product safety and enhance market competitiveness, providing consumers with greater confidence in quality.

2.Secondary processed segment

The focus remains on pasta. Given that the price of Durum semolina has remained high over the past few years, research and development efforts are centered on evaluating various sources of semolina, such as India, Turkey, and Australia. The Company is actively researching the quality variation characteristics of semolina to establish production benchmarks and improve manufacturing processes, thereby enhancing product quality. For overseas consumers who have lower requirements for the "al dente" texture of pasta, the Company is testing formulas with a higher proportion of flour to reduce costs and expand international market share.

3.System integration service

Key R&D emphasis:

(1) The Company invests in the development of AI agents and human-computer interaction products. Key development directions include encapsulating generative AI engines with enterprise-specific domain knowledge to provide more immediate and efficient services through text, voice, or AR/3D virtual character interactions via PC or mobile browsers. Applications ranging from role-playing and intelligent search to personalized reminders will enable AI to become the optimal assistant within every enterprise. Additionally, multilingual support will facilitate the expansion of these products into overseas markets.

(2) Development strategy in the fields of ESG, smart buildings, and energy management technology: The Company continues to deepen its presence in ESG and smart building technologies, establishing energy management as a core departmental competency this year. We are developing an AI-powered ESG and smart energy integration platform aimed at achieving corporate sustainability. This platform integrates the three dimensions of Environmental, Social, and Governance (ESG) with smart building and energy management technologies. Through advanced data collection, real-time monitoring, and analysis tools, it helps enterprises automatically and rapidly track energy usage, carbon emissions, and equipment performance.

Furthermore, the platform introduces AI algorithms to provide functions such as energy demand forecasting, load optimization, equipment anomaly warnings, and energy-saving recommendations. By establishing automated, standardized, and highly reliable energy and carbon management mechanisms, the platform assists enterprises in maintaining operational stability while continuously improving energy efficiency, reducing operating costs, and accelerating the achievement of long-term energy saving, carbon reduction, and net-zero transformation goals, thereby strengthening the Company's competitive advantage in the sustainable technology and smart energy markets.

(3) MiAutoML assists enterprises in fully automating data analysis and model training, including automatic data cleaning, feature selection, model construction, and optimization, thereby enhancing the precision and efficiency of corporate decision-making. The platform features four key highlights:

(a) Automated equipment power consumption and forecasting; (b) Automatic optimization of model performance and accuracy; (c) Applicability to scenarios such as factories, machinery, and equipment utilization; (d) Manufacturing process management systems.

Furthermore, MiAutoML can be integrated with IoT technology to bring revolutionary changes and innovation to various industries and daily life. Utilizing a wide range of IoT devices and sensors—starting from sensor deployment—it creates tailored data collection solutions for enterprises that can be easily integrated into databases. Whether for real-time monitoring or predictive modeling, the platform assists enterprises in precise analysis and forecasting. It serves as an aid for decision-making and the inheritance of knowledge and experience, building a proprietary "corporate knowledge brain" to realize applications in smart cities, smart manufacturing, smart transportation, and more.

(4) In cloud software development, the primary research directions include the continuous development of machine learning large model products, the expansion of practical application solutions for artificial intelligence technology, and the R&D of core technologies for integrated projects and products in smart cities, education, and finance.

(5) In the field of data convergence technology, the main development strategies include creating digital convergence platform products that cover enterprise management data convergence and modeling, enabling functions such as business intelligence (BI) analysis, AI forecasting, and platform monitoring. The platform also provides no-code/low-code software tools and templates to assist non-professional developers.

(6) The ecosystem platform aims to enable enterprises to rapidly establish domain-specific ecosystems through digital means—seamlessly connecting upstream and downstream suppliers, related businesses, customers, distributors, and investors. This facilitates internal and external communication, collaboration, or e-commerce, thereby creating more business opportunities.

Moving forward, the Company will continue to enhance the modular engine, allowing the platform to quickly expand into more professional fields. The objective of our R&D investment is to establish a technical ecosystem that partners can readily adopt, transforming the Group's R&D assets into a universal digital transformation infrastructure for various industries and strengthening our long-term competitive advantage across multiple markets.

4. The Company expects to incur a total of NT$90,198 thousand in R&D expenses in 2026.

(IV) Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response: during the current year up to the publication date of the annual report, the Company’ finance and operations were not impacted by important policies adopted and changes in the legal environment at home and abroad.

(V) Effect on the company's financial operations of developments in science and technology as well as industrial change, and measures to be taken in response.

1. Technology change (including information security risk): Following technological advancement and the popularization of network use, we are challenged by increasingly severe information security threats. We have established multifaceted information security protection for networks and computers, including investments in hardware and software equipment, continuously updating and strengthening system configurations, and education and training for raising information security awareness in employees. With

such, we aim to reduce the likelihood of information security incidents and the scope of impact. However, they can never guarantee complete protection against cyberattacks on business continuity or financial operations (system crash, data breach, or production disruption). Hence, we need to implement disaster recovery on core ICT systems periodically to ensure the recovery of business continuity within the estimated time after a system failure.

2. Industry change: Impacted by shifts in consumer habits and labor shortages, the food industry has embraced digital management automation and product diversification to bolster client loyalty.

(VI)Impact of changes in corporate identity on the Company’s crisis management, and countermeasures: None.

(VII) The expected benefits from merger and the potential risks and responsive measures: None.

(VIII) Expected benefits and possible risks of facilities expansion, and countermeasures: None.

(IX)Risk from centralized purchasing or selling, and countermeasures: The purchasing and selling of the Company are not centralized. Therefore, there’s no possible risk.

(X)Impact and risk associated with major transfers of shares by directors, or major shareholder holding a stake of greater than 10 percent and countermeasures: There has been no significant transfers of shares by directors, or major shareholders with more than 10% ownership interest of the Company in recent years and as of the date on which the annual report is printed.

(XI)The impact and risk of change in management on the Company and countermeasures: None.

(XII)Litigation and non-contentious cases:

1. Litigious, non-contentious cases, or administrative disputes in recent years and as of the date on which the annual report is printed that have been resolved or are still proceeding with major influence on the shareholder’s equity or the stock price: None.
2. Litigations, non-contentious cases, or administrative disputes against the directors, President, person with actual responsibility for the Company, any major shareholder holding a stake of greater than 10 percent, and companies controlled by the Company, whether resolved or pending judgment, in recent years and as of the date on which the annual report is printed. Where such a dispute could materially affect shareholders’ equity or the prices of the securities: None.

(XIII) Other major risk and countermeasures: None.

VII. Other Material Issues: None

Six. Special Disclosure

I. Information related to the company's affiliates

The Company discloses information related to its affiliated companies in accordance with the regulations stipulated by the authorities, and publishes such information on the Market Observation Post System.

The inquiry website for the affiliated companies’ three documents is available in the designated section on the MOPS platform.：https://mopsov.twse.com.tw/mops/web/t57sb01_q10

II. Private placement of securities during the latest year up till the publication date of this annual report.: None.

III. Other matters that require additional description: None.

IV. Any significant events materially affecting shareholders’ equity or the price of securities as defined in Subparagraph 2, Paragraph 3 of Article 36 of the Securities and Exchange Act in the most recent year and up to the publication date of the annual report: None.

Lien Hwa Industrial Holdings Corporation

Chairman：Matthew Feng-Chiang Miau