Stock Code: 2364

Twinhead International Corporation

2025
Annual Report

Printed on May 6, 2026

Market Observation Post System website: http://mops.twse.com.tw
Company website: http://www.twinhead.com.tw

I. Names, titles, telephone numbers and email addresses of the Company's Spokesperson and Acting Spokesperson

Spokesperson: Hung-Jung Wang, Director
Telephone: (02) 5589-9999 (02)2627-8880
Email: oscar_wang@twinhead.com.tw
Deputy Spokesperson: Shu-Ling Chen, Manager
Telephone: (02) 5589-9999 (02)2627-8880
Email: shuling_chen@twinhead.com.tw

II. Addresses and telephone numbers of the head office, branches and factories

Head Office: 9F, No. 550, Ruiguang Road, Neihu District, Taipei City
Telephone: (02) 5589-9999 (02)2627-8880
Kaohsiung Factory: No. 31, Huaxi Road, Dafa Industrial Park, Daliao District, Kaohsiung City
Telephone: (07) 787-1691

III. Name, address, website and telephone number of the stock transfer agent

Name: Stock Transfer Agency Department, Grand Fortune Securities Co., Ltd.
Address: 6F, No. 6, Section 1, Zhongxiao West Road, Zhongzheng District, Taipei City
Telephone: (02) 2371-1658
Website: www.gfortune.com.tw

IV. Name, address, website and telephone number of the certifying CPAs and accounting firm for the most recent annual financial report

Certifying CPAs: Tsai-Chuan Huang, Po-Shu Huang
Accounting firm: KPMG Taiwan
Address: 68F, No. 7, Section 5, Xinyi Road, Taipei City
Telephone: (02) 8101-6666 (switchboard)
Website: www.kpmg.com.tw

V. Name of the exchange for listed overseas marketable securities and methods to inquire about the overseas marketable securities: none

VI. Company website: http://www.twinhead.com.tw

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One. Letter to Shareholders

Dear Shareholders,

Reviewing the operating conditions in 2025, although the global economy gradually recovered, various industries still could not completely shake off the impact of the pandemic, and competition in the computer industry was intense, with gross margins generally declining. The Company transformed itself early, and new products drove up the average gross margin, which remained above 30%. In addition, under the supervision of the Board of Directors, the Company's employees implemented the transformation strategy and applied flexible tactics, continued striving to achieve the goals of strategic transformation, and remained committed to forging its own path amid fierce competition.

The report on the operating conditions in 2025, this year's business plan and future development strategies, together with an analysis of the impact of the external competitive environment, regulatory environment and overall economic environment on the Company, is presented as follows:

I. Operating Conditions in 2025:

In terms of revenue and profitability, sales volume of portable computers (including finished boards) in 2025 was 57,213 units. Consolidated operating revenue for 2025 was NT$ 1,505,691 thousand, gross profit was NT$ 599,381 thousand, and gross margin was 40%.

Although 2025 was still slightly affected by component shortages and transportation difficulties, annual revenue still increased compared with the previous year as distribution channels gradually matured. The Company's consolidated net profit after tax for 2025 was NT$ 218,239 thousand, and the parent company's net profit after tax was NT$ 220,019 thousand, representing substantial growth compared with 2024. Overall, the Company has gradually entered a stage of stable profitability.

In terms of research and development, in addition to conducting research and improvement in quality, materials, equipment and manufacturing processes to enhance production capacity, product quality and added value, the Company also improves its technical standards through technical exchanges and is actively developing new products with higher added value.

II. Business Plan for the Current Year and Future Development Strategy:

Under the overall objective of "business first, quality first, and efficiency foremost," the Company's business policy will continue to avoid the low-margin red ocean market focused on volume. Focus on developing and continuously strengthening niche products with higher margins, such as military/industrial-grade and rugged portable computers. The Company conducts market segmentation and actively develops new customers and application market. The Company also provides customers with complete services of total solution (from product design to production, sales and after-sales service). The Company actively enhances the added value and gross profit to create greater profit. For the tactic, the Company enhances the customers' reliance on our products as much as possible to stabilize the long-term partnership with customers. The long-term goal is to provide industrial customers with total solutions and service systems through more diversified special application products and stronger brand marketing of the Company, innovate marketing strategies, enhance brand effects, and become one of the major IPC suppliers. The Company expects that sales in 2026 will increase compared with 2025.

III. The Impact of the External Competitive Environment, Regulatory Environment, and Macroeconomic Conditions:

In 2025, NB continued to have growth momentum as a substitute for desktop computers, especially with increasing expansion in military, industrial, agricultural, gaming, automation, and security control fields. Following this trend, the Company avoided competition in low gross margin, turned to niche market, and conducted market segmentation as our major pursuit. With proper adjustment to sales proportion in each market, the Company adopted sales and operation strategy of different products. Our core goals are aimed at niche products and active development of new customers and new markets and integration of procurement schedule to lower the costs.

In addition, the Company will continue to deepen the promotion of various improvements and rationalization, strictly control costs and expenses, strive to improve efficiency, promote energy-saving measures, strengthen technical exchanges with customers and industry peers, and strengthen its operating fundamentals. It is believed that the Company will be able to effectively utilize various conditions, reverse unfavorable environmental factors, meet new industry challenges, and prepare early for future opportunities.

The Company's Board of Directors will continue to uphold the trust and long-term support of shareholders, strictly supervise the management team, and work together with all employees with full commitment to actively pursue the Company's growth and expansion and achieve the operating goal of sustained profitability, in order to repay the long-term trust and support of all shareholders.

Lastly,

to our Shareholders,

May health and happiness bless you.

Chairman

Two. Corporate Governance Report

I. Information on Directors, General Manager, Deputy General Managers, Associate General Managers, and heads of all departments and branch offices

(I) Information on Directors

1. Information on Directors

April 14, 2026

Job Title (Note 1)	Nationality or place of registration	Name	Gender, age (Note 2)	Appointment (onboarding) date	Term of office (years)	Commencement date of first term (Note 3)	No. of shares held at time of election		No. of shares currently held		Shares currently held by the spouse and minor children		Shares held under other's names		Principal work experience and academic qualifications (Note 4)	Positions held concurrently in the Company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remarks (Note 5)
							No. of shares	Shareholding percentage	No. of shares	Shareholding percentage	No. of shares	Shareholding percentage	No. of shares	Shareholding percentage			Title	Name	Relation	
Chairman	Republic of China	Kao's Enterprise Development Co., Ltd. Representative: Yu-Jen Kao	Male 90-99 years old	2023.6.13 2023.6.13	3	1996.8.30 1996.8.30	3,973,315 286,174	16.02% 1.15%	8,393,625 604,541	16.02% 1.15%	- 69,876	- 0.13%	- -	- -	Department of Law, National Taiwan University Members of the Legislative Yuan	Chairman of the Company Chairman of Euroc Investment and Development Co., Ltd.	President	Su-Fu Kao	Father and son	(Note 5)
Director	Republic of China	Kao's Enterprise Development Co., Ltd. Representative: Si-Fu Kao	Male 50-59 years old	2023.6.13 2023.6.13	3	1996.8.30 2017.6.16	3,973,315 498,543 (Note 6)	16.02% 2.01% (Note 7)	8,393,625 1,034,159 (Note 8)	16.02% 1.97% (Note 9)	- 311,617	- 0.59%	- -	- -	NYU Stern School of Business, U.S.	President of the Company	Chairman	Yu-Jen Kao	Father and son	(Note 5)
Director	Republic of China	Kao's Enterprise Development Co., Ltd. Representative: Min-Kung Huang	Male 70-79 years old	2023.6.13 2023.6.13	3	1996.8.30 2020.6.30	3,973,315 -	16.02% -	8,393,625 -	16.02% -	- -	- -	- -	- -	Master's degree from the Institute of Public Administration, National Chengchi University	Independent director of Aero Win Technology Corporation	-	-	-	-
Director	Republic of China	EUROC Investment Co., Ltd. Representative: Mei-Li Tsai	Female 70-79 years old	2023.6.13 2023.6.13	3	2022.6.10 2022.6.10	6,000 2,323	0.02% 0.01%	67,675 -	0.13% -	- -	- -	- -	- -	Institute of accounting, National Chengchi University President of Euroc Investment and Development Co., Ltd.	Aero Win Technology Corporation Directors Director of Mosa Industrial Corporation	-	-	-	-
Director	Republic of China	21st Century Foundation Representative: Cheng-Hu Chou	Male 50-59 years old	2023.6.13 2023.6.13	3	2005.5.27 2017.6.16	23,262 316,441	0.09% 1.28%	49,140 668,480	0.09% 1.28%	- -	- -	- -	- -	PhD in public administration, University of La Verne in Los Angeles, U.S.	Chairman of Shih Hsin University	-	-	-	-
Director	U.S.	Protegas Futuro Holdings, LLC Representative: An Van Nguyen	Male 60-69 years old	2023.6.13 2023.6.13	3	2020.6.30 2020.6.30	3,802,355 -	15.33% -	7,274,322 -	13.89% -	- -	- -	- -	- -	B.S. Computer Science, University of California at Berkeley	Chairman of NCS Technologies Inc.				
Director	Republic of China	Riyuegao Investment Co., Ltd.	-	2023.6.13	3	2017.6.16	82,622	0.33%	174,538	0.33%	-	-	-	-	-	-	-	-	-	-
Independent Director	Republic of China	Yun-Chuan Li	Male 80-89 years old	2023.6.13	3	2017.6.16	-	-	-	-	-	-	-	-	PhD in agriculture planning institute, Chinese Culture University	-	-	-	-	-
Independent Director	Republic of China	Tsu-Ping Ren	Male 70-79 years old	2023.6.13	3	2020.6.30	-	-	-	-	-	-	-	-	Bachelor's degree in business administration, Fu Jen Catholic University	Independent director of Mosa Industrial Corporation	-	-	-	-
Independent Director	Republic of China	Yi-Hsiung Su	Male 80-89 years old	2023.6.13	3	2020.6.30	-	-	-	-	-	-	-	-	Bachelor's degree in statistics team of accounting statistics department, National Chung Hsing University	Director of Taoyuan Christian Jhongli Church Foundation	-	-	-	-

Independent Director	Republic of China	Shu-Hua Chiou	Female 70-79 years old	2023.6.13	3	2023.6.13	-	-	-	-	-	-	-	-	PhD in communication institute, Shih Hsin University	Distinguished Chair Professor, Department of Business Administration, Overseas Chinese University Executive Director, Modern Women's Education Foundation	-	-	-	-

Note 1: For a corporate shareholder, the name of the corporate shareholder and its representative shall be listed separately (when listing the representative of a corporate shareholder, the name of the corporate shareholder shall also be noted), and Form 1 below shall also be completed.

Note 2: Please state the actual age, or, alternatively, state the age interval into which the actual age falls, e.g., 41-50 years, 51-60 years.

Note 3: Specify the time the person first began to serve as a director or supervisor of the Company. If there has been any break within a term or between terms, add a note specifying the circumstances.

Note 4: Experience related to the current position(s). In case of work experience with the accounting firm offering external audit services or its affiliated companies during the aforesaid period includes, it is necessary to describe job positions and responsibilities.

Note 5: The Company's Chairman and President are relatives within one degree. To enhance operational efficiency and implementation of decisions, Chairman sets the directions and oversees the management. Equipped with business management expertise, President leads the management in implementation in accordance with the management philosophy. Chairman and President fully communicate with directors regarding corporate operation, plans and guidelines. All is reasonable and essential. The Company has four independent directors, and more than half of the directors do not concurrently serve as employees or managers, thereby implementing the supervisory function of the Board of Directors and the spirit of corporate governance.

Note 6: The number of share consists of 498,532 ordinary shares and 11 preference shares.

Note 7: The shareholding percentage consists of 2.01% for ordinary shares and 0% for preference shares.

Note 8: The number of share consists of 1,034,148 ordinary shares and 11 preference shares.

Note 9: The shareholding percentage consists of 1.97% for ordinary shares and 0% for preference shares.

2. Major Shareholders of Corporate Shareholders

Table 1 April 14, 2026

Name of corporate shareholder (Note 1)	Major shareholders of the corporate shareholder (Note 2)
Kao’s Enterprise Development Co., Ltd.	Yu-Jen Kao (45.46%), Riyuegao Investment Co., Ltd. (15.58%), Chang-Ming-Luan Kao (9.74%), Wan-Chien Kao (9.74%), Szu-Po Kao (9.74%), Szu-Fu Kao (9.74%).
EUROC Investment Co., Ltd.	Bai-Da Investment Co., Ltd. (55%), Kao's Enterprise Development Co., Ltd. (40%), Mei-Li Tsai (5%).
21st Century Foundation (Note 3)	Bai-Da Investment Co., Ltd. (47.44%), Kao’s Enterprise Development Co., Ltd.(23.72%), Chang-Ming-Luan Kao (11.86%), XIN LONG GUANG PLASTICS CO., LTD. (5.93%), Hsueh-Chih Chen (3.93%), Mei-Ling Lin (1.19%), Rui-Hua Chen (1.19%), Pin-Xin Lin (1.19%), Cai-Tong Chen (1.19%), Peng-Ru Huang (1.19%), Ying-Huan Han (1.19%).
Protegas Futuro Holdings, LLC	BOG Investments, LLC (100%).
Riyuegao Investment Co., Ltd.	Kao’s Enterprise Development Co., Ltd. (66.00%), Yue-Ai Chu (7.50%), Xuan-Yu Zhu (7.50%), Wan-Chien Kao (5.00%), Su-Po Kao (5.00%), Su-Fu Kao (5.00%), Ming-Luan Kao-Chang (3.00%), Yu-Jen Kao (1.00%).

Note 1: If a director or supervisor is a representative of a corporate shareholder, fill in the name of that corporate shareholder.

Note 2: Fill in the names of the corporate shareholder’s major shareholders (those with a shareholding ratio ranking among the top 10) and their shareholding ratios. If any of the major shareholders is a corporate/juristic person, also complete Form 2 below.

Note 3: If a corporate/juristic person shareholder is not organized as a company, the shareholder names and shareholding ratios required to be disclosed as mentioned above shall be the names of the capital contributors or donors (for further information, please refer to the announcements of the Judicial Yuan) and their capital contribution or donation rates, respectively. If a donor has died, please further note “deceased.” This column is filled in based on the donation information of 21st Century Foundation for 2025.

Table 2: Major shareholders of the major shareholder in Table 1 that is a juristic person April 14, 2026

Name of corporate/juristic person (Note 1)	Major shareholders of the corporate/juristic person (Note 2) (Note 3)
Riyuegao Investment Co., Ltd.	Kao's Enterprise Development Co., Ltd. (66.00%), Yue-Ai Chu (7.50%), Xuan-Yu Zhu (7.50%), Wan-Chien Kao (5.00%), Su-Po Kao (5.00%), Su-Fu Kao (5.00%), Ming-Luan Kao-Chang (3.00%), Yu-Jen Kao (1.00%).
Kao's Enterprise Development Co., Ltd.	Yu-Jen Kao (45.46%), Riyuegao Investment Co., Ltd. (15.58%), Ming-Luan Kao-Chang (9.74%), Wan-Chien Kao (9.74%), Su-Po Kao (9.74%), Su-Fu Kao(9.74%).
Bai-Da Investment Co., Ltd.	Yu-Jen Kao (20.00%), Hao-Hsun Kao (20.00%), Hao-Tong Kao (15.00%), Hao-Hsuan Kao (15.00%), Yao-Bin Ding (5.00%), Jiuan-Jiuan Kao (5.00%), Hsiu-Chuan Yen (5.00%), Yun-Tsai Chou (5.00%), Su-Po Kao (5.00%), Su-Fu Kao (5.00%).
BOG Investments, LLC	Mark Eric Christopher (46.6073%), The An Van Nguyen Revocable Trust (46.0427%), Dinh Van Nguyen (2.8776%), Joseph William Guest (1.6477%), Douglas Hafner Eacker (1.2117%), Cheng Andy Lee (1.0485%), Christopher Strom Nguyen (0.5645%).
XIN LONG GUANG PLASTICS CO., LTD.	XLG INDUSTRIAL CORP.(100%).

Note 1: If any major shareholder in Form 1 above is a corporate/juristic person, fill in the name of that corporate/juristic person.

Note 2: Fill in the names of the corporate/juristic person's major shareholders (those with a shareholding ratio ranking among the top 10) and their shareholding ratios.

Note 3: If a corporate/juristic person shareholder is not organized as a company, the shareholder names and shareholding ratios required to be disclosed as mentioned above shall be the names of the capital contributors or donors (for further information, please refer to the announcements of the Judicial Yuan) and their capital contribution or donation rates, respectively. If a donor has died, please further note "deceased."

3. Directors' professional qualifications and independent directors' independence information disclosure

Requirement / Name	Professional qualifications and experience (Note 1)	Independence of independent directors (Note 2)	No. of independent directorships served for other public companies
Kao’s Enterprise Development Co., Ltd. Director Representative: Yu-Jen Kao	(Note 3): No circumstances with any director as described in Article 30 of the Company Act	Not applicable	0
Kao’s Enterprise Development Co., Ltd. Director Representative: Su-Fu Kao			0
Kao’s Enterprise Development Co., Ltd. Director Representative: Min-Kung Huang			1
EUROC Investment Co., Ltd. Director Representative: Mei-Li Tsai			0
21st Century Foundation Director Representative: Cheng-Hu Chou			1
Protegas Futuro Holdings, LLC Director Representative: An Van Nguyen			0
Riyuegao Investment Co., Ltd. (Note 1)			0
Independent Director: Yun-Chuan Li		All independent directors meet the following circumstances: 1. Not an employee of the Company or its affiliated enterprise 2. Not a director or supervisor of the Company or its affiliated enterprise 3. Not a natural-person shareholder with at least 1% of the Company’s total number of shares in issuance or a top ten natural-person shareholder based on the shares held in person, by the spouse, minor children or under another person’s name 4. Not the spouse, a relative within two degrees of kinship or a linear relative within three degrees of kinship to a manager listed in (1) or a person listed in (2) or (3) 5. Not a direct shareholder with at least 5% of the Company’s total number of shares in issuance; not a top five shareholder; or a director, supervisor or employee of the legal-person shareholder who is a director or supervisor of the Company, according to Article 27-1 or Article 27-2 of the Company Act 6. Not a director, supervisor or employee of another company with more than half of the board seats or voting shares	0
Independent Director: Tsu-Ping Ren			1
Independent Director: Yi-Hsiung Su			0

Requirement / Name	Professional qualifications and experience (Note 1)	Independence of independent directors (Note 2)	No. of independent directorships served for other public companies
Independent Director: Shu-Hua Chiou		owned by the Company or controlled by the same person 7. Not a director, supervisor or employee or the spouse of a director, supervisor or employee within another company or an organization whose Chairman, President or a person of an equivalent post is the same as the Company's 8. Not a director, supervisor, manager or a shareholder with at least 5% stakes of a specific company or organization with financial or business dealings with the Company 9. Not a business owner, partner, director, supervisor or manager or the spouse of a business owner, partner, director, supervisor or manager of a professional, sole proprietorship, partnership, company or organization that has provided auditing service to the Company or its affiliated enterprises or the compensations received totaled less than NT$500,000 during the past two years for offering business, legal, financial, accounting services to the Company or its affiliated enterprises 10. Not the spouse or a relative within two degrees of kinship with another director 11. Not elected as government agency, legal person or its representative as described in Article 27 of the Company Act	0

(Note 1) Riyuegao Investment Co., Ltd. was elected as a juristic-person director.

Note 1: Please describe the professional qualifications and experience of individual directors. If a member of the Audit Committee possesses accounting or financial expertise, such person's accounting or financial background and work experience shall also be described. In addition, please explain whether there are no circumstances set forth in each subparagraph of Article 30 of the Company Act.

Note 2: Please describe the meeting of independence circumstances by independent directors. This includes but does not limit to whether the director, the spouse or a relative within two degrees of kinship acts as a director, supervisor or employee of the Company or an affiliated enterprise; whether the director, the spouse or a relative within two degrees of kinship holds (or under another person's name) the Company's shares and the percentage of the shareholdings and serves as a director, supervisor or employee of a company with specific relations with the Company (according to Paragraphs 5 to 8 of Article 3-1 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); and the compensations obtained by offering the Company or its affiliated enterprises business, legal, financial and accounting services during the past two years.

Note 3: Please refer to the relevant content on page 3 of this annual report under "Directors Information: Major Work (Academic) Experience and Concurrent Positions Currently Held with the Company and Other Companies".

4. Board Diversity

(1) Board Diversity Policy and Specific Management Objectives:

① The Company stipulates in Article 22 of the "Corporate Governance Best Practice Principles" that the composition of the Board of Directors shall take diversity into consideration, and in light of the Company's operations, business model and development needs, the following standards should be observed:

I. Basic requirements and values: gender (at least one female director), age (no limitation) and nationalities (over two-thirds Taiwanese nationals) and culture.

II. Professional knowledge and skillsets: professional background such as law (at least one seat), finance/accounting (at least two seats), industry (at least one seat), administration or management (at least two seats) and professional skillsets

② Specific management objectives are as follows:

- At least one director should be female.
- At least more than half of the directors are not spouses or relatives within two degrees of kinship to each other
- Four independent directors have been appointed in accordance with the law.

(2) The implementation of the diversity policy by the members of the Company's Board of Directors is as follows:

	Gender	Age distribution						Also employees	Industry/academic experience				
		40~49	50~59	60~69	70~79	80~89	90~99		Business	Finance/ accounting	Law	Industry	Public administration
Yu-Jen Kao	Male						v		v	v	v	v	
Su-Fu Kao	Male		v					v	v			v	
Min-Kung Huang	Male				v				v				v
Mei-Li Tsai	Female				v				v	v			
Cheng-Hu Chou	Male		v						v				v
An Van Nguyen	Male			v					v				
Riyuegao Investment Co., Ltd.		Not applicable											
Yun-Chuan Li	Male					v			v			v	v
Tsu-Ping Ren	Male				v				v				
Yi-Hsiung Su	Male					v			v	v			
Shu-Hua Chiou	Female				v				v				v

(3) The composition of the Company's Board of Directors in achieving the diversity policy is as follows:

Item	Achieved or not
Gender (at least one female director)	Yes
Age (no limitation)	Yes
Nationalities (at least two thirds of Taiwanese nationals)	Yes
Legal background (at least one seat)	Yes
Finance/accounting background (at least two seats)	Yes
Industry background ((at least one seat)	Yes
Administration or management background (at least one seat)	Yes

(4) The explanation and planned measures for the Company's female directors not reaching one-third are as follows:

① The Company's "Corporate Governance Best Practice Principles" stipulate that the Board of Directors as a whole shall possess 8 comprehensive capabilities, and its members shall be nominated and elected from various sectors in terms of gender, age, nationality, culture, law, finance and accounting, industry, administration or management, and professional skills, with the aim of enabling the Board of Directors to comprehensively guide the Company's strategies, supervise the management, be responsible to the Company and shareholders, complete various operations and arrangements of the corporate governance system, and duly exercise its powers and functions to meet the Company's needs. In the current term, the elected directors who are familiar with the industry knowledge in which the Company operates and possess sufficient experience are still predominantly male. At present, the Company's Board of Directors already includes two female directors. In the future, policies to increase the proportion of female directors will be promoted in due course.

② In the future, the Company will continue to select suitable director candidates in accordance with the policies set out in the "Corporate Governance Best Practice Principles" and will also refer to other talent databases (for example, the "Independent Director Talent Database" established by the Securities and Futures Institute) to seek suitable talent. The Company will continue to uphold a proactive and talent-valuing attitude and continuously implement the objectives of the diversity policy.

5. Board Independence

(1) Board structure
The Company has established fair, impartial and open procedures for the election and appointment of directors in accordance with the principles of safeguarding shareholders' rights and interests and fair treatment of shareholders, in compliance with the Company's “Articles of Incorporation”, “Rules for Director Elections”, “Corporate Governance Best Practice Principles” and relevant laws and regulations. The current composition of the Board of Directors comprises four independent directors and seven non-independent directors, including one director with employee/manager status, and two directors who are relatives within the 2nd degree of kinship (Director Yu-Jen Kao and Director Su-Fu Kao are father and son), in compliance with Article 26-3, paragraphs 3 and 4 of the Securities and Exchange Act.

(2) Board independence:
The Company’s Board of Directors emphasizes independence and transparency. All directors and independent directors are independent entities in the exercise of power. The four independent directors also exercise the powers of independent directors and the Audit Committee in accordance with relevant laws and regulations, including establishing or amending the internal control system; assessing the effectiveness of the internal control system; establishing or amending the procedures for material financial and business actions such as acquisition or disposal of assets, engaging in derivatives trading, lending funds to others, making endorsements or providing guarantees for others; matters involving directors' own interests; material asset or derivatives transactions; material lending of funds, endorsements or provision of guarantees; raising, issuance or private placement of equity-type securities; the appointment, dismissal or remuneration of the certified public accountants; the appointment and dismissal of the heads of finance, accounting or internal audit; and annual financial reports. According to the Company’s performance assessment system on the Board of Directors, self-assessments by the Board of Directors and individual directors are conducted once a year, to review the performance of the Board of Directors and to ensure its independence.

(II) Information on General Manager, Deputy General Managers, Associate General Managers, and Heads of All Departments and Branches

April 14, 2026

Title (Note 1)	Nationality	Name	Gender	Appointment (onboarding) date	Shareholding		Shares held by the spouse and minor children		Shares held under other's names		Experience and education (Note 2)	Roles assumed with other companies	Manager who is the spouse or a relative within two degrees of kinship			Remarks (Note 3)
					No. of shares	Shareholding percentage	No. of shares	Shareholding percentage	No. of shares	Shareholding percentage			Title	Name	Relation	
President	Republic of China	Su-Fu Kao	Male	January 1, 2010	1,034,159 (Note 4)	1.97% (Note 5)	311,617	0.59%	-	-	NYU Stern School of Business, U.S.	Director of a subsidiary	Chairman	Yu-Jen Kao	Father and son	(Note 3)
Senior Vice President, Vice President's Office	Republic of China	Meng-Yang Lu	Male	June 8, 2009	6,021	0.01%	-	-	-	-	Graduate Institute of Electrical Engineering, National Taiwan University	-	-	-	-	-
Sales & Marketing Division	Republic of China	Heng-Chia Wang	Female	July 9, 2018	11,461	0.02%	397	0.00%	-	-	Graduate Institute of Technology Management, National Chengchi University	President of a subsidiary	-	-	-	-
Assistant Vice President, Product Supply Division	Republic of China	Hsiao-Chien Chang	Female	September 1, 2020	2,000	0.00%	-	-	-	-	Department of International Business, National Taiwan University	-	-	-	-	-
Assistant Vice President, R&D Division	Republic of China	Tao-Ming Chang	Male	March 1, 2012	2,000	0.00%	-	-	-	-	Graduate Institute of Information Science, National Chiao Tung University	-	-	-	-	-
Assistant Vice President, Administration, Finance & Accounting Department	Republic of China	Liang-Ching Tsai	Female	June 8, 2009	27,188	0.05%	-	-	-	-	Law School, University of Notre Dame, US	-	-	-	-	-
Assistant Vice President, Finance & Accounting Department	Republic of China	Hung-Jung Wang	Male	April 1, 2022	10,100	0.02%	6,500	0.01%	-	-	Graduate Institute of Accounting, National Taipei University	-	-	-	-	-
Assistant Vice President, System Engineering Department	Republic of China	Bin-Ren Lai	Male	January 1, 2010	1,000	0.00%	-	-	-	-	Graduate Institute of Earth Science, National Central University	-	-	-	-	-
Assistant Vice President, Mechanical Engineering Department	Republic of China	Wen-Chin Chu	Male	September 2, 2019	1,000	0.00%	-	-	-	-	Graduate Institute of Industrial Design, Tatung University	-	-	-	-	-
Associate General Manager of Procurement Department and Manufacturing Department	Republic of China	Kun-Tsang Hsien	Male	January 1, 2010	1,000	0.00%	-	-	-	-	Department of Economics, Chinese Culture University	President of a subsidiary	-	-	-	-
Associate Vice President of Quality Assurance Department	Republic of China	Rong-Biao Wu	Male	April 08, 2024	1,000	0.00%	-	-	-	-	Graduate Institute of Electronics, National Taiwan University of Science and Technology	-	-	-	-	-

Note 1: Disclosure is required on President, Vice Presidents, Assistant Vice Presidents, and managers of all divisions and branches and any position equivalent to President, Vice Presidents, Assistant Vice Presidents, regardless of titles.
Note 2: Experience related to the current position(s). In case of work experience with the accounting firm offering external audit services or its affiliated companies during the aforesaid period includes, it is necessary to describe job positions and responsibilities.
Note 3: The Company's Chairman and President are relatives within one degree. To enhance operational efficiency and implementation of decisions, Chairman sets the directions and oversees the management. Equipped with business management expertise, President leads the management in implementation in accordance with the management philosophy. Chairman and President fully communicate with directors regarding corporate operation, plans and guidelines. All is reasonable and essential. The Company has four independent directors, and more than half of the directors do not concurrently serve as employees or managers, thereby implementing the supervisory function of the Board of Directors and the spirit of corporate governance.
Note 4: This number of shares includes 1,034,148 shares and 11 preferred shares.
Note 5: The shareholding percentage consists of 1.97% for ordinary shares and 0% for preference shares.

II. Remuneration paid to Directors, General Manager and Deputy General Managers in the most recent year

(I) Remuneration of general directors and independent directors

Unit: Thousands of New Taiwan Dollar

Title	Name	Directors' Remuneration								Sum of A, B, C and D to Net Income (%)		Relative remuneration received as an employee concurrently								Sum of A, B, C, E, F and G to Net Income (%)		Remuneration from ventures other than subsidiaries
		Base Compensation (A)		Severance Pay and Pensions (B)		Directors Compensation (C) (Note 2)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay and Pensions (F)		Employee remuneration (G) (same as Note 2)						
																The Company		All companies covered by the financial statements				
		The Company	All companies covered by the financial statements	The Company	All companies covered by the financial statements	The Company	All companies covered by the financial statements	The Company	All companies covered by the financial statements	The Company	All companies covered by the financial statements	The Company	All companies covered by the financial statements	The Company	All companies covered by the financial statements	Cash amount	Amount of shares	Cash amount	Amount of shares	The Company	All companies covered by the financial statements	
Chairman	Representative of Kao's Enterprise Development Co., Ltd.: Yu-Jen Kao	240	240	-	-	1,239	1,239	35	35			9,714	9,714	-	-	-	-	-	-	5.10	5.10	None
Directors	Representative of Kao's Enterprise Development Co., Ltd.: Si-Fu Kao	240	240	-	-	619	619	35	35			7,023	7,023	108	108	1,300	-	1,300	-	4.24	4.24	None
Directors	Representative of Kao's Enterprise Development Co., Ltd.: Min-Kung Huang	240	240	-	-	619	619	25	25			-	-	-	-	-	-	-	-	0.4	0.4	None
Directors	Representative of EUROC Investment Co., Ltd.: Mei-Li Tsai	240	240	-	-	619	619	25	25			-	-	-	-	-	-	-	-	0.4	0.4	None
Directors	Representative of 21st Century Foundation: Cheng-Hu Chou	240	240	-	-	619	619	25	25			-	-	-	-	-	-	-	-	0.4	0.4	None
Directors	Representative of Riyuegao Investment Co., Ltd.: Shu-Hui Chang et al. (Note 1)	240	240	-	-	619	619	25	25			-	-	-	-	-	-	-	-	0.4	0.4	None
Directors	Representative of Protegas Futuro Holdings, LLC: An-Van Nguyen	240	240	-	-	619	619	25	25			-	-	-	-	-	-	-	-	0.4	0.4	None
Independent Director	Yun-Chuan Li	240	240	-	-	619	619	75	75			-	-	-	-	-	-	-	-	0.42	0.42	None

Title	Name	Directors' Remuneration								Sum of A, B, C and D to Net Income (%)		Relative remuneration received as an employee concurrently								Sum of A, B, C, E, F and G to Net Income (%)		Remuneration from ventures other than subsidiaries
		Base Compensation (A)		Severance Pay and Pensions (B)		Directors Compensation (C) (Note 2)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay and Pensions (F)		Employee remuneration (G) (same as Note 2)						
		The Company	All companies covered by the financial statements	The Company	All companies covered by the financial statements	The Company	All companies covered by the financial statements	The Company	All companies covered by the financial statements	The Company	All companies covered by the financial statements	The Company	All companies covered by the financial statements	The Company	All companies covered by the financial statements	The Company		All companies covered by the financial statements		The Company	All companies covered by the financial statements	
																Cash amount	Amount of shares	Cash amount	Amount of shares			
Independent Director	Tsu-Ping Ren	240	240	-	-	619	619	75	75			-	-	-	-	-	-	-	-	0.42	0.42	None
Independent Director	Yi-Hsiung Su	240	240	-	-	619	619	85	85			-	-	-	-	-	-	-	-	0.43	0.43	None
Independent Director	Shu-Hua Chiou	240	240	-	-	619	619	55	55			-	-	-	-	-	-	-	-	0.42	0.42	None

Note 1: Riyuegao Investment Co., Ltd. separately designated Shu-Hui Chang and Ling-Feng Chang as representatives of the institutional director. The amounts in this table are the total remuneration paid to Riyuegao Investment Co., Ltd.

Note 2: It is estimation.

(II) Remuneration of General Manager and Deputy General Managers

Unit: Thousands of New Taiwan Dollar

Title	Name	Salary (A)		Severance Pay and Pensions (B)		Bonuses and Allowances (C)		Remuneration Paid to Employees (D)				Sum of A, B, C and D to Net Income (%)		Remuneration from ventures other than subsidiaries
		The Company	All companies covered by the financial statements	The Company	All companies covered by the financial statements	The Company	All companies covered by the financial statements	The Company		All companies covered by the financial statements		The Company	All companies covered by the financial statements	
								Cash Amount (Note 2)	Amount of shares	Cash Amount (Note 2)	Amount of shares			
President	Su-Fu Kao	4,708	4,708	108	108	2,315	2,315	1,300	-	1,300	-	3.83	3.83	None
Vice President	Meng-Yang Lu	3,571	3,571	108	108	1,205	1,205	700	-	700	-	2.54	2.54	None

Note 1: The salary and pension of one driver of the General Manager in 2025 totaled NT$ 1,178 thousand.
Note 2: It is estimation.

(III) Comparative analysis and description of the ratio of the total remuneration paid by the Company and all companies in the Consolidated Financial Statements to the Company's directors, General Manager and Deputy General Managers in the most recent 2 years to the net income after tax in the Parent Company Only Financial Statements or individual financial reports, and description of the policy, standards and components of remuneration payment, the procedures for determining remuneration, and the relevance to operating performance and future risks

Title	2024 Percentage of remuneration paid by the Company and by each other company included in the consolidated financial statements to directors, president, and vice president to net income		2025 Percentage of remuneration paid by the Company and by each other company included in the consolidated financial statements to directors, president, and vice president to net income	
	The Company	All companies covered by the financial statements	The Company	All companies covered by the financial statements
Directors	19.17%	19.17%	15.58	15.58
President and vice president				

The remuneration of the above personnel has been reviewed by the Company's Remuneration Committee with reference to the Company's Articles of Incorporation, performance appraisal management measures, salary grade table for each rank and title, and the usual payment standards of peer companies, and, based on factors including the following assessment items, a remuneration proposal was submitted to the Board of Directors and approved by resolution of the Board of Directors.

Title	Appraisal Items
Directors	1. Master in the goals and missions of the Company 2. Understanding of the responsibilities of a director 3. Degree of involvement in company operation 4. Management of internal relationship and communication 5. Proficiency of a director and continuing education 6. Internal control
President and vice president	1. Department management performance 2. Planning ability 3. Teamwork and cross departmental communication 4. Special contribution

III. Corporate Governance Operations

(I) Operation of the Board of Directors

The Board of Directors held 5 meetings in the most recent year (A), and the attendance of directors is as follows:

Title	Name (Note 1)	Attendance in person (B)	Attendance by proxy	Attendance rate in person (%) (B/A) (Note 2)	Remarks
Chairman	Kao's Enterprise Development Co., Ltd. Representative: Yu-Jen Kao	4	1	80%	-
Directors	Kao's Enterprise Development Co., Ltd. Representative: Si-Fu Kao	5	0	100%	-
Directors	Kao's Enterprise Development Co., Ltd. Representative: Min-Kung Huang	5	0	100%	-
Directors	EUROC Investment Co., Ltd. Representative: Mei-Li Tsai	5	0	100%	-
Directors	Representative of 21st Century Foundation: Cheng-Hu Chou	5	0	100%	-
Directors	Riyuegao Investment Co., Ltd.	5	0	100%	Corporate director elected
Directors	Protegas Futuro Holdings, LLC Representative: An Van Nguyen	0	5	0%	Foreign corporate directors, because they reside abroad, all appointed other directors to attend.
Independent Director	Yun-Chuan Li	5	0	100%	-
Independent Director	Tsu-Ping Ren	5	0	100%	-
Independent Director	Yi-Hsiung Su	4	1	80%	-
Independent Director	Shu-Hua Chiou	5	0	100%	-

Other matters that should be noted:

I. In case of any of the following circumstances with the functioning of the Board of Directors, it is necessary to provide the board meeting dates, sessions, agendas, opinions from all Independent Directors and the ways the Company handles such opinions:

(I) Matters specified in Article 14-3 of the Securities and Exchange Act: Article 14-3 of the Securities and Exchange Act is not applicable as the Company has established Audit Committee. Please refer to the section "Functioning of Audit Committee" in this annual report.

(II) Other than the aforesaid circumstances, any resolutions passed by the Board of Director for which Independent Director(s) have expressed dissenting opinions or such dissenting opinions were recorded or prepared as a written declaration: none

II. For any recusal by directors from proposals due to conflict of interest, it is necessary to provide the names of directors, proposal contents, reasons for the required recusal and participating in voting: none

III. A TWSE/TPEx listed company should disclose the cycle, period, scope, method and contents of self-assessments (or peer assessments) of the Board of Directors and fill in Table 2 (2) for the implementation of Board assessments.

IV. Objectives in enhancement of Board functions (e.g., establishment of Audit Committee and improvement of information transparency) and assessment of implementation during the current year and the most recent year

(I) To align with the corporate governance policy promoted by the competent authority, independent directors, the Audit Committee, the Remuneration Committee and the Sustainability Development Committee have been established in accordance with regulations to duly perform internal supervision and management and strengthen the functions of the Board of Directors.

(II) Information transparency, online reporting and disclosure of corporate governance information: The Company follows relevant laws on information transparency by reporting important information via Market Observation Post System (MOPS) to ensure timely disclosure of information that may influence the decisions by shareholders and stakeholders. The Company also discloses information regarding corporate governance within the year via its corporate website, in adherence to the spirit of corporate governance.

Note 1: If a director or supervisor is a legal person, it is necessary to disclose the name of the legal-person shareholder and the name of the representative.

Note 2:

(1) If any director or supervisor has departed before the year end, the departure date should be noted in the Remark column. The attendance rate (%) is calculated by dividing the number of meetings convened by the Board of Directors when the member was in service with the number of meetings attended.

(2) In case of any bi-election of any director or supervisor before the year end, the previous director/supervisor and the new director/supervisor should both be listed. Whether a director/supervisor was pre-existing or is new and the date of the new appointment or by-election should be noted in the Remark column. The attendance rate (%) is calculated by dividing the number of meetings convened by the Board of Directors when the member was in service with the number of meetings attended.

(I-1) Board of Directors Evaluation Implementation Status

Assessment cycle	Assessment period	Assessment scope	Assessment method	Assessment content
Once a year	January 1, 2025 to December 31, 2025	Board of Directors	Internal self-assessment by the Board of Directors	Degree of involvement in company operation; quality enhancement of decisions by the Board of Directors; Board composition and structure; director election and continuing education and internal control
Once a year	January 1, 2025 to December 31, 2025	Individual directors	Self-assessment by directors	Understanding of company goals and missions; acknowledgement of a director's responsibility; degree of involvement in company operation; management and communication of internal relations; a director's professionalism and continuing education; and internal control

Note 1: Assessment cycle of assessments on the Board of Directors, such as once a year

Note 2: The period covered by the assessment on the Board of Directors, e.g., the assessment of the Board's performance from January 1, 2019 to December 31, 2019.

Note 3: The scope of assessments includes performance reviews on the Board of Directors, individual directors and functional committees.

Note 4: The assessment methods include self-assessments by the Board of Directors, self-assessments by directors, peer assessment or performance review by commissioning external organizations, experts or in other appropriate means.

Note 5: Assessment content should at least include the following:

(1) Performance evaluation of the Board of Directors: at least including the degree of participation in the Company's operations, the quality of decision-making of the Board of Directors, the composition and structure of the Board of Directors, the election and continuing education of directors, and internal control.

(2) Performance evaluation of individual board members: at least including understanding of the Company's goals and missions, awareness of directors' duties, the degree of participation in the Company's operations, management and communication of internal relationships, directors' professionalism and continuing education, and internal control.

(3) Performance evaluation of functional committees: the degree of participation in the Company's operations, awareness of functional committee duties, the quality of decision-making of functional committees, the composition of functional committees and the election of members, and internal control.

(I-2) Audit Committee Evaluation Implementation Status

Assessment cycle	Assessment period	Assessment method	Assessment content	Date of reporting to Board of Directors
Once a year	January 1, 2025 to December 30, 2025	Internal self-assessment by Audit Committee	The degree of participation in the Company's operations, awareness of the Audit Committee's duties, improvement of the Audit Committee's decision-making quality, the composition of the Audit Committee and the election of members, and internal control	December 30, 2025

(I-3) Remuneration Committee Evaluation Implementation Status

Assessment cycle	Assessment period	Assessment method	Assessment content	Date of reporting to Board of Directors
Once a year	January 1, 2025 to December 30, 2025	Self-assessment by Audit Committee members	The degree of participation in the Company's operations, awareness of the Remuneration Committee's duties, improvement of the Remuneration Committee's decision-making quality, the composition of the Remuneration Committee and the election of members, and internal control	December 30, 2025

(I.4) Evaluation of the Implementation of the Sustainable Development Committee

Assessment cycle	Assessment period	Assessment method	Assessment content	Date of reporting to Board of Directors
Once a year	January 1, 2025 to December 30, 2025	Internal Self-Assessment of the Sustainable Development Committee	Degree of participation in the Company's operations, understanding of the duties of the Sustainable Development Committee, enhancement of the decision-making quality of the Sustainable Development Committee, composition of the Sustainable Development Committee and election of its members, internal control	December 30, 2025

(II) Operation of the Audit Committee

1. The Audit Committee held 4 meetings (A) in the most recent year, and the attendance of independent directors is as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Attendance rate in person (%) (B/A) (Note 1, Note 2)	Remarks
Independent Director	Yun-Chuan Li	4	0	100%	-
Independent Director	Tsu-Ping Ren	4	0	100%	-
Independent Director	Yi-Hsiung Su	4	0	100%	-
Independent Director	Shu-Hua Chiou	3	1	75%	-

Other matters that should be noted:

I. In case of any of the following circumstances with the functioning of Audit Committee, it is necessary to provide the Audit Committee meeting dates; sessions; agendas; objections, reservations or significant suggestions from independent directors; decisions by Audit Committee, and the ways the Company handles such opinions.

(I) Matters specified in Article 14-5 of the Securities and Exchange Act

Sessions and dates of Audit Committee meetings	Proposals and responses in relation to the matters listed in Article 14-5 of the Securities and Exchange Act	Objections, reservations or significant suggestions from independent directors	Decisions by Audit Committee	The Company's responses to Audit Committee's opinions
2nd Term, 8th meeting March 6, 2025	Approved the Company's 2024 business report	None	Unanimous approval by all attending members	(Note 3)
	Approved the Company's 2024 Financial Statements (Parent Company Only Financial Statements and Consolidated Financial Statements)	None	Unanimous approval by all attending members	(Note 3)
	Approved the Company's 2024 earnings distribution proposal	None	Unanimous approval by all attending members	(Note 3)
	Approved the Company's 2024 proposal for capitalization of earnings through issuance of new shares	None	Unanimous approval by all attending members	(Note 3)
	Approved the Company's 2024 assessment of the effectiveness of the design and implementation of the internal control system	None	Unanimous approval by all attending members	(Note 3)
	Approved the Company's assessment of the independence and suitability of the certifying accountants	None	Unanimous approval by all attending members	(Note 3)
	Approved the appointment and remuneration of the Company's certifying accountants for 2025	None	Unanimous approval by all attending members	(Note 3)
	Approved that the long-term receivables from the Company's U.S. subsidiary Durabook Americas Inc. are not in the nature of lending	None	Unanimous approval by all attending members	(Note 3)

2nd Term, 9th meeting May 12, 2025	Approved the Company's Q1 2025 Consolidated Financial Statements	None	Unanimous approval by all attending members	(Note 3)
	Approved that the long-term receivables from the Company's U.S. subsidiary Durabook Americas Inc. are not in the nature of lending	None	Unanimous approval by all attending members	(Note 3)
2nd Term, 10th meeting August 8, 2025	Approved the Company's Q2 2025 Consolidated Financial Statements	None	Unanimous approval by all attending members	(Note 3)
	Approved that the long-term receivables from the Company's U.S. subsidiary Durabook Americas Inc. are not in the nature of lending	None	Unanimous approval by all attending members	(Note 3)
2nd Term, 11th meeting November 11, 2025	Approved the Company's Q3 2025 Consolidated Financial Statements	None	Unanimous approval by all attending members	(Note 3)
	Approved the Company's amendments to the "Rules Governing Internal Control System" and the "Detailed Rules for Internal Audit Implementation"	None	Unanimous approval by all attending members	(Note 3)
	Approved the Company's assessment of the independence and suitability of the certifying accountants	None	Unanimous approval by all attending members	(Note 3)
	Approved the proposal that the long-term receivables from the U.S. subsidiary Durabook Americas Inc. of the Company are not in the nature of funds lending	None	Unanimous approval by all attending members	(Note 3)

(II) In addition to the aforesaid matters, any matters not approved by Audit Committee but resolved by over two thirds of directors: none

II. For any recusal by independent directors from Audit Committee meetings and proposals due to conflict of interest, it is necessary to provide the names of independent directors, proposal contents, reasons for the required recusal and participating in voting: none

III. Independent directors' communication with internal auditing managers and external accountants (e.g., regarding the key issues, methods and outcomes of the Company's financials and business)

(1) Internal auditing managers present audit reports to independent directors each month, communicate and exchange views with independent directors about the reported content and company operation. If independent directors have any concern over corporate functioning, they seek explanations and answers from auditing managers.

(2) If independent opinions have any opinion about financial information, they contact external accountants directly for details.

(3) The following table shows the separate communications of independent directors with the CPA and the head of internal audit in 2025:

Meeting Date	Nature of Meeting	Communication Topics	Suggestions from Independent Directors
2025/03/06	Meeting with the CPA	Description of independence evaluation, audit findings, important regulatory updates, and potential impacts on the Company.	No comments
2025/11/11	Meeting with the head of internal audit of the Company	Suggestions and ideas for future audit work.	No comments

Note 1: If any independent director resigns before the end of the year, the resignation date shall be stated in the remarks column, and the actual attendance rate (%) shall be calculated based on the number of meetings of the Audit Committee held and the number of meetings actually attended during such person's term of office.

Note 2: If any independent director is re-elected before the end of the year, both the new and former independent directors shall be listed, and the remarks column shall indicate whether such independent director is former, new or re-elected, as well as the date of re-election. The attendance rate (%) is calculated by dividing the number of meetings convened by Audit Committee when the member was in service with the number of meetings attended.

Note 3: The Board of Directors concurred with the professional opinions of the Audit Committee.

(III) Status of Corporate Governance Operations and deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor

Assessment items	Functioning status (Note)			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasonable for such differences
	Yes	No	Summary and explanation	
I. Has the Company established and disclosed its practical guidelines on corporate governance, in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies?	✓		The Company has adopted the Corporate Governance Best Practice Principles and disclosed them on the Company's website. The Company's website: https://www.twinhead.com.tw/wp-content/uploads/2023/12/%E5%85%AC%E5%8F%B8%E6%B2%BB%E7%90%86%E5%AF%A6%E5%8B%99%E5%AE%88%E5%89%87-v2.pdf	No significant difference
II. Ownership structure and shareholders' equity				
(I) Has the Company established internal procedures for handling of suggestions/concerns from and disputes/litigations with shareholders, and implemented such procedures accordingly?		✓	The Company has established Practical Guidelines on Corporate Governance. Legal Department is responsible for handling the suggestions and questions from shareholders, disputes and litigation matters with shareholders.	No significant difference
(II) Does the Company have the list of ultimate controlling shareholders and the ultimate controllers of major shareholders?	✓		The Company's shareholder services are outsourced to a stock transfer agency and the list of the relevant controllers is disclosed in the annual report.	
(III) Has the Company established and implemented risk control and firewalls with affiliated enterprises?	✓		The Company has established a risk management policy and procedure to exercise strict control over internal and external risks. Meanwhile, Management Guidelines of Subsidiaries Management and the internal control mechanism have been put in practice.	
(IV) Has the Company established internal regulations to prohibit insiders from trading marketable securities by using non-public information?	✓		The Company has adopted management procedures for the prevention of insider trading, prohibiting insiders of the Company from disclosing undisclosed material non-public information to any third party or trading stocks on the basis of such information.	
III. Composition and responsibility of Board of Directors				

Assessment items	Functioning status (Note)			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasonable for such differences
	Yes	No	Summary and explanation	
(I) Has the Board of Directors established a diversity policy, management targets and implemented accordingly?	✓		The Company has adopted the Corporate Governance Best Practice Principles and implemented the board diversity policy in accordance with such principles. Specific management objectives are set based on the Company's operations, business model and development needs, and composition standards covering at least basic conditions and values, professional knowledge and skills, among other aspects, are observed.	No significant difference
(II) In addition to Remuneration Committee and Audit Committee required by laws, has the Company voluntarily established other functional committees?	✓		In addition to the Remuneration Committee and the Audit Committee, the Company established the Sustainable Development Committee in 2024, which is responsible for implementing the Company's sustainable development goals, strengthening sustainable governance, and, in coordination with the operation of the Board of Directors, effectively supervising the execution of the Company's various businesses.	
(III) Has the Company established the Board performance assessment guidelines and methods, conducted performance reviews once a year and provided the assessment results to the Board, as a reference for remunerations and re-election nominations of individual directors?	✓		The Company has adopted the Regulations Governing Performance Evaluation of the Board of Directors and its evaluation methods, with the Legal Affairs Office serving as the executing unit to conduct regular annual performance evaluations. The evaluation results for 2025 have been submitted to the 16th meeting of the 14th Term Board of Directors and may serve as reference for the selection or nomination of directors for the next term; the results of individual directors' performance evaluations may also serve as reference for determining their remuneration.	
(IV) Has the Company periodically assessed the independence of external accountants?	✓		The independence and competence of the appointed CPA are evaluated regularly once a year with reference to the Audit Quality Indicators (AQIs). For details, please refer to page 48 of this annual report.	

Assessment items	Functioning status (Note)			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasonable for such differences
	Yes	No	Summary and explanation	
IV. Has the TWSE/TPEx listed company allocated a suitable number of qualified corporate governance officers and appointed Corporate Governance Supervisor to take charge of corporate governance matters (including but not limited to provision of data required for functioning of Directors and Supervisors; assistance to Directors and Supervisors in compliance; organization of board meetings and shareholders' meeting according to laws; and production of minutes for board meetings and shareholders' meeting)?	✓		Legal Department is responsible for all corporate governance matters. Corporate Governance Officer has been appointed to organize board meetings and shareholders' meetings; produce minutes for board meetings and shareholders' meetings; assist the onboarding and continuing education of directors; provide data required for performance of directors; help directors in compliance; report to the Board of Directors whether the qualifications of independent directors nominated, elected and in service meet relevant laws and regulations; proceed with changes of directors and other matters according to the Articles of Incorporation or contracts. The corporate governance officer completed 12 hours of continuing education in 2025.	No significant difference
V. Has the Company established the communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers), constructed a stakeholder section on the company website and appropriately responded to corporate social responsibility issues pertinent to stakeholders?	✓		(I) The Company's spokesperson system is responsible. There is a stakeholder section on the company website to connect and communicate directly with stakeholders, so that they understand the Company's operation. (II) The Company has a letterbox for employees to email or write about their opinions.	No significant difference
VI. Whether the Company has commissioned a stock transfer agency to handle shareholders' meetings?	✓		The Company has authorized Stock Transfer Agency Department of Grand Fortune Securities Co., Ltd. to handle shareholders' meetings.	No significant difference
VII. Information disclosure				
(I) Has the Company established a website to disclose financial and corporate governance information?	✓		The Company discloses financial and business information via Market Observation Post System (MOPS) as required. A dedicated website has been established to provide company information and facilitate inquiries from investors. The Company's website: www.twinhead.com.tw	No significant difference

Assessment items	Functioning status (Note)			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasonable for such differences
	Yes	No	Summary and explanation	
(II) Has the Company adopted other information disclose methods (such as English-language website; appointment of dedicated personnel for collection and disclosure of corporate information; the spokesperson system; uploading capital market event presentations on the company website)?	✓		The Company has designated personnel for collection and disclosure of information, implemented the spokesperson system for external communication and organized capital market events according to laws.	No significant difference
(III) Does the Company announce and file its annual financial reports within two months after the end of a financial year and announce and file its first, second and third quarterly financial reports and monthly revenues before deadlines?		✓	According to the statutory rules and deadlines, the Company announces and files its annual financial reports before the end of March and announces and files its first, second and third quarterly financial reports and monthly revenues before deadlines.	
VIII. Whether the Company has any other material information that would facilitate understanding of the operation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, rights of stakeholders, continuing education of directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, and the status of liability insurance purchased by the Company for directors and supervisors)?	✓		(I) Employees' rights and employee concern The Company has established Employees' Welfare Committee to provide a variety of benefits. The retirement system is implemented according to laws. Training and education is planned for employees. Regular health checks are arranged. Employees' Welfare Committee meetings and labor relations meetings are convened periodically to protect employees' rights. (II) Investor relations The Company discloses corporate information according to laws and organizes capital market events to protect the fundamental rights of investors and fulfills the duty to shareholders. (III) Supplier relations The Company has established a Procurement Department dedicated to managing matters related to suppliers. (IV) Stakeholders' rights The Company has a spokesperson system dedicated to handling matters and fulfills its due responsibilities to the rights of all stakeholders. (V) Continuing education of directors The participation by the Company's directors in courses organized by professional institutions is disclosed on Market Observation Post System (MOPS).	No significant difference

Assessment items	Functioning status (Note)			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasonable for such differences
	Yes	No	Summary and explanation	
			(VI) Implementation of risk management policy and risk measurements The Company has established risk management policies and procedures, under which each department proposes response measures for significant risks, and review meetings are convened regularly to examine the implementation results and effectiveness of risk responses, confirming that the Company's various risk management measures have all been achieved and that the results of risk treatment plans have reached an acceptable risk level. (VII) Implementation of customer policy The Company maintains good communication and relations with customers. Hence, the customer policy is well implemented. (VIII) Directors discuss and speak up at board meetings and recuse from proposals in presence of conflict of interest. (IX) Purchase of liability insurance for directors The Company renewed Directors and Officers liability insurance with coverage of USD 1 million in June 2025.	

IX. Please describe the improvements to date and the measures to address priority issues outstanding according to the corporate governance evaluation results for the most recent year published by TWSE Corporate Governance Center. (Not required if not included in the assessed companies):

(I) The Company has commenced improvements in accordance with the results of the 2025 corporate governance evaluation, as explained below:

To align with ESG evaluations, the Company has commenced assessment and adjustment based on its current status, and has made improvements in disclosing greenhouse gas categories and annual emissions in accordance with the evaluation items.

(II) Priority reinforcement items and measures for items in the 2025 corporate governance evaluation results that have not yet been improved:

The Company has assessed the corporate governance evaluation indicators that have not yet been improved based on its current status, in order to gradually improve them and enhance its corporate governance image.

Note: Summary and explanation should be provided whether Yes or No is selected for functioning status.

(IV) Composition, duties and operation of the Remuneration Committee

1. Information on members of the Remuneration Committee

Identity (Note 1)	Requirement / Name	Professional qualifications and experience (Note 2)	Independence (Note 3)	No. of Audit Committee memberships with other public companies
Independent Director (Convener)	Yun-Chuan Li	Note I	Note II	0
Independent Director	Yi-Hsiung Su			0
Independent Director	Tsu-Ping Ren			1

Note 1: Please describe relevant work tenures, professional qualifications, experience and independence of individual Remuneration Committee members. Please refer to the contents in Table 1 Data of Directors and Supervisors (I) on Page OO and make a note for independent directors in the Remark section. In the Identity section, please indicate whether he/she is an independent director or not. (Please note if he/she is the convener.)

Note 2: Professional qualifications and experience: Please describe the professional qualifications and experience of individual Remuneration Committee members.

Note 3: Independence: Please describe the independence of each Remuneration Committee member, including but not limited to whether the member himself/herself, the spouse or a relative within two degrees of kinship serves as a director, supervisor or employee of the Company or its affiliated enterprises; the number of the Company shares and the percentage of shareholdings held by the member himself/herself, the spouse or a relative within two degrees of kinship (or under another person's name); whether the member himself/herself, the spouse or a relative within two degrees of kinship serves as a director, supervisor or employee of a company with specific relations with the Company (see Paragraphs 5 to 8 of Article 6-1 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Listed on the Taiwan Stock Exchange or the Taipei Exchange); and the amount of compensations received for offering business, legal, finance and accounting services to the Company and its related enterprises during the past two years.

Note 4: Please refer to the best practice provided at the website of TWSE Corporate Governance Center.

Note I: Please refer to page 3 of this annual report for the relevant information under "Director Information: Major Work (Educational) Experience and Current Positions Concurrently Held in the Company and Other Companies".

Note II: Please refer to page 7 of this annual report for the relevant information under "Professional Qualifications of Directors and Disclosure of Independence Information of Independent Directors".

2. Duties of the Remuneration Committee:

(1) Design and regular performance assessments on directors, independent directors and managers, as well as remuneration policies, systems, standards and structures

(2) Periodical assessment and determination of remuneration for directors, independent directors and managers

Suggestions for (1)(2) forwarded to the Board of Directors for deliberation

3. Information on the operation of the Remuneration Committee

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

(2) Term of office of the current committee: June 13, 2023 to June 12, 2026.

Remuneration Committee convened three meetings (A) during the most recent year. Qualifications and attendance of members are is shown below:

Title	Name	Attendance in person (B)	Attendance by proxy	Attendance rate in person (%) (B/A) (Note)	Remarks
Convener	Yun-Chuan Li	3	0	100%	-

Committee member	Yi-Hsiung Su	3	0	100%	-
Committee member	Tsu-Ping Ren	3	0	100%	-

Other matters that should be noted:

I. If the Board of Directors did not adopt or amend the Remuneration Committee's suggestions, it is necessary provide the board meeting dates, sessions, agendas, the Board's resolutions and the ways the Company handles Remuneration Committee's opinions. (If the remuneration approved by the Board of Directors was better than what was advised by Remuneration Committee, it is necessary to describe the difference and the reason for such a difference.): none

II. If any member has expressed dissenting opinions or reservation for Remuneration Committee's decisions and there was a record or a written statement, it is necessary provide the Remuneration Committee meeting dates, sessions, agendas, opinions from all members and the ways these opinions were handled.

Notes:

(1) If any member of Remuneration Committee has departed before the year end, the departure date should be noted in the Remark column. The attendance rate (%) is calculated by dividing the number of meetings convened by Remuneration Committee when the member was in service with the number of meetings attended.

(2) In case of any bi-election of any Remuneration Committee member before the year end, the previous member and the new member should both be listed. Whether a member was pre-existing or is new and the date of the new appointment or by-election should be noted in the Remark column. The attendance rate (%) is calculated by dividing the number of meetings convened by Remuneration Committee when the member was in service with the number of meetings attended.

(V) Status of implementation of sustainable development promotion and differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor

Initiative	Implementation status (Note 1)			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reason for such differences
	Yes	No	Summary and explanation	
I. Has the Company established a governance structure for sustainable development and put in place a dedicated (non-dedicated) sustainable development division? Has the Board of Directors authorized senior managers for handling and overseen the implementation? (A TWSE/TPEx listed company should provide the implementation status, not compliance or explanation.)	✓		1. In 2024, the Board of Directors Approved the establishment of the Organizational Rules of the Sustainability Development Committee of the Company and the establishment of the Sustainability Development Committee, which was authorized by the Board of Directors to be responsible for performing the following matters and reporting to the Board of Directors. (1) Formulate, promote and strengthen the Company's sustainable development policy, annual plans and strategies (2) Review, track and revise the status and effectiveness of sustainable development implementation. (3) Supervise sustainable information disclosure matters and review the sustainability report. (4) Supervise the execution of the Company's sustainable development operations or other sustainable development-related work resolved by the Board of Directors. 2. Status of implementation of the Sustainability Development Committee in 2025 (1) Approved the Company's 2024 Sustainability Report. (2) Approved the Company's sustainability development implementation status and results for H1 2025. (3) Approved the Company's sustainability development implementation status and results for 2025. (4) Approved the planning schedule for the Company's 2026 Sustainability Report. 3. A Sustainability Development Promotion Working Group has been established under the Sustainable Development Committee, with one Chief Commissioner. Under it, three groups have been formed, namely the Sustainable Environment Group, the Social Inclusion Group, and the Corporate Governance Group, to ensure the promotion of sustainability development-related work.	No significant difference
II. Has the Company conducted risk assessments in environmental, social and corporate governance issues,	✓		1. This disclosure only covers the Company and excludes subsidiaries. 2. The Company has established a risk policy and procedure and adopts responses	No significant difference

<table>
<tr><th rowspan="2">Initiative</th><th colspan="3">Implementation status (Note 1)</th><th rowspan="2">Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reason for such differences</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary and explanation</th></tr>
<tr><td>according to the materiality principle, and formulated relevant risk management policies or strategies? (Note 2)
(A TWSE/TPEx listed company should provide the implementation status, not compliance or explanation.)</td><td></td><td></td><td>or control measures in advance and according to risk assessment results, to mitigate losses due to risks. Routine assessments of environmental, social and corporate governance risks are conducted and appropriateness of such assessments is examined in annual business reviews. The results are tracked regularly and incorporated into operational activities of each department, to achieve the Company’s business sustainability.
3. Relevant risk policies or strategies are defined as follows on the basis of assessed risks:
<table>
<tr><th>Significant issues</th><th>Risk assessment items</th><th>Explanation</th></tr>
<tr><td>Environmental</td><td>Environmental impact and management</td><td>Comply with various environmental laws and regulations, and establish environmental management procedures to confirm the effective implementation of the established environmental management system.</td></tr>
<tr><td rowspan="2">Social</td><td>Occupational safety</td><td>1. Deployment of access control facilities, routine inspections of fire prevention facilities and emergency response equipment
2. Organization of employees’ health checks and classes in relation to labor safety and health, to ensure employees’ safety during work</td></tr>
<tr><td>Product safety</td><td>1. Products and services in adherence to relevant laws, regulations and international standards such as security requirements and applications</td></tr>
</table></td><td></td></tr>
</table>

Initiative	Implementation status (Note 1)			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reason for such differences
	Yes	No	Summary and explanation	
			(see nested table below)	

		in different countries, RoHS (Restriction of Hazardous Substances Directive) and WEEE (Waste Electrical and Electronic Equipment Directive) 2. The Company has established a customer care department, as a channel for customers to raise questions, complaints or suggestions. Proper responses are made in adherence to the principle of ethics to protect customers' rights. 3. The Company has put in place "Operational Procedure for Suppliers Management" to ensure the stability of materials in use. Supplier assessments are regularly conducted, so that suppliers comply with regulations, green product requirements and company specifications. The Company terminates or cancels cooperation on a timely basis with the suppliers not in adherence to Operational Procedure for Suppliers Management.
Corporate governance	Social, economic and compliance	1. Effective implementation of the internal control system, to ensure employees and all

<table>
<tr><th rowspan="2">Initiative</th><th colspan="3">Implementation status (Note 1)</th><th rowspan="2">Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reason for such differences</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary and explanation</th></tr>
<tr><td></td><td></td><td></td><td><table><tr><td></td><td></td><td>operations in compliance with laws and regulations
2. The Company applies for patents and registers trade marks for its products, to ensure the protection of its rights.</td></tr><tr><td></td><td>Communication with stakeholders</td><td>1. Annual analysis of key stakeholder issues to protect their legal rights
2. Establishment of a variety of communication channels and the conduct window to respond to the messages from stakeholders</td></tr></table>4. The responsible unit has reported the operation of the 2025 risk management policy and procedures to the 14th meeting of the 14th Term Board of Directors.</td><td></td></tr>
<tr><td colspan="5">III. Environmental issues</td></tr>
<tr><td>(I) Has the Company established a suitable environmental management system according to its industry characteristics?</td><td>✓</td><td></td><td>Quality Assurance Department routinely updates the amendment of environmental regulations in Taiwan (including but not limited to Water Pollution Control Act; Waste Disposal Act; Drinking Water Management Act; Environmental Agents Control Act; and Restriction of the use of Hazardous Substance). Meanwhile, the Company has put in place environmental management processes such as Environmental Handbook; Education & Training Procedures; Documentation of Information Management Procedure; Management Procedure of Chemical Substances; Management Procedure of Energy Resources; Management Procedure of Waste; and Management Procedure of Wastewater, to ensure the effective implementation of the environmental management system. The Company has obtained the ISO14001:2015 environmental management system certification. This covers the design, development, marketing, sales, manufacturing, services and maintenance of notebook computers, industrial notebook computers and</td><td>No significant difference</td></tr>
</table>

Initiative	Implementation status (Note 1)			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reason for such differences
	Yes	No	Summary and explanation	
			special-purpose notebook computers.	
(II) Has the Company strived to enhance the efficiency of energy consumption and the use of recycled materials with a low environmental impact?	✓		The Company has begun to evaluate the use of paper packaging materials for products, implement waste sorting and resource recycling, introduce office energy-saving equipment, and continuously promote energy conservation and carbon reduction, while strictly managing and regularly processing and removing the waste generated, so as to minimize the impact of environmental loads.	No significant difference
(III) Has the Company assessed the potential risks and opportunities in climate change for now and the future and adopted countermeasures in relation to climate change?	✓		The Company continuously evaluates the impact of climate change on the Company's present and future operations (refer to page 40 of the annual report), and actively continues to promote energy conservation and carbon reduction, while implementing the “Respond to Energy Saving, Turn Off Lights at Will” policy and the following measures to address climate-related issues: 1. Control the air-conditioning temperature in indoor office spaces at 26~28°C, and use electric fans at the same time. 2. Computers are set to automatically enter low-energy sleep mode after 5~10 minutes of inactivity. 3. Advocate minimizing the number of times refrigerator doors are opened and closed. 4. Advocate that the last person using the meal steamer turn off the power. 5. Turn off the lights during the lunch break. 6. Turn off lights by section after work to avoid keeping all lights on for only 1~2 persons. 7. Advocate that colleagues turn off power when leaving and unplug equipment not used for a long period. 8. Advocate that the last colleague to leave turn off the water dispenser, check and turn off all light switches. 9. The central control room of the building where the Company is located uniformly turns off the main power supply after personnel leave work.	No significant difference
(IV) Has the Company calculated GHG emissions, water consumption and total waste weight during the past two years and formulated policies for energy efficiency, carbon and GHG emission reduction, lower water consumption and management of other waste?	✓		1. The Company has independently compiled statistics on greenhouse gas emissions, water consumption, and total waste weight for the past two years as follows (Note 1):	No significant difference

	2023	2024	Scope of data coverage

<table>
<tr><th rowspan="2">Initiative</th><th colspan="3">Implementation status (Note 1)</th><th rowspan="2">Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reason for such differences</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary and explanation</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td>Total greenhouse gas emissions (Scope 1, Scope 2) (metric tons CO2e)</td><td>711.33</td><td>817.0950 (Note 2)</td><td>Taipei Office, Kaohsiung Plant, USA Twinhead and Kunshan Lunteng subsidiary</td></tr>
<tr><td>Water consumption (million liters)</td><td>6.760 (Note 3)</td><td>8.687</td><td>Taipei Office, Kaohsiung Plant and USA Twinhead</td></tr>
<tr><td>Total waste weight (tons)</td><td>32.791</td><td>44.247</td><td>Kaohsiung Plant</td></tr>
</table>
Note 1: Taken from the Company's 2024 Sustainability Report.
Note 2: The increase in Scope 1 emissions in fiscal year 2024 was primarily attributable to the expansion of the inventory scope for direct fugitive emissions from human-made systems.
Note 3: The annual report for fiscal year 2024 disclosed that water consumption in fiscal year 2023 was 6.444 million liters, and the water consumption data of Twinhead USA in fiscal year 2023 was revised in conjunction with the 2024 sustainability report.
2. We replace and upgrade equipment, install energy-efficient facilities and implement measures to save water and electricity. The increase in the variety and the channels of resources recycling has significantly reduced the volume of waste.
3. Although the Company repeatedly strengthened its promotion of water-saving measures in fiscal year 2024, domestic water consumption increased compared with fiscal year 2023 due to the expansion of the Company's business scale and manpower demand. In the future, the Company will actively implement the water-saving measures it has formulated, continue to promote water conservation, and strive to achieve the annual target of a 1% reduction in water consumption each year.
4. In addition, the Company's total waste volume for fiscal year 2024 increased compared with fiscal year 2023, mainly due to business growth and increased staffing. To improve this situation, the Company will strengthen supervision,
</td><td></td></tr>
</table>

Initiative	Implementation status (Note 1)			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reason for such differences
	Yes	No	Summary and explanation	
			continue to promote environmental protection policies, and implement measures such as waste sorting and resource recycling. At the same time, the Company encourages employees to reduce the use of disposable cutlery and use environmentally friendly tableware instead, with a view to gradually reducing waste generation, achieving the annual target of a 1% reduction in total waste volume each year, and continuing to contribute to environmentally sustainable development. 5. The Company's annual greenhouse gas reduction target is a 1% decrease in emissions each year, and for other greenhouse gas reduction strategies and specific action plans, please refer to page 41 of the annual report. 6. The Company has obtained the ISO 14001:2015 certification and continues to drive improvements of its internal environment.	
IV. Social issues				
(I) Has the Company formulated management policies and procedures according to relevant laws and international human rights conventions?	✓		The Company follows the standards set forth in the United Nations Universal Declaration of Human Rights and the International Labour Organization Conventions and, based on the Company's operating items and characteristics, has formulated human rights policies and implemented specific management programs, such as installing access control facilities, conducting regular inspection and maintenance of firefighting equipment and emergency response equipment, providing employees with free regular health examinations, setting up lactation rooms and other related facilities in accordance with the law, convening regular labor-management meetings, specially establishing firewall equipment and mail filtering protection systems of major overseas manufacturers, and adding internal regulations to protect human rights, such as Measures for Prevention, Complaint and Disciplinary Action of Sexual Harassment in the Workplace, in order to fulfill the goal of sustainable development and protect the fundamental human rights of employees and all stakeholders.	No significant difference
(II) Has the Company formulated and implemented reasonable employee benefits (including wages, holidays and other benefits) and reflected operating performance or results appropriately to employees' compensation?	✓		The Company has formulated and implemented various salary and welfare measures in accordance with relevant laws and regulations including the Labor Standards Act, conducts annual health examinations and quarterly activities for all employees, and employees are entitled to one day of birthday leave each year; in addition, an Employee Welfare Committee has been established to handle various	No significant difference

Initiative	Implementation status (Note 1)			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reason for such differences
	Yes	No	Summary and explanation	
			employee welfare measures and subsidy operations; moreover, employees are assessed regularly, and their performance is reflected in their remuneration. 1. Benefit schemes and implementations (1) Employees' remuneration (2) Festival vouchers/Chinese New Year cash gift/birthday cash gift (3) Year-end bonus (4) Various incentive bonus systems and measures: sales performance incentive program, product development project bonus management program, employee performance incentive program, employee patent, creation and invention proposal incentive program, innovation proposal incentive program (5) Comprehensive education and training and smooth promotion channels (6) Annual leave system, birthday leave (7) Employee group insurance (8) Welfare fund subsidies of the Employee Welfare Committee: marriage, childbirth, hospitalization, funeral (9) Club subsidies of the Employee Welfare Committee (10) Employee travel, dining gatherings, birthday celebration activities, occasional festive dining gatherings (11) Annual health examinations (12) On-site medical and nursing services: one-on-one consultation services with a physician or nurse are arranged each month (13) Health lectures (14) Subsidies for vending machine beverages, free biscuits and snacks daily, and free afternoon tea refreshments and Healthy Fruit Day supply monthly (15) Contracted preferential childcare facilities, preferential registration fees at contracted clinics, preferential accommodation rates at contracted hotels 2. Training and education programs To develop the right work attitude and methods and to inspire employees to realize potential, the Company has put in place the procedures for training and education. New hires are given orientation training when onboarding.	

Initiative	Implementation status (Note 1)			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reason for such differences
	Yes	No	Summary and explanation	
			Professional training is provided based on department needs, employees' skillsets and job functions. Personnel unit also arrange management and language training for supervisors according to corporate operation guidelines and annual budgets. Information on external training programs is provided from time to time for the development of high-caliber professionals. This boosts operational performance and fully utilizes human resources. 3. Retirement system and implementation The Company's retirement scheme adheres to the Enforcement Rules of the Labor Pension Act. The old tenure system was all completed before or on August 31, 2007. The new system is applicable to all current employees. The new retirement system is as follows: (1) New retirement requirements: Employees may apply for retirement upon reaching 60 years of age. (2) The new pension system is based on the employee's total monthly wage. A monthly contribution of 6% to the employee's person pension account according to the tiered wage criteria issued by the central competent authority. 4. Labor agreements and measures to protect employees' rights To promote the harmony between the employer and the employees and to boost work effectiveness, the Company meets and discuss with employees from time to time. Quarterly labor relation meetings are convened so that employees can express opinions and provide suggestions. This maintains a smooth communication with employees and fosters mutual trust and cooperation. The Company has established an Employee Welfare Committee in accordance with regulations, and employees publicly elect representatives to the Employee Welfare Committee. Both labor and management representatives may express their views on various welfare measures and fully communicate to safeguard employees' rights. The Company has established an Occupational Safety and Health Committee in accordance with regulations. Committee members primarily deliberate and make recommendations on matters related to occupational safety and health, including health management, relevant regulations, plan formulation, and	

Initiative	Implementation status (Note 1)			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reason for such differences
	Yes	No	Summary and explanation	
			management measures, to ensure employee operational safety and improve workplace safety and health standards. 5. The Company's Articles of Incorporation specifically stipulate the appropriation rules for employee remuneration. If the Company has profits for the year, not less than 5% shall be appropriated as employee remuneration, so as to enable employees to enjoy the positive feedback from the Company's operating performance.	
(III) Does the Company provide a safe and healthy work environment and implement regular education in safety and health for employees?	✓		Organization of health checks for all employees and offering of classes on labor safety and health The Company recorded 2 cases of occupational accidents arising from commuting to and from work in fiscal year 2025; 0 fire incidents. The Company will continue to improve and promote a culture of occupational safety, pay attention to the physical and mental condition of employees at all times, and ensure employees' safety during work. Measures for employee personal safety and work environment protection and implementation status: I. Taipei Headquarters The Company's Taipei headquarters is equipped with a monitoring system and access control facilities, and designated personnel are responsible for monitoring and conducting unscheduled patrols in various areas, including corridors, counters, elevator halls, and laboratories. All visitors must register, and access is strictly controlled to ensure employee safety. To ensure public safety, the Company conducts annual fire safety inspections in cooperation with the Taipei City Fire Department, which are regularly carried out in H2. The inspection scope includes escape exits, smoke detectors, exhaust vents, sprinklers, fire hydrants and escape indicator lights to ensure all equipment is functioning properly and to maintain a safe working environment and employee safety. Fire safety maintenance drills are conducted annually to promote disaster escape knowledge and provide practical training, thereby enhancing employees' emergency response capabilities in the event of a disaster. In addition to the above measures, the Taipei headquarters has also established the “Taipei Office Occupational Safety and Health Work Rules”	No significant difference

Initiative	Implementation status (Note 1)			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reason for such differences
	Yes	No	Summary and explanation	
			and the “Taipei Office Emergency Response Plan” to safeguard employee safety and respond to emergencies. II. Kaohsiung Plant The Company's Kaohsiung Plant is actively committed to ensuring employee safety and workplace safety, and conducts regular fire safety inspections and fire drills. The Company ensures that this equipment undergoes one rigorous inspection and maintenance each year to ensure its proper operation, including comprehensive inspections of fire extinguishing equipment, alarm equipment, evacuation equipment, and wiring safety. During the specific inspection process, the Company focuses on confirming whether all fire extinguishing equipment and alarm systems are in good condition and can respond quickly and effectively to potential fires, so as to ensure that, in the event of an emergency, all employees can promptly receive corresponding warnings and instructions. The Company also regularly inspects and tests the proper operation of evacuation equipment to ensure that it can achieve maximum effectiveness when needed, while also focusing on wiring safety to prevent potential hazards caused by wiring issues. The access control measures at the Kaohsiung Plant include 24-hour on-site security personnel and security systems to ensure that only authorised personnel can enter the plant area, thereby effectively preventing potential security threats. In terms of work safety, the Company has established occupational safety and health work rules to clearly define the enterprise's safety and health management and the authorities and responsibilities at all levels, equipment maintenance and inspection, work safety and health standards, education and training, health guidance and management measures, first aid and rescue, the preparation, maintenance and use of protective equipment, accident notification and reporting, and other details. Other potential safety risks, including lead operations, organic solvent and specified chemical substance operations, noise operations, elevator operations and forklift operations, are all detailed in the Company's safety	

Initiative	Implementation status (Note 1)			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reason for such differences
	Yes	No	Summary and explanation	
			regulations, including the detailed requirements and implementation rules for these safety matters, to ensure that every employee can work in a safe environment. The Company not only focuses on fire safety inspections and access control measures, but also emphasises establishing a comprehensive workplace safety system to ensure that every employee can work in a safe and healthy environment, thereby safeguarding employee safety and the Company's stable operations.	
(IV) Has the Company established an effective competence development programs for employees?	✓		The Company organizes comprehensive competency training for all levels of managers and employees. This includes orientation training for new hires before onboarding, professional training for different functions, management and language training for supervisors. Information on external training programs is provided from time to time so that employees grow along with the Company.	No significant difference
(V) Has the Company complied with relevant laws, regulations and international standards and formulated relevant policies and complaints procedures to protect the rights of consumers or customers regarding products and services to address issues such as safety, health and privacy of customers, marketing and labeling?	✓		When it comes to marketing and labeling of products and services, the Company observes relevant laws, regulations and international standards such as security requirements and applications in different countries, RoHS (Restriction of Hazardous Substances Directive) and WEEE (Waste Electrical and Electronic Equipment Directive). No deception, misleading-ness, fraud or other activities detrimental to consumers' trust and rights are allowed. The customer care department is established as a channel for customers to raise questions, complaints or suggestions. Proper responses are made in adherence to the principle of ethics to protect customers' rights.	No significant difference
(VI) Has the Company formulated supplier management policies and asked suppliers to adhere to relevant regulations in environmental protection, occupational safety and health or labor rights?	✓		The Company has put in place "Operational Procedure for Suppliers Management" to ensure the stability of materials in use. Supplier assessments are regularly conducted, so that suppliers comply with regulations, green product requirements and company specifications. The Company terminates or cancels cooperation on a timely basis with the suppliers not in adherence to Operational Procedure for Suppliers Management.	No significant difference
V. Has the Company prepared sustainability reports by following internationally accepted standards or guidelines in order to disclose non-financial information? Have the aforesaid reports assured or certified by a third party?	✓		The Company has obtained the ISO 9001:2015 quality management system certification and the ISO 14001:2015 environmental management system certification. The Company's 2024 Sustainability Report was prepared with reference to the latest "GRI Standards", SASB Sustainability Accounting Standards, TCFD climate-related financial disclosures, and the competent authorities'	No significant difference

Initiative	Implementation status (Note 1)			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reason for such differences
	Yes	No	Summary and explanation	
			requirements under the "Regulations Governing the Preparation and Filing of Sustainability Reports by Public Companies", was verified and validated by GREAT International Certification Co., Ltd., and was issued an independent assurance statement on August 6, 2025.	
VI. If the Company has established its own sustainable development code in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies", please describe the differences between its operation and the established code: Not applicable.				
VII. Other important information that helps to understand the status of sustainable development: 1. Customer Care Department recovers, dissembles and repurposes testing equipment into work machines for employees, to reduce waste. 2 Employee Welfare Committee are established according to laws, to administer all benefits to employees. 3. Donated computers and supplies and set up charity coin boxes to contribute to the local groups and communities to which the Company belongs and fulfil the goals of sustainable development.				

Note 1: If "Yes" is selected for implementation status, please describe the important policies, strategies, measures and implementations in place. If "No" is selected for implementation status, please explain in the column "Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reason for such differences" and provide relevant policies, strategies and measures under planning for the future. Regarding initiatives (1) and (2), TWSE/TPEx listed companies should describe the governance and oversight framework for sustainable development, including but not limited to management guidelines, strategies, goal-setting and review measures. Please describe the Company's risk management policies or strategies and risk assessments associated with environmental, social and corporate governance.

Note 2: The materiality principle refers to the significant influence of environmental, social and corporate governance issues on investors and other stakeholders.

Note 3: Please refer to the best practice provided at the website of TWSE Corporate Governance Center.

(V-1) Climate-related Information of TWSE/TPEx Listed Companies

1. Implementation of Climate-related Information

Item	Implementation
1. Describe the oversight and governance by the Board of Directors and management over climate-related risks and opportunities.	The responsible unit reports quarterly to the Board of Directors on greenhouse gas inventory and verification schedule planning and implementation progress, and collaborates with 11 units to participate from time to time in sustainable development and sustainability report preparation meetings. Participants include senior executives at the associate general manager and manager levels, and dedicated consultants engaged by external institutions chair the meetings to report on the implementation progress and results of corporate sustainable development, thereby enhancing the Company's response to climate change and international development trends and implementing sustainable development.
2. Describe how the identified climate risks and opportunities affect the Company's business, strategy and finance (short-, medium-, and long-term).	Extreme climate events such as typhoons, heavy rainstorms or flooding may result in short-term operational or transportation disruption risks, and disaster prevention drills and related contingency mechanisms need to be strengthened to reduce the impact of damage on operations; in the medium- and long-term, energy-saving plans must continue to be implemented to reduce energy consumption, and local procurement should be adopted to maximise resource utilisation efficiency and achieve harmony and mutual prosperity with the environment.
3. Describe the financial impact of extreme climate events and transition actions.	Extreme weather events, such as heavy rain or flooding, may cause damage to the Company's equipment, or severe regional disasters may lead to shutdowns and other increases in operating costs.
4. Describe how the identification, assessment and management processes for climate risks are integrated into the overall risk management system.	The Company has obtained ISO 14001 certification to address the impacts brought about by environmental changes, monitors implementation internally to comply with the current organisational status and regulatory requirements, and plans future environmental risk assessment countermeasures, with the aim of reducing energy consumption and carbon emissions and improving carbon reduction management performance, so as to achieve the goal of sustainable corporate development.
5. If scenario analysis is used to assess resilience in the face of climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used shall be explained. 6. If there is a transition plan for responding to and managing climate-related risks, explain the content of the plan, as well as the indicators and targets used to identify and manage physical risks and transition risks. 7. If internal carbon pricing is used as a planning tool, the basis for price setting should be explained. 8. If climate-related targets are set, information such as the activities covered, greenhouse gas emission scopes, planning schedule, and annual progress toward achievement should be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and quantity of the carbon reduction credits offset or the quantity of renewable energy certificates (RECs) should be explained.	The Company has not yet adopted internal carbon pricing as a planning tool, and the setting of climate-related targets remains under evaluation and planning, while the Company is closely monitoring policy developments in sustainable development and climate information disclosure.
9. Greenhouse gas inventory and assurance status.	Further information is provided in the following sections, “The Company's greenhouse gas inventory and assurance status for the most recent 2 years” and “Greenhouse gas reduction targets, strategies and specific action plans”.

2. Status of the Company's Greenhouse Gas Inventory and Assurance for the Most Recent 2 Years

(1) The greenhouse gas inventory information of the Company and its subsidiaries has been disclosed in the 2024 Sustainability Report. The report has been verified and validated by GREAT International Certification Co., Ltd., and an independent assurance opinion statement has been issued. The greenhouse gas inventory information in the report is provided as follows:

	Total greenhouse gas emissions for 2023 (metric tons CO2e)	2023 emission intensity (metric tons CO2e/million revenue)	Total greenhouse gas emissions for 2024 (metric tons CO2e)	2024 emission intensity (metric tons CO2e/million revenue)	Scope of data coverage
Scope 1	17.01	0.0157	123.4807	0.0988	Taipei Office, Kaohsiung Plant, USA Twinhead and Kunshan Lunteng subsidiary
Scope 2	694.32	0.6423	693.6143	0.5549	
Total	711.33	-	817.095	-	

(2) Greenhouse gas assurance information: the Company's complete assurance information will be disclosed in 2028

3. Greenhouse gas reduction targets, strategies and specific action plans

(1) The schedule planning for the greenhouse gas inventory and verification work of the Company and its subsidiaries (Durabook Americas Inc. in the U.S. and Kunshan Lunteng Electronics Co., Ltd. in China) is as follows, and the planned work items and completion dates are expected to be adjusted at any time subject to actual implementation:

Planned work items	Planned completion time
Selection of consulting firm	February 2026
Identification of emission sources, quantification of emissions, and review of calculations	April 2026
Review the emission inventory and prepare the greenhouse gas inventory report	May 2026
Conduct internal verification and external validation work	June 2026

(2) The current implementation progress of greenhouse gas inventory and verification is as follows:

Work Items	Current Items in Progress
Selection of consulting firm	1. Kind Management Consulting Co., Ltd (hereinafter referred to as “Kind Management”) has been selected as the consultant company for this greenhouse gas inventory. 2. Discussions with and arrangement of consultant guidance by Kind Management are currently underway.
Identification of emission sources, quantification of emissions, and review of calculations	Based on the recommendations of the consultants appointed by Kind Management, emission source identification, emission quantification and calculation review for 2025 will be carried out, and the relevant information will be compiled.

(3) Greenhouse gas reduction targets: The Company will continue to conduct greenhouse gas emission inventory operations and implement greenhouse gas-related management measures, striving to achieve the annual target of a 1% year-on-year reduction in emissions and to take steady steps toward sustainable environmental development.

(VI) Implementation of ethical corporate management and differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor

Assessment item	Functioning status (Note 1)			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reason for such differences
	Yes	No	Summary and explanation	
I. Formulation of business ethics policies and measures (I) Has the Company formulated and the Board of Directors approved business ethics policies? Are business ethics policies and measures specified in regulations and documents to external parties? Are the Board of Directors and senior managers committed to the implementation?	V		The Company's Principles of Business Code of Conduct has been established and approved by the Board. We prohibit our personnel from direct or indirect offering, accepting, promising or requesting any improper benefits during the conducting of business or engaging in any dishonest and illegal activities or breaching the fiduciary duties. Business activities shall be conducted in a fair and transparent way. When conducting business, the Company's board members and senior managers adhere to code of ethics in providing supervision and creating a sustainable business environment.	No significant difference
(II) Has the Company established a mechanism to assess the risks of unethical behavior, regularly analyzed and examined, within the scope of business, the operating activities with high risks of unethical behavior and designed schemes to avoid unethical behavior by covering at least the preventive measures prescribed in Article 7-2 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?		V	Our employees sign Agreement for Employee's Duties when onboarding. We have established Principles of Business Code of Conduct to prevent any activities specified in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies. Management emphasizes the necessity of business ethics. Measures are put in place by managers of different functions according to nature of different operating activities in order to prevent unethical behavior. Any ethical problems are investigated by dedicated units and then reported to senior managers. Responsible units are required to adopt appropriate corrective measures, take disciplinary actions and follows up on a regular basis.	
(III) Has the Company formulated, implemented and periodically	V		The Company has established Principles of Business Code of	

Assessment item	Functioning status (Note 1)			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reason for such differences
	Yes	No	Summary and explanation	
reviewed the operating procedures, behavioral guidelines, punitive measures and complaints system as part of the scheme to prevent unethical behavior?			Conduct. The Labor Standards Act, work rules and relevant laws shall apply in event of violations. The importance of business ethics is advocated to employees from time to time and training & education are organized. A letterbox for whistleblowers is set up at our company website to handle any unethical issues. Measures to address unethical behavior are routinely reviewed and amended to ensure implementation in operation activities.	
II. Implementation of business ethics (I) Does the Company assess the ethics record of counterparties in business dealings and specify business conduct in contractual clauses with counterparties?	V		Before establishing business relations, the Company assesses the lawfulness and codes of conduct of the agents, suppliers, customers and other business dealing counterparties. Business activities are conducted in an open and transparent way. Appropriate penalty clauses regarding breach of ethics are put in place according to the principle of freedom of contract.	No significant difference
(II) Has the Company established a dedicated business ethics unit under the Board of Directors and reported regularly (at least once a year) to the Board of Directors the implementation of business conduct policies and prevention of unethical behavior?	V		The Company's dedicated unit for handling ethical corporate management matters is the Legal Office, which reported to the 15th meeting of the 14th Term Board of Directors on the ethical corporate management policy, programs for preventing unethical conduct, and the status of supervision and implementation as follows: 1. Internal education and training on ethical corporate management were also held in 2025. 2. The Company has established whistleblowing procedures and a letterbox for whistleblowers. No reporting has been received to date regarding violation of business ethics or conduct (e.g., business code of conduct, corruption, bribery or insider trading). 3. No penalty has been imposed by regulators due to breach of ethics.	
(III) Has the Company formulated policies to prevent conflict of interest and provided appropriate channels for voicing out and	V		The Company's Rule of Procedure for Board Meetings has put in place a recusal system in presence of conflict of interest.	

Assessment item	Functioning status (Note 1)			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reason for such differences
	Yes	No	Summary and explanation	
implementation?			Directors may not join the discussion or voting for issues where the director or the legal person represented by the director has conflict of interest and such conflict may detriment the Company's interest. On these occasions, directors should recuse from discussion and voting and may not represent other directors for exercise of voting rights.	
(IV) Has the Company established an effective accounting system and internal control system to implement business ethics? Do the internal auditors formulate audit plans according to the assessment of risks for unethical behavior and inspect the compliance with the preventive measures or authorize external accountants for such inspections?	V		The Company observes the Company Act, the Securities and Exchange Act and Business Entity Accounting Act. The Guidelines for the Establishment of Internal Control Systems by Public Companies, relevant laws and regulations governing TWSE/TPEx listed companies serve as the basis of code of business conduct. To ensure the practice of business ethics, an effective and comprehensive control mechanism is established within both the accounting system and the internal control. Based on risk assessments, internal auditors include highly-risky operations into annual audit plans, conduct regular audits and enhance preventive measures. Meanwhile, the design and implementation effectiveness of the system is ensured via annual self-assessments and reviews on internal control. External accountants also review the Company's systems aforesaid each year.	
(V) Does the Company organize internal and external training and education on business ethics on a regular basis?	V		The Company sends its personnel to participate in external training and education on business ethics and organizes internal training programs from time to time.	
III. Functioning of whistleblowing system (I) Has the Company established a whistleblowing system with incentives and the channels to facilitate whistleblowing? Is appropriate personnel appointed to investigate the allegations?	V		The Company has established the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Reporting Illegal or Unethical Conduct" and has set up an independent reporting mailbox on the Company's website, which is handled by a dedicated unit.	No significant difference
(II) Has the Company established the standard investigation procedure on allegations, the follow-up measures and the confidentiality mechanism post investigations?	V		The Company handles and records reported complaints in accordance with the processing procedures set out in the "Procedures for Reporting Illegal or Unethical Conduct" and	

Assessment item	Functioning status (Note 1)			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reason for such differences
	Yes	No	Summary and explanation	
(III) Has the Company adopted measures to protect whistleblowers from improper treatment?	V		strictly fulfills its duty of confidentiality regarding complainants and the content of complaints. The Company protects complainants and whistleblowers from improper treatment as a result of reporting in accordance with the “Procedures for Reporting Illegal or Unethical Conduct”.	
IV. Enhancement of information disclosure (I) Has the Company disclosed its ethics policy and implementation effectiveness via its own website and on Market Observation Post System (MOPS)?	V		The Company has disclosed its ethics policy and implementation effectiveness via its own website and on Market Observation Post System (MOPS). The Company's website: https://www.twinhead.com.tw/wp-content/uploads/2025/01/%E9%A0%85%E7%9B%AE4.2-4.15_114%E8%AA%A0%E4%BF%A1%E7%B6%93%E7%87%9F%E5%9F%B7%E8%A1%8C%E6%83%85%E5%BD%A2%E5%8F%8A%E8%AA%A0%E4%BF%A1%E7%B6%93%E7%87%9F%E5%AE%88%E5%89%87.pdf	No significant difference
V. Where the Company has adopted its own ethical corporate management best practice principles in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies,” please describe any differences between the operation thereof and the principles adopted: No material difference.				
VI. Other important information that would help to understand the operation of the Company’s ethical corporate management: (such as the Company’s review and amendment of its adopted ethical corporate management best practice principles): None.				

Note 1: Regardless of whether “Yes” or “No” is checked for the status of operation, an explanation shall be provided in the summary field

(VII) Other important information that may additionally enhance the understanding of the operation of corporate governance: Omitted.

(VIII) Implementation status of the internal control system

1. Internal control system statement: For relevant information, please refer to the Market Observation Post System at http://mops.twse.com.tw under “Single Company” → “Corporate Governance” → “Corporate Rules/Internal Control” → “Announcement of Internal Control System Statement”.
2. Audit reports issued by external accountants should be disclosed if the review of the internal control system is outsourced to external accountants: none

(IX) Important resolutions of the AGM and the Board of Directors in the most recent year and up to the date of printing of the annual report

1. Important resolutions of the 2025 AGM

(1) Contents resolved

① Ratification of the Company’s 2024 Business Report.

② Ratification of the Company’s 2024 Financial Statements (Parent Company Only Financial Statements and Consolidated Financial Statements).

③ Ratification of the Company’s 2024 earnings distribution proposal.

④ Approved the Company’s 2024 proposal for capitalization of earnings and issuance of new shares.

⑤ Approved the amendment to the Company’s “Articles of Incorporation”

(2) Implementation

The Company has processed the earnings distribution in accordance with the earnings distribution proposal approved by the 2025 AGM. In accordance with the Company’s Articles of Incorporation, dividends on Class A registered preferred shares shall be distributed in priority, with total dividends and bonuses of NT$ 2,124 calculated at an annual interest rate of 20% based on par value. July 11, 2025 is proposed as the record date for preferred share dividend distribution, and August 1, 2025 as the dividend payment date. Common shares are proposed to be distributed stock dividends of NT$ 3 per share and cash dividends of NT$ 0 per share, totaling NT$ 120,896,880. Unappropriated earnings at year-end were NT$ 29,866,093. The ex-rights trading date for common stock dividends is August 28, 2025

2. Major resolutions of the Board of Directors in 2025 and up to the date of printing of the annual report

(1) Approved the Company’s 2024 Business Report.

(2) Approved the Company’s 2024 remuneration of employees and directors.

(3) Approved the Company’s 2024 Financial Statements (Parent Company Only Financial Statements and Consolidated Financial Statements).

(4) Approved the Company’s proposal for 2024 earnings distribution

(5) Approved the Company’s issuance of new shares through capitalization of 2024 earnings.

(6) Approved the effectiveness of the design and implementation of the Company’s 2024 internal control system and the Internal Control System Statement.

(7) Approved the definition of “rank-and-file employees” of the Company.

(8) Approved the amendment to the Company’s Articles of Incorporation.

(9) Approved the convening of the Company’s 2025 AGM.

(10) Approved the period and place for accepting shareholder proposals for the AGM.

(11) Approved the assessment of the independence and competence of the Company’s certifying accountants.

(12) Approved the appointment and compensation of the Company’s certifying accountants for 2025.

(13) Approved that the long-term receivables from the Company’s U.S. subsidiary Durabook Americas Inc. are not in the nature of lending.

(14) Approved the Company’s financing credit lines with financial institutions.

(15) Approved the application for an increase in the temporary credit limit of the Company’s U.S. subsidiary.

(16) Approved the recommendations of the Company’s Remuneration Committee.

(17) Approved the Company’s Q1 2025 Consolidated Financial Statements.

(18) Approved that the long-term receivables from the Company’s U.S. subsidiary Durabook Americas Inc. are not in the nature of lending.

(19) Approved the recommendations of the Company’s Remuneration Committee.

(20) Approved the Company’s financing credit lines with financial institutions.

(21) Approved the Company’s 2024 Sustainability Report.

(22) Approved the Company’s determination of the record date for share allocation through capitalization of 2024 earnings and related matters.

(23) Approved the Company’s Q2 2025 Consolidated Financial Statements.

(24) Approved that the long-term receivables from the Company’s U.S. subsidiary Durabook Americas Inc. are not in the nature of lending.

(25) Approved the application for an increase in the temporary credit limit of the Company’s U.S. subsidiary.

(26) Approved the Company's Consolidated Financial Statements for Q3 2025.

(27) Approved the amendment to the Company's “Rules Governing Internal Control System” and “Detailed Rules for Internal Audit Implementation”.

(28) Approved the assessment of the independence and competence of the Company’s certifying accountants.

(29) Approved that the long-term receivables from the Company’s U.S. subsidiary Durabook Americas Inc. are not in the nature of lending.

(30) Approved the proposal for renewal and increase of the financing facility of the Company's Baoqiao Branch of Taiwan Cooperative Bank.

(31) Approved the Company’s financing credit lines with financial institutions.

(32) Approved the application for an increase in the temporary credit limit of the Company’s U.S. subsidiary.

(33) Approved the Company's 2026 operating plan (including budget).

(34) Approved the Company's 2026 audit plan.

(35) Approved the definition of “rank-and-file employees” of the Company.

(36) Approved the recommendations of the Company’s Remuneration Committee.

(37) Approved the Company's 2025 business report.

(38) Approved the Company's 2025 remuneration of employees and directors.

(39) Approved the Company's 2025 Financial Statements (Parent Company Only Financial Statements and Consolidated Financial Statements).

(40) Approved the Company's proposal for 2025 earnings distribution.

(41) Approved the Company's proposal for capitalization of 2025 earnings and issuance of new shares.

(42) Approved the effectiveness of the design and implementation of the Company's 2025 internal control system and the Internal Control System Statement.

(43) Approved the amendment to the Company's “Procedures for Acquisition or Disposal of Assets”.

(44) Approved the Company's issuance of new restricted employee shares.

(45) Approved the Company's 15th Term directors (including independent directors) election and related matters for accepting the nomination of director (including independent director) candidates.

(46) Approved the list of candidates for the Company's 15th Term directors (including independent directors) nominated by the Board of Directors.

(47) Approved the lifting of the non-competition restrictions on the Company's 15th Term directors.

(48) Approved the convening of the Company's 2026 AGM.

(49) Approved the period and place for accepting shareholder proposals for the AGM.

(50) Approved the appointment and remuneration of the Company's certifying CPAs for 2026.

(51) Approved that the long-term receivables from the Company’s U.S. subsidiary Durabook Americas Inc. are not in the nature of lending.

(52) Approved the Company’s financing credit lines with financial institutions.

(53) Approved the application for an increase in the temporary credit limit of the Company’s U.S. subsidiary.

(54) Approved the recommendations of the Company’s Remuneration Committee.

(X) Different opinions from directors or supervisors on important resolutions Approved by the Board of Directors and recorded or stated in writing during the most recent year and up to the date of printing of the annual report: None.

IV. Information on Audit Fees

(I) External accountants' fees Unit: Thousands of New Taiwan Dollar

Name of the accounting firm	Names of Certified Public Accountants	Audit period	Auditing fees	Non-auditing fees	Total	Remarks
KPMG Taiwan	Tsai-Chuan Huang	2025/1/1~2025/12/31	3,035	1,357	4,392	Non-audit fee services included tax certification of NT$ 530 thousand, English translation of financial reports of NT$ 420 thousand, and transfer pricing services of NT$ 210 thousand, etc.
	Stella Huang					

Please provide the details of non-audit fees: (e.g., tax compliance audit, assurance or other financial consultation)

Note: If the Company has changed external accountants or accounting firms during the year, please provide the auditing periods and specify in the Comment column the reason for change. Audit fees and non-audit fees paid should be disclosed accordingly. Please describe the details of non-audit fees in the Note section.

V. Information on Change of Accountants

(I) The Board of Directors' assessment of the independence and competence of the Company's attesting CPAs for 2025

1. The Company has established the following assessment criteria with reference to Article 47 of the Certified Public Accountant Act and Bulletin No. 10 of the ROC Norm of Professional Ethics for Certified Public Accountants, "Independence in Audits and Reviews": (1) The attesting CPAs have no direct or material indirect financial interest relationship with the Company. (2) The attesting CPAs have no financing or guarantee arrangements with the Company or the Company's directors. (3) The attesting CPAs have no significant close business relationship or potential employment relationship with the Company. (4) External accountants do not have any lending/borrowing relationship with the Company. (5) External accountants have not accepted presents or gifts of a significant value (above the general standards for social occasions) from the Company, the Company's directors, supervisors or managers. (6) External accountants have not provided the Company with audit services for seven consecutive years. (7) The attesting CPAs do not hold shares of the Company and do not broker the shares or other securities issued by the Company. (8) External accountants, their spouses or dependents and members of the audit teams have not served as the Company's directors, supervisors or managers or positions that have significant influence on audits during the audit period or over the most recent two years and can also be sure not to serve any of the aforesaid roles during future audit periods. (9) The attesting CPAs have not provided the Company with non-audit services that may directly affect the audit work. (10) The attesting CPAs have not served as the Company's defender or represented the Company in coordinating conflicts arising with other third parties. (11) The attesting CPAs have no kinship relationship with the Company's directors, managers, or personnel whose positions have a significant impact on the audit engagement. (12) Whether the attesting CPAs have complied with the independence requirements under Bulletin No. 10 of the Norm of Professional Ethics for Certified Public Accountants and whether the "Independence Statement" issued by the attesting CPAs has been obtained.
2. Based on the Independence Statement issued by the attesting CPAs and Audit Quality Indicators (AQIs), the Company's financial and accounting supervisor first assessed, according to the aforementioned standards, that the Company's attesting CPAs still possess independence and competence. Subsequently, the resolution was Approved by the 11th meeting of the Company's 14th Term Board of Directors, based on the aforementioned assessment criteria, that the attesting CPAs possess independence and competence.

(II) Based on the abovementioned assessment results, the Company did not change external accountants during the aforesaid audit periods.

VI. Circumstances where the Company's Chairman, General Manager, or managers responsible for financial or accounting affairs had served in the most recent year at the accounting firm of the attesting CPAs or its affiliated enterprises: None.

VII. Changes in share transfers and share pledges by directors, managers, and shareholders holding more than 10% of the shareholding ratio during the most recent year and up to the date of printing of the annual report

(I) Changes in shareholdings of directors, managers, and major shareholders: For relevant information, please refer to the “Detailed Statement of Directors' and Supervisors' Shareholding Balance” and the “Post-Event Reporting Form for Changes in Insiders' Shareholdings” under “Shareholding Changes / Securities Issuance” in the “Single Company” section of the Market Observation Post System at http://mops.twse.com.tw.

(II) Information on share transfers: For relevant information, please refer to the “Share Transfer Data Inquiry” under “Shareholding Changes / Securities Issuance” in the “Single Company” section of the Market Observation Post System at http://mops.twse.com.tw.

(III) Information on share pledges: None.

VIII. Information on relationships among the top 10 shareholders by shareholding ratio, where they are related parties or are spouses or relatives within the 2nd degree of kinship

April 14, 2026; Unit: shares; %

Name	Shares held by the person		Shares held by the spouse and minor children		Shares held under other’s names		Name and relationship between the company’s 10 largest shareholders who are related parties, spouses, or relatives within two degrees of kinship with each other		Remarks
	No. of shares	Shareholding percentage	No. of shares	Shareholding percentage	No. of shares	Shareholding percentage	Name	Relation	
Kao’s Enterprise Development Co., Ltd. Representative: Yu-Jen Kao	8,393,625 604,541	16.02% 1.15%	- 69,876	- 0.13%	- -	- -	- Su-Fu Kao	- Relatives within two degrees of kinship	
Protegas Futuro Holdings, LLC Representative: An Van Nguyen	7,274,322 -	13.89% -	- -	- -	- -	- -	- -	- -	
Outstanding International Co., Ltd. Representative: Tung-Hsin Tseng	3,473,964 -	6.63% -	- -	- -	- -	- -	- -	- -	
Kang Eel Shiuan Co., Ltd. Representative: Yu-Ling You	2,939,176 -	5.61% -	- -	- -	- -	- -	- -	- -	
Ting Ching Investment Limited Representative: Outstanding International Co., Ltd.	2,271,766 3,473,964	4.34% 6.63%	- -	- -	- -	- -	- -	- -	
Bai-Da Investment Co., Ltd. Representative: Yao-Bin Ding	1,518,660 -	2.90% -	- -	- -	- -	- -	- -	- -	
Su-Fu Kao	1,034,159 (Note 4)	1.97% (Note 5)	311,617	0.59%	-	-	Yu-Jen Kao	Relatives within two degrees of kinship	
Cheng-Hu Chou	668,480	1.28%	-	-	-	-	-	-	
Yu-Jen Kao	604,541	1.15%	69,876	0.13%	-	-	Su-Fu Kao	Relatives within two degrees of kinship	
Tsung-Tso Kuo	534,783	1.02%	-	-	-	-	-	-	

Note 1: All of the Company’s 10 largest shareholders shall be listed. For a corporate shareholder, the name of the corporate shareholder and its representative shall be listed separately.

Note 2: Shareholding percentage shall be calculated based on the shares held by the shareholder, spouse, children of minor age, and held through nominees.

Note 3: The relationship among the above-listed shareholders, including juristic person shareholders and natural person shareholders, shall be disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Note 4: The number of share consists of 1,034,148 ordinary shares and 11 preference shares.

Note 5: The shareholding percentage consists of 1.97% for ordinary shares and 0% for preference shares.

IX. Shareholdings in the same reinvested enterprise held by the Company, the Company's directors, managers, and enterprises directly or indirectly controlled by the Company, and the combined percentage of total shareholding

Unit: shares; ％

Investees (Note)	The Company's investments		Investees directly or indirectly controlled by directors, supervisors and managers		Overall investment	
	No. of shares	Shareholding percentage	No. of shares	Shareholding percentage	No. of shares	Shareholding percentage
Durabook Americas Inc.	769,230	80%	-	-	769,230	80%
Twinhead (Asia)	5,872,420	100%	-	-	5,872,420	100%
Twinhead (Kunshan) Ltd.	-	-	-	100%	-	100%
Twinhead Enterprises (B.V.I.) Ltd.	-	-	50,000	100%	50,000	100%
Kunshan Lun Teng	-	-	-	100%	-	100%

Note: Investments accounted for using the equity method.

Three. Capital Raising

I. Capitalization and shares

(I) Sources of share capital

Month/Year	Issuance price	Authorized capital		Paid-in capital		Remarks		
		No. of shares	Amount	No. of shares	Amount	Sources of capital	Contribution-in-kind	Others
December 1991	NT$10	100,000,000	NT$1 billion	66,732,145	667,321,450	Conversion of capital surplus into paid-in capital by NT$60,602,950	None	Note 1
June 1992	NT$10	100,000,000	NT$1 billion	78,379,000	783,790,000	Conversion of retained earnings into paid-in capital by NT$45,804,490 Conversion of capital surplus into paid-in capital by NT$70,664,060	None	Note 2
July 1993	NT$10	100,000,000	NT$1 billion	86,152,647	861,526,470	Conversion of capital surplus into paid-in capital by NT$77,736,470	None	Note 3
August 1994	NT$10	100,000,000	NT$1 billion	98,855,130	988,551,300	Equity raise by NT$101,356,050 Conversion of capital surplus into paid-in capital by NT$25,668,780	None	Note 4
March 1996	NT$10	160,000,000	1,600,000,000	160,000,000	1,600,000,000	Equity raise by NT$611,448,700	None	Note 5
May 1997	NT$10	300,000,000	NT$3 billion	204,000,000	2,040,000,000	Conversion of retained earnings into paid-in capital by NT$280,510,680 Conversion of capital surplus into capital increase NT$159,489,320	None	Note 6
October 1997	NT$10	300,000,000	NT$3 billion	264,000,000	2,640,000,000	Equity raise by NT$600,000,000	None	Note 7
May 1998	NT$10	600,000,000	NT$6 billion	363,500,000	3,635,000,000	Conversion of retained earnings into paid-in capital by NT$467,270,960 Conversion of capital surplus into capital increase NT$527,729,040	None	Note 8
April 1999	NT$10	600,000,000	NT$6 billion	363,740,565	3,637,405,650	Conversion of convertible bonds by NT$2,405,650	None	Note 9
August 1999	NT$10	700,000,000	NT$7 billion	478,480,936	4,784,809,360	Conversion of retained earnings into paid-in capital by NT$637,901,669 Conversion of capital surplus into capital increase NT$509,098,331 Conversion of convertible bonds by NT$403,710	None	Note 10
March 2000	NT$10	700,000,000	NT$7 billion	480,418,920	4,804,189,200	Conversion of convertible bonds by NT$19,379,840	None	Note 11
September 2000	NT$10	700,000,000	NT$7 billion	528,450,942	5,284,509,420	Conversion of capital surplus into paid-in capital by NT$ 480,320,220	None	Note 12
March 2004	NT$10	700,000,000	NT$7 billion	554,561,723	5,545,617,230	Conversion of convertible bonds by NT$276,382,960	None	Note 13
November 2004	NT$10	700,000,000	NT$7 billion	277,303,712	2,773,037,120	Capital reduction by NT$2,772,580,110	None	Note 14
December 2011	NT$10	700,000,000	NT$7 billion	255,867,547	2,558,675,470	Consolidated capital reduction by NT$214,361,650	None	Note 15
August 2012	NT$10	700,000,000	NT$7 billion	190,161,531	1,901,615,310	Capital reduction by NT$657,060,160	None	Note 16
October 2016	NT$10	700,000,000	NT$7 billion	93,939,797	939,397,970	Capital reduction by NT$962,217,340	None	Note 17
December 2016	NT$10	700,000,000	NT$7 billion	118,939,797	1,189,397,970	Equity raise by NT$250,000,000	None	Note 18
February 2017	NT$10	700,000,000	NT$7 billion	143,939,797	1,439,397,970	Equity raise by NT$250,000,000	None	Note 19
September 2017	NT$10	700,000,000	NT$7 billion	198,939,797	1,989,397,970	Equity raise by NT$550,000,000	None	Note 20
April 2020	NT$10	700,000,000	NT$7 billion	195,932,433	1,959,324,330	Consolidated capital reduction by NT$30,073,640	None	Note 21
October 2021	NT$10	700,000,000	NT$7 billion	24,800,422	248,004,220	Capital reduction by NT$1,711,320,110	None	Note 22
November 2023	NT$10	700,000,000	NT$7 billion	31,000,262	310,002,620	Conversion of retained earnings into capital increase NT$61,998,400	None	Note 23
September 2024	NT$10	700,000,000,	NT$7 billion	40,300,022	403,000,220	Conversion of retained earnings into capital increase NT$92,997,600	None	Note 24
November 2025	NT$10	700,000,000,	NT$7 billion	52,389,710	523,897,100	Conversion of retained earnings into capital increase NT$120,896,880	None	Note 25

Note 1: Approved by Official Letter Tai-Finance-Securities (I) No. 03483 by Securities & Exchange Commission, Ministry of Finance dated December 23, 1991

Note 2: Approved by Official Letter Tai-Finance-Securities (I) No. 01228 by Securities & Exchange Commission, Ministry of Finance dated June 1, 1992

Note 3: Approved by Official Letter Tai-Finance-Securities (I) No. 30694 by Securities & Exchange Commission, Ministry of Finance dated July 19 1993

Note 4: Approved by Official Letter Tai-Finance-Securities (I) No. 32527 by Securities & Exchange Commission, Ministry of Finance dated August 2, 1994

Note 5: Approved by Official Letter Tai-Finance-Securities (I) No. 21571 by Securities & Exchange Commission, Ministry of Finance dated March 26, 1996

Note 6: Approved by Official Letter Tai-Finance-Securities (I) No. 33862 by Securities & Securities and Futures Commission, Ministry of Finance dated May 1, 1997

Note 7: Approved by Official Letter Tai-Finance-Securities (I) No. 73902 by Securities & Securities and Futures Commission, Ministry of Finance dated October 14, 1997

Note 8: Approved by Official Letter Tai-Finance-Securities (I) No. 35078 by Securities & Securities and Futures Commission, Ministry of Finance dated April 23, 1998

Note 9: Approved by Official Letter Tai-Finance-Securities (I) No. 81707 by Securities & Securities and Futures Commission, Ministry of Finance dated October 1, 1998

Note 10: Approved by Official Letter Tai-Finance-Securities (I) No. 59109 by Securities & Securities and Futures Commission, Ministry of Finance dated June 29, 1999
Note 11: Approved by Official Letter Tai-Finance-Securities (I) No. 81707 by Securities & Securities and Futures Commission, Ministry of Finance dated October 1, 1998
Note 12: Approved by Official Letter Tai-Finance-Securities (I) No. 47857 by Securities & Securities and Futures Commission, Ministry of Finance dated June 3, 2000
Note 13: Approved by Official Letter Tai-Finance-Securities (I) No. 81707 by Securities & Securities and Futures Commission, Ministry of Finance dated October 1, 1998
Note 14: 1. Approved by Official Letter FSC-Securities (I) No. 0930131683 by Financial Supervisory Commission, Executive Yuan dated July 16, 2004
2. Approved by Official Letter FSC-Securities (I) No. 0930145974 by Financial Supervisory Commission, Executive Yuan dated October 8, 2004
Note 15: Approved by Official Letter MOEA-Authorization-Business No. 10101029410 by Ministry of Economic Affairs dated February 22, 2012
Note 16: Approved by Official Letter FSC-Securities-Issuance No. 1010030730 by Financial Supervisory Commission, Executive Yuan dated July 18, 2012
Note 17: Approved by Official Letter FSC-Securities-Issuance No. Approved by Official Letter FSC-Securities-Issuance (I) No. 1050029056 by Financial Supervisory Commission, Executive Yuan dated August 8, 2016
Note 18: Approved by Official Letter MOEA-Authorization-Business No. 10601017830 by Ministry of Economic Affairs dated February 9, 2017
Note 19: Approved by Official Letter MOEA-Authorization-Business No. 10601023470 by Ministry of Economic Affairs dated February 22, 2017
Note 20: Approved by Official Letter MOEA-Authorization-Business No. 10601137980 by Ministry of Economic Affairs dated September 28, 2017
Note 21: Approved by Official Letter MOEA-Authorization-Business No. 10901047870 by Ministry of Economic Affairs dated April 15, 2020
Note 22: Approved by Official Letter Government-Industry-Business No. 11052818400 by Taipei City Government dated August 30, 2021
Note 23: Approved by Official Letter Government-Industry-Business No. 11254569310 by Taipei City Government dated November 13, 2023
Note 24: Approved by Official Letter Government-Industry-Business No. 11353562400 by Taipei City Government dated September 25, 2024
Note 25: Approved by Official Letter MOEA-Authorization-Business No. 11430168130 by Ministry of Economic Affairs dated November 5, 2025

April 14, 2026

Type of shares	Authorized capital stock				
	Outstanding shares			Unissued shares	Total
	Listed	Not listed	Total		
Registered Ordinary share	52,388,648	0	52,388,648	647,610,290	700,000,000
Special share	-	1,062	1,062	0	

Information on the general reporting system: None.

(II) List of Major Shareholders: Top 10 shareholders by shareholding percentage

April 14, 2026

Names of Major Shareholders	Number of Shares Held	Shareholding Percentage
Kao’s Enterprise Development Co., Ltd.	8,393,625	16.02%
Protegas Futuro Holdings, LLC	7,274,322	13.89%
Outstanding International Co., Ltd.	3,473,964	6.63%
Kang Eel Shiuan Co., Ltd.	2,939,176	5.61%
Ting Ching Investment Limited	2,271,766	4.34%
Bai-Da Investment Co., Ltd.	1,518,660	2.90%
Szu-Fu Kao (Note 1)(Note 2)	1,034,159	1.97%
Cheng-Hu Chou	668,480	1.28%
Yu-Jen Kao	604,541	1.15%
Tsung-Tso Kuo	534,783	1.02%
A total of 10 shareholders	28,713,476	54.81%

Note 1: The number of share consists of 1,034,148 ordinary shares and 11 preference shares.
Note 2: The shareholding percentage consists of 1.97% for ordinary shares and 0% for preference shares.

(III) Dividend Policy and Implementation Status

1. Dividend Policy

Pursuant to the Articles of Incorporation, where the Company has annual profits at final accounting, it shall first pay taxes, offset prior losses, and then set aside 10% as legal reserve; however, this shall not apply where the accumulated legal reserve has reached the Company's paid-in capital, and unpaid preferred share dividends and bonuses payable shall be distributed in priority; additionally, special reserve may be set aside depending on the Company's operational needs and legal requirements. If there is any remaining profit, together with undistributed earnings at the beginning of the period, the Board of Directors shall prepare a proposal for earnings distribution and submit it to the AGM for resolution. However, where all or part of dividends, bonuses, legal reserve and capital reserve distributable in accordance with law are distributed in cash, such distribution is authorized to be made by a resolution adopted by more than half of the directors present at a meeting attended by more than two-thirds of the directors of the Board of Directors, and shall be reported to the AGM.

Taking into consideration the growth characteristics of the Company's industry, maintaining a sound financial structure, and safeguarding shareholders' interests, it is the principle that not less than 30% of distributable earnings shall be appropriated as shareholders' dividends; provided, however, that no distribution may be made when accumulated distributable earnings are less than 5% of paid-in capital. In addition, taking into comprehensive consideration capital reserve, retained earnings, future funding needs, long-term financial planning, and maintaining a balanced annual dividend level of the Company, cash dividends shall be appropriated at not less than 10% of the total shareholders' dividends, with the remainder distributed as stock dividends. The above dividend policy will be revised in due course in response to actual circumstances.

2. The proposed dividend distribution at this AGM: Pursuant to the Articles of Incorporation, the Company shall distribute dividends on Class A registered preferred shares in priority. Dividends and bonuses are calculated at an annual interest rate of 20% based on par value, totaling NT$ 2,124. July 10, 2026 is proposed as the record date for preferred share dividend distribution, and July 31, 2026 as the dividend payment date. Common shares are proposed to be distributed with stock dividends of NT$ 52,388,650 (NT$ 1 per share), and cash dividends of NT$ 104,777,296 were resolved to be distributed (NT$ 2 per share), for a total distribution of NT$ 157,165,946. The retained earnings at year-end were NT$70,715,277.
3. Where a material change in the expected dividend policy is anticipated, the reasons therefor shall be explained: As the dividend policy was amended at the 2025 AGM, taking into comprehensive consideration capital reserve, retained earnings, future funding needs, long-term financial planning, and maintaining a balanced annual dividend level of the Company, cash dividends shall be appropriated at not less than 10% of the total shareholders' dividends, with the remainder distributed as stock dividends.

(IV) Impact of the proposed bonus share distribution at this AGM on the Company's operating performance and earnings per share: Not applicable, as the Company has not publicly disclosed financial forecasts.

(V) Compensation of employees, directors and supervisors

1. The percentage or range for compensation to employees, directors, supervisors stated in the Articles of Incorporation:

   If there is a profit for the year, compensation to employees and directors shall be distributed according to the following procedures:

   (1) Not less than 5% shall be taken for employee compensation, of which the percentage of allocation for entry-level employees shall not be less than 0.5% of the profit, the rules shall be established by the Board of Directors.

   (2) Not more than 4% shall be taken for director compensation.

   However, the profit should be reserved first for offsetting of accumulated losses if any.
2. The basis for estimating the amount of compensation of employees, directors and supervisors for the current period, the basis for calculating the number of shares for employee compensation to be distributed in shares, and the accounting treatment where the actual distributed amount differs from the estimated amount: The estimated amounts of employee compensation and director compensation of the Company for 2025 are based on the amount of the Company's net profit before tax prior to deduction of employee and director compensation multiplied by the distribution percentages for employee and director compensation stipulated in the Articles of Incorporation, and are recognized as operating expenses. If the actual amounts subsequently paid differ from the estimated amounts, the differences will be recorded as profit or loss in the upcoming year as a change in accounting estimate.
3. Status of compensation distribution approved by the Board of Directors: The Company has prepared the proposal for distribution of employee compensation and director compensation for 2025 at the 16th meeting of the 14th Term Board of Directors. Employee compensation amounted to NT$ 19,820,321 and director compensation amounted to NT$ 7,432,621, both to be distributed in cash.

4. Information of distribution of compensation of employees, directors and supervisors (with an indication of the number of shares and monetary amount and stock price of the shares distributed) for the previous year and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor compensation, additionally the discrepancy, cause, and how it is treated: None.

(VI) Share repurchase by the Company: None.

II. Corporate bonds: None.

III. Issuance of preference shares

<table>
<tr><td colspan="2">Issuance date
Item</td><td>December 15, 1990</td></tr>
<tr><td colspan="2">Face value</td><td>NT$10 per share</td></tr>
<tr><td colspan="2">Issuance price</td><td>NT$20 per share</td></tr>
<tr><td colspan="2">No. of shares</td><td>9,745,000 shares</td></tr>
<tr><td colspan="2">Total value</td><td>NT$97,450,000</td></tr>
<tr><td rowspan="4">Rights and obligations</td><td>Dividends</td><td>- 1. According to laws, the Company's net income each year shall be used first to offset losses from prior years, to allocate for taxes payable and legal reserves. Preference dividends are based on 20% of the face value p.a.
- 2. Dividends are paid in cash once a year after the date of approval by the annual shareholders' meeting. Dividends for the previous year are calculated according to the number of days in issue. However, dividends are calculated up to the end of the previous year in case of conversion to ordinary shares.
- If there is no earnings for the year or the earnings are insufficient for the issuance of preference dividends, any earnings in subsequent years should be prioritized for dividends due but unpaid during previous years. Shareholders of Type A registered preference shares are entitled to due but unpaid preference dividends for conversion to ordinary shares. The Company should pay in full at one sitting such due but unpaid dividends. However, they may not request the distribution of earnings from the previous year to ordinary shares. All the other rights and obligations are the same as ordinary shares.</td></tr>
<tr><td>Distribution of remaining assets</td><td>5. Preference shares have a priority claim over ordinary shares when the Company is liquidated. However, the allocation of the Company's remaining assets may not exceed the issued amount.</td></tr>
<tr><td>Exercise of voting rights</td><td>No voting rights</td></tr>
<tr><td>Others</td><td>Type A registered preference shares have no rights or obligations other than those described in this Article of Incorporation.</td></tr>
<tr><td rowspan="3">No. of preference shares outstanding</td><td>Amount redeemed or converted</td><td>NT$96,993,000 converted into ordinary shares</td></tr>
<tr><td>Outstanding amount not redeemed or converted</td><td>NT$10,620 (Note 1)</td></tr>
<tr><td>Redemption or conversion clause</td><td>Preference shareholders may request to convert preference shares into the same number of ordinary shares in each June after one year in issuance of preference shares.</td></tr>
<tr><td colspan="2">Market price per share (Note 2)</td><td>-</td></tr>
<tr><td rowspan="2">Other rights attached</td><td>Amount converted or subscribed to shares as of the publication date of this annual report</td><td>NT$96,993,000</td></tr>
<tr><td>Issuance and conversion or Subscription rules</td><td>Preference shareholders may request to convert preference shares into the same number of ordinary shares in each June after one year in issuance of preference shares.</td></tr>
<tr><td colspan="2">Impact of issuance terms and conditions on preference shareholders' equity, potential dilution and impact on existing shareholders' equity</td><td>None</td></tr>
</table>

Note 1: Capital reduction by NT$228,480 in 2004, by NT$58,680 in 2012, by NT$85,940 in 2016, by NT$73,280 in 2021.
Note 2: Trading of preference shares on the gray market
Preference shares with warrants: none

IV. Status of overseas depositary receipts: None.

V. Status of employee stock warrants: None.

VI. Status of issuance of new restricted employee shares: None.

VII. Status of issuance of new shares for merger and acquisition or acquisition of shares of other companies: None.

VIII. Implementation of capital utilization plans: None

Four. Operational Overview

I. Business

(I) Scope of business

1. Main areas of business operations
   (1) Design of electronic components and design and manufacture of related electronic products (local area network systems).
   (2) Design of electronic products (corded telephones, telephone answering machines, modems, electronic private branch exchanges, facsimile machines) (for office operations only; no retail sales premises are established on site).
   (3) Computer, components, and peripheral equipment (multi-function interface card) design and manufacturing.
   (4) Computer peripheral equipment (power supply unit, keyboard, printer, floppy and hard disk drives) and computer software equipment design (excluding the operation of video games and on-site operation).
   (5) Computer motherboards, workstations, and their systems design and manufacturing.
   (6) Application-specific integrated circuit design and manufacturing.
   (7) Home video game console design and manufacturing.
   (8) International trade.
   (9) Warehousing.
   (10) Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing.
   (11) Import of controlled telecommunications radio-frequency devices.
   (12) All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
2. Revenue distribution
   The revenue distribution of the Company's main products for 2025 is as follows:

Item	Revenue distribution
Portable computers (including finished board)	93%
Others	7%
Total	100%

3. The Company’s current main products
   The Company is a manufacturer of Mil-Spec and industrial portable computers. The main business is the R&D, manufacturing and maintenance of Mil-Spec and industrial computers/tablet computers and relative products, including (1) Mil-Spec/industrial computers/tablet computers (2) Mil-Spec/industrial motherboard (3) components and peripheral products (4) after-sales service of the abovementioned products.
4. New products planned for development
   The product strategy focuses on vertical market demand and developing specialized products that meet customer-required specifications, such as in the military, industrial, medical, and transportation industries, all of which have special requirements for their system operating environments and communication functions. The strategic goal is to create niche market products that solve customer problems and deliver strong profitability. As the brand expands its coverage in vertical markets, it has gradually established a comprehensive product line.

(II) Industry Overview

1. Structure and current status of industry:
   The Company’s main business is the design and manufacturing of portable devices for special industries like military and industry, and takes private labelling as our main business model. For the value chain, the Company is a vendor of system assembly and brand. Our upstream is the supplier of general and Mil-Spec/industrial components for computer products. Our downstream is the distributor and the systems integrator.
   For current status of the industry, the terminal demand in the main sales areas of the Company’s products turned out to be stable, the brand and channels became mature gradually. With the increase in the number of sales countries and the expansion of application field, the sales of products are expected to grow year after year.

2. The Company’s main products:

The Company’s main products are industrial computers, which are customized and high-mix low-volume products. The key point of design focuses on the functions to meet customers’ special needs.

Due to the characteristics of high R&D expenses and difficulties for mass production, the barriers to entry are pretty high. Also, the sales markets are too dispersed for common IPC vendors to significantly influence the Company’s market power.

(III) An overview of the company's technologies and its research and development work

In order to meet the special needs of vertical market and enhance product competitiveness, the Company continues dedicating to R&D of Mil-Spec/industrial rugged note computers and technologies in fields of special application, such as rugged computer case, cooling technology, and wireless communication. In addition, we actively cultivate internal talents, attracts excellent engineers with professions to join our R&D team, master domestic and international trends of products and technology development, develop niche products efficiently, and stay ahead of the curve for product launch to meet needs of the future market.

In order to enhance R&D capabilities and explore the application of new materials and the development of new technologies, the Company has invested a total of NT$ 152,473 thousand in R&D expenses from 2025 through Q1 of this year.

(IV) The company's long- and short-term business development plans.

The Company’s core of business development is the private brand Durabook and self-developed products. In short-term, we still take the long-cultivated application fields of military defense, public safety, and energy as our mainly targeted market, and strive for market share maximization with the expansion of channel partners and the improvement of brand awareness. In long-term, the Company will continue launching more diverse applicants and resolutions with our brand. Through the collaboration with the existing strategic partners and systems integrators in specific fields, we will expand the coverage of the vertical market to become a more comprehensive system supplier.

II. Markets, production and sales

(I) Market analysis

1. Sales region of the Company’s main products

The Company’s sales of products are mainly in Europe, America, and China. Local bases for sales and maintenance are established to provide service to our widely spread customers.

2. Market share, demand and supply conditions for the market in the future, and the market's growth potential

The Company's sales volume of portable computers (including finished boards) in 2025 was 57,213 units. The Company has secured a place in product R&D, design, manufacturing, and sales, and is one of the few domestic manufacturers of military/industrial-grade portable computers. The military/industrial-grade portable computer products developed and manufactured by the Company have gradually been adopted by major system integrators in the market.

In 2025, the Russia-Ukraine war remained unresolved, the United States resumed trade attacks, relations among major powers became increasingly tense, and the risk of regional conflicts intensified. Although inflation remained stable, the economic outlook was extremely uncertain, and countries were highly cautious about interest rate adjustments, causing corporate users to remain conservative in capital expenditures. Fortunately, with increased public-sector defense and other budgets and active equipment upgrades, the overall shipment volume of the Company's products still increased. Looking ahead, although defense spending is expected to maintain considerable growth, trade wars are still intensifying, and deterioration in the economic climate and exchange rate trends may be unavoidable, thereby affecting exports. Therefore, the overall economy for the year should still be viewed conservatively.

3. Analysis of competitive niche and development vision trends and responsive strategies.

(1) Strength

A. Strong product design ability: With comprehensive design ability for software, hardware, and mechanism, the Company is able to develop and produce independently the Mil-Spec/industrial products with special functions to meet the needs for high-mix low-volume, and moves towards the goal of “boutique.”

B. Strong productivity: Kaohsiung plant has focused on the Mil-Spec/industrial products for many years. The manufacturing flexibility has achieved the requirement for high-mix low-volume production.

(2) Weakness

A. Long lead time of the components supplier and increasing minimum order quantity

Responsive strategies:

Establish buffer stock and make the most of the stocking cycle system to avoid the condition that the demand exceeds the supply.

B. High-mix low-volume characteristic of the Mil-Spec/industrial computers and the relatively high R&D resources investment.

Responsive strategies:

Establish modular design of components with different types of products using the same modularized components. Serve customer according to their needs for high-mix low-volume products to reduce the resources needed for R&D, inventories, and costs; and further, obtain higher profit from it.

(3) Opportunity

A. Application of Mil-Spec/industrial portable computers are growing in popularity not only for military use, but also expand and cultivate fields of industry, agriculture, gambling industry, automation, and safety control.

B. The Company is one of the rare vendors that are able to produce Mil-Spec/industrial note/tablet computers in the country. With thigh entry barriers and the high gross profit, it is a niche market for Mil-Spec/industrial note computers.

(4) Threat

A. The slow-down in market scale growth, price war among vendors, and sales erosion in Mil-Spec/industrial market due to large business-spec vendors leads to increasing pressure from price competition and significant shrinkage of space for profit.

Responsive strategies:

(a) Cultivate R&D ability, strengthen sensitivity to marketing. Develop products with different levels, functions, and styles according to customer’s needs. With an objective to develop high value-added products in vertical market, maintain expected profit.

(b) Explore chances to cooperate with world-renowned corporations. With their influence, lower the cost of purchasing.

B. Reliance on import for key components. Markets are mainly in U.S. and Europe. Risk arising from changes in exchange rates influences the Company’s profit as well.

Responsive strategies:

(a) Enhance value added to product design to lower the ratio of components purchasing costs to sales price.

(b) Strengthen financial staff’s concept of foreign exchange hedge. Judge the trends of exchange at all times to timely evaluate the use of hedge tools for foreign exchange.

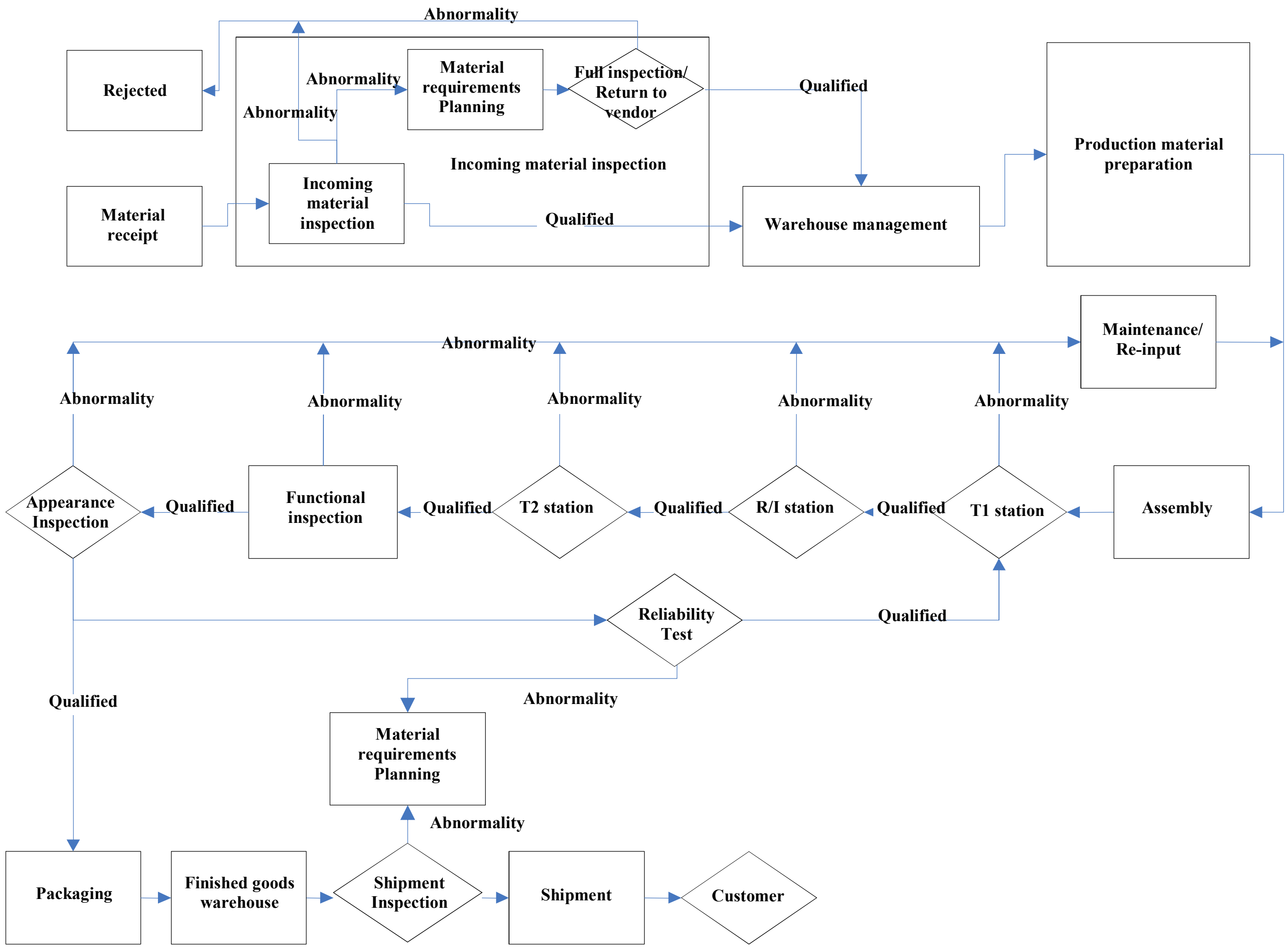
(II) Application and Manufacturing Process of Main Products

1. Main application of products

Depending on the models, rugged laptops and rugged tablets apply to in different fields, including personal, family, office, and outdoor workers, such as military, police, firefighting, warehouse, and logistic. The applications include national defense, public safety, public utilities, field services, telecommunication, transportation, petroleum and natural gas, and numerous special applications.

2. Manufacturing Process

System Assembly Process Flow Chart



(III) Supply of the main materials

Item	Solid-state disk driver	Battery	CPU	LCD
Supplier	Synnex Technology International Corporation Solid State Storage Technology Corporation	Japone Technology Inc. Homray	Synnex Technology International Corporation WARMING	Emerging Display Technologies Corp. 3ASCREEN Corporation

(IV) Name and Procurement (Sales) Amount and Percentage of Suppliers Accounting for at Least 10% of Annual Consolidated Net Procurement in Either of the Preceding 2 Fiscal Years

Information on Major Suppliers for the Most Recent 2 Years

Unit: Thousands of New Taiwan Dollar

	2024				2025			
Item	Name	Amount	As percentage of total net procurement for the year (%)	Relation with the issuer	Name	Amount	As percentage of total net procurement for the year (%)	Relation with the issuer
1	Synnex Technology International Corporation	81,561	10	-	Synnex Technology International Corporation	106,931	12	-
2	Others	665,533	90	-	Others	746,348	88	-
	Net purchase	747,094	100		Net purchase	853,279	100	

Note 1: There have been no significant changes in the major suppliers over the past two years.

Information on Major Customers for the Most Recent 2 Years

Unit: Thousands of New Taiwan Dollar

	2024				2025			
Item	Name	Amount	As percentage of total net sales for the year (%)	Relation with the issuer	Name	Amount	As percentage of total net sales for the year (%)	Relation with the issuer
1	Company P	129,173	10	-	Company P	129,254	9	-
2	Others	1,120,344	90	-	Others	1,376,437	91	-
	Net sales	1,249,517	100		Net sales	1,505,691	100	

Note 1: List the names of customers accounting for 10% or more of total sales in the most recent 2 years, and their sales amounts and percentages; however, where customer names may not be disclosed due to contractual agreements or where the counterparties are individuals and not related parties, codes may be used instead.

Note 2: There have been no significant changes in the major customers over the past two years.

III. Number of employees, average years of service, average age and educational attainment distribution of employees of the parent company and subsidiaries for the most recent 2 years and as of the date of publication of this annual report

May 6, 2026

Year		2024	2025	As of May 6, 2026 (Note)
No. of employees	Direct employees	29	29	31
	Indirect employees	182	194	204
	Total	211	223	235
Average age		45.45	45.76	45.30
Average tenure		10.89	10.58	10.28
Distribution of education background	PhD	0.0%	0.0%	0.0%
	Master's degree	20.85%	21.52%	22.98%
	College	56.40%	57.85%	56.17%
	Senior high school	21.33%	19.28%	19.57%
	Below senior high school	1.42%	1.35%	1.28%

Note: Data for the current year up to the publication date of this annual report shall be provided. (Excluding dispatched manpower)

IV. Spending on environmental protection

(I) Losses and penalties due to environmental pollution during the most recent year and as of the publication date of this annual report: none

(II) Countermeasures and possible expenditures going forward: compliance with the most updated laws and no expenditures foreseeable

(III) Response to the implementation of the RoHS (Restriction of Hazardous Substances Directive) in the European Union: The Company has always observed the laws relevant to the industry and has put in place environmental protection measures and lead-free manufacturing processes. We are confident with the quality of our products for all markets in the world. Hence, the effectiveness of the Directives should not have material adverse influence on the Company.

V. Labor relations

(I) The Company's employee benefit schemes, training & education, retirement system and implementation, labor agreements and measures to protect employees' rights

1. Benefit schemes and implementations

(1) Employees' remuneration

(2) Festival vouchers/Chinese New Year cash gift/birthday cash gift

(3) Year-end bonus

(4) Various incentive bonus systems and measures: sales performance incentive program, product development project bonus management program, employee performance incentive program, employee patent, creation and invention proposal incentive program, innovation proposal incentive program

(5) Comprehensive education and training and smooth promotion channels

(6) Annual leave system, birthday leave

(7) Employee group insurance
(8) Welfare fund subsidies of the Employee Welfare Committee: marriage, childbirth, hospitalization, funeral
(9) Club subsidies of the Employee Welfare Committee
(10) Employee travel, dining gatherings, birthday celebration activities, occasional festive dining gatherings
(11) Annual health examinations
(12) On-site medical and nursing services: one-on-one consultation services with a physician or nurse are arranged each month
(13) Health lectures
(14) Discounted beverages from vending machines, free biscuits and snacks daily, free afternoon tea refreshments monthly, and healthy fruit day supply
(15) Contracted preferential childcare facilities, preferential registration fees at contracted clinics, preferential accommodation rates at contracted hotels

2. Training and education programs

To develop the right work attitude and methods and to inspire employees to realize potential, the Company has put in place the procedures for training and education. New hires are given orientation training when onboarding. Professional training is provided based on department needs, employees' skillsets and job functions. Personnel unit also arrange management and language training for supervisors according to corporate operation guidelines and annual budgets. Information on external training programs is provided from time to time for the development of high-caliber professionals. This boosts operational performance and fully utilizes human resources.

3. Retirement system and implementation

The Company's retirement scheme adheres to the Enforcement Rules of the Labor Pension Act. The old tenure system was all completed before or on August 31, 2007. The new system is applicable to all current employees.

The new retirement system is as follows:
(1) Retirement eligibility under the new pension scheme: Employees may apply for retirement upon reaching 60 years of age.
(2) The new pension system is based on the employee's total monthly wage. A monthly contribution of 6% to the employee's person pension account according to the tiered wage criteria issued by the central competent authority.

4. Labor agreements and measures to protect employees' rights

The Company's employees have not formed a labor union, nor has any collective agreement been signed, but to promote labor-management harmony, implement labor-management communication, and improve work efficiency, the Company arranges meetings between management and labor on an irregular basis and convenes labor-management meetings quarterly to enable employees to express opinions and suggestions. Labor representatives are elected by all employees and can represent employees 100% in communication meetings. Labor-management meetings are intended to understand the views of all employees and resolve issues, thereby strengthening employee cohesion, maintaining smooth two-way communication channels between labor and management, and enhancing mutual assistance, trust, and cooperative relations between both parties.

The Company has also established Employee Welfare Committee as required by regulations. Employees elect committee representatives in an open way. Regular health checks are arranged. Both the employer and employees' representatives express views on benefits offered and such full communication protects employees' rights.

The Company has established an Occupational Safety and Health Committee in accordance with regulations. Committee members primarily deliberate and make recommendations on matters related to occupational safety and health, including health management, relevant regulations, plan formulation, and management measures, to ensure employee operational safety and improve workplace safety and health standards.

(II) Losses incurred as a result of labor disputes in the most recent year and up to the date of printing of the annual report, the estimated amount currently and in the future, and response measures: None.

VI. Information and communication security management

(I) Information and communication security management structure, information and communication security policy, management measures and resources invested on information and communication security management

1. Information and communication security management structure

   The Company inspects information and communication security each year, reviews digitalization and info processing and reports to the Board of Directors after year end. The highlights are the review of overall information architecture; backup integrity and availability; comprehensiveness of information security measures; robustness of the internal security protection mechanism; and implementation of improvement measures.

2. Information and communication security policy

   (1) Compliance with ISO9001 information requirements and standards

   Relevant information requirements and standards are based on the ISO9001 information service management procedures.

   (2) Information and communication security management policy

   Formulation of Twinhead standards on information use, covering employees' work machines, emails and Internet browsing management. The purpose is to effectively maintain the Company's internal information environment.

3. Management measures

   (1) Hardware firewalls are used to block external network attacks and are integrated with internal AD servers to define users' web browsing permissions.

   (2) An email filtering system is established to scan and quarantine emails identified as spam.

   (3) Client-side antivirus software is pre-installed on workstations, and virus definitions on the server side are updated from time to time.

   (4) User permission management for opening or browsing files is implemented.

   (5) A cybersecurity testing platform is established and updated, and regular security testing and vulnerability patching are conducted for important systems.

   (6) In coordination with the Company's internal audit unit, internal information security audits are conducted annually.

   (7) A phishing drill mechanism is established to strengthen the cybersecurity awareness of Company personnel against cyber penetration and intrusion.

   (8) Education and training for personnel responsible for information security to comply with the cybersecurity requirements for listed and OTC companies

4. Resource investment in information and communication security management

   (1) Budgeting

   Implementation results are reviewed at the year end in order to scope improvement measures and budgets for the following year.

   (2) Systems and functions outsourcing to enhance maintenance capabilities

   Phone exchanges and GMP green supply chain management system are jointly maintained with vendors.

   (3) Human resources of IT department

   Responsible for requirements integration and analysis; ERP system planning, management and maintenance; telecom networks and cybersecurity equipment management and maintenance; signoff procedure management and maintenance; management and maintenance of production lines and customization and telecom/networking hardware

(II) Losses incurred due to material information and communication security incidents in the most recent year and up to the date of printing of the annual report, possible impacts and response measures; if they cannot be reasonably estimated, the fact that they cannot be reasonably estimated shall be stated: None.

VII. Important contracts

Nature of the contract	Contract party	Contract start date	Main contents	Restrictive clause
Sales contract	Company P	01/01/'25 ~ 12/31/'27	* Purchase of the Company's products Stipulate the model, region, authorization form, payment terms, warranty period, repair time, and addendum for delivery.	Documents and data Confidentiality

Note: Coded as the contract prohibits the disclosure of the client's name

Five. Review and Analysis of Financial Position and Financial Performance and Risk Matters

I. Financial position

Major reason and impact of significant changes in assets, liabilities and equity during the most recent 2 years:

Comparative Statement of Financial Position

Unit: Thousands of New Taiwan Dollar

Item \ Year	2024	2025	Difference	
			Amount	%
Current assets	881,471	923,044	41,573	4.72
Non-current assets	601,314	594,476	(6,838)	-1.14
Total assets	1,482,785	1,517,520	34,735	2.34
Current liabilities	827,251	651,004	(176,247)	-21.31
Non-current liabilities	62,672	55,948	(6,724)	-10.73
Total liabilities	889,923	706,952	(182,971)	-20.56
Share capital	403,000	523,897	120,897	30.00
Paid-in-capital	35	35	0	0.00
Retained earnings	187,539	286,659	99,120	52.85
Other equity	30,982	29,279	(1,703)	-5.50
Non-controlling interest	(28,694)	(29,302)	(608)	-2.12
Total equity	592,862	810,568	217,706	36.72

Explanation for significant changes:

1. The decrease in current liabilities was primarily attributable to a reduction in short-term borrowings.
2. The increase in share capital for the current period was mainly due to the issuance of new shares through capitalization of retained earnings.
3. Retained earnings increased for the period primarily due to profit for the period.

II. Financial performance

(I) Main reason for the material changes in operating revenue, operating profit and pre-tax income for the most recent two years:

Unit: Thousands of New Taiwan Dollar

Item \ Year	2024	2025	Amount of changes	Rate of changes (%)
Operating revenue	1,249,517	1,505,691	256,174	20.50
Operating cost	779,113	906,310	127,197	16.33
Gross profit	470,404	599,381	128,977	27.42
Operating expense	356,458	399,568	43,110	12.09
Operating profit	113,946	199,813	85,867	75.36
Non-operating revenue and expense	51,487	20,972	(30,515)	-59.27
Net income before tax	165,433	220,785	55,352	33.46
Income tax expense	(2,661)	(2,546)	115	4.32
Current net income	162,772	218,239	55,467	34.08

Explanation for significant changes:

1. The increase in operating profit was mainly due to increases in operating revenue and gross profit.
2. The decrease in non-operating income and expenses was primarily attributable to a decrease in foreign exchange gains.

(II) Sales volume forecast and the basis therefor, the effect upon the company's financial operations and measures to be taken in response: None.

III. Cash flows

(I) Liquidity analysis for the most recent two years

Unit: Thousands of New Taiwan Dollar

Item	2024	2025	Amount of changes	Rate of changes %
Operating activities	254,671	216,216	(38,455)	(15.10)
Investing activities	(19,158)	(33,786)	(14,628)	(76.35)
Financing activities	(108,743)	(171,879)	(63,136)	(58.06)
Effects of changes in exchange rates	(1,386)	862	2,248	162.19
Net cash inflows (outflows)	125,384	11,413	(113,971)	(90.90)

Explanation for changes in ratios:

1. The increase in net cash outflow from investing activities was primarily due to the purchase of office equipment and molds.
2. The increase in net cash outflow from financing activities was primarily due to the repayment of borrowings.
3. Effects of changes in exchange rates: It was mainly due to decrease in gains and losses on the exchange differences resulting from translating the financial statements in foreign operations.

(II) Remedial measures for projected cash shortage and liquidity analysis: None.

(III) Cash Flow Analysis for the Coming Year

Unit: thousand New Taiwan Dollars

Beginning balance of cash (2026/1/1)	Net cash flow from operating activities	Cash outflow	Amount of cash surplus (deficit)	Remedy for cash deficit	
				Investment plans	Financing plans
501,707	268,744	264,489	505,962	-	-

Explanation of cash flow analysis:

1. Operating activities: Estimated cash inflows were mainly due to operating profit.
2. Annual cash outflow: Expected cash outflow was primarily attributable to the repayment of borrowings, payment of cash dividends, and other capital expenditures.

IV. Impact of major capital expenditures during the most recent year on financials and business

(I) Major capital expenditure items and source of capital: None.

(II) Expected benefits: None.

V. Equity investment policy during the most recent year, main reasons for the resulting profits/losses, improvement plan and equity investment plan for the coming year

The Company's reinvestments are primarily in the Company's subsidiaries. The Company revises its sales strategies and supervises business development at any time. At present, there are no other investment plans for the coming year.

VI. Analysis and assessment of risks for the most recent year and as of the publication date of this annual report

(I) Impact of interest rate and exchange rate changes and inflation on the Company's profit and loss and countermeasures going forward

1. Interest rates: The change in interest rates was insignificant during the most recent year. Hence, interest rate fluctuations are unlikely to cause significant risks.
2. Exchange rates: To manage exchange rate risks, the Company keeps its net position of foreign currencies to a certain amount.
   The Company's credits and debts denominated in foreign currencies are affected by exchange rates. However, the net position of such credits and debts is not significant. The impact of exchange rate changes is thus limited to a certain level.
3. Inflation: The Company keeps an eye on market price trends, adopts a flexible strategy and proactively negotiates with suppliers to mitigate the effects of inflation.

(II) Policies, main reasons for profit or loss and countermeasures going forward regarding highly risky and highly leveraged investments, lending to others, endorsements/guarantees and derivatives transactions

The Company is not engaged in highly risky or highly leveraged investments. Lending to others, endorsements/guarantees and transaction of derivatives are in accordance with regulations set by competent authorities and the Company's Procedures for Asset Acquisitions/Disposals; Procedures for Lending, Endorsements and Guarantees and corresponding measures.

(III) R&D plans and expected R&D expenses

1. The Company plans to develop and launch the following products and services in fiscal year 2026

(1)Rugged mobile computing devices

- Next-generation rugged laptops with the newest computing platform and in data transmission specifications
- High-speed computing mobile workstations with disk arrays
- Light-weight, high-performance tablets with Windows operating system
- Development of peripheral products for a variety of use cases in the industrial and military markets

(2) AI Integrated Applications

Built on a foundation of military-grade design, we continuously develop integrated solutions that combine artificial intelligence (AI) computing and edge computing, with a specific focus on supporting the operational and control requirements of unmanned vehicles. Future products will feature capabilities to serve simultaneously as local applications and compact computing servers. This empowers customers to perform real-time control, alongside high-performance data analysis and management even in harsh environments, thereby further enhancing the reliability and application value of intelligent systems.

2. The Company has placed a long-term emphasis on product innovation and the development and training of R&D talents. Significant resources are invested on the development and mass production of next-generation products, as well as the effective monitoring of market dynamics and product trends. Upholding the fine tradition of continuous innovation, the Company expects R&D expenses to account for approximately 9.07% of total annual revenue in 2026, and will continue to develop new products, apply and combine channel partners to develop and expand new markets and applications.

(IV) Changes in important policies and laws domestic and overseas on the Company’s financials and business and the countermeasures

The Company discussed the impact of reciprocal tariffs with U.S. customers and adjusted its sales strategies to respond to changes in U.S. tariff policies, while closely monitoring changes in other important domestic and foreign policies and laws. In response to amendments to relevant laws and regulations by the competent authorities, the Company has duly complied therewith, with no material impact on its finance or business.

(V) Impact of technological changes (including information and communication security risks) and industrial changes on the Company’s financials and business and the countermeasures

The Company keeps a close eye on the development of relevant sectors and evaluates the impact of technological changes on its financials and business and devises countermeasures accordingly. Hence, technological change has no significant effects on the Company’s financials or business yet.

(VI) Impact of company image changes on corporate crisis management and the countermeasures

The Company has not experienced changes in its corporate image. The Company has established a corporate website, spokesperson system, investor relations and customer feedback mechanism. We disclose significant news and announcements according to relevant laws and we create a transparent channel for communication and mutual trust to maintain a good corporate image.

(VII) Expected benefits, potential risks of acquisitions and countermeasures

No M&A plan as of the publication date of this annual report

(VIII) Expected benefits and potential risks of factory facilities expansion and countermeasures

No factory expansion plan s of the publication date of this annual report

(IX) Risks of sale/purchase concentration and countermeasures

Diversified sales/purchases and hence no overconcentration risks

(X) Impact and risks of significant ownership transfers or changes among directors, supervisors or major shareholders with at least a 10% stake and countermeasures

No such circumstances as of the publication date of this annual report

(XI) Impact and risks of change of control and countermeasures

No such circumstances as of the publication date of this annual report

(XII) Litigation or non-litigation events

None

(XIII) Other important risks and countermeasures

Below is an analysis and assessment of the Company’s cybersecurity risks:

1. Network security risks: The Company has deployed firewall equipment and systems and established a mechanism to block cyberattacks. Log-on authority has been set up to mitigate the risk of cyberattacks.
2. Mail security risks: The Company has deployed a mail filtering system with a set of rules governing external emails. Virus information is updated from time to time. Regular scans are conducted. Suspicious emails that may contain viruses are isolated, to avoid computer systems from attacks of virus files or links.
3. Personal computer risks: The Company installs endpoint anti-virus software on employees’ computers. Virus codes are updated daily and infected computer files are isolated, to avoid virus attacks.

4. System control and damage risks: The Company implements authorization management on important files. System files are regularly and routinely backed up and storage media is kept at the safe with a bank. This ensures remote backups and reduces recovery risks in event of system abnormality.
5. Information and software risks: The Company’s IT department conducts software audits from time to time each year. Each department is staffed with a software auditor, to support the IT department in the inspection and audit of software installed for employees.
6. Conduct information security advocacy and phishing simulation tests to strengthen the Company's personnel's awareness of protection against cyber penetration and intrusion, and reduce information fraud and intrusion incidents.

VII. Other important matters: None.

Six. Special Notes

I. Information on Affiliated Enterprises (as of the printing date of this annual report)

(I) Consolidated business report of affiliated enterprises: For related information, please refer to the "Affiliated Enterprises Three Reports and Statements Section" under "Electronic Document Download" in the "Single Company" section of the Market Observation Post System at https://mops.twse.com.tw/mops/#/web/home.

(II) Consolidated financial statements of affiliated enterprises

Statement

The companies required to be included in the Company's consolidated financial statements of affiliated enterprises for fiscal year 2025 (from January 1, 2025 to December 31, 2025) prepared in accordance with the “Regulations Governing the Preparation of Consolidated Business Reports of Affiliated Enterprises, Consolidated Financial Statements of Affiliated Enterprises, and Affiliation Reports” are identical to the companies required to be included in the consolidated financial reports of parent and subsidiary companies prepared in accordance with IFRS 10 as endorsed by the Financial Supervisory Commission, and the relevant information required to be disclosed in the consolidated financial statements of affiliated enterprises has all been disclosed in the aforementioned consolidated financial reports of parent and subsidiary companies. Accordingly, no separate consolidated financial statements of affiliated enterprises have been prepared.

Stated as above

Company: Twinhead International Corporation

Chairman: Yu-Jen Kao

Date: March 13, 2026

(III) Relations report: not applicable

II. Private placement of marketable securities during the most recent year and as of the publication date of this annual report

None

III. Other Necessary Supplementary Information:

None

IV. Description of Any Material Effect on Shareholders' Equity or the Price of the Company's Securities as Specified in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act During the Most Recent Fiscal Year and Up to the Date of Printing of the Annual Report:

None

Twinhead International Corporation

Chairman: Yu-Jen Kao