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2025

Annual Report

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<http://www.hec-group.com.tw>

Compucase Enterprise Co., Ltd.

- I. Names, titles, telephone numbers and email addresses of the spokesperson and deputy spokesperson:

	Spokesperson	Deputy spokesperson
Name	Lee Chia-Ching	Lin Yung-Hsiang
Title	President	Financial Manager
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- III. Name, address, website and telephone number of the stock transfer agent

Name: Registrar and Transfer Department, Yuanta Securities Co., Ltd.

Address: B1., No. 67, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City 106045, Taiwan (R.O.C.)

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- IV. Names of the CPAs certifying the financial report of the most recent year, and the name, address, website and telephone number of their accounting firm

CPAs: Wang Teng-Wei, Li Chi-Chen

Name of accounting firm: Deloitte Taiwan

Address: 13 F., No. 189, Sec. 1, Yongfu Rd., West Central Dist., Tainan City 700019, Taiwan (R.O.C.)

Website: <https://www.deloitte.com.tw>

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- V. Name of the exchange where foreign securities are listed and traded, and the method of access to the information of such foreign securities: None.

- VI. Compucase website: <https://www.hec-group.com.tw>

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Chapter I Letter to Shareholders

Dear Shareholders,

I. Results of implementation of the 2025 business plan

(I) Results of implementation of the business plan

In 2025, net operating revenue amounted to NTD 6,921,523 thousand, representing an increase of 21% compared with NTD 5,699,364 thousand in 2024. Consolidated net operating revenue amounted to NTD 11,188,738 thousand, representing an increase of 51% compared with NTD 7,402,013 thousand in 2024. Consolidated gross profit amounted to NTD 2,444,656 thousand, representing an increase of 51% compared with NTD 1,621,480 thousand in 2024. Consolidated net income (loss) after tax amounted to NTD (1,129,672) thousand, representing a decrease of 277% compared with NTD 639,175 thousand in 2024. Earnings per share were NTD (7.93).

(II) Budget implementation

We are not required to disclose any information regarding such implementation since we did not publish any financial forecast in 2025.

(III) Analysis of financial revenues and expenses and profitability

1. Financial revenues and expenses

Unit: NTD thousand

Item/Year	2025	2025 (consolidated)
Net operating revenue	6,921,523	11,188,738
Net profit (loss) on non-operating revenues and expenses	6,093,420	8,744,082
Operating cost	828,103	2,444,656
Operating expense	490,072	1,428,935
Net Non-operating Income (Loss)	(1,024,140)	(1,769,351)
Pre-tax net profit	(682,875)	(753,630)
After-tax net profit	(894,320)	(1,129,672)

2. Profitability analysis

Item/Year	2025	2025 (consolidated)
Return on assets (%)	(10.1%)	(7.4%)
Return on equity (%)	(31.2%)	(28.5%)
Net profit margin (%)	(12.9%)	(10.1%)
Earnings per share (NTD)	(7.93)	(7.93)

Note:

1. Prepared according to the 2025 parent-only and consolidated financial statements of subsidiaries.

2. The data of earnings per share is based on the retroactively adjusted number of outstanding shares as of the end of 2025.

(IV) Performance in research and development

The Company is committed to meeting customer needs and expectations for higher quality. In 2025, the Company invested NTD 225,260 thousand in research and development, representing an increase of 36% compared with NTD 165,733 thousand in 2024. Future research and development directions are as follows:

Computer chassis:

- (1) Actively pursue original design. In 2025, the Company filed a total of nine patent applications and completed three prototypes. After proposals were submitted to customers, three projects received customer recognition and were approved for project initiation.
- (2) Provide effective solutions for various development requirements proposed by customers, such as large-area L-shaped curved glass, breathing light panels, touch-sensitive power buttons with air-guiding functionality, and embossed side panels, all of which have entered mass production.
- (3) Collaborate with major U.S.-based manufacturers on the development of AI and network rack products, which are currently undergoing customer approval, with estimated annual shipments of 4,000 units.
- (4) Collaborate with leading AI companies on the development of AI server, switch chassis, and rack products. Three rack product samples have been completed and delivered, while two chassis products have been completed in design and are currently undergoing sampling.
- (5) Collaborate with major cloud service providers on the development of ASIC thermal modules, which are currently undergoing full-card testing by customers.

Products of power supplies:

- (1) Introduce LLC topology into entry-level models to achieve market differentiation through technological advantages.
- (2) Implement the EU Erp Lot 6 energy-saving strategy to ensure customers' models developed in 2025–2026 are compliant with the 2027 regulations and can continue to be sold.
- (3) Invest in the R&D of the patented OTP (over temperature protection) design for 12V-2x6 cables, thereby improving product safety by effectively eliminating the risk of connectors melting.
- (4) With the full module gold-brand models earning the Cybenetics Lambda A++ certification, the highest rating for quietness, the Company will continue to win customer recognition based on our exceptional design capabilities.
- (5) Develop 2000 W to 3000 W high-power supplies to precisely target and meet the demand of the small workstation market.
- (6) We have successfully developed a special specification power supply with 5Vsb 6A high current output for customers' specific applications.

Products of our own brand COUGAR:

- (1) COUGAR Case Segment

- A. The CFV235 floating case with an exclusive graphics card cooling feature has been well received in the market following its launch, and has been granted an invention patent in Taiwan. It has also gained favor with large-scale SI customers in the U.S. market, with a breakthrough in sales volume expected.
- B. Continuing COUGAR's proprietary floating case design concept, the Company plans to launch the CFV220 model in June this year. Its design further highlights the three-sided tempered glass panoramic "showcase" style currently favored by the market. The goal is to continue strengthening COUGAR's brand image for original case design and expand case sales volume.
- C. Duoair, the second-generation product of Duoface Pro, COUGAR's best-selling model to date, is scheduled to launch in May. Continuing the dual-panel design concept of Duoface Pro, Duoair features a cache filter design and an all-new exterior design, while enhancing case specifications and compatibility, with the goal of setting a new single-model sales record for COUGAR.

(2) COUGAR Power Supply Segment

- A. The Company launched the flagship platinum ATX3.1 model featuring a uniquely designed 13030 PWM fan for ultimate cooling and low-noise performance. This product incorporates a full 12+4-pin connector in place of the traditional standard 8-pin connector, and exceeds the performance of currently available power supplies in both appearance and functionality.
- B. In addition, the Company will launch a new series of high-performance platinum-brand power supplies, positioned to deliver platinum-rated efficiency and output at the price of gold-rated products. The Company aims to be the first player to introduce such a series to capture share in the high-end gold-rated market and increase the sales of COUGAR power supplies.

(3) COUGAR Gaming Chair Segment

- A. The flagship ergonomic chair, COUGAR Terminator Air, is expected to be mass-produced and launched in March. This chair is a rare ergonomic gaming chair that combines comfort with e-sports styling, offering significant market differentiation. It is anticipated to enhance the professional image of COUGAR's gaming chairs and boost the overall sales volume simultaneously.
- B. COUGAR has launched the Titan Pro v2 model as the second generation of the successful Titan Pro gaming chair. While having the original generation's impressive design as the basis, the new generation further includes an active lumbar support adjustment structure that allows users to more easily adjust both the position of the lumbar support and the seat depth, which demonstrates a significant improvement in usability.
- C. In addition to its mid-to-high-end gaming chair products, COUGAR has also launched the Fusion EX model, which offers COUGAR's consistent high-level seating comfort with quality materials and an exceptional value. The product, which received positive customer feedback after its exhibition at the CES in the U.S., has helped improve COUGAR's market share of gaming chairs and the overall sales volume.

(4) COUGAR Cooling Segment

- A. A new LQX liquid cooler series has been launched. Each of the liquid cooler products features a 3.95-inch digital LED screen and a newly developed annular fan blade, thereby providing better cooling performance and system interaction. Our goal is to complete the deployment of COUGAR's liquid cooler products to increase the overall sales volume.
- B. A new FRZ air cooler series has been launched in place of the first-generation Forza air cooler products. The appearance and fan have been redesigned, and a digital screen has been added to display CPU operating temperature in real time. This gives the product a more integrated appearance, while delivering stronger cooling performance and digital functionality than the first-generation products, with the goal of increasing COUGAR air cooling product sales.

II. Overview of the 2026 business plan and the strategy for future development

(I) Overview of the 2026 Business Plan (Taking into Account the Current PC Market Environment)

Recently, the global memory supply has tightened, particularly due to the rapid expansion of AI infrastructure and the resulting surge in demand for high-capacity memory, such as DRAM and NAND. Therefore, major suppliers have tended to prioritize the allocation of production capacity and shipment to AI/servers and other products with a high gross profit, rather than traditional PC and notebook memory. This has led to a relatively short supply of consumer DRAM/SSD, driving up the prices of memory modules.

Several market research agencies (IDC, TrendForce, etc.) have lowered their forecasts for global PC shipments for 2026, primarily due to the insufficient supply and rising prices of memory that have led to weak demand for fully assembled units.

In view of such current market conditions, the Company believes its operational strategy should shift from a focus on "volume growth" to "quality enhancement." High-performance computing, AI workstations, professional applications, and server-related products continue to demonstrate strong long-term growth potential. Hence, the Company will adjust its operational focus, reduce dependence on low-margin and price-sensitive markets, and accelerate the development of high-value-added and differentiated products to enhance overall operational resilience.

Based on the above judgment, the business plan for this year will focus on the following areas:

1. Introduction of automated and smart manufacturing processes:
The Company will continue to introduce automated production equipment and digital management systems to improve production efficiency, stabilize quality, and reduce labor and unit manufacturing costs, maintaining its competitive advantage in the environment of fluctuating market demand and rising costs.
2. Further technological development of digital power supplies and high-end power supplies:
The Company will develop digital power supplies and designs featuring high efficiency and high stability, thereby strengthening our cooperation with existing customers in high-end applications (i.e., AI, workstations, and servers) and expanding product line diversity to enhance ASP and gross profit margins.
3. Focus on the markets for high-wattage power supplies and AI personal workstations:
High-wattage and reliable workstation power supplies and system models are to be developed for applications such as AI inference, content creation, and engineering simulation. The purpose is to address the needs of professional users for performance, stability, and long-term operation, and accordingly reduce reliance on the traditional consumer PC market.
4. Development of benchmark gaming computer chassis as flagship products:

The Company will develop flagship gaming computer chassis products with strong product recognition and functional differentiation. By integrating innovations in cooling, structure, and design, the Company will actively seek brand customer and project-based orders to enhance overall revenue and profitability.

5. Expansion of the complete product ecosystem of the COUGAR brand:

The Company will continue to launch peripheral products such as gaming chairs, headsets, and liquid cooling products to strengthen brand exposure and market coverage. Through product portfolio sales, the Company aims to increase contribution per customer and enhance overall revenue and profit.

6. Active expansion into the AI server and cabinet markets:

For AI data centers and enterprise applications, the Company will deploy key hardware products such as AI server chassis and racks to increase average selling price (ASP) and gross margin, and establish long-term growth momentum.

(II) Future Development Strategies

In response to fluctuations in the PC market and changes in the industry structure, the Company will adopt development strategies focused on “prudent operations, structural upgrading, and risk diversification” going forward:

1. Deepen Strategic Cooperation with Quality Customers:

The Company will establish long-term and highly engaged cooperation models with core customers, upgrading from single-product supply to partnerships in technologies and solutions. Through such cooperation, the Company will jointly create added value with customers and drive growth in revenue and market share.

2. Integrate Supply Chain and Internal Group Resource Advantages:

The Company will integrate the R&D, manufacturing, and design capabilities of its subsidiaries and introduce more differentiated design elements to enhance product competitiveness.

3. Reduce Market and Cost Structure Risks:

Amid fluctuations in memory and raw material prices, the Company will reduce the impact of a single market or a single cost factor on its operations through product portfolio management, supply chain diversification, strategic material preparation, and long-term cooperation strategies.

4. Optimize Organizational and Management Efficiency:

The Company will continue to review the efficiency of its manpower and organizational allocation to support the needs of diversified product lines and market deployment, thereby enhancing overall operating performance.

5. Pursue Stable Growth While Taking into Account Shareholders' Interests:

In an uncertain macroeconomic environment, the Company will maintain stable revenue and profit growth while continuing to enhance shareholder returns, employee welfare, and corporate sustainability.

I. Impact of the External Competitive Environment, Regulatory Environment, and Overall Business Environment

(I) With respect to the external competitive environment, the Company fully recognizes that, in response to rapid market changes and increasingly diversified customer needs for products, it must continue to develop new products that more closely meet user demands. The Company will expand the scale of its R&D activities, enhance its core competitiveness, and effectively integrate resources. Through product diversification, expansion into markets across different fields, and the development of new blue-ocean opportunities, the Company seeks to pursue overall operating growth.

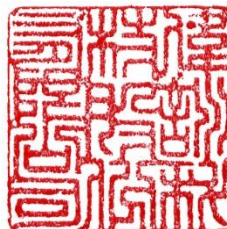
- (II) With respect to the regulatory environment, the Company complies with the national laws and regulations. Its finance, stock affairs, legal affairs, and audit functions closely monitor major policy or legal changes, and make timely adjustments to the Company's internal rules and operating activities in order to comply with the applicable laws and regulations and ensure smooth operations.
- (III) With respect to the overall business environment, the global economy continues to face numerous challenges, including inflation, import tariffs, and uncertainties in the economic and trade policies of various countries. In addition, the Russia-Ukraine war has yet to reach a ceasefire, while conflicts in the Middle East have also severely affected global energy and logistics supply.

Despite the rapidly changing international landscape and various external uncertainties, the Company has consistently upheld its commitment to driving operational development through quality and technology. In response to the external environment, the Company actively adjusts its business deployment, continuously refines its strategies and optimizes its product portfolio, and gradually increases automation to improve efficiency. Through these efforts, the Company seeks to strengthen its competitive advantages amid the continually changing business environment, thereby increasing its market share in the global market and enhancing its sustainable corporate value.

Best wishes to you all,

May you have good health and may all your endeavors be successful.

Compucase Enterprise Co., Ltd.



Chairman and President Wang Chun-Tung



Chapter II Corporate Governance Report

I. Information of Directors, President, Vice President, Assistant Vice Presidents, and Managers of Departments and Branches

1. Director Information

April 27, 2026

Title	Nationality or country of registration	Name	Gender Age	Date elected/ appointed	Term	Date of first election	Shareholding at time of election		Current shareholding		Current shareholding of spouse or minor children		Nominee shareholding		Main experience (education)	Concurrent positions at HEC and other companies	Other managers, directors or supervisors with a spousal relationship or a relationship within the second degree of consanguinity			Remarks (Note)
							Number of shares	Shareholding (%)	Number of shares	Shareholding (%)	Number of shares	Shareholding (%)	Number of shares	Shareholding (%)			Title	Name	Relationship	
Chairman and Chief Executive Officer	R.O.C.	Compucase Investment Co., Ltd. Representative: Wang Chun-Tung	Male 51 - 60	2025.06.20	3	2014.06.20	23,835,605	21.23%	23,835,605	21.04%	-	-	-	-	MBA Program, National Chengchi University Bachelor of Electrical Engineering, National Chiao Tung University Product Manager, BenQ Corporation Vice President for Production, HEC	Corporate representative of the Company's subsidiaries Chairman, Loyalty Founder Enterprise Co., Ltd. and Optima Healthcare Inc. Chairman, Power Master Co., Ltd.	-	-	-	
							300,000	0.27%	615,000	0.54%	-	-	-	-						
Director	R.O.C.	Representative of Compucase Investment Co., Ltd.: Wang Wei-Chi	Male 40 - 50	2025.06.20	3	2025.06.20	23,835,605	21.23%	23,835,605	21.04%	-	-	-	-	Master's Degree in Finance, George Washington University General Manager, Dasheng Tiancheng Technology (Huizhou) Co., Ltd.	-	-	-	-	
							8,132	0.01%	8,132	0.01%	-	-	-	-						
Director	R.O.C.	MiTAC International Corporation Representative: Huang Hsiu-Ling	Female 61 - 70	2025.06.20	3	2019.06.20	10,000,000	8.91%	10,000,000	8.83%	-	-	-	-	Department of Finance and Tax, National Chung Hsing University Manager, Department of General Administration, Han Rui Technology Co., Ltd. Director, Loyal Fidelity Aerospace Corp. Supervisor, MIO Technology Corporation Supervisor, Tzu Feng Investment Co., Ltd. Vice President for Finance, MiTAC Holdings Corporation	-	-	-	-	
							-	-	-	-	-	-	-	-						
Director	R.O.C.	Cheng Li Investment Co., Ltd. Representative: Ko Chi-Yuan	Male 71 - 75	2025.06.20	3	2013.06.14	6,638,193	5.91%	6,638,193	5.86%	-	-	-	-	Department of Economics, National Chung Hsing University Chairman, San Shing Fastech Corp.	Corporate representative of a South Korea subsidiary of HEC Representative of director at OPT, LFE and its subsidiaries	-	-	-	
							336,000	0.30%	515,000	0.45%	-	-	-	-						

Title	Nationality or country of registration	Name	Gender Age	Date elected/appointed	Term	Date of first election	Shareholding at time of election		Current shareholding		Current shareholding of spouse or minor children		Nominee shareholding		Main experience (education)	Concurrent positions at HEC and other companies	Other managers, directors or supervisors with a spousal relationship or a relationship within the second degree of consanguinity			Remarks (Note)
							Number of shares	Shareholding (%)	Number of shares	Shareholding (%)	Number of shares	Shareholding (%)	Number of shares	Shareholding (%)			Title	Name	Relationship	
Director	R.O.C.	Cheng Li Investment Co., Ltd. Chung Ding-Chun	Male 51 - 60	2025.06.20	3	2013.06.14	6,638,193	5.91%	6,638,193	5.86%	-	-	-	-	Master of Business Administration, College of Management, National Taiwan University President, Japan Asia Asset Management Co., Ltd.	Director at WCX, WSE and WYT Representative of director at LFE and OPT				
							196,000	0.17%	196,000	0.17%	-	-	-	-						
Director	R.O.C.	Li Li-Sheng	Male 61 - 70	2025.06.20	3	2013.06.14	302,000	0.27%	302,000	0.26%	-	-	-	-	Graduated from senior high school Chairman, Zong Sine Industries Inc.	Representative of director at LFE and OPT Director, Universal Textile Co., Ltd.	-	-	-	-
Independent director	R.O.C.	Chen Jung-Chao	Male 51 - 60	2025.06.20	3	2022.06.23	-	-	-	-	-	-	-	-	LLM, National Chung Cheng University Department of Accounting, College of Law and Commerce, National Chung Hsing University CPA, Water Accountants' Firm Manager and Assistant Vice President, KPMG Taiwan	Remuneration Committee Member and Independent Director, Ya Horng Electronic Co., Ltd. Remuneration Committee Member and Independent Director, Scivision Biotech Inc.	-	-	-	-
Independent director	R.O.C.	Wang Yu-Ling	Female 41 - 50	2025.06.20	3	2023.06.15	-	-	-	-	-	-	-	-	LLM, National Taiwan University Attorney, Heng-Li Law Judge, Taiwan New Taipei District Court	Independent Director, Chung Tai Resource Technology Corp.	-	-	-	-
Independent director	R.O.C.	Chen Chin-Lung	Male 71 - 75	2025.06.20	3	2025.06.20	-	-	-	-	-	-	-	-	Graduate, Graduate Institute of International Business, National Taiwan University Chairman, Probright Technology Inc. Chairman, J.D. Pro Optical Inc. (Seinoh Optical Co., Ltd.)	Independent Director, Albatron Technology Co., Ltd. Independent Director, Pacific Construction Co., Ltd. Independent Director, Meiloon Industrial Co., Ltd.	-	-	-	-

Note: Where the Company's Chairman and President or equivalent position holder (being the highest-ranking manager) are the same person, spouses, or relatives within the first degree of kinship, the Company shall disclose the reasons, reasonableness, necessity, and relevant responsive measures (such as increasing the number of independent directors and ensuring that more than half of the directors do not concurrently serve as employees or managerial officers). The Company's President is the highest-ranking executive officer responsible for operations. The President is appointed by and reports to the Board of Directors, and is responsible for overseeing the Company's overall operations and management, formulating strategies, executing business plans, and assuming responsibility for operating results. The role of the Chief Executive Officer is to assist the Company in long-term planning, vertical integration, and the enhancement of market competitiveness. The duties and responsibilities of the two positions above are different. In addition, more than half of the seats on the Board of Directors are held by directors who do not concurrently serve as managerial officers, which helps avoid the concentration of authority and strengthens the supervisory function of the Board of Directors.

2026.04.27

Name of corporate shareholder	Major shareholder of corporate shareholder	Shareholding (%)
Cheng Li Investment Co., Ltd.	Compucase Investment Co., Ltd.	100.00

2026.04.27

Name of corporate	Major shareholder of corporate	Shareholding (%)
Compucase Investment Co., Ltd.	AB Value Investment Co., Ltd.	100.00

2026.04.27

Name of corporate	Major shareholder of corporate
MiTAC International Corporation	MiTAC International Corporation: 8.41%; UPC Technology Corporation: 8.27%; Lien Hwa Industrial Holdings Corporation: 8.78%; Getac Holdings Corporation: 0.87%.

2026.04.27

Name of corporate shareholder	Major shareholder of corporate shareholder
AB Value Investment Co., Ltd.	Fubridge Asset Management Co., Ltd. (40.22%), Ant Value Capital Investment Limited (21.21%), AB Value Investment Company (10.73%), Ho Hsiu-Chen (9.99%), Li Li-Sheng (9.99%), Li Jui-Mei (1.96%), Kao Fen-Fen (1.64%), Kao Ming-Chang (1.64%), Chang Chia-Hao (1.26%), Li Yu-Ying (0.98%), Chang Ching-Wen (0.38%)

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

Criteria Name	Professional qualifications and experience (Note 1)	Independence (Note 2)	Also an independent director at the following number of other public company(ies)
Chairman and Chief Executive Officer Representative of Compucase Investment Co., Ltd.: Wang Chun-Tung	1. Having at least 5 years of working experience and the following professional qualifications: commerce, law, finance, accounting, or other work experience required for HEC's business. 2. President, Compucase Enterprise Co., Ltd.	N/A	-
Director Representative of Compucase Investment Co., Ltd.: Wang Wei-Chi	1. Having at least 5 years of working experience and the following professional qualifications: commerce, law, finance, accounting, or other work experience required for HEC's business. 2. General Manager of Dasheng Tiancheng Technology (Huizhou) Co., Ltd.	N/A	-
Director Representative of Cheng Li Investment Co., Ltd.: Ko Chi-Yuan	1. Having at least 5 years of working experience and the following professional qualifications: commerce, law, finance, accounting, or other work experience required for HEC's business. 2. Chairman, San Shing Fastech Corp.	N/A	-
Director Representative of Cheng Li Investment Co., Ltd.: Chung Ding-Chun	1. Having at least 5 years of working experience and the following professional qualifications: commerce, law, finance, accounting, or other work experience required for HEC's business. 2. Senior Partner, AB Value Asset Management Co., Ltd.	N/A	-
Director Li Li-Sheng	1. Having at least 5 years of working experience and the following professional qualifications: commerce, law, finance, accounting, or other work experience required for HEC's business. 2. Chairman, Zong Sine Industries Inc.	N/A	-

Criteria Name	Professional qualifications and experience (Note 1)	Independence (Note 2)	Also an independent director at the following number of other public company(ies)
Director Representative of MiTAC International Corporation: Huang Hsiu-Ling	1. Having at least 5 years of working experience and the following professional qualifications: commerce, law, finance, accounting, or other work experience required for HEC's business. 2. Vice President of Finance of MiTAC Holdings Corporation	N/A	-
Independent director Chen Jung-Chao	1. Having at least 5 years of working experience and the following professional qualifications: commerce, law, finance, accounting, or other work experience required for HEC's business. 2. A professional or technician who has passed the national examination required for judge, prosecutor, lawyer, accountant or any other business of HEC and has received a certificate thereof. 3. CPA, Water Accountants' Firm.	Note 2	2
Independent director Chen Chin-Lung	1. Having at least 5 years of working experience and the following professional qualifications: commerce, law, finance, accounting, or other work experience required for HEC's business. 2. Chairman of Probright Technology Inc.	Note 2	1
Independent director Wang Yu-Ling	1. Having at least 5 years of working experience and the following professional qualifications: commerce, law, finance, accounting, or other work experience required for HEC's business. 2. Judge at Taiwan New Taipei District Court. 3. Attorney at Heng Li Law Firm.	Note 2	1

Note 1: None of the circumstances under Article 30 of the Company Act applies to any director.

Note 2: Also an independent director at less than three other public companies.

The criteria of independence are as follows:

- (1) Not an employee of HEC or any of its affiliates.
- (2) Not a director or supervisor of HEC or any of its affiliates (except in cases where the individual concurrently serves as an independent director of a company and its parent company, a subsidiary, or another subsidiary of the same parent company, as permitted under the Securities and Exchange Act or applicable local laws).
- (3) Not a natural-person shareholder whose shareholding, including the shares held by his/her spouse or minor children or through nominees, equals or exceeds 1% of the total outstanding shares of HEC, or who is among the top 10 shareholders of HEC.
- (4) Excluding managers listed in item (1), and the spouses, second-degree relatives, or third-degree direct blood relatives of individuals listed in items (2) and (3).

- (5) Not a director, supervisor or employee of any corporate shareholder who holds at least 5% of the outstanding shares of HEC, is among the top 5 shareholders or has appointed a representative as a director or supervisor of HEC in accordance with paragraph 1 or 2, Article 27 of the Company Act (except in cases where the individual concurrently serves as an independent director of a company and its parent company, a subsidiary, or another subsidiary of the same parent company, as permitted under the Securities and Exchange Act or applicable local laws).
- (6) Not a director, supervisor or employee of another company where a majority of the seats of director or voting shares are under the control of the same person (except in cases where the individual concurrently serves as an independent director of a company and its parent company, a subsidiary, or another subsidiary of the same parent company, as permitted under the Securities and Exchange Act or applicable local laws).
- (7) Not a director, supervisor or employee of another company or institution who is also the chairman, president or any officer with equivalent position at HEC or is his/her spouse (except in cases where the individual concurrently serves as an independent director of a company and its parent company, a subsidiary, or another subsidiary of the same parent company, as permitted under the Securities and Exchange Act or applicable local laws).
- (8) Not a director, supervisor or manager or a shareholder with a shareholding of no less than 5% at any company or institution with a financial or business relationship with HEC (except where that company or institution holds no less than 20% and no more than 50% of the total outstanding shares of HEC, and where the person serves as an independent director concurrently at HEC and its parent company, any of its subsidiaries or any subsidiary of the same parent company in accordance with the Securities and Exchange Act or the laws of the local country).
- (9) Not a professional or an owner, partner, director, supervisor or manager of any sole proprietorship, partnership, company or institution specialized in commercial, legal, financial, accounting or other related services, who provides auditing services to HEC or any of its affiliates or who has received a cumulative amount of less than NTD500,000 as remuneration in the most recent 2 years, and not his/her spouse, except for any of the members of the Remuneration Committee, Review Committee for Public Acquisitions or Special Committee for Mergers who perform their duties in accordance with the Securities and Exchange Act or the Business Mergers and Acquisitions Act.
- (10) Not a spouse or any relative within the second degree of consanguinity of any other director.
- (11) Not elected as a government agency, a corporation or its representative under Article 27 of the Company Act.

5. Diversity and independence of the Board of Directors:

- (1) Diversity of the Board of Directors: To strengthen corporate governance and facilitate well-developed composition and structure of the Board of Directors, we promote and respect a policy of diversity of directors, and we believe that a diversification policy is helpful for improving our overall performance. In principle, election of the members of the Board of Directors is exclusively merit based. All of them must have diverse and complementary capabilities in cross-industry areas, and are required to possess industrial experience and relevant skills and the abilities in operational judgment, business management, leadership, decision-making and crisis management. In order to strengthen the functions of the Board of Directors and achieve the ideal goals of corporate governance, all members of the Board of Directors must possess the following abilities:

(A) Business judgment (B) Accounting and financial analysis (C) Management and leadership (D) Crisis management (E) Industry knowledge (F) International market perspective (G) Leadership skills (H) Decision-making capability.

The following is the status of implementation of the policy for diversity of the current members of the Board of Directors:

The current Board of Directors consists of 9 members, each possessing practical experience in managing operations of listed companies or holding managerial positions in government agencies. Besides having leadership, crisis management, and international market insights, among the 3 independent directors, Independent Director Wang Yu-Ling previously served as a judge at the New Taipei District Court and is currently a practicing attorney at Heng Li International Law Firm; Independent Director Chen Jung-Chao is a practicing CPA at Water Accountants' Firm; and Independent Director Chen Chin-Lung is the Chairman of Probright Technology Inc. They bring expertise in legal practice, financial accounting, industry knowledge, and operational judgment. Among the other 6 non-independent directors, Director Huang Hsiu-Ling has financial and accounting expertise, while Chairman Wang Chun-Tung, Director Ko Chi-Yuan, Director Li Li-Sheng, Director Chung Ding-Chun, and Director Wang Wei-Chi have experience serving in important management positions, such as chairman or president of TWSE/TPEX listed companies. The industries of the companies in which they have served include electronic components, metal parts, textiles, and technology, and they possess professional capabilities in marketing, technology, business management, industry knowledge, and operational judgment. The current Board includes two female members, accounting for 22% of the Board. Although neither gender accounts for at least one-third of the seats, the composition of the board has primarily been based on candidates' professional backgrounds, experience, and their potential contributions to the Company's future development, without imposing specific gender quotas. Nevertheless, the Company will continue to promote gender equality on the Board and has set the goal of achieving at least one-third representation for each gender as a long-term objective.

The basic composition of the Board of Directors is as follows:

Directors Name	Basic									
	Nationality	Gender	Also serves as an employee of HEC	Age				Term of Independent Director		
				41 - 50	51 - 60	61 - 70	71 - 75	Under 3 years	3 to 9 years	9 or more years
Wang Chun-Tung	R.O.C.	Male	V		V					
Ko Chi-Yuan	R.O.C.	Male					V			
Huang Hsiu-Ling	R.O.C.	Female				V				
Wang Wei-Chi	R.O.C.	Male		V						
Li Li-Sheng	R.O.C.	Male					V			
Chung Ding-Chun	R.O.C.	Male			V					
Chen Jung-Chao	R.O.C.	Male			V				V	
Chen Chin-Lung	R.O.C.	Male					V	V		
Wang Yu-Ling	R.O.C.	Female		V					V	

(2) Independence of the Board of Directors:

Our directors serve an average term of six years, and none of our independent directors has served for more than three consecutive terms. The composition of our directors, all of whom are nationals of the Republic of China (Taiwan), includes three independent directors (33%) and one director who is also our employee (11%). The ranges of distribution of the ages of our directors are shown in the table above.

No spousal relationship or relationship within the second degree of consanguinity exists among our directors.

5. Information of, President, Vice President, Assistant Vice Presidents, and Managers of Departments and Branches

2025.04.27

Title	Nationality	Name	Gender	Date elected/ appointed	Shareholding		Shareholding of spouse or minor children		Nominee shareholding		Main experience (education)	Concurrent position at another company	Manager with a spousal relationship or a relationship within the second degree of consanguinity			Remarks (Note)
					Number of shares	Shareholding (%)	Number of shares	Shareholding (%)	Number of shares	Shareholding (%)			Title	Name	Relationship	
President	R.O.C.	Lee Chia-Ching	Male	2025.05.08	50,000	0.04%	-	-	-	-	MBA Program, Southern Taiwan University of Science and Technology Project Manager, Hon Hai Precision Industry Co., Ltd. Vice President of HEC	-	-	-	-	-
Vice President for Business Unit	R.O.C.	Li Chun-Liang	Male	2007.10.01	-	-	-	-	-	-	Graduate Institute, Department of Mechanical and Mechatronic Engineering, National Taiwan Ocean University Assistant Manager, R&D Division, Catcher Technology Co., Ltd.	-	-	-	-	-
Vice President for Business Unit	R.O.C.	Huang Li-Chun	Male	2023.10.01	-	-	-	-	-	-	Graduate Institute, Department of Industrial Design, Chang Gung University Assistant Vice President, Brand Business Division, Compucase Enterprise Co., Ltd.	-	-	-	-	-
Vice President, Finance Department	R.O.C.	Lin Yung-Hsiang	Male	2024.08.07	42,000	0.03%	-	-	-	-	Department of Industrial Management, National Cheng Kung University Assistant Vice President, Business Planning Office, Compucase Enterprise Co., Ltd.	Finance Officer, Loyalty Founder Enterprise Co., Ltd.	-	-	-	-
Assistant Vice President for Business Unit	R.O.C.	Lin Yong-Zong	Male	2021.02.01	6,000	0.01%	-	-	-	-	Graduate Institute of Electronic Engineering, National Kaohsiung University of Applied Sciences Title	-	-	-	-	-

Title	Nationality	Name	Gender	Date elected/ appointed	Shareholding		Shareholding of spouse or minor children		Nominee shareholding		Main experience (education)	Concurrent position at another company	Manager with a spousal relationship or a relationship within the second degree of consanguinity			Remarks (Note)
					Number of shares	Shareholding (%)	Number of shares	Shareholding (%)	Number of shares	Shareholding (%)			Title	Name	Relationship	
											Manager, Power Supply R&D Department, Compucase Enterprise Co., Ltd.					
Assistant Vice President for Business Unit	R.O.C.	Wu Yen- Yu	Male	2024.05.01	10,000	0.01%	-	-	-	-	Department of Finance, National Chung Cheng University Vice President of Power Business Unit, HEC	-	-	-	-	-
Assistant Vice President, Business Division	R.O.C.	Chou Yu- Chieh	Male	2025.04.28	-	-	-	-	-	-	Graduate, English Program, International Business Administration Program, International Trade Institute, TAITRA General Manager, Asia- Pacific Region, Cooler Master Technology Inc.	-	-	-	-	-
Assistant Vice President, Business Division	R.O.C.	Chang Shu- Shang	Male	2026.02.01	-	-	-	-	-	-	Graduate, Department of Visual Communication Design, Shu-Te University Manager, Brand Business Division, Compucase Enterprise Co., Ltd.	-	-	-	-	-
Accounting Officer	R.O.C.	Chen Fang-Ting	Male	2024.08.07	26,000	0.02%	-	-	-	-	Graduate, Department of Accounting, Soochow University Assistant Accounting Manager, Compucase Enterprise Co., Ltd.	Accounting Officer, Loyalty Founder Enterprise Co., Ltd.	-	-	-	-
Chief corporate governance officer	R.O.C.	Li Yu- Ming	Male	2023.03.23	-	-	-	-	-	-	Graduate, Graduate Institute of Financial and Economic Law, Southern Taiwan University of Science and Technology Manager of the Legal Section, HEC	Corporate Governance Officer, Loyalty Founder Enterprise Co., Ltd.	-	-	-	-

Note: Where the President or equivalent position holder (being the highest-ranking manager) and the Chairman are the same person, spouses, or relatives within the first degree of kinship, the Company shall disclose the reasons, reasonableness, necessity, and relevant responsive measures (such as increasing the number of independent directors and ensuring that more than half of the directors do not concurrently serve as employees or managers): None.

6. Remuneration for directors, independent directors, supervisors, president and vice presidents

The remuneration of directors is disclosed on an individual basis, including their names and remuneration ranges:

1. Where the remuneration received by all directors and supervisors from all companies in the financial report accounts for more than 2% of the after-tax net profit and where any director or supervisor has received an amount of remuneration exceeding NTD15 million, the remuneration of the individual director or supervisor must be disclosed.

(1) Remuneration for directors and independent directors

December 31, 2024; Unit: NTD thousand

Title	Name	Remuneration for directors								The total amount of items A, B, C, and D and the proportion of net profit after tax		Remuneration received by employees in concurrent roles								The total amount of items A, B, C, D, E, F, and G and the proportion of net profit after tax		Receiving remuneration from reinvestments outside of subsidiaries or the parent company.
		Remuneration (A)		Retirement pension (B)		Director's remuneration (C) (Note 1)		Operating expenses (D) (Note 2)				Salary, bonuses, special allowances, etc (E)		Retirement pension (F)		Employee compensation (G) (Note 3)						
		HEC	All companies in the financial statements	HEC	All companies in the financial statements	HEC	All companies in the financial statements	HEC	All companies in the financial statements	HEC	All companies in the financial statements	HEC	All companies in the financial statements	HEC		All companies in the financial statements		HEC	All companies in the financial statements			
														Cash amount	Stock amount	Cash amount	Stock amount					
Legal representative director	Compucase Investment Co., Ltd.	-	-	-	-	-	-	-	-	0 0.00%	0 0.00%	-	-	-	-	-	-	-	-	0 0.00%	0 0.00%	-
Chairman	Wang Chun-Tung	-	-	-	-	-	-	150	150	150 -0.02%	150 -0.02%	11,486	32,259	-	81	-	-	4,565	-	11,636 -1.30%	37,055 4.14%	-
Representative	Wang Wei-Chi	-	-	-	-	-	-	80	80	80 -0.01%	80 -0.01%	-	-	-	-	-	-	-	-	80 -0.01%	80 -0.01%	-
Director	Cheng Li Investment Co., Ltd.	-	-	-	-	-	-	-	-	0 0.00%	0 0.00%	-	-	-	-	-	-	-	-	0 0.00%	0 0.00%	-
Representative	Ko Chi-Yuan	-	6,605	-	-	-	-	150	150	150 -0.02%	6,755 -0.76%	-	-	-	-	-	-	-	-	150 -0.02%	6,755 0.76%	-
Representative	Chung Ding-Chun	-	-	-	-	-	-	150	150	150 -0.02%	150 -0.02%	-	-	-	-	-	-	-	-	150 -0.02%	150 -0.02%	-
Corporate director	MiTAC International Corporation	-	-	-	-	-	-	-	-	0 0.00%	0 0.00%	-	-	-	-	-	-	-	-	0 0.00%	0 0.00%	-
Representative	Huang Hsiu-Ling	-	-	-	-	-	-	150	150	150 -0.02%	150 -0.02%	-	-	-	-	-	-	-	-	150 -0.02%	150 -0.02%	-
Director	Li Li-Sheng	-	-	-	-	-	-	150	150	150 -0.02%	150 -0.02%	-	-	-	-	-	-	-	-	150 -0.02%	150 -0.02%	-
Independent director	Chen Jung-Chao	-	-	-	-	-	-	300	300	300 -0.03%	300 -0.03%	-	-	-	-	-	-	-	-	300 -0.03%	300 -0.03%	-
Independent director	Chen Chin-Lung	-	-	-	-	-	-	160	160	160 -0.02%	160 -0.02%	-	-	-	-	-	-	-	-	160 -0.02%	160 -0.02%	-
Independent director	Wang Yu-Ling	-	-	-	-	-	-	300	300	300 -0.03%	300 -0.03%	-	-	-	-	-	-	-	-	300 -0.03%	300 -0.03%	-
Director	Li Ssu-Chia	-	-	-	-	-	-	70	70	70 -0.01%	70 -0.01%	-	-	-	-	-	-	-	-	70 -0.01%	70 -0.01%	-
Independent director	Hua Chih-Chiang	-	-	-	-	-	-	120	120	120 -0.01%	120 -0.01%	-	-	-	-	-	-	-	-	120 -0.01%	120 -0.01%	-
Independent director	Hsu Chia-Te	-	-	-	-	-	-	120	120	120 -0.01%	120 -0.01%	-	-	-	-	-	-	-	-	120 -0.01%	120 -0.01%	-

Note 1: The 2025 directors' remuneration was resolved by the Board of Directors on March 12, 2026 not to be distributed.

Note 2: Business execution expenses represented travel allowances for attendance at meetings of the Board of Directors, Remuneration Committee, and Audit Committee, totaling NTD 1,900 thousand.

Note 3: The 2025 employee compensation was resolved by the Board of Directors on March 12, 2026 not to be distributed.

(2) Remuneration for supervisors: Starting from June 23, 2022, the Audit Committee replaced the supervisors, and there are no longer any supervisors.

(3) Remuneration of the President and Vice Presidents

December 31, 2025; Unit: NTD thousand

December 31, 2023, Unit: NTD thousand

Title	Name	Salary (A)		Retirement pension (B)		Bonuses, special allowances, etc.(C)		employee share of earnings distribution (D)				Total of A, B, C, and D as a percentage of net income after tax (%)		Remuneration received from investee companies other than subsidiaries
		HEC	All companies in the financial statements (Note 6)	HEC	All companies in the financial statements (Note 6)	HEC	All companies in the financial statements (Note 6)	HEC		All companies in the financial statements		HEC	All companies in the financial statements (Note 6)	
								Amount of cash dividend	Amount of stock dividend	Amount of cash dividend	Amount of stock dividend			
Chief Executive Officer	Wang Chun-Tung	9,455	23,457	0	81	2,031	8,802	-	-	4,565	-	11,486 -1.28%	36,905 -4.13%	None
President	Lee Chia-Ching	6,134	6,405	108	108	2,370	2,370	-	-	-	-	8,612 -0.96%	8,883 -0.99%	None
Vice President	Huang Li-Chun	3,372	3,372	107	107	1,103	1,103	-	-	-	-	4,582 -0.51%	4,582 -0.51%	None
Vice President	Lin Yung-Hsiang	3,035	3,035	35	35	799	799	-	-	-	-	3,869 -0.43%	3,869 -0.43%	None
Vice President	Li Chun-Liang	2,485	2,485	106	106	479	479	-	-	-	-	3,070 -0.34%	3,070 -0.34%	None

Note 1: "Bonuses, special allowances, etc." included the provision of a vehicle for the Chief Executive Officer's use. The acquisition cost of the vehicle was NTD 3,713 thousand, and its carrying amount as of the end of 2025 was NTD 495 thousand.

Note 2: "Bonuses, special allowances, etc." included the provision of a vehicle for the President's use. The acquisition cost of the vehicle was NTD 3,075 thousand, and its carrying amount as of the end of 2025 was NTD 3,024 thousand.

(4) Remuneration Details of the Five Highest-Paid Managerial Personnel

December 31, 2025; Unit: NTD thousand

Title	Name	Salary (A)		Retirement pension (B)		Bonuses, special allowances, etc.(C)		employee share of earnings distribution (D)				Total of A, B, C, and D as a percentage of net income after tax (%)		Remuneration received from investee companies other than subsidiaries
		HEC	All companies in the financial statements (Note 6)	HEC	All companies in the financial statements (Note 6)	HEC	All companies in the financial statements (Note 6)	HEC		All companies in the financial statements		HEC	All companies in the financial statements	
								Amount of cash dividend	Amount of stock dividend	Amount of cash dividend	Amount of stock dividend			
President	Wang Chun-Tung	9,455	23,457	0	81	2,031	8,802	0	0	4,565	0	11,486 -1.28%	36,905 -4.13%	None
President	Lee Chia-Ching	6,134	6,405	108	108	2,370	2,370	0	0	0	0	8,612 -0.96%	8,883 -0.99%	None
Vice President	Huang Li-Chun	3,372	3,372	107	107	1,103	1,103	0	0	0	0	4,582 -0.51%	4,582 -0.51%	None
Vice President	Lin Yung-Hsiang	3,035	3,035	35	35	799	799	0	0	0	0	3,869 -0.43%	3,869 -0.43%	None
Assistant Vice President	Lin Yong-Zong	2,559	2,559	87	87	1,042	1,042	0	0	0	0	3,688 -0.41%	3,688 -0.41%	None

Note 1: "Bonuses, special allowances, etc." included the provision of a vehicle for the Chief Executive Officer's use. The acquisition cost of the vehicle was NTD 3,713 thousand, and its carrying amount as of the end of 2025 was NTD 495 thousand.

Note 2: "Bonuses, special allowances, etc." included the provision of a vehicle for the President's use. The acquisition cost of the vehicle was NTD 3,075 thousand, and its carrying amount as of the end of 2025 was NTD 3,024 thousand.

- (5) Analysis of the total remuneration paid by HEC and all companies in the consolidated financial statements to the directors, president and vice presidents of HEC within the most recent 2 years as a percentage of after-tax net profit, and a description of the policy, criteria and combinations for payment of remuneration, the procedures for determination of remuneration, and the relevance to the operating performance and future risks:

Unit: NTD thousand

Year	2025				2024			
Title	Total remuneration		The total as a % of after-tax net profit		Total remuneration		The total as a % of after-tax net profit	
	HEC	All companies in the financial statements	HEC	All companies in the financial statements	HEC	All companies in the financial statements	HEC	All companies in the financial statements
Director	13,386	45,410	-1.50%	-5.08%	28,275	38,492	5.46%	7.43%
President and vice president	31,619	57,309	-3.54%	-6.41%	31,078	55,822	6.00%	10.78%
Total	45,005	102,719	-5.04%	-11.49%	59,353	94,314	11.46%	18.21%

- Ratio Analysis: Based on the above information, the remuneration paid by the Company to directors in 2025 decreased compared with 2024, mainly because the Company recorded a loss after tax in 2025 and therefore did not distribute remuneration. The total remuneration of the President and Vice Presidents and the distribution ratio also decreased compared with 2024, mainly because the Company's profit decreased in 2025, resulting in lower bonus payments and no appropriation of employee compensation. The above changes are considered reasonable.
- The policy, criteria and combinations for payment of remuneration, the procedures for determination of remuneration, and the relevance to the operating performance and future risks:

(1) Policy, criteria and combinations for payment of remuneration:

- According to Article 29 of the Articles of Incorporation, the remuneration for each director performing his/her duties shall be determined by the Board of Directors based on the level of his/her participation and the value of his/her contribution, taking into account the general standards of peer companies. Where HEC has a profit in a year, no more than 4% of the profit will be allocated as the remuneration for directors in accordance with Article 29 of the Articles of Incorporation. We regularly assess the remuneration for directors in accordance with the "Regulations for Evaluation of the Performance of the Board of Directors," with the reasonableness of relevant performance evaluations and remuneration reviewed by the Remuneration Committee and the Board of Directors. Based on the level of a director's participation in and the value of his/her contribution to the operations of HEC, his/her remuneration will be allocated according to the weight granted and the weighted result. A director will be granted a basic weight of 1, and an additional weight of 0.5 if he/she serves as the Chairman, with his/her remuneration paid annually. The weight for any director who has served for less than one year will be calculated based on the length of his/her service.

2. Regarding the remuneration for our managers, the "Regulations Governing Remuneration" has specified allowances and bonuses as consideration and reward for the efforts and contributions made by our employees in their jobs, and bonuses are paid based on our annual operating performance, financial conditions and operations and personal job performance. Where HEC has a profit in a year, 2% - 10% of the profit will be allocated as the remuneration for employees in accordance with Article 29 of the Articles of Incorporation. We pay bonuses to our managers based on the results of performance evaluation conducted in accordance with the "Regulations Governing Performance Evaluation." The scope of performance evaluation for managers consists of: 1. Financial Indicators: the level of contribution of each business unit to our profit according to our management and income statements; 2. Non-Financial Indicators: This includes three main aspects: the implementation of the company's core values and operational management capabilities, participation in sustainable management, and the results of corporate governance evaluations. The remuneration for business performance is calculated based on these indicators. If the corporate governance evaluation results reach the fourth level or above, remuneration adjustments will be considered to reward excellent management practices. The remuneration system will be reviewed from time to time based on actual operational conditions and relevant laws. In addition, if the Company records a profit for the year, it shall appropriate 2% to 10% as employee compensation in accordance with Article 6-1 of the Company's regulations, provided that the distribution amount shall not exceed 1% of net income after tax for the year.
3. According to the organizational by-laws of the Remuneration Committee, the combinations of remuneration paid by HEC includes cash remuneration, stock options, dividends, retirement benefits or severance pay, allowances and other tangible incentives. Their scope is consistent with the remuneration for directors and managers as stipulated in the Regulations Governing Information to be Published in Annual Reports of Public Companies.

(2) Procedures for determination of remuneration:

1. The remuneration for our directors and managers is regularly assessed based on the results of evaluation conducted in accordance with the "Regulations for Evaluation of the Performance of the Board of Directors" and the "Regulations Governing Performance Evaluation," while the remuneration for the Chairman and the President is determined by the Board of Directors with reference to the standards of peer companies in connection with the indicators for our operating performance. To fully reflect the fulfillment of the operating performance indicators, the performance of the Chairman and the President is measured on the basis of the operating, governance and financial results relating to our operating indicators, the scope of whose evaluation includes pre-tax net profit, management of operational safety, supervision over implementation of financial plans, management of revenues, enhancement of internal control, implementation of quality assurance and management and other performance targets relating to the primary job responsibilities, or customer satisfaction as an indicator.
2. The performance assessment and remuneration of the directors and managers of the Company are subject to regular evaluation and review by the Remuneration Committee and the Board of Directors each year. In addition to considering individual performance achievement and contributions to the Company, the assessment also takes into account the overall operational performance of the Company, future industry risks and development trends, as well as periodic reviews of the compensation system in line with actual operational conditions and relevant regulations. Furthermore, it comprehensively considers current trends in corporate governance and the results of corporate governance evaluations, providing fair compensation to ensure a balance between sustainable operation and risk management of the Company. The actual amounts of remuneration paid to directors and managers for 2025 were determined by the Board of Directors after review by the Remuneration Committee.

(3) Relevance to the operating performance and future risks:

1. The review of HEC's remuneration policy, related payment standards, and systems is primarily based on the overall operating conditions of HEC. Payment standards are determined based on performance achievement rates and contribution levels to enhance the overall organizational effectiveness of the board of directors and management department. Furthermore, taking reference from industry salary standards, ensure that HEC's remuneration for the management team remains competitive within the industry, in order to retain excellent managerial talent.

2. The performance targets of our managers are associated with "risk control" to ensure all possible risks within the scope of their responsibilities are manageable and preventable, and the results of rating are based on their actual performance and connected with the relevant human resources and remuneration policies. Important decisions by our management are made after considering all relevant risk factors. The performance of relevant decisions is reflected in our profit, creating a link between the remuneration for our management and the performance in risk control.

- (6) Names of Managers Receiving Employee Compensation and Distribution Status:
No employee compensation was distributed for 2025.

December 31, 2025; Unit: NTD thousand

	Title	Name	Amount of stock dividend	Amount of cash dividend (Note)	Total	The total as a % of after-tax net profit (%)
Managers	Chairman and Chief Executive Officer	Wang Chun-Tung	0	0	0	0%
	President	Lee Chia-Ching				
	Vice President	Li Chun-Liang				
	Vice President	Huang Li-Chun				
	Vice President	Lin Yung-Hsiang				
	Assistant Vice President	Lin Yong-Zong				
	Assistant Vice President	Wu Yen-Yu				
	Assistant Vice President	Chou Yu-Chieh				
	Assistant Vice President	Chang Shu-Shang				
	Chief corporate governance officer	Li Yu-Ming				
	Financial Manager	Lin Yung-Hsiang				
	Accounting Manager	Chen Fang-Ting				

Note: The amount of employee compensation for 2025 was resolved by the Board of Directors on March 12, 2026 to be NTD0.

II. Information of corporate governance

(I) Operation of the Board of Directors

In 2025, the Board of Directors held 11 meetings (A), and the attendance of directors in these meetings is as follows:

Title	Name	Actual number of meetings attended (B)	Number of meetings attended by proxy	Actual rate of attendance (%) [B/A]	Remarks
Chairman	Representative of Compucase Investment Co., Ltd.: Wang Chun-Tung	11	-	100%	Re-elected June 20, 2025
Director	Representative of Wei Shun Investment Co., Ltd.: Wang Wei-Chi	8		100%	Newly elected June 20, 2025
Director	Representative of Cheng Li Investment Co., Ltd.: Ko Chi-Yuan	11	-	100%	Re-elected June 20, 2025
Director	Representative of Cheng Li Investment Co., Ltd.: Li Ssu-Chia	3	-	100%	Former
Director	Representative of Cheng Li Investment Co., Ltd.: Chung Ding-Chun	8		100%	Newly elected June 20, 2025
Director	Representative of Compucase Investment Co., Ltd.: Huang Hsiu-Ling	3	-	100%	Former
Director	Representative of MiTAC International Corporation: Huang Hsiu-Ling	8		100%	Newly elected June 20, 2025
Director	Chung Ding-Chun	3	-	100%	Former
Director	Li Li-Sheng	11	-	100%	Re-elected June 20, 2025
Independent director	Chen Jung-Chao	11	-	100%	Re-elected June 20, 2025
Independent director	Chen Chin-Lung	7	1	87%	Newly elected June 20, 2025
Independent director	Wang Yu-Ling	11	-	100%	Re-elected June 20, 2025
Independent director	Hua Chih-Chiang	3	-	100%	Former
Independent director	Hsu Chia-Te	3	-	100%	Former
Other information required:					

- I. Where any of the following applies to the operations of the Board of Directors, the date and session of the relevant Board of Directors meeting, the proposal(s) for the meeting, all opinions of independent directors and the actions taken by HEC in response to the opinions of independent directors must be specified:
 - (I) Matters set forth under Article 14-3 of the Securities and Exchange Act subject to resolutions of the Board of Directors: HEC has established an Audit Committee, thus the provisions of Article 14-3 are not applicable.
 - (II) Matters other than the foregoing ones, for which the Board of Directors have adopted resolutions and for which objections or reservations have been expressed by independent directors in records or written statements: None.
- II. With respect to the recusal of any director with a stake in a proposal, the name of the director, the proposal, the reason for recusal and his/her participation in the voting must be specified:
 - (1) 16th term, 15th meeting on March 13, 2025

Proposal:

Amount of bonuses and remuneration for managers distributed during September 2024 to February 2025.

Director(s) recused due to personal stake:

The Chairman also serving as the President.

Conflict of interest and voting recusal:

The Chairman also serving as the President. In accordance with Article 206 of the Company Act, the Chairman and the President did not participate in the discussion due to recusal and had appointed an acting chairperson, and the proposal was approved with no objection raised by any of the other attending directors following a consultation by the acting chairperson.

Proposal:

Adjustment of the salary for managers.

Director(s) recused due to personal stake:

The Chairman also serving as the President.

Conflict of interest and voting recusal:

The Chairman also serving as the President. In accordance with Article 206 of the Company Act, the Chairman and the President did not participate in the discussion due to recusal and had appointed an acting chairperson, and the proposal was approved with no objection raised by any of the other attending directors following a consultation by the acting chairperson.
 - (2) 17th term, 14th meeting on August 8, 2025

Proposal:

Amount of bonuses and remuneration for directors, supervisors and managers distributed.

Director(s) recused due to personal stake:

The Chairman also serving as the President.

Conflict of interest and voting recusal:

The recipients of directors' and supervisors' remuneration were all directors and supervisors. Pursuant to Article 206 of the Company Act, the Chairman, who concurrently serves as Chief Executive Officer, recused himself from the discussion and appointed an acting chairperson. The proposal was approved unanimously without objection after the acting chairperson consulted the other directors present.

Proposal:

Amount of bonuses and remuneration for managers distributed during March 2025 to July 2025.

Director(s) recused due to personal stake:

The Chairman concurrently serves as Chief Executive Officer.

Conflict of interest and voting recusal:

In accordance with Article 206 of the Company Act, the Chairman, who concurrently serves as Chief Executive Officer, recused himself from the discussion and appointed an acting chairperson, and the proposal was approved with no objection raised by any of the other attending directors following a consultation by the acting chairperson.

III. The following is the status of implementation with regard to information including the cycle, period, scope, method and content of self-evaluation (or peer evaluation) of the Board of Directors:

1. The cycle, period, scope, method and content of self-evaluation (or peer evaluation) of the Board of Directors:

Cycle of evaluation	Period of evaluation	Scope of evaluation	Method of evaluation	Content of evaluation
Once each year	2025.01.01~2025.12.31	The Board of Directors, individual directors and members of the Remuneration Committee and the Audit Committee	Internal self-evaluation of the Board of Directors, the Remuneration Committee and the Audit Committee, and self-evaluation of directors	Report on the result of internal evaluation of the performance of the Board of Directors

2. Aspects evaluated and scores:

(1) Evaluation of the performance of the Board of Directors:

Item evaluated	Number of questions	Average score
A. Level of participation in the operations of HEC	12	4.73
B. Improvement of the quality of decision-making by the Board of Directors	12	4.79
C. Composition and structure of the Board of Directors	7	4.90
D. Election and continuing training of directors	7	4.49
E. Internal control	7	4.68
Total/Average score	45	4.73

Result of evaluation: The overall operations of the Board of Directors have been effective and met the requirements of corporate governance.

(2) Evaluation of the performance of directors:

Item evaluated	Number of questions	Average score
A. Understanding of the goals and missions of HEC	3	4.63
B. Awareness of the responsibilities of a director	3	4.85

C. Level of participation in the operations of HEC	8	4.81
D. Management and communication regarding internal relationship	3	4.59
E. Professionalism and continuing training of directors	3	4.85
F. Internal control	3	4.78
Total/Average score	23	4.76

Result of evaluation: The overall operations of the directors have been effective and met the requirements of corporate governance.

(3) Evaluation of the performance of Remuneration Committee:

Item evaluated	Number of questions	Average score
A. Level of participation in the operations of HEC	4	4.92
B. Awareness of the responsibilities of remuneration committee	5	4.53
C. Improvement of the quality of decision-making by the remuneration committee	7	4.81
D. Composition and election of members of the remuneration committee	3	4.89
E. Internal control	1	5.00
Total/Average score	20	4.78

Result of evaluation: The overall operations of the Remuneration Committee have been effective and met the requirements of corporate governance.

(4) Evaluation of the performance of Audit Committee:

Item evaluated	Number of questions	Average score
A. Level of participation in the operations of HEC	4	4.75
B. Awareness of the responsibilities of an auditing committee	5	4.87
C. Improvement of the quality of decision-making by a functional committee	7	4.90
D. Composition and election of members of a functional committee	3	4.89
E. Internal control	3	4.67
Total/Average score	22	4.83

Result of evaluation: The overall operations of the Audit Committee have been effective and met the requirements of corporate governance.

3. Assessment cycle and duration, scope, methodology, and content of the external performance evaluation of the board of directors:

Cycle of evaluation	Period of evaluation	Scope of evaluation	Method of evaluation	Content of evaluation
It is advisable to conduct an assessment at least once every three years for the Board of Directors, individual directors, and functional committees	2022.07.01~2023.06.30	The Board of Directors, individual directors and members of functional committees	Engage external professional agencies-Taiwan corporate governance association	Please refer to the Investors section on HEC's official website for the Board of Directors' self-performance evaluation report for 2023, which includes the external performance assessment of the Board.

The goals of enhancing the functions of the Board of Directors (e.g. establishment of the Audit Committee, improvement of information transparency) in the current and the most recent years, and the evaluation of their implementation:

- (1) Pursuant to the rules of procedure for the Board of Directors, the Board of Directors convenes meetings and has included three independent directors to participate in the adoption of resolutions by the Board of Directors. If there is any resolution that includes material information after each meeting of the Board of Directors, it will be disclosed on the MOPS to investors and the public as required.
- (2) We have established the "Standard Operating Procedures for Handling Requests from Directors," which designates the Finance Department as the department responsible for handling matters related to the meetings of the Board of Directors: any request from any director at a meeting must be promptly handled by the Financial Office within 7 days. To ensure compliance with the procedures for and all laws and rules applicable to the Board of Directors and maintain good exchange of information between members of the Board of Directors and between directors and managerial departments, all directors will be able to receive assistance from our accounting manager.
- (3) We have established organizational by-laws of the Remuneration Committee and the Audit Committee, and set up the Remuneration Committee and the Audit Committee, whose members are composed of independent directors. The by-laws stipulate that the Remuneration Committee and the Audit Committee must fulfill their responsibilities as administrators, faithfully perform their duties, enhance supervisory functions and increase information transparency.
- (4) We have obtained liability insurance for all directors. For further information, see p. 35 or visit the MOPS.

(II) Operations of the Audit Committee or participation of supervisors in the operations of the Board of Directors

1. Operations of the Audit Committee:

Information of operations of the Audit Committee

In 2025, the Audit Committee held four meetings (A), and the attendance of members in these meetings is as follows:

Title	Name	Actual number of meetings attended in non-voting capacity (B)	Number of meetings attended by proxy	Actual rate of attendance (%) [B/A]	Remarks
Independent director	Chen Jung-Chao	11	-	100%	Re-elected June 20, 2025
Independent director	Wang Yu-Ling	11	-	100%	Re-elected June 20, 2025
Independent director	Chen Chin-Lung	7	1	88%	Newly elected June 20, 2025
Independent director	Hsu Chia-Te	3	-	100%	Former
Independent director	Hua Chih-Chiang	3	-	100%	Former

Other information required:

I. Where any of the following applies to the operations of Audit Committee, the date and number of session of the relevant Audit Committee meeting, the proposal(s) for the meeting, the objections, reservations or material suggestions of independent directors, the relevant resolution of the Audit Committee and the actions taken by HEC in response to the opinions of the Audit Committee must be specified.

(I) Matters set forth under Article 14-5 of the Securities and Exchange Act:

Audit Committee	Proposal and subsequent actions taken in response	Resolution	Actions taken by HEC in response to the opinions of the Audit Committee
1st term, 13th meeting 2025.03.13	- The 2024 business report and financial report. - Distribution of earnings for 2024. - The 2024 statement of internal control system. - Matters concerning distribution of the accumulated earnings of foreign subsidiaries with investments from HEC. - Amendment to certain provisions of the "Articles of Incorporation."	Approved by the all members.	Submitted to and approved by the Board of Directors.

		6. Amendment to certain provisions of the "Regulations Governing Acquisition or Disposal of Assets." 7. Amendment to certain provisions of the "Regulations Governing Loaning of Funds to Others."		
	1st term, 14th meeting 2025.03.20	1. The Company's acquisition of shares in Amber Investment Partners Limited (Cayman).	Approved by the all members.	Submitted to and approved by the Board of Directors.
	1st term, 15th meeting 2025.05.08	1. The Company's financial statements for Q1 2025. 2. Loaning of funds totaling RMB 50 million from the subsidiary WCX to WSE. 3. Cancellation of the Company's endorsement/guarantee of USD 5 million for LFDG. 4. The Company's loaning of funds totaling USD 1 million to its subsidiary Optima Healthcare Inc. 5. The Company's loaning of funds to its U.S. Subsidiary, Compucase Corporation (UCC). 6. Transfer of the Company's treasury shares to employees. 7. Amendment to the Company's internal organizational structure chart. 8. Determination of the scope of the Company's "entry-level employees." 9. Amendments to the "internal control system" and "internal audit system." 10. Amendment to certain provisions of the "Regulations Governing Endorsements/Guarantees."	Approved by the all members.	Submitted to and approved by the Board of Directors.
	2nd term, 1st meeting 2025.06.23	1. Acquisition of convertible bonds issued by Amber Investment Partners Limited (Cayman) by the sub-subsidiary GTH.	Approved by the all members.	Submitted to and approved by the Board of Directors.

		2. The Company's execution of a credit facility of USD 36 million, or the equivalent amount in NTD, with Bank SinoPac Co., Ltd. ("Bank SinoPac"); the execution of a credit facility of USD 72 million with Bank SinoPac by Global Treasure Holdings Co., Ltd. ("GTH"), a sub-subsidiary indirectly held through Wei Shun Int'l Investments Co., Ltd. ("WII"); and the appointment of Bank SinoPac to arrange a syndicated loan and execute the Working Mandate and Mandate in order to repay group borrowings and strengthen the Company's working capital. 3. The Company's endorsement/guarantee of USD 72 million for the credit facility of GTH. 4. Endorsement/guarantee of USD 36 million by GTH for the credit facility of Compucase Enterprise Co., Ltd. 5. The Company's loaning of funds totaling USD 36 million to GTH. 6. Cancellation of the loaning of funds totaling USD 3 million by the subsidiary WII to Compucase Enterprise Co., Ltd. and replacement with the loaning of funds totaling USD 2.8 million to GTH. 7. Remittance of earnings from the Company's sub-subsidiaries in Mainland China back to HEC headquarters. 8. Capital reduction of USD 10 million by Anyuan Weijia Electronic Co., Ltd ("WJA") in Mainland China, USD 6.5 million by GPH, and USD 6.5 million by GSG.		
2nd term, 2nd meeting 2025.07.28	1.	Issuance of the Company's first and second domestic unsecured convertible corporate bonds.	Approved by the all members.	Submitted to and approved by the Board of Directors.

	2nd term, 3rd meeting 2025.08.08	1. The Company's financial statements for Q2 2025. 2. Capital reduction of USD 9 million by WJA in Mainland China, USD 6.5 million by GPH, and USD 6.5 million by GSG. 3. Liquidation and deregistration of the sub-subsidiary WJA. 4. Remittance of earnings from the Company's sub-subsidiaries in Mainland China back to HEC headquarters. 5. The Company's capital increase of USD 39.6 million in GTH. 6. Cancellation of the loaning of funds totaling USD 36 million to GTH. 7. The Company's 2024 ESG Sustainability Report.	Approved by the all members.	Submitted to and approved by the Board of Directors.
	2nd term, 4th meeting 2025.08.18	1. Loaning of funds totaling USD 5 million by the subsidiary WII to Optima Healthcare Inc.	Approved by the all members.	Submitted to and approved by the Board of Directors.
	2nd term, 5th meeting 2025.09.30	1. The Company's establishment of a new subsidiary in Vietnam. 2. The Company's capital increase of USD 39.6 million in the sub-subsidiary GTH (supplementary information). 3. Amendment to the Memorandum and Articles of Association of the subsidiary Amber Investment Partners Limited (Cayman). 4. Sale back by the sub-subsidiary GTH of convertible corporate bonds originally issued by Amber Investment Partners Limited (Cayman) in the amount of USD 46.5 million. 5. Repurchase by the subsidiary Amber Investment Partners Limited (Cayman) of its originally issued convertible corporate bonds in the amount of USD 46.5 million. 6. The Company's capital increase of USD 18 million in Amber Investment Partners Limited (Cayman).	Approved by the all members.	Submitted to and approved by the Board of Directors.

		7. The issuance of 2025 employee stock options by subsidiary Amber Investment Partners Limited (Cayman).		
	2nd term, 16th meeting 2025.11.11	1. The Company's financial statements for Q3 2025. 2. Assessment of the independence and suitability of the Company's attesting CPAs. 3. Cancellation of the lending of funds totaling RMB 60 million by the subsidiary WJA to WSE. 4. Cancellation of the Company's lending of funds totaling USD 1 million to its subsidiary Optima Healthcare Inc. 5. Cancellation of the Company's endorsement/guarantee of USD 72 million for the credit facility of GTH. 6. Cancellation by GTH of the endorsement/guarantee of USD 36 million for the credit facility of Compucase Enterprise Co., Ltd. 7. Amendment to the issuance of 2025 employee stock options by AIP. 8. List of employees of Compucase Enterprise Co., Ltd., the parent company, subscribing to the 2025 employee stock options issued by the subsidiary Amber Investment Partners Limited (Cayman). 9. The Company's approval of fund-lending limits among subsidiaries. 10. Amendment to the Company's organizational structure chart. 11. Amendment to certain provisions of the Company's "Pre-Approval Review Procedures for Non-Assurance Services." 12. Establishment of the 2026 audit plan. 13. Amendments to the "internal control system" and "internal audit system."	Approved by the all members.	Submitted to and approved by the Board of Directors.

	2nd term, 17th meeting 2025.12.05	1. Application by the Company and its subsidiary, Homni (HK) Electronics Company Limited Taiwan Branch, for a syndicated credit facility with Bank SinoPac and other financial institutions. 2. The Company's endorsement/guarantee of USD 100 million for the syndicated credit facility of the Taiwan Branch of True Voice Int'l Inc. Limited. 3. The Company's loaning of funds totaling USD 30 million to its subsidiary Amber Investment Partners Limited (Cayman). 4. The Company's capital increase of USD 26 million in GTH through its subsidiary WII. 5. Loaning of funds totaling USD 8.5 million by the subsidiary GPH to True Voice Int'l Inc. Limited. 6. The Company's loaning of funds totaling USD 1.5 million to its subsidiary True Voice Int'l Inc. Limited. 7. Amendment to the issuance of 2025 employee stock options by AIP. 8. Price of the 2025 employee stock options issued by the subsidiary Amber Investment Partners Limited (Cayman) and the list of employees of the parent company, Compucase Enterprise Co., Ltd., subscribing to such options.	Items 1 to 7 were reviewed and approved by all committee members. Two committee members voted against Item 8; therefore, the item was not approved.	Items 1 to 7 were submitted to and approved by the Board of Directors. Item 8 was not approved by more than two-thirds of the Board of Directors; therefore, the item was not approved.
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(II) Matters other than the foregoing ones, which have not been approved by the Audit Committee but have been approved in resolutions by at least two-thirds of all directors: None.

II. With respect to the recusal of any independent director with a stake in a proposal, the name of the independent director, the proposal, the reason for recusal and his/her participation in the voting must be specified: None.

III. Communication between independent directors and the chief internal auditor and CPAs:

(I) Communication with the chief internal auditor

(1) The chief auditor submitted an audit report to the independent directors before the end of the next month following the completion of audits, and the independent directors had no objections after reviewing the report.

- (2) The chief auditor attended the meetings of the Audit Committee held at least quarterly to give reports on audit activities to the independent directors, and to communicate with its members regarding the results of the audit reports and the implementation of the follow-up reports. The following are the details of communication in the current year:

Date	Meeting session	Details of communication	Result of communication
2025/03/13	One-on-one communication meeting	(1) Summary report of the 2024 internal control self-assessment (2) The IFRS Sustainability Disclosure Standards implementation plan. (3) Key points of the recent amendments to the Securities and Exchange Act.	No objections
2025/03/13	1st term, 13th meeting Audit Committee	Report on the implementation of internal audit activities in 2024 and 2025.	No objections
2025/05/08	1st term, 15th meeting Audit Committee	Report on the implementation of internal audit activities in 2025.	No objections
2025/08/08	2nd term, 3rd meeting Audit Committee	Report on the implementation of internal audit activities in 2025.	No objections
2025/11/11	2nd term, 6th meeting Audit Committee	(1) Report on the implementation of internal audit activities in 2025. (2) Discussion of the 2026 internal audit plan. (3) Amendments to the "internal control system" and "internal audit system."	No objections

(II) Communication with CPAs

The independent directors and CPAs hold at least two regular meetings each year. The CPAs give reports on the financial conditions of HEC, the financial conditions and overall operations of domestic and foreign subsidiaries and the status of internal audit to the independent directors, and adequately communicate whether there are any significant adjusting journal entries or impact on the account records due to the amendment of related laws. In the event of any material irregularity, they may hold a meeting at any time.

Date	Meeting session	Details of communication	Result of communication
2025/03/13	One-on-one communication meeting	(1) Summary of audit opinions for 2024. (2) Explanation of the responsibilities of the governance unit. (3) Explanation of the quality management system of the signing auditor firm. (4) The CPAs described the scope and method of the annual audit, including group audit. (5) No significant accounting policies, major accounting estimates, or material events or transactions occurred in 2024.	No objections

		(6) Determination of significant risks and key audit matters. (7) Key audit matters related to revenue recognition were reviewed, and no significant abnormalities were found during the audit. (8) An audit of management override of controls was conducted, and no significant irregularities were identified. (9) The assessment of the going concern assumption was conducted, and no significant irregularities were identified. (10) The 2023 Audit Quality Indicators (AQIs).	
2025/11/11	One-on-one communication meeting	(1) Explanation of the audit scope and methods. (2) As of the third quarter, there were no significant accounting estimates, significant subsequent events, or significant accounting policy changes. (3) No objections Statement on the audit plan for the group. (4) Identification of significant risks and key audit matters. (5) Audit strategy and approach in response to significant risks and key audit matters. (6) As of the third quarter, no significant concerns arose regarding HEC's ongoing operating capability. (7) Independent auditor's statement. (8) Explanation of the responsibilities of the governance unit. (9) Upcoming applicable laws and accounting standards. (10) Pre-approved list of non-assurance services.	No objections

2. Involvement of supervisors in the operation of the Board of Directors: Starting from June 23, 2022, the Audit Committee replaced the supervisors, and there are no longer any supervisors.

(III) Information of corporate governance:

Implementation of corporate governance, differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such differences

Item evaluated	Implementation			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such differences
	Yes	No	Summary	
I. Does your company establish and disclose its corporate governance best practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies"?	✓		We have implemented the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and followed its spirit in the internal control system and relevant regulations, and relevant information has been disclosed on the MOPS and our website.	No significant differences
II. The shareholding structure and shareholders' equity of your company				
(I) Does your company establish internal procedures for handling shareholders' suggestions, questions, disputes, and lawsuits? Does your company follow such procedures?	✓		(I) We have appointed a spokesperson and a deputy spokesperson responsible for contacting and communicating with our shareholders and handling shareholders' suggestions, questions, disputes, and lawsuits.	No significant differences
(II) Does your company keep a list of major shareholders actually controlling your company and the ultimate controllers of the major shareholders?	✓		(II) All changes in the shareholdings of directors and major shareholders with a shareholding of no less than 10% have been reported to HEC on a monthly basis as required, and HEC and its management have been able to keep clear track of such changes.	No significant differences
(III) Has your company established and implemented a system for risk control and firewalls with its affiliates?	✓		(III) We have established the "Regulations Governing Establishment and Management of Subsidiaries" as the basis of risk control regarding transactions with our affiliates and their operations, and for the management of internal controls.	No significant differences
(IV) Has your company established internal	✓		(IV) We have established the "Ethical Corporate	No significant differences

Item evaluated	Implementation			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such differences
	Yes	No	Summary	
regulations that prevent insiders from trading securities using non-public market information?			Management Best Practice Principles" and the "Code of Ethical Conduct," according to which any director or manager who has obtained important non-public information must abide by their requirements to prevent insider trading from occurring. No significant differences Composition and responsibilities of the board of directors	
III. Composition and responsibilities of the board of directors (I) Has your board of directors established a diversity policy and specific goals of management? Have such policy and goals been implemented?	✓		(I) 1. The Company established the "Corporate Governance Best Practices Guidelines" in 2023, which includes Section 20, Paragraph 3, concerning the "Policy on Board of Directors Diversity." According to this policy, the composition of the Board of Directors should take into account various needs such as HEC's operational structure, business development direction, and future trends, and should evaluate various aspects of diversity, including basic characteristics and values (such as gender, nationality, age, etc.), professional knowledge and skills (such as legal practice, financial accounting, etc.), and industry experience (such as law, accounting, industry, finance, marketing, or technology). The current Board of Directors consists of 9 members, including 3 independent	No significant differences

Item evaluated	Implementation			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such differences
	Yes	No	Summary	
(II) Has your company, apart from establishing a remuneration committee and an audit committee, voluntarily set up any other functional committee?	✓		directors and 6 non-independent directors, all of whom are distinguished figures from academia and industry. The company emphasizes gender equality in the composition of the Board of Directors, with the goal of increasing the proportion of female directors to over one-third (i.e., 33%). Currently, male directors account for 78% (7 members) and female directors account for 22% (2 members), with efforts underway to increase the number of female directors to achieve the target. 2. For details on the implementation of diversity among board members, please refer to p.10. (II) Operational processes are currently running smoothly, and various functional committees may be established as needed, such as establishing a Sustainable Development Committee to prepare sustainability reports.	No significant differences
(III) Has your company established regulations and methods for evaluation of the performance of the Board of Directors? Does your company conduct such performance evaluation on a regular basis each year? Are the results of such performance evaluation submitted to the	✓		(III) We have established the "Regulations for Evaluation of the Performance of the Board of Directors" and the methods of such evaluation, and we have determined that the remuneration for each director will be based on the result of evaluation of his/her performance. Each year, we conduct a regular evaluation of the performance of the Board of Directors, and such	No significant differences

Item evaluated	Implementation			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such differences	
	Yes	No	Summary		
Board of Directors and used as reference for the remuneration for individual directors and for their nomination or re-election?			evaluation for 2025 had been completed, with a report on the results of evaluation of the performance of the Board of Directors submitted to the Board of Directors meeting on March 12, 2026.	No significant differences	
(IV) Does your company assess the independence of CPAs on a regular basis?	✓		(IV) The Audit Committee assesses the independence and competence of the CPAs on an annual basis. The CPAs are required to provide "Audit Quality Indicators (AQIs)," evaluations are conducted based on the standards and 13 AQI indicators specified in Note 1. It has been confirmed that none of the CPAs has any financial interest or business relationship with HEC other than the fees for certification and financial and tax cases, and that none of the family members of the CPAs is in violation of the independence requirements. Base on the information of AQIs, it has been confirmed that the CPAs and their firm are above the average level of peers in terms of auditing experience and training hours. On November 11, 2025, the result of assessment for the most recent year was discussed and approved by the Audit Committee. In addition, the Board of Directors adopted a resolution on the same day to approve the assessment of the independence and competence of the CPAs. Note 1: <table><tr><td>Item evaluated</td><td>Independence criteria are</td></tr></table>		Item evaluated
Item evaluated	Independence criteria are				

Item evaluated	Implementation			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such differences
	Yes	No	Summary	
				met
			Whether the CPA has a direct or material indirect financial interest with HEC	✓
			Whether the CPA has engaged in financing or guarantees with HEC or any of its directors	✓
			Whether the CPA has a close business relationship and a potential employment relationship with HEC	✓
			Whether the CPA or any member of his/her audit service team currently serves, or served within the most recent two years, as a director or manager or in a position with material effect on audit cases at HEC	✓
			Whether the CPA has provided any non-audit service is likely to directly affect audit cases	✓
			Whether the CPA has acted as a broker for the shares or other securities issued by HEC	✓
			Whether the CPA has served as a defense counsel for HEC or represented HEC in mediating any conflict with any other third party	✓
			The CPA is a relative of a director, manager or person serving in a position with material effect on audit cases at HEC	✓

Item evaluated	Implementation			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such differences
	Yes	No	Summary	
IV. Does your TWSE/TPEX listed company appoint an appropriate number of competent corporate governance officers and designate a chief corporate governance officer to be in charge of corporate governance affairs (including but not limited to providing the information required for directors or supervisors to perform their duties, assisting directors or supervisors in compliance, managing affairs for board of directors meetings and shareholders' meetings as required by law, and preparing minutes for Board of Directors meetings and shareholders' meetings)?	✓		(1) The Company, based on the resolution of the Board of Directors on March 23 2023, has appointed Manager Li Yu Ming as the dedicated corporate governance manager. The Corporate Governance Manager possesses over three years of experience in holding executive positions related to legal affairs in publicly traded companies. The primary responsibilities of the corporate governance supervisor include handling matters related to Board of Directors and shareholders' meetings in compliance with the law, preparing minutes of Board of Directors and shareholders' meetings, assisting directors in their appointment and continuing education, providing necessary information for directors to carry out their duties, and assisting directors in complying with laws and regulations. The Board of Directors has designated the finance department as the secretariat, and the finance department provides the necessary information to directors according to the "Rules of Procedure for the Board of Directors." If necessary, the audit department provides assistance. (2) In any year when a new election is held, we will provide each of the newly elected directors (including independent directors) with a handbook of information on laws governing directors, and will send emails on a non-regular basis to provide information on laws and announcement by the competent authority to assist in	No significant differences

Item evaluated	Implementation			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such differences												
	Yes	No	Summary													
			compliance, such as reminding all directors not to sell the shares of HEC during the period when HEC purchases treasury stocks. (3) We have also established the "Standard Operating Procedures for Handling Requests from Directors" to assist the directors in performing their duties whenever necessary and enhance the effectiveness of the Board of Directors. The training received by the corporate governance manager in 2025 is as follows: <table><tr><th>Date of study</th><th>Organizer</th><th>Course title</th><th>Duration of study</th></tr><tr><td>2025.03.28</td><td>Securities and Futures Institute (SFI)</td><td>Practical Workshop on Sustainability Disclosure for TWSE/TPEX Listed Companies</td><td>9 hours</td></tr><tr><td>2025.10.28</td><td>Securities and Futures Institute (SFI)</td><td>2025 Conference on Awareness of Prevention of Insider Trading</td><td>3 hours</td></tr></table>	Date of study	Organizer	Course title	Duration of study	2025.03.28	Securities and Futures Institute (SFI)	Practical Workshop on Sustainability Disclosure for TWSE/TPEX Listed Companies	9 hours	2025.10.28	Securities and Futures Institute (SFI)	2025 Conference on Awareness of Prevention of Insider Trading	3 hours	
Date of study	Organizer	Course title	Duration of study													
2025.03.28	Securities and Futures Institute (SFI)	Practical Workshop on Sustainability Disclosure for TWSE/TPEX Listed Companies	9 hours													
2025.10.28	Securities and Futures Institute (SFI)	2025 Conference on Awareness of Prevention of Insider Trading	3 hours													

Item evaluated	Implementation			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such differences
	Yes	No	Summary	
V. Does your company establish channels of communication with stakeholders (including but not limited to shareholders, employees, customers and suppliers)? Does your company create a section for stakeholders on its website and give proper responses regarding important issues of corporate social responsibility that concerns stakeholders?	✓		(1) HEC adopts the AA1000 SES Stakeholder Engagement Standard, which is based on the five core principles of "Relevance, Accountability, Influence, Diversity of Perspectives, and Tension of Interests," in addition to identifying stakeholders within the industry. After discussions with external scholars and experts, the Company has identified seven categories of stakeholders: government agencies, employees and other workers, suppliers, shareholders and other investors, financial institutions, business partners, and customers. (2) The Company's corporate website has an "Investor Services" section, which provides shareholder contact information and business inquiry hotlines to maintain smooth communication channels. https://www.hec-group.com.tw/index.php?id=170&L=1 (3) Clearly specify the significance of stakeholders to the Company, their issues of concern, communication channels, communication frequency, and communication effectiveness.	No significant differences
VI. Does your company engage any professional shareholder services agent to manage affairs for shareholders' meetings?	✓		We have engaged Yuanta Securities Co., Ltd. as our shareholder services agent to manage affairs for shareholders' meetings. No significant differences VII.	No significant differences
VII. Information disclosure				

Item evaluated	Implementation			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such differences
	Yes	No	Summary	
(I) Does your company set up a website to disclose financial, business and corporate governance information?	✓		(I) A section for investors has been set up on our website for disclosure of our financial business within at least the most recent three years, with the content thereof updated by designated personnel (our website: http://www.hec-group.com.tw/).	No significant differences
(II) Does your company use other means to disclose information (e.g. setting up an English website, assigning specialized personnel to collect and disclose corporate information, implementing a spokesperson system, uploading the proceedings of investor conferences to your company's website)?	✓		(II) 1. We have set up an English website to disclose information of our products and business. Our website: http://www.hec-group.com.tw/ 2. We have appointed a spokesperson and a deputy spokesperson, and information relating to shareholders' meetings and investor conferences has been published on our website (https://www.hec-group.com.tw/).	No significant differences
(III) Does your company publish and submit an annual financial report within two months after the end of each fiscal year? Does your company publish and submit financial reports of the first, second and third quarters and the monthly status of operations before the required deadline?	✓		(III) HEC has consistently published and filed its annual financial reports, first, second, and third quarter financial reports, as well as monthly operating results ahead of the regulatory deadlines. For details, please refer to the filings on the Market Observation Post System (MOPS) at https://mops.twse.com.tw/ .	No significant differences
VIII. Does your company have other important information useful for understanding the status	✓		See the descriptions below.	No significant differences

Item evaluated	Implementation			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such differences
	Yes	No	Summary	
of corporate governance of your company (including but not limited to employees' rights, employee care, investor relations, supplier relationship, stakeholders' rights, continuing training of directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, purchase of liability insurance for directors and supervisors by your company, etc.)?				

VIII. Important information useful for understanding the status of corporate governance of your company (including but not limited to employees' rights, employee care, investor relations, supplier relationship, stakeholders' rights, continuing training of directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, purchase of liability insurance for directors and supervisors by your company):

(I) Employees' rights and employee care:

The Company has established its work rules in accordance with the applicable laws and regulations, expressly incorporating provisions to protect employee rights and interests. The Company has also established an employee grievance channel on its intranet to encourage direct communication between employees and management. The Company prohibits gender discrimination and harassment against employees and provides employees with a harmonious and safe work environment.

The Company has established an Employee Welfare Committee in accordance with the law to provide employees with various welfare subsidies and care for injury and illness. The Company also holds domestic and overseas employee trips and year-end banquets from time to time, and invites employees' family members to participate. The Company also extends care and support to employees on occasions such as weddings, funerals, and other significant personal events, and encourages employees to form various clubs and participate in activities beneficial to their physical and mental well-being.

(II) Investor relations:

Committed to the principles of integrity, the fair disclosure of information, and the transparency of corporate governance, we regularly publish information related to our operations and finance to shareholders and the public, and have established a system of spokespersons and deputy spokespersons to fulfill our responsibilities and obligations in disclosing corporate information. We have created an “Investor Services” section on our website to disclose financial, business, and corporate governance information. We have also appointed personnel responsible for investor relations and set up a dedicated email inbox to handle suggestions and questions from investors.

(III) Supplier relationship and stakeholders’ rights:

The Company maintains good, mutually supportive, and cooperative relationships with its correspondent banks and other creditors, customers, suppliers, communities, and other stakeholders of the Company. The Company communicates its environmental safety and energy conservation policies and expects suppliers to cooperate with the Company’s policies in order to comply with the Code of Practice for Corporate Social Responsibility. Stakeholders may also file complaints through the channels available on the Company’s website to protect their rights and interests.

(IV) Continuing training of directors:

The Company’s directors participate in continuing education each year in accordance with the applicable laws and regulations and possess the relevant professional knowledge. The Company will arrange for directors to continue participating in corporate governance-related courses in due course in accordance with the governance principles, and directors are advised to attend any training courses on regulatory updates. For details of continuing education courses, please refer to pages 57–58, or the Market Observation Post System / Corporate Governance / Attendance of Directors and Supervisors at Board Meetings and Continuing Education.

(V) Implementation of risk management policies and risk measurement standards:

We have established a strict internal control system as required by law, whose implementation is audited by our internal auditors on a regular or non-regular basis. We have also taken out the relevant property insurance to avoid risks.

(VI) Protection of consumers or implementation of customer policies:

Under the policy of "consumer and customer first," our relevant internal regulations have been established according to the spirit of the Consumer Protection Act and other applicable laws to be implemented by our employees.

(VII) The following indicates the liability insurance we have purchased for our directors:

The insured	Insurance company	Amount insured	Insurance period	Remarks
All directors	Cathay Century Insurance Co., Ltd.	NTD31,995 thousand (USD1 million)	September 15, 2025 to September 15, 2026	Renewed

IX. Please specify the result of corporate governance evaluation released by the Corporate Governance Center of the Taiwan Stock Exchange in the most recent year and describe the improvements made, and please specify the priorities and measures for improvement with respect to matters for which improvement has yet to be made.

(I) Improvements made with respect to the result of corporate governance evaluation released in the most recent year:

1. The Company has established written rules governing financial and business transactions among related parties.
2. The Company has disclosed its intellectual property management plan and implementation status for the year on its official website.
3. The Company uploaded the English version of its annual report 18 days before the annual shareholders' meeting.

(II) Priorities and measures for improvement with respect to the result of corporate governance evaluation:

1. An annual report is uploaded 18 days prior to an annual shareholders' meeting.
2. A meeting handbook is uploaded 30 days prior to a shareholders' meeting.

(IV) Where your company has established a remuneration committee, information regarding its composition, responsibilities and operations must be disclosed:

On October 26, 2011, the Company's Board of Directors approved the "Remuneration Committee Charter," established the Remuneration Committee, and appointed three Remuneration Committee members. The term of office of the Remuneration Committee members is the same as that of the directors. The Company re-elected directors at the shareholders' meeting on June 20, 2025, and the Board of Directors appointed Remuneration Committee members on the same date. The information and operational status are as follows:

(1) Information of members of the Remuneration Committee

2026.04.27

Criteria		Professional qualifications and experience	Independence	Also a remuneration committee member at the following number of other public company(ies)
Position (Note 1)	Name			
Independent director/ Convener	Chen Jung-Chao	1. Having at least 5 years of working experience and the following professional qualifications: commerce, law, finance, accounting, or other work experience required for HEC's business. 2. A professional or technician who has passed the national examination required for judge, prosecutor, lawyer, accountant or any other business of HEC and has received a certificate thereof. 3. CPA, Water Accountants' Firm.	Note 1	2
Independent director	Chen Chin-Lung	1. Having at least 5 years of working experience and the following professional qualifications: commerce, law, finance, accounting, or other work experience required for HEC's business. 2. Chairman of Probright Technology Inc.	Note 1	3
Independent director	Wang Yu-Ling	1. Having at least 5 years of working experience and the following professional qualifications: commerce, law, finance, accounting, or other work experience required for HEC's business. 2. Judge at Taiwan New Taipei District Court. 3. Attorney at Heng Li Law Firm.	Note 1	1

Note 1: We have obtained a written statement from each independent director confirming the independence of himself/herself and his/her lineal relatives vis-à-vis HEC.

The criteria of independence are as follows:

- (1) Not an employee of HEC or any of its affiliates.
- (2) Not a director or supervisor of HEC or any of its affiliates (except in cases where the individual concurrently serves as an independent director of a company and its parent company, a subsidiary, or another subsidiary of the same parent company, as permitted under the Securities and Exchange Act or applicable local laws).

- (3) Not a natural-person shareholder whose shareholding, including the shares held by his/her spouse or minor children or through nominees, equals or exceeds 1% of the total outstanding shares of HEC, or who is among the top 10 shareholders of HEC.
- (4) Excluding managers listed in item (1), and the spouses, second-degree relatives, or third-degree direct blood relatives of individuals listed in items (2) and (3).
- (5) Not a director, supervisor or employee of any corporate shareholder who holds at least 5% of the outstanding shares of HEC, is among the top 5 shareholders or has appointed a representative as a director or supervisor of HEC in accordance with paragraph 1 or 2, Article 27 of the Company Act (except in cases where the individual concurrently serves as an independent director of a company and its parent company, a subsidiary, or another subsidiary of the same parent company, as permitted under the Securities and Exchange Act or applicable local laws).
- (6) Not a director, supervisor or employee of another company where a majority of the seats of director or voting shares are under the control of the same person (except in cases where the individual concurrently serves as an independent director of a company and its parent company, a subsidiary, or another subsidiary of the same parent company, as permitted under the Securities and Exchange Act or applicable local laws).
- (7) Not a director, supervisor or employee of another company or institution who is also the chairman, president or any officer with equivalent position at HEC or is his/her spouse (except in cases where the individual concurrently serves as an independent director of a company and its parent company, a subsidiary, or another subsidiary of the same parent company, as permitted under the Securities and Exchange Act or applicable local laws).
- (8) Not a director, supervisor or manager or a shareholder with a shareholding of no less than 5% at any company or institution with a financial or business relationship with HEC (except where that company or institution holds no less than 20% and no more than 50% of the total outstanding shares of HEC, and where the person serves as an independent director concurrently at HEC and its parent company, any of its subsidiaries or any subsidiary of the same parent company in accordance with the Securities and Exchange Act or the laws of the local country).
- (9) Not a professional or an owner, partner, director, supervisor or manager of any sole proprietorship, partnership, company or institution specialized in commercial, legal, financial, accounting or other related services, who provides auditing services to HEC or any of its affiliates or who has received a cumulative amount of less than NTD500,000 as remuneration in the most recent 2 years, and not his/her spouse, except for any of the members of the Remuneration Committee, Review Committee for Public Acquisitions or Special Committee for Mergers who perform their duties in accordance with the Securities and Exchange Act or the Business Mergers and Acquisitions Act.
- (10) None of the circumstances under Article 30 of the Company Act applies.

(2) Information of operations of the Remuneration Committee

- I. The Remuneration Committee of HEC consists of 3 members.
- II. The term of the current members commenced on June 20, 2025 and expires on June 19, 2028. In 2025, the Remuneration Committee held four meetings (A), and the qualifications of the members and their attendance in these meetings are as follows:

Title	Name	Actual number of meetings attended (B)	Number of meetings attended by proxy	Actual rate of attendance (%) (B/A) (Note)	Remarks
Independent director	Chen Jung-Chao	4	0	100%	Re-elected 2025.06.20
Independent director	Wang Yu-Ling	4	0	100%	Re-elected 2025.06.20
Independent director	Chen Chin-Lung	2	0	100%	Newly elected 2025.06.20
Independent director	Hsu Chia-Te	2	0	100%	Former
Independent director	Hua Chih-Chiang	2	0	100%	Former

Other information required:

- I. Where the board of directors has declined to adopt or amend the suggestions of the remuneration committee, the date and session of the relevant board of directors meeting, the proposal(s) for the meeting, the relevant resolution of the board of directors and the actions taken by your company in response to the opinions of the remuneration committee must be specified (if the remuneration approved by the board of directors is higher than that suggested by the remuneration committee, the difference and its reason must be specified): None.
- II. Where members of the remuneration committee have expressed objections or reservations in records or written statements to any matter subject to a resolution of the remuneration committee, the date and session of the relevant remuneration committee meeting, the proposal(s) for the meeting, all opinions of the members and the actions taken in response to the opinions of the members must be specified: None.
- III. The following is a summary of the main matters communicated and resolutions in 2025:

Remuneration Committee	Proposal and subsequent actions taken in response	Resolution	Actions taken by HEC in response to the opinions of the Remuneration Committee
5th term, 8th meeting 2025.03.13	1. Percentage and amount of the remuneration for employees, directors and supervisors in 2024.	Approved by all members. Submitted to the 15th meeting of the 16th term Board of Director on March 13, 2025 for a resolution.	Submitted to and approved by the Board of Directors.

		2. Amendment to certain provisions of the Company’s “Regulations Governing the Remuneration of Directors and Managers.” 3. Amount of bonuses and remuneration for managers distributed during September 2024 to February 2025.		
5th term, 9th meeting 2025.05.08	1. Transfer of the Company’s treasury shares to employees. 2. Approval of the salary of the Company’s newly appointed President. 3. Amendment to certain provisions of the Company’s “Regulations Governing the Remuneration of Directors and Managers.” 4. Approval of the remuneration for newly appointed managers.	Reviewed and approved by all members, and submitted to the 7th meeting of the 16th term Board of Directors on May 8, 2025 for a resolution.	Submitted to and approved by the Board of Directors.	
6th term, 1st meeting 2025.08.08	1. Amendment to certain provisions of the Company’s “Regulations Governing the Remuneration of Directors and Managers.” 2. Approval of the remuneration for newly appointed managers. 3. Proposal of amount of bonuses and remuneration for HEC's directors, supervisors and managers. 4. Proposal of amount of bonuses and remuneration for managers distributed during March 2025 to July 2025.	Approved by all members. Submitted to the 4th meeting of the 17th term Board of Director on August 8, 2025 for a resolution.	Submitted to and approved by the Board of Directors.	

	6th term, 2nd meeting 2025.12.05	1. Price of the 2025 employee stock options issued by the subsidiary Amber Investment Partners Limited (Cayman) and the list of employees of the parent company, Compucase Enterprise Co., Ltd., subscribing to such options.	Reviewed and approved by all committee members, and submitted to the 8th meeting of the 17th Board of Directors on December 5, 2026 for resolution.	Submitted to and approved by the Board of Directors.
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We have adopted the "Organizational Regulations for the Remuneration Committee" as required to assist the Board of Directors in performing its duties concerning the remuneration for our internal managers. The Remuneration Committee shall supervise all material matters relating to our remuneration and advise the Board of Directors on such matters, and is expected to meet at least twice each year to perform the following duties as authorized by the Board of Directors:

1. Establishing and periodically reviewing the annual and long-term performance targets of our directors and managers and the policy, system, standards and structure of their remuneration.
2. Periodically evaluating the achievement of the performance targets of our directors and managers, and assessing the reasonableness of the content and amounts of their individual remuneration.

- (V) Promotion of sustainable development and climate-related information: The systems and measures adopted by HEC regarding environmental protection, community participation, social contribution, social services, social charity, consumer rights, human rights, safety, health and other social responsibility activities and their implementation.

Promotion of sustainable development, differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such differences

Item promoted	Implementation status			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such differences
	Yes	No	Summary	
I. Does your company establish a governance framework to promote sustainable development? Does your company establish a specialized (or designate an existing) department to promote sustainable development, which the senior management is authorized by the board of directors to manage under the supervision of the board of directors?	✓		1. In June 2023, the Company established the Sustainable Development Committee as a dedicated unit consisting of six committee members. In November 2025, the Board of Directors approved the appointment of one director as a member of the Sustainable Development Committee, making the Board of Directors the highest governance body for sustainable development. 2. It serves as a platform for integrated communication vertically and horizontally across departments. Functional groups include the Corporate Governance Subcommittee, the Environmental Sustainability Subcommittee, and the Social Care Subcommittee. (1) The committee formulates HEC's direction and goals for sustainable development, as well as drafting related management policies and specific implementation plans. (2) It advocates and implements relevant work in aspects such as corporate integrity management and risk management. (3) Tracking, reviewing, and revising the execution and effectiveness of sustainable development initiatives. (4) Other matters resolved by the Board of Directors to be handled by this committee. 3. The committee holds meetings at least once a year and reports regularly to the Board of Directors on the execution results of sustainable development and future work plans. The Board of Directors regularly receives operational	No significant differences

Item promoted	Implementation status			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such differences						
	Yes	No	Summary							
			reports from the management team each quarter, reviewing the progress of strategies and urging adjustments when necessary. 4. In 2025, a total of two meetings were held, with the following agenda items: (1) Progress of ESG Sustainability Report execution. (2) Schedule planning for greenhouse gas inventory and verification. (3) Carbon reduction plan. (4) Implementation of public welfare plans. (5) Identification of relevant risks and assessment of execution status. (6) Stakeholder Communication Status							
II. Does your company conduct any risk assessment regarding environmental, social and corporate governance issues related to your company's operations according to the materiality principle? Does your company establish any relevant risk management policy or strategy?	✓		1. The boundary of our risk assessment is focused on HEC, including our current branches in Taiwan, Mainland China, other Asian regions and Americas, and has included our subsidiaries in its scope based on their relevance to our primary business operations and the level of their influence on material issues. 2. The Sustainable Development Committee analyzes ESG issues based on the materiality principles outlined in the Sustainability Report, engages with internal and external stakeholders, and integrates data from various departments and subsidiaries. Based on the identified risks, the committee establishes appropriate risk management policies or strategies. Brief descriptions of the related risk management policies or strategies are outlined below, with detailed information available in the 2024 Sustainability Report: <table><tr><th>Major Issues</th><th>Risk Assessment Items</th><th>Description</th></tr><tr><td>Environmental</td><td>Impact of Products on the Environment</td><td>1. To mitigate the adverse environmental impact of products, including reducing carbon emissions, conserving energy, and optimizing resource use to promote a circular economy and resource recycling. In product design and manufacturing processes, consideration should be given</td></tr></table>	Major Issues	Risk Assessment Items	Description	Environmental	Impact of Products on the Environment	1. To mitigate the adverse environmental impact of products, including reducing carbon emissions, conserving energy, and optimizing resource use to promote a circular economy and resource recycling. In product design and manufacturing processes, consideration should be given	No significant differences
Major Issues	Risk Assessment Items	Description								
Environmental	Impact of Products on the Environment	1. To mitigate the adverse environmental impact of products, including reducing carbon emissions, conserving energy, and optimizing resource use to promote a circular economy and resource recycling. In product design and manufacturing processes, consideration should be given								

Item promoted	Implementation status					Differences with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and the reasons for such differences	
	Yes	No	Summary				
						to principles such as material sourcing, energy efficiency, emission control, and waste management.	
						2. Adherence to the policies of the ISO 14001 environmental management system: "Prevention of pollution, waste reduction, compliance with regulations, resource recycling, and environmental protection implementation," along with water conservation and emission management.	
				Social	Occupational Health and Safety	1. The Company complies with safety inspections conducted by various government authorities and holds relevant education and training sessions from time to time. A fire drill was held on June 26, 2025, and employee health examinations were conducted on December 5, 2025.	
					Product Safety	1. Through education, training, and internal communication led by top management and supervisors at all levels, the meaning of the quality policy should be effectively communicated to employees to ensure understanding and active implementation in achieving quality objectives. 2. HEC adheres to the avoidance of emissions of harmful substances that may pose risks to human health and the environment, and fully implement the use of safe and environmentally friendly raw materials.	
				Corporate Governance	Labor Relations & Labor/Management Relations &	1. HEC complies with relevant local labor laws and regulations and establish measures related to employee rights and	

Item promoted	Implementation status					Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such differences	
	Yes	No	Summary				
					Training and Education	welfare to promote harmonious labor relations and achieve the goal of win-win cooperation between HEC and its employees. 2. To safeguard the rights of employees, HEC will not discriminate based on factors such as gender, age, ethnicity, nationality, political affiliation, or religious beliefs, and will establish internal channels for employees to report any illegal activities of HEC. 3. Provide training related to occupational health and safety.	
III. Environmental issues (I) Does your company create an appropriate environmental management system based on the industrial characteristics of your company?	✓		(I) 1. The dedicated unit, the Business Planning Office, obtained ISO 14001 Environmental Management System certification in December 2010 and established the following environmental policy: pollution prevention, compliance with environmental regulations, continuous improvement, and production of green products. The Company also implements the following environmental objectives: 1. compliance with relevant requirements under the Waste Disposal Act; 2. prevention of environmental pollution and continuous improvement; and 3. compliance with the relevant laws and regulations. The Company passed recertification in July 2015. The Company has fully established and maintained environmental management systems, including ISO 14001, the RBA system, and OHSAS 18001, to ensure a safe, low-pollution, energy-saving, and resource-efficient corporate environment.				No significant differences
(II) Is your company	✓		(II)				

Item promoted	Implementation status		Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such differences
	Yes	No	
committed to achieving more efficient use of energy and using renewable materials with low impact on environmental burdens?			No significant differences
(III) Does your company assess the present and future potential risks and opportunities arising from climate change for your company? Does your company take any measures in response to climate-related issues?	✓		No significant differences
(IV) Does your company	✓		No significant differences

Item promoted	Implementation status		Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such differences
	Yes	No	
make statistics of the greenhouse gas emissions, water consumption and total weight of waste over the previous two years? Does your company establish policies for energy conservation and carbon reduction, greenhouse gas reduction, reduction of water usage or management other waste?			certification. Pursuant to the Greenhouse Gas Reduction and Management Act, HEC conducts ISO 14064-1 greenhouse gas inventories annually to identify significant emission sources and formulate corresponding reduction measures, using the results of each year's inventory to assess effectiveness. The Company develops corresponding carbon reduction strategies and engages third-party organizations to conduct external verification. The Company implements water conservation and discharge management under the ISO 14001 Environmental Management System. The greenhouse gas inventory according to ISO 14064-1 has been completed by the end of January 2026.
IV. Social issues			
(I) Does your company establish relevant management policies and procedures in accordance with applicable laws and regulations and international human	✓		(I) The Company's Administration Department serves as the responsible unit for human rights policies and is responsible for formulating, promoting, supervising, and implementing relevant systems. Each department implements human rights management measures in accordance with its respective duties and responsibilities. The scope of this policy covers all employees of the Company, its affiliates, suppliers, contractors, and other stakeholders with whom the Company has business dealings. All of the Company's management procedures and implementation practices are carried out in accordance with the applicable laws and regulations of the

Item promoted	Implementation status		Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such differences
	Yes	No	
rights conventions?			locations where it operates. The Company also refers to international human rights standards, including the Universal Declaration of Human Rights and the International Covenant on Economic, Social and Cultural Rights (ICESCR), and complies with the relevant requirements of the Company and its customers. Upholding the philosophy of ethical corporate management and business ethics, the Company is committed to protecting labor rights and maintaining a safe and healthy work environment. 1. Labor Rights: The Company prohibits all forms of forced labor and child labor, and provides statutory wages, benefits, and education and training systems. The Company provides reasonable compensation and fair promotion opportunities based on employees' capabilities and performance in order to protect their lawful rights and interests. 2. Workplace Equality: Upholding the principle of fair treatment, the Company does not discriminate on the basis of gender, age, nationality, place of birth, race, language, physical or mental disability, marital status, pregnancy, sexual orientation, religion, political stance, or labor union membership. The Company is committed to creating a diverse, equal, and inclusive work environment. 3. Expression and Participation: The Company respects the freedom of expression and participation of all personnel and undertakes not to interfere with or restrict the lawful exercise of such rights in any manner. Based on privacy protection, the Company provides internal and external stakeholders with diverse, open, and two-way communication channels. 4. Service and Product Responsibility: The Company has established mechanisms for information security and the protection of confidential information to safeguard customers' business and personal information. 5. Governance and Safety: The Company undertakes not to benefit from any conduct that infringes upon human rights and ensures the effective

Item promoted	Implementation status			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such differences
	Yes	No	Summary	
(II) Does your company establish and implement reasonable employee welfare measures (including remuneration, leave and other benefits)? Is the operating performance or result appropriately reflected in the remuneration for employees?	✓		operation of its grievance mechanisms. The Company has established management procedures and reporting systems for the prevention of sexual harassment, as well as grievance and handling mechanisms, to safeguard employees' dignity at work and ensure workplace safety. (II) 1. Our policy is to determine the remuneration for each employee based on personal competencies, the level of his/her contribution to LFE, his/her performance, and his/her competitiveness, taking into account the future operating risks of LFE. Article 29 of the Company's Articles of Incorporation provides that, if the Company records a profit for the year, it shall appropriate 2% to 10% as employee compensation, and no less than 30% of such employee compensation shall be appropriated for distribution to entry-level employees. The distribution shall be resolved by the Board of Directors and may be made in shares or cash. The recipients may include employees of controlling or subordinate companies in Taiwan and overseas. We have established the "Employee Work Rules," "Regulations Governing Performance Evaluation," and "Regulations Governing the Labor-Management Committee." In addition to communicating the relevant business ethics and the systems for employee performance, rewards, and penalties, we have included talent, systems, and future planning as evaluation indicators, consistent with the key mission of people-oriented corporate sustainable development as a corporate social responsibility in order to enhance our competitiveness internationally in the future. 2. For other employee welfare measures, see p.g 89. 3. Workplace diversity and equality: We aim to achieve remuneration based on "equal pay for equal work" and ensure equal opportunity for	No significant differences

Item promoted	Implementation status			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such differences
	Yes	No	Summary	
(III) Does your company provide employees with a safe and healthy work environment and give safety and health training to employees regularly?	✓		promotion for both genders to facilitate sustainable and inclusive economic development. In 2025, women accounted for an average of 52% of our employees, and an average of 23% of our managers. (III) 1. Attaching great importance to the working environment of our employees, we periodically engage professional agencies to conduct testing at HEC by monitoring the concentration of organic solvents, dust, noise and CO2 in our workplace. All results of such testing have met relevant requirements, ensuring effective improvement and optimization of the working environment to protect the physical health of our employees. (Please refer to page 42 (III.) for detailed information. 2. We arrange safety and health training for new and current employees, including safety personnel training and fire drills, and hold related sessions on an ad hoc basis. We conducted a fire drill/emergency response exercise on June 26, 2025, and we organized a health examination for employees on December 5, 2025. 3. HEC has formulated the "Occupational Hazard Management Procedures" and the "Emergency Response Management Procedures." There were no occupational accidents or fire incidents in 2025. 4. We have set up a lactation room for our female employees and provided them with proper childcare measures, and we have signed special contracts with kindergartens and infant care centers nearby HEC. 5. The Company has engaged occupational health nurses and physicians from De En Occupational Health Consulting Co., Ltd. under contract to conduct graded health management for employees.	No significant differences
(IV) Does your company establish an	✓		(IV) HEC formulates an annual training plan to implement structured programs and mechanisms for the development of current and prospective managers. Internal	No significant differences

Item promoted	Implementation status			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such differences
	Yes	No	Summary	
effective plan for development and training of the career abilities of employees?			training sessions are also arranged as needed, and employees may apply for external training based on job requirements.	
(V) Regarding customer health and safety, customer privacy, marketing and labeling in relation to products and services, does your company comply with applicable laws and international standards? Does your company establish policies and complaint procedures for the protection of consumer or customer rights?	✓		(V) 1. All our products are attached with labels in compliance with applicable laws and international rules, e.g. labels indicating safety certification, based on which consumers can choose what to buy. 2. We have taken out product liability insurance for our customers, and a section for stakeholders has been created on our website. We have also set up a customer service hotline and a service email box (hec-service@hec-group.com.tw) to provide channels for consumer complaints and protect consumer rights.	No significant differences
(VI) Does your company establish any supplier	✓		(VI) 1. We have established the "Regulations for Management of Vendors," which requires us to conduct an evaluation of any new supplier prior to	No significant differences

Item promoted	Implementation status			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such differences
	Yes	No	Summary	
management policy that requires suppliers to comply with relevant regulations with regard to issues of environmental protection, occupational safety and health or labor rights? What is the status of its implementation?			dealing with it. The scope of such evaluation includes not only its production equipment and delivery capability, but also its quality level and quality assurance, while also taking into account whether it has any history of affecting the environment and society. 2. All suppliers are required to abide by our policies in the "Ethical Corporate Management Best Practice Principles," and each of them must conclude a contract with us detailing the rights and obligations of both parties, including compliance with our ethical management policies and the requirement that the supplier must make improvement or terminate the contract where the counterparty is involved in violation of our policies for corporate social responsibility and has caused an effect on the environment and society.	
V. Does your company prepare a sustainable development report and other reports that disclose non-financial information of your company based on internationally accepted standards or guidelines for preparation of reports? Do the foregoing reports receive the assurance or guarantee opinions of any third-party certifying	✓		The Company has continued to prepare its annual reports. The Company is currently beginning the preparation of its 2023 sustainability report in 2025 and has engaged AFNOR Asia Ltd. to complete third-party verification in accordance with the AA1000 v3 Assurance Standard at a Type 1 moderate assurance level.	No significant differences

Item promoted	Implementation status			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such differences
	Yes	No	Summary	
agency?				
VI. Where your company has established its own principles of sustainable development in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," the differences between the operations of your company and such principles must be described: (I) We have placed great emphasis on the importance of occupational safety, environmental protection, safety and health. In addition to receiving the ISO 14001 and OHSAS18001 certifications, we periodically engage in monitoring of the air, noise, waste and energy use in our factory areas, with an improvement plan promptly implemented if the criteria level is exceeded. (II) We have created plenty of job opportunities, and we have established the Employee Welfare Committee, implemented a pension system, organized training courses and taken out group insurance for our employees and periodically arranged for health examinations to demonstrate our commitment to harmonious labor relations.				
VII. Other important information useful for understanding the status of promotion of sustainable development: (I) The Company continues to implement the RBA as its highest-level principle and action guideline. In addition to ensuring workplace safety across the supply chain and protecting worker dignity, the Company also places emphasis on environmental responsibility in its production processes. (II) To protect the safety and health of employees and related personnel, improve internal management, reduce operational risks, and avoid losses, the Company has passed the international occupational health and safety management system assessment and obtained OHSAS 18001 certification. The Company is committed to providing all employees with an environment in which occupational health and safety requirements are properly controlled, ensuring that the interests of employees, the enterprise, and related parties are protected. (III) The Company's website has established a Corporate Social Responsibility section to disclose information related to corporate social responsibility.				

Climate-related information of listed and OTC companies

1. Implementation status of climate-related information

Item	Implementation status
1. Explanation of the supervision and governance of climate-related risks and opportunities by the Board of Directors and management.	HEC has established the "Sustainable Development Committee." With the Board of Directors as the highest supervisory body, the committee oversees the management of climate-related risks and key achievements, and is responsible for horizontal cross-departmental coordination and collaboration to integrate sustainability strategies and climate action issues into product, operations, and value chain management. The members of the Sustainable Development Committee include the President, senior management of relevant departments, and other individuals designated by the President. At least one meeting shall be convened annually, with additional meetings convened as deemed necessary. Through comprehensive assessment and analysis, including various climate change-related risk scenarios, strategies for response shall be developed. Regular reports shall be submitted to the Board of Directors on the implementation outcomes and future plans regarding sustainable development, encompassing climate change-related issues, to ensure that climate-related matters are incorporated into the perspective of senior management and prudently managed.
2. Describe how identified climate risks and opportunities affect the business, strategy, and finances of the enterprise (short-term, medium-term, long-term).	HEC faces both risks and opportunities stemming from climate change. The primary risks arise from increased costs associated with carbon emissions during the manufacturing process, as well as pressures from the supply chain and competitors. These factors are considered in terms of their impact on financial statements, directly affecting the company's net profit and cash flow. Indirect impacts may affect asset values, accounts receivable, inventory value, and so forth. However, considering the trend of future investors incorporating ESG factors into investment considerations, we remain committed to achieving sustainable operations. Our climate strategy is based on a scientifically grounded reduction pathway, focusing on improving energy efficiency, expanding renewable energy use, investing in innovative carbon reduction technologies, and removing residual carbon emissions. These actions are structured into three stages, progressively moving the entire value chain towards net zero emissions. 1. Short-term: (1) Transitional Risks: Increased energy costs, increased costs of implementing decarbonization equipment, and reduced revenue due to customer turnover. (2) Physical Risks: Increased severity and frequency of extreme weather events. (3) Market Opportunities: Reduction in paper usage. 2. Medium-term: (1) Transitional Risks: Transitioning to low-emission technologies (low-carbon services), but with increased costs of transitioning to low-carbon technologies.

Item	Implementation status
	(2) Market Opportunities: Developing low-carbon products and services, adjusting service processes, such as paperless workflows. 3. Long-term: (1) Market Opportunities: Enhancing corporate image and company valuation.
3. Describe the financial impact of extreme weather events and transition actions.	During the corporate transition, corresponding costs may increase, including the purchase of carbon emission quotas, facility improvements and investments in decarbonization technologies, energy efficiency improvement measures, etc. The implementation of carbon taxes will require companies to pay additional costs for carbon emissions. These costs may also create pressure on the supply chain: carbon taxes may increase costs for upstream suppliers, thereby affecting the prices of raw materials and the stability of supply for companies. Additionally, the implementation of carbon taxes may put pressure on companies in competitive markets. If competitors can better cope with carbon taxes by reducing carbon emissions and improving energy efficiency, they may have a relative cost competitive advantage.
4. Describe how the process of identifying, evaluating, and managing climate risks is integrated into the overall risk management system.	In addition to risk response plans that may affect financial performance, our risk management includes assessments of natural disasters, environmental risks, and information risks, as well as emergency response plans. We integrate a preventive mindset into our corporate culture to eliminate identifiable and avoidable risks as much as possible, thereby reducing potential losses from operational disruptions. We actively develop advanced and more sensitive monitoring, evaluation, and risk control procedures and criteria for the major risks faced in various business operations, including sales markets, production operations, human resource planning, progress in new product development, and financial accounting and control. We aim to balance safety and efficiency, establish more economically efficient business operation models, and strengthen information system establishment and enhance early warning monitoring capabilities. Regarding environmental aspects, we have established and maintain emergency response procedures to cope with potential accidents or emergencies. These procedures serve as references for formulating response processes and plans. Their contents include the scope of emergency response plans, organizational responsibilities and structures, activation processes, hazard identification and risk assessment, rescue plans, evacuation maps, Safety Data Sheets (SDS), emergency response audit methods, etc. By following these operational processes and related methods, each unit can immediately reduce or mitigate the impacts and damages caused by human-made, natural disasters, and other major incidental events, such as personnel injuries, property losses, and production interruptions, and swiftly restore normal operations. Risk Management Objectives: To understand the risks of global economic trends, climate change, and energy supply and to formulate company development strategies and adjust operational models proactively. Commitment: To monitor global industry dynamics and climate change, adjust development goals and business strategies in a timely manner, and reduce potential risks.

Item	Implementation status
	Risk Management Measures: To respond to various operational risks, convene management meetings irregularly to re view response measures and adjust operational directions to prevent risks in advance.
5. If resilience to climate change risks is assessed using scenario analysis, explain the scenario, parameters, assumptions, analysis factors, and major financial impacts used in the analysis.	Type of Financial Impact: The imposition of carbon taxes leads to increased operating costs. 1. Risk Description: (1) Cost Increase: This may include the purchase of carbon emission quotas, facility improvements and investments in decarbonization technologies, energy efficiency improvement measures, etc. The implementation of carbon taxes will require companies to pay additional costs for carbon emissions. (2) Supply Chain Pressure: Carbon taxes may increase costs for upstream suppliers, thereby affecting the prices of raw materials and the stability of supply for companies. (3) Competitive Pressure: The implementation of carbon taxes may put pressure on companies in competitive markets. If competitors can better cope with carbon taxes by reducing carbon emissions and improving energy efficiency, they may have a relative cost competitive advantage. (4) Financial Statement Impact: Direct impacts include increased carbon emission costs; indirect impacts include supply chain pressure and competitive pressure. (5) Investor Concerns: Investors are integrating ESG (Environmental, Social, Governance) factors into their investment decisions. 2. Potential Financial Impact: (1) Cost Increase: These additional costs will raise the operational expenses of the company, potentially leading to a decrease in profit margins. (2) Supply Chain Pressure: It may increase the supply risks for companies, adversely affecting business operations and production capabilities. (3) Competitive Pressure: It may lead to companies losing market share, thereby negatively impacting revenue and profits. (4) Financial Statement Impact: Direct impacts will be reflected in the company's net profits and cash flows; indirect impacts may affect asset values, accounts receivable, inventory values, etc. Item (5) Implementation Investor Concerns: If companies fail to effectively address carbon taxes and sustainability challenges, they may face investor doubts and concerns about the company's value, thereby impacting capital inflows and stock prices.

Item	Implementation status
6. If there are transformation plans to address climate-related risks, please explain the contents of such plans, as well as the indicators and targets used to identify and manage physical risks and transition risks.	In response to the opportunities for transformation arising from the "climate emergency" posed by climate change challenges, the Company aims to lead our customers towards a low-carbon green economic transition to mitigate climate impacts. To concretely implement and advance sustainability, we actively promote related initiatives, establish green management strategy goals, and implement solar power generation (for self-use) at our Donghua factory in mainland China to fulfill the purpose of protecting the Earth's environment. HEC disclosed emissions and waste data for the past two years in 2024 and completed ISO 14064-1 verification in January 2024.
7. If internal carbon pricing is used as a planning tool, please explain the basis for price setting.	HEC has not yet planned to use internal carbon pricing as a planning tool.
8. If climate-related targets are set, please explain the activities covered, scope of greenhouse gas emissions, planning timeframe, annual progress achieved, etc. If carbon offsetting or renewable energy certificates (RECs) are used to achieve relevant goals, please explain the source and quantity of carbon offsetting credits or the quantity of renewable energy certificates (RECs).	In response to the opportunities for transformation arising from the "climate emergency" posed by climate change challenges, the Company aims to lead our customers towards a low-carbon green economic transition to mitigate climate impacts. To concretely implement and advance sustainability, we actively promote related initiatives, establish green management strategy goals, initiate various projects, execute green management, and assess effectiveness, verifying performance results through external verification to fulfill the purpose of protecting the Earth's environment. HEC has not used carbon offsetting or renewable energy certificates (RECs).
9. Inventory and assurance of greenhouse gas emissions.	Also completed in 1-1 and 1-2.

1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent Two Years

1-1-1 Greenhouse Gas Inventory Information

Describe the greenhouse gas emissions for the most recent two years, including emissions volume (tCO₂e), intensity (tCO₂e/NTD million), and the scope of data coverage.

1. The parent company only has completed the inventory.

		2024	2025
Parent company	Scope 1: Direct greenhouse gas emissions (tCO ₂ e)	19.9767	20.3189
	Scope 2: Indirect greenhouse gas emissions (tCO ₂ e)	459.7231	457.6565
	Total emissions	479.6998	477.9754
	Intensity (tCO ₂ e/NTD million of revenue)	0.0648	0.00427

Note 1: Direct emissions (Scope 1, namely emissions directly from sources owned or controlled by the Company), energy indirect emissions (Scope 2, namely indirect greenhouse gas emissions resulting from purchased electricity, heat, or steam), and other indirect emissions (Scope 3, namely emissions generated from the Company's activities that are not energy indirect emissions and arise from emission sources owned or controlled by other companies).

1-1-2 Greenhouse Gas Assurance Information

Describe the assurance status for the most recent two years as of the publication date of the annual report, including the assurance scope, assurance provider, assurance standards, and assurance opinion.

1. The 2024 assurance was completed on January 20, 2026 by AFNOR Group – AFNOR Asia Ltd. for the ISO 14064-1 greenhouse gas inventory verification.
2. The Company is not yet subject to the applicable regulatory requirements and expects to complete the 2025 greenhouse gas inventory verification by the end of 2026.

1-2 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans

Describe the base year for greenhouse gas reduction and its data, reduction targets, strategies, specific action plans, and the achievement status of reduction targets.

The Company has planned and promoted greenhouse gas inventory operations, and has designated 2019 as the base year for reduction. The Company has established reduction targets, with the short-term target to reduce carbon emission intensity per unit of output value by 13%, the medium-term target to reduce it by 25%, and the long-term target to achieve carbon neutrality.

The Company follows the ISO 14001 Environmental Management System policy of “pollution prevention and waste reduction, compliance with laws and regulations, resource recycling, and the implementation of environmental protection,” and has adopted ISO 14064-1:2018 to conduct greenhouse gas inventories. Through regular reviews of annual carbon reduction performance, the Company continues to formulate and optimize emission reduction strategies, while promoting the construction of green plants that meet green building certification requirements. In terms of specific actions, the Company continues to promote energy conservation and carbon reduction measures, introduce green energy, and optimize energy efficiency. Overseas manufacturing plants are also gradually introducing renewable energy such as solar power and cooperating and communicating with relevant units to enhance overall carbon reduction effectiveness. According to the greenhouse gas inventory results, carbon emissions in 2025 decreased significantly compared with the 2019 base year, with an overall reduction of 57%, indicating that the various reduction measures have achieved preliminary results. The Company will continue to refine its carbon reduction management mechanisms to gradually achieve its medium- and long-term reduction targets and carbon neutrality vision.

(VI) Status of ethical management and the measures taken

Over the years, the Company has been committed to adhering to the RBA Code of Conduct, with Business Ethics being one of the five major components of the RBA. The primary contents encompassed by the Business Ethics standards are as follows:

1. Business integrity: Monitoring and regulatory measures must be implemented to prevent corruption, extortion and embezzlement.
2. No improper advantage: Bribes or other improper advantages must not be offered/accepted.
3. Disclosure of information: Information regarding business activities, performance, etc. must be disclosed in accordance with applicable regulations and industry practices.
4. Intellectual property: Intellectual property rights must be protected and respected.
5. Fair business, advertising and competition: Customer information must be safeguarded in accordance with applicable standards.
6. Protection of identity: The identity of any whistleblower must remain confidential.

Based on the above, the status of implementation of our business philosophy and the RBA is as follows:

Status of ethical management, differences with the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such differences

Item evaluated	Implementation			Differences with the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such differences
	Yes	No	Summary	
I. Establishment of ethical management policies and plans				
(I) Does your company establish any ethical management policy adopted by the board of directors? Do the regulations and external documents of your company specify the policy and practices of ethical management and the commitments by the board of directors and the senior management to actively implementing the ethical management policy?	✓		(I) The Company has established the “Ethical Corporate Management Best Practice Principles” and the “Code of Ethical Conduct,” which expressly require directors, managers, and employees to implement the Company’s ethical corporate management policies and comply with the Company Act, the Securities and Exchange Act, the Business Entity Accounting Act, and other relevant laws and regulations applicable to listed companies. The Company has announced these principles on its website and incorporated them into the employee compensation and performance appraisal system. The Company has also designated the Ethical Corporate Management Committee as the dedicated unit, which reports to the Board of Directors on a regular basis.	No significant differences
(II) Does your company established any mechanism for assessment of the risks of unethical behavior to perform regular analysis and assessment of operating activities with higher risks of unethical behavior within the scope of business of your company? Does your company establish, on the basis of the foregoing, any plan for prevention of unethical behavior, including at least measures for prevention of the behavior under Paragraph 2,	✓		(II) 1. In addition to the internal control and various RBA Code of Conduct rules, the Company is committed to establishing an ethical, trustworthy, and people-oriented corporate culture and implementing it in daily operations. 2. The "Ethical Corporate Management Best Practice Principles" includes relevant	No significant differences

Item evaluated	Implementation			Differences with the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such differences
	Yes	No	Summary	
Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies"? (III) Does your company specify and implement the operating procedures, guidelines of behavior, penalties for violations and complaint system in the plan for prevention of unethical behavior? Is the foregoing plan reviewed and amended on a regular basis?	✓		measures for prevention of the behavior under paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and requires all relevant departments to implement such measures. To prevent unethical behavior, we also conduct periodic or non-periodic sampling audits of whether HEC adheres to ethical principles and continue to follow up on the implementation of improvements, with periodic reports submitted quarterly to the Board of Directors. (III) The "Ethical Corporate Management Best Practice Principles" clearly prohibits unethical behavior. To ensure ethical management, we have established effective accounting and internal control systems, and our internal auditors have been conducting regular or non-regular audits on transaction processes and communicating our ethical management principles to all companies dealing with HEC. To completely prevent improper business conduct, bribes and the acceptance of gifts and kickbacks are prohibited.	No significant differences
II. Implementation of ethical management (I) Does your company assess the history of integrity of its business counterparties? Does the contract between your company and a business counterparty include any provision governing ethical behavior?	✓		(I) Before conducting any business transaction, we are required to consider the legality of the relevant agent, supplier or customer or other relevant business counterparty and whether it has engaged in any unethical behavior, and all contracts we	No significant differences

Item evaluated	Implementation			Differences with the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such differences
	Yes	No	Summary	
(II) Does your company set up (or designate) any unit under the board of directors that is responsible for the promotion of corporate ethical management and that gives a report to the Board of Directors regarding its ethical management policy and unethical behavior prevention plan and their supervision and implementation on a regular basis (at least annually)? Does your company, in accordance with the foregoing plan, conduct an audit of the compliance with the unethical behavior prevention plan, or engage a CPA to conduct such audit?	✓		have signed with other parties include a provision that the contract may be terminated or canceled at any time if any unethical behavior is involved. (II) - To promote ethical corporate management, the Company has established the “Ethical Corporate Management Committee,” convened by the President. Based on the duties and scope of each unit, the committee is responsible for assisting the Board of Directors and management in formulating and supervising the implementation of ethical corporate management policies and prevention programs, so as to ensure the implementation of the Ethical Corporate Management Best Practice Principles. The dedicated unit will report its implementation status to the Board of Directors on May 13, 2026. - The Company has effectively implemented its ethical corporate management policies. The relevant implementation status in 2025 is as follows: - Regulatory Communication At the end of each year, the Company requires all employees to sign the “Ethical Corporate Management Statement” to reconfirm that they fully understand and comply with the “Procedures for Ethical Management and Guidelines for Conduct” and	No significant differences

Item evaluated	Implementation			Differences with the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such differences
	Yes	No	Summary	
			the relevant laws and regulations applicable to TPEX-listed companies, and to reinforce the matters requiring attention when performing their duties. As of the end of December 2025, the Company had a total of 140 active employees, all of whom completed the signing process, representing a signing rate of 100%. B. Education, Training, and Annual Testing The Company continues to conduct education and training related to ethical corporate management. In addition to general legal compliance and risk management courses, the Company has also included personal data protection within the scope of ethical corporate management promotion to strengthen employees' awareness of information confidentiality and legal compliance. In 2025, the Company conducted education and training related to personal data protection. The course content covered compliance requirements for the collection, processing, and use of personal data, information security management, confidentiality obligations, and other related matters, with the aim of enhancing employees' implementation of data protection and ethical corporate management principles. A total of 140 employees completed the training during the year, with total training hours of 19.83 hours and an employee participation rate of 100%. In addition, testing was conducted after the course to ensure that employees fully understood the	

Item evaluated	Implementation			Differences with the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such differences
	Yes	No	Summary	
			relevant rules and operational requirements. The test pass rate was 100%. Through the promotion of education, training, and testing mechanisms, the Company continues to strengthen its culture of integrity and enhance the overall effectiveness of legal compliance and risk control. C. Reporting System and Whistleblower Protection The Company has established specific reporting systems under the “Grievance Handling and Personal Rights Protection Procedures” and the “Sexual Harassment Prevention Management Procedures” to actively prevent unethical conduct. The Company encourages internal and external personnel to report unethical or improper conduct, and has designated the Administration Department as the dedicated unit responsible for receiving reports involving employees suspected of unethical conduct. The Stakeholders section of the Company’s official website provides effective communication channels for employees, shareholders, stakeholders, and external parties, and discloses the email address directly received and handled by the Audit Committee (the independent directors). If a reported matter involves a director or senior executive, it will be submitted to the independent directors. The Company has also established a whistleblower protection system, under which the identity of	

Item evaluated	Implementation			Differences with the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such differences
	Yes	No	Summary	
(III) Does the company have a policy in place to prevent conflicts of interest, along with appropriate channels for disclosure or reporting, and ensure its effective implementation?	✓		whistleblowers and the content of reports are kept strictly confidential. The Company is committed to ensuring that whistleblowers will not be subject to any unfair treatment as a result of filing a report. In 2025, the Company received 0 external reporting cases and 0 direct employee reporting cases. (III) The "Ethical Corporate Management Best Practice Principles" includes a system for recusal of directors and managers in case of conflict of interest. Any director, supervisor or manager who has a personal stake or who represents a corporation with a stake in any proposal to a meeting of the Board of Directors may, if such stake is likely to prejudice the interests of HEC, provide his/her opinion and answer questions at the meeting without participating in the discussion and voting on that proposal, and must recuse himself/herself from such discussion and voting. In addition, he/she may not exercise voting rights on behalf of any other director on that proposal.	No significant differences
(IV) Does your company establish effective accounting and internal control systems to ensure the implementation of ethical management? Does the internal audit department establish any relevant audit plan based on the result of assessment of the risks of unethical behavior?	✓		(IV) To ensure the implementation of ethical management, we have established effective accounting and internal control systems, with the internal auditors regularly conducting audits of the compliance with the aforementioned systems. Furthermore, in accordance with the requirements of the Company Act, the Securities and Exchange Act and other applicable laws, the CPAs are	No significant differences

Item evaluated	Implementation			Differences with the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such differences
	Yes	No	Summary	
(V) Does your company organize internal and external training sessions on ethical management on a regular basis?	✓		responsible for auditing and certifying relevant accounting statements and books. (V) The Company has integrated ethical corporate management clauses into its corporate culture and assigns personnel to attend relevant courses from time to time. The Company also promotes implementation during Board meetings, weekly meetings, or annual business meetings. As of the end of December 2025, the Company had a total of 140 active employees, all of whom had completed the signing process, representing a signing rate of 100%.	No significant differences
III. Operations of the whistleblowing system of your company (I) Does your company establish specific systems for whistleblowing and rewards? Does your company establish any convenient whistleblowing channel and appoint any appropriate person to handle the case of a person reported?	✓		(I) We have established the “Ethical Corporate Management Best Practice Principles,” which clearly stipulate channels for reporting misconduct, as well as reward and complaint mechanisms. A designated department handles reports in accordance with prescribed procedures, and related matters are included in the annual performance evaluation. An internal whistleblowing mailbox is available, and the Company's website features an Investor Services section that provides a shareholder contact point and a dedicated hotline to ensure smooth communication channels. Employees and related parties may report any improper business conduct, and all cases are personally handled by senior management appointed by the Company.	No significant differences

Item evaluated	Implementation			Differences with the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such differences
	Yes	No	Summary	
(II) Does your company establish standard operating procedures for investigation of cases reported by whistleblowers, including subsequent measures required after the completion of investigation and the relevant confidentiality measures?	✓		(II) We have established the "Ethical Corporate Management Best Practice Principles" and the "Code of Ethical Conduct," and "Procedures for Handling Complaints and Protecting Human Rights" which provide for the channels and methods for accepting reported cases, with a designated department responsible for handling such cases and communication of opinions. The relevant manager is responsible for maintaining confidentiality over the information of the persons involved and making the whistleblowers aware that HEC will do its best to protect the safety of persons reporting in good faith.	No significant differences
(III) Does your company take measures to protect whistleblowers from improper retaliation as a result of whistleblowing?	✓		(III) Same as the description in (II).	No significant differences
IV. Enhancement of information disclosure (I) Does your company disclose the contents of its ethical management principles and the results of their promotion on its website and the Market Observation Post System (MOPS)?	✓		The Company has placed ethical corporate management-related rules and promotional information on its internal website for employees to access at any time. The annual report on the Company's external corporate website (https://www.hec-group.com.tw/) discloses information related to ethical corporate management.	No significant differences
V. Where your company has established its own principles of ethical corporate management best practices in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies," the differences between the operations of your company and such principles must be described: We have established and implemented the "Ethical Corporate Management Best Practice Principles" in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" to create good systems for corporate governance and risk control and build a business environment based on sustainable development. There are no significant differences with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed				

Item evaluated	Implementation			Differences with the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such differences
	Yes	No	Summary	
Companies."				
VI. Other important information useful for understanding the status of ethical management at your company:				
1. We have been in compliance with the Company Act, the Securities and Exchange Act, the Fair Trade Act, the Business Entity Accounting Act, the applicable regulations for TWSE/TPEX listed companies or other regulations concerning business activities, which have served as the basis for implementation of ethical management.				
2. We communicate relevant laws and regulations to our internal employees on a non-periodic basis to make sure they understand our determination in and policies of ethical management and the consequences of unethical behavior.				
3. We have established the "Code of Ethical Conduct," according to which any director or manager who has obtain important non-public information is prohibited from trading relevant securities and must abide by the laws governing insider trading. Any individual or company violating the requirements regarding insider trading will be subject to civil and criminal penalties.				
4. We periodically review and amend the "Code of Ethical Conduct" and the "Ethical Corporate Management Best Practice Principles," which were approved by the Board of Directors to be amended on November 9, 2023 and August 9, 2024.				

(VII) Other important information useful for understanding the status of corporate governance

1. Employees' rights and employee care: We firmly believe that employees are a force driving the growth of a company, so we attach great importance to employees' rights and adhere to all legal rights of our employees. We have established regulations governing employee retirement and an employee remuneration system, and have formed an Employee Welfare Committee responsible for employee benefits.
2. Investor relations: Committed to the principles of integrity and fair disclosure of information and the transparency of corporate governance, we regularly publish information related to our operations and finance to shareholders and the public, and has established a system of spokesperson and deputy spokesperson to fulfill our responsibilities and obligations in disclosing corporate information. We have created a section of "Investment Services" on our website to disclose financial, business and corporate governance information. We have also appointed personnel responsible for investor relations and set up a dedicated email box to handle suggestions and questions from investors.
3. Supplier relationship and stakeholders' rights: We keep long-term and close cooperation with our suppliers to ensure there is no shortage of the sources of our materials.
4. Our important information has been disclosed on the MOPS as required by the competent authority.

5. In order to create a good mechanism for the management and disclosure of material insider information, avoid improper disclosure of information and ensure the consistency and accuracy of our information published externally, we have established the "Ethical Corporate Management Best Practice Principles," "Procedures for Management of Material Information," "Code of Ethical Conduct" and "Procedures on Application for Suspension and Resumption of Transactions" and other relevant procedures, which have been approved by the Board of Directors.
6. Participation of our directors, accounting and financial managers and chief internal auditor in training on corporate governance:

Title	Name	Date	Organizer	Course title	Duration
Chairman	Wang Chun-Tung	2025/7/9	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	6 hours
Director	Ko Chi-Yuan	2025/7/9	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	6 hours
Director	Ko Chi-Yuan	2025/5/16	Securities and Futures Institute (SFI)	2025 Conference on Awareness of Prevention of Insider Trading	3 hours
Director	Li Li-Sheng	2025/8/13	Taiwan Corporate Governance Association	Corporate M&A — Practical Introduction to Unsolicited Mergers and Acquisitions (Part I)	3 hours
Director	Li Li-Sheng	2025/8/13	Taiwan Corporate Governance Association	Corporate M&A — Practical Introduction to Unsolicited Mergers and Acquisitions (Part II)	3 hours
Director	Chung Ding-Chun	2025/5/19	Taipei Foundation of Finance	Corporate Governance — Workplace Bullying and Sexual Harassment	2 hours
Director	Chung Ding-Chun	2025/10/16	Financial Supervisory Commission	15th Taipei Corporate Governance Forum	6 hours
Director	Chung Ding-Chun	2025/10/31	Securities and Futures Institute (SFI)	2025 Legal Compliance Awareness Seminar on Insider Shareholding Transactions	3 hours
Director	Huang Hsiu-Ling	2025/6/25	Taiwan Institute of Directors	Co-Creating a Sustainable Future: Global ESG Trends Seminar	3 hours
Director	Huang Hsiu-Ling	2025/9/26	Securities and Futures Institute (SFI)	2025 Conference on Awareness of Prevention of Insider Trading	3 hours
Director	Huang Hsiu-Ling	2025/10/15	Taiwan Institute of Directors	Co-Creating a Sustainable Future: AI Empowerment and Digital Transformation	3 hours
Director	Huang Hsiu-Ling	2025/11/5	Accounting Research and Development Foundation (ARDF)	Analysis of IFRS 18 “Presentation and Disclosure in Financial Statements” and Practical Application	6 hours

Title	Name	Date	Organizer	Course title	Duration
Director	Huang Hsiu-Ling	2025/11/7	Accounting Research and Development Foundation (ARDF)	Key Points and Practical Case Analysis of Internal Control and Internal Audit for “Management of Sustainability Information”	6 hours
Director	Wang Wei-Chi	2025/8/29	Taiwan Stock Exchange	Launch Seminar for the Report on CDP’s Response to IFRS S2 Issues: Strengthening Climate-Related Information Disclosure to Enhance Corporate Climate Resilience	3 hours
Director	Wang Wei-Chi	2025/10/3	Securities and Futures Institute (SFI)	2025 Conference on Awareness of Prevention of Insider Trading	3 hours
Director	Wang Wei-Chi	2025/10/31	Securities and Futures Institute (SFI)	2025 Legal Compliance Awareness Seminar on Insider Shareholding Transactions	3 hours
Independent director	Chen Chin-Lung	2025/7/9	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	6 hours
Independent director	Chen Jung-Chao	2025/7/11	Taiwan Institute of Directors	Cross-Generational Talent Management and Practical Implementation of Sustainability Standards IFRS S1/S2	6 hours
Independent director	Wang Yu-Ling	2025/8/6	Securities and Futures Institute (SFI)	Case Studies and Legal Liability Analysis of Greenwashing and False Sustainability Reports	3 hours
Independent director	Wang Yu-Ling	2025/11/5	Securities and Futures Institute (SFI)	Importance and Practical Case Studies of Corporate Artificial Intelligence Applications	3 hours
Chief corporate governance officer	Li Yu-Ming	2025/3/28	Securities and Futures Institute (SFI)	Practical Workshop on Sustainability Disclosure for TWSE/TPEX Listed Companies	9 hours
Chief corporate governance officer	Li Yu-Ming	2025/5/16	Securities and Futures Institute (SFI)	2025 Conference on Awareness of Prevention of Insider Trading	3 hours
Accounting Officer	Chen Fang-Ting	2025/7/23	Accounting Research and Development Foundation (ARDF)	Initial Training for Accounting Managers of Issuers, Securities Firms, and Stock Exchanges	30 hours
Chief Auditor	Hsu Ya-Hui	2025/4/11	The Institute of Internal Auditors – Chinese Taiwan	Key Points and Impacts of IFRS S1/S2 on Internal Control and Internal Audit That Must Be Understood	6 hours

Title	Name	Date	Organizer	Course title	Duration
Chief Auditor	Hsu Ya-Hui	2025/10/23	The Institute of Internal Auditors – Chinese Taiwan	Interpretation of Financial Analysis Indicators and Prevention of Operational Risks	6 hours

(VIII) Operations of the internal control system:

Compucase Enterprise Co., Ltd.
Statement of Internal Control System

Date: March 12, 2026

Based on the results of self-audit of our internal control system in 2025, we hereby issue the following statement:

- I. We acknowledge that our Board of Directors and managers are responsible for establishment, implementation and maintenance of the internal control system, and that we have established such system. The purpose of the system is to provide reasonable assurance for achievement of the goals of operational effectiveness and efficiency (including profits, performance and protection of asset security), reliable, timely and transparent reporting in compliance with applicable regulations, and compliance with applicable laws and regulations.
- II. The internal control system has its inherent limits. Regardless of how perfect its design is, an effective internal control system can only provide reasonable assurance for the achievement of the above-mentioned three goals. Moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system may also change. Nonetheless, our internal control system has a self-monitoring mechanism. Once a deficiency is identified, we will take action to correct it.
- III. We determine whether the design and implementation of our internal control system are effective based on the criteria specified in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter the "Regulations") for determination of the effectiveness of an internal control system. The criteria adopted by the "Regulations" for determination of an internal control system divide such system into five elements based on the process of management and control: 1. control environment; 2. risk assessment; 3. control operations; 4. information and communication; and 5. supervision. Each of the elements further includes several criteria. For the foregoing criteria, please see the requirements of the "Regulations."
- IV. We have adopted the above-mentioned criteria for determination of an internal control system to assess the effectiveness of the design and implementation of our internal control system.
- V. Based on the results of the foregoing assessment, we consider that our internal control system (including the supervision and management of subsidiaries) as of December 31, 2025, including the design and implementation of the internal control system in relation to the understanding of the level of accomplishment of the goals of operational effectiveness and efficiency, reliable, timely and transparent reporting in compliance with applicable regulations and compliance with applicable laws and regulations, is effective and able to reasonably ensure the achievement of the above-mentioned goals.
- VI. This statement will form part of the main content of our annual report and prospectus and will be published. In the event that any of the above published information involves falsification, concealment or other illegality, we will be subject to the legal liabilities under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
- VII. We declare that this statement was approved by a Board of Directors meeting on March 12, 2026. None of the 9 directors attending the meeting expressed any objection, and all of them approved the information in this statement.

Compucase Enterprise Co., Ltd.

Chairman : Wang Chun-Tung

General Manager : Lee Jia-Ching



2. Where a CPA has been engaged to review the internal control system, the review report of the CPA must be disclosed: None.

(IX) Important resolutions adopted by the shareholders' meeting and the Board of Directors in the most recent year and as of the date of publication of the annual report:

1. Important resolutions adopted by the shareholders' meeting and their implementation:

Date	Important resolution	Implementation of resolution of the shareholders' meeting
2025.06.20	1. 2024 statements of final accounts.	Implemented according to the resolution.
	2. Distribution of earnings for 2024.	1. An amount of NTD2.75 per share was distributed as cash dividends to shareholders in a total of NTD308,785 thousand, and August 18, 2025 was set as the ex-dividend date according to the resolution adopted by the Board of Directors on June 20, 2025. Distribution of the cash dividends was completed on September 3, 2025.
	3. Amendment to certain provisions of the "Articles of Incorporation."	The procedures after amendment shall apply.
	4. Amendment to certain provisions of the "Regulations Governing Acquisition or Disposal of Assets."	The procedures after amendment shall apply.
	5. Amendment to certain provisions of the "Regulations Governing Loaning of Funds to Others."	The procedures after amendment shall apply.
	6. Amendment to certain provisions of the "Regulations Governing Endorsements/Guarantees."	The procedures after amendment shall apply.
	7. Full re-election of the Company's directors and independent directors.	Registration of the change with the MOEA was completed on August 26, 2025.
	8. Lifting of non-compete restrictions on directors.	The procedures after amendment shall apply.

2. Important resolutions adopted by the Board of Directors

Date	Important resolution
16th term, 15th meeting 2025.03.13	1. The 2024 business report and financial report. 2. Distribution of earnings for 2024. 3. Percentage and amount of the remuneration for employees, directors and supervisors in 2024. 4. Amendment to certain provisions of the Company's "Regulations Governing the Remuneration of Directors and Managers." 5. Amount of bonuses and remuneration for managers distributed during September 2024 to February 2025. 6. The 2024 statement of internal control system. 7. Matters concerning distribution of the accumulated earnings of foreign subsidiaries with investments from HEC. 8. Content of the "Overview of the 2025 Business Plan and the Strategy for Future Development." 9. Amendment to certain provisions of the "Articles of Incorporation." 10. Amendment to certain provisions of the "Regulations Governing Acquisition or Disposal of Assets." 11. Amendment to certain provisions of the "Regulations Governing Loaning of Funds to Others." 12. Full re-election of directors. 13. Nomination by the Board of Directors and review of the list of director candidates. 14. Lifting of non-compete restrictions on directors. 15. Authorization for the Chairman to approve matters relating to the credit line of NTD 900 million approved by Mizuho Bank. 16. Convening of the 2025 annual shareholders' meeting.
16th term, 16th meeting 2025.03.20	1. The Company's acquisition of shares in Amber Investment Partners Limited (Cayman).
16th term, 17th meeting 2025.05.08	1. The financial statements for Q1 of 2025. 2. Loaning of funds totaling RMB 50 million from the subsidiary WCX to WSE. 3. Cancellation of the Company's endorsement/guarantee of USD 5 million for LFDG. 4. Loaning of funds totaling USD1 million from HEC to its subsidiary Optima Healthcare Inc. 5. HEC's funding loan case for its subsidiary in the US. 6. Transfer of the Company's treasury shares to employees. 7. Appointment of the President. 8. Appointment of the Chief Executive Officer. 9. Amendment to the Company's internal organizational structure chart. 10. Amendment to certain provisions of the "Regulations Governing the Remuneration for Directors and Managers." 11. Determination of the scope of the Company's "entry-level employees."

Date	Important resolution
	12. Amendments to the “internal control system” and “internal audit system.” 13. Appointment of the Company’s newly appointed manager. 14. Amendment to certain provisions of the “Regulations Governing Endorsements/Guarantees.” 15. Addition of matters to be considered for the 2025 annual shareholders’ meeting.
17th term, 1st meeting 2025.06.20	1. Election of the Chairman. 2. Appointment of the members of the Remuneration Committee. 3. Proposal to authorize the Chairman to approve any loan totaling no more than NTD 500 million granted by a financial institution.
17th term, 2nd meeting 2025.06.23	1. Acquisition of convertible bonds issued by Amber Investment Partners Limited (Cayman) by the sub-subsidiary GTH. 2. The Company’s execution of a credit facility of USD 36 million, or the equivalent amount in NTD, with Bank SinoPac Co., Ltd. (“Bank SinoPac”); the execution of a credit facility of USD 72 million with Bank SinoPac by Global Treasure Holdings Co., Ltd. (“GTH”), a sub-subsidiary indirectly held through Wei Shun Int’l Investments Co., Ltd. (“WII”); and the appointment of Bank SinoPac to arrange a syndicated loan and execute the Working Mandate and Mandate in order to repay group borrowings and strengthen the Company’s working capital. 3. The Company’s endorsement/guarantee of USD 72 million for the credit facility of GTH. 4. Endorsement/guarantee of USD 36 million by GTH for the credit facility of Compucase Enterprise Co., Ltd. 5. The Company’s loaning of funds totaling USD 36 million to GTH. 6. Cancellation of the loaning of funds totaling USD 3 million by the subsidiary WII to Compucase Enterprise Co., Ltd. and replacement with the loaning of funds totaling USD 2.8 million to GTH. 7. Remittance of earnings from the Company’s sub-subsidiaries in Mainland China back to HEC headquarters. 8. Capital reduction of USD 10 million by Anyuan Weijia Electronic Co., Ltd (“WJA”) in Mainland China, USD 6.5 million by GPH, and USD 6.5 million by GSG.
17th term, 3rd meeting 2025.07.28	1. Issuance of the Company’s first and second domestic unsecured convertible corporate bonds.
17th term, 4th meeting 2025.08.08	1. The financial statements for Q2 of 2025. 2. Amendment to certain provisions of the “Regulations Governing the Remuneration for Directors and Managers.”

Date	Important resolution
	3. Approval of the remuneration for newly appointed managers. 4. Proposal of amount of bonuses and remuneration for HEC's directors, supervisors and managers. 5. Proposal of amount of bonuses and remuneration for managers distributed during March 2025 to July 2025. 6. Capital reduction of USD 9 million by WJA in Mainland China, USD 6.5 million by GPH, and USD 6.5 million by GSG. 7. Liquidation and deregistration of the sub-subsidiary WJA. 8. Remittance of earnings from the Company's sub-subsidiaries in Mainland China back to HEC headquarters. 9. The Company's capital increase of USD 39.6 million in GTH. 10. Cancellation of the loaning of funds totaling USD 36 million to GTH. 11. HEC's 2024 ESG Sustainability Report.
17th term, 5th meeting 2025.08.18	1. Loaning of funds totaling USD 5 million by the subsidiary WII to Optima Healthcare Inc.
17th term, 6th meeting 2025.09.30	1. The Company's establishment of a new subsidiary in Vietnam. 2. The Company's capital increase of USD 39.6 million in the sub-subsidiary GTH (supplementary information). 3. Amendment to the Memorandum and Articles of Association of the subsidiary Amber Investment Partners Limited (Cayman). 4. Sale back by the sub-subsidiary GTH of convertible corporate bonds originally issued by Amber Investment Partners Limited (Cayman) in the amount of USD 46.5 million. 5. Repurchase by the subsidiary Amber Investment Partners Limited (Cayman) of its originally issued convertible corporate bonds in the amount of USD 46.5 million. 6. The Company's capital increase of USD 18 million in Amber Investment Partners Limited (Cayman). 7. Issuance of the 2025 employee stock options by the subsidiary Amber Investment Partners Limited (Cayman). 8. Amendment to certain provisions of the "Rules of Procedure for Board of Directors Meetings."
17th term, 7th meeting 2025.11.11	1. The financial statements for Q3 of 2025. 2. Evaluation of the independence and competence of the CPAs. 3. Cancellation of the lending of funds totaling RMB 60 million by the subsidiary WJA to WSE. 4. Cancellation of the Company's lending of funds totaling USD 1 million to its subsidiary Optima Healthcare Inc. 5. Cancellation of the Company's endorsement/guarantee of USD 72 million for the credit facility of GTH.

Date	Important resolution
	6. Cancellation by GTH of the endorsement/guarantee of USD 36 million for the credit facility of Compucase Enterprise Co., Ltd. 7. The Company's approval of fund-lending limits among subsidiaries. 8. Amendment to the "Sustainable Development Committee Charter." 9. Amendment to the Company's organizational structure chart. 10. Establishment of the 2026 audit plan. 11. Amendments to the "internal control system" and "internal audit system."
17th term, 8th meeting 2025.12.05	1. Application by the Company and its subsidiary, Homni (HK) Electronics Company Limited Taiwan Branch ("Homni (HK) Taiwan Branch"), for a syndicated credit facility with Bank SinoPac Co., Ltd. ("Bank SinoPac") and other financial institutions. 2. The Company's endorsement/guarantee of USD 100 million for the syndicated credit facility of the Taiwan Branch of True Voice Int'l Inc. Limited. 3. The Company's loaning of funds totaling USD 30 million to its subsidiary Amber Investment Partners Limited (Cayman). 4. The Company's capital increase of USD 26 million in GTH through its subsidiary WII. 5. Loaning of funds totaling USD 8.5 million by the subsidiary GPH to True Voice Int'l Inc. Limited. 6. The Company's loaning of funds totaling USD 1.5 million to its subsidiary True Voice Int'l Inc. Limited. 7. Amendment to the issuance of 2025 employee stock options by AIP. 8. List of employees of the parent company, Compucase Enterprise Co., Ltd., subscribing to the 2025 employee stock options issued by the subsidiary Amber Investment Partners Limited (Cayman).
17th term, 9th meeting 2026.03.12	1. The 2025 business report and financial statements. 2. 2025 deficit compensation proposal. 3. Amount of bonuses and remuneration for managers distributed during September 2025 to February 2026. 4. Approval of the remuneration for newly appointed managers. 5. 2025 statement of internal control system. 6. Matters concerning distribution of the accumulated earnings of foreign subsidiaries with investments from HEC. 7. Content of the Company's "Overview of the 2026 Business Plan and Future Development Strategies." 8. Proposed change of the Company's stock affairs agent. 9. Cancellation of the loaning of funds to the U.S. subsidiary, Compucase Corporation (UCC).

Date	Important resolution
	10. Cancellation of the lending of funds to the subsidiary True Voice Int'l Inc. Limited (TVHK). 11. Adjustment to the amount of the loaning of funds totaling USD 5 million by the subsidiary WII to Optima Healthcare Inc. 12. Amendment to certain provisions of the “Regulations Governing Loaning of Funds to Others.” 13. Amendment to certain provisions of the “Regulations Governing Endorsements/Guarantees.” 14. Convening of the 2026 annual shareholders’ meeting. 15. Listing of the subsidiary Amber Investment Partners Limited (Cayman). 16. Amendment by the subsidiary Amber Investment Partners Limited (Cayman) to the “2025 Employee Stock Option Issuance and Subscription Regulations.” 17. List of the Company’s managers and employees subscribing to the “2025 Employee Stock Options” issued by the subsidiary Amber Investment Partners Limited (Cayman).

(X) Where directors or supervisors have expressed different opinions in records or written statements regarding important resolutions adopted by the board of directors during the most recent year and as of the date of publication of the annual report, the main contents of such opinions must be specified:

At the 8th meeting of the 17th Board of Directors on December 5, 2025, certain directors expressed dissenting opinions on Item 7, “Amendment to the issuance of 2025 employee stock options by AIP,” and Item 8, “List of employees of the parent company, Compucase Enterprise Co., Ltd., subscribing to the 2025 employee stock options issued by the subsidiary AIP.” As the number of affirmative votes did not reach two-thirds of all directors, the proposals were not approved and were resolved to be deferred. The foregoing was recorded in the minutes of the Board meeting.

III. Information of professional fees for CPAs

Information of professional fees for CPAs

Unit: NTD thousand

Name of CPA firm	Name of CPA	CPA audit period	Audit fees	Non-audit fees	Total	Remarks
Deloitte Taiwan	Wang Teng-Wei	2025	4,330	2,113.5	6,443.5	Note
	Li Chi-Chen					

Note: NTD322.5 thousand for transfer pricing in 2025; NTD306 thousand for the master file of 2025; NTD1,485 thousand advanced for branch office expenses.

1. Where the CPA firm is changed and the audit fees paid for the year when such change occurs are less than those paid for the year prior to such change the amounts of the audit fees before and after such change and the reasons for such decrease must be disclosed: None.
2. Where the decrease in the audit fees is no less than 10% from the previous year, the amount and percentage of and the reasons for such decrease in the audit fees must be disclosed: None.

IV. Information of change of CPAs

To maintain the independence of CPAs and implement the mechanism for internal rotation of CPAs, Deloitte Taiwan has changed the CPAs for HEC starting from Q3 of 2021, with the original CPAs Wu Chiu-Yen and Yang Chao-Chin replaced by Wang Teng-Wei and Li Chi-Chen.

- V. Where the chairman, president or financial or accounting manager of your company has served at the firm of the CPAs or any of its affiliates during the most recent year, his/her name and title and the period of his/her service at the firm of the CPAs or any of its affiliates must be disclosed: None.

VI. Changes in transfers and pledges of shares held by directors, supervisors, managers, and shareholders with a shareholding of more than 10% during the most recent year and as of the date of publication of the annual report:

(I) Changes in shares held by directors, supervisors, managers, and shareholders with a shareholding of more than 10%

Title	Name	2025		As of April 27, 2026	
		Increase (Decrease) in the number of shares held	Increase (Decrease) in the number of shares pledged	Increase (Decrease) in the number of shares held	Increase (Decrease) in the number of shares pledged
Chairman	Compucase Investment Co., Ltd.	-	-	-	-
Representative of Chairman	Wang Chun-Tung	180,000	-	135,000	-
Representative of Director	Wang Wei-Chi	-	-	-	-
Director	Cheng Li Investment Co., Ltd.	-	-	-	-
Representative of Director	Ko Chi-Yuan	100,000	-	79,000	-
Director	Chung Ding-Chun	-	-	-	-
Director	MiTAC International Corporation	-	-	-	-
Representative of Director	Huang Hsiu-Ling	-	-	-	-
Director	Li Li-Sheng	-	(302,000)	-	-
Independent director	Chen Jung-Chao	-	-	-	-
Independent director	Chen Chin-Lung	-	-	-	-
Independent director	Wang Yu-Ling	-	-	-	-
President	Lee Chia-Ching	50,000	-	-	-
Vice President	Li Chun-Liang	-	-	-	-
Vice President	Huang Li-Chun	3,000	-	(5,000)	-
Vice President	Lin Yung-Hsiang	40,000	-	-	-
Assistant Vice President	Lin Yong-Zong	6,000	-	-	-
Assistant Vice President	Wu Yen-Yu	9,000	-	-	-
Assistant Vice President	Chou Yu-Chieh	-	-	-	-
Assistant Vice President	Chang Shu-Shang	-	-	-	-
Chief corporate governance officer	Li Yu-Ming	-	-	-	-
Accounting Manager	Chen Fang-Ting	26,000	-	-	-

(II) Information of related parties who are the counterparties in transfers or pledges of shares:
None.

VII. Information of shareholders with the top 10 shareholdings who are related parties or are spouses or relatives within the second degree of consanguinity

Information of the relationship between shareholders with the top 10 shareholdings

2026.04.27

Name	Personal shareholding		Shareholding of spouse or minor children		Total nominee shareholding		Names and relationship of shareholders with the top 10 shareholdings who are related parties or are spouses or relatives within the second degree of consanguinity		Remarks
	Number of shares	Shareholding (%)	Number of shares	Shareholding (%)	Number of shares	Shareholding (%)	Name	Relationship	
Compucase Investment Co., Ltd.	23,835,605	21.04%	-	-	-	-	Cheng Li Investment Co., Ltd.	Same person as the Chairman	-
Representative: Ko Chi-Yuan	515,000	0.45%	-	-	-	-	-	-	-
MiTAC International Corporation	10,000,000	8.83%	-	-	-	-	-	-	-
Representative: Miao Feng-Chiang	-	-	-	-	-	-	-	-	-
Cheng Li Investment Co., Ltd.	6,638,193	5.86%	-	-	-	-	Compucase Investment Co., Ltd.	Same person as the Chairman	-
Representative: Ko Chi-Yuan	515,000	0.45%	-	-	-	-	-	-	-
Chang Lien-Sheng	2,092,000	1.85%	-	-	-	-	Tahua Investment Co., Ltd.	Chairman	-
Tahua Investment Co., Ltd.	1,688,000	1.49%	-	-	-	-	-	-	-
Representative: Chang Lien-Sheng	2,092,000	1.85%	-	-	-	-	-	-	-
Yuanta Securities Co., Ltd. Securities Lending Account	1,275,349	1.13%	-	-	-	-	-	-	-
Tsai Chao-Pao	1,264,000	1.12%	-	-	-	-	-	-	-
Chiu Hsin-I	1,262,000	1.11%	-	-	-	-	-	-	-
Wen Yung-He	1,085,000	0.96%							
Hsu Chien Chiu-Hsiang	957,036	0.84%	-	-	-	-	-	-	-

Note: The shareholding percentage is calculated based on 113,285,626 shares outstanding.

VIII. Combined shareholding percentage is calculated by aggregating the shares held in the same investee by the Company, the Company's directors, supervisors, managerial officers, and enterprises directly or indirectly controlled by the Company

December 31, 2025

Investee company	Investment by the Company (A)		Investment by directors, supervisors, managers, and directly or indirectly controlled enterprises (B)		Combined investment (C)	
	Number of shares (shares)	Shareholding percentage (%)	Number of shares (shares)	Shareholding percentage (%)	Number of shares (shares)	Shareholding percentage (%)
Wei Shun Int'l Investments (BVI) Co., Ltd.	22,500	100.00	-	-	22,500	100.00
Great Success Group Ltd.	20,000	100.00	-	-	20,000	100.00
Wei Shuo Electronics (Shen Zhen) Co., Ltd.	Note	100.00	-	-	Note	100.00
Compucase Corporation (UCC)	14,150	100.00	-	-	14,150	100.00
Compucase Japan Co. LTD. (JCC)	200	100.00	-	-	200	100.00
Wei Chang Xing Electronics (Shen Zhen) Co., Ltd.	Note	100.00	-	-	Note	100.00
Wei Yu International Trading (Shenzhen) Co., Ltd.	Note	100.00	-	-	Note	100.00
Power Master Co., Ltd.	180,000	60.00	-	-	180,000	60.00
Cougar Korea Co.LTD. (KCC)	748,800	100.00	-	-	748,800	100.00
Global Treasure Holdings Co., Limited	44,450,000	100.00	-	-	44,450,000	100.00
Global Plenum Holdings Co., Limited	12,100,000	100.00	-	-	12,100,000	100.00
Wei Sheng Feng Technology (Ji An) Co., Ltd.	Note	100.00	-	-	Note	100.00
Dongguan Weichiao Electronics Co., Ltd.	Note	100.00	-	-	Note	100.00
Anyuan Weijia Electronic Co., Ltd	Note	100.00	-	-	Note	100.00
Anyuan Weichangfeng Electronic Co., Ltd	Note	100.00	-	-	Note	100.00
Optima Healthcare Inc.	19,229,750	59.45	400,000	1.2	19,629,750	60.65
Global Star (H. K.) Holding Limited	6,700,000	100.00	-	-	6,700,000	100.00
Harmonic Star Investment Limited	6,700,000	100.00	-	-	6,700,000	100.00
Loyalty Founder Enterprise Co., Ltd.	74,755,773	50.62	1,326,247	0.9	76,082,020	51.52
Axxion Group Corp.	354	100.00	-	-	354	100.00
Axxion Mexico-LFE S.A. de C.V.	99,000	99.00	-	-	99,000	99.00
Loyalty Founder Enterprise Corp.Ltd.	37,030,000	100.00	-	-	37,030,000	100.00
Loyalty Founder Enterprise Co.(H.K.)Ltd.	288,204,719	100.00	-	-	288,204,719	100.00
Loyalty Founder Enterprise Company (D.G) Ltd.	Note	60.56	-	-	Note	60.56
Optima Healthcare Inc. (Gd)	Note	77.24	-	-	Note	77.24
Super Laser Precision Machinery Ltd.	1,260,000	47.64	-	-	1,260,000	47.64
Dongguan Chaofeng Laser Precision Machinery Co., Ltd.	Note	24.12	-	-	Note	24.12
Amber Investment Partners Limited	1,865,380	100.00	-	-	1,865,380	100.00
True Voice Limited	650,001	100.00	-	-	650,001	100.00
Poyun Co. Ltd.	50,000	100.00	-	-	50,000	100.00
True Voice Int'l Inc. Limited	1,010,000	100.00	-	-	1,010,000	100.00
U-Sonics Power Cone Sdn. Bhd.	6,000,000	100.00	-	-	6,000,000	100.00

December 31, 2025

Investee company	Investment by the Company (A)		Investment by directors, supervisors, managers, and directly or indirectly controlled enterprises (B)		Combined investment (C)	
	Number of shares (shares)	Shareholding percentage (%)	Number of shares (shares)	Shareholding percentage (%)	Number of shares (shares)	Shareholding percentage (%)
Dongguan Kerui Electronics Co., Ltd.	Note	100.00	-	-	Note	100.00
Dongguan Poyun Electronics Co., Ltd.	Note	100.00	-	-	Note	100.00
Shanghai Puyun Electronics Co., Ltd.	Note	100.00	-	-	Note	100.00
Guangxi Poyun Electronics Co., Ltd.	Note	100.00	-	-	Note	100.00
Guangzhou Poyun Electronics Co., Ltd.	Note	100.00	-	-	Note	100.00
Anhui Poyun Electronics Co., Ltd.	Note	100.00	-	-	Note	100.00
Vietnam Poyun Electronics Co., Ltd.	Note	100.00	-	-	Note	100.00
Vietnam Poyun Electronics Co., Ltd.-Thai Binh Branch	Note	100.00	-	-	Note	100.00
Poyun US Inc.	1,020,000	85.00	-	-	1,020,000	85.00

Note: Investments accounted for by the Company using the equity method.

Chapter III Financing

I. Capital and shares of HEC

(I) Sources of share capital

2026.04.26

Year, Month	Par value per share (NTD)	Authorized share capital		Paid-in share capital		Remarks			
		Number of shares (thousand shares)	Amount (NTD thousand)	Number of shares (thousand shares)	Amount (NTD thousand)	Sources of share capital	Non-cash property used as share payment	Others	Date and number of documents of approval of capital increase
1997/08	10	15,000	150,000	15,000	150,000	Capital increase by cash NTD70,000 thousand Capital increase from earnings NTD30,000 thousand	-	-	October 22, 1997 Letter Jing-(1997)- Shang-Zi No. 121094
1999/07	10	75,000	750,000	38,000	380,000	Capital increase by cash NTD170,000 thousand Capital increase from earnings NTD60,000 thousand	-	-	August 9, 1999 Letter Jing-(1999)-Shang-Zi No. 088128766
2000/12	10	75,000	750,000	49,400	494,000	Capital increase from earnings NTD114,000 thousand	-	-	January 3, 2001 Letter Jing-(1997)-Shang-Zi No. 089148759
2001/07	10	75,000	750,000	59,493	594,930	Capital increase from earnings NTD100,930 thousand	-	-	August 29, 2001 Letter Jing-(1999)-Shang-Zi No. 09001343520
2002/04	10	85,000	850,000	62,618	626,180	Capital increase by cash NTD31,250 thousand	-	-	May 2, 2002 Letter Jing-(1997)-Shang-Zi No. 09101154380
2002/10	10	85,000	850,000	76,184	761,846	Capital increase from earnings NTD135,666 thousand	-	-	October 16, 2002 Letter Jing-(1999)- Shang-Zi No. 09101416830
2003/12	10	110,000	1,100,000	86,038	860,378	Capital increase from earnings NTD98,532 thousand	-	-	December 1, 2003 Letter Jing-Shou- Shang-Zi No. 09201326140
2004/08	10	110,000	1,100,000	89,876	898,759	Capital increase from earnings NTD38,381 thousand	-	-	August 9, 2004 Letter Jing-Shou-Shang-Zi No. 09301146740
2005/08	10	110,000	1,100,000	91,352	913,520	Capital increase from earnings NTD14,761 thousand	-	-	August 1, 2005 Letter Jing-Shou-Shang-Zi No. 09301146740
2006/07	10	110,000	1,100,000	93,320	933,195	Capital increase from earnings NTD19,675 thousand	-	-	July 26, 2006 Letter Jing-Shou-Shang-Zi No. 09501159850
2007/07	10	110,000	1,100,000	96,211	962,109	Capital increase from earnings NTD28,914 thousand	-	-	July 23, 2007 Letter Jing-Shou-Shang-Zi No. 09601175190
2008/07	10	110,000	1,100,000	101,116	1,011,164	Capital increase from earnings NTD49,054 thousand	-	-	July 24, 2008 Letter Jing-Shou-Shang-Zi No. 09701184210

Year, Month	Par value per share (NTD)	Authorized share capital		Paid-in share capital		Remarks			
		Number of shares (thousand shares)	Amount (NTD thousand)	Number of shares (thousand shares)	Amount (NTD thousand)	Sources of share capital	Non-cash property used as share payment	Others	Date and number of documents of approval of capital increase
2010/08	10	110,000	1,100,000	102,813	1,028,130	Capital increase from earnings NTD16,966 thousand	-	-	August 16, 2010 Letter Jing-Shou-Shang-Zi No. 09901185530
2011/08	10	150,000	1,500,000	104,648	1,046,476	Capital increase from earnings NTD18,346 thousand	-	-	August 22, 2011 Letter Jing-Shou-Shang-Zi No. 10001192030
2011/12	10	150,000	1,500,000	103,286	1,032,856	Cancellation of treasury stocks NTD13,620 thousand	-	-	December 28, 2011 Letter Jing-Shou- Shang-Zi No. 10001290090
2016/10	10	150,000	1,500,000	113,286	1,132,856	Capital increase by cash from private placement NTD100,000 thousand	-	-	October 24, 2016 Letter Jing-Shou- Shang-Zi No. 10501251030
2024/07	10	200,000	2,000,000	113,286	1,132,856	Increase in total capital by 50,000 shares.	-	-	July 31, 2024 Letter Jing-Shou-Shang-Zi No. 11330116560

Type of shares	Authorized share capital			Remarks
	Outstanding shares (Note)	Unissued shares	Total	
Common shares	113,285,626	86,714,374	200,000,000	None

Note: The outstanding shares include 10,000,000 privately placed shares, with the remaining being publicly traded shares.

(II) List of major shareholders

Names of shareholders with a shareholding of no less than 5% or shareholders with the top 10 shareholdings, the numbers of shares held by them, and their shareholding percentages:

2026.04.27

Capital Stock		Number of shares held	Shareholding (%)
Name of major shareholder			
1. Compucase Investment Co., Ltd.		23,835,605	21.04%
2. MiTAC International Corporation		10,000,000	8.83%
3. Cheng Li Investment Co., Ltd.		6,638,193	5.86%
4. Chang Lien-Sheng		2,092,000	1.85%
5. Tahua Investment Co., Ltd.		1,688,000	1.49%
6. Yuanta Securities Co., Ltd. Securities Lending Account		1,275,349	1.13%
7. Tsai Chao-Pao		1,264,000	1.12%
8. Chiu Hsin-I		1,262,000	1.11%
9. Wen Yung-He		1,085,000	0.96%
10. Hsu Chien Chiu-Hsiang		957,036	0.84%

Note: The shareholding percentage is calculated based on 113,285,626 shares outstanding.

(III) The dividend policy of your company and its implementation

1. The dividend policy stipulated in the Articles of Incorporation:

If HEC has earnings in the annual financial statements, it will pay taxes and offset any losses as required by law, then set aside 10% of the remaining earnings as legal reserves. However, if the legal reserves have already reached the Company's paid-in capital, no further contributions will be made to this reserve. Any remaining earnings will be set aside or reversed as special reserves according to applicable laws. Should there still be remaining earnings, these, along with any accumulated undistributed earnings, may be retained at the discretion of the Board of Directors, depending on the Company's operating performance. The Board will then prepare a proposal for profit distribution, which will be submitted to the shareholders' meeting for a resolution on the distribution of dividends to shareholders.

In consideration of its future investment funding needs and its financial structure, HEC has adopted a balanced and stable dividend policy for the purposes of sustainable management and long-term development, with shareholders' interests and other factors taken into account. Each year, no less than 10% of the distributable earnings shall be appropriated for distribution of bonuses to shareholders. No such distribution is required if the cumulative distributable earnings amount to less than 2% of the paid-in share capital. For distribution of dividends in any future year, it is expected that the amount of cash dividends distributed will be no less than 10% of the total dividends distributed in that year, and that such dividends will, based on the investment funding needs and the level of dilution of earnings per share, be distributed in stock or cash, as appropriate.

Regarding the preceding paragraph, HEC may determine the most appropriate dividend policy and manner of distribution based on the actual condition of its operations in the current year, taking into account the capital budget plan for the next year.

2. Proposed dividend distribution for this shareholders' meeting: The Company recorded a loss after tax of NTD 894,319,708 for 2025. As resolved by the Board of Directors on March 12, 2026, no cash dividends will be distributed.

3. The expected dividend policy is anticipated to undergo significant changes: None.

(IV) The proposed stock dividend at this year's shareholders' meeting and its impact on the Company's operating performance and earnings per share: Not applicable.

(V) Remuneration for employees and directors

1. The percentage or range of the remuneration for employees and directors as specified in the Articles of Incorporation
 - (1) Employee compensation shall be appropriated at 2% to 10% of profit, and no less than 30% of such employee compensation shall be appropriated for distribution to entry-level employees. The recipients may include employees of controlling or subordinate companies in Taiwan and overseas.
 - (2) The remuneration for directors shall be no more than 4% of HEC's profit.

2. The basis of estimate of the remuneration for employees, directors, and the basis of calculation of the number of shares distributed as stock dividends, and the accounting treatment in case of any difference between the actual amount of distribution and the estimate for the current period
 - (1) The basis of estimate of the remuneration for employees:

The amount of the remuneration for employees and directors in the current year is estimated, recognized, and accounted for according to the percentage set forth under the Articles of Incorporation and based on past practices.
 - (2) The basis of calculation of the number of shares distributed as stock dividends

If the Board of Directors has adopted a resolution to distribute the remuneration for employees in shares, the number of shares for such remuneration will be calculated according to the closing price on the day prior to the date of resolution of the Board of Directors.
 - (3) The accounting treatment in case of any difference between the actual amount of distribution and the estimate

Subject to a resolution of the Board of Directors, any difference between the actual amount of distribution and that accounted for will be treated as a change in accounting estimates and recognized as a profit/loss in the year of actual distribution.
3. Information regarding distribution of the remuneration for employees approved by the Board of Directors:
 - (1) Amount of the remuneration distributed for employees and directors

As resolved by the Board of Directors on March 12, 2026, the Company will not distribute employee compensation or directors' remuneration.
 - (2) The proposed amount of the remuneration for employees distributed in shares and its share of the sum of the after-tax net profit and total remuneration for employees in the current period:

N/A.
 - (3) Pro forma earnings per share after taking into account the proposed distribution of employee compensation and directors' remuneration: Not applicable.
4. Actual distribution of employee and director remuneration in 2024 (including the number of shares distributed, the amount, and the share price). Any difference from the amounts recognized as employee and director remuneration shall be explained, including the amount of the discrepancy, reasons therefor, and the manner of handling:
 - (1) The actual distribution of remuneration to employees and directors in 2024 is as follows:

In 2024, the Company actually distributed cash employee compensation of NTD 51,790,047 and directors' remuneration of NTD 25,895,024.

- (2) If there is any difference between the actual remuneration distributed and the amounts recognized for employees, directors, and supervisors, the difference, reasons, and treatment shall be explained: There is no difference between the amounts of remuneration actually distributed to employees, directors, and supervisors and the amounts resolved by the Board of Directors and recognized in the accounts.

(VI) Repurchase by HEC of its own shares: None.

(1) Repurchase by HEC of its own shares (completed)

2026.04.26

Repurchase tranche	6th
Purpose of repurchase	Transfer to employees
Repurchase period	July 14 to September 2, 2022
Repurchase price range	Between NTD21.5 and NTD35. HEC may continue to repurchase shares where the price of its shares is lower than the minimum price of the set range.
Type and number of repurchased shares	Common shares/2,000,000
Amount of shares repurchased	NTD59,144,179
Percentage of the repurchased number in the number planned to be repurchased (%)	50%
Number of shares canceled and transferred (Note)	2,000,000
Cumulative number of HEC's shares held	0
Percentage of the cumulative number of HEC's shares held in the number of total outstanding shares (%)	0%

(2) Repurchase by HEC of its own shares (currently in progress): None.

II. Issuance of corporate bonds (including foreign corporate bonds):

(1) Corporate Bond Information

Type of corporate bonds	The first domestic unsecured convertible corporate bonds	The second domestic unsecured convertible corporate bonds
Date of issuance	November 13, 2025	November 25, 2025
Par value	NTD 100,000	NTD 100,000
Issuance and trading location	Taipei Exchange	Taipei Exchange
Issuance price	Issued at 100% of par value	Issued at 104.73% of par value
Total	NTD 1 billion	NTD 1 billion
Interest rate	Annual coupon rate of 0%	Annual coupon rate of 0%
Duration	3 years; expiry date: November 13, 2028	5 years; expiry date: November 25, 2030
Guarantor	N/A	N/A
Trustee	Trust Department, Bank SinoPac Co., Ltd.	Trust Department, Bank SinoPac Co., Ltd.
Underwriter	President Securities Corporation	President Securities Corporation
Certifying Attorney	Attorney Ya-Wen Chiu of Han Chen Law Firm	Attorney Ya-Wen Chiu of Han Chen Law Firm
Certified Public Accountant (CPA)	CPA Wang Teng-Wei and CPA Li Chi-Chen, Deloitte & Touche	CPA Wang Teng-Wei and CPA Li Chi-Chen, Deloitte & Touche
Redemption method	Except for cases where the holders of these convertible bonds convert them into common shares in accordance with Article 10 of the Company's Regulations for the Issuance and Conversion of the First Domestic Unsecured Convertible Corporate Bonds or exercise the put option in accordance with Article 19 of the Regulations, and except for cases where the	Except for cases where the holders of these convertible bonds convert them into common shares in accordance with Article 10 of the Company's Regulations for the Issuance and Conversion of the Second Domestic Unsecured Convertible Corporate Bonds or exercise the put option in accordance with Article 19 of the Regulations, and except for cases where the

Type of corporate bonds		The first domestic unsecured convertible corporate bonds	The second domestic unsecured convertible corporate bonds
Redemption method		Company redeems them earlier in accordance with Article 18 of the Regulations or repurchases them through the securities dealer's business premises for cancellation, the Company shall, within ten business days (including the tenth business day) from the date following the expiration of these convertible bonds, repay the bondholders in cash in full, based on the par value of the bonds plus interest compensation (the interest compensation upon expiration is 1.5075% of the par value of the bonds, and the effective annual yield rate is 0.5%).	where the Company redeems them earlier in accordance with Article 18 of the Regulations or repurchases them through the securities dealer's business premises for cancellation, the Company shall, within ten business days (including the tenth business day) from the date following the expiration of these convertible bonds, repay the bondholders in cash in full, based on the par value of the bonds.
Outstanding principal		NTD 1 billion	NTD 1 billion
Redemption or Early Repayment Provisions		Please refer to the Issuance and Conversion Regulations of the Company's First Domestic Unsecured Convertible Bonds	Please refer to the Issuance and Conversion Regulations of the Company's Second Domestic Unsecured Convertible Bonds
Restrictive Covenants		None	None
Credit Rating Agency, Rating Date, and Corporate Bond Rating		N/A	N/A
Additional Rights Attached	Amount of Common Shares, Overseas Depositary Receipts, or Other Securities Converted, Exchanged, or Subscribed for as of the Annual Report Printing Date	None	None
	Issuance and Conversion (Exchange or Subscription) Regulations	Please refer to MOPS for details. https://mops.twse.com.tw/mops/web/index	Please refer to MOPS for details https://mops.twse.com.tw/mops/web/index
Issuance and Conversion, Exchange or Subscription Regulations, Potential Dilution of Equity under the Issuance Terms, and Impact on Existing Shareholders' Equity		As of the annual report printing date, the outstanding principal amount of NT\$1 billion, based on the current conversion price of NT\$105.9 per share, would result in a dilution ratio of 7.69% if fully converted into the Company's common shares. Such conversion is not expected to have a material impact on existing shareholders' equity.	As of the annual report printing date, the outstanding principal amount of NT\$1 billion, based on the current conversion price of NT\$101.9 per share, would result in a dilution ratio of 7.97% if fully converted into the Company's common shares. Such conversion is not expected to have a material impact on existing shareholders' equity.
Name of Custodian for the Exchange Underlying Securities		N/A	N/A

(2) Convertible Corporate Bond Information

Type of corporate bonds		The first domestic unsecured convertible corporate bonds	The second domestic unsecured convertible corporate bonds
Convertible Bond Market Price	Year \ Type	2025	2025
	Highest	Note	Note
	Lowest	Note	Note
	Average	Note	Note
Conversion Price		NT\$105.9 per share	NT\$101.9 per share
Issue Date and Initial Conversion Price		2025/11/13 , NT\$105.9 per share	2025/11/25 , NT\$101.9 per share
Settlement Method for Conversion		Issuance of New Shares	Issuance of New Shares

Note: As of December 31, 2025, no conversion has been made for either the first or second unsecured convertible bonds.

- II. Issuance of preferred shares: None.
- III. Issuance of global depositary receipts : None.
- IV. Issuance of employee stock warrants : None.
- V. Issuance of new restricted shares to employees : None.
- VI. Issuance of new shares with shares acquired or transferred from other companies : None.
- VII. Implementation of the fund usage plan : None.

Chapter IV Overview of Operations

I. Information of business activities

(I) Scope of business

1. Our registered scope of business includes:

Business activities not prohibited or restricted by law, other than those permitted.

2. The percentage each of our main product's accounts for in our operations is as follows:

2025.12.31

Product	Share of operations (%)
Computers, server chassis and their components	20%
Power supplies	36%
Private brands of computer and gaming peripherals	16%
Voice coils, diaphragms, and related peripherals	20%
Medical and home beds	1%
Others	7%
Total	100%

3. Current products (services)

- A. Computer and gaming peripherals.
- B. Power supplies and other IT products.
- C. Voice coils, diaphragms, and related peripherals.

4. New products planned for development

A. PSU:

- a. Actively deploy response solutions for the ErP Lot 6 2027 requirements to help customers continue developing the European market after May 2027 and ensure uninterrupted product sales.
- b. Complete the planning for the introduction of LLC topology into entry-level models to strengthen customers' product differentiation and competitive advantages in the entry-level power supply market.
- c. Advance the development of 2,600 W to 3,000 W fully modular Platinum-rated products, and achieve a compact 180 mm design in order to actively capture high-power application opportunities in workstations, AI edge computing, and other markets.

B. Case:

- a. Develop flagship gaming computer chassis products with strong product recognition and functional differentiation. By integrating innovations in cooling, structure, and design, the Company will actively seek brand customers and project-based orders to enhance overall revenue and profitability.

- b. For compartmentalized liquid-cooling chassis, conduct actual equipment operation tests to effectively reduce CPU/GPU/NPU operating temperatures and fan noise by more than 10%, thereby improving the stability and efficiency of AI PCs, as well as military-grade chassis applications.
- C. AI Server/Rack:

For AI data centers and enterprise applications, deploy key hardware products such as AI server chassis and EIA and ORV3 racks to increase average selling price (ASP) and gross margin, and establish long-term growth momentum.
- D. Cougar Case:

For the gaming chassis product line, the Company will continue to develop panoramic three-sided glass chassis and floating-airflow chassis with optimized cooling performance. These products feature 270-degree fully transparent glass aesthetics and optimized ventilation and cooling designs, enabling chassis products to deliver not only visual appeal but also the cooling performance and ease of assembly required for gaming chassis design. In response to the development trend of AI computing, the Company also plans to develop personal workstation chassis with designs that support powerful server-grade and high-end computing hardware, positioning itself for the next generation of AI PCs.
- E. COUGAR Gaming Chair: Terminator Air – Flagship Ergonomic Gaming Chair. Building upon the design elements of COUGAR’s flagship Terminator gaming chair, the Terminator Air integrates multifunctional ergonomic features to create a new gaming chair that perfectly combines iconic gaming aesthetics with superior ergonomic comfort.
- F. COUGAR Cooling Products: Our digital liquid cooling solutions display computer information directly on the water block’s LCD screen via COUGAR’s proprietary firmware and software, allowing users to monitor real-time system data during operation. The screen design can also be customized to reflect each user's personal style.
- G. COUGAR PSU: In addition to completing the existing ATX 3.1 Platinum-rated and Gold-rated 650 W to 1,200 W product lines, the Company plans to develop Platinum-rated 1,600 W to 3,200 W high-wattage power supplies in response to workstation-grade power requirements, providing efficient, stable, and durable power solutions for workstations.
- H. Voice Coils and Diaphragms: The products are widely used in automotive audio, consumer electronics, professional audio, and smart terminal applications. Future development directions include high-temperature-resistant voice coils, high-power-density voice coils, lightweight composite diaphragms, voice coil and damper assemblies, baskets, cones, and high-end in-vehicle acoustic components.

(II) Overview of industry

1. Current status and development of industry

PC industry

In 2026, global memory supply has recently tightened, particularly as the rapid expansion of AI infrastructure has driven a sharp increase in demand for high-capacity memory such as DRAM and NAND. Therefore, major suppliers have tended to prioritize the allocation of production capacity and shipment to AI/servers and other products with a high gross profit, rather than traditional PC and notebook memory. This has led to a relatively short supply of consumer DRAM/SSD, driving up the prices of memory modules.

Several market research agencies (IDC, TrendForce, etc.) have lowered their forecasts for global PC shipments for 2026, primarily due to the insufficient supply and rising prices of memory that have led to weak demand for fully assembled units.

In view of such current market conditions, the Company believes its operational strategy should shift from a focus on “volume growth” to “quality enhancement.” High-performance computing, AI workstations, professional applications, and server-related products continue to demonstrate strong long-term growth potential. Hence, the Company will adjust its operational focus, reduce dependence on low-margin and price-sensitive markets, and accelerate the development of high-value-added and differentiated products to enhance overall operational resilience.

Voice Coil Industry

The global electroacoustic industry continues to grow, with demand for speakers driven by automotive smart cockpits, in-vehicle entertainment systems, smart speakers, and the professional audio market. Industry trends are moving toward high performance, lightweight design, automated production, green and environmentally friendly materials, and globalized supply chains.

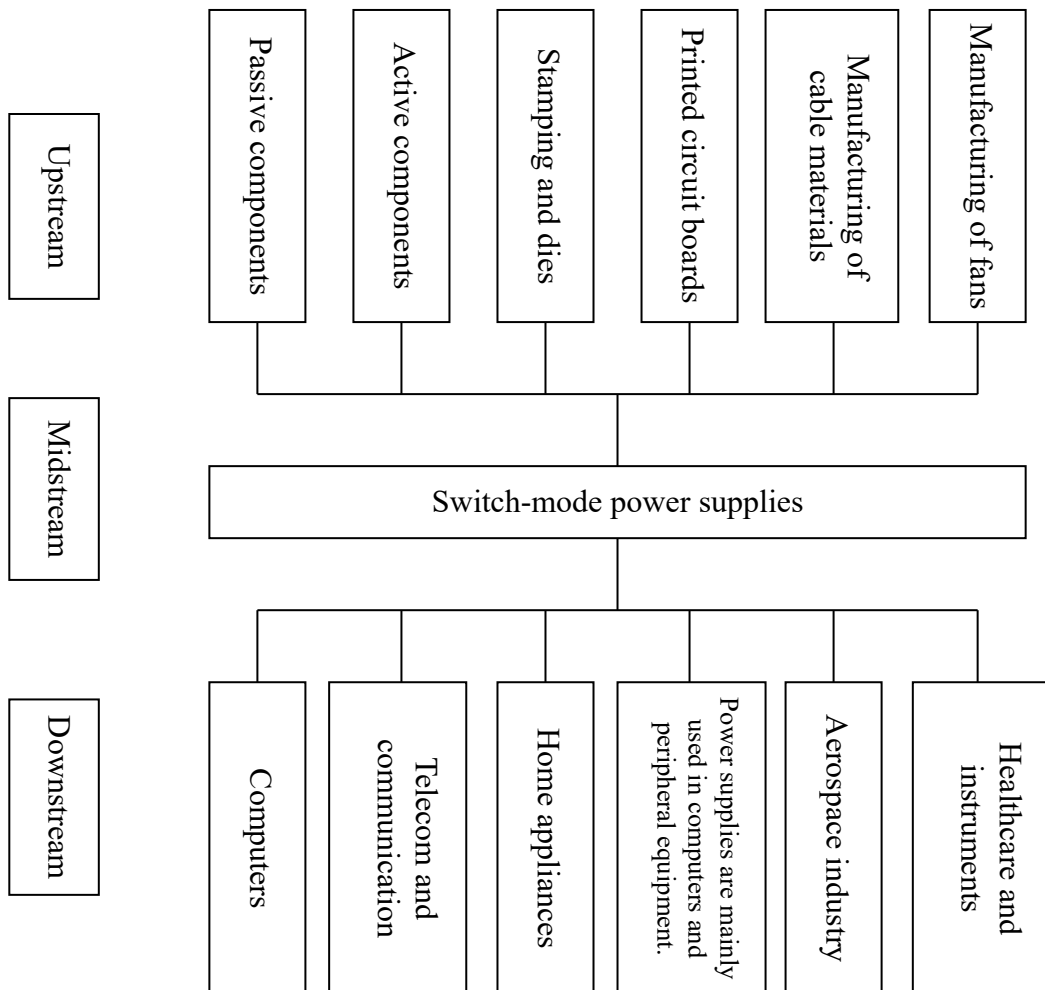
2. Relationship among the upstream, midstream, and downstream in the industry of PC power supplies

Relationship between the upstream raw materials and industry

The primary raw materials of switch-mode power supplies generally include active, passive, and magnetic components, other electronic components, chassis, and printed circuit boards. A few kinds of components, such as controller ICs and semiconductors, are mostly supplied by large foreign manufacturers, while others are mainly made by domestic manufacturers. Thus, they are closely related to the upstream industry.

Relationship between the downstream products and switch-mode power supplies

As the IT industry keeps booming, Taiwan has become the largest producer of switch-mode power supplies globally. Moreover, power supplies are an indispensable component of the IT industry, and as a result the power supply industry collaborates closely with the upstream, midstream, and downstream suppliers. The following is the structure of the upstream, midstream, and downstream sectors of the industry:



3. Relationship Among the Upstream, Midstream, and Downstream Segments of the Voice Coil Industry

Relationship between the upstream raw materials and industry

Upstream suppliers include copper wire, aluminum materials, adhesives, films, paper materials, magnetic materials, and equipment suppliers; midstream participants include manufacturers of voice coils, diaphragms, and speaker components; and downstream participants include speaker manufacturers, automotive electronics manufacturers, consumer electronics brands, and system integrators.

(III) Overview of technology and R&D:

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

Unit: NTD thousand

Item \ Year	2025	As of March 31 2026 (Note)
R&D expense	225,260	37,202

Note: The amount as of March 31, 2025 has not been audited and reviewed by the CPAs.

2. Successfully developed technologies or products
- A. Development completed to improve PSU energy efficiency under ultra-light loads, meeting Energy Star 9.0 standards.
 - B. Low-loss layout design effectively improves efficiency, enabling Gold-rated and Platinum-rated models to share the same product platform, thereby reducing development lead time and saving safety certification application costs.
 - C. In response to NVIDIA's new-generation graphics card Gen 5 12V-2x6 connector, HEC has designed a Gen 5 cable with built-in protection functions, including a current-sharing mechanism and over-temperature protection, and has applied for a proprietary patent. This device can prevent the risk of burn-out caused by improper consumer use.
 - D. The glass side panel chassis has been completed, successfully preventing EMI leakage, meeting market trends, and balancing aesthetics and safety standards.
 - E. OmnyX, the world's first all-directional hidden-cable chassis design, has entered mass production and launched in the market. It can be placed on either side of a desk without directional restrictions, and features a straight-through airflow design with four large 160 mm fans. Unlike traditional PC case products, OmnyX combines visual aesthetics with an enhanced cooling airflow design and received positive market feedback prior to launch.
 - F. The Company has developed a comprehensive gaming chassis that combines aesthetics and functionality, featuring 270-degree fully transparent three-sided glass visual appeal and the industry's first floating-style optimized ventilation and cooling chassis design. Mass production is expected to begin in June 2026.
 - G. In response to the AI personal workstation trend, the Company is developing personal workstation chassis that support EEB, E-ATX, dual high-end graphics cards, dual power supplies, and dual liquid cooling systems.
 - H. In response to the AI personal workstation trend, the Company is developing 1,600 W to 3,200 W Platinum-rated high-efficiency, high-wattage power supplies to provide more stable and efficient power solutions for workstations.
 - I. The Company is also developing technologies and processes such as high-precision automatic winding technology, application of high-temperature-resistant enameled wire, racetrack-type voice coil processes, low-defect-rate automotive voice coil processes, automatic dispensing and automatic inspection systems, AI appearance defect inspection models, and lightweight diaphragm material applications.

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

1. Short-term development plan:

Marketing strategy:

A. Seeking retail ODM projects:

The Company has a professional ODM team with many years of experience. Unlike manufacturers in Mainland China, the Company is able to provide a wide range of services to retail customers, including industrial design, mechanical design, and specification-related expertise. These are the Company's strengths, and it will actively pursue projects from major gaming ODM customers.

Production policy:

A. Integration of materials to increase gross profit margin:

Integration of material design: Materials such as transformers, semiconductors, and cables will be integrated into a unified design to streamline procurement and management. Centralizing material purchases increases volume, strengthening our bargaining power. In-house production of transformers and cables can also be scaled up to reduce costs and improve gross profit.

B. Enhancement of production technologies:

We will build a complete set of equipment and workforce for our laboratories, develop the talents and fundamental production technologies necessary for our policies, complete suitable lines exclusively for production, acquire more automated production equipment and improve product conformity.

C. Automation of factory production:

Our IE center will continue to assess the automated equipment for preparatory processing/final testing/packaging and increase UPH to reduce labor and manufacturing costs. Furthermore, it will work with RD in conducting research on design, process, and equipment to increase the speed of production.

D. Development of required talents:

We will develop multi-skilled workers and train multi-skilled managers through rotation, and we will engage in continuous review and improvement to ensure an effective system for quality assurance and management.

Operations management:

A. Ensuring sufficient working capital and expanding operating capabilities based on performance growth:

To ensure sufficient supply of funds required for the development of our business and strengthen our financial structure, we will make investments or raise funds in the capital market with our earnings of prior years.

B. Actively recruiting R&D talents:

We will attract outstanding R&D talents through industry - academia collaboration to enhance our R&D teams.

2. Long-term development plan:

Marketing strategy:

By leveraging our core competencies, we aim to establish a global logistics management system that fully meets customers' comprehensive needs and builds a long-term, stable international marketing network. With a strong and stable customer base, we will continue to expand the market share of our own-brand products, driving steady year-over-year growth in both revenue and profit.

The Company will continue to deepen the vertical integration of core speaker components, comprehensively covering the professional PA audio, automotive electronics, and consumer electronics markets. It will provide global customers with one-stop solutions, fully promote upgrades in smart manufacturing and digitalized operating systems, continue to maintain its technology leadership, and achieve a significant global lead in revenue scale.

Production strategy:

We will relocate the LFDG factory to expand the scale of production, and we will integrate the demand for materials with concentrated purchases to lower the procurement cost. In response to the international trend in environmental protection, we will purchase pollution-free, automated precision production equipment and develop new processes to achieve the target of increased production capacity and value.

Operations management:

We will promote a global marketing system and strengthen the functions and control of our overseas business units to enhance their performance.

II. Overview of market and production/sales

(I) Market analysis

According to industrial production statistics from the Ministry of Economic Affairs, despite the development of the digitalized environment in 2025, gaming-related business opportunities continued to gain momentum. The effects of companies' deployment in emerging application markets such as automotive, medical, and industrial applications have gradually materialized. In addition, the development of new products such as gaming and customized products has helped drive gross margin performance while demand for office and other commercial peripheral products has remained stable. However, as the industry is operating in an unfavorable business environment, shipments of computer products have declined significantly, and downstream customers continue to face considerable inventory pressure, resulting in weak order momentum and delayed shipments of certain orders.

For voice coils, sales regions are mainly Mainland China, Vietnam, other regions in Asia, Europe, and North America, with automotive audio customers accounting for a relatively high proportion. Driven by demand for new energy vehicles, smart cockpits, and high-end audio systems, the market is expected to continue growing in the future.

1. Sales territories for main products

HEC's main customers are well-known foreign manufacturers. HEC's products are primarily exported, with Asia, America, and Europe being the main markets. The regional sales figures for HEC in 2025 are as follows:

		Unit: NTD thousand	
Item	Year	2025	
		Amount	%
% Net operating revenue of domestic sales		66,519	1%
Export	Asia	2,841,497	32%
	Europe	1,254,993	14%
	Americas	4,685,230	52%
	Others	25,185	1%
Total		8,873,424	100.00

2. Approximate market share

Total PC shipments in 2025 were 303 million units, representing growth of 18% compared with 2024. Canalys believes that the PC market has stabilized, and the performance of the PC market in 2026 is worth anticipating. In addition to the recovery in market demand, AI PCs will also become an important growth driver for the PC industry. Based on the estimated shipment volume of the Company's PC products, the Company accounts for approximately 4% of the global market, indicating significant room for growth. As our product development strategy concentrates on mid- and high-end and retail products with higher unit prices, a calculation based on sales values will produce a global market share above the aforementioned percentage and a higher average gross profit margin for us.

3. Future Market Supply and Demand Situation and Growth

(1) Demand

A factor affecting demand is the rise of the “stay-at-home economy.” Whether in gaming or online activities, this has created another significant business opportunity. Greater usage means more opportunities for equipment upgrades. Whether upgrading CPUs, graphics cards, or operating systems, users may need to replace power supplies, which will create new business opportunities for power supplies and gaming chassis.

(2) Supply

Computer products are closely related to the economic situation of the industry. According to statistics of the Institute for Information Industry and relevant studies, the computer industry of Taiwan is ranked first in terms of global share under several categories.

(3) Growth

A. Economic growth in the industry will continue

The computer industry and the IT industry are closely associated. As a result of growing multimedia applications, there has been increasing demand for networking and digitized homes, while the global IT market will keep growing. Despite being less convenient than notebooks and tablets, desktops remain an indispensable office tool for businesses.

B. Wide range of product applications

As required components of computers, power supplies and computer chassis have a wider range of applications compared to ordinary IT products.

C. Export-oriented

Desktops made in Taiwan are mainly sold to the markets of the US, Europe, and the Asia-Pacific region, and they have gradually become a strong force driving industry growth as the economy in emerging markets grows.

D. Prevalence of division of labor in production and sales

With competitive advantages in terms of manufacturing, design and cost, manufacturers in Taiwan have received great recognition from their major peers in Europe, the US and Japan and become an important production base for the PC industry.

E. With stable quality, our products are positioned in the mid-to-high-end segment, offering a clear distinction from high-priced products in Europe, the US, and low-priced products in Asia.

4. Competitive niche

- (1) The introduction of USB 3.2 has significantly improved data transmission speed, driving strong demand from both the gaming and system integration (SI) sectors.
- (2) Updates to Intel specifications and the development of next-generation graphics cards will stimulate replacement demand.
- (3) The launch of major game titles will stimulate demand for PC assembly.
- (4) With experience accumulated over many years in cooperation with our customers and enhanced OEM capabilities, we have great opportunities in seeking future OEM orders, and we will continue to introduce Cougar-brand chassis with gradual growth expected in retail.

5. Advantages and disadvantages for prospects of development, and measures in response

(1) Advantages:

- A. The Company will establish long-term and highly engaged cooperation models with core customers, upgrading from single-product supply to partnerships in technologies and solutions. Through such cooperation, the Company will jointly create added value with customers and drive growth in revenue and market share.
- B. HEC has strong mold development capabilities, especially in plastic polishing and glossy surface technology, which is ahead of its competitors.
- C. HEC is capable of developing and manufacturing chassis and power supplies, so we are able to provide C+P solutions to our customers.
- D. We have built a complete network of channels overseas and established branches in Europe, the US, Japan, and other advanced countries, making it possible for us to operate in the market and provide services to customers locally.
- E. The Company will integrate the R&D, manufacturing, and design capabilities of its subsidiaries and introduce more differentiated design elements to enhance product competitiveness.

(2) Disadvantages

- A. Memory supply shortages may affect the overall PC market.
- B. The U.S.-Iran war may affect transportation costs.
- C. Our competitors compete for orders with a low-price strategy.
- D. The entry threshold for gaming chassis is low, and the market is flooded with low-priced generic chassis.

(3) Measures in response

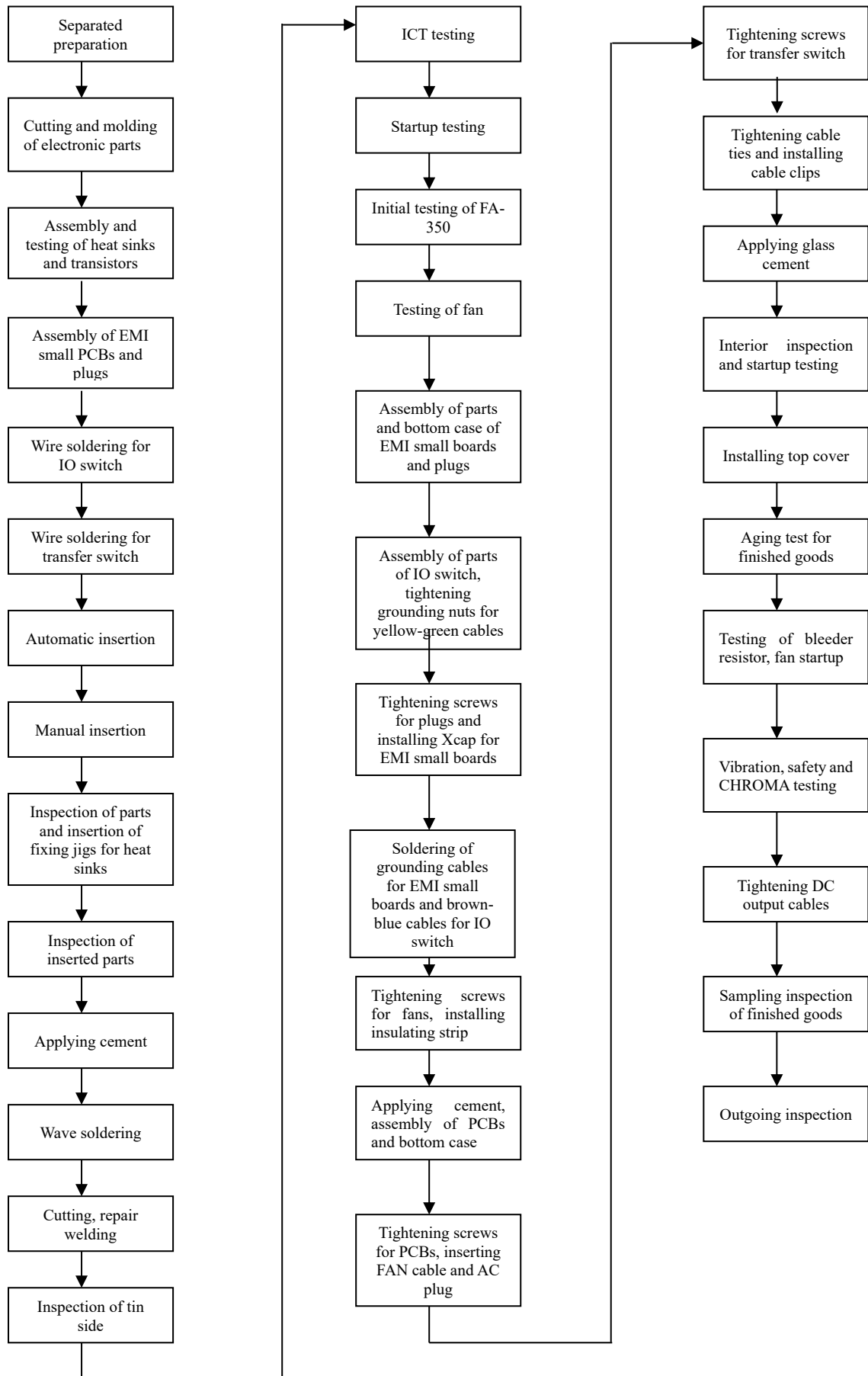
- A. We will establish marketing locations globally to better operate in local markets and provide services to customers. Additionally, we will set up factories in Mainland China for production to reduce manufacturing costs and enhance the flexibility and efficiency of integrating global resources.
- B. Our product line includes an economical series, an energy-efficient and eco-friendly series, and a high-wattage series for gamers. These will be introduced to the market in low, mid, and high tiers, offering customers a comprehensive range of options.
- C. In addition to ensuring that existing customers can have extended project development, benchmark products such as titanium power supplies/full digital power supplies/water-cooled power supplies, leading technological indicators, and new circuit design architectures, are developed to attract new projects and customers.
- D. We will stay committed to developing our brands, differentiating our products and services, and enhancing the features of middle- and high-end products to keep our profit at a relative high level.
- E. We will continue to develop high-value-added products, such as server chassis, and reduce the cost of die sinking with standardized specifications to increase the profitability of products.
- F. Strengthen the development of own brands in the European and American markets, where the acceptance of mid-to-high-priced products with higher brand positioning is higher, which helps enhance brand positioning.
- G. The Company will focus on high-wattage power supplies and the AI personal workstation market. High-wattage and reliable workstation power supplies and system models are to be developed for applications such as AI inference, content creation, and engineering simulation. The purpose is to address the needs of professional users for performance, stability, and long-term operation, and accordingly reduce reliance on the traditional consumer PC market.
- H. The Company will actively expand into the AI server and rack market. For AI data centers and enterprise applications, the Company will deploy key hardware products such as AI server chassis and racks to increase average selling price (ASP) and gross margin, and establish long-term growth momentum.

(II) Important applications and manufacturing processes of main products

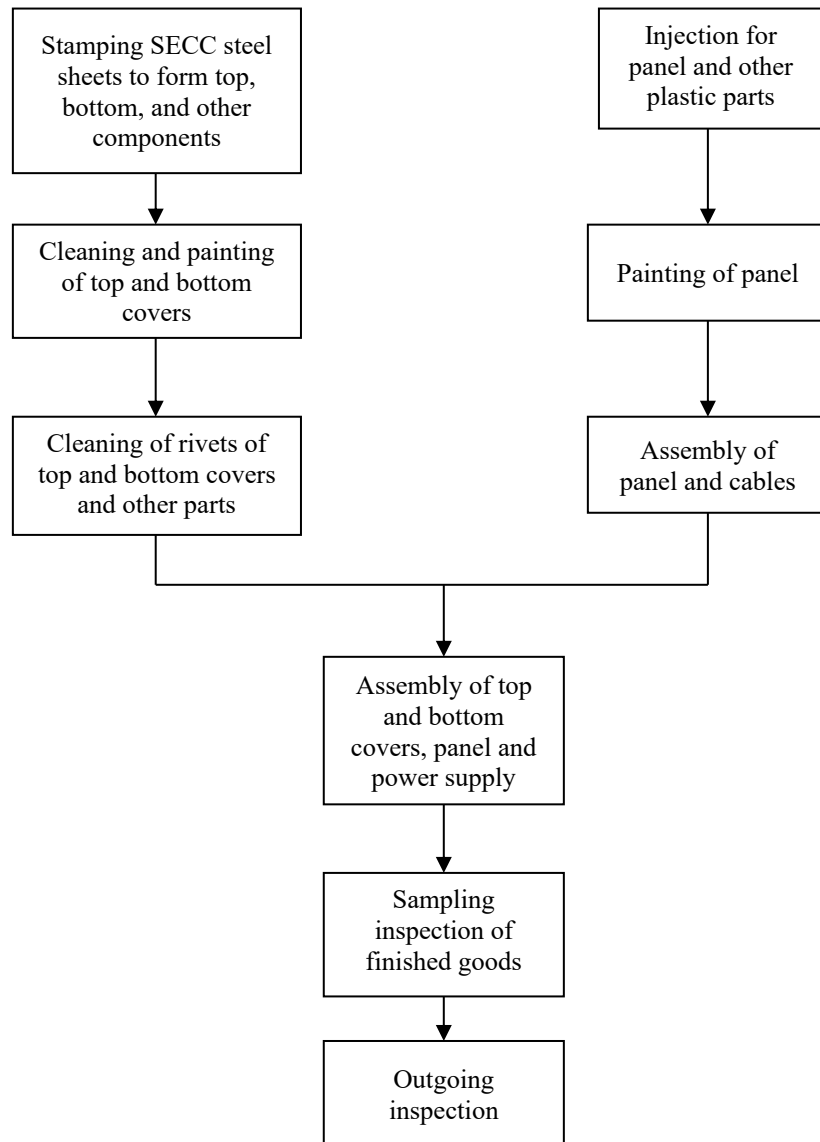
Product	Applications
Power supplies and other IT products	A device capable of converting AC or DC to one or more sets of output DC power used by electronic equipment. Being small-sized, high-efficiency and lightweight, it is applied to a variety of IT, consumer, and industrial control products.
Computer peripherals	Components and peripheral parts and components required for assembly of computer chassis products or storage equipment.
Voice coils, diaphragms, and related peripherals	The Company's core products cover key components of electroacoustic transducer systems for speakers, including drive systems (voice coils), vibration systems (diaphragms and cones), suspension systems (dampers), and conductive connection systems (tinsel leads). These products are widely used in automotive electronics, consumer electronics, and professional audio applications.

The products above are designed by HEC and manufactured by factories in Mainland China with investments from HEC via a third area, and then shipped to its customers. The main production and manufacturing processes are as follows:

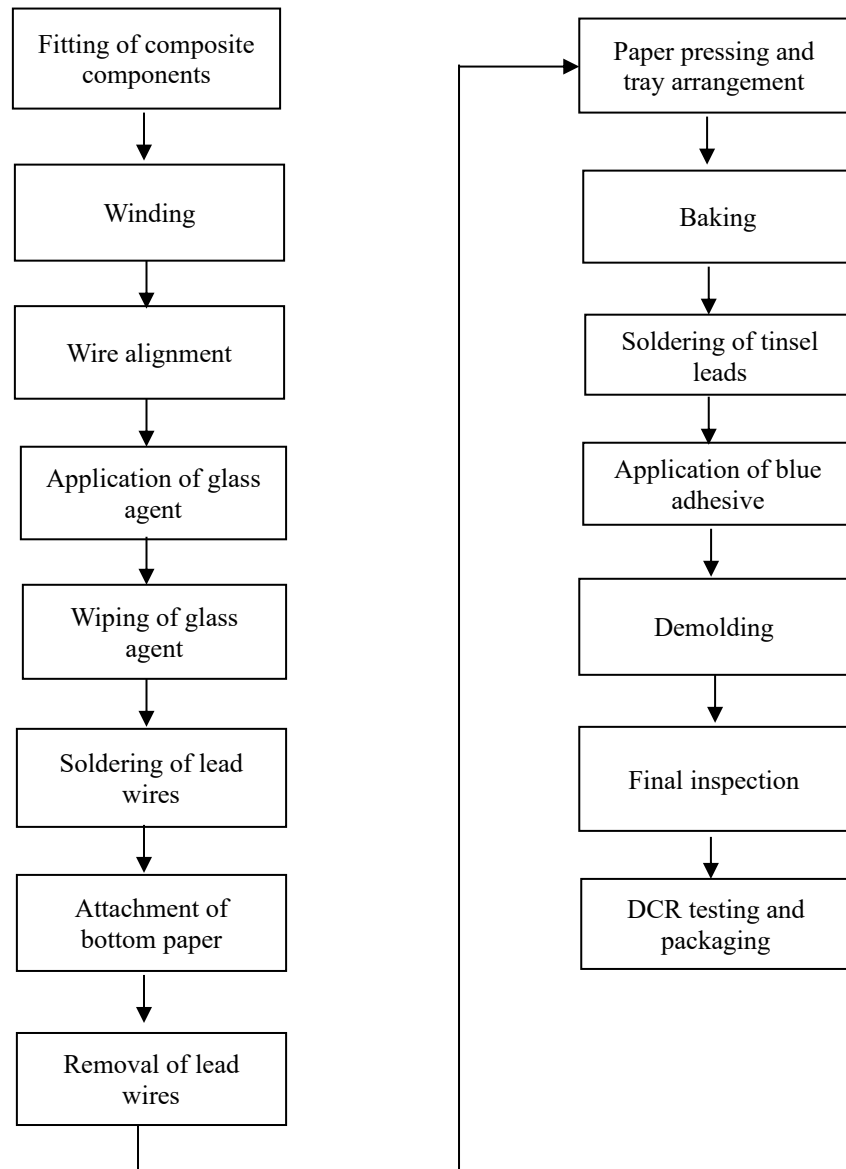
1. Manufacturing process of power supplies and other IT products:



2. Manufacturing of computer chassis



3. Voice Coil Manufacturing Process:



(III) Supply of primary raw materials

1. PC: The main raw materials are steel plates, ABS plastics, and electronic components. There is no monopolistic dominance by any single supplier in the market, and the major suppliers have maintained close long-term cooperation with the Company. Accordingly, the supply status remains highly stable and favorable.
2. Voice Coils: The main raw materials include enameled wire, aluminum foil, copper foil, PI film, fiberglass, spunlace nonwoven fabric, kraft paper, Xuanhua paper, cone materials, adhesives, damper materials, and packaging materials such as Styrofoam, blister packaging, and cartons. The overall supply chain is mature, with major suppliers located in China, Japan, Southeast Asia, Europe, and the United States. Through a multi-supplier strategy, annual price negotiations, and a safety inventory mechanism, the Company ensures a stable supply of materials and reduces the risk of supply chain disruption.

(IV) Main suppliers and sales customers in the most recent two years

1. List of main suppliers

Information of the main suppliers in the most recent two years

Unit: NTD thousand

Item	2024				2025				As of Q1, 2026 (Note 2)			
	Name	Amount	Share of annual net purchase (%)	Relationship with the issuer	Name	Amount	Share of annual net purchase (%)	Relationship with the issuer	Name	Amount	Share of net purchase in the current year, as of the previous quarter (%)	Relationship with the issuer
1	Company T	411,624	9%	None	Company T	339,838	5%	None	-	N/A		
2	Company U	160,362	3%	None	Company A	237,440	4%	None	-			
3	Company V	141,922	3%	None	Company E	206,307	3%	None	-			
4	Company W	140,704	3%	None	Company C	186,674	3%	None	-			
5	Others	3,928,402	82%	None	Others	5,548,417	85%	None	-			
	Net purchase	4,783,014	100%		Net purchase	6,518,676	100%		Net purchase	-	0%	-

Note:

1. All suppliers are represented by codes only. Since none of the main suppliers has a share of at least 10%, those with a share of at least 3% are disclosed.
2. The data for Q1 of 2026 is not applicable since it has not been reviewed by the CPAs as of the date of publication of the annual report.

2. List of main customers for sales

Information of the main sales customers in the most recent two years

Unit: NTD thousand

Item	2024				2025				As of Q1, 2026 (Note 2)			
	Name	Amount	Share of annual net sales (%)	Relationship with the issuer	Name	Amount	Share of annual net sales (%)	Relationship with the issuer	Name	Amount	Share of net sales in the current year, as of the previous quarter (%)	Relationship with the issuer
1	Company A	2,605,670	35%	None	Company A	3,455,752	31%	None	-	N/A		
2	Company H	723,758	10%	None	Company I	766,071	7%	None	-			
3	Company I	506,334	7%	None	Company H	652,083	6%	None	-			
4	Company J	321,565	4%	None	Company J	622,496	6%	None	-			
5	Others	3,244,686	44%	None	Others	5,692,336	51%	None	-			
	Net sales	7,402,013	100%		Net sales	11,188,738	100%		Net sales	-	0%	-

Note

1. The names of customers accounting for no less than 10% of the total sales during the most recent two years and their respective amounts and percentages of sales are specified, except that a code may be used where non-disclosure of a customer's name has been agreed under the contract or where the counterparty is an individual not a related party.
2. The data for Q1 of 2026 is not applicable since it has not been reviewed by the CPAs as of the date of publication of the annual report.
3. Description of changes: Due to business needs, changes in the product sales mix, and fluctuations in the market environment, there have been adjustments in suppliers, sales customers, as well as the corresponding amounts and percentages.

III. Information of employees during the most recent two years and as of March 31, 2026

2026.03.31

Year		2024	2025	As of March 31 2026
Number of employees (person)	Indirect employees	931	1,984	2,023
	Direct employees	1,849	6,990	7,048
	Total	2,780	8,974	9,071
Average age		39.52	38.34	38.91
Average length of service (year)		4.48	7.15	7.29
Distribution of educational level (%)	Doctorate	-	-	-
	Master	2%	1%	1%
	College	10%	17%	17%
	Senior high school	37%	32%	31%
	Below senior high school	51%	50%	51%

IV. Information of environmental protection expenses

Losses and total amount of penalties incurred by your company due to environmental pollution during the most recent year and as of the date of publication of the annual report, and future measures in response and possible expenses:

HEC:

	2025	As of March 31, 2026
Status of pollution	None	None
Agency imposing penalties	None	None
Penalties	None	None
Other losses	None	None

LFE:

	2025	As of March 31, 2026
Status of pollution	None	None
Agency imposing penalties	None	None
Penalties	None	None
Other losses	None	None

Poyun Segment:

	2025	As of March 31, 2026
Status of pollution	None	None
Agency imposing penalties	None	None
Penalties	None	None
Other losses	None	None

Future measures in response: None.

V. Labor - management relations

(I) Employee welfare measures, continuous education, training and retirement systems and their implementation, agreements between employees and the employer, and measures for protection of the rights of employees:

1. Employee welfare measures

A. Welfare measures implemented by HEC

- (1) Employee stock option: Any employee may purchase shares based on his/her position, performance, and length of service.
- (2) Labor insurance: An employee will be covered by labor insurance since his/her employment start date.
- (3) National Health Insurance: An employee will be covered by the National Health Insurance since his/her employment start date.
- (4) Group insurance for employees: An employee will be covered by group insurance since his/her employment start date.
- (5) Regular health check-ups: We have planned comprehensive health check-ups that exceed regulatory requirements. Contracted clinic staff will regularly monitor employees' health status and implement tiered management.
- (6) Year-end bonus: Year-end bonuses are distributed based on the performance of our employees and the condition of our operations.
- (7) Remuneration for employees: In accordance with the Articles of Incorporation, 2% - 10% of our profit is allocated and distributed to our employees in shares or cash based on their positions and performance.
- (8) Cash gifts for holidays: Cash gifts are distributed to our employees on Workers' Day, the Dragon Boat Festival, and the Mid-Autumn Festival.
- (9) Reading and leisure rooms: We have subscribed to newspapers and financial and healthcare magazines for our employees to borrow and read. We have also purchased fitness equipment, table tennis tables and pool tables for our employees to relieve their stress through leisure activities.

B. Welfare measures implemented by the Employee Welfare Committee

- (1) Domestic or foreign trip: Domestic or foreign trips are organized on a non-periodic basis.
- (2) Cash gift for birthday: A cash gift is given to each employee based on the month of his/her birth.
- (3) Free lunches.
- (4) For marriage, festivity or funeral, an application for a non-fixed amount of cash gift or condolence money may be submitted according to seniority.
- (5) Any employee injured at work or hospitalized due to illness may apply for an allowance.
- (6) Club subsidies: Badminton club, yoga club, golf club.

2. Continuous education and training of employees

Before the end of each year, the training plan for the following year must be submitted. New employees shall be trained in accordance with the “New Employee Development Plan.” On their first day of reporting, Human Resources will provide an introduction to company policies and employee benefits; the Legal Department will conduct training on anti-corruption and anti-bribery; the Fire Safety Manager will conduct fire safety and emergency response drills; and the Occupational Safety personnel will introduce occupational safety regulations and workplace hazard warnings to provide new employees with a comprehensive training program. At the same time, senior employees or supervisors will be assigned as mentors to ensure the effective implementation of on-the-job training (OJT), providing guidance in both daily life and professional fields. In terms of training resource allocation, all employees, regardless of gender or age, are required to undergo pre-employment training.

For current employees, in-person training courses are provided. A variety of teaching methods are adopted, including classroom lectures, seminars, group meetings, poster sessions, and weekly meetings, to enhance the timeliness of training. Each year, training programs are planned according to operational strategies and competency requirements at all levels. Different types of training are also designed for different positions to strengthen learning effectiveness and align it with job responsibilities, enabling employees to apply what they have learned to their work and improve both work quality and efficiency.

3. Retirement system and its implementation

In accordance with the Labor Standards Act and the Labor Pension Act, the Company makes a monthly contribution of 6% to each employee’s individual pension account under the new pension system. Additionally, monthly contributions to the retirement fund are made in accordance with the law and deposited into a dedicated account supervised by the Labor Retirement Reserve Supervisory Committee. Employees may also choose to voluntarily contribute an additional 0% to 6% of their salary to their individual pension accounts.

4. Agreements between employees and the employer, and measures for protection of the rights of employees

The Company regards all employees as one of its key assets for sustainable development. Only with a stable and high-performing workforce can the Company achieve steady and secure growth. Therefore, the Company maintains open and effective communication with employees and provides comprehensive working conditions and employee benefits. To implement and establish a sound working environment, the Company strictly complies with local labor laws, including the Labor Standards Act and the Occupational Safety and Health Act. In addition, the Company has formulated various policies such as the "Human Rights Policy," "Employee Welfare Policy," "Labor-Management Communication Policy," and "Compensation Policy" to protect and understand employees, promote harmonious labor relations, and achieve a win-win outcome for both the Company and its employees. In addition, to safeguard the rights of employees, HEC will not discriminate based on factors such as gender, age, ethnicity, nationality, political affiliation, or religious beliefs, and will establish internal channels for employees to report any illegal activities of HEC. As of the end of 2024, the Company has not received any complaints regarding gender or racial discrimination or labor practices in violation of human rights. There have also been no incidents of forced labor, child labor, restrictions on freedom of association, discrimination, excessive overtime, or related violations.

5. Employee Conduct and Code of Ethics

The work principles of Compucase Enterprise Co., Ltd. are obedience, responsibility, and discipline. With respect to employee conduct and ethics, the Company has established various relevant procedures and rules, such as work rules, procedures for the prevention, reporting, and handling of workplace sexual harassment, and the "Procedures for Ethical Management and Guidelines for Conduct," to serve as standards for employee conduct. The main contents include:

- (1) Regulating the duties and organizational functions of each unit.
- (2) Complying with the government laws and regulations.
- (3) Establishing sound discipline.
- (4) Protecting the Company's property and ensuring its effective use.
- (5) Strictly maintaining confidentiality with respect to the Company's confidential business matters and information.
- (6) Rewarding or disciplining employees for gains or losses caused to the Company as a result of employee conduct.
- (7) Establishing standards for evaluating employees' work results and performance.

6. Work Environment and Measures for Protecting Employee Safety

The Company has established various relevant procedures and rules, such as office management rules, tobacco hazard prevention management procedures, and personnel access control procedures, to ensure workplace access control, sanitation, and other aspects of safety. The Company has also established emergency response task forces to reduce damage caused by emergencies, and regularly arranges annual health examinations for employees.

For overseas subsidiaries, the RBA Code of Conduct has been introduced, and company policies are implemented in compliance with the stringent requirements of the RBA to ensure workplace safety and to value and protect worker dignity. To protect the safety and health of employees and related personnel, improve internal management, reduce operational risks, and avoid losses, the Company has obtained OHSAS 18001 certification under the international occupational health and safety management system. This ensures that the Company provides all employees with an environment in which occupational health and safety requirements are properly controlled, and that the interests of employees, the Company, and related parties are protected.

- (II) For 2025 and up to the publication date of the annual report, losses incurred due to labor-management disputes, and disclosure of the estimated amounts that have occurred or may occur in the future and the corresponding response measures: There are currently no material pending labor-management agreements or disputes.

VI. Management of information and communication security

(I) Structure for management of information and communication security

The Company has established the “Information Security Committee,” convened by the Chairman. The committee is responsible for implementing information operations security management planning, establishing and maintaining the information security management system, coordinating the formulation and implementation of information security-related policies, risk management, and compliance audits, as well as carrying out annual ISO 27001 certification and other related matters.

The Information Security Committee conducts an annual management review meeting to regularly evaluate and revise information security policies, review the results of information security risk assessments, and determine the corresponding protective measures the Company needs to implement. This ensures the continued applicability, appropriateness, and effectiveness of the information security management system. The results of the regular review of information security policies are reported to the Board of Directors on a periodic basis.

(II) Information and communication security policies:

1. Maintain the confidentiality, integrity, and availability of the Company’s information operations to support business continuity.
2. Ensure the security of the Company’s information operations, implement data access controls, and protect data privacy.

(III) Specific management plans

1. Establish a cross-departmental information security organization to formulate, promote, implement, and continuously improve relevant programs, ensuring that the Company has sustainable information operations.

2. Regularly conduct spot checks and management of information security risks, and implement various control measures.
3. New employees receive information security education and training upon onboarding to enhance their awareness of information security protection concepts and operating rules, and are required to sign an undertaking for the use of information software.
4. Establish a secure and reliable information system environment to support the Company's business continuity. For important information systems or equipment, establish appropriate backup and monitoring mechanisms to maintain their availability.

(IV) Resources invested in the management of information and communication security

Over the years, the Company has invested substantial resources in cultivating high-quality information security talent. The Company has four internal information security personnel, and has enhanced the security of its server room environment and host equipment, as well as information security vendor health-check services. If any material information security incident is identified, the Company will carry out remediation and corrective actions within the prescribed period in accordance with the "Information Security Incident Reporting and Response Management Procedures" and pass retesting. The Company has also incorporated ISO 27001 information security items into its management framework. A management review meeting was held on August 20, 2025 to review whether the Company had any information security vulnerabilities or matters requiring improvement.

(V) ISO 27001 Information Security Management System Certification

HEC has implemented the ISO 27001 Information Security Management System, which has also been certified by a third party. The certification is valid from December 7, 2023, to December 6, 2026.

(VI) Losses incurred due to major information and communication security incidents, their possible effects, and measures in response. Where no reasonable estimate is possible, the actual operation for which a reasonable estimate is not possible must be described: None.

(VII) Information security risks and mitigation measures:

"Human error" is often listed as one of the key technology risks. Due to security vulnerabilities caused by human error, the Company may fail to effectively defend against cyberattacks, exposing itself to the risks of data breaches and ransomware. This could potentially lead to production system disruptions, resulting in severe operational losses and negatively impacting the Company's reputation. For example, misconfigurations, failure to update security patches in a timely manner, or clicking on malicious website links in phishing emails can lead to significant security incidents. In the face of ever-evolving and diverse threats, strengthening employees' security awareness and operational standards becomes particularly important. The Company's primary goal is to improve employees' security awareness and operational capabilities with limited resources. The Company has established an "Information Security Committee" to manage internal and external risks, assess the levels of information security risks, and implement risk management solutions while conducting regular reviews.

The Company places great emphasis on preventing information security and network risks. Therefore, it has built a comprehensive multi-layered defense network, including firewalls, intrusion detection, antivirus systems, and more, from the outside in, to continuously enhance its information security defense capabilities.

VII. Supply/sales contracts, technical cooperation contracts, construction contracts, long-term loan contracts and other important contracts sufficiently to affect shareholders' equity, which are currently valid and existing as of the date of publication of the annual report and which will expire in the most recent year:

I. HEC: None.

II. LFE:

As of the publication date of the annual report, the material contracts that remain in effect and those that expired in the most recent year are as follows:

Nature of contract	Contracting party	Start and expiry dates of contract	Main subject	Restrictions
Contract for construction project in Guangdong Province	Dongguan Qing Xing Steel Structure Construction Co., Ltd.	2025.11.01~2025.12.15	Factory repair works of RMB 481 thousand. The works have been completed and accepted, and the case was closed in February 2026.	None

III. Poyun Company Section:

As of the publication date of the annual report, the material contracts that remain in effect and those that expired in the most recent year are as follows:

Nature of contract	Contracting party	Start and expiry dates of contract	Main subject	Restrictions
Contract for construction project in Guangdong Province	Guangdong Fusheng Environmental Technology Co., Ltd.	2025.10.30~2025.12.31	Factory renovation works of RMB 551 thousand. The works have been completed and accepted, and the case was closed in February 2026.	Quality retention of RMB 16,318, to be settled upon presentation of receipts after the first anniversary, from January 1, 2026 to December 31, 2026.

Chapter V Review and Analysis of Financial Conditions and Financial Performance and Risk Matters

I. Financial conditions

Review and analysis of financial conditions

Unit: NTD thousand

Item \ Year	2025.12.31	2024.12.31	Difference		Description of change of increase/decrease
			Amount	%	
Current assets	\$11,873,621	\$7,463,294	4,410,327	59%	Description 1
Property, plant and equipment	1,821,705	1,139,550	682,155	60%	Description 1
Intangible assets	1,775,595	11,400	1,764,195	15475%	Description 1
Other assets	4,925,006	851,967	4,073,039	478%	Description 1
Total assets	20,395,927	9,466,211	10,929,716	115%	Description 1
Current liabilities	14,453,591	4,900,282	9,553,309	195%	Description 1
Non-current liabilities	2,522,068	52,334	2,469,734	4719%	Description 1
Total liabilities	16,975,659	4,952,616	12,023,043	243%	Description 1
Share capital	1,132,856	1,132,856	0	0%	-
Capital reserves	637,189	441,767	195,422	44%	Description 2
Retained earnings	682,833	1,885,402	-1,202,569	-64%	Description 3
Other equity	38,218	(184,008)	222,226	121%	Description 4
Non-controlling interest	929,172	1,267,110	-337,938	-27%	Description 3
Total equity	3,420,268	4,513,595	-1,093,327	-24%	Description 3
Description of items where change of increase/decrease equals or exceeds 20% and its amount has reached NTD10,000 thousand:					
1. Mainly due to the acquisition of the subsidiary AIP during the year.					
2. Mainly due to the issuance of corporate bonds payable and the transfer of treasury shares to employees during the year.					
3. Mainly due to the significant decrease in net income after tax for the period resulting from the provision for litigation compensation recognized by the subsidiary OPT in connection with litigation.					
4. Mainly due to changes in exchange differences arising from translation of the financial statements of foreign subsidiaries.					
For significant impacts, future contingency plans should be provided to address the situation: None.					

II. Financial performance

(I) Comparison and analysis of operating results

Unit: NTD thousand

Item \ Year	2025	2024	Amount of increase (decrease)	Percentage of change (%)	Description of change of increase/decrease
Net operating revenue	\$11,188,738	\$7,402,013	3,786,725	51%	Description 1
Gross operating profit	2,444,656	1,621,480	823,176	51%	Description 1
Operating expense	1,428,935	1,138,173	290,762	26%	Description 1
Net operating profit (loss)	1,015,721	483,307	532,414	110%	Description 1
Non-operating revenues and expenses	-1,769,351	207,197	-1,976,548	-954%	Description 2
Pre-tax net profit	-753,630	690,504	-1,444,134	-209%	Description 2
After-tax net profit of continuing operations	-1,129,672	639,175	-1,768,847	-277%	Description 2
Loss of discontinued operations	0	0	0	0	-
Net profit for the current period	-1,129,672	639,175	-1,768,847	-277%	Description 2
Other comprehensive income for the current period (after tax, net)	251,977	170,877	81,100	47%	Description 3
Total comprehensive income for the current period	-877,695	810,052	-1,687,747	-208%	Description 2
Net profit attributable to owners of HEC	-894,320	517,876	-1,412,196	-273%	Description 2
Net profit attributable to non-controlling interests	-235,352	121,299	-356,651	-294%	Description 2
Total comprehensive income attributable to owners of HEC	-671,558	650,852	-1,322,410	-203%	Description 2
Total comprehensive income attributable to non-controlling interests	-206,137	159,200	-365,337	-229%	Description 2
Earnings per share (NTD)	-7.93	4.61	-13	-272%	
Description of items where change of increase/decrease equals or exceeds 20% and its amount has reached NTD10,000 thousand:					
1. Mainly due to the acquisition of the subsidiary AIP during the year.					
2. Mainly due to the increase in litigation compensation provisions recognized by the subsidiary OPT in connection with litigation and the increase in exchange losses.					
3. Mainly due to changes in exchange differences arising from translation of the financial statements of foreign subsidiaries.					

(II) Expected sales volumes and their basis

We have made the most appropriate estimates based on our operational plan and production volumes and capacity in 2026.

(III) Expected sales volumes and their shares in 2026

Name of main product	Expected sales volume (set)	Percentage (%)
Power supplies and other IT products	1,912,567	0.3%
Computer chassis, servers, and other products	917,794	0.2%
Products of private brand Cougar	1,337,697	0.2%
Voice coils and related components	533,547,867	99%
Total	537,715,925	100%

(IV) Possible effects on future financial business, and the plan in response

Taiwan Institute of Economic Research, press release on the “2026 Taiwan Macroeconomic Outlook.” In 2025, Taiwan’s domestic demand remained stable, with growth momentum mainly driven by trade and investment. This was primarily because U.S. tariffs and the effects of domestic overcapacity and intense competition in China weighed on exports of traditional industries and automobile sales. However, the U.S. artificial intelligence (AI) investment boom drove equipment investment and goods exports in Taiwan, making the technology industry the main growth engine.

Looking ahead, although the global economy demonstrated resilience in the first half of 2025, it began to shift toward a moderate deceleration in the second half of the year. Growth in the first half of the year was mainly driven by temporary factors, such as front-loading of trade and inventory adjustments, rather than an improvement in fundamentals. As these effects fade, economic data have weakened, the labor market has cooled, and tariffs have pushed up inflationary pressure in the United States. International institutions generally expect global growth in 2026 to slow compared with 2025, with the slowdown in trade being particularly evident.

Looking ahead to 2026, the global economy will continue to face numerous challenges, among which U.S. trade policy, China’s industrial adjustments, the outlook for artificial intelligence development, geopolitical conflicts, and climate change will be particularly important. These factors will not only affect Taiwan’s export performance but also influence Taiwan’s domestic demand and consumption through financial markets and import prices, and therefore warrant prior assessment and close attention. The Company will continue to monitor trends in raw material prices, China’s economic outlook, and the monetary policy direction of central banks in various countries. The Company’s factories are gradually introducing automation in their manufacturing processes and are committed to cost control and reducing various expenditures. As a result, the Company maintains a sound financial structure and will minimize the impact of external factors.

III. Review and analysis of cash flows

(I) Analysis of liquidity in the most recent two years

Item \ Year	2025	2024	Percentage of increase (decrease) (%)
Cash flow ratio	5.07	27.73	-82%
Cash flow adequacy ratio	148.38	155.48	-5%
Cash reinvestment ratio	12.84	13.63	6%
Analysis and description of changes in the percentage of increase/decrease: Cash flow ratio: Mainly due to the decrease in net cash flows from operating activities and the increase in current liabilities during the period.			

(II) Improvement plan for insufficient liquidity: None.

(III) Analysis of cash liquidity for the next year

Unit: NTD thousand

Starting cash balance	Estimated annual net cash flow from operating activities	Estimated annual cash outflow	Estimated cash balance (deficit)	Estimated remedy for cash deficit	
				Investment plan	Financing plan
\$5,525,001	\$635,466	\$526,939	\$5,635,528	-	-
Analysis of changes in cash flows of the current year: (1) Operating activities: An estimated net cash inflow of NTD635,466 thousand from operating activities. (2) Investing and financing activities: An estimated total cash outflow of NTD526,939 thousand from purchase of fixed assets, receipt of cash dividends, distribution of cash dividends to shareholders and loan repayments.					

IV. Effect of material capital expenditure in the most recent year on financial business

HEC and subsidiaries had no material capital expenditure in 2026.

V. Reinvestment policy for the most recent year, the main reasons for profits or losses, the improvement plan, and the investment plan for the next year

- (I) Our reinvestment policy is based on our future direction of operations and implemented on a step-by-step basis. Currently, our reinvestment targets focus on industries relating to our primary business and business activities that are able to enhance the development of our technologies.
- (II) The Company recognized a net loss on long-term investments of NTD 1,054,407 thousand in 2025, representing a decrease compared with a gain of NTD 318,572 thousand in the same period of the previous year. This was mainly due to the recognition of compensation expenses for an arbitration case involving a subsidiary, which reduced investment returns.

(III) Investment plan for the next year:

We make reinvestments based on considerations such as operational needs, future growth, and other factors. Regarding the investee companies, we continuously monitor their operational status, analyze the effectiveness of the investments, and conduct follow-up evaluations. The results of these assessments serve as references for subsequent investment plans.

VI. Analysis and assessment of risk matters during the most recent year and as of the date of publication of the annual report

(I) Effects of interest rate, exchange rate change and inflation on the profit/loss of your company, and future measures in response

Unit: NTD thousand

Item/Year	2025	Share of operating revenue (%)
Interest income	95,864	0.86%
Interest expense	249,606	2.23%
Profit (Loss) on exchange	-205,989	-1.84%
Net profit (loss) on financial assets and liabilities measured at fair value through profit/loss	19,974	0.18%
Operating revenue	11,188,738	-

1. Interest rate

In terms of financing, the Company's working capital for operations is mainly funded by its own capital. As of the end of 2025, the Company's borrowings amounted to approximately NTD 5.6 billion. In 2025, interest expenses accounted for only 2.14% of operating revenue, and the borrowing costs for NTD-denominated loans remained relatively low. In addition, interest income generated from the Company's bank deposits accounted for 0.86% of operating revenue, representing a relatively low proportion. Therefore, changes in interest rates did not have a material impact on the Company.

Future measures in response: We will pay close attention to the information of domestic and foreign interest rates and keep close contact with the banks with which we conduct transactions in order to obtain the most preferential interest rates for deposit and loan, lower the cost of loan and use them as reference for asset arrangements.

2. Exchange rate

At least 90% of our products sold are for export. All exported products are quoted in USD, and raw materials purchased externally are also priced in USD. The risk of exchange rate changes may be partially offset by purchases and sales, while it is possible for the USD positions to achieve the purpose of a natural hedge. Nonetheless, as the size of operations gradually expands, any exchange rate change will still have a significant effect on our operating revenue and profitability. In 2025, exchange losses arising from exchange rate fluctuations amounted to NTD 205,989 thousand, accounting for -1.84% of operating revenue. The impact on the Company remained limited.

In order to avoid any potential effect of exchange rate fluctuations on our profits, our management of foreign exchange risks is based on the principle of stability, with the following specific measures in response:

- (1) In order to keep full track of the information of exchange rate changes and manage foreign exchange risks, we have appointed appropriate personnel to strengthen analysis of exchange rate changes. In the event of any heavy exchange rate fluctuation, we will sell part of our forward foreign exchange contracts in advance, if necessary, based on our operational needs.
- (2) We consider the information of exchange rate changes provided by the banks with which we conduct transactions and take appropriate hedge measures on our foreign currency assets and liabilities.
- (3) For quotes given by our sales department, we take into account price adjustments arising from exchange rate changes to maintain a proper profit.
- (4) We enhance the quality and added value of products and are committed to cost control in order to increase the gross profit of products and mitigate the effect of exchange rate fluctuations on the gross profit.

3. Inflation

Inflation reflects changes in the overall economic environment. the Company remains committed to consistent cost-reduction measures, which will not be altered due to inflation or deflation in the external environment. We closely monitor fluctuations in the prices of key raw materials and will formulate appropriate medium-to long-term procurement strategies when necessary. Therefore, the impact of inflation on our operations and profitability remains limited.

(II) Policies on high-risk and high-leverage investments, loaning of funds to others, endorsements/guarantees and transactions of derivatives, the main reasons for profits or losses, and future measures in response

1. We have not engaged in any high-risk and high-leverage investment during the most recent year.
2. The loaning of funds by HEC and its subsidiaries to others is primarily for the operational needs of its subsidiaries and is in accordance with the requirements of the "Regulations Governing Loaning of Funds to Others" established by HEC and its subsidiaries. Funds loaned to others as of Q1 of 2026 are detailed as follows:

Unit: NTD thousand

Lender of funds to others	Borrower		Nature of funds loaned	Limit of funds loanable at end of the period	Cumulative amount of funds loaned as a share of the net value of the financial statements for the most recent period (%)	Amount of funds loanable disbursed at end of the period
	Company name	Relationship				
HEC	AIP	Subsidiary - shareholding at 100%	Short-term financing	959,850	38.53%	959,850
Total for HEC				959,850	38.53%	959,850
WCX	WSE	Same parent	Short-term financing	231,450	22.92%	111,096
WII	GTH	Same parent	Short-term financing	89,586	27.1%	-
WII	OPT	Same parent	Short-term financing	127,980	38.72%	127,980

Lender of funds to others	Borrower		Nature of funds loaned	Limit of funds loanable at end of the period	Cumulative amount of funds loaned as a share of the net value of the financial statements for the most recent period (%)	Amount of funds loanable disbursed at end of the period
	Company name	Relationship				
WII	HEC	Parent company – shareholding at 100%	Short-term financing	105,584	31.94%	-
GPH	TVHK	Same parent	Short-term financing	271,958	33.49%	271,958
Dongguan Poyun	Vietnam Poyun	Same parent	Business transaction	191,970	20.23%	194
Dongguan Poyun	TVHK	Parent company – shareholding at 100%	Business transaction	57,591	6.07%	28,736
Vietnam Poyun	TVHK	Parent company – shareholding at 100%	Business transaction	1,407,780	57.7%	1,402,344
TVHK	Shanghai Poyun	Parent company – shareholding at 100%	Business transaction	479,925	18.5%	193,798
TVHK	True Voice Limited	Parent company – shareholding at 100%	Short-term financing	991,781	38.23%	991,753
TVHK	True Voice Limited	Parent company – shareholding at 100%	Short-term financing	2,409,543	92.88%	2,409,482
Poyun Co. Ltd.	TVHK	Parent company – shareholding at 100%	Short-term financing	24,796	4.02%	24,796
Poyun Co. Ltd.	True Voice Limited	Parent company – shareholding at 100%	Short-term financing	371,622	60.27%	371,571
Total for subsidiaries				6,761,566	452.07%	5,933,708

Note

1. The net value of the financial statements for the most recent period is calculated based on NTD2,491,096 thousand in Q4 of 2025.
2. The net value of each subsidiary's financial statements for the most recent period was based on the fourth quarter of 2025.
3. The USD exchange rate is 1:31.995.

3. The endorsements/guarantees provided by HEC and its subsidiaries are primarily for the bank limits of its subsidiaries and are in accordance with the requirements of the "Regulations Governing Endorsements/Guarantees" established by HEC and its subsidiaries. Endorsements/Guarantees provided by HEC and its subsidiaries as of Q1 of 2026 are detailed as follows:

Unit: NTD thousand

Endorsement/ Guarantee provider	Endorsement/Guarantee recipient		Limit of endorsements/ guarantees at end of the period	Cumulative amount of endorsements/ guarantees as a share of the net value of the financial statements for the most recent period (%)	Amount of endorsements/ guarantees disbursed at end of the period
	Company name	Relationship			
HEC	TVHK	Subsidiary - shareholding at 100%	3,144,800	126.24%	3,144,800
Total for HEC			3,144,800	126.24%	3,144,800
Endorsement/ Guarantee provider	Endorsement/Guarantee recipient		Limit of endorsements/ guarantees at end of the period	Cumulative amount of endorsements/ guarantees as a share of the net value of the financial statements for the most recent period (%)	Amount of endorsements/ guarantees disbursed at end of the period
	Company name	Relationship			
LFE	LFDG	Subsidiary - 79.87%			
GTH	TVHK	Sister company	3,144,800	140.64%	3,144,800
AIP	TVHK	Subsidiary – shareholding at 100%	3,144,800	1,320.51%	-
Dongguan Poyun	TVHK	Parent company – shareholding at 100%	3,144,800	331.39%	-
Anhui Poyun	TVHK	Parent company – shareholding at 100%	3,144,800	1,226.19%	-
Shanghai Poyun	TVHK	Parent company – shareholding at 100%	3,144,800	5,992.72%	-
Dongguan Kerui	TVHK	Parent company – shareholding at 100%	3,144,800	13,323.17%	-

Endorsement/ Guarantee provider	Endorsement/Guarantee recipient		Limit of endorsements/ guarantees at end of the period	Cumulative amount of endorsements/ guarantees as a share of the net value of the financial statements for the most recent period (%)	Amount of endorsements/ guarantees disbursed at end of the period
	Company name	Relationship			
Vietnam Poyun	TVHK	Parent company – shareholding at 100%	3,144,800	128.90%	-
Total for subsidiaries			22,487,801	22,483.26%	3,147,360

Note

1. The latest net asset value of the Company is calculated based on the Q4 in 2025, amounting to NTD2,491,096 thousand, while the net asset value of LFE as of the Q4 of 2024 is NT\$2,462,153 thousand.
2. The net value of each subsidiary's financial statements for the most recent period was based on the fourth quarter of 2025.
3. The USD exchange rate is 1:31.995.
4. We conduct transactions of derivatives in accordance with relevant regulations including the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" of the Securities and Futures Bureau, the "Directions for Auditing Internal Control Systems of Listed Companies" of the Taiwan Stock Exchange and our "Regulations Governing Acquisition or Disposal of Assets." Based on the purpose of hedging, i.e. engaging in hedging transactions on assets we "own" or "clearly expect to own," we take actions in a conservative manner to avoid risks arising from fluctuations in exchange rates to achieve the aim for stable operations.

(1) Financial instruments measured at fair value through profit/loss

	2025.12.31	2024.12.31
<u>Financial assets - current</u>		
Mandatorily measured at fair value through profit or loss		
Derivative instrument - forward foreign exchange contract (I)	\$ 8,055	\$ -
Hybrid financial instruments – structured deposits (II)	-	982,052
	<u>\$ 8,055</u>	<u>\$ 982,052</u>
<u>Financial liabilities - current</u>		
Mandatorily measured at fair value through profit or loss		
Derivative instrument - forward foreign exchange contract (I)	\$ -	\$ 10,668
<u>Financial liabilities – non-current</u>		
Financial liabilities held for trading – derivative instruments		
Put and call options of convertible corporate bonds (Note 20)	\$ 26,800	\$ -

(2) The following are forward foreign exchange contracts which do not apply hedge accounting and are yet to mature as of Q4 of 2025:

	Currency	Maturity period	Contractual amount (NTD thousand)
Forward foreign exchange sold	USD/RMB	2026.01~2026.05	USD 60,450/CNY 423,021

(III) Future R&D plan and the estimated R&D expense to be invested:

I. Future R&D plan

1. Computer chassis:

(1) Possibility of incorporating dual PSU / redundant power configurations into high-end models:

As dual 24-pin motherboards, AMD CPUs capable of overclocking to 600 W, and RTX 5090 graphics cards with power consumption easily reaching 600 W have begun to emerge in the market, chassis with traditional single ATX power supply space will no longer be able to meet the needs of top-tier consumers pursuing ultimate performance. Taking the lead in launching dual-power-supply chassis will also help strengthen HEC's market reputation and competitiveness.

(2) Enhance cooling options and functions, address cooling trade-offs, and provide cooling solutions in an era of increasingly high-power devices:

The heat generated by the latest-generation CPUs can currently only be addressed through more powerful air cooling or liquid cooling. However, the CPU is not the only heat-generating component inside a chassis. GPUs are becoming increasingly hot, and even M.2 devices now generate significant heat. Therefore, airflow design inside the chassis has become particularly important.

Due to the flexibility and high degree of creativity offered by gaming chassis in recent years, consumers are often able to assemble new styles that break away from conventional frameworks.

Continuing to invest in niche IPC/server products:

We will continue to strengthen our capability in the development of IPC/server products, and we will support the sales department in identifying customers with more capabilities to maximize the number of our orders and increase our sales profit. Regarding our R&D strategy, we will take the following approaches:

- Collaborate with major U.S.-based manufacturers on the development of AI and network rack products.
- Collaborate with leading AI companies on the development of AI server and switch chassis products.
- Collaborate with major cloud service providers on the development of ASIC thermal modules.
- Continue to seek opportunities to cooperate with first-tier manufacturers in developing rackmount server products, thereby enhancing the Company's R&D capabilities.
- Continue to plan and pursue server peripheral equipment and products.
- Apply NCT and molds interchangeably for production to retain maximum production flexibility.
- We will switch between different versions of dies to complete products that are totally different from those of our customers with the minimum investment in dies.

2. Power supplies:

- (1) High-end graphics card connection safety enhancement plan (12V-2x6 / 12VHPWR optimization solution).
 - R&D objective: For high-end graphics cards such as the NVIDIA GeForce RTX 50/60 series, address the risks of connector overheating and meltdown under high-power transmission, thereby improving system reliability.
 - Active temperature monitoring and control: Introduce a temperature switch at the modular cable to monitor terminal temperature in real time, and initiate load reduction once an abnormal temperature rise is detected.
 - Current-sharing design concept: Improve the terminal contact process and internal spring structure to increase the contact area and reduce contact resistance, ensuring low-temperature operation under high-current loads.
- (2) Power supplies for AI edge computing and high-performance workstations (2000 W+ Platinum-rated solution).

- R&D objective: In response to the needs of AI model training, edge computing, and small workstations, develop power supplies with high power density and high reliability for 24/7 continuous operation.
 - Ultimate energy efficiency: Adopt a full-bridge LLC architecture together with SiC power components to ensure efficiency above the 80 PLUS Platinum level under 230 V input, effectively reducing operating costs.
 - Long-duration operating architecture: Use all-Japanese electrolytic capacitors and FDB-bearing fans, and optimize MTBF for 24/7 continuous full-load operation to ensure stable and uninterrupted system operation.
- (3) EU ErP Lot 6 (2027) regulatory compliance and rapid deployment technology.
- R&D objective: Assist customers in pre-deployment for the EU energy efficiency directive, ErP Lot 6 2027, which will come into effect in 2027, by providing a low-cost and low-modification upgrade solution.
 - Standby power optimization: Optimize the standby circuit for standby efficiency and standby power requirements under the regulations, ensuring that products can easily meet the stringent 2027 benchmarks.
 - Platform-based modular design: Adopt a “modular update” strategy. Without changing the mechanical structure of existing mass-production chassis or the main PCB layout, only key energy-saving components will be replaced, enabling a painless upgrade.
- II. In 2026, HEC and its subsidiaries are expected to invest NTD103,820 thousand as R&D expense to achieve the R&D targets.
- (IV) Effects of changes in important domestic or foreign policies and laws on the financial business of your company, and measures in response
1. In response to amendments of the Company Act and the Securities and Exchange Act, we will review and amend our relevant regulations from time to time to remain in compliance with the law.
 2. Changes in important policies and laws of other countries are likely to cause changes in the industry and affect us. We will keep paying close attention to policies and laws that may affect our business and operations in order to give timely responses to the effects of their changes and promptly develop necessary measures to meet our operational needs.
- (V) Effects of changes in technology and the industry on the financial business of the Company, and measures in response
- We have established a comprehensive information network framework and systems for data and file backups and protection of computer security, such as systems for anti-virus software, data backup, domain certification and web firewall. These information security protection systems are used to control information security risks, damaged files, and account authentication, prevent leakage of internal data, maintain our manufacturing activities and operations, and perform other key functions of business operations.

With the rapid development of information technology, the frequency of criminal activities using computers and relevant equipment has been increasing. Despite the aforementioned information security protection systems, we are unable to guarantee full protection of our internal computer system and network framework against cyber-attacks from any third-party invasion system. Such a cyber-attack is carried out by illegally invading the internal network and information systems of a company for the purpose of committing an illegal action such as sabotaging the network operations of the company or stealing its important confidential information. Under severe cyber-attacks from hackers, the information of our customers or our important internal information may be lost from its information and computer systems, and our production lines and operations are likely to be suspended due to such attacks.

Regarding our information security management, external auditors have checked, verified, and conducted relevant risk management activities through computer audits based on information cycles, and we have established relevant requirements concerning the four levels of documents for information security. Our employees have implemented relevant regulations and complied with relevant procedures for information operations, which are regularly checked to ensure their appropriateness and effectiveness, and we have regularly inspected user-end computer equipment on a quarterly basis. Moreover, we have stressed the importance of our employees' awareness of information security anomalies and periodic data backup, and we have regularly arranged for our employees to attend external training courses on information security.

Even though we have established a risk management mechanism and been following an effective information security management system, we are unable to guarantee HEC will not be affected by innovative information technologies and new types of virus attacks through the Internet in the face of constantly changing web security threats. A web attack may seek to steal our trade secrets, intellectual property, and key confidential information of customers, such as the proprietary information of customers or other stakeholders and the personal data of employees. External auditors have regularly reviewed our operating processes to strengthen or improve our information operations against risks of theft of our trade secrets by ill-intentioned persons. Until now, we have not discovered any significant web attack or information security incident, nor have we found any existing or possible significant negative effect on our business and operations.

- (VI) Effects of changes in corporate image on the crisis management of your company, and measures in response

We have maintained a good corporate image to enhance our status among peer companies.

- (VII) Expected benefits and possible risks of merger, and measures in response:

In 2025, the Company and its subsidiary, GTH, acquired 100% of the shares of Amber Investment Partners Limited and the convertible corporate bonds issued by Amber Investment Partners Limited.

1. Expected Benefits: The acquisition is expected to integrate AIP's resources and generate complementary synergies, expand the Company's product scope into the acoustics and EV industries, provide more diversified products, and strengthen the Company's deployment in Southeast Asia.
2. Potential Risks: The operating performance of the investee may fall short of expectations due to the impact of the overall economic environment.
3. Response Measures: The Company will regularly review the operating status of the investee and conduct timely reviews and supervision.

- (VIII) Expected benefits and possible risks of expansion of premises, and measures in response:

In 2025 and as of March 2026, no construction of new premises has been completed, except for amounts invested in installing new peripheral facilities of or repairing and improving current premises. Thus, there are no expected benefits, possible risks, and measures in response.

Due to the need for transfer of business within our group and additional new orders in the future, LFE has invested in expansion of the factory premises and production equipment of the subsidiary LFDG in Mainland China in order to increase production capacity and improve operational efficiency. However, without any relative increase in our revenue to cover such capital expenditure and the operating costs arising from expanded production capacity and enhanced production technologies, we will incur a negative financial effect.

We will keep focusing on future market demand to evaluate the benefit of expansion of production capacity.

(IX) Risks faced during the concentration of purchases or sales, and measures in response:

1. The purchase amount from the Company's largest supplier in the most recent year accounts for only 5.66% of the total annual purchases, indicating no risk of purchase concentration.
2. Our important sales customers are those who have cooperated with us for a long time. We keep a close business relationship and maintain good interactions with our customers, with payments received regularly based on the length of loan period. Furthermore, as new products are being developed, we will actively reach out to new customer bases to reduce the risk of concentration of sales.

(X) Effects and risks of substantial transfers or changes of shares held by directors, supervisors, or shareholders with a shareholding of more than 10% to the Company, and measures in response:

None. We keep constant track of changes in the shareholdings of our directors and major shareholders to reduce relevant risks and ensure timely responses to relevant changes.

(XI) Effects and risks of changes in management to your company, and measures in response:

None.

(XII) Material litigious, non-litigious or administrative dispute events involving the directors, supervisors, president, de facto owner, major shareholders with a shareholding of more than 10% and subordinate entities of your company that are finalized or pending, whose results are likely to cause significant effects on shareholders' equity or securities price:

1. None during 2025 and as of the date of publication of the annual report.
2. The Company's subsidiary LFE has received an attestation letter from the SFIPC requesting all directors and supervisors of LFE to file a claim against former director Chang Lien-Sheng for the losses from the purchase of real property from Quan Te Technology and Industry Co., Ltd. in July 2013, for which former Chairman Chang Yung-Ta bears joint and several liability. LFE has retained attorneys to pursue the claim, received the court judgment on October 13, 2025, and actually collected the relevant amount on December 4, 2025.

Former directors Chang Lien-Sheng and Chang Yung-Ta have not participated in the operations and management of LFE, and they therefore have no influence on its finance and business.

3. ASCION, LLC d/b/a REVERIE (“Ascion”) filed a commercial arbitration with the International Centre for Dispute Resolution of the American Arbitration Association (the “ICDR”) in 2021 against Optima Healthcare Inc. (“Optima”), a subsidiary of the Company, alleging product defects and shipment delays. Ascion initially sought damages of approximately USD 18,000 thousand and later increased its claims in 2025 to approximately USD 143,984 thousand.

In addition, In the course of the arbitration proceedings, Optima asserted counterclaims against Ascion for unpaid invoices and damages, and further sought to hold Xienci Leads Inc. and Dah Sheng International Co., Ltd. jointly and severally liable for such unpaid amounts and damages. The evidentiary hearing in the arbitration was concluded at the end of October 2024.

The Arbitral Tribunal issued a partial final award on July 30, 2025 (the “PFA (I)”), a second partial final award on October 30, 2025 (the “PFA (II)”), and a final award on February 17, 2026 (the “Final Award”; the PFA (I), PFA (II), and Final Award are collectively referred to as the “Arbitration Awards”).

Pursuant to the PFA (I), the Arbitral Tribunal awarded ASCION damages in the amount of USD 26,999,276.52 against Optima. Subsequently, in the Final Award, the Arbitral Tribunal further awarded interest, attorneys’ fees, and related legal costs against Optima to ASCION, Xienci Leads Inc., and Dah Sheng International Co., Ltd., in an aggregate amount of USD 19,574,260.80. The total amount awarded therefore aggregates to USD 46,573,537.32. For further details, please refer to the Company’s material information disclosures dated July 31, 2025 (SEQ No. 2) and February 21, 2026 (SEQ No. 2).

In the aforementioned PFA (I), the Arbitral Tribunal stated in ¶253 (2): “...CECO was and is an “affiliate” of Optima, as Optima (the “Supplier”) is defined in the Ascion Supply Agreement, at times relevant and material to this proceeding,” and further stated in Footnote 2 of the PFA (I): “...Optima is defined at the outset the Ascion Supply Agreement to include its affiliates and subsidiaries; they are denominated there collectively as ‘Supplier.’ For ease of reference, as well as all substantive purposes of this Partial Final Award, the term ‘Optima’ is employed instead of ‘Supplier’ as the collective definition for ‘Optima Healthcare, Inc, a Private corporation, and its affiliates and subsidiaries....”

However, as the Arbitral Tribunal believed there was a discrepancy in the parties’ interpretation of the above text, it further stated in ¶55 (4) of the PFA (II) that the term “Optima” used in ¶253 (6) of the PFA (I) includes Compucase Enterprise Co., Ltd. (i.e., the Company). This may lead to the Company being improperly interpreted as being bound by the effects of the Arbitration Awards in this case. Nonetheless, the Company has never participated in this Arbitration, is not a party to this Arbitration, and has never signed any supply agreement or arbitration agreement with Ascion. There is a concern that the language in the aforementioned Arbitration Awards may overextend the effects of the Arbitration Awards and potentially prejudice the Company’s rights and interests.

(XIII) Other significant risks, and measures in response:

1. Intellectual Property Management Plan: To protect the Company's intellectual property rights and interests, the Company has established a review committee to handle matters relating to the application, maintenance, or remedies for infringements on patents and trademarks. The committee is composed of the highest-ranking officers of the following units: General Administration Office, Business Department, Marketing Department, and R&D Department. Legal personnel or personnel from patent and trademark firms may be invited to attend meetings as necessary. The implementation status is reported to the Board of Directors on a regular basis each year.
 - (1) Patent Management: The R&D unit is responsible for technology development and, from time to time, engages external patent firms to plan patent portfolio applications. The relevant patents are mainly used to protect the Company's rights and interests and maintain the Company's technological autonomy and priority rights.
 - (2) Trade Secret Management: The Company has established the "Confidentiality Clauses" and "Knowledge Management Procedures," which provide the following:
 - A. During the period of employment and for two years after leaving the Company, employees shall have a duty of confidentiality with respect to all trade secrets learned or obtained from the Company.
 - B. Unless authorized by the Company, employees shall not use the foregoing methods, confidential information, or other information on their own, nor shall they disclose such information to any other individual, company, or firm for use.
 - C. During employment with the Company, employees shall not, without consent, arbitrarily review or access documents, correspondence, design drawings, or computer data that are not under their responsibility.
 - D. Employees are obligated to take all reasonable measures to protect the Company's trade secrets and shall not disclose or deliver such trade secrets to any third party in any manner without the Company's prior written consent.
 - E. Employees warrant that they will not disclose to the Company or any other person any trade secrets learned from their former employers. In the event of any violation, the employee shall bear liability for compensation without objection. When signing the "Service Agreement," employees shall disclose any inventions, patents, works, know-how, and other confidentiality obligations owed to others under the laws, regulations, or contracts that they owned or created before signing the agreement. If any of the foregoing rights arise or are created during employment, employees shall also immediately notify the Company. When employees resign for any reason, in addition to completing resignation procedures such as the handover of documents and information under their responsibility and exit interviews, they shall warrant that they will not take away any other employees of the Company or directly or indirectly solicit other employees of the Company to resign by any other means.
 - F. Employees shall not use the Company's trade secrets for their own benefit or the benefit of others during employment or after leaving the Company, and shall continue to bear the foregoing confidentiality obligations with respect to the Company's trade secrets after leaving the Company.

- (3) Trademark Management: The Company has established specific trademark management procedures. Each year, the Administration Department, Business Department, and Marketing Department hold meetings on trademark portfolio planning. Professional trademark and patent firms are also engaged to regularly review trademark portfolio strategies, responses to similar trademarks, and the management of trademark renewals upon expiration. This ensures the Company's visibility and recognition in the international market.

The Company has established implementation items relating to intellectual property portfolio analysis, the establishment of an intellectual property legal compliance system, and the integration of an intellectual property management system. Progress on each item is regularly reported and monitored through the Company's business meetings, and the Company responds to potential operational risks accordingly.

2. Implementation Status of Intellectual Property Rights

(1) Major Implementation Status

- A. Promotion of the intellectual property management plan.
- B. Establishment of systematic patent management.
- C. Establishment of procedures for handling and managing internal material information (including trade secrets).

(2) Compilation of the intellectual property inventory and results.

A. Patent Results

The Company mainly manufactures computer peripheral products. Its patent portfolio is primarily focused on patents for mechanical structures and appearance designs. For mechanical components with high commercialization value, the Company protects them by applying for invention patents. For appearance designs, in response to the rapid product update cycle, the Company adopts utility model or design patents for protection.

The current portfolio status is as follows: as of the end of September 2025, the Company had obtained a total of 119 domestic and foreign patents, including 12 valid patents and 11 pending applications.

B. Trademark Results

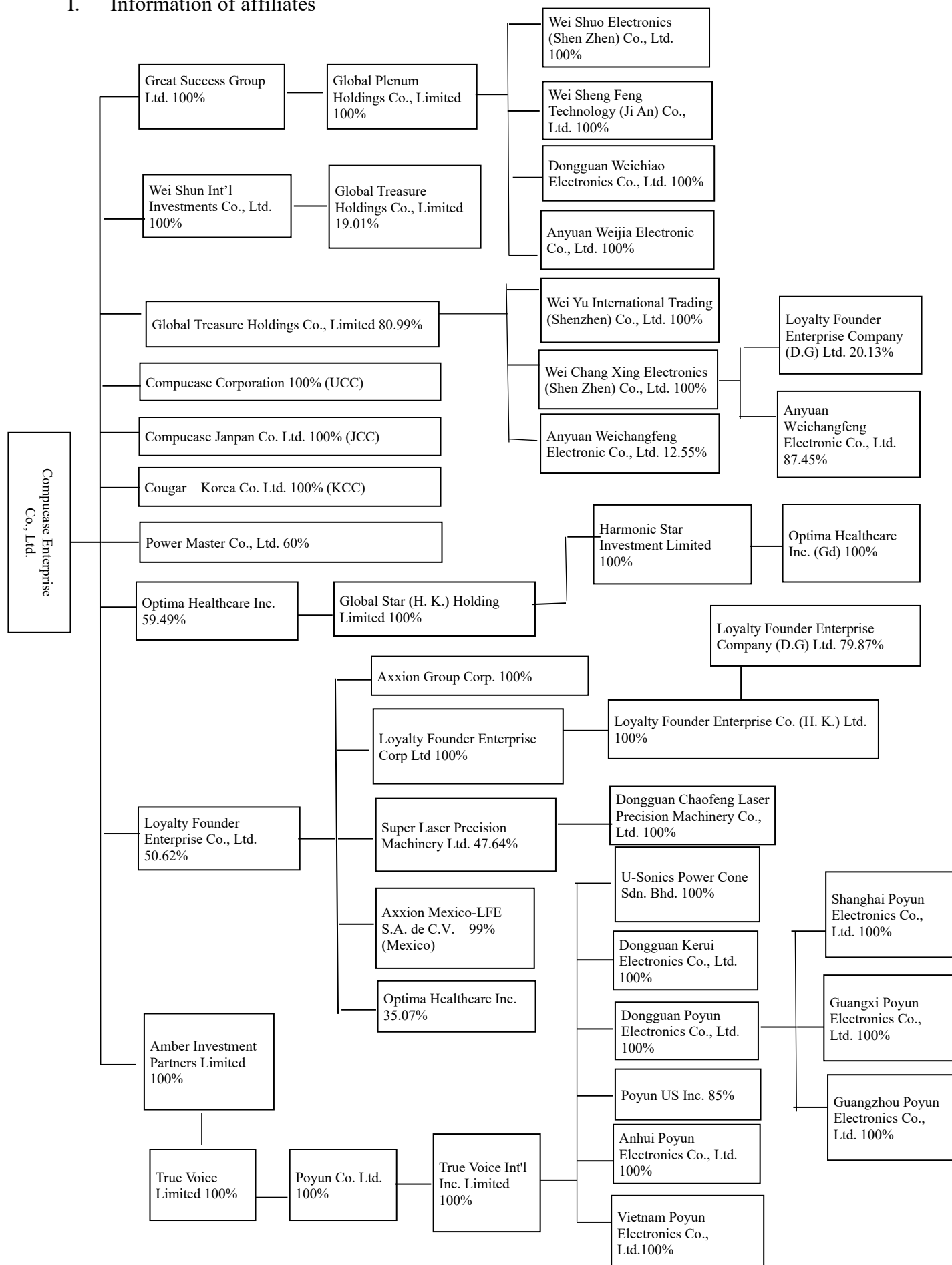
With respect to the Company's trademark portfolio, as of the end of September 2025, the Company had obtained a total of 126 domestic and foreign trademarks, including 66 valid trademarks and 20 pending applications.

VII. Other important matters

None.

Chapter VI Special Information

I. Information of affiliates



(II) Basic information of affiliates

Company name	Date of incorporation	Address	Paid-in capital	Scope of primary business or production	Remarks
Wei Shun Int'l Investments (BVI) Co., Ltd.	1997/02/03	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	USD4.5 million	Reinvestment and international trade	-
Great Success Group Ltd.	1997/12/29	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	USD6.8 million	Reinvestment and international trade	-
Wei Shuo Electronics (Shen Zhen) Co., Ltd.	1998/08/10	Room 1910, Longhu Junhui Condominium, No. 2331, Meilong Ave., Longhua St., Longhua Dist., Shenzhen City, Guangdong Province	USD3.8 million	Production of power supplies and computer parts and accessories	-
Compucase Corporation (UCC)	1995/12/19	16720 CHESTNUT ST CINDUSTRY, CA 91748 USA	USD1,415 thousand	Sales of electronic components	-
Compucase Japan co.LTD.(JCC)	2000/01/18	1F, 3-24-5, Shin-Yokohama, Kōhoku-ku, Kanagawa Prefecture, Japan	JPY10 million	Sales of electronic components	-
Wei Chang Xing Electronics (Shen Zhen) Co., Ltd.	2000/04/05	Room 1910, Longhu Junhui Condominium, No. 2331, Meilong Ave., Longhua St., Longhua Dist., Shenzhen City, Guangdong Province	USD2.2 million	Production of computer parts and accessories and cutting and processing of iron materials	-
Wei Yu International Trading (Shenzhen) Co., Ltd.	2004/06/25	Room 1910, Longhu Junhui Condominium, No. 2331, Meilong Ave., Longhua St., Longhua Dist., Shenzhen City, Guangdong Province	USD650 thousand	International trade and re-export trade	-
Power Master Co., Ltd.	2006/06/06	No. 225, Ln. 54, Sec. 2, Anhe Rd., Annan Dist., Tainan City	NTD3 million	Sales of electronic components	-
Cougar Korea Co. Ltd. (KCC)	2007/03/30	Doosan We've Sentium Rm1013, 1241-2 Baeksukdong, ilsandonggu, Koyansi, Kyunggido, Korea	USD800 thousand	International trade and re-export trade	-
Global Treasure Holdings Co., Limited	2007/12/18	Room 1902, 19/F, Lee Garden One 33 Hysan Avenue, Causeway Bay, Hong Kong	USD44.45 million	Investee company	-
Global Plenum Holdings Co., Limited	2007/12/18	Room 1902, 19/F, Lee Garden One 33 Hysan Avenue, Causeway Bay, Hong Kong	USD12.1 million	Investee company	-
Wei Sheng Feng Technology (Ji An) Co., Ltd.	2010/09/13	Chengnan Industrial Park (Qiaonan Industrial Park, Enjiang Town), Yongfeng County, Jian City, Jiangxi Province	USD1.5 million	Production of power supplies, computer parts, and accessories	-

Company name	Date of incorporation	Address	Paid-in capital	Scope of primary business or production	Remarks
Dongguan Weichiao Electronics Co., Ltd.	2015/06/11	4F, Building A, West Area, Jinqiao Industrial Park, Qingxi Town, Dongguan City	USD1.8 million	Production of power supplies, computer parts, and accessories	-
Anyuan Weijia Electronic Co., Ltd.	2018/05/31	Banshi Industrial Park, Banshi Town, Anyuan County, Jiangxi Province	USD10 million	Production of power supplies, computer parts, and accessories	-
Anyuan Weichangfeng Electronic Co., Ltd.	2020/08/24	Third road, Banshi Industrial Park, Banshi Town, Anyuan County, Jiangxi Province	RMB57.1728 million	Production of power supplies and computer parts and accessories	-
Optima Healthcare Inc.	2000/12/21	11F-1 and -2, No. 859, Jingguo Rd., Taoyuan Dist., Taoyuan City	NTD323.25 million	Production of medical beds, side tables and home electric beds	-
Global Star (H. K.) Holding Limited	2016/10/11	Room 1902, 19/F, Lee Garden One 33 Hysan Avenue, Causeway Bay, Hong Kong	USD6.7 million	Investee company	-
Harmonic Star Investment Limited	2016/10/20	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa.	USD6.7 million	General investments	-
Loyalty Founder Enterprise Co., Ltd.	1984/7/23	No. 225, Ln. 54, Sec. 2, Anhe Rd., Tainan City	NTD1.47682 billion	Manufacturing, processing, and trade of computer and server chassis	-
Axxion Group Corp.	1987/10/02	4731 Ripley Dr. Suite A El Paso, TX 79922, USA	USD733	Sales of computer components	-
Axxion Mexico-LFE S.A. de C.V.	2021/08/09	Ciudad Juárez, Chihuahua México	USD100 thousand	Sales of computer components	-
Loyalty Founder Enterprise Corp.Ltd.	1997/05/08	P.O.Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands	USD37,030 thousand	General investments	-
Loyalty Founder Enterprise Co.(H.K.)Ltd.	1997/01/29	Room 1902, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay	HKD296,049 thousand	Sales of computer components	-

Company name	Date of incorporation	Address	Paid-in capital	Scope of primary business or production	Remarks
Loyalty Founder Enterprise Company (D.G) Ltd.	2002/08/19	No. 70, Qingxi Sec., Qingzhang Rd., Qingxi Town, Dongguan City, Guangdong Province	HKD486,890 thousand	Production and sales of computer-aided manufacturing and other computer application systems, tools and dies.	-
Optima Healthcare Inc. (Gd)	2017/06/15	Room 101, No. 70, Qingxi Sec., Qingzhang Rd., Qingxi Town, Dongguan City, Guangdong Province	USD8,000 thousand	Manufacturing and sales of medical devices and equipment	-
Amber Investment Partners Limited (AIP)	2020/12/11	Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands	USD18,653.8	General investments	
True Voice Limited (TVL)	2020/12/11	Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands	USD6,500.01	General investments	
Poyun Co. Ltd. (KPY)	2020/04/29	Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands	USD50,000	General investments	
True Voice Int'l Inc. Limited (TVHK)	2020/1/20	Unit 2102, 21/F., Golden Centre, 188 Des Voeux Road Central, Sheung Wan, Hong Kong	USD9,999,999.89	General investment and international trade	
U-Sonics Power Cone Sdn. Bhd. (U-Sonics)	1999/08/29	No. 232, Unit 1, First Floor, Jalan Legenda 9, Legenda Heights, 08000 Sungai Petani, Kedah, Malaysia	MYR6,000,000	Paper cone and damper manufacturing	
Dongguan Kerui Electronics Co., Ltd.	2012/4/6	Room 701, Building 5, No. 8 Hengzhutang Road, Liabu Town, Dongguan City, Guangdong Province	CNY 6,265,865	Tinsel lead manufacturing	
Dongguan Poyun Electronics Co., Ltd.	2002/6/24	Building 1, No. 7 Yuning North Road, Hengli Town, Dongguan City, Guangdong Province	CNY 12,682,037	Voice coil and diaphragm manufacturing	
Shanghai Puyun Electronics Co., Ltd.	2020/10/16	Building 3, 335 Xupan Road, Jiading District, Shanghai	CNY 3,900,000	Voice coil and diaphragm manufacturing	

Company name	Date of incorporation	Address	Paid-in capital	Scope of primary business or production	Remarks
Guangxi Poyun Electronics Co., Ltd.	2025/1/6	2F and 3F, Building 2, Phase III Poverty Alleviation Workshop, Chengxi Industrial Park, Weier Road, Si'en Town, Huanjiang County, Guangxi, China	CNY 2,000,000	Voice coil and diaphragm manufacturing	
Guangzhou Poyun Electronics Co., Ltd.	2025/3/12	Room 305-1, No. 56-3, Fenguang South Road, Huadu District, Guangzhou City	CNY 400,000	Wholesale trading	
Anhui Poyun Electronics Co., Ltd.	2017/6/23	Buildings 7-8, Bolian Innovation Technology Industrial Park, Provincial Highway 102, Linquan County, Fuyang City, Anhui Province, China	CNY 45,400,799	Voice coil and diaphragm manufacturing	

Unit: NTD thousand

Name of affiliate	Shareholding relationship	Shareholding (%)	Number of shares invested in	Amount of investment
Wei Shun Int'l Investments (BVI) Co., Ltd.	HEC has shareholding in WII WII has shareholding in HEC	100% None	22,500 -	132,094 -
Great Success Group Ltd.	HEC has shareholding in GSG GSG has shareholding in HEC	100% None	20,000 -	211,592 -
Wei Shuo Electronics (Shen Zhen) Co., Ltd.	GPH has shareholding in WSE WSE has shareholding in GPH	100% None	- -	USD3.8 million -
Compucase Corporation (UCC)	HEC has shareholding in UCC UCC has shareholding in HEC	100% None	14,150 -	50,416 -
Compucase Japan co.LTD.(JCC)	HEC has shareholding in JCC JCC has shareholding in HEC	100% None	200 -	13,949 -
Wei Chang Xing Electronics (Shen Zhen) Co., Ltd.	GTH has shareholding in WCX WCX has shareholding in GTH	100% None	- -	USD2.2 million -
Wei Yu International Trading (Shenzhen) Co., Ltd.	GTH has shareholding in WYT WYT has shareholding in GTH	100% None	- -	USD650 thousand -
Power Master Co., Ltd.	HEC has shareholding in FCC FCC has shareholding in HEC	60% None	180,000 -	1,800 -
Cougar Korea Co. Ltd. (KCC)	HEC has shareholding in KCC KCC has shareholding in HEC	100% None	748,800	13,444
Global Treasure Holdings Co., Limited	HIT has shareholding in GTH	80.99%	36,000,000	1,072,541
	GTH has shareholding in HIT	None	-	-
	HIT has shareholding in GTH	19.01%	4,850,000	USD4.85 million
	GTH has shareholding in HIT	None	-	-
Global Plenum Holdings Co., Limited	GSG has shareholding in GPH	100%	12,100,000	USD12.1 million
	GPH has shareholding in GSG	None	-	-
Wei Sheng Feng Technology (Ji An) Co., Ltd.	GPH has shareholding in WSF	100%	-	USD1.5 million
	WSF has shareholding in GPH	None	-	-
Dongguan Weichiao Electronics Co., Ltd.	GPH has shareholding in DWC	100%	-	USD1.8 million
	DWC has shareholding in GPH	None	-	-
Anyuan Weijia Electronic Co., Ltd.	GPH has shareholding in WJA	100%	-	USD10 million
	WJA has shareholding in GPH	None	-	-
Anyuan Weichangfeng Electronic Co., Ltd.	WCX has shareholding in WCF	87.45%	-	RMB50 million
	WCF has shareholding in WCX	None	-	-
	GTH has shareholding in WCF	12.55%	-	RMB7.1728 million
	WCF has shareholding in GTH	None	-	-

Name of affiliate	Shareholding relationship	Shareholding (%)	Number of shares invested in	Amount of investment
				-
Optima Healthcare Inc.	HEC has shareholding in OPT OPT has shareholding in HEC	59.49% None	19,229,750 -	301,063 -
Loyalty Founder Enterprise Co., Ltd.	HEC has shareholding in LFE LFE has shareholding in HEC	50.62% None	74,755,773 -	933,893 -
Amber Investment Partners Limited (AIP)	HEC has shareholding in AIP AIP has shareholding in HEC	100% None	55,998 -	1,266,013 -
True Voice Limited (TVL)	AIP has shareholding in TVL TVL has shareholding in AIP	100% None	650,001 -	198 -
Poyun Co. Ltd. (KPY)	TVL has shareholding in KPY KPY has shareholding in TVL	100% None	50,000 -	1,522 -
True Voice Int'l Inc. Limited (TVHK)	KPY has shareholding in TVHK TVHK has shareholding in KPY	100% None	1,010,000 -	304,450 -
U-Sonics Power Cone Sdn. Bhd. (U-Sonics)	TVHK has shareholding in U-Sonics U-Sonic has shareholding in TVHK	100% None	6,000,000 -	245,833 -
Dongguan Kerui Electronics Co., Ltd.	TVHK has shareholding in Dongguan Kerui Dongguan Kerui has shareholding in TVHK	100% None	- -	CNY 6,265,865 -
Dongguan Poyun Electronics Co., Ltd.	TVHK has shareholding in Dongguan Poyun Dongguan Poyun has shareholding in TVHK	100% None	- -	CNY 12,682,037 -
Shanghai Puyun Electronics Co., Ltd.	Dongguan Poyun has shareholding in Shanghai Poyun Shanghai Poyun has shareholding in Dongguan Poyun	100% None	- -	CNY 3,900,000 -
Guangxi Poyun Electronics Co., Ltd.	Dongguan Poyun has shareholding in Guangxi Poyun Guangxi Poyun has shareholding in Dongguan Poyun	100% None	- -	CNY 2,000,000 -
Guangzhou Poyun Electronics Co., Ltd.	Dongguan Poyun has shareholding in Guangzhou Poyun Guangzhou Poyun has shareholding in Dongguan Poyun	100% None	- -	CNY 400,000 -
Anhui Poyun Electronics Co., Ltd.	TVHK has shareholding in Anhui Poyun Anhui Poyun has shareholding in TVHK	100% None	- -	CNY 45,400,799 -
Vietnam Poyun Electronics Co., Ltd. (VNPY)	TVHK has shareholding in VNPY VNPY has shareholding in TVHK	100% None	- -	91,335 -
Poyun US Inc. (USPY)	TVHK has shareholding in USPY USPY has shareholding in TVHK	85% None	1,020,000 -	31,054 -

(III) Common shareholders in companies presumed to be controlled by or subordinate to your company: None.

(IV) Information of directors, supervisors and presidents of affiliates

1. Information of directors, supervisors and presidents of affiliates with investments from HEC:

Company name	Title	Name or representative	Shareholding	
			Number of shares	Shareholding (%)
Wei Shun Int'l Investments Co., Ltd.	Representative	Wang Chun-Tung	4,500	100%
Great Success Group Ltd.	Representative	Wang Chun-Tung	20,000	100%
Wei Shuo Electronics (Shen Zhen) Co., Ltd.	Chairman Director Director	Wang Chun-Tung (Corporate representative of GPH) Chung Ding-Chun (Corporate representative of GPH) Ko Chi-Yuan (Corporate representative of GPH)	-	100%
Wei Chang Xing Electronics (Shen Zhen) Co., Ltd.	Chairman Director Director	Wang Chun-Tung (Corporate representative of GTH) Chung Ding-Chun (Corporate representative of GTH) Ko Chi-Yuan (Corporate representative of GTH)	-	100%
Compucase Corporation(UCC)	Owner	Wang Chun-Tung (Corporate representative of HEC)	1,150	100%
Compucase Japan Co.LTD(JCC)	Chairman	Wang Chun-Tung (Corporate representative of HEC)	200	100%
	Director	Ko Chi-Yuan (Corporate representative of HEC)	200	100%
	Director	Lin Cheng-Hung (Corporate representative of HEC)	200	100%
Wei Yu International Trading (Shenzhen) Co., Ltd.	Chairman	Wang Chun-Tung (Corporate representative of GTH)	-	100%
	President	Chung Ding-Chun (Corporate representative of GTH)	-	100%
	Director	Ko Chi-Yuan (Corporate representative of GTH)	-	100%
Power Master Co., Ltd.	Chairman	Wang Chun-Tung (Corporate representative of HEC)	180,000	60%
	Director	Huang Li-Chun (Corporate representative of HEC)	180,000	60%
	Director	Wang Chun-Chieh	120,000	40%
	Supervisor	Lee Chia-Ching	0	0%
Cougar Korea Co. Ltd. (KCC)	Chairman	Ko Chi-Yuan (Corporate representative of HEC)	748,800	100%
	Director	Wang Chun-Tung (Corporate representative of HEC)	748,800	100%
	Director	Brian Kim (Corporate representative of HEC)	748,800	100%
Global Treasure Holdings Co., Limited	Owner	Wang Chun-Tung	44,450,000	100%
Global Plenum Holdings Co., Limited	Owner	Wang Chun-Tung	12,100,000	100%
Wei Sheng Feng Technology (Ji An) Co., Ltd.	Chairman Director Director	Wang Chun-Tung (Corporate representative of GPH) Chung Ding-Chun (Corporate representative of GPH) Ko Chi-Yuan (Corporate representative of GPH)	-	100%
Dongguan Weichiao Electronics Co., Ltd.	Chairman Director Director	Wang Chun-Tung (Corporate representative of GPH) Chung Ding-Chun (Corporate representative of GPH) Ko Chi-Yuan (Corporate representative of GPH)	-	100%
Anyuan Weijia Electronic Co., Ltd.	Director	Wang Chun-Tung	-	100%
Anyuan Weichangfeng Electronic Co., Ltd.	Director	Wang Chun-Tung	-	100%
Optima Healthcare Inc.	Chairman	Wang Chun-Tung (Representative of HEC)	19,229,750	59.49%
	Director	Ko Chi-Yuan (Representative of HEC)	19,229,750	59.49%
	Director	Li Li-Sheng (Representative of HEC)	19,229,750	59.49%
	Director	Chung Ding-Chun (Representative of HEC)	19,229,750	59.49%
	Supervisor	Lin Yung-Hsiang	0	0%

Company name	Title	Name or representative	Shareholding	
			Number of shares	Shareholding (%)
Loyalty Founder Enterprise Co., Ltd.	Chairman	Wang Chun-Tung (Representative of HEC)	74,755,773	50.62%
	Director	Chung Ding-Chun (Representative of HEC)	74,755,773	50.62%
	Director	Li Li-Sheng (Representative of HEC)	74,755,773	50.62%
	Director	Ko Chi-Yuan (Representative of HEC)	74,755,773	50.62%
	Director	Chen Ling-Hsuan (Representative of Tahua Investment)	1,323,247	0.09%
	Independent director	Huang Cheng-Chung	0	0%
	Independent director	Tang Li-Yu	0	0%
	Independent director	Chan Hsin-I	0	0%
	Independent director	Lin Shu-Chen	0	0%
Amber Investment Partners Limited	Director	Compucase Enterprise Co., Ltd. Representative: Wang Chun-Tung Ko Chi-Yuan Chung Ding-Chun	55,998	100%
True Voice Limited	Director	Amber Investment Partners Limited Representative: Wang Chun-Tung	650,001	100%
Poyun Co. Ltd.	Director	True Voice Limited Representative: Wang Chun-Tung	50,000	100%
True Voice Int'l Inc. Limited	Director	Poyun Co. Ltd. Representative: Wang Chun-Tung	1,010,000	100%
U-Sonics Power Cone Sdn. Bhd.	Director Director	True Voice Int'l Inc. Limited Chuang Li-Min Gan Yu Hock	6,000,000	100%
Dongguan Kerui Electronics Co., Ltd.	Chairman Supervisor Managers	True Voice Int'l Inc. Limited Representative: Wang Chun-Tung Lin Yung-Hsiang Chuang Li-Min	-	100%
Dongguan Poyun Electronics Co., Ltd.	Chairman Supervisor Managers	True Voice Int'l Inc. Limited Representative: Wang Chun-Tung Lin Yung-Hsiang Chuang Li-Min	-	100%
Shanghai Puyun Electronics Co., Ltd.	Chairman Supervisor President	Dongguan Poyun Electronics Co., Ltd. Representative: Wang Chun-Tung Lin Yung-Hsiang Chuang Li-Min	-	100%
Guangxi Poyun Electronics Co., Ltd.	Chairman	Dongguan Poyun Electronics Co., Ltd. Representative: Wang Chun-Tung	-	100%
Guangzhou Poyun Electronics Co., Ltd.	Chairman Managers	Dongguan Poyun Electronics Co., Ltd. Representative: Wang Chun-Tung Chuang Li-Min	-	100%
Anhui Poyun Electronics Co., Ltd.	Chairman Supervisor President	True Voice Int'l Inc. Limited Representative: Wang Chun-Tung Lin Yung-Hsiang Chuang Li-Min	-	100%
Vietnam Poyun Electronics Co., Ltd.	Chairman President	True Voice Int'l Inc. Limited Representative: Wang Chun-Tung Chuang Li-Min	-	100%
Poyun US Inc.	Director	True Voice Int'l Inc. Limited Chuang Li-Min; Yang Tsai-Hsin; Tang Wei; Hsu Ting-Chun; Chi Chien-Yu; John Zhuang, Jay Yang, Bruce Tang, Tingjun Xu, Chien-Yu Chi	1,020,000	85%

2. Information of directors, supervisors and presidents of affiliates with investments from LFE:

December 31, 2026

Company name	Title	Name or representative	Shareholdings	
			Number of shares	Shareholding (%)
Axxion Group Corp.	Chairman	Loyalty Founder Enterprise Co., Ltd. Representative: Wang Chun-Tung	354 -	100% -
Loyalty Founder Enterprise Corp.Ltd.	Director	Loyalty Founder Enterprise Co., Ltd. Representative: Wang Chun-Tung	37,030,000 -	100% -
Loyalty Founder Enterprise Co.(H.K.)Ltd.	Director	Loyalty Founder Enterprise Corp.Ltd. Representative: Wang Chun-Tung	296,049,086 -	100% -
Loyalty Founder Enterprise Company (D.G) Ltd.	Chairman	Loyalty Founder Enterprise Co.(H.K.)Ltd. Representative: Wang Chun-Tung	- -	79.87% -
	Director Supervisor	Chu Chia-Ping Lin Yung-Hsiang Lee Chia-Ching	-	-
			-	-
Axxion Mexico-LFE S.A. de C.V.	Chairman	Loyalty Founder Enterprise Co., Ltd. Representative: Wang Chun-Tung	99,000	99%

(V) Overview of operations of affiliates

1. Overview of operations of affiliates with investments from HEC

December 31, 2025; Unit: NTD thousand

Company name	Capital	Total assets	Total liabilities	Net value	Operating revenue	Operating profit	Profit/loss for the current period (after tax)	Earnings per share (NTD) (after tax)
WII	136,279	330,764	0	330,764	0	0	38,761	1,722.71
GSG	211,010	812,174	0	812,174	0	0	15,767	788.35
UCC	3,709	29,791	10,552	19,239	36,815	(8,394)	(6,743)	(476.56)
JCC	2,756	128,158	59,126	69,032	244,375	8,116	6,156	30,781.07
KCC	20,225	111	14	97	0	0	0	0.00
WSE	134,406	3,683,653	3,318,289	365,364	4,263,960	117,119	29,265	0.00
WCX	82,085	993,775	168	993,607	3,953	(5,430)	77,288	0.00
WYT (Shenzhen)	24,001	103,441	66,098	37,343	211,108	5,918	4,703	0.00
FCC	3,000	41,174	27,504	13,671	66,519	4,205	4,464	14.88
GTH	1,324,290	4,566,724	2,310,839	2,255,886	0	(2,263)	(33,598)	(0.76)
GPH	380,303	822,795	10,644	812,151	0	(10,560)	15,765	1.30
WSF	44,246	79,545	10,361	69,184	63,098	3,762	4,362	0.00
DWC	50,767	79,458	16,537	62,921	71,736	5,427	6,187	0.00
WJA	31,590	41,039	620	40,419	0	(15)	(3,001)	0.00
LFE	1,476,826	5,610,166	2,617,234	2,992,932	5,454,930	369,138	190,141	1.29
OPT	323,250	429,557	1,823,597	(1,394,040)	446,183	(129,988)	(1,612,497)	(49.88)
WCF	257,049	394,625	77,028	317,597	676,297	33,717	43,006	0.00
AIP (Note 2)	586	1,547,168	1,309,017	238,151	-	(4)	222,731	4.29
TVL (Note 2)	204	2,892,547	1,345,615	1,546,932	-	(10,613)	239,627	368.66
KPY (Note 2)	1,572	2,983,543	2,366,993	616,550	-	(2)	299,540	5,990.81
TVHK (Note 2)	314,300	8,346,601	5,752,482	2,594,119	903,806	100,042	299,542	296.55
U-Sonics (Note 2)	42,535	115,344	32,346	82,998	61,509	22,535	18,063	3.01
Dongguan Kerui (Note 2)	27,449	44,218	20,615	23,603	24,470	2,217	2,026	-
Dongguan Poyun (Note 2)	55,681	1,534,879	585,914	948,965	1,133,830	70,335	82,115	-
Shanghai Poyun (Note 2)	17,123	1,075,556	1,023,079	52,477	776,830	9,322	16,962	-
Guangxi Poyun (Note 2)	8,781	57,230	39,217	18,013	51,151	5,458	5,573	-
Guangzhou Poyun (Note 2)	1,756	52,022	50,155	1,867	43,913	435	428	-
Anhui Poyun (Note 2)	199,333	359,102	102,632	256,470	211,731	37,226	30,339	-
VNPY (Note 2)	219,354	3,057,778	618,022	2,439,756	954,970	258,889	220,039	-
USPY (Note 2)	37,716	61,858	16,783	45,075	64,988	4,621	1,827	1.52

Note 1: The figures of foreign companies are translated at the exchange rate on December 31, 2025.

Note 2: The Company completed the acquisition of AIP in July 2025. Accordingly, the operating revenue, operating income, and profit or loss for the period disclosed for the current period represent data from July to December 2025, which have been audited by the CPAs.

2. Overview of operations of affiliates with investments from LFE

Unit: NTD thousand; EPS unit: NTD, December 31, 2025

Company name	Capital	Total assets	Total liabilities	Net value	Operating revenue	Operating profit	Profit/loss for the current period (after tax)	Earnings per share (after tax)
Axxion Group Corporation.	24	45,217	10,954	34,263	37,690	(3,770)	(13,249)	(37,427)
Loyalty Founder Enterprise Corp.Ltd.	1,195,769	2,370,368	0	2,370,368	0	0	143,482	3.87
Loyalty Founder Enterprise Co.(H.K.)Ltd.	1,109,463	2,374,543	4,449	2,370,094	0	(11,576)	144,440	0.49
Loyalty Founder Enterprise Company (D.G) Ltd.	1,992,198	5,281,931	2,345,412	2,936,519	5,010,784	277,234	195,601	-
Axxion Mexico-LFE S.A. de C.V.	2,793	2,072	9	2,063	0	(542)	(16)	(0.16)

II. Private placement of securities during the most recent year and as of the date of publication of the annual report
None.

III. Other additional information required
None.

Chapter VIII. Occurrence of Events With a Significant Effect on Shareholders' Equity or Securities Price, as Defined Under Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act, During the Most Recent Fiscal Year or Up to the Date of Publication of This Annual Report, Shall Also Be Disclosed Item by Item If Any Such Events Have Occurred:

1. During 2025, all directors of the Company were re-elected upon the expiration of their terms of office. The resulting changes in the composition of the Board have not had any material effect on shareholders' equity or the market price of the Company's securities.
2. For information regarding the arbitration case involving Li Wei Co., Ltd., a subsidiary of Wistron Corporation, please refer to pages 140 of this Handbook.

Appendix 1 Consolidated financial statements for the most recent year

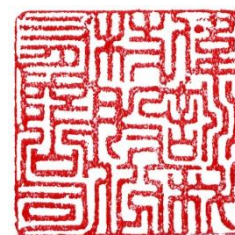
Statement of Consolidated Financial Report for Affiliates

For the fiscal year 2025 (from January 1, 2025 to December 31, 2025), in accordance with the "Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises," the companies included in the preparation of the consolidated financial report for affiliates are the same as those required to prepare the parent-subsidary consolidated financial report under IFRS 10. Furthermore, the relevant information that should be disclosed in the consolidated financial report for affiliates has already been disclosed in the aforementioned parent-subsidary consolidated financial report. As such, the Company will not prepare a separate consolidated financial report for affiliates.

Hereby declare.

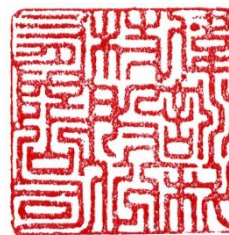
Company name: Compucase Enterprise Co., Ltd.

Chairman: Wang Chun-Tung



March 12, 2026

Compucase Enterprise Co., Ltd.



Chairman: Wang Chun-Tung

