Stock Code: 6863

2025 Annual Report

Arizon RFID Technology (Cayman) Co., Ltd.

For more information regarding this annual report, please visit
The Market Observation Post System: https://mops.twse.com.tw
Company Website: https://www.arizonrfid.com/zh_TW
Printed on: 2026.3.31

I. Name, title, contact number, and email of the Company's spokesperson:

- Spokesperson | CFO Shu-Fen Chang | TEL: (02)2391-6863 | E-mail: investor@arizonrfid.com
- Deputy spokesperson | President Bing-Yi Lin | TEL: (02)2391-6863 | E-mail: investor@arizonrfid.com

II. Addresses and phone numbers of the headquarters, branch offices, and plants:

(I) Name of Company: Arizon RFID Technology (Cayman) Co., Ltd.
Website: https://www.arizonrfid.com/zh_TW
Address: The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands.
Telephone: +886-2-2391-6863

(II) Factories:

1. **China**
   Address: No. 88 Wuzhou E. Rd., Economic Development Park, Yangzhou, Jiangsu
   Telephone: +86-514-8097-2024
2. **Taiwan**
   Address: No. 10-1, Lane 89, Section 3, Zhongyang Road, Tucheng District, New Taipei City, Taiwan
   Telephone: +886-2-2269-0700
3. **Vietnam**
   Address: Plot CN 01.9 and CN 01.10, Industrial Park No.05, Quang Lang Commune, An Thi District, Hung Yen Province, Vietnam.
   Telephone: +84 2213636100
4. **US**
   Address: 5655 W Sam Houston Parkway North, Bldg 3, Houston, Texas 77041
   Telephone: +1 832-701-1886

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

- SinoPac Securities Corporation – Share Registration Service Department
  3F, No. 17, Boai Road, Zhongzheng District, Taipei City, Taiwan
  https://www.sinotrade.com.tw | TEL: (02)2381-6288

IV. Name, firm name, address, website, and telephone number of the CPA who attested the most recent year's financial statements:

- Shu-Wan Lin and Chih-Ming Shao Deloitte & Touche Taiwan
  20F, No. 100, Songren Road, Xinyi Dist., Taipei City, Taiwan
  https://www.deloitte.com.tw | TEL: (02)2725-9988

V. Stock exchange(s) on which the stock is traded overseas and ways to obtain relevant information: N/A

VI. Board of Directors name list:

Title	Name	Nationality	Education and work experience
Chairman	YFY GLOBAL Investment B.V. Felix Ho	Republic of China	MBA, MIT Sloan School of Management Chairman of YFY Inc.
Director	YFY Paradigm Investment Co., Ltd. David Lo	Republic of China	Cornell University, Samuel Curtis Johnson Graduate School of Management
Director	YFY Development Co., Ltd. Hong-Shi Wen	Republic of China	Master's Degree, Department of Mechanical Engineering, National Central University AUO Corporation, Deputy Chief of Plant
Director	Bing-Yi Lin	Republic of China	Master's Degree, Information Management, University of Washington China Development Industrial Bank, Manager of Direct Investment Department
Independent Director	Chin-Jung Kuo	Republic of China	Master of Accounting, Southern Illinois University, USA. Committee Chairperson, Accounting and Auditing Committee, Taiwan CPA Association
Independent Director	Ching-I Li	United Kingdom	HITOTSUBASHI UNIVERSITY MBA Global Brands Group, Chief Restructuring Officer
Independent Director	Jen-Tien Chiu	Republic of China	Ph.D. Massachusetts Institute of Technology Microsoft AI Developer Advisory Board, USA

VII. Name, title, contact phone number, and e-mail address of the designated agent for litigation and non-litigation matters within the ROC

- Chairman | Felix Ho | TEL: (02) 2322-4824 | E-mail: investor@arizonrfid.com

VIII. Company Website: www.arizonrfid.com/zh_TW

Contents

Chapter 1 Message to Shareholders

Dear Shareholders,

The RFID industry faced a challenging year in 2025. Global tariffs and trade disruptions weighed on customer demand, while the transition to a new generation of RFID chips prompted customers to rebalance inventories. Together, these factors caused overall demand to contract and intensified price competition. Against this backdrop, the industry entered a clear adjustment phase, with competitive positions beginning to diverge.

For Arizon, 2025 was a year that tested our competitiveness.

In early Q2, tariff measures were announced at a speed and scale far beyond market expectations, creating immediate disruption across global supply chains and trade flows. Customers were forced to reassess sourcing strategies and supply chain footprints within a compressed timeframe. As a result, retail and logistics customers generally adopted a cautious posture during the first half of the year. Demand became more volatile, and the growth momentum built over prior years weakened materially.

At the same time, industry capacity added in recent years continued to come online, further intensifying competition. Larger players pursued orders aggressively through pricing, and the competitive landscape continued to shift toward companies with greater scale and stronger capabilities. Competitive pressure in 2025 rose well above levels seen in prior years. In this more demanding environment, companies with scale, technology leadership, and dependable supply execution were better positioned to expand their advantage, while weaker participants faced increasing pressure to consolidate or exit.

Although the overall market declined, the Company's shipment volume for the full year remained broadly in line with 2024, resulting in a gain in market share. This reflects our ability to maintain shipment momentum and reinforce our position in key markets through a combination of technology, cost competitiveness, and scale.

In response to rapid changes in the market, we acted proactively throughout 2025 to realign resources and operating priorities. We completed the build-out of our Vietnam facility and took further steps to expand our U.S. presence with capital investment in localized backend production capabilities. These investments created near-term pressure through depreciation, start-up costs, and higher operating expenses, but they position the Company for greater flexibility, stronger customer support, and improved responsiveness over time.

At the same time, we continued to improve manufacturing automation and process efficiency to enhance consistency across regions, reduce labor dependency, and strengthen long-term cost competitiveness.

We also accelerated diversification of our customer base and end-market exposure, reducing reliance on apparel retail while expanding in logistics and other emerging applications. This has created a more balanced business mix and improved resilience against swings in any single end market.

We continued to invest in ARC-related capabilities, new application-driven products, and intellectual property. As of the end of 2025, the Company had filed 925 patent applications, of which 829 had been granted. These investments are designed to enhance product reliability and broaden applicability across a wider range of use cases, while reinforcing long-term competitive barriers.

In 2025, the Company was invited to join the Advisory Board of the Auburn University RFID Lab, contributing to discussions related to ARC certification standards and future industry development. This recognition reflects our technical depth and standing within the global RFID industry.

Against this backdrop, consolidated revenue for 2025 was NT$3.953 billion, a decline of 14% from the prior year. Gross margin and profitability were affected by tariffs, pricing pressure, and the initial costs associated with new capacity investments. Through disciplined expense management, the operating expense declined by approximately 16% year over year. Net income for the year was approximately NT$225 million, and earnings per share were NT$3.00.

The RFID industry is now entering an important transition from a growth-led market to a competition-led market. Success will increasingly be determined not only by price, but by the combined strength of technology, product performance, supply chain configuration, customer service, and ESG execution. As industry consolidation continues, competitive advantage is likely to concentrate among companies with the scale and capabilities required to compete effectively. Arizon will continue to evaluate opportunities for both organic growth and external collaboration opportunities.

The rise of AI and data-driven applications is accelerating the conversion of physical-world activity into information that can be captured, analyzed, and acted upon in real time. RFID plays a critical role in that process by enabling physical items to be identified, tracked, and connected to digital systems. Over time, we believe RFID will become an increasingly important enabling layer between the physical and digital worlds. Companies that combine technology leadership, cost competitiveness, and global supply capability should be well positioned to benefit.

In 2026, we will continue to expand our global manufacturing footprint, enhance supply chain flexibility, and focus on application segments with attractive growth potential, with the goal of improving shipment volumes relative to 2025. We will also continue to deepen investment in technology and intellectual property to maintain product competitiveness. As customer expectations for supply chain transparency and environmental performance continue to rise, we will further advance energy management and carbon reduction initiatives so that ESG capabilities remain aligned with the Company's long-term development.

We believe that building durable long-term competitiveness will be the foundation for the Company to achieve steady growth and deliver sustained value to shareholders as the industry continues to evolve.

Sincerely,

Felix Ho
Chairman
Arizon RFID Technology (Cayman) Co., Ltd.

Chapter 2 Company Profile

I. Establishment Date and Group Profile:

Arizon RFID Technology (Cayman) Co., Ltd. (hereinafter referred to as the Group or Arizon-KY) was established in the British Cayman Islands on October 21, 2021, and the direct or indirect investment business includes YFY RFID CO. LIMITED, Arizon RFID Technology Co., Ltd., Arizon Japan Co., Ltd., Arizon RFID Technology (Hong Kong) Co., Ltd., Arizon Corporation, and Arizon Technology (Vietnam) Co., Ltd. are mainly engaged in various hardware products, software system development and label design of RFID intelligent identification system, and provides peripheral system integration services.

II. Company History:

2007

- Changxin Technology (Yangzhou) Co., Ltd. was renamed to Arizon RFID Technology (Yangzhou) Co., Ltd., and is the largest RFID Inlay manufacturer in China and Taiwan. It engages in the design, development, manufacture, sales and post-sales, services of soft and hardware for RFID.
- YEON Technologies (Yangzhou) Co., Ltd. was established and mainly engages in the design, distribution, development of materials and components, RFID system integration, installment, training, consulting service, and sales of RFID and reception antennas.

2010

- The Company established YFY RFID Co., Ltd. through investment by YFY Global Investment B.V., a subsidiary of YFY Inc., and invested in Arizon RFID Technology (Yangzhou) Co., Ltd. Through YFY RFID Co., Ltd.

2012

Accumulated sales of more than 1 billion Inlays.

2015

- Arizon RFID (Yangzhou) Technology Co., Ltd. completed the construction of the first factory
- Arizon RFID Technology (Yangzhou) Co., Ltd. obtained the High-New Technology Enterprise Certification.

2016

Accumulated sales of more than 5 billion Inlays.

2017

- The Company established Arizon RFID Technology (Hong Kong) Co., Ltd., which engages in the R&D, design, manufacture, and sales of RFID tags.
- Arizon RFID Technology (Yangzhou) Co., Ltd. obtained the High-New Technology Enterprise Certification.

2019

- The Company established the Arizon Japan Co., Ltd., which engages in the sales, and post-sales services of RFID tags.
- Arizon RFID Technology (Yangzhou) Co., Ltd. was renamed Arizon RFID Technology Co., Ltd.
- Accumulated sales of more than 10 billion Inlays.

2020

- Arizon RFID Technology Co., Ltd. Obtained the IATF 16949:2016 for automotive quality management system, and its products officially entered the automotive market.
- Arizon RFID Technology (Hong Kong) Co., Ltd. Taiwan Branch completed its first factory (in Tucheng, Taipei, Taiwan), aiming at a production volume of 1 billion units per year.

2021

- Arizon RFID Technology Co., Ltd. completed the construction of the second factory, and increased its production volume to ten billion units per year after the expansion.
- YFY RFID Co., Ltd. increased its capital through issuance of 3,985 thousand new shares, and acquired 13.47% of shareholding in Arizon RFID Technology Co., Ltd. through share swap.

2022

- The Company obtained all 100% shareholding in YFY RFID Co., Ltd. by issuing 64,999,999 new shares to the original shareholders of YFY RFID Co., Ltd.
- Arizon RFID Technology Co., Ltd. obtained the ARC Quality Certification, and was the first in Asia to receive such an honor.

2023

- Arizon RFID Technology (Cayman) Co., Ltd. was listed on Taiwan Stock Exchange Corporation (TWSE) on March 21, 2023.
- Establish Arizon Corporation (US subsidiary) and expand business in America.

2024

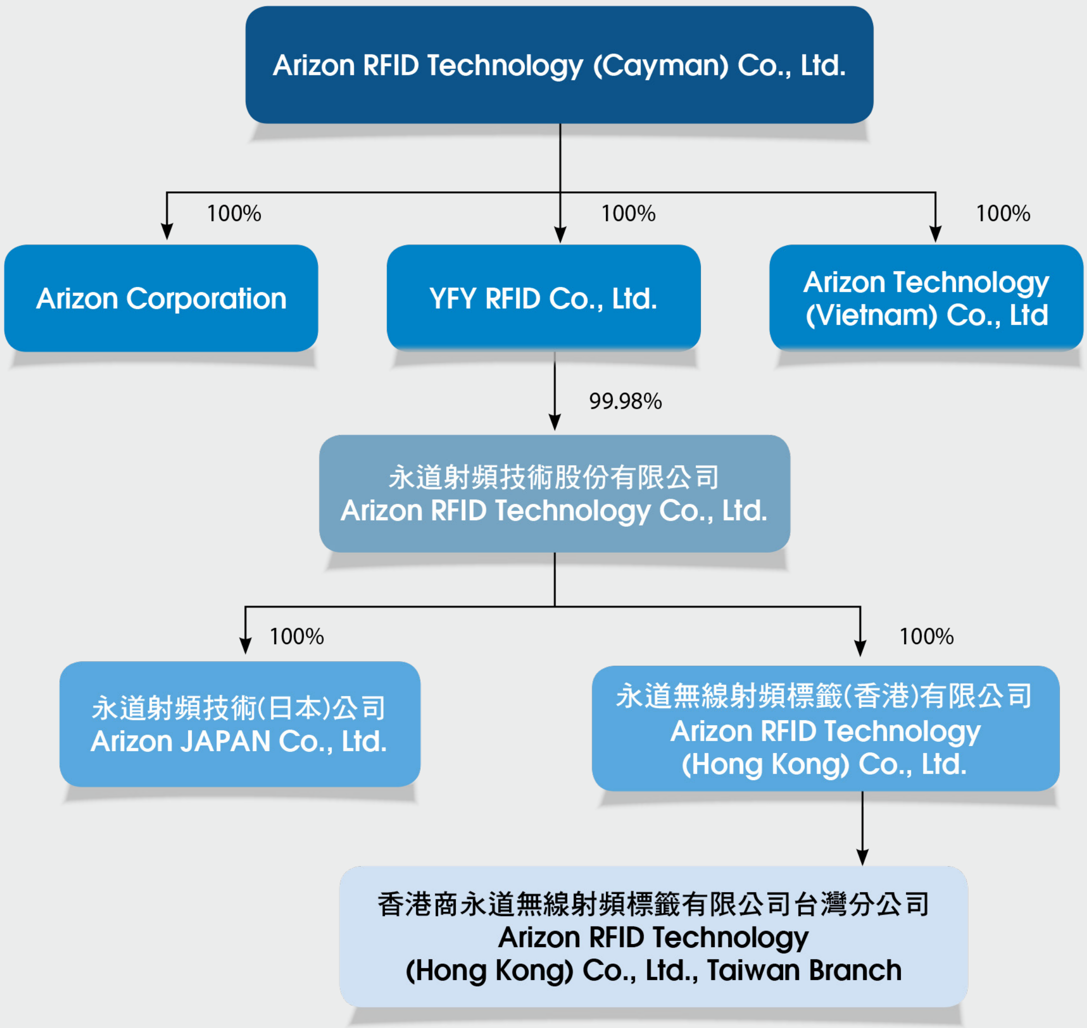
- Establish Arizon Technology (Vietnam) (VN subsidiary) and expand business in Vietnam.
- Issued the first unsecured convertible bonds to support factory expansion.
- The first ESG report was issued, demonstrating the sustainability actions and its determination to implement sustainable development.

2025

- The new factory in Vietnam was completed and commenced trial operations.
- Near-term carbon reduction targets were submitted to SBTi and entered the review process.

III. Organizational Structure:

Please refer to Chapter 7 “Special Disclosures” of this annual report for details.



IV. Risk Matters:

Please refer to Chapter 6, “Financial Position, Financial Performance and Risk Analysis,” of the annual report for details on the macro economy, political and economic changes, foreign exchange control, taxes, applicable laws and whether the validity of a final civil judgment issued by the R.O.C. court may be recognized in the jurisdiction where the foreign issuer was incorporated and the countries where the issuer has its main operation activities, and other risks matters.

Chapter 3 Corporate Governance Report

I. Profiles of Directors, Independent Directors, President, Executive VP, VPs, and Managers

(I) Profiles of Directors and Independent Directors

March 29, 2026

Title	Nationality or place of registration	Name	Gender/ Age			Date elected	Term (Year)	First elected	Shares held when elected		Shares currently held		Current shares held by spouse and underage children		Shares held in names of third parties		Education and work experience	Positions concurrently held at the Company or other companies	Spouse or relatives within second degree of kinship who also act as directors, supervisors, or other department heads			Notes
			40-50	51-60	>60				Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Title	Name	Relation	
Chairman	Republic of China	YFY GLOBAL Investment B.V.	Male			2025/05/27	3	2022/07/11	45,694,935	61.02	45,694,935	61.02	0	0	0	0	MBA, MIT Sloan School of Management Chairman of YFY Inc..	(Note 2)	N/A	N/A	N/A	
		Representative: Felix Ho		✓					-	-	*480,000	0.64										
Director	Republic of China	YFY Paradigm Investment Co., Ltd.	Male			2025/05/27	3	2022/07/11	100,000	0.13	100,000	0.13	0	0	0	0	MBA, Cornell University, Samuel Curtis Johnson Graduate School of Management Managing Director, UBS Taiwan	(Note 3)	N/A	N/A	N/A	
		Representative: David Lo		✓					-	-	0	0.00										
Director	Republic of China	YFY Development Co., Ltd.	Male			2025/05/27	3	2022/07/11	100,000	0.13	100,000	0.13	0	0	0	0	Master's Degree, Department of Mechanical Engineering, National Central University AUO Corporation, Deputy Chief of Plant	(Note 4)	N/A	N/A	N/A	
		Representative: Hong-Shi Wen			✓				-	-	*270,000	0.36										
Director	Republic of China	Bing-Yi Lin	Male			2025/05/27	3	2022/07/11	1,070,130	1.43	1,098,130	1.47	0	0	2,284,676 (Note 1)	3.05	Master's Degree, Information Management, University of Washington China Development Industrial Bank, Manager of Direct Investment Department	(Note 5)	N/A	N/A	N/A	
			✓																			
Independent Director	Republic of China	Chin-Jung Kuo	Female			2025/05/27	3	2025/05/27	0	0.00	0	0.00	0	0	0	0	Master of Accounting, Southern Illinois University, USA Committee Chairperson, Accounting and Auditing Committee, Taiwan CPA Association	(Note 6)	N/A	N/A	N/A	
					✓																	

Title	Nationality or place of registration	Name	Gender/ Age				Date elected	Term (Year)	First elected	Shares held when elected		Shares currently held		Current shares held by spouse and underage children		Shares held in names of third parties		Education and work experience	Positions concurrently held at the Company or other companies	Spouse or relatives within second degree of kinship who also act as directors, supervisors, or other department heads			Notes
			Gender	40-50	51-60	>60				Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Title	Name	Relation	
Independent Director	United Kingdom	Ching-I Li	Male		✓		2025/05/27	3	2022/07/11	0	0.00	0	0.00	0	0	0	0	HITOTSUBASHI UNIVERSITY MBA KT Licensing Limited President/CEO	(Note 7)	N/A	N/A	N/A	
Independent Director	Republic of China	Jen-Tien Chiu	Male		✓		2025/05/27	3	2022/9/14	0	0.00	0	0.00	0	0	0	0	Ph.D. Massachusetts Institute of Technology Ministry of Economic Affairs, Expert of Artificial Intelligence Development Strategy Smart Customer Service Industry	(Note 8)	N/A	N/A	N/A	

* personal holdings

Note 1: Number of shares in the Company held through Yunsheng Co., Ltd.

Note 2: The Chairman of the Company; Director of Jupiter Prestige Group Holding Limited; Chairman of YFY Jupiter (Cayman Islands) Co., Ltd.; Director of YFY Biopulp Technology Ltd.; Director of YFY RFID CO. LIMITED; Chairman of YFY Investment Co., Ltd.; Chairman of Ever Growing Agriculture Bio-tech Co.; Chairman of Yuen Foong Shop Co.; Director of YFY Consumer Products, Co.; Director of LiVEBRiCKS Inc.; Chairman of Yuen Foong Yu Consumer Products Co.; Director of Yuen Foong Yu Consumer Products Investment Ltd.; Director of eCrowd Media, Inc.; Chairman of Arizon RFID Technology Co., Ltd.; Director of Arizon Japan Co., Ltd.; Director of Arizon Technology (Vietnam) Co., Ltd.; Director of YFY Japan Co., Ltd.; Director of Shin-Yi Enterprise Co., Ltd.; Chairman of Hongtong Digital Technology Co.; Chairman of Yuen Foong Co.; Director of Fu Hwa Enterprise Co., Ltd.; Director of Cheng Yu Co., Ltd.; Supervisor of Aidatek Electronics, Inc.; Independent Director of Universal Cement Corporation; Supervisor of The Eisenhower Fellows Association in the Republic of China; Chairman of Epoch Foundation; Standing Supervisor of Monte Jade Taiwan Science & Technology Association; Chairman of Association of Corporate Patent Managers of Taiwan.

Note 3: Director of the Company; Director and President of YFY Inc.; Director of YFY Industrial Paper Co.; Director of YFY Consumer Products Industrial Co.; Director of YFY Consumer Products Investment Co.; Chairman of YFY Corporate Advisory & Services Co., Ltd.; Chairman of YFY Paradigm Investment Co., Ltd.; Chairman of YFY Development Co., Ltd.; Director of YFY GROUP Fidelis IT Solutions Co., Ltd.; Director of YFY Biotech Management Co., Ltd.; Director of Taiwan Stock Exchange Corporation; Director of YFY International B.V.; Director of YFY Global Investment B.V.; Director of YFY Mauritius Corporation; Director of Yongyu Intelligence Co.; Board Member, Taiwan Venture Capital Association.

Note 4: Director of the Company; Director and CEO of Arizon RFID Technology Co., Ltd.; Director of Arizon RFID Technology (Hong Kong) Co., Ltd.

Note 5: Director of the Company; Director of YFY Jupiter (BVI) Inc.; Director and President of Arizon RFID Technology Co., Ltd.; Director of Arizon Wireless RFID Label (Hong Kong) Co., Ltd.; Director of Arizon RFID Technology (Japan) Co., Ltd.; Director of Arizon Corporation; Director of Opal BPM Limited; Director of Opal BPM Consulting Limited; Director of Yunsheng Co., Ltd.; Director and President of Yangzhou Dicheng Trading Co., Ltd.; Director of Dicheng Co., Ltd.

Note 6: Independent Director of the Company; Director, Guangxin Yiqun Certified Public Accountants; Independent Director of Quanyuxin Technology Co., Ltd.; Independent Director of Nanbao Resin Chemical Factory Co., Ltd.; Director of Guangkai Co., Ltd.; Director of Guangyi Development Enterprise Co., Ltd.; Supervisor of Guangxin Investment Co., Ltd.; Supervisor of Daye International Development Co., Ltd.; Standing Supervisor of the Chinese Tax Agents Association.

Note 7: Independent Director of the Company; Director of Pacific Licensing Studio Pte. Ltd.; Independent Director of Dr. Wu Skincare Co., Ltd.

Note 8: Independent Director of the Company; President of Intumit, Inc.; Director of Idrasys Co., Ltd.; Director of Miraxia Edge Technology Co., Ltd.

(1) Major Direct Institutional Shareholders

December 31, 2025

Name of Institutional Shareholder	Major Direct Institutional Shareholders
YFY GLOBAL Investment B.V.	YFY Inc. (100%)
YFY Paradigm Investment Co., Ltd.	YFY Inc. (100%)
YFY Development Co., Ltd.	YFY Inc. (100%)

(2) Major Indirect Institutional Shareholders

December 31, 2025

Name of Institutional Shareholder	Major Indirect Institutional Shareholders
YFY Inc.	Ho Tse Yi Enterprise Co., Ltd. (9.92%), Shin-Yi Foundation (5.66%), Shin-Yi Enterprise Co., Ltd. (4.69%), HSINEX International Corp. (4.52%), Ho Cheng-Ting (2.92%), YFY Inc. Labor Retirement Reserve Fund Supervisory Committee (2.79%), Cheng Yu Co., Ltd. (2.76%), Ru Yi Enterprise Co., Ltd. (2.69%), Ho Mei-Yu (2.65%), Felix Ho (2.14%)

1. Directors' Professional Qualifications and Independent Directors' Information Disclosure:

Name	Professional qualifications and experience	Fulfillment of independence criteria	Number of independent directors
YFY GLOBAL Investment B.V. Representative: Felix Ho	Specialty: Possesses the experience required for the Company's business in commerce, finance, operations management, and industry. Experience: General Manager, YFY Consumer Products Industrial Co.; Executive Vice President, YFY Home Products Business Unit; Assistant Manager, Strategy Integration Center, YFY MFG Co., Ltd.	-	1
YFY Paradigm Investment Co., Ltd. Representative: David Lo	Specialty: Possesses the experience required for the Company's business in commerce and operations management. Experience: Managing Director, UBS Taiwan; Deputy General Manager, Shin Kong Bank; Director, Treasury Department, Chang Hwa Bank.	-	0
YFY Development Co., Ltd. Representative: Hong-Shi Wen	Specialty: Possesses the experience required for the Company's business in operations management and industry. Experience: Deputy Plant Director, AUO Corporation; Division Director, Innolux Corporation.	-	0
Bing-Yi Lin	Specialty: Possesses the experience required for the Company's business in business administration, operations management, and industry. Experience: China Development Industrial Bank, Manager of Direct Investment Department.	-	0
Chin-Jung Kuo	Specialty: Possesses the financial capability required for the Company's business. Experience: Committee Chairperson, Accounting and Auditing Committee, Taiwan CPA Association; Managing Partner, RSM Taiwan; Chairman, Taipei City Tax Agent Association.	1. I, my spouse, and relatives within the second degree of kinship have not served as directors, supervisors, or employees of the Company or related enterprises 2. I, my spouse, and relatives within the second degree of kinship (or utilizing their names) do not hold any shares in the company. 3. I have not served as a director, supervisor, or employee of a related company with specific relationships to the company (referring to the provisions of Article 3, Paragraph 1, Subparagraphs 5-8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). 4. The amount of compensation received for providing business, legal, financial, accounting, or other services to our company or its affiliated enterprises within the past two years has not been disclosed.	2
Ching-I Li	Specialty: Possesses the operations management capability required for the Company's business. Experience: Global Brands Group, Chief, Restructuring Officer.		1
Jen-Tien Chiu	Specialty: Possesses the experience required for the Company's business in operations management and industry. Experience: Expert, AI Development Strategy and Smart Customer Service Industry, Ministry of Economic Affairs; Member, Government Open Data Advisory Group, Ministry of Economic Affairs; Industry Advisor, FinTech Research Center, National Chengchi University; Microsoft AI Developer Advisory Board, USA.		0

Note 1: For the educational background and professional experience of each of the Company's directors, please refer to Chapter III, Section (I) — Profiles of Directors and Independent Directors. None of the Company's directors have any of the conditions described in Article 30 of the Company Act.

Note 2: All independent directors of the Company have met the independence requirements of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies for the two years prior to their election and during their term of office. Each independent director has also signed a declaration of independence at the time of their election.

2. Board of Directors diversity and independence:

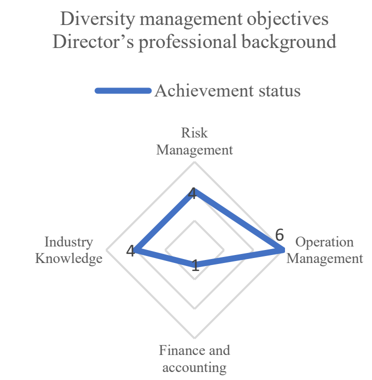
(1) Board Diversity

① Board diversity policy:

The Board of Directors approved the formulation of the Corporate Governance Best Practice Principles at the 2nd meeting of the 2nd Board of Directors on July 12, 2022. Chapter III, “Strengthening the Functions of the Board of Directors,” Section 1, “Structure of the Board of Directors,” sets out the policy for the diversification of board members.

② Board “diversity management objectives”:

Diversity management objectives	2025 achievement status
The directors who concurrently serve as the Company’s managerial officers shall not account for more than 1/3 of the Board.	No. At the next board election, the proportion of directors who concurrently hold employee status at the Company or its affiliates will be reviewed and adjusted to fewer than one-third, in order to reduce the risk of potential conflicts of interest, strengthen the independence of board decision-making and supervisory effectiveness, improve the governance framework, and comply with the spirit of the applicable regulations.
Directors of either gender account for at least one-third of the total.	No; there is currently one female director. Taking into account the current talent pool, the Company plans to evaluate the shortlist of candidates three years from now based on the Company’s needs and the balance of business, risk management, and professional backgrounds at that time, with a view to meeting the gender diversity management objective.
Members’ professional backgrounds should encompass business management, financial accounting, and risk management.	Yes; the current board members’ backgrounds include: 4 members with risk management backgrounds, 6 with business management expertise, 1 in finance and accounting, and 4 with industry knowledge.



③ Implementation of board diversity policy:

The composition of the Company’s Board of Directors is based primarily on professional competence and industry experience, while also taking into account the Company’s overall operational needs and governance efficiency.

The Company’s Board of Directors consists of 7 directors, 3 of whom concurrently hold employee status. There are 3 independent directors; 1 independent director has served for fewer than 3 years, and 2 have served for 3 years or more. Age distribution of directors: 2 directors are aged 60 or above; 4 are aged 51–60; 1 is aged 41–50. The Company also places emphasis on gender equality in the composition of its Board of Directors and aims to increase the proportion of female directors to more than one-third (33%). Currently, 86% of board members are male (6 directors) and 14% are female (1 director). Going forward, the Company aims to increase the number of female directors at the time of board elections in order to enhance the quality of corporate governance and the diversity of decision-making perspectives.

Title	Chairman	Director	Director	Director	Independent Director	Independent Director	Independent Director
Name	Felix Ho	David Lo	Hong-Shi Wen	Bing-Yi Lin	Chin-Jung Kuo	Ching-I Li	Jen-Tien Chiu
Gender	Male	Male	Male	Male	Female	Male	Male
Age	51-60	51-60	>60	41-50	>60	51-60	51-60
Concurrently serving as an employee of the Company	✓		✓	✓			
Professional background							
Industry experience	✓		✓	✓			✓
Commerce	✓	✓		✓			
Finance	✓				✓		
Operation Management	✓	✓	✓	✓		✓	✓
Professional knowledge and skills							
Ability to make sound business judgments	✓		✓	✓		✓	✓
Ability to manage a business	✓	✓	✓	✓		✓	✓
Ability to handle crisis management	✓	✓		✓			✓
International Market View	✓	✓		✓	✓	✓	
Leadership and decision-making ability	✓	✓	✓	✓	✓	✓	✓

(2) The Board of Directors independence

The nomination and selection of members of the Board follows the provisions of the company's articles of association and adopts a candidate nomination system. In addition to evaluating the qualifications of each candidate's academic experience, the company also refers to the Stakeholder theory and complies with the "Procedures for Election of Directors" and "Corporate Governance Best Practice Principles" to ensure the diversity and independence of directors. The 3rd board of directors of Arizon consists of 7 directors, including 3 independent directors, accounting for 43% of all directors. None of the directors of Arizon has a spouse or relative within the second degree of kinship as stipulated in Item 3, Article 26-3 of the Securities and Exchange Act. None of Arizon's independent directors, their spouses, or relatives within the second degree of kinship serve as directors, supervisors, or employees of Arizon, affiliated companies, or companies that have a specific relationship with Arizon, and do not hold company shares. None has not provided business, legal, financial, accounting and other services to Arizon or related companies in the past two years.

(II) Profiles of President, Executive VP, VPs, and Management

March 29, 2026; Unit: Shares; %

Title	Nationality	Name	Gender	Date elected	Shares held		Shares held by spouse and underage children		Shares held in names of third parties		Education and work experience	Positions held at other companies	Manager who is a spouse or relative within second degree of kinship			Notes (Note 5)
					Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Title	Name	Relation	
President	Republic of China	Bing-Yi Lin	Male	2022/7/12	1,098,130	1.47	-	-	2,284,676 (Note 1)	3.05	Master's Degree, Information Management, University of Washington China Development Industrial Bank, Manager of Direct Investment Department	(Note 2)	-	-	-	-
Chief of Sustainability Department	Republic of China	Felix Ho	Male	2022/7/12	480,000	0.64	-	-	-	-	MBA, MIT Sloan School of Management Chairman, YFY Inc.	(Note 3)	-	-	-	-
CEO of Subsidiaries	Republic of China	Hong-Shi Wen	Male	2022/7/12	270,000	0.36	-	-	-	-	Master's Degree, Department of Mechanical Engineering, National Central University AUO Corporation, Deputy Chief of Plant	(Note 4)	-	-	-	-
President of Taiwan Branch (Dismissed on February 25, 2026)	Republic of China	Guo-Feng Gao	Male	2022/7/12	10,000	0.01	-	-	-	-	Master's Degree, Information Management, Shu-Te University General Manager, Arizon RFID Technology (Hong Kong) Co., Ltd. Taiwan Branch	-	-	-	-	-
President of Taiwan Branch (Appointed on February 25, 2026)	Republic of China	Huang-Xin Liu	Male	2026/2/25	-	-	-	-	-	-	Master Degree, Department of Mechanical Engineering, National Central University Mechanical Technical Product Manager, Clevo Co., Ltd. Product Manager and Manufacturing & Automation Engineer, Hon Hai Precision	-	-	-	-	-
President of the Vietnam Subsidiary	Republic of China	Zhi-Hao Zhou	Male	2026/1/1	3,410	-	-	-	-	-	Master's Degree, Department of Mechanical Engineering, Southern Taiwan University of Science and Technology Radiant Opto-Electronics, Chief of Department	-	-	-	-	
President of the U.S. Subsidiary	Republic of China	Da-Ren Lu	Male	2026/1/1	-	-	-	-	-	-	Master's Degree, Business Administration, Pepperdine University VORO MOTORS, INC - Head of Operations CISCO SYSTEMS, INC - Director, Global TAC Operations	-	-	-	-	

Title	Nationality	Name	Gender	Date elected	Shares held		Shares held by spouse and underage children		Shares held in names of third parties		Education and work experience	Positions held at other companies	Manager who is a spouse or relative within second degree of kinship			Notes (Note 5)
					Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Title	Name	Relation	
President of the Japan Subsidiary	Japan	Xiao-Zhi Luo He	Male	2026/1/1	-	-	-	-	-	-	Master's Degree, Applied Electronics and Computer Networks, the University of Electro-Communications, Japan General Manager of RFID Div., FUJITSU LIMITED.	-	-	-	-	
Chief Financial Officer, Head of Accounting, and Corporate Governance Officer (Resigned on May 12, 2025)	Republic of China	Guan-Yu Lin	Male	2022/7/12	110,000	0.15	-	-	-	-	Master's Degree, Department of Finance, National Taiwan University Chief Financial Officer (CFO), Arizon RFID Technology (Cayman) Co., Ltd.	Daiken Biomedical Co., Ltd., Independent Director	-	-	-	-
CFO (Appointed on May 12, 2025)	Republic of China	Shu-Fen Chang	Female	2025/05/12	-	-	-	-	-	-	Master's Degree, National Chiao Tung University Deputy General Manager, Banking Division, Taishin Securities Co., Ltd.	-	-	-	-	-
Accounting Manager (Resigned on September 5, 2025)	Republic of China	Zhao-Ling Yan	Female	2025/05/12	-	-	-	-	-	-	Department of Finance, Longhua University of Science and Technology Assistant Manager, GoDEX International Co., Ltd.	-	-	-	-	-
Corporate Governance Officer (Resigned on October 17, 2025)	Republic of China	Ying-Jie Chen	Female	2025/05/12	1,000	0.00	-	-	-	-	The College of William and Mary MBA Winbond Electronics Corp.	-	-	-	-	-
Head of Accounting and Corporate Governance Officer (Appointed on November 11, 2025)	Republic of China	Xi-Hui Huang	Female	2025/11/11	-	-	-	-	-	-	Master of Accounting, Soochow University Accounting Assistant Manager, Cal-Comp Electronics and Communications Co., Ltd.	-	-	-	-	-

Note 1: Number of shares in the Company held through Yunsheng Co., Ltd.

Note 2: Director of the Company; Director of YFY Jupiter (BVI) Inc.; Director and President of Arizon RFID Technology Co., Ltd.; Director of Arizon Wireless RFID Label (Hong Kong) Co., Ltd.; Director of Arizon RFID Technology (Japan) Co., Ltd.; Director of Arizon Corporation; Director of Opal BPM Limited; Director of Opal BPM Consulting Limited; Director of Yunsheng Co., Ltd.; Director and President of Yangzhou Dicheng Trading Co., Ltd.; Director of Dicheng Co., Ltd.

Note 3: The Chairman of the Company; Director of Jupiter Prestige Group Holding Limited; Chairman of YFY Jupiter (Cayman Islands) Co., Ltd.; Director of YFY Biopulp Technology Ltd.; Director of YFY RFID Co. Limited; Chairman of YFY Investment Co., Ltd.; Chairman of Yung Sheng Pu Agricultural Biotechnology Co., Ltd.; Chairman of YFY Store Co., Ltd.; Director of YFY Consumer Products, Co.; Director of LiVEBRiCKS Inc.; Chairman of YFY Consumer Products Industrial Co., Ltd.; Director of Yuen Foong Yu Consumer Products Investment Ltd.; Director of Qun Media Co., Ltd.; Chairman of Arizon RFID Technology Co., Ltd.; Director of Arizon Japan Co., Ltd.; Director of Arizon Technology (Vietnam) Co., Ltd.; Director of YFY Japan Co., Ltd.; Director of Shin-Yi Enterprise Co., Ltd.; Chairman of Hongtong Digital Technology Co., Ltd.; Chairman of Yuen Foong Co.; Director of Fu Hwa Enterprise Co., Ltd.; Director of Cheng Yu Co., Ltd.; Supervisor of Aidatek Electronics, Inc.; Independent Director of Universal Cement Corporation; Supervisor of The Eisenhower Fellows Association in the Republic of China; Chairman of Epoch Foundation; Standing Supervisor of Monte Jade Taiwan Science & Tech Association; Chairman of Association of Corporate Patent Managers.

Note 4: Director of the Company; Director and CEO of Arizon RFID Technology Co., Ltd.; Director of Arizon RFID Technology (Hong Kong) Co., Ltd.

Note 5: Where the chairperson and president or equivalent position (highest level managerial officer) is the same person, the spouse, or a first-degree relative, the reason, reasonableness, necessity, and response measures (such as increasing the number of director seats and more than half of all directors not concurrent serving as employees or the president) must be disclosed: None.

II. Remuneration to Directors, Independent Directors, President, and Executive VP in the Past Year

(I) Remuneration to Directors and Independent Directors

December 31, 2025 Unit: NT$ thousand

<table>
<tr><th rowspan="4">Title</th><th rowspan="4">Name</th><th colspan="8">Director remuneration</th><th colspan="2" rowspan="2">Ratio of total compensation (A+B+C+D) to after-tax income (%)</th><th colspan="8">Concurrent employee remuneration</th><th colspan="2" rowspan="2">Ratio of total compensation (A+B+C+D+E+ F+G) to after-tax income (%)</th><th rowspan="4">Compensation from investee companies other than subsidiaries or the parent company</th></tr>
<tr><th colspan="2">Remuneration (A)</th><th colspan="2">Severance pay and pension (B)</th><th colspan="2">Director's remuneration (C)</th><th colspan="2">Performance compensation (D)</th><th colspan="2">Salaries, incentives and allowances (E)</th><th colspan="2">Severance pay and pension (F)</th><th colspan="4">Employee's remuneration (G)</th></tr>
<tr><th rowspan="2">Arizon</th><th rowspan="2">All companies in the financial statements</th><th rowspan="2">Arizon</th><th rowspan="2">All companies in the financial statements</th><th rowspan="2">Arizon</th><th rowspan="2">All companies in the financial statements</th><th rowspan="2">Arizon</th><th rowspan="2">All companies in the financial statements</th><th rowspan="2">Arizon</th><th rowspan="2">All companies in the financial statements</th><th rowspan="2">Arizon</th><th rowspan="2">All companies in the financial statements</th><th rowspan="2">Arizon</th><th rowspan="2">All companies in the financial statements</th><th colspan="2">Arizon</th><th colspan="2">All companies in the financial statements</th><th rowspan="2">Arizon</th><th rowspan="2">All companies in the financial statements</th></tr>
<tr><th>Amount in cash</th><th>Amount in stocks</th><th>Amount in cash</th><th>Amount in stocks</th></tr>
<tr><td>Chairman</td><td>YFY Global Investment BV Representative: Felix Ho</td><td rowspan="4">0</td><td rowspan="4">0</td><td rowspan="4">0</td><td rowspan="4">0</td><td rowspan="4">1,606</td><td rowspan="4">1,606</td><td rowspan="4">0</td><td rowspan="4">0</td><td rowspan="4">1,606
0.71%</td><td rowspan="4">1,606
0.71%</td><td rowspan="4">20,051</td><td rowspan="4">23,484</td><td rowspan="4">0</td><td rowspan="4">45</td><td rowspan="4">0</td><td rowspan="4">0</td><td rowspan="4">0</td><td rowspan="4">0</td><td rowspan="4">21,657
9.63%</td><td rowspan="4">25,135
11.17%</td><td>N/A</td></tr>
<tr><td>Director</td><td>Bing-Yi Lin</td><td>N/A</td></tr>
<tr><td>Director</td><td>YFY Paradigm Investment Co., Ltd. Representative: David Lo</td><td>N/A</td></tr>
<tr><td>Director</td><td>YFY Development Co., Ltd. Representative: Hong-Shi Wen</td><td>N/A</td></tr>
<tr><td>Independent Director</td><td>Chin-Jung Kuo</td><td rowspan="4">2,197</td><td rowspan="4">2,197</td><td rowspan="4">0</td><td rowspan="4">0</td><td rowspan="4">803</td><td rowspan="4">803</td><td rowspan="4">144</td><td rowspan="4">144</td><td rowspan="4">3,144
1.40%</td><td rowspan="4">3,144
1.40%</td><td rowspan="4">0</td><td rowspan="4">0</td><td rowspan="4">0</td><td rowspan="4">0</td><td rowspan="4">0</td><td rowspan="4">0</td><td rowspan="4">0</td><td rowspan="4">0</td><td rowspan="4">3,144
1.40%</td><td rowspan="4">3,144
1.40%</td><td>N/A</td></tr>
<tr><td>Independent Director</td><td>Zhen-Hong Lei</td><td>N/A</td></tr>
<tr><td>Independent Director</td><td>Ching-I Li</td><td>N/A</td></tr>
<tr><td>Independent Director</td><td>Jen-Tien Chiu</td><td>N/A</td></tr>
</table>

1. The remuneration for the Company's Independent Directors is determined based on the education, experience, and social status of the Independent Director, salary market surveys, and prevailing standards in the industry. As a principle, the Company provides remuneration that meets general standards in the industry and decides the remuneration based on the Company's business results and the contributions of Independent Directors in their duties. The remuneration is reviewed by the Remuneration Committee and reported to the Board of Directors for approval. The Company shall continue to review the remuneration policy for Independent Directors based on the business status and regulations to ensure the reasonableness of remuneration and the Company's sustainability.
2. Except as disclosed above, remuneration received by directors in the last year for on-balance sheet services (e.g., acting as non-employee consultant) rendered to the Company: N/A.

Range of remuneration to all directors	Name			
	Total amount for the 4 preceding remunerations (A+B+C+D)		Total amount for the 7 preceding remunerations (A+B+C+D+E+F+G)	
	Arizon	All companies in the financial statements	Arizon	All companies in the financial statements
Less than NT$1,000,000	Felix Ho, David Lo, Hong-Shi Wen Bing-Yi Lin, Zhen-Hong Lei, Chin-Jung Kuo	Felix Ho, David Lo, Hong-Shi Wen Bing-Yi Lin, Zhen-Hong Lei, Chin-Jung Kuo	David Lo, Zhen-Hong Lei, Chin-Jung Kuo	David Lo, Zhen-Hong Lei, Chin-Jung Kuo
NT$1,000,000 (incl.) ~ NT$2,000,000	Brian Lee, JD Chiou	Brian Lee, JD Chiou	Brian Lee, JD Chiou	Brian Lee, JD Chiou
NT$2,000,000 (incl.) ~ NT$3,500,000				
NT$3,500,000 (incl.) ~ NT$5,000,000			Felix Ho	Felix Ho
NT$5,000,000 (incl.) ~ NT$10,000,000			Hong-Shi Wen, Bing-Yi Lin	Hong-Shi Wen
NT$10,000,000 (incl.) ~ NT$15,000,000				Bing-Yi Lin
NT$15,000,000 (incl.) ~ NT$30,000,000				
NT$30,000,000 (incl.) ~ NT$50,000,000				
NT$50,000,000 (incl.) ~ NT$100,000,000				
More than NT$100,000,000				
Total	8	8	8	8

(II) Remuneration to supervisors

The Company has set up an Audit Committee which replaced the functions of the supervisors. Thus not applicable.

(III) Remuneration to the President and Executive VP

Unit: NT$ thousand

<table>
<tr><th rowspan="3">Title</th><th rowspan="3">Name</th><th colspan="2">Salary (A)</th><th colspan="2">Severance pay and pension (B)</th><th colspan="2">Bonuses and allowances (C) (Note 1)</th><th colspan="4">Employee’s remuneration (D) (Note 2)</th><th colspan="2">Ratio of total compensation (A+B+C+D) to after-tax income (%)</th><th rowspan="3">Compensation from invested enterprises that are not subsidiaries</th></tr>
<tr><th rowspan="2">Arizon</th><th rowspan="2">All companies in the financial statements</th><th rowspan="2">Arizon</th><th rowspan="2">All companies in the financial statements</th><th rowspan="2">Arizon</th><th rowspan="2">All companies in the financial statements</th><th colspan="2">Arizon</th><th colspan="2">All companies in the financial statements</th><th rowspan="2">Arizon</th><th rowspan="2">All companies in the financial statements</th></tr>
<tr><th>Amount in cash</th><th>Amount in stocks</th><th>Amount in cash</th><th>Amount in stocks</th></tr>
<tr><td>President</td><td>Bing-Yi Lin</td><td rowspan="6">2,833</td><td rowspan="6">13,321</td><td rowspan="6">0</td><td rowspan="6">193</td><td rowspan="6">20,918</td><td rowspan="6">21,448</td><td rowspan="6">0</td><td rowspan="6">0</td><td rowspan="6">0</td><td rowspan="6">0</td><td rowspan="6">23,751
10.56%</td><td rowspan="6">34,962
15.54%</td><td>N/A</td></tr>
<tr><td>CEO of Subsidiaries</td><td>Hong-Shi Wen</td><td>N/A</td></tr>
<tr><td>President of Subsidiaries</td><td>Guo-Feng Gao</td><td>N/A</td></tr>
<tr><td>Chief of Sustainability Department</td><td>Felix Ho</td><td>N/A</td></tr>
<tr><td>CFO (Resigned on May 12, 2025)</td><td>Guan-Yu Lin</td><td>N/A</td></tr>
<tr><td>CFO (Appointed on May 12, 2025)</td><td>Shu-Fen Chang</td><td>N/A</td></tr>
</table>

Range of Remuneration

Range of remuneration to president and executive VP	Name of president and executive VP	
	Arizon	All companies in the financial statements
Less than NT$1,000,000	Kuo-Feng Kao, Kuan-Yu Lin	Guan-Yu Lin
NT$1,000,000 (incl.) ~ NT$2,000,000		
NT$2,000,000 (incl.) ~ NT$3,500,000	Shu-Fen Chang	Guo-Feng Gao
NT$3,500,000 (incl.) ~ NT$5,000,000	Felix Ho	Felix Ho, Shu-Fen Chang
NT$5,000,000 (incl.) ~ NT$10,000,000	Bing-Yi Lin, Hong-Shi Wen	Hong-Shi Wen
NT$10,000,000 (incl.) ~ NT$15,000,000		Bing-Yi Lin
NT$15,000,000 (incl.) ~ NT$30,000,000		
NT$30,000,000 (incl.) ~ NT$50,000,000		
NT$50,000,000 (incl.) ~ NT$100,000,000		
More than NT$100,000,000		
Total	6	6

(IV) Names of managers who distribute employee salaries and distribution status:

Title		Name	Amount in stocks	Amount in cash	Total (Note)	Ratio of remuneration to net profit after tax (%)
Manager	President	Bing-Yi Lin	0	2,337	2,337	1.04%
	Chief of Sustainability Department	Felix Ho				
	CEO of Subsidiaries	Hong-Shi Wen				
	President of Taiwan Branch	Guo-Feng Gao				
	CFO	Shu-Fen Chang				
	Head of Accounting / Corporate Governance Officer	Xi-Hui Huang				

Note: The Board of Directors approved the plan to distribute NT$2,337 thousand (all in cash) as employee remuneration for 2025. Since the distribution list has not been finalized, this table is an estimation of the proposed amount.

(V) Detailed ratios of total remuneration of the Company's directors, president, and executive vice presidents to after-tax profit with respect to the individual and consolidated financial statements in the past two years, and description of the remuneration policy, standards and combinations, determination of remuneration, and connection to business performance and future risks

1. **Detailed ratios of total remuneration of the directors, president, and executive vice presidents of the Company and all companies in the consolidated financial statements to after-tax profit with respect to the individual financial statements:**

Unit: NT$ thousand

Recipient	Ratio of total remuneration to after-tax profit					
	2025		2024		Difference	
	Arizon	All companies in the financial statements	Arizon	All companies in the financial statements	Arizon	All companies in the financial statements
Director	9.63%	11.17%	1.62%	5.73%	8.01%	5.44%
Independent Director	1.40%	1.40%	0.55%	0.55%	0.85%	0.85%
President and VPs	10.56%	15.54%	0.78%	5.26%	9.78%	10.28%

2. **The remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:**
   (1) Article 107(2) of our company's Articles of Association stipulates: "If the company makes a profit for the current year, a resolution must be passed by a two-thirds majority of the directors present at the board meeting, with a majority of the attending directors agreeing, to allocate no less than one percent as employee compensation, in the form of shares and/or cash, to be distributed to employees. no more than 2% of the surplus as remuneration to Directors in the form of cash or shares by a resolution adopted by a simple majority vote at a meeting of the Board of Directors attended by over two-thirds of the directors. Unless specified otherwise in the regulations governing TWSE-/TPEx-listed Companies, the remuneration to Directors shall only be distributed in the form of cash. However, if the company still has accumulated losses, an amount should be reserved in advance for offsetting losses, and only the remaining amount should be allocated for employee and director compensation according to the aforementioned proportions." The ratio and amount of director remuneration for the fiscal year are approved by the Compensation Committee and the Board of Directors, and reported to the shareholders' meeting. The

company also reviews its remuneration policy in a timely manner, taking into account the overall operating environment, business performance, and development strategy, so as to balance operational risk and corporate governance while safeguarding shareholders' interests.

(2) The remuneration is based on a monthly salary, which includes monthly salary, allowances and other regular payments, plus year-end bonuses and employee remuneration. The salary standard is based on the agreement at the time of appointment. The position bonus is based on the position review. Performance bonus and other bonuses are adjusted based on business performance and work performance. The annual data is compiled and submitted to the Remuneration Committee for review.

(3) The Company has established the Remuneration Committee, comprised of all Independent Directors. The Remuneration Committee is responsible for the establishment and evaluation of Directors' and managerial officers' performance and remuneration policies, system, standards, and structure, and also carries out regular evaluation and determining the remuneration of Directors and Managers.

III. Corporate Governance Practice

(I) Board of Directors operating status

In the most recent year (2025), the 2nd Board of Directors held 3 meetings (A), and the 3rd Board of Directors (inaugurated on May 27, 2025) held 3 meetings (A). Directors' attendance information is as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Attendance in person rate (%) (B/A)	Notes
Chairman	YFY Global Investment B.V. Representative: Felix Ho	3	0	100%	2nd term
Director	YFY Paradigm Investment Co., Ltd. Representative: David Lo	3	0	100%	2nd term
Director	YFY Development Co., Ltd. Representative: Hong-Shi Wen	3	0	100%	2nd term
Director	Bing-Yi Lin	3	0	100%	2nd term
Independent Director	Zhen-Hong Lei	3	0	100%	2nd term
Independent Director	Ching-I Li	2	1	67%	2nd term
Independent Director	Jen-Tien Chiu	3	0	100%	2nd term
Chairman	YFY Global Investment B.V. Representative: Felix Ho	3	0	100%	3rd term - re-election (incumbent) on May 27, 2025
Director	YFY Paradigm Investment Co., Ltd. Representative: David Lo	3	0	100%	3rd term - re-election (incumbent) on May 27, 2025
Director	YFY Development Co., Ltd. Representative: Hong-Shi Wen	3	0	100%	3rd term - re-election (incumbent) on May 27, 2025
Director	Bing-Yi Lin	3	0	100%	3rd term - re-election (incumbent) on May 27, 2025
Independent Director	Chin-Jung Kuo	3	0	100%	3rd term - re-election (newly elected member) on May 27, 2025
Independent Director	Ching-I Li	2	1	67%	3rd term - re-election (incumbent) on May 27, 2025
Independent Director	Jen-Tien Chiu	3	0	100%	3rd term - re-election (incumbent) on May 27, 2025

Other statutory information:

I. If any of the following circumstances have occurred amid operations of the Board of Directors, the date, period, agenda content, the opinions of all independent directors, and the handling of the opinions of the independent directors by the Company shall be specified:

(I) Matters prescribed under Article 14-3 of the Securities and Exchange Act:
The Company has set up an Audit Committee. Matters prescribed under Article 14-5 of the Securities and Exchange Act include matters prescribed under Article 14-3 of the Securities and Exchange Act. Please refer to the "Operating status of the Audit Committee" for details.

(II) Aside from the above matters, other resolutions adopted by the Board of Directors with regard to which an independent director had a dissenting or qualified opinion that is on record or stated in a written statement.
Operations of the Board of Directors which did not receive dissenting or qualified opinions from independent directors that are on record or stated in a written statement.

II. Any directors who had to recuse from a proposal to prevent conflicts of interest:

(I) At the board meeting held on March 11, 2025, Independent Directors Zhen-Hong Lei, Ching-I Li (who delegated Zhen-Hong Lei to exercise relevant rights on his behalf), and Jen-Tien Chiu recused themselves from the discussion and vote on the proposal regarding the remuneration amount and distribution method for independent directors, due to their personal conflicts of interest.

(II) At the board meeting held on March 11, 2025, Directors Felix Ho, David Lo, Hong-Shi Wen, and Bing-Yi Lin recused themselves from the discussion and vote on the proposal regarding the remuneration amount and distribution method for directors, due to their personal conflicts of interest.

(III) At the board meeting held on April 14, 2025, Independent Directors Zhen-Hong Lei, Ching-I Li, and Jen-Tien Chiu recused themselves from the discussion and vote on the proposal of whether to include three "independent director candidates" in the nomination list, due to their personal conflicts of interest.

(IV) At the board meeting held on April 14, 2025, Directors Felix Ho, David Lo, Hong-Shi Wen, and Bing-Yi Lin recused themselves from the discussion and vote on the proposal of whether to include four "director candidates" in the nomination list, due to their personal or legal-entity conflicts of interest.

III. Board of Directors evaluation status: The performance evaluation of the Company's Board of Directors is conducted as follows in accordance with the Regulations for Evaluating the Performance of the Board of Directors:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation contents	Evaluation results
In 2025, the Company entrusted the "Taiwan Investor Relations Association" to conduct an external performance evaluation of the Board of Directors, individual directors, and functional committees. The Taiwan Investor Relations Association is a non-profit association representing all professional investor relations (IR) managers of TWSE and TPEx listed companies in Taiwan. The association appointed Chairman Kuo Tsung-Lin, Supervisor Wan Hsin-Ning, and attorney Wang Shih-Hao as review committee members. All declared that they would maintain a fair and objective attitude and that there were no circumstances affecting their independence in conducting a performance evaluation of the Company's Board of Directors (including functional committees).	From September 1, 2024 to August 30, 2025	Performance evaluation of the board of directors, individual board members, and functional committees.	The external evaluation agency required the Company to provide the designated documents, distributed self-evaluation questionnaires related to performance evaluation to each director, and collected the questionnaires. Three assessment members were assigned to be responsible for the evaluation after issuing independence statements. On October 08, 2025, interviews with the Company's chairman, independent directors, corporate governance officer and audit director were conducted via an online manner.	The criteria for evaluating the performance of the Company's Board of Directors shall cover the following five aspects: 1. Board composition and professional development. 2. Quality of the Board of Directors' decision-making. 3. Operational effectiveness of the Board of Directors. 4. Internal controls and risk management. 5. The degree to which the Board of Directors participates in corporate social responsibility. The criteria for evaluating the performance of the Company's individual directors cover the following six aspects: 1. Familiarity with the goals and missions of the Company. 2. Awareness of the duties of a director. 3. The degree of participation in the Company's operations. 4. Management of internal relationship and communication. 5. The director's professionalism and continuing education. 6. Internal control. The criteria for evaluating the performance of the Company's functional committees cover the following five aspects: 1. The degree of participation in the Company's operations. 2. Awareness of the duties of the functional committee. 3. Improvement of the quality of the functional committee's decision making. 4. Functional committee composition and election of members. 5. Internal control.	The external evaluation agency issued an evaluation report on October 15, 2025, summarizing the evaluation conclusions and recommendations as follows: 1. Establish a sustainability committee as a functional committee at the board level. 2. Plan to increase female director seats to one-third. 3. The number of directors who are employees does not exceed one third of the number of directors. 4. Formulate specific measures to enhance corporate value and submit them to the Board of Directors. 5. The Corporate Governance Best Practice Principles should be amended to include a provision that "during the closed period prior to the release of financial reports, directors, employees, and other insiders are prohibited from trading in the Company's shares," and this should be disclosed on the official website. 6. Succession planning for Board members and important managerial staff 7. Risk management is overseen by a functional committee at the board level, which reports to the Board of Directors at least once a year. 8. The unit responsible for ethical corporate management shall report its implementation status to the Board of Directors at least once a year. 9. Develop an intellectual property management plan linked to operational objectives and report its implementation status to the Board of Directors at least once a year. 10. Develop and disclose policies linking senior management remuneration to ESG-related performance evaluations. 11. Actively promote governance of environmental and social matters. On November 11, 2025, the Company submitted the assessment results of the external evaluation agency to the Board of Directors.

The aforementioned performance evaluation results were reported at the board meeting held on November 11, 2025, to serve as a reference for future improvements.

IV. Evaluation of targets and performance of the Board's functions for current year and past year:

(I) Three independent directors form the Company's Audit Committee in substitution of supervisors. Matters prescribed under Article 14-5 of the Securities and Exchange Act are submitted to the Audit Committee for discussion and resolution. The convener of the Audit Committee is responsible for reporting the resolutions passed by the Audit Committee to the Board of Directors.

(II) The Company discloses information regarding attendance to board/shareholders' meetings, director continuing education, and important resolutions passed during board meetings and shareholders' meetings.

(III) In addition to disclosing relevant information on the Market Observation Post System, the Company has also set up an investor section on its website to disclose information on corporate governance, financial information, and corporate social responsibility to enhance information transparency and ensure that all stakeholders can access information they care about in a timely manner.

(IV) Advancement of sustainable development: In order to fulfill corporate social responsibility and promote sustainable economic, social, and environmental development, the Company's 3rd Board of Directors, at its 3rd meeting on November 11, 2025, resolved to establish the Sustainability Committee and formulated the Sustainability Committee Organizational Rules.

(V) The Company reported the "2025 Intellectual Property Management Plan and Progress in the Current Year" in the 3rd meeting of the 3rd Board of Directors on November 11, 2025.

(VI) In consideration of legal risks faced by Directors, the Company and its subsidiaries have purchased USD5 million director liability insurance policies for all Directors.

(II) Operating status of the Audit Committee

The Company's Audit Committee is composed of three independent directors. The Committee's purpose is to verify the fair presentation of the Company's financial statements; hiring or dismissal of CPAs, their independence and suitability; effectiveness regarding implementation of the Company's internal control system; compliance with relevant regulations and rules; the Company's control of existing or latent risks; and the duties stipulated in Article 14-5 of the Securities and Exchange Act.

In the most recent year (2025), the 1st Audit Committee held 3 meetings, and the 2nd Audit Committee (inaugurated on May 27, 2025) held 2 meetings. Key focuses for the year included:

I. Review financial reports

The Company's 2024 business report, financial statements, and earnings distribution proposal prepared by the Board of Directors have been reviewed and determined to be correct and accurate by the Audit Committee. Among them, the financial statements were audited by Deloitte & Touche, and an audit report was submitted.

II. Assess internal control system effectiveness

The Company's Audit Committee assessed the effectiveness of policies and procedures of the Company's internal control system (including finance, operations, risk management, information security, legal compliance, and other control measures) and audited the Company's Auditing Department and CPA, as well as regular reports by managers, including risk management and compliance.

III. Evaluate the independence and competence of CPAs

The Company's Audit Committee evaluated and found that the Company's CPAs Shu-Wan Lin and Zhi-Ming Shao of Deloitte & Touche had no direct or indirect significant interests or circumstances that would impair their independence with respect to the Company, had established appropriate communication with the Company and the Audit Committee, and met the independence and competence requirements of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Independent directors' attendance to the Audit Committee meetings in 2025 as of the publication date of the Report is described below: Number of meetings held in the most recent year (2025): 5 (A)

Title	Name	Attendance in person (B)	Attendance by proxy	Attendance in person rate (%) (B/A)	Notes
Independent Director	Zhen-Hong Lei	3	0	100%	1st Committee
Independent Director	Chin-Jung Kuo	2	0	100%	2nd term
Independent Director	Ching-I Li	4	1	80%	1st term, 2nd term
Independent Director	Jen-Tien Chiu	5	0	100%	1st term, 2nd term

Other statutory information:

I. The date of the meeting of the Audit Committee, the term, contents of the proposals, objections, qualified opinions, and important recommendations of independent directors, resolutions of the Audit Committee, and the Company's handling of the resolutions of the Audit Committee shall be specified under any of the following circumstances in the operations of the Audit Committee:

(I) Matters prescribed under Article 14-5 of the Securities and Exchange Act.

Date of audit committee meeting	Sessions	Agenda item	Objections, reservations or major suggestions raised by Independent Directors	Audit Committee Results of resolution	Actions taken by the Company in response to the opinion of the Audit Committee
2025.03.11	17th meeting of the 1st Audit Committee	The Company's 2024 financial statements proposal	N/A	Passed as proposed.	Approved in the Board meeting on March 11, 2025
2025.03.11	17th meeting of the 1st Audit Committee	The Company's 2024 earnings distribution proposal	N/A	Passed as proposed.	Approved in the Board meeting on March 11, 2025
2025.03.11	17th meeting of the 1st Audit Committee	The Company's 2024 "Statement of Internal Control"	N/A	Passed as proposed.	Approved in the Board meeting on March 11, 2025
2025.03.11	17th meeting of the 1st Audit Committee	Revise certain provisions of the Company's internal control system "IT Cycle"	N/A	Passed as proposed.	Approved in the Board meeting on March 11, 2025
2025.04.14	18th meeting of the 1st Audit Committee	Plans to issue 750 units for employee share options, and formulation of Employee Stock Option Issuance and Subscription Regulations.	N/A	Passed as proposed.	Approved in the Board meeting on April 14, 2025

Date of audit committee meeting	Sessions	Agenda item	Objections, reservations or major suggestions raised by Independent Directors	Audit Committee Results of resolution	Actions taken by the Company in response to the opinion of the Audit Committee
2025.04.14	18th meeting of the 1st Audit Committee	Plans to increase capital in U.S. subsidiary Arizon Corporation	N/A	Passed as proposed.	Approved in the Board meeting on April 14, 2025
2025.05.12	19th meeting of the 1st Audit Committee	Preparation and production of the Company's consolidated financial report for Q1 of 2025	N/A	Passed as proposed.	Approved in the Board meeting on May 12, 2025
2025.05.12	19th meeting of the 1st Audit Committee	Evaluation on the independence and competence of the Company's CPAs & their commissioning and remuneration	N/A	Passed as proposed.	Approved in the Board meeting on May 12, 2025
2025.05.12	19th meeting of the 1st Audit Committee	The proposed appointments are as follows: Ms. Shu-Fen Chang as Chief Financial Officer and Spokesperson of the Company; Ms. Zhao-Ling Yan as Head of Accounting; and Ms. Ying-Jie Chen as Corporate Governance Officer.	N/A	Passed as proposed.	Approved in the Board meeting on May 12, 2025
2025.08.12	1st meeting of the 2nd Audit Committee	Preparation and production of the Company's consolidated financial report for Q2 of 2025	N/A	Passed as proposed.	Approved in the Board meeting on August 12, 2025
2025.08.12	1st meeting of the 2nd Audit Committee	Determine the distribution list for the first issuance of employee stock options for fiscal year 2025.	N/A	Passed as proposed.	Approved in the Board meeting on August 12, 2025
2025.11.11	2nd meeting of the 2nd Audit Committee	Ms. Xi-Hui Huang is proposed to be appointed as the Company's Head of Accounting and Corporate Governance Officer.	N/A	Passed as proposed.	Approved in the Board meeting on November 11, 2025
2025.11.11	2nd meeting of the 2nd Audit Committee	Preparation and production of the Company's consolidated financial report for Q3 of 2025	N/A	Passed as proposed.	Approved in the Board meeting on November 11, 2025
2025.11.11	2nd meeting of the 2nd Audit Committee	The proposed fund loan is US$10 million to Arizon Technology (Vietnam) Co., Ltd. The loan period will be one year from the date of loan allocation. The loan interest rate is fixed at an annual rate of 3.7%	N/A	Passed as proposed.	Approved in the Board meeting on November 11, 2025
2025.11.11	2nd meeting of the 2nd Audit Committee	The proposed fund loan is US$6 million to Arizon Corporation. The loan period will be one year from the date of loan allocation. The loan interest rate is fixed at an annual rate of 3.7%.	N/A	Passed as proposed.	Approved in the Board meeting on November 11, 2025
2025.11.11	2nd meeting of the 2nd Audit Committee	The Company's 2026 audit plan	N/A	Passed as proposed.	Approved in the Board meeting on November 11, 2025
2025.11.11	2nd meeting of the 2nd Audit Committee	Amendment of the Company's Management Regulations for Preventing Insider Trading.	N/A	Passed as proposed.	Approved in the Board meeting on November 11, 2025
2025.11.11	2nd meeting of the 2nd Audit Committee	Revise certain provisions of the Company's internal control system relating to the Risk Management Policy and Operating Procedures.	N/A	Passed as proposed.	Approved in the Board meeting on November 11, 2025
2025.11.11	2nd meeting of the 2nd Audit Committee	Add new Company internal control system Information Security Management and Control Guidelines	N/A	Passed as proposed.	Approved in the Board meeting on November 11, 2025

(II) In addition to matters above, other resolutions which did not receive the approval of the Audit Committee but were approved by more than two thirds of the entire Board of Directors.
Audit Committee operations which did not receive the approval of the Audit Committee but were approved by more than two thirds of the entire Board of Directors.

II. Independent Directors' recursal to avoid conflicts of interest:
No independent directors had to recuse themselves to avoid conflicts of interest.

III. Communication between independent directors and Chief Auditor and CPAs:

1. On a regular basis
Each month, completed *audit reports* are sent via emails to each independent director. If there are questions or instructions, independent directors can contact the auditing officer via emails or the telephone.

Each quarter, the Audit Committee submits an "Audit Progress Report"; it contains audit procedures, findings, and abnormalities which might require improvement for the Company as well as its subsidiaries.
The CPA attends meetings of the Audit Committee to explain the review and audit status, CPA report type, key audit items, and financial report analysis for semi-annual and annual financial reports.

2. On a non-regular basis
Through telephone calls, emails, and meetings, discussions are held concerning how to increase the Company's audit value and enhance operational efficiency and effectiveness. If any serious violations are discovered, independent directors must be notified according to regulations. There are many open channels of communication for the Company's Chief Auditor to communicate with the independent directors.
In the event of a material or special incident or special requirements in related regulations, the CPA attends meetings of the Audit Committee on a non-regular basis to provide explanation and communicate.

Recent communication between independent directors, Chief Internal Auditor, and CPAs:

1. Communication between Independent Directors and Chief Internal Auditor:

Date	Communication Method	Key Points of Communication	Communication summary and results
2025.03.11	Audit Committee	1. 2024 Statement on Internal Control 2. Revised the Company's internal control system "IT Cycle"	1. Passed as proposed. 2. Passed as proposed.
2025.08.27	Private meetings with Independent Directors	Inquire about the internal audit sampling ratio methodology.	Report on the internal audit sampling ratio methodology
2025.11.11	Audit Committee	1. Report on the execution status of the 2025 Q3 audit plan 2. Report on the preparation status of the 2026 audit plan	1. Approved and acknowledged. 2. Passed as proposed.

2. Communication between Independent Directors and CPAs:

Date	Communication Method	Key Points of Communication	Communication summary and results
2025.03.11	Private meetings with Independent Directors	The CPA explained related audits in the 2024 financial statements, and discussed on the financial positions and business results	Passed as proposed after reviewing related conditions and discussions
2025.08.12	Private meetings with Independent Directors	The CPA explained related audits in the 2025 Q2 financial statements, and discussed on the financial positions and business results	Passed as proposed after reviewing related conditions and discussions
2025.11.11	Private meetings with Independent Directors	The CPA explained the basis for selecting the key audit matters for the Company.	Approved and acknowledged

(III) Corporate governance practice and compliance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies

Evaluation item	Practice			Compliance with Best Practice Principles and reasons for any discrepancies
	Yes	No	Summary	
I. Does the Company abide by the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies in establishing and disclosing its corporate governance best practice principles?	V		The Company established the "Corporate Governance Best Practice Principles" in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies," and disclosed the principles on the company website.	Compliant
II. The Company's shareholding structure and shareholders' rights and interests (I) Does the Company have in place an internal operating procedure for handling shareholders' suggestions, questions, disputes, or litigation and abide by it?	V		Regarding suggestions or questions from shareholders, the Company has set up a spokesperson and a deputy spokesperson and entrusted a professional share affair agency with handling share-related suggestions and disputes in Taiwan. The Company has a good relationship with its shareholders and there have been no disputes as of now.	Compliant
(II) Does the Company possess a list of major shareholders and a list of ultimate owners of those major shareholders?	V		The Company closely monitors the shareholdings of major shareholders, directors, and managerial officers based on the shareholder register provided by the shareholder services agent as of the book closure date. Changes in the shareholding of insiders (directors, managerial officers, and shareholders holding more than 5% of the shares) are reported monthly to the Market Observation Post System designated by the competent authority.	Compliant

Evaluation item	Practice			Compliance with Best Practice Principles and reasons for any discrepancies
	Yes	No	Summary	
(III) Does the Company have in place a risk management mechanism and firewall against its affiliates or implement it?	V		The Company has a clear separation of job authorities regarding the management of personnel, assets, and finances between itself and the related parties. In addition to the formulated “Regulations on Transactions with Related Parties, Specific Companies and Groups” the Company also audits and supervises the execution of the said matters on a regular basis.	Compliant
(IV) Does the Company have internal regulations in place to prevent its people from trading securities based on information yet to be public on the market?	V		The Company has established the “Management Regulations for Preventing Insider Trading” and “Ethical Corporate Management Operating Procedures and Code of Conduct” to prevent the Company’s insiders from using information yet to be made public on the market to purchase and sell marketable securities.	Compliant
III. Composition and responsibilities of the Board of Directors (I) Has the Board of Directors developed and implemented a diversity policy for the composition of its members and specific management targets?	V		The Board of Director approved the formulation of “Corporate Governance Best Practice Principles” at the 2nd meeting of the 2nd board on July 12, 2022. Chapter 3 “Strengthening the Functions of the Board of Directors” Section 1 “Structure of the Board of Directors” Article 20 stipulates the direction for the diversification of board members. 1 Basic requirements and values: Gender, age, nationality, and culture. 2 Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience. The nomination and election of Board members are pursuant to the regulations prescribed in the Company’s Articles of Incorporation. A candidate nomination system is adopted in accordance with the “Rules and Procedures for Board of Directors Meetings” and “Corporate Governance Best Practice Principles” to ensure the diversity and independence of board members. The professional backgrounds of the Company’s Board members include expertise in industry, business management, and accounting. According to the list of members of the 3rd Board of Directors, those with the ability of leadership management administration, and crisis management, as well as industry knowledge, and an international market perspective include chairman Felix Ho, and directors David Lo, Bing-Yi Lin, and Hong-Shi Wen. The Company’s independent directors include Ching Yee LeeChin-Jung Kuo, a practising CPA; Ching-I Li, who also serves as an independent director of other TPEx-listed companies; and Jen-Tien Chiu, President of Intumit, Inc. The specific goals and achievement of the Company’s diversification policies are as follows: Please refer to the Corporate Governance Report in this Annual Report > I. Information on Directors, Independent Directors, President, Vice Presidents, Assistant Vice Presidents, and Heads of Departments and Branch Units > 2. Board Diversity and Independence Implementation of board member diversity: The Company’s Board of Directors consists of 7 directors, 3 of whom concurrently hold employee status. There are 3 independent directors; 1 independent director has served for fewer than 3 years, and 2 have served for 3 years or more. Age distribution of directors: 2 directors are aged 60 or above; 4 are aged 51–60; 1 is aged 41–50. The Company also places emphasis on gender equality in the composition of its Board of Directors. Currently, the board has 6 male members and 1 female member.	Compliant
(II) Besides the Remuneration Committee and the Audit Committee established according to law, has the Company actively established other types of functional committees?	V		In addition to the Remuneration Committee and the Audit Committee, the Company has also established functional committees including the Sustainability Committee. The members of the Company’s Sustainability Committee are appointed by resolution of the Board of Directors. The committee consists of five members: Felix Ho, Bing-Yi Lin, Chin-Jung Kuo, Ching-I Li, and Jen-Tien Chiu, with Felix Ho serving as the convener. The Company’s Sustainability Committee is authorized to formulate, promote, and strengthen the Company’s sustainability policies; review and manage the implementation and effectiveness of the Company’s sustainable development activities; strengthen communication with all stakeholders and attend to the issues they value; and supervise other matters related to sustainable development as resolved by the Board of Directors. The Sustainability Committee has five working groups: the Sustainability Group, Corporate Care Group, Corporate Governance Group, Information Security Group, and Risk Management Group. In 2025, the Sustainability Committee held its annual meeting on December 23, and reported on the Company’s risk management team’s risk assessment items and response strategies for 2025.	Compliant

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Practice</th><th rowspan="2">Compliance with Best Practice Principles and reasons for any discrepancies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>(III) Has the Company established and implemented methods for assessing the performance of the Board of Directors and conducted performance evaluation annually? Does the Company submit results of assessments to the Board of directors and use results as the basis for the salary, remuneration, nomination and reappointment of individual Directors?</td><td>V</td><td></td><td>The Company’s Board of Directors approved the Board of Directors Performance Evaluation Procedures at the board meeting held on July 12, 2022.
The Company’s 2025 performance evaluation of the Board of Directors, individual directors, and functional committees was conducted by way of external evaluation commissioned to the Taiwan Investor Relations Association, covering the evaluation period from September 1, 2024 to August 30, 2025. The Taiwan Investor Relations Association is a non-profit association representing all professional investor relations (IR) managers of TWSE and TPEx listed companies in Taiwan. The association appointed Chairman Kuo Tsung-Lin, Supervisor Wan Hsin-Ning, and attorney Wang Shih-Hao as review committee members. All declared that they would maintain a fair and objective attitude and that there were no circumstances affecting their independence, and conducted a performance evaluation of the Company’s Board of Directors (including functional committees). After the association issued its evaluation report on October 15, 2025, the Company submitted the performance evaluation results to the Board of Directors at the meeting on November 11, 2025.</td><td>Compliant</td></tr>
<tr><td>(IV) Does the Company periodically evaluate independence of the CPA?</td><td>V</td><td></td><td>The Company assesses the independence and competence of its CPAs annually. The most recent assessment was conducted with reference to Audit Quality Indicators (AQIs) and the evaluation items listed below. The assessment was reviewed and approved by the Audit Committee on February 25, 2026 and by the Board of Directors on February 25, 2026, and both were found to meet the independence and competence requirements.
<table>
<tr><th colspan="4">Evaluation indicator 1: Independence</th></tr>
<tr><th>Item No.</th><th>Evaluation item</th><th>Evaluation results</th><th>Fulfillment of independence criteria</th></tr>
<tr><td>1</td><td>Has the CPA submitted an independence declaration?</td><td>Yes</td><td>✓</td></tr>
<tr><td>2</td><td>Does the CPA firm have a system for rotating CPAs?</td><td>Yes</td><td>✓</td></tr>
<tr><td>3</td><td>Has the Company replaced CPAs so that no CPA has certified the Company’s financial reports for more than 7 consecutive years?</td><td>Yes</td><td>✓</td></tr>
<tr><td>4</td><td>Has the Company ensured that there are no direct or indirect material financial interests between the CPA and the Company?</td><td>Yes</td><td>✓</td></tr>
<tr><td>5</td><td>Has the Company ensured that there are no financing or guarantee arrangements between the CPA and the Company or its directors?</td><td>Yes</td><td>✓</td></tr>
<tr><td>6</td><td>Has the Company ensured that the CPA has no family relationship with the Company’s directors, managerial officers, or other individuals in positions with material influence over audit engagements? (Evaluate at least the relations such as the spouse, underage children, and close relatives)</td><td>Yes</td><td>✓</td></tr>
<tr><td>7</td><td>Has the Company ensured that the CPA and the Company do not have any other close business relationships? (e.g., joint investments in businesses, strategic alliances for profit, or product co-marketing or promotion)</td><td>Yes</td><td>✓</td></tr>
<tr><td>8</td><td>Has the Company ensured that no members of the audit service team currently serve or have served as the Company’s director, supervisor, or managerial officer, or in a position with material influence over audit engagements, within the current or preceding two years?</td><td>Yes</td><td>✓</td></tr>
<tr><td>9</td><td>Has the Company ensured that the CPA has not accepted valuable gifts or presents (exceeding normal social norms) from the Company, its directors, or managerial officers?</td><td>Yes</td><td>✓</td></tr>
<tr><td>10</td><td>Has the Company ensured that the CPA has not been engaged by the Company to perform routine tasks, receive a fixed salary, or serve as a director?</td><td>Yes</td><td>✓</td></tr>
<tr><td>11</td><td>Has the Company ensured that the CPA is not involved in the Company’s management functions that influence decision-making?</td><td>Yes</td><td>✓</td></tr>
<tr><td>12</td><td>Has the Company ensured that the CPA does not provide the Company with valuation services that have a material impact on the financial statements and involve a high degree of subjectivity?</td><td>Yes</td><td>✓</td></tr>
</table></td><td>Compliant</td></tr>
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<tr><th rowspan="2">Evaluation item</th><th colspan="3">Practice</th><th rowspan="2">Compliance with Best Practice Principles and reasons for any discrepancies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><th colspan="4">Evaluation indicator 2: Competence</th></tr>
<tr><th>Item No.</th><th>Evaluation item</th><th>Evaluation results</th><th>Fulfillment of independence criteria</th></tr>
<tr><td>1</td><td>Has the CPA not been disciplined or received any other disciplinary action in the past 2 years that would impair his/her professionalism or independence?</td><td>Yes</td><td>✓</td></tr>
<tr><td>2</td><td>Has the CPA proactively provided the Company with the latest information on taxation, securities regulatory requirements, and International Financial Reporting Standards (IFRS)?</td><td>Yes</td><td>✓</td></tr>
<tr><td>3</td><td>Has the CPA assisted the Company in communicating and coordinating with the competent authorities?</td><td>Yes</td><td>✓</td></tr>
<tr><td>4</td><td>Have all financial statements been completed within the deadline?</td><td>Yes</td><td>✓</td></tr>
<tr><td>5</td><td>Has the CPA maintained appropriate communication channels with the Company’s management, Audit Committee, and directors?</td><td>Yes</td><td>✓</td></tr>
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<tr><th colspan="3">Evaluation indicator 3: Audit Quality Indicators Report (AQIs)</th></tr>
<tr><th>Item No.</th><th>Evaluation item</th><th>Evaluation results</th></tr>
<tr><td>1</td><td>Is the CPA’s audit experience and training hours sufficient?</td><td>Yes</td></tr>
<tr><td>2</td><td>Is the number of hours devoted by the CPAs to the audit and review of the financial statements comparable to those of industry peers?</td><td>Yes</td></tr>
<tr><td>3</td><td>Are the engagement quality control review (EQCR) accountant’s evaluation results in the past two years in compliance with regulations?</td><td>Yes</td></tr>
<tr><td>4</td><td>Is the supporting capability of the accounting firm’s quality control personnel up to the standards of industry peers?</td><td>Yes</td></tr>
<tr><td>5</td><td>Does the accounting firm have plans to innovate and improve audit quality?</td><td>Yes</td></tr>
</table>
</td><td></td></tr>
<tr><td>IV. Has the TWSE or TPEx listed company set up a full-time (part-time) unit or appointed designated personnel to handle governance related affairs (including but not limited to supplying information requested by the directors and supervisors, processing company registration and change of registration and preparing minutes of the board meetings and shareholders’ meetings)?</td><td>V</td><td></td><td>The Board of Directors resolved at the meeting held on November 11, 2025 to appoint Ms. Xi-Hui Huang as the Company’s Corporate Governance Officer, in order to safeguard shareholders’ rights and strengthen board functions. Ms. Huang has more than three years of experience in roles related to corporate governance at publicly listed companies. The Corporate Governance Officer is responsible for related corporate governance affairs including: Handling matters relating to Board meetings and shareholders’ meetings according to law; Producing minutes of Board meetings and shareholders’ meetings; Assisting in work and continuing education of directors; Furnishing information required for business execution by directors and independent directors; and Assisting the Company in complying with laws and regulations governing such meetings.
The implementation of corporate governance affairs in 2025 is as follows:
1. Convened one annual general meeting of shareholders in 2025 and produced meeting minutes of the shareholders’ meeting.
2. Convened a total of 6 regular and special meetings of the Board of Directors in 2025 and produced meeting minutes.
3. Convened a total of 5 meetings of the Audit Committee in 2025 and produced meeting minutes of the Audit Committee meetings.
4. Responded to letters from the Taiwan Stock Exchange and issued notices to directors and other insiders of the Company to remind them of matters to be reported when they transfer shares of insiders.
5. Regularly provided information on material information reporting procedures and regulations to all departments of the Company from time to time.
6. Provided the Company’s directors with information on continuing education courses for directors and supervisors organized by external training institutions, and assisted directors in handling registration and payment procedures.
7. Cooperated with the Human Resources Department in inviting external lecturers to conduct continuing education courses for directors and supervisors of the Company and its subsidiaries. The Company’s corporate governance officer completed a total of 13.5 hours of continuing education courses in 2025, including Ethical Corporate Management Best Practice Principles and Insider Trading Prevention Practices, Personal Data Protection and Information Security</td><td>Compliant</td></tr>
</table>

Evaluation item	Practice			Compliance with Best Practice Principles and reasons for any discrepancies
	Yes	No	Summary	
			Practices, Corporate AI Brain — Navigation and Mapping in the AI Era, New Roles in the Environmental Economy — Corporate TCFD/TNFD and Biodiversity-related Financial Disclosures, and the 2025 Insider Trading Legal Compliance Briefing Session, in order to continuously enhance professional knowledge and competence.	
V. Does the Company have in place a communication channel with stakeholders (including but not limited to shareholders, employees, customers, and suppliers) and set up a stakeholders section on its website to properly address stakeholders' concerns regarding important corporate social responsibilities?	V		The Company has set up a dedicated section for stakeholders on its website, providing contact information for employees, customers, suppliers, shareholders, investors, media, and other stakeholders, so as to respond appropriately to important corporate social responsibility issues that stakeholders care about.	Compliant
VI. Does the Company hire professional stock agencies to take care of affairs related to shareholders' meetings?	V		We have commissioned SinoPac Securities - Register & Transfer Agency Division to provide assistance.	Compliant
VII. Information disclosure (I) Has the Company established a corporate website to disclose information regarding the Company's financial, business and corporate governance status?	V		The Company regularly discloses information on the company website regarding the Company's financial, business, and corporate governance status.	Compliant
(II) Has the Company adopted other means of information disclosure (such as establishing a website in English, appointing dedicated personnel to collect and disclose corporate information, implementing a spokesperson system, and disclosing the process of investor conferences on the Company website)?	V		The Company has appointed dedicated personnel to take charge of the collection and disclosure of Company information, and implemented a spokesperson and deputy spokesperson system in accordance with regulations. The information for investor conferences in all periods is immediately disclosed on the company website as reference for investors.	Compliant
(III) Does the Company publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as well as its operating status for each month ahead of schedule before the specified deadline?		V	The Company announces and reports its annual financial report within three months after the end of each fiscal year, and announces and reports its Q1, Q2, and Q3 financial reports as well as monthly operating results within the prescribed deadlines; no early announcements or reports are made.	Changes are made gradually
VIII. Does the Company have other information that is helpful for understanding its status of corporate governance (including but not limited to employee rights and interests, employee well-being, investor relations, supplier relations, rights of stakeholders, further education sought by directors and supervisors, implementation of risk management policies and risk evaluation standards, implementation of customer	V		1. Employees' rights and interests: The Company treats employees with integrity and has established many employee benefit measures, education training guidelines, and performance development plans so as to protect the employees' rights and interests and train employees. In addition, the employees have smooth communication with their supervisors and the Company has positive labor-management relations. 2. Investor relations: The Company has set up the spokesperson system, and entrusted share affair agency with handling share-related matters. In addition, in order to allow the public to understand the Company's business operation, the Company discloses relevant information on the Market Observation Post System (MOPS) in accordance with relevant regulations. 3. Supplier relations, stakeholder interests: The Company maintains equitable and good relationships with suppliers and stakeholders. 4. Continuing education and training received by directors and supervisors: The Company has set up an Audit Committee which replaced the functions of the	Compliant

Evaluation item	Practice			Compliance with Best Practice Principles and reasons for any discrepancies
	Yes	No	Summary	
policies, the purchase of liability insurance for directors and supervisors, etc.)?			supervisors. The Company's Directors possesses required professional knowledge. In order to enhance the Board's functions, the Company arranges continuing education and training for Directors and Independent Directors. 5. Implementation of risk management policies and risk assessment standards: The Company formulates and abides its internal regulations to control risks. 6. Implementation of customer relations policies: The Company maintains stable and good relations with customers in order to generate profits. 7. The Company has purchased liability insurance for its Directors.	

IX. Please mention any priority matters and measures that require improvement and improvements that have been made according to the Corporate Governance Evaluation results released by TWSE's Governance Center.
Index 2.17: Does the Company's Board of Directors regularly (at least once a year) assess the independence and competence of its CPAs by referring to Audit Quality Indicators (AQIs), and disclose the assessment procedures in detail in the annual report?
The Company's Audit Committee and Board of Directors assess the independence and competence of the CPAs annually with reference to Audit Quality Indicators (AQIs), and this is disclosed in detail in the annual report for that year.
Index 4.2: Has the Company established a dedicated (or concurrently responsible) unit to promote ethical corporate management, responsible for formulating and overseeing the implementation of ethical management policies and preventive measures, disclosing the unit's operation and implementation on the Company's website and in the annual report, and reporting to the Board of Directors at least once a year?
The Company reported on the implementation of its ethical corporate management practices to the Board of Directors on November 11, 2025.

◆ Status of continuing education of Directors and Independent Directors

Title	Name	Date of training		Organizer	Course	Hours
		Start date	End date			
Representative of Institutional Director	Felix Ho	2025/05/13	2025/05/13	Taiwan Corporate Governance Association	The path to AI application transformation	3 hours
		2025/11/17	2025/11/17	Taiwan Corporate Governance Association	New Roles in the Environmental Economy — Corporate TCFD/TNFD and Biodiversity-related Financial Disclosures	3 hours
Representative of Institutional Director	David Lo	2025/02/14	2025/02/14	Taiwan Corporate Governance Association	Introduction to sustainability information, sustainability standards, and sustainability reports for TWSE/TPEx listed companies	3 hours
		2025/07/31	2025/07/31	Taiwan Stock Exchange	2025 Summit on Strengthening Taiwan's Capital Markets	3 hours
		2025/11/17	2025/11/17	Taiwan Corporate Governance Association	Corporate AI Brain — Navigation and Mapping in the AI Era	3 hours
		2025/11/17	2025/11/17	Taiwan Corporate Governance Association	New Roles in the Environmental Economy — Corporate TCFD/TNFD and Biodiversity-related Financial Disclosures	3 hours
Representative of Institutional Director	Hong-Shi Wen	2025/10/27	2025/10/27	Taipei Foundation Of Finance	Personal data protection and information security practices	1.5 hours
		2025/10/27	2025/10/27	Taipei Foundation Of Finance	Ethical Corporate Management Best Practice Principles and Insider Trading Prevention Practices	3 hours
		2025/11/17	2025/11/17	Taiwan Corporate Governance Association	New Roles in the Environmental Economy — Corporate TCFD/TNFD and Biodiversity-related Financial Disclosures	3 hours
		2025/11/17	2025/11/17	Taiwan Corporate Governance Association	Corporate AI Brain — Navigation and Mapping in the AI Era	3 hours
Director	Bing-Yi Lin	2025/08/22	2025/08/22	Taiwan Federation of Industry and Commerce	2025 Taishin Shin Kong Net Zero Summit	3 hours
		2025/10/15	2025/10/15	Taiwan Stock Exchange	2025 Taiwan Week IR & Engagement new trends: ESG and sustainable investment forum	3 hours
		2025/10/27	2025/10/27	Taipei Foundation Of Finance	Personal data protection and information security practices	1.5 hours
		2025/10/27	2025/10/27	Taipei Foundation Of Finance	Ethical Corporate Management Best Practice Principles and Insider Trading Prevention Practices	3 hours
		2025/11/17	2025/11/17	Taiwan Corporate Governance Association	Corporate AI Brain — Navigation and Mapping in the AI Era	3 hours
Independent Director	Chin-Jung Kuo	2025/04/01	2025/04/01	National Federation of CPA Associations of the R.O.C.	Carbon trading and assurance process	3 hours

Title	Name	Date of training		Organizer	Course	Hours
		Start date	End date			
		2025/07/16	2025/07/16	Taiwan Corporate Governance Association	Sustainable development promotion seminar — Taipei session	3 hours
		2025/07/25	2025/07/25	National Federation of CPA Associations of the R.O.C.	Legal liability of certified public accountants	3 hours
		2025/07/31	2025/07/31	Taiwan Stock Exchange	2025 Summit on Strengthening Taiwan's Capital Markets	3 hours
		2025/10/15	2025/10/15	Taiwan Stock Exchange	2025 Taiwan Week IR & Engagement new trends: ESG and sustainable investment forum	3 hours
		2025/11/14	2025/11/14	Taiwan Corporate Governance Association	The digital finance revolution: The principles of stablecoins and the development trends of blockchain virtual assets	3 hours
		2025/11/17	2025/11/17	Taiwan Corporate Governance Association	Corporate AI Brain — Navigation and Mapping in the AI Era	3 hours
		2025/11/17	2025/11/17	Taiwan Corporate Governance Association	New Roles in the Environmental Economy — Corporate TCFD/TNFD and Biodiversity-related Financial Disclosures	3 hours
		2025/12/10	2025/12/10	National Federation of CPA Associations of the R.O.C.	The practice of sustainable governance: Integrity and decision-making (IFRS S1)	6 hours
Independent Director	Ching-I Li	2025/11/17	2025/11/17	Taiwan Corporate Governance Association	Corporate AI Brain — Navigation and Mapping in the AI Era	3 hours
		2025/11/17	2025/11/17	Taiwan Corporate Governance Association	New Roles in the Environmental Economy — Corporate TCFD/TNFD and Biodiversity-related Financial Disclosures	3 hours
Independent Director	Jen-Tien Chiu	2025/10/27	2025/10/27	Taipei Foundation Of Finance	Personal data protection and information security practices	1.5 hours
		2025/10/27	2025/10/27	Taipei Foundation Of Finance	Ethical Corporate Management Best Practice Principles and Insider Trading Prevention Practices	3 hours
		2025/11/17	2025/11/17	Taiwan Corporate Governance Association	New Roles in the Environmental Economy — Corporate TCFD/TNFD and Biodiversity-related Financial Disclosures	3 hours
		2025/11/17	2025/11/17	Taiwan Corporate Governance Association	Corporate AI Brain — Navigation and Mapping in the AI Era	3 hours

(IV) Companies that have established a Remuneration Committee shall disclose the names and responsibilities of its members and committee operations

1. Information on members of the Compensation Committee

December 31, 2025

Position / Name (Requirements)		Professional qualifications and experience	Fulfillment of independence criteria	Number of other public companies in which the committee member also serves as a remuneration committee member
Independent Director (Convener)	Chin-Jung Kuo	Master of Accounting, Southern Illinois University, USA Committee Chairperson, Accounting and Auditing Committee, Taiwan CPA Association Managing Partner, RSM Taiwan Chairman, Taipei City Tax Agent Association	The three independent directors listed on the left have met the qualification requirements set out in the Regulations Governing the Appointment and Exercise of Powers by Independent Directors of Public Companies issued by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act, both during the two years prior to their appointment and throughout their term of office. The independent directors have been granted full authority to participate in decision-making and express opinions in accordance with Article 14-3 of the Securities and Exchange Act, and exercise their relevant powers independently accordingly.	2
Independent Director	Ching-I Li	HITOTSUBASHI UNIVERSITY MBA Global Brands Group, Chief Restructuring Officer		1
Independent Director	Jen-Tien Chiu	Ph.D. Massachusetts Institute of Technology Ministry of Economic Affairs, Expert of Artificial Intelligence Development Strategy Smart Customer Service Industry Ministry of Economic Affairs, Open Data Consultation Team Committee FinTech Research Center, College of Commerce, National Chengchi University, Industrial Advisor Microsoft AI Developer Advisory Board, USA		0

2. Operation of Compensation Committee

(1) The Company's Remuneration Committee comprises three members, whose powers and responsibilities include formulating and periodically reviewing the policies, systems, standards, and structure for performance evaluation and remuneration of directors and managers; Regularly assess and establish remuneration for directors and managerial officers. Key focuses for 2025 included: Reviewed year-end performance bonuses for managers; approved performance evaluations and remuneration for directors and managers; determined the allocation list for employee stock option issuances.

(2) Current term for the members: From May 27, 2025 to May 26, 2028. In the most recent year, the Remuneration Committee held 3 meetings (A). Member qualifications and attendance information are as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Attendance in person rate (%) (B/A)	Notes
Convener	Zhen-Hong Lei	2	0	100%	1st Committee
Convener	Chin-Jung Kuo	1	0	100%	2nd term, May 27, 2025 Re-election (newly elected)
Committee member	Ching-I Li	2	1	67%	2nd term, May 27, 2025 Re-election (incumbent)
Committee member	Jen-Tien Chiu	3	0	100%	2nd term, May 27, 2025 Re-election (incumbent)

Remuneration Committee	Agenda item and follow-up	Results of resolution	Actions taken by the Company in response to the opinion of the Remuneration Committee
8th meeting of the 1st term 2025/01/15	Review of the proposal of 2024 year-end performance bonuses for managerial officers	Approved as proposed by all committee members.	The proposal was approved by the Remuneration Committee and filed to the Board of Directors for approval.
9th meeting of the 1st term 2025/03/11	Proposal to approve the 2024 distribution of remunerations to employees and directors	Approved as proposed by all committee members.	The Board of Directors reviewed and approved the Company's 2024 employee and director remuneration proposals and submitted them to the shareholders' meeting.
1st meeting of the 2nd term 2025/08/12	Determine the distribution list for the first issuance of employee stock options for fiscal year 2025.	Approved as proposed by all committee members.	The proposal was approved by the Remuneration Committee and filed to the Board of Directors for approval.

Other statutory information:

I. If the Board of Directors did not adopt or revise the recommendations of the Remuneration Committee, the date of the Board meeting, term of the Board, agenda item, resolutions adopted by the Board, and actions taken by the Company in response to the opinion of the Remuneration Committee shall be specified: N/A.

II. If a member has an opposing or qualified opinion regarding a resolution the Remuneration Committee has adopted with a written record or statement, the date and session of the meeting, the resolution, opinions of all the members, and the handling of their opinions shall be specified: N/A.

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

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
I. Does the Company set up a governance structure for sustainable development, establish an exclusively (or concurrently) dedicated unit to implement sustainable development, and have management appointed by the Board of Directors to be in charge of corporate social responsibility and to report the implementation status to the Board of Directors?	V		In support of sustainable development, the Company's Board of Directors approved three foundational codes in July 2022, i.e., the Sustainability and Corporate Social Responsibility Code, the Corporate Governance Best Practice Principles and the Code of Ethical Conduct, establishing the Company's guiding principles on integrity, governance, environment, and society for both internal and external communication and compliance. The Board of Directors serves as the highest decision-making and oversight body for the Company's sustainability affairs, and is responsible for reviewing and approving sustainability strategies, sustainability reporting information, and other important proposals relating to the environment, society, and economy. The main responsibility of the Sustainability Center is to integrate the Company's sustainability management matters, including identifying material sustainability issues and formulating management policies and short-, medium-, and long-term goals and specific implementation plans accordingly, and to strengthen the Board's oversight and management mechanisms for ESG performance in order to build and maintain stakeholder trust. In November 2025, the Company established its Sustainability Committee, which serves as a functional committee at the board level responsible for overseeing the Company's sustainability planning and goal implementation. The Chairman serves as the committee chairperson, one director and three independent directors serve as members, and the CFO serves as executive secretary. The Sustainability Center reports to the Board of Directors. The 2025 reporting agenda, dates, and key areas of oversight are as follows: August 12, 2025 • Prepared the Company's 2024 Sustainability Report November 11, 2025 • Report on the operating status and implementation results of the Company's 2025 Risk Management Policy and Procedures • Report on the Company's sustainable development progress in 2025 • Planned the establishment of the Sustainability Committee and the Sustainability Committee Organizational Rules. The Sustainability Committee meets at least once a year; one meeting was held in 2025, with 100% attendance. Reporting date and key supervision items: December 23, 2025 • Report on the Company's Science Based Targets initiative (SBTi) target-setting progress and carbon reduction pathway planning • Report on the Company's risk management team's risk assessment items and response strategies for 2025	Compliant
II. Does the Company perform assessments of risks in environmental, social, and corporate governance issues relevant to its business activities and devise risk management policies and strategies based on the principle of materiality?	V		In November 2025, the Board of Directors revised the Risk Management Policy and Operating Procedures and established the Sustainability Committee under the Board of Directors to oversee the risk management operation mechanism and to submit risk management-related proposals to the Board of Directors for resolution. For the identified material themes, risk assessments and internal management are conducted on environmental, social, and corporate governance issues relevant to the Company's operations, and planned actions and target directions are proposed. The climate event risks and opportunities facing the Company, along with matters of carbon reduction and energy conservation, renewable energy, water resource management, occupational safety and health, and regulatory compliance, have been addressed through the formulation of comprehensive management systems, attainment of the latest ISO management system certifications, promotion of equipment optimization and upgrades, and the ongoing deepening of employee education and training, so as to strengthen the overall resilience of the Company's facilities and operations. For details on the identification process for each risk issue, the results of materiality matrix analysis, response measures, management targets, and implementation status, please refer to the Company's Sustainability Report.	Compliant
III. Environmental issues (I) Has the Company established a proper environmental management system based on the characteristics of the	V		The Company's factories in Taipei and Yangzhou have both obtained ISO 14001 environmental management certification and ISO 9001 quality management certification. Each production site has a dedicated unit to ensure the effective operation of the environmental management system in accordance with local environmental regulations, and has implemented other necessary management systems according to the production characteristics of each factory. The validity periods of all certifications are disclosed publicly and transparently on the Company's official website. For detailed information	Compliant

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
industry?			including the scope of factory coverage and certification validity periods, please refer to the Management Systems and Certifications section under Environmental Sustainability in the ESG section of the Company's official website.	
(II) Is the Company committed to improving the efficiency of energy use and using recycled materials which have a low impact on the environment?	V		To continuously optimize energy efficiency and reduce operational energy consumption, the Company's Yangzhou factory launched an energy-saving lighting upgrade project for the production workshop of Plant 1 in September 2025. The project replaced 600 18W LED grid lights that had been in use for over ten years with high-efficiency 10W energy-saving LED tubes. While maintaining the original illuminance standards, the new system significantly improves luminous efficacy and reduces energy consumption, and is expected to save approximately 84,000 kWh of electricity per year while simultaneously reducing carbon emissions. The Company also implements a continuous green procurement policy for suppliers, ensuring 100% FSC certification coverage for all major paper-based materials and antennas. To achieve its carbon reduction targets, the Company regularly monitors and tracks carbon reduction progress through its Sustainability Committee. In addition to continuously strengthening energy conservation and carbon reduction performance in its manufacturing processes, the Company also actively invests in renewable energy power generation, including the construction of solar panel facilities, to enhance overall carbon reduction effectiveness through a variety of means. Furthermore, the Company adopts a product lifecycle approach and implements carbon reduction in the areas of material design and selection, local supplier procurement strategies, energy-saving production, and green transportation. The Company will continue to negotiate purchases of renewable energy in order to achieve each phase of its carbon reduction targets. Through the aforementioned carbon reduction measures, Scope 1 and Scope 2 (market-based) carbon emissions in 2025 decreased by 3.4% compared to the base year.	Compliant
(III) Does the Company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	V		The Company has adopted the Task Force on Climate-related Financial Disclosures (TCFD) recommendations issued by the Financial Stability Board, using this framework to assess the impact of climate change on the Company, identify climate-related risks and opportunities, and mitigate and manage the effects of environmental change on the Company. Climate risk assessments are also incorporated and reviewed and updated annually. The Company also identifies risk factors and develops countermeasures, which include strengthening equipment and infrastructure, planning overall environmental management strategies, and establishing environmental assessment mechanisms. Detailed description of the Company's climate change risks and opportunities will be disclosed in the Company's Sustainability Report.	Compliant
(IV) Does the Company take inventory of its greenhouse gas emissions, water consumption, and the total weight of waste in the last two years, and draw up policies on greenhouse gas reduction, water reduction, or waste management?	V		**Greenhouse gas emissions** The results of the Company's greenhouse gas inventory, the assurance status, and the reduction policies are set out in Appendix II-2-3 to this annual report. With 2024 as the base year, the Company has committed to reducing total Scope 1 and Scope 2 greenhouse gas emissions by 63% by the near-term target year of 2035, while reducing Scope 3 economic-intensity emissions by 66.3%. With respect to Scope 3 emission reduction actions, the Company will require suppliers to progressively provide product carbon footprint information or production-related carbon emission data as a reference for future Scope 3 carbon emission management. **Water resource management** The Company adheres to the principle of sustainable water use in water resource management and continuously implements water conservation measures, including reducing unnecessary water consumption through equipment maintenance, employee education, and daily water-use behavior management, to ensure maximum water use efficiency. Water consumption in the past two years: Year / Water consumption (Cubic Meters) / Water intensity (metric tons per NT$1 million in revenue) 2024 / 28,380 / 6.1530 2025 / 26,980 / 6.8256 With the goal of "reducing unnecessary water use and enhancing environmental resilience," the Company continues to promote the following strategies: • Raise employees' awareness of water conservation through education and training, and cultivate good water-use habits. • Reduce unnecessary daily consumption through equipment maintenance and	Compliant

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	

behavioral management.
- Continuously monitor water usage data and implement risk management and improvement plans.

The Company has also adopted the following multi-faceted measures:
- Water-saving equipment: Install water-saving faucets, toilets, and related fixtures to reduce water consumption.
- Routine inspection and maintenance: Regularly inspect pipes and water-using equipment to prevent leaks and waste, and carry out timely repairs.
- Employee education and advocacy: Through internal campaigns, workshops, and daily reminders, raise employees' awareness of water conservation and cultivate habits of "turning off taps when not in use" and "using water in moderation."
- Monitoring and inventory: Regularly review water usage data, track annual trends, and incorporate the results into the environmental management process to support continuous improvement.

Waste management
The Company is committed to reducing waste generation in its manufacturing processes. Through process optimization, source reduction, and resource reuse, it continuously enhances resource recycling performance in order to meet regulatory requirements and advance toward sustainable operations.
Waste output in the past two years:

Year	Hazardous waste (metric tons)	Non-hazardous waste (metric tons)	Total weight (metric tons)	Waste Intensity (metric tons per NT$1 million in revenue)
2024	17.57	3,814.23	3,831.80	0.83
2025	21.86	3,598.98	3,620.84	0.92

The Company fully complies with government regulations and international sustainability indicators in waste management. Specific practices include:
- Strictly adhere to the Waste Disposal Act in carrying out classification, labeling, recording, and reporting procedures.
- Regularly review the legality and compliance of waste flows and disposal methods at factories.
- The management strategy follows the principle of avoidance > reduction > reuse and recycling > final disposal.
- Through internal education and management systems, comprehensively enhance employees' environmental awareness and capacity to implement circular economy practices.
- By adopting clean production, resource utilization, and pollution prevention measures, the Company aims to create a low-carbon, low-waste green operating model.

In 2025, the Company launched a hazardous waste resource recovery project that successfully recycled 13.99 tonnes of hazardous waste, achieving the following significant environmental benefits:
- Resource recycling and carbon reduction benefits: By recovering and reusing metal components, dependence on primary ore extraction and metal smelting is reduced, thereby lowering carbon emissions and energy consumption. This helps to form a closed-loop management model of reduction — recovery — reuse and promotes the maximization of resource use efficiency.
- Pollution reduction and environmental risk: Compared to incineration, the resource recovery process completely avoids the greenhouse gases, fly ash, and other secondary pollutants that may be generated during incineration. This effectively mitigates the potential impact of final waste disposal on the atmospheric and soil environment, further improving the Company's environmental management performance.

Comprehensive benefits and implications for sustainability: The successful implementation of this project marks a significant breakthrough for the Company in the fields of hazardous waste management and resource recycling, and concretely fulfills the Company's core commitment to Environmental (E) Responsibility within the ESG framework. By shifting hazardous waste from "end-of-life disposal" to "resource recovery," the project not only reduces the environmental burden but also creates dual environmental and economic value, demonstrating the Company's determination to drive green transformation through innovative thinking.

Implementation items	Yes	No	Summary	Deviations
IV. Social issues (I) Does the Company	V		**Human rights policy** The Company strictly adheres to local labor laws and supports the core principles of	Compliant

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
comply with relevant laws and regulations and internationally recognized covenants on human rights, and have related management policies and procedures in place?			international conventions such as the Universal Declaration of Human Rights, the United Nations Global Compact, and the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, ensuring that its daily operations and all business activities comply with the relevant standards. The Company takes a proactive approach to human rights issues, incorporating them into all aspects of its operations, covering employees, customers, suppliers, and other business partners. The Company's human rights policy is as follows: **Purpose and scope** The Company firmly believes that respecting human rights and creating a dignified working environment are of paramount importance. The Company is committed to supporting the principles of the UN Global Compact and adhering to the spirit and principles of international human rights norms, including the Universal Declaration of Human Rights, the ILO Declaration of Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights. The Company also abides by the laws and regulations of each location where it operates worldwide, treats all personnel equally and with respect, and has established this policy. The Company takes a proactive approach to human rights issues, incorporating them into all aspects of its operations, covering employees, customers, suppliers, and other business partners. **Commitment to human rights** The Company is committed to respecting and protecting fundamental human rights and strives to implement the following principles: 1. Provide a safe and healthy working environment Provide a safe, healthy, and harassment-free (including freedom from sexual harassment and other forms of harassment) working environment, and reduce occupational safety and health risks through relevant systems and measures. 2. Ban on child labor and forced labor The use of child labor, forced labor, and any form of human trafficking is prohibited, and all work must be based on the principle of voluntariness. 3. Implement the principles of equality and non-discrimination No person shall be discriminated against on the basis of race, color, nationality, sexual orientation, religion, disability, age, political opinion, pregnancy, marital status, or family status. The labor rights of vulnerable or marginalized groups such as indigenous peoples, women, migrant workers, contract workers, and persons with disabilities shall be protected. 4. Comply with wage and working hour standards Strictly comply with applicable laws and regulations on wages and working hours, provide reasonable wages and benefits as required, and pay wages on time. 5. Promote physical and mental well-being and work-life balance Foster a culture of respect and open communication, support employees in maintaining their physical and mental well-being, and commit to creating a workplace environment conducive to work-life balance. 6. Guarantee freedom of association Respect employees' freedom of association and related rights in compliance with applicable laws and regulations. 7. Establish communication and grievance channels Provide diverse communication channels, including anonymous reporting mechanisms, to enable employees, suppliers, business partners, and other stakeholders to provide feedback to the Company or report suspected violations. 8. Continuous review and improvement In response to changes in the operating environment and stakeholder needs, continuously review and assess relevant risks, management measures, and their impact, and make improvements in a timely manner. **Human rights governance framework** The Company's Sustainability Committee is responsible for promoting human rights management-related activities. **Human rights due diligence** Referencing international human rights conventions, relevant guidelines, and human rights due diligence reports published by benchmark companies, the Company compiles relevant human rights risk issues, assesses potential human rights risk issues in the value chain, and incorporates them into the human rights risk assessment process. The Company's human rights due diligence process is as follows:	

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	

1. Identification and assessment	Identify and assess actual and potential human rights impacts.
2. Take action	Based on the identification and assessment results, take appropriate response measures.
3. Review effectiveness	Track the effectiveness of response measures and assess whether they adequately address the relevant negative human rights impacts.
4. External communication	Disclose how the Company responds to relevant impacts.

The Company continuously promotes awareness of human rights protection at its weekly meetings to ensure that the fundamental rights of workers are safeguarded. In the event of any material change, all procedures are handled through labor-management consultation in accordance with the relevant provisions of the Labor Standards Act. In addition, to promote gender equality and prevent workplace harassment and bullying, the Company has formulated the Sexual Harassment Prevention, Complaint, and Disciplinary Procedures, issued a Written Statement Prohibiting Workplace Violence, and provides accessible complaint channels, continuously improving its corporate social responsibility framework. To effectively protect the rights and interests of employees. No human rights-related complaints were received in 2025.

In 2025, the Company conducted a human rights risk assessment of its internal employees through online and paper questionnaires, collecting a total of 758 completed questionnaires. Based on the results of the 2025 employee human rights due diligence survey, no human rights issues of moderate or high risk have been identified. The Company will continue to monitor potential human rights risks in 2026 and strengthen relevant prevention and mitigation measures to ensure the effectiveness of its existing human rights response mechanisms. Going forward, the Company will also review the human rights risk assessment process in a timely manner in response to changes in the operating environment and actual needs, and will continue to improve its human rights management practices. Among the low-risk issues identified in 2025, the Company places particular emphasis on the following human rights issues and has implemented mitigation or remedial measures accordingly:

Human rights issues	Mitigation and remedial measures
Eliminate unlawful discrimination and ensure equal employment opportunities	1. Under the Company's Sustainability and Corporate Social Responsibility Code, the Company's human resources policies shall not discriminate on the basis of gender, sexual orientation, race, socioeconomic status, age, marital status, or family status, and shall ensure equal opportunities in recruitment, employment conditions, remuneration, benefits, training, performance evaluation, and promotion. 2. No discrimination incidents occurred in 2025; two persons with disabilities were employed.
Prohibit forced labor and comply with local government labor laws and regulations	1. All work performed by the Company's employees is voluntary. No one may prohibit or coerce workers, nor exploit, enslave, or traffic in persons. 2. The Company's working hours do not exceed the maximum limits stipulated by the Labor Standards Act. Total weekly working hours, including overtime, shall not exceed 60 hours, and employees shall be entitled to at least one day off per seven-day period. All overtime worked by employees is voluntary; the Company does not compel employees to work overtime. 3. Implement working hour management to ensure compliance with the Labor Standards Act. 4. No forced or compulsory labor occurred in 2025.
Prohibition of child labor	The Company does not employ persons under 16 years of age. The Company strictly adheres to the Labor Standards Act; no child labor was employed in 2025.
Physical and mental health and work-life balance	1. The Company provides on-site medical care, regular employee health check-ups, year-end banquets, employee trips, and various recreational and competition activities to care for the physical and mental health of its employees and foster team cohesion. 2. In 2025, Taiwan Arizon organized three employee recreational activities with a cumulative total of 444 participant visits; Yangzhou Arizon organized a total of 8 recreational activities and competitions, with 2,100 participant visits in total. 3. In promoting annual health check-ups, Taiwan Arizon had 115 employees complete check-ups and arranged 52 on-site medical service sessions, with a total of 148 participants in health

<table>
<tr><th rowspan="2">Implementation items</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td><table><tr><td></td><td>education programs; the Yangzhou site had 229 employees receive employee health check-ups and 264 employees participate in occupational health check-ups, continuously strengthening employee healthcare.</td></tr></table>
Employee retirement plan
Regarding the employee retirement system, the Company follows the relevant laws and regulations of the applicable jurisdiction. Please refer to Section V, Labor Relations, of the Business Overview chapter of this annual report for details. Policies at main operating regions:
• For employees of Yangzhou Factory in China, the Company enters labor contracts with employees pursuant to The Labour Contract Law of the People's Republic of China and allocate funds to employees housing provident funds in accordance with the provisions of the Regulations on Management of Housing Provident Fund and relevant local laws and regulations.
• For employees of Taipei Factory in Taiwan, the Company allocates pensions and relevant funds pursuant to the Labor Standards Act, Labor Insurance Act and the Labor Pension Act. By the end of 2025, the cumulative amount of new-system labor retirement reserve contributions in Taiwan reached NT$20,937 thousand, and the retirement contributions for foreign employees amounted to NT$241 thousand, demonstrating the Company's long-term commitment to retirement security.</td><td></td></tr>
<tr><td>(II) Has the Company established and implemented reasonable employee benefits (including remuneration, leave, and other benefits), and ensured business performance or results are reflected adequately in employee remuneration?</td><td>V</td><td></td><td>The Company values the physical and mental health and quality of life of its employees and is committed to establishing a diverse, people-centric benefits system. In addition to providing a comprehensive salary structure and statutory insurance, the Company also offers a variety of benefits measures. Please refer to Section V, Labor Relations, of the Business Overview chapter of this annual report for details. Benefits measures include:
• Healthcare: Labor insurance, national health insurance, critical illness insurance, group insurance, employee dependent insurance, and overseas travel insurance are provided, along with regular health check-ups arranged every two years and on-site medical care services.
• Bonuses and incentives: Year-end bonuses (guaranteed at least 30 days), performance bonuses, referral bonuses, patent bonuses, and a system to recognize outstanding and long-serving employees are provided.
• Work-life balance: Special leave allowances, menstrual leave, prenatal check-up and accompanying leave, pregnancy recuperation leave, and family care leave are provided, along with nursing rooms and contracted childcare facilities.
• Employee care activities: Employee trips, year-end banquets or spring banquets, occasional social dinners and afternoon teas are regularly organized, and festive gifts and birthday bonuses are provided.
• Career development: Professional skills training and on-the-job continuing education subsidies are provided to support employees' continuous learning and growth.
Regarding the remuneration system, the Company upholds the principle of fair compensation, with no differential treatment on the basis of gender, age, place of origin, or status, and regularly reviews salary levels to maintain market competitiveness. In accordance with the Company's Articles of Association, if the Company generates a profit in a given fiscal year, at least 1% shall be allocated as employee remuneration. As of end of December 2025, there were 138 junior employees in Taiwan on active duty, of whom 27 received annual salary adjustments, with an average increase of 9%.
The Company values workplace diversity and gender equality and implements the principle of equal pay for equal work and a fair promotion system. In 2025, the average proportion of female employees was 55% and the average proportion of female managers was 40%, in order to promote inclusion and sustainable development.</td><td>Compliant</td></tr>
<tr><td>(III) Does the Company provide a safe and healthy work environment to its employees? Does the Company regularly provide safety and health education for the employees?</td><td>V</td><td></td><td>1. The Company has developed an Environmental, Safety, and Health (ESH) Management Manual to clarify management policies and objectives, and promotes it to all employees through various channels such as internal notice boards; The Company has established a dedicated first-tier management unit reporting directly to the employer, responsible for formulating occupational safety and health management plans and implementing safety and health management matters including hazard identification, assessment, and control of the work environment and operations; relevant safety and health on-the-job training is provided to employees in accordance with the nature of their work; safety and health organizations and personnel are established in accordance with the scale and nature of the business, and an occupational safety and health management system is built. Through management mechanisms including planning, implementation, evaluation, and</td><td>Compliant</td></tr>
</table>

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	

continuous improvement, occupational safety and health management objectives are achieved and the overall standard of safety and health management is enhanced. The Company conducts regular health check-ups for employees and, in accordance with legal requirements, has established an Employee Welfare Committee. In addition, on-site occupational health nurses are arranged to provide consultation services on health-related matters. These measures are implemented to safeguard the safety and physical and mental well-being of employees.

Emergency response and drill statistics for 2025

Drill	Taiwan factory	Yangzhou factory
Personnel emergency response and evacuation drills	2	2
Fire alarm and firefighting equipment drills	2	2
Total	4	4

2. Occupational accident statistics for 2025

Factory	Data time	Whether an occupational accident occurred	Number of occupational accidents	Number of persons involved in occupational accidents	As a percentage of total employees
Arizon RFID (Yangzhou)	202501~12	Yes	1	1	0.19
Taipei Arizon	202501~12	No	0	0	0

Yangzhou Arizon had one work-related injury in 2025 involving one employee, representing 0.19% of its total workforce. The accident occurred during a traffic incident on the employee's commute home and did not result in serious personal injury or property damage. Following the incident, the Company promptly strengthened its internal safety education measures and deepened employees' cultivation of defensive driving habits and safe intersection crossing practices to fundamentally prevent the recurrence of similar traffic accidents.

Taipei Arizon reported no occupational accidents in 2025. Corrective and preventive measures have been implemented to prevent occupational accidents; and the Company strictly complies with occupational safety and health regulations, implements automatic inspection of machinery, equipment, and tools, and regularly conducts work environment monitoring and safety and health promotional activities to improve the overall level of workplace safety and health.

3. No fire or other disaster incidents occurred at Yangzhou Arizon or Taipei Arizon in 2025.

For fire prevention and control, Yangzhou Arizon has established a micro fire station to be responsible for fire protection within the Company's premises. It strictly requires all departments to comply with relevant safety and health regulations, implement pre-operation inspections and work environment monitoring, and actively strengthen employee participation in safety and health education, training, and awareness programs; One-button fire alarm devices and video surveillance have been installed to improve monitoring operations and to create a safe, healthy, comfortable, and friendly working environment.

Taipei Arizon has designated a Fire Safety Manager as the overall person in charge of developing fire protection plans for the Company's premises; responsibilities include formulating and implementing fire protection plans and submitting them to the fire authority for approval; organizing self-defense firefighting teams to plan protective measures and conduct education and training sessions; conducting fire prevention inspections and overseeing the use of fire and electricity. The duties of the Fire Safety Deputy include establishing positions at structurally complex locations to assist the Fire Safety Manager, such as acting as the fire source supervisor for designated areas; conducting routine fire prevention management to ensure that disaster prevention measures are implemented within the designated area of responsibility. The duties of the Fire Source Supervisor include managing the use of fire and electricity for specific equipment or areas, and ensuring the safe use and maintenance of hazardous materials; conducting self-inspections to verify that fire prevention and evacuation facilities are unobstructed and that firefighting equipment is in proper working order.

4. Certifications obtained by the Company

The Company's occupational safety and health management system is established in accordance with the national standard CNS 45001 or equivalent, and is implemented following certification under ISO 45001:2018. Based on the scale and nature of the business, an occupational safety and health management plan is formulated, requiring

<table>
<tr><th rowspan="2">Implementation items</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>supervisors at all levels and relevant personnel responsible for directing and supervising operations to conduct occupational hazard risk assessments before introducing or changing processes, operating procedures, materials, or equipment, and to take appropriate preventive and control measures to ensure operational safety.
<table>
<tr><th>Certifications and certificates</th><th>Factory obtained</th><th>Validity period</th></tr>
<tr><td rowspan="2">ISO 45001 Occupational Safety and Health Management System</td><td>Yangzhou plant</td><td>2023/10/22~2026/10/21</td></tr>
<tr><td>Taipei factory</td><td>2024/11/02~2027/11/02</td></tr>
</table></td><td></td></tr>
<tr><td>(IV) Does the Company offer its employees effective occupational empowerment training programs?</td><td>V</td><td></td><td>Internal company training is divided mainly into four categories:
1. Professional training: Assist employees in improving their professional skills and deepening their expertise in specific fields.
2. General education courses: Develop employees' diverse and comprehensive competencies, such as communication skills, time management, stress management, and workplace ethics, to promote their all-round development.
3. Orientation training: To help new employees quickly adapt to the work environment and become familiar with the Company's culture, systems, and operating procedures; content includes personnel regulations, occupational safety and health, and quality awareness.
4. Management courses: Training for supervisors in leadership planning, team management, and change management, to improve team operational efficiency and overall performance.
In addition, at the beginning of each year, supervisors and employees jointly discuss and formulate individual annual competency development plans, and provide regular review and feedback to assist employees in planning growth directions that meet their own development needs.
For Taipei Arizon, a total of 2,051 participants attended career training in 2025, totaling 2,799 hours.
Based on its corporate development strategy and annual objectives, the Company plans a comprehensive employee learning and development program, establishes a competency-oriented training blueprint covering courses such as orientation training, professional training, and management training, and continuously enhances employees' professional capabilities and core competencies through a variety of learning methods, both in-person and digital, thereby shaping a learning organization culture. At the same time, the Company promotes succession planning and high-potential talent development programs, builds a talent pool, and strengthens the foundations for sustainable organizational operations.
Total training hours in Group accumulated at major operating locations in 2025 amounted to approximately 9,560 hours. In addition, annual performance reviews are conducted each year, with supervisors and employees jointly setting annual objectives and regularly reviewing and providing feedback to help employees plan their personal development directions and align individual and organizational goals.</td><td>Compliant</td></tr>
<tr><td>(V) Does the Company comply with relevant laws and international standards in relation to customer health and safety, customer privacy, marketing, and labeling of products and services, and does it establish relevant consumer <u>or customer</u> protection policies and grievance procedures?</td><td>V</td><td></td><td>The Company strictly enforces product development and mass production processes, ensuring that all products undergo DV, EV, PV, and FMP processes and pass 100% product reliability testing, thereby guaranteeing product stability and reliability. In addition to meeting customers' high product quality standards, the Company provides appropriate packaging and detailed product information labeling, including information on raw materials, composition, and product specifications and safety data. In 2022, the Company obtained ARC Quality Certification, which is specifically designed for RFID tags. The certification encompasses various specialized aspects including RFID tag design, verification, production, and quality control. The standards are very rigorous. The Company was the first in the Asia-Pacific region to pass this certification, and successfully completed the ARC recertification in 2025, maintaining its certified status on a continuous basis. As of the end of 2025, only six companies worldwide have obtained and maintained ARC certification.
In 2025, the Company did not commit any violations relating to product and service information and labeling regulations, nor any violations relating to marketing and communications regulations.
The Company has established a customer service hotline and formulated Customer Complaint Handling Procedures to ensure that customer interests are protected and to continue providing customers with a better product experience. At the same time, the Company has established personal data protection requirements. The Human Resources unit serves as the group-level coordinating unit and, working together with the legal department and management teams at each site, is responsible for personal data</td><td>Compliant</td></tr>
</table>

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
			management. When collecting, processing, or using customers' personal data, the Company notifies customers of the content and methods of collection, processing, and use in accordance with the law, fulfilling its legal compliance and consumer protection obligations.	
(VI) Does the Company establish supplier management policies, which require suppliers to observe relevant regulations on environmental protection, occupational safety and hygiene, or labor and human rights? If so, describe the implementation results.	V		The Company values the sustainable development of its supply chain and regards suppliers as important partners in the Company's long-term competitiveness. The Supply Chain Management Department and the Quality Management Department jointly conduct supplier management and evaluation. A qualified supplier assessment is conducted for all raw material suppliers every six months to ensure supply chain stability and product quality. To strengthen supply chain risk management, new suppliers must complete a "supplier survey form" and sign an "integrity commitment letter" and an "environmental protection commitment letter" upon registration, committing to comply with relevant sustainable management requirements. The Company has recommended that all suppliers provide third-party-verified environmental or social management system certifications as a basis for ESG risk assessment. • Key and major raw material suppliers are required to hold ISO 9001 certification to ensure quality and supply stability. • For raw material suppliers with higher environmental risks, ISO 14001 certification is required to effectively manage the environmental impact of the raw material production process. The Company has established the "Supplier Code of Ethics and Business Conduct," which covers corporate social responsibility policies, fair and honest transactions, labor rights, environmental responsibility, intellectual property rights and confidentiality obligations, and prohibition of subcontracting. By improving the system and enhancing transparency, the Company strengthens the overall competitiveness and sustainability of its supply chain. Implementation of supplier management activities in 2025: Taiwan: 6 qualified suppliers were planned for review, and all 6 were reviewed, achieving a 100% completion rate. 83.3% of audit results were rated as excellent and 16.7% as good. China: 9 qualified suppliers were planned for review, and all 9 were reviewed, achieving a 100% completion rate. 55.6% of audit results were rated as excellent and 44.4% as good.	Compliant
V. Does the Company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as sustainability reports? Have the aforementioned reports obtained assurance from a third-party verification unit?	V		Since 2023, the Company has annually prepared its Sustainability Report in accordance with the international GRI Standards. For the years 2023 through 2025, the Company commissioned Crowe (Taiwan) to conduct a limited assurance engagement in accordance with Assurance Standard No. 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the Accounting Research and Development Foundation of the Republic of China, and to issue a limited assurance report accordingly. The assurance report is disclosed in the ESG section of the Company's official website and in the appendix of the sustainability report.	Compliant
VI. If the Company has established its own sustainable development best-practice principles by following the "Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies", please describe the implementation and any discrepancies with regard to the Best Practice Principles: The Company's Board of Directors has approved and implemented the "Sustainable Development Guidelines" in 2022. No significant difference				
VII. Other key information useful for explaining status of the Company's sustainable development practices: The Company has set up a ESG section on the company website, and discloses information related to the actual implementation of sustainable development on the company website.				

Climate-related information of TWSE/TPEx listed companies

1. Implementation status of climate-related information

<table>
<tr><th>Item</th><th>Implementation status</th></tr>
<tr><td>1. Description of the monitoring and governance of climate-related risks and opportunities by the Board of Directors and management.</td><td>The Board of Directors has established the Sustainability Committee as a functional committee, chaired by the Chairman and composed of one director and three independent directors. The committee is responsible for overseeing the operation of the Sustainability Center. The Center has several working groups, all coordinated and promoted by senior executive representatives of Arizon. The Sustainability Group leads the assessment of climate-related risks and opportunities and the formulation of strategies; the Risk Management Group maintains real-time horizontal communication with the Sustainability Group to ensure awareness and management of climate-related risk issues across the Group.
Under the leadership of the Chairman, the senior management of each functional group holds working meetings from time to time to coordinate the work of business group and functional department members, and jointly promote risk assessment and internal management mechanisms for operations and climate-related issues.
In addition, the Executive Secretary of the Committee shall report to the Sustainability Committee and the Board of Directors at least once a year and receive the supervision and guidance of the Board of Directors.</td></tr>
<tr><td>2. Description of how the identified climate risks and opportunities affect the operations, strategies, and finances of companies (short term, medium term, and long term).</td><td>• Short-term (within 3 years): Extreme weather events may affect production and supply chains; implementation of environmental regulations (such as carbon fees) in various countries will increase operating costs. The opportunity lies in timely investment in energy-saving equipment to reduce energy consumption.
• Medium-term (3–5 years): Climate change may accelerate asset deterioration; market demand for green products is rising. The opportunity lies in developing green products and optimizing supply chain resilience.
• Long-term (more than 5 years): Facing the costs of infrastructure replacement and the pressure of low-carbon transition. Long-term investment in renewable energy and green technologies can establish market leadership.</td></tr>
<tr><td>3. Description of the financial impacts of extreme climate events and transitional actions.</td><td>Physical risks:
<table>
<tr><th>Risk dimension</th><th>Risk events and descriptions</th><th>Potential financial impact</th></tr>
<tr><td>Immediate</td><td>• Increased severity of extreme weather events such as typhoons and floods
Extreme weather events such as typhoons and floods may cause production disruptions, transportation difficulties, and supply chain interruptions, damaging the Company's operations.</td><td>Increase in operating costs / capital expenditures
1. Expenditure on factory and equipment to respond to extreme weather
2. Investment in disaster prevention-related assets</td></tr>
<tr><td>Long-term</td><td>• Extreme rainfall and drought
Extreme rainfall and drought events affect reservoir storage capacity, potentially causing production disruptions, transportation difficulties, and supply chain interruptions.</td><td>Decrease in product revenue
Increase in transportation and energy costs</td></tr>
</table>
Transition risks:
<table>
<tr><th>Risk dimension</th><th>Risk events and descriptions</th><th>Potential financial impact</th></tr>
<tr><td>①
Policies and regulations</td><td>• Increased carbon pricing on greenhouse gas emissions
In 2023, Taiwan's Climate Change Response Act was passed on its third reading. Regarding carbon fee collection, the provisions for large-volume carbon emitters and electricity consumers will be given priority in the initial phase. Starting in 2025, the Ministry of Environment will levy carbon fees on companies with annual carbon emissions exceeding 25,000 metric tons, with the scope of collection to be gradually expanded in the future.</td><td>Increase in operating costs
1. Increase in costs of energy-saving measures
2. Increase in costs of deploying renewable energy</td></tr>
<tr><td>②
Policies and regulations</td><td>• Strengthened emissions reporting obligations
1. In 2022, the Financial Supervisory Commission announced that subsidiaries of listed companies with paid-in capital below NT$5 billion, as included in their consolidated financial statements, must complete greenhouse gas inventory checks by 2027 and verification by 2029, expanding the scope of greenhouse gas inventory and verification.
2. The stock exchange mandates that companies disclose ESG-related information, covering topics including greenhouse gas emissions, energy management, water resources, waste, human development, and board and investor communications.
3. Customers require all of their suppliers to provide greenhouse gas emission information.</td><td>Increase in operating costs
1. Increase in inventory and verification costs</td></tr>
</table>
</td></tr>
</table>

<table>
<tr><th>Item</th><th>Implementation status</th></tr>
<tr><td></td><td>
<table>
<tr><td>③
Technology</td><td>• Transition costs of replacing existing products and services with low-carbon alternatives
The Company uses energy-saving and efficiency-enhancing process equipment or peripheral devices for product manufacturing.</td><td>Increase in operating costs
1. Increase in R&D expenditure
2. Increase in costs of raw materials, equipment, and procurement</td></tr>
<tr><td>④
Market</td><td>• Changes in customer behavior
The international trend toward net-zero carbon emissions and the regulations and policies of various countries increase uncertainty in customers' upstream and downstream supply chain planning; alternatively, customers may prioritize companies with lower carbon emissions in production. Accordingly, the Company must invest in researching more emerging green energy technologies.</td><td>Decrease in revenue
Increase in operating costs
1. Increase in R&D expenditure
2. Increase in procurement costs
3. Increase in costs of acquiring green energy technologies</td></tr>
<tr><td></td><td>• Rising raw material costs
Suppliers must invest more in low-energy-consumption processes to comply with local government carbon emission standards and regulatory requirements, in addition to inflation and rising electricity costs arising from global economic instability.</td><td>Increase in operating costs
1. Increase in procurement costs
2. Increase in energy consumption and carbon credit allocation costs</td></tr>
</table>
</td></tr>
<tr><td>4. Description of how the identification, evaluation, and management of climate risks are integrated in the overall risk management system.</td><td>To align with corporate governance strengthening and practical operational needs, the Company's Board of Directors resolved in November 2025 to amend the Risk Management Policy and Procedures, formally delegating the highest supervisory function of risk management to the Sustainability Committee under the Board of Directors, with the Sustainability Center responsible for actual promotion and execution. Going forward, in addition to continuously monitoring the Company's risk management mechanisms, the Sustainability Committee will also review material risk issues such as climate change and provide professional recommendations; Meanwhile, the Sustainability Center coordinates the identification and day-to-day management of risks across all departments, and regularly submits relevant proposals and implementation outcomes to the Board of Directors for resolution.
In accordance with the Risk Management Policy and Procedures, the Company conducts risk identification, analysis, measurement, and response operations for relevant risks and opportunities at least once per year. Beginning in 2023, the Company commenced identifying climate-related risks and opportunities, managing risks based on their assessed probability of occurrence and degree of impact, with the aim of keeping risks within tolerable limits to the greatest extent possible. To mitigate the financial impact of risks and opportunities, the Company will build risk management mechanisms and strengthen the linkage with financial information, in order to proactively plan for the corresponding response capabilities.</td></tr>
<tr><td>5. If scenario analysis is used to assess resilience against climate change risks, the scenario, parameters, assumptions, analysis factors, and major financial impacts should be described.</td><td>Transition risk scenarios: Using the IEA's STEPS, APS, and NZE scenarios, and referencing the estimated carbon pricing rates from Taiwan's Ministry of Environment and the European Union, the Company analyzes the potential financial impact of carbon pricing on operating costs under each scenario through to 2050.
Physical risk scenarios: The IPCC RCP 6.0 and RCP 8.5 scenarios were adopted, and TCCIP was referenced to assess extreme rainfall and drought risks at the factory sites (currently, neither factory has flood potential; the water risk is low to moderate).</td></tr>
<tr><td>6. If there is a transitional plan for responding to climate-related risks, the content of the plan and the indicators and targets for identifying and managing physical risks and transition risks should be described.</td><td>To accelerate the low-carbon transition, the Company is actively implementing a "sustainable processes" strategy to improve production efficiency and energy utilization and to gradually increase the proportion of renewable energy. The Company is committed to following the Science Based Targets initiative (SBTi) 1.5°C pathway to establish specific reduction plans and management indicators for Scopes 1, 2, and 3.</td></tr>
<tr><td>7. If the internal carbon pricing is used as a planning tool, the basis of the pricing should be stated.</td><td>The Company does not use internal carbon pricing as a planning tool.</td></tr>
<tr><td>8. If climate-related goals are set, information on the covered activities, scope of greenhouse gas emissions, planning timeline, and progress achieved annually should be stated. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve the goals, the source and quantity of carbon offsets or the number of RECs used for carbon reduction should be stated.</td><td>To accelerate the low-carbon transition, the Company is committed to following the Science Based Targets initiative (SBTi) 1.5°C pathway, with 2024 as the base year, committing to reducing total Scope 1 and Scope 2 greenhouse gas emissions by 42% by the near-term target year of 2035, while reducing Scope 3 economic-intensity emissions by 66.3%. For Scope 3 emission reduction actions, the Company will require suppliers to progressively provide product carbon footprint information or production-related carbon emission data as a reference for future Scope 3 carbon emission management.
Progress to date: According to the Company's 2024 greenhouse gas inventory results, Scope 1 emissions were 214.09 tCO_2e, Scope 2 emissions were 5,514.70 tCO_2e, and Scope 3 emissions were 51,446.20 tCO_2e. With respect to electricity consumption, which accounts for the largest share (over 96% of total Scope 1 and 2 emissions), the Company has continuously optimized energy use and regularly tracked progress; by 2025, Scope 1 and 2 carbon emissions had decreased by 3.4% compared to the base year.
The Company has been actively planning purchases of renewable energy certificates (RECs). In 2025, Yangzhou procured 1,746 RECs through the China Green Electricity Certificate Trading Platform, which is expected to additionally reduce approximately 936 tCO_2e of emissions.</td></tr>
</table>

Item	Implementation status
9. Greenhouse gas inventory and assurance status, reduction targets, strategies, and concrete action plans (to be filled in separately under 1-1 and 1-2).	For the Company's greenhouse gas inventory and assurance status, reduction targets, strategies, and concrete action plans, please refer to sections 1-1 and 1-2 below.

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

1-1-1 Information on greenhouse gas inventory

Description of the emission volume (tons CO2e), intensity (tons CO2e/million NTD) and scope of information of greenhouse gases in the past two years.

Since 2023, the Company has established a greenhouse gas inventory standard mechanism in accordance with ISO 14064-1 and the Greenhouse Gas Verification Guidelines of the Environmental Protection Administration, Executive Yuan, and conducts annual inventories of greenhouse gas emissions across all of the Company's factories.

Item	2023	2024	2025
Scope 1: Direct greenhouse gas emissions	160.65	214.09	243.82
Scope 2: Indirect greenhouse gas emissions (location-based)	3,839.97	5,514.70	6301.02
Scope 2: Indirect greenhouse gas emissions (market-based)	3,839.97	5,514.70	5292.36
Scope 3	-	51,446.20	-
Total emissions = Scope 1 + Scope 2 (location-based)	4,000.62	5,728.79	6,544.84
Total emissions = Scope 1 + Scope 2 (market-based)	4,000.62	5,728.79	5,536.19
Total emissions = Scope 1 + Scope 2 (location-based) + Scope 3	-	57,174.99	-
Total emissions = Scope 1 + Scope 2 (market-based) + Scope 3	-	57,174.99	-
GHG emission intensity (Scope 1 + Scope 2) (location-based)	1.49	1.24	1.66
GHG emission intensity (Scope 1 + Scope 2) (market-based)	1.49	1.24	1.40
GHG emission intensity (Scope 1 + Scope 2 (location-based) + Scope 3)	-	12.40	-
GHG emission intensity (Scope 1 + Scope 2 (market-based) + Scope 3)	-	12.40	-

The 2023–2024 greenhouse gas inventory boundary covers the Taipei office, Tucheng factory, Yangzhou factory in mainland China, and Japan office; in 2025, the Vietnam factory and U.S. factory were included in the inventory boundary.

Note 1: Direct emissions (Scope 1: emissions directly from sources owned or controlled by the Company), energy indirect emissions (Scope 2: indirect greenhouse gas emissions arising from the input of purchased electricity, heat, or steam), and other indirect emissions (Scope 3: emissions generated by the Company's activities that are not energy-related indirect emissions but originate from sources owned or controlled by other companies).

Note 2: The scope of data on direct emissions and indirect energy emissions shall be handled in accordance with the schedule stipulated in Article 10, Paragraph 2 of this Guideline. Other indirect emissions information may be disclosed voluntarily.

Note 3: Greenhouse gas inventory standard: The Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 published by the International Organization for Standardization (ISO).

Note 4: Greenhouse gas emission intensity may be calculated per unit of product/service or per unit of revenue; data calculated on the basis of revenue (NT$ million) should be specified at a minimum.

1-1-2 Information on greenhouse gas assurance

Describe the assurance status in the last two years as of the publication date of the annual report, including the scope of the assurance, the organization of the assurance, the criteria for the assurance and the opinion of the assurance.

The Company's greenhouse gas inventories for 2024 and 2025 cover the Company and all subsidiaries included in the consolidated financial statements. For both years, the Company commissioned Crowe (Taiwan) to perform assurance engagements in accordance with Assurance Standard No. 3410, Assurance Engagements on Greenhouse Gas Statements, and obtained limited assurance reports.

1-2 Greenhouse gas reduction goals, strategies and specific action plans

The Company has "committed" to science-based carbon reduction action through the SBTi. Its SBTi carbon reduction targets are:

With 2024 as the base year, the Company commits to reducing total Scope 1 and Scope 2 greenhouse gas emissions by 63% by the near-term target year of 2035, while reducing Scope 3 economic-intensity emissions by 66.3%. For Scope 3 emission reduction actions, the Company will require suppliers to progressively provide product carbon footprint information or production-related carbon emission data as a reference for future Scope 3 carbon emission management. To achieve its carbon reduction targets, the Company regularly monitors and tracks carbon reduction progress through its Sustainability Committee. In addition to continuously strengthening energy conservation and carbon reduction performance in its manufacturing processes, the Company also actively invests in renewable energy power generation, including the construction of solar panel facilities, to enhance overall carbon reduction effectiveness through a variety of means. Furthermore, the Company adopts a product lifecycle approach and implements carbon reduction in the areas of material design and selection, local supplier procurement strategies, energy-saving production, and green transportation. The Company will continue to negotiate purchases of renewable energy in order to achieve each phase of its carbon reduction targets. Through the aforementioned carbon reduction measures, Scope 1 and Scope 2 (market-based) carbon emissions in 2025 decreased by 3.4% compared to the base year.

(VI) Deviations of the implementation of ethical corporate management from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons for deviation

Evaluation item	Practice			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/ TPEx Listed Companies and reasons for deviation
	Yes	No	Summary	
I. Establishment of ethical corporate management policy and approaches (I) Has the company established the ethical corporate management policies approved by the Board of Directors and specified in its rules and external documents the ethical corporate management policies and practices as well as the commitment of its Board of Directors and senior management to implementing the management policies?	V		The Company has adopted, with board approval, the Code of Ethical Conduct, Ethical Corporate Management Operating Procedures and Code of Conduct, and Code of Ethics, to govern integrity in all of the Company's business activities. The Board of Directors and senior management have also committed to actively implementing the ethical corporate management policy.	Compliant
(II) Does the Company have mechanisms in place to assess the risk of unethical conduct and perform regular analysis and assessment of business activities with a higher risk of unethical conduct within the scope of business? Does the Company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies?	V		The Company's "Ethical Corporate Management Operating Procedures and Code of Conduct" stipulate that the Company shall analyze and evaluate risks of unethical conduct within its business scope. In addition, the Company formulate unethical conduct prevention plans based on the Procedures. These matters cover the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies.	Compliant
(III) Does the Company have any measures against dishonest conduct? Are these measures supported by proper procedures, conduct guidelines, disciplinary actions and complaint systems? Does the Company review the policies on a regular basis?	V		The Company established the Ethical Corporate Management Operating Procedures and Code of Conduct in accordance with the Code of Operation Integrity to specify disciplinary actions and complaint systems and the Company reviews the policies on a regular basis.	Compliant
II. Full Implementation of ethical management principles (I) Does the Company evaluate the integrity of all counterparties it has business relationships with? Are there any integrity clauses in the agreements it signs with business partners?	V		During the evaluation process, all of the Company's trading counterparties are carefully assessed for their integrity records, and the "Integrity Commitment Letter" explicitly prohibits dishonest conduct such as bribery and accepting bribes.	Compliant
(II) Does the Company have a unit responsible for business integrity on a full-time basis under the Board of Directors, which will report the business integrity policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?	V		1. The Company has designated the Human Resources unit as the responsible unit to handle the revision, interpretation, and consultation services related to the guidelines, as well as to file notification records and oversee implementation. The unit is also responsible for assisting the Board of Directors in formulating and overseeing the implementation of ethical corporate management policies and preventive measures, to ensure the implementation of the ethical corporate management code. Implementation status is reported to the Board of Directors at least once a year. The unit reported the implementation status to the Board of Directors on November 11, 2025. 2. The Company has fully implemented its ethical corporate management policy. The relevant implementation status in 2025 is as follows: Education and training (1) Employees at all major locations (Taiwan, Yangzhou, and Vietnam) sign integrity, confidentiality, and intellectual property-related	Compliant

Evaluation item	Practice			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/ TPEx Listed Companies and reasons for deviation
	Yes	No	Summary	
			agreements upon joining, clearly committing to abide by the Company's regulations, protect trade secrets, and avoid misconduct. Explanations and guidance are provided immediately upon signing to ensure all employees understand the Company's code of conduct. (2) The concept of ethical corporate management is regularly promoted through education, training, and other means to ensure that all stakeholders fully understand the Company's commitment to integrity, its policies, preventive measures, and the consequences of violations. The total number of training hours for the year was 231. Case studies were incorporated into the courses to deeply instill a corporate culture of integrity in employees and to jointly manage and prevent dishonest conduct. (3) Whistleblower system and protection of whistleblowers ① The Company has established a specific whistleblower system in its Ethical Corporate Management Operating Procedures and Code of Conduct to actively prevent dishonest conduct, encourage internal and external parties to report dishonest or improper behavior, and has designated the Human Resources Department as the dedicated unit for receiving reports. ② The Taiwan site has established a Sexual Harassment Prevention Measures and Complaint System and a Written Statement Prohibiting Workplace Violence in accordance with labor laws, and provides internal complaint and reporting channels (including a dedicated phone line and email address); the Yangzhou site also implements relevant complaint mechanisms in accordance with the Employee Complaint Handling Procedure to ensure that employee concerns are properly addressed. As of 2025, no reports of dishonesty or breach of ethical corporate management have been received.	
(III) Does the Company have policies that help prevent conflicts of interests, provide appropriate channels for filing related complaints, and precisely enforce them?	V		The Company specifies the policies and operating procedures regarding the prevention of conflicts of interest between all levels of personnel in its "Ethical Corporate Management Operating Procedures and Code of Conduct" and "Code of Ethical Conduct". The Company also provides channels for filing related complaints, and precisely enforces them. Furthermore, any director who has or may have a conflict of interest, whether personal or on behalf of the legal entity they represent, with respect to any agenda item at a board meeting shall recuse themselves from the discussion and vote on that item.	Compliant
(IV) Does the Company have effective accounting and internal control systems in place to implement business integrity? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or engage CPAs to perform the audits?	V		The Company has established a sound accounting system and effective internal control system to ensure the truthfulness and completeness of financial reporting and to prevent fraud or dishonest conduct. The Human Resources Department has been designated as the responsible unit for ethical corporate management, and the internal audit office incorporates ethical corporate management into the annual audit plan and links it with financial audits, reporting audit results to the Board of Directors on a regular basis.	Compliant
(V) Does the Company periodically provide internal and external training on ethical corporate management?	V		The Company advocates the concept and guidelines of ethical corporate management in orientation training, internal meetings, and education training. In 2025, ethics-related training courses offered included Ethical Corporate Management Best Practice Principles and Insider Trading Prevention Practices, covering the following topics: Topics included the Ethical Corporate Management Code and the principles of corporate governance, the definition of insider trading and legal liability, preventive mechanisms and employee codes of conduct, and case studies on insider trading practices. A total of 77 participant visits were recorded, accumulating 231 hours of instruction. No instances of unethical business conduct occurred in 2025.	Compliant

Evaluation item	Practice			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/ TPEx Listed Companies and reasons for deviation
	Yes	No	Summary	
III. Implementation of the Company's whistleblowing system (I) Does the Company have in place a substantial whistleblowing and reward system as well as a convenient reporting channel and appropriate designated personnel with regard to the party being reported on?	V		The Company's Ethical Corporate Management Operating Procedures and Code of Conduct established a whistleblowing and reward system as well as open and diversified reporting channels with the Human Resources Department as the responsible department.	Compliant
(II) Has the Company established standard operating procedures for investigating reported issues, follow-up measures to be adopted after the investigation, as well as relevant confidential mechanisms?	V		The Company has established standard operating procedures for investigating reported complaints in its Ethical Corporate Management Operating Procedures and Code of Conduct. All reports received and subsequent investigations are handled with strict confidentiality and rigor.	Compliant
(III) Does the Company adopt measures to prevent whistleblowers from improper treatment for filing the report?	V		The Company's Ethical Corporate Management Operating Procedures and Code of Conduct expressly pledges the Company's protection of whistleblowers from damages imposed on the legal or contractual rights of whistleblowers as a result of whistleblowing. Where the whistleblower deems that he/she is subject to improper treatment after filing the report, the whistleblower may file grievance report with the company's human resources unit.	Compliant
IV. Reinforcing information disclosure (I) Has the Company disclosed its corporate ethical management principles and progress onto its website and the Market Observation Post System?	V		The Company has disclosed the content and implementation results of its Ethical Corporate Management Operating Procedures and Code of Conduct on the Company's website (https://www.arizonrfid.com/zh_TW).	Compliant
V. If the Company has implemented its own ethical corporate management principles by following the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies, please describe the practice and any discrepancies with regard to the Best Practice Principles: The Company has established the Ethical Corporate Management Guidelines and relevant operational procedures, and incorporated the principles of ethical corporate management into applicable regulations pursuant to the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.				
VI. Other important information to facilitate better understanding of the Company's implementation of ethical corporate management: (e.g., review/revision of the Company's ethical corporate management principles, etc.): The Company requires all suppliers and third parties to sign the Honesty and Integrity Declaration Form to guarantee their commitment to fulfill their obligations of conducting honest business operations. All contracts between the Company and its suppliers require both parties to comply with the ethical corporate management policy. If the supplier is involved in any dishonest activity, the Company may terminate or void the contract at any time.				

(VII) Other material information that can facilitate the understanding of the Company's corporate governance practice may be disclosed:

1. Please refer to (3) Corporate governance practice and compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.
2. Continuing education and training for key managers who participate in corporate governance:

Corporate governance training for key managers in 2025

Course	Organizer	Date of training	Hours	Names of key management
Ethical Corporate Management Best Practice Principles and Insider Trading Prevention Practices	Human Resources Department	2025/10/27	3	Hong-Shi Wen, Bing-Yi Lin, Jen-Tien Chiu, Shu-Fen Chang, Xi-Hui Huang, Chun-Yi Wu, Guo-Feng Gao
Personal data protection and information security practices	Human Resources Department	2025/10/27	1.5	Hong-Shi Wen, Bing-Yi Lin, Jen-Tien Chiu, Shu-Fen Chang, Xi-Hui Huang, Chun-Yi Wu, Guo-Feng Gao
New Roles in the Environmental Economy — Corporate TCFD/TNFD and Biodiversity-related Financial Disclosures	Yuen Foong Yu Investment Holding	2025/11/17	3	Felix Ho, David Lo, Hong-Shi Wen, Chin-Jung Kuo, Jen-Tien Chiu, Ching-I Li, Shu-Fen Chang, Xi-Hui Huang, Guo-Feng Gao, Zhi-Hao Zhou
Corporate AI Brain — Navigation and Mapping in the AI Era	Yuen Foong Yu Investment Holding	2025/11/17	3	David Lo, Hong-Shi Wen, Bing-Yi Lin, Chin-Jung Kuo, Jen-Tien Chiu, Ching-I Li, Shu-Fen Chang, Xi-Hui Huang, Guo-Feng Gao, Zhi-Hao Zhou, Da-Ren Lu

(VIII) Status of implementation of internal control system:

1. Statement on the Internal Control System

Arizon RFID Technology(Cayman)Co., Ltd.

Statement on the Internal Control System

Date: February 25, 2026

In 2025, the Company conducted a self-assessment on its internal control system, and based on its outcomes, hereby declares as follows:

I. The Company is clearly aware that the establishment, implementation and maintenance of the internal control system are the responsibility of the Board of Directors and the managerial officers. The Company has established this system accordingly. The purpose is to provide reasonable assurance to the effectiveness and efficiency of business operations (including profitability, performance and security of assets), reliability, timeliness, and information transparency of reports and compliance with relevant regulatory requirements.

II. There are inherent limitations to even the most well-designed internal control system. As such, an effective internal control system can only reasonably ensure the achievement of the aforementioned goals. In addition, due to changes in market environment and conditions, the effectiveness of the internal control system may change along with them. Nonetheless, the Company's internal control system has a built-in self-supervision mechanism and once a flaw is detected, the Company is able to make immediate corrections.

III. In compliance with the Regulations Governing Establishment of Internal Control Systems by Public Companies (the "Regulations"), the Company has adopted a checklist of items for the internal control system in judging the effectiveness of system design and implementation. The checklist items covered in the Regulations are based upon five elements according to the management control process: 1. Control environment, 2. Risk assessment, 3. Control operation, 4. Information and communication, and 5. Monitoring. Each element comprises several items as detailed in the Regulations.

IV. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.

V. Based on the aforementioned evaluation results, the Company holds that it has reasonably assured the achievement of the aforementioned with the internal control system as of December 31, 2025 (including the monitoring over the subsidiaries), including understanding the effectiveness and efficiency in operation, reliability and transparency in timely reporting, and compliance with relevant regulatory requirements, and that the design and enforcement of internal control are effective.

VI. This Statement shall become a main part of the annual report and prospectus and be disclosed to the public. If there are any deceptive or concealed statements herein, the Company shall be liable for violations of Articles 20, 32, 171 and 174 of the Securities and Exchange Act.

VII. This Statement was approved by the Board of Directors on February 25, 2026; 0 of the 7 directors in attendance held dissenting opinions, and the remaining directors all approved this Statement.

Arizon RFID Technology (Cayman) Co., Ltd.

Chairman: Signature

Felix Ho

President: Signature

Bing-Yi Lin

2. **CPA's internal control special audit report: N/A**

(IX) Important resolutions adopted in shareholders' meetings, Board of Directors' meetings, and the Audit Committee meetings in the past year and up to the print date of this annual report:

1. **Important Resolutions of the 2025 Annual General Meeting of Shareholders (May 27, 2025) (Summary)**
   (1) Approved the acknowledgment of YFY's 2024 financial statements.
   (2) Approved the acknowledgment of the Company's 2024 earnings distribution proposal.
   (3) Election of 4 directors and 3 independent directors for the Company's 3rd term.
   (4) Proposed lifting of the non-competition restrictions applicable to the Company's newly elected directors and the juridical persons they represent.

   Implementation of resolutions of the 2025 shareholders' meeting:
   (1) The Board of Directors followed Article 230 of the Company Act and prepared and submitted the financial statements to the shareholders' meeting for acknowledgment. Once acknowledged by the shareholders' meeting, the Board of Directors distributed the financial statements and earnings distribution proposals to the shareholders through announcements.
   (2) The Company distributed a cash dividend of NT$5.5 per share for fiscal year 2024.
   (3) Seven directors were elected and the relevant announcement was made in accordance with regulations.
   (4) The resolution was passed and announced in accordance with regulations.

   The Company has completed the implementation of all tasks in accordance with the resolutions of the annual shareholders' meeting.

2. **Important resolutions approved at the 20th meeting (March 11, 2025) of the 2nd Board of Directors (summary)**
   (1) Approved the 2024 financial statements.
   (2) Approved the 2024 distribution of employee remuneration and director remuneration.
   (3) Approval of the 2024 earnings distribution proposal.
   (4) Approved the Statement on Internal Control.
   (5) Approval of the Company and its subsidiaries acting as co-issuers for financing loan facility applications between their subsidiaries and various banks, and of the Company and its subsidiaries issuing letters of responsibility for financing loan facility applications between their subsidiaries and various banks.
   (6) Approved revisions to certain provisions of the Company's internal control system "IT Cycle".
   (7) Approval of the election of directors and independent directors for the Company's 3rd term at the 2025 Annual General Meeting of Shareholders.
   (8) Approval of a proposal to seek shareholder approval for lifting the non-competition restrictions applicable to the Company's newly elected directors and the juridical persons they represent.
   (9) Approval of the convening of the Company's 2025 Annual General Meeting of Shareholders.

3. **Important resolutions of the 21st (special) meeting of the 2nd Board of Directors (April 14, 2025) (summary)**
   (1) Approved the Board's nomination list of director and independent director candidates for the 3rd term election at the 2025 annual general meeting.
   (2) Approved issuance of 750 units for employee share options, and formulation of Employee Stock Option Issuance and Subscription Regulations.
   (3) Approved the capital increase for U.S. subsidiary Arizon Corporation.

4. **Important resolutions of the 22nd meeting of the 2nd Board of Directors (May 12, 2025) (summary)**
   (1) Approved the Company's consolidated financial report for Q1 2025.
   (2) Evaluation on the independence and competence of the Company's CPAs & their commissioning and remuneration
   (3) Ms. Shu-Fen Chang was appointed as Chief Financial Officer and Spokesperson of the Company; Ms. Zhao-Ling Yan was appointed as Head of Accounting; and Ms. Ying-Jie Chen was appointed as Corporate Governance Officer.

5. **Important resolutions of the 1st (special) meeting of the 3rd Board of Directors (May 27, 2025) (summary)**
   (1) Approved the appointment of members of the Company's 2nd Audit Committee.
   (2) Approved the appointment of members of the Company's 2nd Remuneration Committee.

6. **Important resolutions of the 2nd meeting of the 3rd Board of Directors (August 12, 2025) (summary)**
   (1) Approved the Company's consolidated financial report for Q2 2025.

(2) Approved revisions to the Company's 2025 Employee Stock Option Issuance and Subscription Regulations.
(3) Approved the distribution list for the first issuance of employee stock options for fiscal year 2025.
(4) Approved the Company and its subsidiaries acting as co-issuers and issuing letters of responsibility/guarantees for financing loan facilities and factory lease agreements between their subsidiaries and banks.
(5) Approved the Company's interbank lending credit line application.
(6) Approved the 2024 Sustainability Report prepared by the Company.

7. Important resolutions of the 3rd meeting of the 3rd Board of Directors (November 11, 2025) (summary)

(1) Ms. Xi-Hui Huang was appointed as the Company's Head of Accounting and Corporate Governance Officer.
(2) Approved the Company's consolidated financial report for Q3 2025.
(3) Approved the operational budget for 2026
(4) Approved a loan of USD 10 million to subsidiary Arizon Technology (Vietnam) Co., Ltd., for a period of one year, to be drawn in a single drawdown, at a fixed annual interest rate of 3.7%.
(5) Approved a loan of USD 6 million to subsidiary Arizon Corporation, for a period of one year on a revolving basis, at a fixed annual interest rate of 3.7%.
(6) Approval of the 2026 audit plan.
(7) Approved the proposed establishment of a Sustainability Committee and formulation of the Sustainability Committee Organization Rules.
(8) Approved amendments to certain provisions of the Insider Trading Prevention Management Procedures section of the Company's internal control system.
(9) Approved amendments to certain provisions of the Risk Management Policy and Operating Procedures section of the Company's internal control system.
(10) Approved the addition of Information Security Control Guidelines to the Company's internal control system.

8. Important resolutions of the 4th meeting of the 3rd Board of Directors (February 25, 2026) (summary)

(1) Approved the 2025 financial statements.
(2) Approved the 2025 distribution of employee remuneration, director remuneration, and manager bonuses.
(3) Approval of the 2025 earnings distribution proposal.
(4) Approved the Statement on Internal Control.
(5) Approved the Company's financing loan facility applications with various banks, the Company acting as co-issuer for financing loan facility applications between its subsidiaries and various banks, and the Company issuing letters of support for financing loan facility applications between its subsidiaries and various banks.
(6) Evaluation on the independence and competence of the Company's CPAs & their commissioning and remuneration
(7) Approved revisions to the Company's Articles of Incorporation.
(8) Approved amendments to certain provisions of the Company's Procedures for Extending Loans to Others.
(9) Approved amendments to the Company's Rules of Procedure for Shareholders' Meeting.
(10) Approval of the convening of the Company's 2026 Annual General Meeting of Shareholders.
(11) Approved the appointment of managerial officers and their remuneration.

9. Important resolutions of the 17th meeting of the 1st Audit Committee (March 11, 2025) (summary)

(1) Approved the 2024 financial statements.
(2) Approval of the 2024 earnings distribution proposal.
(3) Approved the Statement on Internal Control.
(4) Approved revisions to certain provisions of the Company's internal control system "IT Cycle".

10. Important resolutions of the 18th (special) meeting of the 1st Audit Committee (April 14, 2025) (summary)

(1) Approved issuance of 750 units for employee share options, and formulation of Employee Stock Option Issuance and Subscription Regulations.
(2) Approved the capital increase for U.S. subsidiary Arizon Corporation.

11. Important resolutions of the 19th meeting of the 1st Audit Committee (May 12, 2025) (summary)

(1) Approved the Company's consolidated financial report for Q1 2025.
(2) Evaluation on the independence and competence of the Company's CPAs & their commissioning and remuneration
(3) Ms. Shu-Fen Chang was appointed as Chief Financial Officer and Spokesperson of the Company; Ms. Zhao-Ling Yan was appointed as Head of Accounting; and Ms. Ying-Jie Chen was appointed as Corporate Governance Officer.

12. **Important resolutions of the 1st meeting of the 2nd Audit Committee (August 12, 2025) (summary)**
    (1) Approved the Company's consolidated financial report for Q2 2025.
    (2) Approved the distribution list for the first issuance of employee stock options for fiscal year 2025.

13. **Important resolutions of the 2nd meeting of the 2nd Audit Committee (November 11, 2025) (summary)**
    (1) Ms. Xi-Hui Huang was appointed as the Company's Head of Accounting and Corporate Governance Officer.
    (2) Approved the Company's 2025 Q3 financial statements.
    (3) Approved a loan of USD 10 million to subsidiary Arizon Technology (Vietnam) Co., Ltd., for a period of one year, to be drawn in a single drawdown, at a fixed annual interest rate of 3.7%.
    (4) Approved a loan of USD 6 million to subsidiary Arizon Corporation, for a period of one year on a revolving basis, at a fixed annual interest rate of 3.7%.
    (5) Approval of the 2026 audit plan.
    (6) Approved amendments to certain provisions of the Insider Trading Prevention Management Procedures section of the Company's internal control system.
    (7) Approved amendments to certain provisions of the Risk Management Policy and Operating Procedures section of the Company's internal control system.
    (8) Approved the addition of Information Security Control Guidelines to the Company's internal control system.

14. **Important resolutions of the 3rd meeting of the 2nd Audit Committee (February 25, 2026) (summary)**
    (1) Approved the 2025 financial statements.
    (2) Approval of the 2025 earnings distribution proposal.
    (3) Approved the Statement on Internal Control.
    (4) Approved the Company's financing loan facility applications with various banks, and the Company acting as co-issuer for financing loan facility applications between its subsidiaries and various banks.
    (5) Evaluation on the independence and competence of the Company's CPAs & their commissioning and remuneration
    (6) Approved amendments to certain provisions of the Company's Procedures for Extending Loans to Others.

(X) Major contents of any dissenting opinions with records or written statements by directors or independent directors regarding important resolutions passed by the Board of Directors during the most recent fiscal year and up to the date of printing of the annual report: This event did not occur at the Company

IV. Information on Fees to CPA

Unit: NT$ thousand

Name of accounting firm	Name of CPAs	Audit period	Audit fee	Non-audit fee	Total	Notes
Deloitte & Touche Taiwan	Shu Wan Lin Chih-Ming Shao	2025.01.01 ~ 2025.12.31	6,100	0	6,100	-

Note: If the audit fees decreased more than 10% from that of the prior year, the amount, percentage, and reasons for the decrease in audit fees shall be disclosed: N/A

V. Information on change/replacement of CPA: There is no change of CPAs in the most recent 2 years.

VI. The Chairman, President and Financial or Accounting Managerial Officer of the Company who has worked for CPAs' firm or its affiliate in the past year: This event did not occur at the Company.

VII. Equity transfers and changes of equity interests by directors, supervisors, managers, and major shareholders holding more than 10% of the shares in last fiscal year and up to the print date for this annual report

(I) For details on changes in shareholdings of directors, supervisors, managers, and major shareholders, please refer to the Market Observation Post System:
Single Company / Share Changes / Securities Issuance / Share Transfer Data Inquiry / Ex-post Reporting Form for Changes in Insider Shareholdings.
Website: https://mops.twse.com.tw/mops/#/web/query6_1

(II) Share transfer: This event did not occur at the Company.

(III) Pledged shares: This event did not occur at the Company.

VIII. Information about Spouses, Kinship within Second Degree, and Relationships between Any of the Top Ten Shareholders

March 29, 2026; Unit: Shares; %

Name	Shares held by the individual		Shares held by spouse and underage children		Total shares held in names of third parties		Titles, names and relationships between top 10 shareholders (related party, spouse, or kinship within the second degree)		Notes
	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Name (or name)	Relation	
YFY Global Investment Co., Ltd. Investment Account in custody by Bank SinoPac Co., Ltd.	45,694,935	61.02	-	-	-	-	-	-	-
Yunsheng Co., Ltd. Representative: Bing-Yi Lin	2,284,676	3.05	-	-	1,098,130	1.47	Bing-Yi Lin	Responsible person of Yunsheng Co., Ltd.	-
Union Holding Group Co., Ltd. Investment Account in custody by Capital Securities Corp.	2,103,000	2.81	-	-	-	-	-	-	-
New Labor Pension Fund	1,877,500	2.51	-	-	-	-	-	-	-
Bing-Yi Lin	1,098,130	1.47	-	-	2,284,676	3.05	Yunsheng Co., Ltd.	Responsible person	-
Yu-Wen Ko	1,038,000	1.39	-	-	-	-	-	-	-
Old Labor Pension Fund	876,500	1.17	-	-	-	-	-	-	-
HSBC Bank (Taiwan) Limited, as custodian	655,000	0.87	-	-	-	-	-	-	-
Felix Ho	480,000	0.64	-	-	-	-	-	-	-
Yubao Industrial Co., Ltd. Representative: CHU, SHU-E	340,000	0.45	-	-	-	-	-	-	-

IX. Numbers of Shares Held in Invested Enterprises by the Company, the Company's Directors, Independent Directors, and Managers, and Enterprises Directly or Indirectly Controlled by the Company and the Consolidated Shareholding Ratio

December 31, 2025 Unit: Shares; %

Investee company (Note)	Investment by the Company		Investments by directors, independent directors, the President and directly or indirectly controlled entities		Consolidated investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
YFY RFID Co., Limited	29,584,886	100.0	0	0	29,584,886	100.0
RFIDYD AI & Network Technology Co., Ltd.	194,251,142	99.98	0	0	194,290,000	99.98
Arizon RFID Technology (Hong Kong) Co., Ltd.	22,000,000	100.0	0	0	22,000,000	100.0
Arizon Japan Co., Ltd.	1,000	100.0	0	0	1,000	100.0
Arizon Corporation	1,025	100.0	0	0	1,025	100.0
Arizon Technology (Vietnam) Co., Ltd.	-	100.0	0	0	-	100.0

Note: The Company's investments recognized under the equity method.

Chapter 4 Fund Raising

I. The Company's Capital and Shares, Corporate Bonds, Preferred Shares, Global Depositary Receipts, Employee Stock Options, Restricted Shares and Mergers (including Mergers, Acquisitions, and Demergers)

(I) Source of share capital

1. Types of shares issued as of the print date of this annual report

Unit: NT$ thousand thousand shares

Year/Month	Issue price	Authorized capital		Paid-in capital		Notes		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Shares acquired by non-cash assets	Others
2021.10	10	100,000	1,000,000	1	10	Founding capital	-	-
2022.02	10	100,000	1,000,000	65,000	650,000	Restructuring (issued 64,999,999 new shares)	-	-
2022.08	57.4	100,000	1,000,000	66,060	660,600	Cash capital increase NT$ 10,600 thousand	-	-
2023.03	83.58	100,000	1,000,000	74,318	743,180	Cash capital increase NT$ 82,580 thousand	-	Note 1
2024.08	52.42	100,000	1,000,000	74,888	748,880	Employee stock option certificates converted NT$ 5,700 thousand	-	Note 2

Note 1: Tai-Zheng-Shang-1 No. 1121700226 dated January 30, 2023
Note 2: Tai-Zheng-Shang-1 No. 1121700225 dated January 30, 2023

Unit: thousand shares

Shareholding type	Authorized capital			Notes
	Outstanding shares	Unissued shares	Total	
Ordinary shares	74,888	25,112	100,000	Publicly traded shares

2. If the Company has been approved to raise and issue securities under a shelf registration system, the approved amount, planned issuance, and details of securities already issued shall be disclosed:

The Company does not have such a case.

(II) List of major shareholders

March 29, 2026

Name \ Shares	Number of shares	Shareholding ratio
YFY Global Investment Co., Ltd. Investment Account in custody by Bank SinoPac Co., Ltd.	45,694,935	61.02
Yunsheng Co., Ltd. Representative: Bing-Yi Lin	2,284,676	3.05
Union Holding Group Co., Ltd. Investment Account in custody by Capital Securities Corp.	2,103,000	2.81
New Labor Pension Fund	1,877,500	2.51
Bing-Yi Lin	1,098,130	1.47
Yu-Wen Ko	1,038,000	1.39
Old Labor Pension Fund	876,500	1.17
HSBC Bank (Taiwan) Limited, as custodian	655,000	0.87
Felix Ho	480,000	0.64
Yubao Industrial Co., Ltd. Representative: CHU, SHU-E	340,000	0.45

(III) Dividend policy and implementation:

1. Dividend policy:

(1) The Company is now in the growing stage, and distributes dividends/bonuses in form of cash/shares to shareholders, and the dividends/bonuses should be distributed in consideration of the Company's capital expenditures, future business expansion plans, financial planning, and other plans with an aim of sustainable development.

(2) Unless as stipulated in the Cayman Island's laws or regulations governing listed companies, in the Company's Articles of Incorporation, or otherwise specified in the terms of shares, if the Company has a surplus at the end of a fiscal year, the surplus shall first be applied to pay income taxes according to the law and cover losses (loss from the previous years and adjustment to undistributed earnings, if any), then allocated to a statutory surplus reserve in accordance with regulations governing TWSE-/TPEx-listed

companies (However, this shall not apply when the statutory surplus reserve has amounted to authorized capital), and a special surplus reserve, if any. Any remaining balance (including reversed special surplus reserve) shall be distributed as dividends or bonuses to shareholders in proportion to their percentage of shareholding by resolution at annual shareholders' meetings at a percentage of no less than 30% of the distributable earnings plus proportion or the entirety of accumulated undistributed earnings (including adjusted amounts of undistributed earnings) as approved at annual shareholders' meeting by regular resolution, provided the cash dividends or bonuses shall be no less than 20% of the total dividends or bonuses distributed.

2. **Proposed (approved) dividend distribution:**
   On February 25, 2026, the Board of Directors resolved to distribute the earnings for fiscal year 2025, proposing a cash dividend of NT$1.5 per share, totaling NT$112,332,000.

(IV) Impact of stock dividends proposed at this shareholders' meeting on business performance and earnings per share: N/A

(V) Remuneration of employees, directors, and independent directors:

1. **Percentages or ranges of employee bonuses and directors and supervisors' remuneration under the Articles of Incorporation:**
   Unless as stipulated in the Cayman Island's laws or regulations governing listed companies, in the Company's Articles of Incorporation, or otherwise specified in the terms of shares, if the Company has a surplus in a year, the Company distributes no less than 1% of the surplus as remuneration to employees in the form of cash or shares by a resolution adopted by a simple majority vote at a meeting of the Board of Directors attended by over two-thirds of the directors; no more than 2% of the surplus as remuneration to Directors in the form of cash or shares by a resolution adopted by a simple majority vote at a meeting of the Board of Directors attended by over two-thirds of the directors. Unless specified otherwise in the regulations governing TWSE-/TPEx-listed Companies, the remuneration to Directors shall only be distributed in the form of cash. However, an amount shall be set aside first to compensate cumulative losses, then distribute remuneration to employees and Directors in accordance with the aforementioned percentages. The aforementioned board resolutions regarding remuneration to employees and Directors shall be reported at the shareholders' meeting after approval. The term "surplus" as mentioned in the paragraph refers to pre-tax profit before deduction of remunerations to employees and Directors.

2. **Basis for estimating the amount of employee bonuses and directors and supervisors' remuneration; basis for calculating the number of shares to be distributed as employee bonuses; and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated amount, for the current period:**
   If there are any discrepancies between the actual distributed amount and the estimated amount, the expenses will be adjusted if before the publication date of consolidated financial statements for the year, and the amount will be handled according to accounting estimate treatments and recognized in the financial statements for the following year if after the publication date of consolidated financial statements for the year.

3. **Remuneration proposals approved by the Board of Directors:**
   (1) In 2025, the cash remuneration distributed to employees was NT$2,336,873, director remuneration was NT$2,409,182, and director compensation was NT$2,196,939. The amounts listed above are not different from the expense estimates for 2025.
   (2) Employee, director, and supervisor remuneration will be distributed in cash or stocks. The amount of, reason for, and treatment of discrepancy, if any, from the recognized expenses should be disclosed: N/A.
   (3) Amount in shares distributed as employee remuneration as a percentage with respect to the after-tax profit and total employee remuneration: N/A.

4. **Any difference between actual distribution (including number, amount, and price of shares) of employee remuneration and director and supervisor remunerations from the previous year and recognized employee remuneration and director and supervisor remunerations, and the reasons as well as corresponding treatments:**
   In the fiscal year 2024, the actual cash compensation allocated to employees was NT$8,694,805; Directors' remuneration shall be NT$13,500,000. There was no discrepancy between the actual payment of director remuneration and the decisions made by the Board of Directors.

(VI) Buyback of treasury stock: This event did not occur at the Company.

(VII) Issuance of corporate bonds:

1. Outstanding Corporate Bond:

Types of corporate bond		The first domestic unsecured convertible corporate bond
Issue (handle) Date		October 15, 2024
Denomination		NT$100,000
Issuance and trading location		Securities counter trading center (listed on the OTC)
Issue price		Issued at 111.46% of the face value
Total		NT$1,000,000,000
Interest rate		Annual coupon rate 0%
Period		The issuance period is three years, commencing on October 15, 2024, and maturing on October 15, 2027.
Guarantor		N/A
Trustee		Bank SinoPac Co., Ltd.
Underwriter		Fubon Securities Co., Ltd
Legal Counsel		PricewaterhouseCoopers Legal Taiwan Ching-Hsien Yang
Auditor		Deloitte & Touche Taiwan Shu-Wan Lin and Chih-Ming Shao
Repayment		Unless the holders of this convertible bond convert it into the Company's common shares in accordance with Article 13 of the Company's "Regulations on the Issuance and Conversion of the First Unsecured Convertible Corporate Bonds in the Republic of China" (hereinafter referred to as "the Regulations"), or repurchase and cancel it through a securities firm's business location in accordance with Article 21 of the Regulations, the Company will repay the bond at its face value in a lump sum within ten business days after the maturity date of the bond. If such date falls on a day when the Taipei Exchange is closed, the repayment will be postponed to the next business day.
Outstanding principal		NT$1,000,000,000
Redemption or Early Repayment Clause		Please refer to the Company's First Domestic Unsecured Convertible Corporate Bond Issuance and Conversion Measures
Restrictive clauses		
Names of credit rating agency, rating date, rating of corporate bonds		N/A
Other Rights of Bondholders	Amount of Converted or Exchanged Common Shares, ADRs or Other Securities	N/A
	Terms of issuance and conversion (exchange or subscription)	Please refer to the Company's First Domestic Unsecured Convertible Corporate Bond Issuance and Conversion Measures
Terms of issuance and conversion (exchange or subscription), potential dilution of equity and impact on existing shareholders' interests		As of March 29, 2026, the total outstanding amount of convertible bond is NTD 1,000,000,000. All bonds are converted into common shares at NT$294.9 per share.
Name of custodian institution for exchange underlying assets		N/A

2. Convertible Bond:

Unit: NT$

Types of corporate bond		The first domestic unsecured convertible corporate bond	
Item / Year		2025	The current year up to March 31, 2026
Market price of the convertible bond	Highest	115.3	93
	Lowest	89.05	90.05
	Average	98.09	91.98
Convertible price		NT$ 294.9	
Issue date and conversion price at issuance		October 15, 2024 Conversion price at issuance: NT$ 305.05	
Conversion methods		Issuing of new stocks	

3. Exchangeable Bond: **N/A.**

4. Shelf Registration Bond: **N/A.**

5. Bond with Warrants: **N/A.**

(VIII) Issuance of preferred stocks: **The Company does not issue preferred stocks.**

(IX) Issuance of global depositary receipts (GDR): **The Company does not issue global depositary receipts.**

(X) Exercise of employee stock option plan (ESOP):

1. The handling of employee stock option plan issued by the Company but not yet mature as of the publishing date of the report:

March 31, 2026

Type of employee stock option plan	Second issuance of employee stock options
Date of effective registration and total amount	April 14, 2025, 750 units
Issue date	September 12, 2025
Subscription period	6 years
Number of units issued	690 units (1,000 common shares per unit)
Issuable unit	60 units
Ratio of subscribable shares to total issued shares	0.92%
Subscription period	From the end of vesting period to the end of subscription period
Method of performance	Issuance of new ordinary shares
Restricted subscription time period and ratio (%)	Up till 2 years after the grant date, subscribers may exercise at most 40% of their share options. Up till 3 years after the grant date, subscribers may exercise at most 70% of their share options. Up till 4 years after the grant date, subscribers may exercise at most 100% of their share options.
Number of shares that have been obtained through exercise of subscription rights	0 shares
Monetary amount of the shares subscribed	NT$ 0
Number of shares that have not been subscribed	690,000 shares
Subscription price per share of the unsubscribed shares	NT$ 145
Ratio of the number of unsubscribed shares to the number of issued	0.92%
Effect on shareholders' equity	This session of employee stock options is for the purpose of retaining needed talents of the Company, and to motivate employees and promote loyalty, with the aim of jointly creating benefits to the Company and shareholders. Thus, employee stock options are beneficial for shareholders' equity.

(2) Names, plans obtained and subscription statuses of managers who obtained employee stock option plans and the top ten employees who obtained the most subscribable shares for the stock option plans up to the print date for this annual report

March 31, 2026; Unit: 1,000 shares; NT$ thousand

Position	Title	Name	Subscribable shares obtained	Ratio of subscribable shares obtained to total issued shares	Subscribed				Unsubscribed			
					Subscribed shares	Subscription price	Monetary amount of the shares subscribed	Ratio of subscribed shares to total issued shares	Subscribed shares	Subscription price	Monetary amount of the shares subscribed	Ratio of subscribed shares to total issued shares
Manager	President	Bing-Yi Lin	250	0.33%	-	-	-	-	250	145	36,250	0.33%
	CFO	Shu-Fen Chang										
Employee	Director of Sales	Shih-Yu Lu	440	0.59%	-	-	-	-	440	145	63,800	0.59%
	President of Vietnam Factory	Zhi-Hao Zhou										
	Director of Human Resources	Chun-Yi Wu										
	Director of R&D	Meng Chen										
	Quality Assurance Manager	Chun Chang										
	R&D Manager	Zhi-Ting Chue										
	Director of Production, US Factory	Han-Bin Qi										
	Factory Manager, Taipei Factory	Jian-Xing Lu										

(XI) Restricted stock awards: The Company does not issue restricted stock awards.

(XII) Mergers, acquisitions or issuance of new shares for acquisition of shares of other companies: The Company did not engage in mergers and acquisitions, or issue new share for acquisition of shares of other companies.

II. Utilization of funds

(I) Plan content: The First Domestic Unsecured Convertible Corporate Bond in the Republic of China for the Vietnam Plant Expansion Project

The First Domestic Unsecured Convertible Corporate Bond in the Republic of China was approved and became effective pursuant to Letter No. 1130400703 issued by the Taipei Exchange on October 14, 2024. The plan is being carried out in accordance with the scheduled timeline during the fourth quarter of 2024.

(II) Implementation status:

Project		Implementation status		Reasons for the Progress to be Ahead or Behind Schedule and Improvement Plans
Convertible Corporate Bond – For Plant Construction and Equipment Procurement	Amount withdrawn	Estimate	1,516,450	As of the end of the first quarter of 2026, the Company has continued to implement the project according to the original plan. The actual cumulative expenditure amounted to NT$708,809 thousand, with the actual cumulative progress reaching 44.8%. There have been no changes to the project plan.
		Actual	708,809	
	Progress (%)	Estimate	95.85%	
		Actual	44.80%	

For expansion or construction of property, plant, and equipment, a comparative analysis should be provided in terms of property, plant, and equipment, operating revenue, operating costs, and operating profit: As of the end of Q1 2026, the new factory built in accordance with the project plan has been completed, trial production has been finished, and only a small volume of shipments has been made; no material impact on operating revenue or operating profit has been generated as of yet.

Chapter 5 Business overview

I. Business Scope

(I) Business scope

1. Key areas of business

The Company is a holding company, and is mainly engaged in the research, manufacturing, and sales of RFID tags.

2. Revenue breakdown:

Unit: NT$ thousand; %

Year / Product category	2025	
	Amount	%
RFID tags	3,937,537	99.62
Others	15,179	0.38
Total	3,952,716	100%

3. Current products (services) of the Company

Hardware products for radio-frequency identification (RFID) systems, software system development, and tag design.

4. New products and services that the Company plans to develop:

(1) Thin anti-metal labels for special applications
(2) Dense-reading anti-theft tag for retail
(3) Small-sized chip production process
(4) Development of sustainable low-carbon labels including eco-friendly high-precision die-cutting antennas and conductive paste printing

(II) Industry Overview

1. RFID industry

RFID, short for Radio Frequency Identification, also known as wireless radio frequency identification technology, is a technique that utilizes radio frequency signals to automatically identify and track specific targets. Over the years, RFID technology has expanded across various fields such as logistics, military, retail, medicine, food, transportation, gate access control, and others, becoming an indispensable tool for automation and identification.

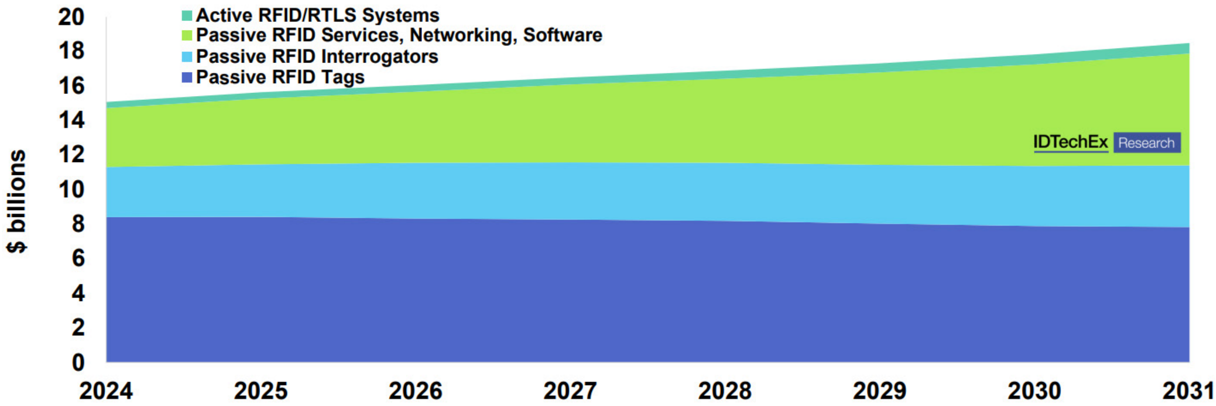
Compared to traditional barcodes, RFID technology has the following advantages:

- Fast scanning speed: RFID readers can simultaneously read multiple tags without the need for contact with the tags, so the scanning speed is much faster than traditional barcode scanners.
- Can process multiple pieces of data simultaneously: The RFID reader can read data from multiple tags at one time, so it can process multiple pieces of data simultaneously, greatly improving work efficiency.
- Data storage capability: RFID tags can store more data, including product information, production dates, manufacturers, in addition to identification codes.
- Data can be updated and modified: Data within RFID tags can be updated and modified at any time, allowing for the maintenance of data accuracy.
- Reusable: RFID tags are reusable, thus saving costs.
- Oil and stain resistant: RFID tags are waterproof, oil-resistant, and stain-resistant, making them suitable for harsh environments.

RFID system mainly consists of three components:
Tag: A small chip attached to an object, storing identification information of the object.
Reader: Emits radio frequency signals to wake up tags and read their information.
Computer System: Receives the information transmitted by the reader and performs subsequent processing and applications.

In recent years, with the advance of circuit integration and information and communications technology, RFID has entered the commercial application stage. According to IDTechEx, the global RFID market scale in 2025 is estimated to be approximately US$15.6 billion, and is expected to grow to US$23.0 billion by 2036. The RFID industry value-chain encompasses chip design and manufacturing, antenna design and manufacturing, e-tag packaging, reader design and manufacturing, and application systems. In addition, RFID technology has broad downstream applications, including retail, public life, transportation and logistics, industrial manufacturing, and others.

Scale of Global RFID Market



Data source: IDTechEx (July 2025)

2. RFID Tag industry

RFID electronic tags are the core components of the system, responsible for storing and transmitting object identification information. Their working principle involves using radio waves to identify targets and transmit data without the need for mechanical or optical contact.

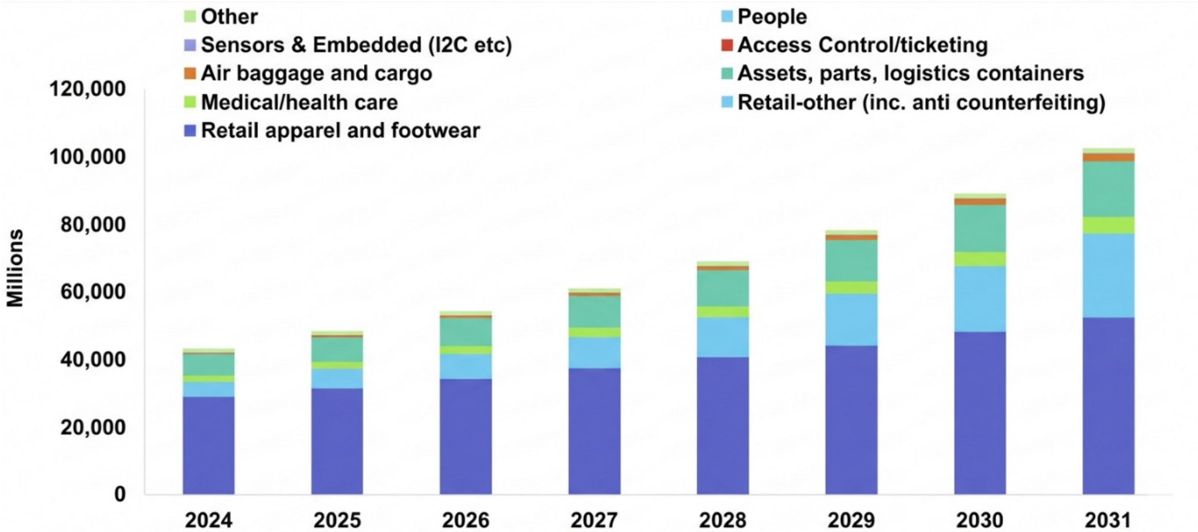
RFID electronic tags mainly consist of two parts: a chip and an antenna:
Chip: Responsible for storing object identification information, such as product numbers, production dates, manufacturers, etc.
Antenna: Responsible for receiving and transmitting radio waves.

RFID electronic tags can be divided into three types based on whether they have a battery:
Passive tags: These do not contain a battery and are powered by the wireless radio waves emitted by the reader. Passive tags are small in size, inexpensive, and have a long lifespan, but they have a shorter read range. They are currently the mainstream technology for applications.
Active tags: These contain a battery and can emit radio waves on their own. Active tags have a longer read range and faster read speed, but they are larger in size and more expensive.
Semi-passive tags: These contain a battery, but only power the chip, while the signal still needs to be activated by the wireless radio waves emitted by the reader. Semi-passive tags combine the advantages of passive and active tags, with costs and read ranges falling between the two.

In terms of frequency, RFID can operate in low frequency, high frequency, ultra-high frequency, or microwave frequency. The differences are in coupling, read range, data storage capacity, and fields of application.
High and ultra-high frequency tags are the mainstream products in current markets. They have higher commercial values and are the main products for development in most RFID manufacturers. As developed countries such as Japan and the US initiated digitalization and informatization transformation earlier than the rest of the world, they have greater demand for RFID tags. Currently, they are the two main RFID markets in the world. As the economy of emerging countries or regions develops, and enterprises begin with digitalization and informatization transformation, the demand for RFID tags is increasing, and the market scale is developing at a faster pace.

According to IDTechEx research statistics, as the implementation cost of RFID technology continues to decline and downstream applications become more extensive, the RFID tag market size is estimated to grow from US$15.6 billion in 2025 to US$18.5 billion in 2031, of which the passive RFID tag market size is estimated to grow from US$15.2 billion in 2025 to US$17.8 billion in 2031; and the ultra-high frequency (UHF) segment market to which the Company's products belong is expected to grow steadily from US$2.8 billion in 2025 to US$3.8 billion in 2031.

Global Delivery of Ultra-High Frequency Passive RFID Tags



Data source: IDTechEx (July 2025)

3. Relationships with upstream, mid-stream, and downstream companies

Upstream	Midstream	Downstream
Raw material suppliers: Chips, antennas, and others	R&D companies, manufacturers of RFID products, reader manufacturers, and system application companies	RFID tag applications: Retail, public life, industrial manufacturing, medicine, and others

In the RFID industry, upstream companies are the suppliers of raw materials such as chips and antennas; midstream consists of companies engaging in the R&D and manufacturing of RFID products, readers, and system applications; and downstream are companies in the application fields, including retail, public life, industrial manufacturing, and medicine. Arizon has its core business in the R&D, manufacturing, and sales of RFID tags, and is thus in the midstream of the industry, selling self-researched and developed RFID tags directly to customers. After understanding the needs of customers, our Product R&D Department starts with product development and provides customers with samples for actual testing. After the samples have passed customer's tests, the products will enter the production, delivery, and post-sales service stages.

4. Product developments

(1) Fields of RFID applications are increasing

The emerging of big data, cloud computing, IoT, and 5G will stimulate the digitalization and informatization transformation in more industries. For example, the use of RFID technology in the apparel industry is blooming, and it has not only optimized supply chain management but also simplified checkout processes. Major retailers in Europe and the United States have been progressively adopting RFID technology in recent years, requiring suppliers to use RFID tags in a phased manner in order to strengthen supply chain management and adjust sales strategies based on consumer satisfaction data. As the RFID system solutions mature, RFID will become a necessary means for more enterprises to improve their business management efficiencies, and its fields of application will further increase.

(2) Higher degree of customization of e-tags

As RFID is applied in more and more fields in the downstream industries, customization is becoming the trend of RFID tag development. The manufacturers tailor and develop the products according to customers' needs, and thus RFID tags with specific features such as garment tags, fragile tags, anti-counterfeit tags, and metal tags, will be the main development trend for RFID manufacturers.

(3) Ultra-high frequency tags have low costs and are becoming mainstream

On the other hand, ultra-high frequency tags have a read range of more than 10m and are mainly used in retail, warehouse management, logistics tracking, automatic control, and other fields. As ultra-high frequency tags have faster read rates, longer read ranges, and larger data storage capacities, and can handle large amount of data simultaneously, these tags are expected to have a wider range of applications. With continuous technological advancement and cost reductions, RFID technology will find broader applications across an increasing number of fields.

5. Competition

As RFID technology continues to evolve, the global RFID tag market is becoming increasingly competitive, with more and more companies entering the fray. In such a market environment, our company, by increasing shipment volumes and enhancing market position, gradually demonstrates a competitive advantage in scale. In addition to economies of scale advantage, the Company also possesses the following cost advantages:

Production Cost Advantage: The company has reduced production costs through scaled-up production. Specifically, scaled-up production allows the Company to utilize production equipment and human resources more effectively, reducing resource wastage. Additionally, scaled-up production enables the company to benefit from bulk purchasing discounts.

Purchasing Cost Advantage: As mentioned earlier, the Company has established long-term stable partnerships with suppliers, with a large demand for raw materials and strong bargaining power. Therefore, the Company is able to acquire raw materials at lower procurement costs, further reducing production costs.

(III) Overview of Technology and R&D

1. Technological level of businesses and research & development

At its establishment, the Company has built a professional R&D team and has been closely monitoring the development trends and applications of RFID technology in the market. We particularly focus on performance indicators of RFID tags such as activation frequency, read rate, read range, transmission speed, reliability, and consistency.

In addition, we integrate multiple professional fields and technologies, such as integrated circuits, communication, and material science, to develop, based on our own R&D experience with RFID tag readers, an extensive product line including tags with silver ink on paper, fragile tags, metal tags, garment tags, and test tube tags.

In order to stay in the lead, we continue to improve our product performance, and recommend customers new products that are suitable for future market needs, so as to accelerate the upgrade of products and maintain our leading position in the industry.

2. R&D investments during the past year

Unit: NT$ thousand

Item \ Year	2025
R&D expenses	136,756
Operating revenue	3,952,716
As a percentage of operating revenue (%)	3.46%

3. Successfully developed technologies and products during the past year

Year	Main Products	Description
2025	Ongoing Development of ARC Products	Achieved a breakthrough in small-sized antenna performance meeting ARC Spec requirements.
	Ultra-thin anti-metal long read range RFID tag	Achieved a breakthrough reduction in the thickness of anti-metal specialty tags, significantly thinning the anti-metal tags available on the market.
	Small-bore medical reagent batch-reading tags	Achieved fast-read and batch-reading tags for medical reagents packaged in extremely small-bore containers, and established common testing standards for this application field in collaboration with customers.
	Automated inspection and re-labeling system	Improved automated production reduces the difficulty of manual inspection and re-labeling, prevents omissions by personnel, and increases efficiency while lowering costs.
	Automated slitting, warehousing, and packaging system for small-roll products	Automated slitting and packaging reduces slitting man-hours and costs for small-roll products, improving efficiency and lowering costs.
	Rapid label sample-making process	Established and optimized a label prototyping process to reduce prototyping and sample delivery lead time.
	RAIN RFID Wi-Fi Reader	Supports multiple communication interfaces (USB/TCP-IP/Wi-Fi), overcoming the limitations of physical cabling, improving deployment flexibility, and effectively addressing the challenges of high-cost wiring or connectivity in environments with physical constraints.
	Beam-steering directional antenna	Features a highly concentrated signal coverage area, designed specifically for warehouse automation. When mounted on a forklift, it can precisely lock onto tags in designated areas, eliminate interference from adjacent shelves, and achieve highly accurate read results.
	IEC 62443-4-1	Obtained certification under the IEC 62443-4-1 secure product development process standard.
	DPP (Digital Product Passport) solution development	Continuing development in accordance with the ESPR specification, with a focus in 2025 on standardizing the Data Exchange Format. Ensuring system compatibility with the latest digital product passport communication protocols, thereby improving information transparency and data exchange efficiency between upstream and downstream supply chain partners.

Year	Main Products	Description
2024	ARC Certification Label	Completed the development of the microchip M800 series products.
	Flexible anti-metal label	Establish product design library based on market demand to support all mainstream chips. The in-plant process verification has been completed and orders can be accepted. Samples sent to customers for verification
	Conductive paste printing label	1. The sensitivity and reliability of conductive paste printed antennas are improved. 2. The printing process capability of the machine has been improved to realize roll-to-roll production process.
	Omnidirectional Animal Ear Tag	Iterate and optimize based on actual customer usage. After the customer completes the verification, the order can be placed.
	DPP (Digital Product Passport) solution development	In accordance with international standards such as the Sustainable Product Design Specification (ESPR), we develop digital product passport solutions by combining RAIN, NFC sensing technology, as well as QR Code and barcode.
	High-performance RFID readers	1. Using Impinj E710 chip. 2. Optimize reading distance and sensitivity, improve multi-tag recognition and reading performance in high-speed operation environments, and meet the needs of smart factories and logistics automation application requirements. 3. Developed using high-end MPU, it is easy for customers to integrate and allow secondary development.
	IoT system integration services	1. Possess the ability to integrate IoT systems, and the product has been certified by a third-party platform. 2. Included in the list of devices of the world's mainstream cloud IoT platforms.

(IV) Long-term and Short-term Business Development Plans

1. Short-term business development plans

(1) Expand production capacity:

In addition to upgrading production equipment and expanding capacity at the existing Yangzhou and Taipei factories, the Company expects its Vietnam and U.S. subsidiaries to commence production in 2026. At that time, the Company will have four production sites to support the global supply chain strategies of its customers. Maintaining production capacity headroom is also a competitive advantage as the RFID industry continues to grow.

(2) Strengthen customer relationships:

Maintain ARC qualifications, accelerate new product certification, increase global sales locations, expand Asia regional layout, and serve customers nearby. The sales and engineering teams work together to develop new customers and serve existing customers, so that product quality and service efficiency are continuously improved.

(3) Improve production efficiency:

Through production automation and digital quality inspection, the output efficiency per unit of labor can be improved and the quality can be maintained stable.

(4) Design and R&D capabilities:

As chips continue to shrink due to advances in technology and manufacturing processes, R&D capabilities are becoming increasingly critical. To maintain its leading position in the industry, the Company continues to recruit and train R&D personnel, focusing on the selection of new materials and process optimization, and leveraging its design and manufacturing capabilities to deliver high-quality products and outputs.

2. Long term Business Development Plans

(1) Business development:

- ◆ Develop and deliver products for global business, and provide complete after-sales services to enhance operational capabilities.
- ◆ Focus on the new application markets and develop potential large customers.
- ◆ Integrate global supply chains ensures that products can be delivered to customers immediately to meet their needs.

(2) Product development:

- ◆ Design and development experience and solid production technology, providing one-stop services from scene requirements, product design, mass production quality and delivery, to information system interface.
- ◆ Providing customized products that meet the needs of usage scenarios, and also developing special application labels and environmentally friendly material labels.

(3) Operation and sustainability strategies:

- Has diversified its financing with the capital market, strengthened its financial structure and corporate governance, and developed into a large enterprise group.
- We recruit technical and management experts needed for the company's growth, strengthen education and training, cultivate outstanding talents, and achieve a full cycle of human resources selection, training and retention.
- Fulfill corporate social responsibility, lead the industry in environmentally friendly production standards, and work with suppliers to refuse to use environmentally hazardous substances.

II. Market Outlook

(I) Market analysis

1. Sales (supply) of main products (services)

Unit: NT$ thousand

Region \ Year		2024 Amount	2024 Percentage (%)	2025 Amount	2025 Percentage (%)
Region	Asia	3,440,512	74.59	2,636,952	66.71
	Europe	53,990	1.17	52,024	1.32
	America	1,116,308	24.20	1,260,205	31.88
	Others	1,612	0.04	3,535	0.09
Total		4,612,422	100.00	3,952,716	100.00

2. Market share

The main product of the Company is RFID tags. According to estimates by the RAIN Alliance based on chip shipments in 2025, the Company's market share is approximately 13%, therefore the Company's RFID electronic tag products occupy a certain market share in the global market.

3. Supply, demand and growth potential in the market in the future

(1) Supply and growth potential in the market in the future

The global RFID tag market is currently in a phase of rapid growth, benefiting from the vigorous development of downstream market applications. Based on business models, market participants can be categorized into RFID solution providers and tag manufacturers. A representative company in this regard is Avery Dennison, which focuses on providing overall solutions to meet the diverse needs of end customers across different industries. Arizon specializes in tag design and large-scale production, leveraging extensive industry knowledge and ARC certification to meet the high standards of brand customers in terms of product quality and cost, making it difficult for new entrants to penetrate the supply chains of well-known brands. Currently, there are approximately 800 companies in the global RFID tag value chain, with most tag manufacturers being smaller in scale and focused on low-frequency and high-frequency tag manufacturing, resulting in a relatively fragmented market structure. The ultra-high frequency (UHF) tag market, however, has a higher concentration due to its high technical content and economies of scale, with Asia being the primary production base. With the continuous breakthroughs in key technologies, market competition will become increasingly fierce. Enterprises that integrate supply chain functions possess a competitive advantage, particularly in the field of system integration and solutions. Due to the scarcity of system integrators with global experience, they are able to secure large orders and dominate the market, further driving supply chain integration and industrial upgrading.

(2) Demand and growth potential in the market in the future

The Company's products are primarily used in apparel tags, logistics parcel management, and retail goods. The Company's main sales markets for RFID apparel tags are currently Europe, China, Vietnam, and Japan. In recent years, driven by the increasing penetration of e-commerce retail platforms and fast-fashion business models that influence consumer purchasing decisions, and given that China and Vietnam are the world's and Asia's major garment manufacturing countries, major global fast-fashion brands such as ZARA, Uniqlo, and H&M are from Europe, Japan, and other countries. As apparel tags are essential to the supply chain and inventory management of the apparel industry, demand for apparel tags depends on the development of the downstream apparel market. As the global garment manufacturing and retail market is expected to grow, it is anticipated that demand for apparel tag products will increase accordingly. The logistics industry is another important application market, as RFID enables package tracking, improved warehouse management, and greater sorting efficiency. With the increase in e-commerce and logistics demand following the COVID-19 pandemic, RFID applications in logistics are expected to grow significantly.

4. Competitive niches

(1) Outstanding R&D and design capability

Arizon's strong hardware and software capabilities lay a solid foundation for innovation and R&D. The company is one of the few enterprises globally to possess an RFID electronic tag EPC Global standard laboratory. This laboratory, an essential platform for R&D-driven electronic tag manufacturers to develop new products, can effectively shield external electromagnetic signal interference, and its testing frequency bands cover the UHF and HF bands of major countries and regions worldwide. In addition, the laboratory is based on the EPC Global Class 1 Gen 2 and ISO/IEC 18000-63-2015 communication protocols, equipped with a rotatable platform, enabling multi-angle, omnidirectional, and multi-tag measurements, and providing ARC, TIPP, and other international standard tests for customers. Furthermore, Arizon possesses advanced electromagnetic simulation product development software, which assists R&D personnel in efficiently completing the development of high-performance radio frequency products and expanding their applications, such as integration with diverse IoT devices, sensors, and cloud platforms to provide more comprehensive solutions.

(2) Advantages of our products

Arizon lays emphasis on product quality management. We have established a comprehensive quality management system that can predict risks, and timely identify defects in products through continued optimization and introduction of new technologies. Thus, we are able to prevent issues and implement improvement measures so as to achieve stable product quality. We deliver more than 2 billion high-quality and high-stability RFID tags every year on average. We have obtained IATF 16949 (Quality Management System Standard for the Automotive industry), and other quality control certifications including ISO9001, ISO14001, and ISO45001. We believe that we are among the top manufacturers in the industry in terms of quality management. In addition, through years of effort, we have successfully obtained the ARC Quality Certification at the end of May 2022, which is specifically established for RFID tags. This certification is of a very high standard and encompasses a wide range of items including design, verification, production, and quality control of RFID tags. Currently, only 6 companies in the world are qualified for this certification, and Arizon is the only one in Asia. Leveraging this, we are vigorously expanding projects that require this certification, such as Walmart Home, international well-known express delivery applications, etc. Through product technology solutions and excellent cooperative service quality, Arizon has reached new cooperation and ordering agreements with several international companies.

(3) Customer relations and brand advantages

After years of effort, our advantages in R&D capability, reliable quality, and excellent product performance have allowed our products to be used in a number of renowned brand enterprises such as Uniqlo, Walmart, Decathlon, Unilever, China Eastern Air, and other companies, forming a stable customer base, and giving us a greater brand advantage. Through cooperation with world-renowned end-customers, Arizon has not only the knowledge of the latest trend of industry-leading technology but also the design of the latest product development. We strive to fulfill our customers' needs while enhancing our R&D design capability. Furthermore, in order to fulfill the needs of our end-customers, we relentlessly improve our production technology, upgrade production equipment automation, and enhance quality control so as to strengthen our overall competitiveness.

(4) Operation management advantages

As one of the pioneers in the global RFID electronic tag industry, Arizon has accumulated many years of rich experience and established a comprehensive operational management system, realizing an operational model characterized by systematized operations, standardized management, professional teams, and centralized resources. Arizon has a high-quality operational management team capable of agilely responding to customer needs and providing excellent pre-sales consultation, product guarantees, and after-sales service. In addition, the Company has established offices in mainland China, Hong Kong, and Japan to meet the diverse needs of its customers with faster response times and higher-quality service.

5. Favorable and unfavorable factors for future development, and countermeasures

(1) Favorable factors

① Government support

Many countries have listed the IoT Industry as their strategic emerging industry and encouraged its development by creating a preferred policy environment, covering a wide range of aspects from investment and financing systems, taxation, industrial technology support, talent recruitment and training, intellectual property protection, and industry organization and management. Being an important component in the IoT industry, RFID tags also benefited from government policy support.

② Broad downstream applications

The application fields of electronic tags are broad, covering various industries such as retail, public life, transportation and logistics, and industrial manufacturing. With the deepening penetration of the IoT, downstream customers are increasingly recognizing the significant role of RFID technology in improving operational efficiency and reducing operating costs, leading to a continuous emergence of various customized demands. Currently, it has been applied on a large scale in fields such as apparel, large supermarkets, and logistics supply chains. With the increasing penetration rate of electronic tags, the downstream market holds enormous growth potential.

③ Continued decrease in costs

Although RFID tags have additional read/write functions and better performance compared to bar codes and QR Codes, they are higher in costs. With the advances in integrated circuit and information communication, production technology, and the benefits of scale production, the costs of RFID tags are decreasing in recent years. This is a favorable factor in the development of the tag industry, and the popularity of tags in the downstream markets.

(2) Unfavorable factors for future countermeasures

① Divided specifications in the world

Unification of standards is the basis of RFID development, as every tag has its own unique ID number. If the data format is diverse and incompatible with one another, RFID products with different formats cannot be interconnected, and can severely impact global logistics operations. Thus, whether to unify standards is an important key to the global development of RFID products. However, data formats involve national interests and national security. Therefore, how to make these standards compatible with one another and allow RFID products to circulate smoothly in the world is still a problem that awaits to be solved.

Countermeasures:

a. Based on the market development trend, develop new technologies and products that are in line with the local standards, and obtain a head start in the application end.
b. Increase the added value of products and product differentiation, provide customized high-quality products, and build long-term business relationships with main customers and suppliers.
c. Adjust sales strategies based on order forecasts from customers and changes in the regional markets, in order to respond to the market trends.

② Increased Basic Wages and Production Costs in Production Bases

With global inflation remaining high and wages continuing to rise in the Company's main production locations in mainland China and Taiwan, the Company's operating costs have increased.

Countermeasures:

a. Continuously promote production automation to reduce labor costs and improve production efficiency.
b. Lay emphasis on employee welfare to increase loyalty and decrease employee turnover. Enhance employee professional education training to increase their production efficiency.

③ Scarcity of R&D personnel

As AI, IC, and other electronics-related industries in Taiwan have better development prospects, the Company faces the risk of a shortage of skilled technical professionals.

Countermeasures:

a. Through the passing down of R&D experiences, industry-academia cooperation, and internships, we can improve the ability of our R&D personnel, and attract more talents with engineering backgrounds into the RFID industry.
b. Arizon's public offering and listing on the Taiwan Stock Exchange will enhance the company's visibility and operational transparency, which will help attract R&D talent to join, laying the foundation for Arizon's continued growth.
c. Apart from attracting external talents, we also emphasize professional training so as to improve the skills of our existing talents.

(II) Application of key products

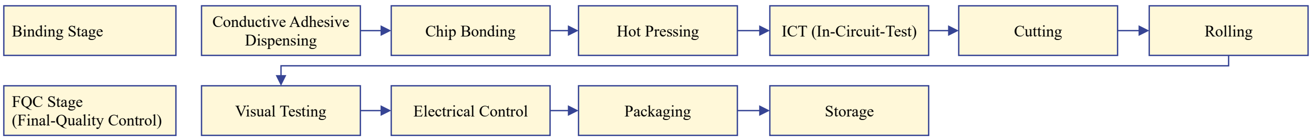
1. Application of key products

The main products of Arizon is RFID tags, which are mainly applied in retail, logistics and transportation, industrial manufacturing, medicine, and other fields.

2. Production of key products

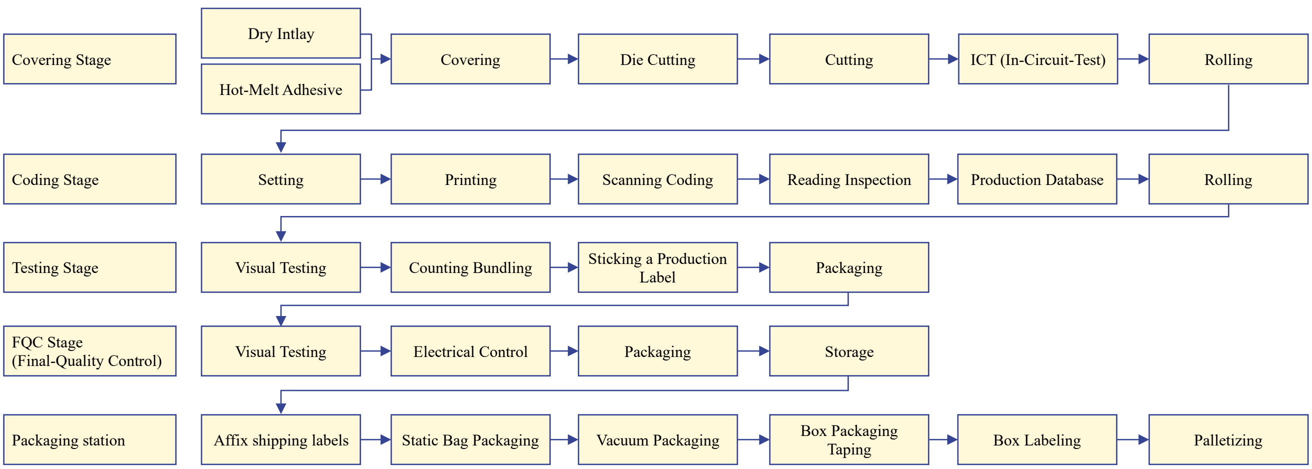
The main product of Arizon is RFID tags and the tags can be categorized into “dry inlay” and “wet inlay” depending on whether adhesive is applied to the inlay. Arizon uses the flip chip technology, and the main production procedures are as follows:

A. Dry Inlay



1. Bonding: Using a high-precision die bonding machine with an accurate dispensing system, conductive and curing conductive adhesives are utilized to tightly bond RFID chips with antennas featuring signal reception feedback functionality. The die bonding machine cures the conductive adhesive, achieving electrical conductivity between the chip and the antenna. Products produced through this process are called “Dry Inlay” electronic label products, which already possess the capability to receive feedback wireless radio frequency signals.
2. FQC: According to the quality sampling inspection standards, a quality control project is carried out for Dry Inlay, focusing on product appearance, product performance, and other quality control aspects. Sampling inspection is conducted on the sampling items for quality determination. Products that meet the quality requirements are packaged and stored according to specifications.

B. Wet Inlay



1. Converting: The high-speed laminating machine laminates Dry Inlays with different substrate materials and release liners together. According to the customer’s requirements for product size and shape, it is die-cut into single-sheet adhesive electronic label products, Wet Inlays, including Clear Wet Inlays, Labels, and Tickets. Among them, Clear Wet Inlays and Labels are adhered to continuous strip release liners and provided to customers in roll form, while Tickets are provided to customers in either roll or single-sheet form.
2. Coding: According to the client’s requirements, print the content that the client needs to display on the surface of the Wet Inlay. Write the content that the client needs to identify into the memory area of the chip, and provide encryption services. After processing in this way, the Wet Inlay can be used directly by the client. The encrypted Wet Inlay can achieve the anti-counterfeiting function of the client’s product.

(III) Supply status of primary raw materials

The primary raw materials for the production of our tags are chips, antennas, paper, and others, and each type of raw material is sourced from more than two suppliers. Arizon maintains long-term relationships with all suppliers of primary raw materials, so that we not only have control over raw material supply but also closely monitor the quality and delivery to ensure a sufficient supply of raw materials.

(IV) List of clients who accounted for at least 10% of total sales and procurement in any of the last two years and corresponding amounts and percentages

1. List of clients who accounted for at least 10% of total procurement in any of the last two years and corresponding amounts and percentages, and the reasons for changes

Unit: NT$ thousand; %

Item	2024				2025			
	Name	Amount	As a percentage of net total annual purchase	Relationship with issuer	Name	Amount	As a percentage of net total annual purchase	Relationship with issuer
1	Company A	1,517,132	72.00%	N/A	Company A	1,345,766	59%	N/A
2	Company B	210,033	9.97%	N/A	-	-	-	-
	Others	379,884	18.03%	-	Others	951,946	41%	-
	Net purchase	2,107,049	100.00%	-	Net purchase	2,297,712	100.00%	-

Reasons for changes:
Changes in purchase amounts and proportions were mainly attributable to centralized scheduling adjustments among the Company’s suppliers.

2. List of clients who accounted for at least 10% of total sales in any of the last two years and corresponding amounts and percentages, and the reasons for changes

Unit: NT$ thousand; %

Item	2024				2025			
	Name	Amount	percentage of annual sales	Relationship with issuer	Name	Amount	percentage of annual sales	Relationship with issuer
1	Company C	966,810	20.96%	N/A	Company C	1,143,992	28.94%	N/A
2	Company D	1,426,736	30.93%	N/A	Company D	617,855	15.63%	N/A
	Others	2,218,876	48.11%	-	Others	2,190,869	55.43%	-
	Net sales	4,612,422	100.00%	-	Net sales	3,952,716	100.00%	-

Reasons for changes:
Changes in sales amount and proportion are mainly due to changes in customer product demand.

III. Employee information in the last two years and up to the print date of this annual report

Year		2024	2025	The current year up to March 31, 2026 (Note)
Number of employees	Direct staff	626	571	700
	Indirect staff	192	264	267
	R&D staff	47	45	48
	Total	865	880	1,015
Average age		34.82	33.87	33.80
Average years of service		3.42	3.91	3.46
Academic qualification	PhD	-	-	-
	Master	3.12%	3.18%	3.25%
	University/College	57.51%	71.81%	68.58%
	Senior high school	39.37%	20.34%	23.93%
	Senior high school and below	0%	4.67%	4.24%

Note: Data up to the print date of the annual report for the current year should be entered.

IV. Environmental protection expenditures

(I) Losses arising as a result of environmental pollution in the recent year up until the publishing date of this annual report; quantify the estimated losses and state any response actions, or state any reasons why losses cannot be reasonably estimated.

Up to the print date of this annual report, the deficiencies identified by competent authority, penalties imposed, and the Company's response measures are as follows: N/A.

(II) Environmental sustainable development

1. The Company conducts greenhouse gas inventories in accordance with laws each year and report results to the competent authority at regular intervals in accordance with laws. The data from the past two years are as follows:

Item	Category	2024	2025
GHG inventories Note 1, 2 (Unit: ton-CO2e)	Scope 1	214.09	243.82
	Scope 2 (location-based)	5,514.7	6,301.02
	Scope 2 (market-based)	5,514.7	5,292.36
	Total (location-based)	5,728.79	6,544.84
	Total (market-based)	5,728.79	5,536.18
Solid residual from the production process Note 3 (Unit: ton)	General industrial waste	3,814.23	3,598.98
	Total	3,814.23	3,598.98
Water consumption Note 4 (Unit: cubic meters)	Tap water	28,380	26,980
	Total	28,380	26,980

The 2025 greenhouse gas inventory boundary covers the Taipei office, Tucheng factory, Yangzhou factory in mainland China, Japan office, Vietnam factory, and US factory.

Scope 1 (direct emissions): Emissions from operations that are owned or controlled by the reporting company, such as gas pipes, processes, ventilation facilities, and vehicles owned or controlled by the company are calculated based on the fuel consumption volume and the "Greenhouse Gas Emission Factor Management Table Version 6.0.4" of the Environmental Protection Administration.

Scope 2 (indirect emissions): Emissions from outsourced electricity, heat, steam, or other fossil fuel-derived energy. Factories in mainland China have not undergone inventory due to differences in local laws and regulations, therefore the Scope 2 figures only encompass the Taiwan region.

Note 1: GHG emissions is calculated based on the factors and methods as stated in the greenhouse gas inventory related announcements published by the Industrial Development Bureau, MOEA.

Note 2: The Greenhouse gas inventory report is prepared with reference to the following literature:

(1) 2024 Electricity Carbon Emission Factor published by Bureau of Energy, Ministry of Economic Affairs (Apr. 14, 2025)

(2) Carbon Footprint of Indirect Emissions from Electricity published by the Carbon Footprint Information Platform, Environmental Protection Administration (2020).

(3) Greenhouse Gas Emission Factor Management Table Version 6.0.4 published by the Environmental Protection Administration

* The 2024 energy-saving and carbon reduction effectiveness is calculated based on the 2024 electricity carbon emission factor (0.474kg CO2e/kWh) published by the Bureau of Energy, Ministry of Economic Affairs.

Note 3: Solid residual from the production process and the total output of general industrial waste in 2025 (covering the Taipei office, Tucheng factory, and Yangzhou factory in mainland China) are recorded in detail and duly handled and reported in accordance with applicable laws.

Note 4: The water consumption boundary covers the Taipei office, Tucheng factory, and Yangzhou factory in mainland China. The Company's main source of water is tap water; consumption figures are compiled from the billing service system of Taiwan Water Corporation and the billing records of Jiangsu Yangtze River Water Co., Ltd.

2. Energy conservation and carbon reduction, reduction of greenhouse gas emissions, reduction of water consumption or other solid waste policies

Arizon lays great emphasis on environmental protection in response to international consumer environmental awareness and relevant laws and regulations. We have completed the establishment of a green production process to comply with international environment-related regulations, the green product requirements of our customers, and regulations regarding the prohibition of hazardous substances that have significant impacts on the environment. We have also formulated a comprehensive quality control system, and strictly require our production units and suppliers to follow through in order to ensure that all supplies, compartments, and products pass the halogen test, and are in line with RoHS, REACH, and other regulations.

In terms of environmental protection issues regarding the greenhouse effect and global warming, we monitor our carbon emissions and are committed to energy-saving measures in all work environments. We have formulated policies to manage the temperature of air-conditioners and installed additional energy-saving air-conditioners. In the future, we will install automated lighting devices to reduce carbon emissions and energy consumption, and we will also advocate energy reduction and implement carbon-reduction policies for air-conditioners and lighting.

Yangzhou plant:

◎ Rooftop solar power was installed in 2022, and from January to September 2025, a lighting system improvement project was carried out at the production workshop of Factory 1; In 2025, renewable energy certificates (RECs) were also purchased through a green electricity certificate trading platform, corresponding to 1,746 MWh of renewable energy.

◎ The plant implemented energy conservation and carbon reduction, reduction of greenhouse gas emissions, reduction of water consumption, or other solid production residue policies in accordance with the following regulations:
1. Directory of National Hazardous Wastes
2. Interim Measures of Jiangsu Province on the Administration of Hazardous Wastes
3. Measures for the Administration of Hazardous Waste Transfer Forms
4. Implementation of the residual material control program for the production process of solids
5. Implementation of the Measures of Jiangsu Province on Administration of Energy Conservation
6. Implementation of the Measures of Jiangsu Province on Administration of Water Resources

◎ Passed ISO 14001, ISO 45001, ISO 9001, and FSC certification, and assigned dedicated personnel to maintain the environmental management systems to ensure their proper operation.

The effectiveness of each energy measure is as below:

Year	2024	2025
Electricity consumption (kWh)	9,686,589.8	10,347,276
GHG reduction effectiveness *(t-CO2e) due to energy saving policies	0	0

3. **The Company's main development focus for 2025 centered on its factory construction plan, while simultaneously planning product portfolio strategy, product R&D direction, and the fulfillment of corporate social responsibility, as the foundation for the Company's long-term operational development. The Company attaches great importance to green industry development policies, as the green energy industry is an important direction for both policy promotion and industrial development. Through collaboration with relevant supply chain partners and alignment with government policy initiatives, the Company enhances its industrial competitiveness and ensures that its product development direction is in line with future industrial policies and green development trends. The Company has established an ISO 14001 environmental management system and conducts regular internal and external audits to ensure the system continues to operate effectively and to improve environmental management performance. Moving forward, the Company will continue to promote the preparation of corporate social responsibility and sustainability reports, and work jointly with suppliers and downstream customers on environmental protection, so as to strengthen the Company's sustainable development capacity.**

V. Employer-employee relationship

(I) Present status of employer-employee relationship

1. Employee benefits measures

- Chinese New Year, Labor Day, and birthday bonuses
- Dragon Boat Festival, and Mid-Autumn Festival gifts
- Subsidies for weddings, bereavement, childbirth, hospitalization, and others
- Employee stock subscription
- Subsidies for on-the-job continuing education and professional competency training
- Subsidies for night shifts
- Group insurance, overseas travel insurance, disability insurance, critical illness insurance, and employee dependent insurance
- On-site medical care to ensure the occupational safety and health of employees
- Regular medical check-ups that are more favorable than requirements of the Labor Health Protection Regulations
- Employee patent bonus, referral bonus, and outstanding employee bonus
- Nursing rooms and contracted infant and childcare facilities
- Employee group meal subsidy
- Discount partner stores and vending machine services within factory premises
- Additional pay for special leave

Leisure activities for employees

- Meal gathering for employees
- Occasional afternoon tea activities
- Snack cabinet and coffee machine
- Year-end banquet or spring banquet

2. Retirement plan

The retirement plans are handled in accordance with local laws and regulations.

Policies at main operating regions: For employees of Yangzhou plant in China, the Company enters labor contracts with employees pursuant to the "The Labour Contract Law of the People's Republic of China" and allocate funds to employees housing provident funds in accordance with the provisions of the "Regulations on Management of Housing Provident Fund" and relevant local laws and regulations.

For employees of Taipei Plant in Taiwan, the Company allocates pensions and relevant funds pursuant to the "Labor Standards Act", "Labor Insurance Act" and the "Labor Pension Act".

Arizon enacted the "Labor Retirement Regulations" and established the Supervisory Committee of Workers' Pension Reserve Funds to take care of employees' life after retirement. We allocate reserve funds for the old pension system to a special account in the Bank of Taiwan based on actuary calculation results each year to protect labor rights.

The Company also adopted the Labor Pension Act (new labor pension system) on July 1, 2005 and allocate an amount equivalent to 6% of the respective workers' wage range to the employees' individual pension accounts. For those that voluntarily pays additional pension, Arizon deducts amounts based on the voluntary appropriation rate from the salary to the dedicated personal pension account at the Bureau of Labor Insurance.

The contents of the Arizon's "Labor Retirement Regulations" are as follows:

- Criteria for voluntary retirement:
  (1) Employees who are over 55 years old and have served in the Company for more than 15 years, including services in the Company's affiliated enterprises.
  (2) Employees who have served in the Company for more than 25 years, including services in the Company's affiliated enterprises.
  (3) Employees who are over 60 years old and have served in the Company for more than 10 years, including services in the Company's affiliated enterprises.
- Criteria for compulsory retirement:
  (1) Where the employee over 65 years old.
  (2) Where the worker is unable to perform his/ her duties due to disability.
  The disability specified in the preceding paragraph shall be determined by the level 1 to level 6 disabilities of Labor Insurance. An additional 20% on top of the amount calculated according to Article 55, Paragraph 1, Subparagraph 2 of the Labor Standards Act shall be given to workers forced to retire due to disability incurred from the execution of their duties.
- Calculation of the years of service and pension:
  (1) Employees' years of service shall be calculated starting from the date of employment and the years of service before and after the implementation of the Labor Standards Act and the years of service after the implementation of the Labor Pension Act shall be combined for calculation. The duration shall be based on the years of actual continuous service in this Company.
  (2) The years of service of employees assigned to affiliated enterprises to provide services or transferred from affiliated enterprises to the Company to provide services shall be combined for calculation.
  (3) Where an employee is employed by the Company and an affiliated enterprise and applies for retirement in accordance with regulations, the total pension payment amount shall be calculated based on the ratio of the number of months served in each company and paid by the companies.
- Status of the Company's Labor Retirement Reserve Fund for 2025
  (1) Annual appropriation: NT$ 4,935 thousand.
  (2) Asset balance at the end of the year: NT$ 241 thousand.

3. Labor-management communications

Arizon regularly convenes employer-employee meetings to communicate and coordinate with employees, and subsequently adjusts measures according to the consensus of both parties.

(II) Losses due to labor disputes in last year and up to the print date for this annual report: This event did not occur at the Company.

(III) Continuing education and training for employees

Arizon holds talent strategic development consensus meetings with executives, amends training development rules, and conducts assessments of employee competency at all levels to sustain the development of the Company and overcome any market and industry challenges. Systematic and continuous talent cultivation programs are provided to encourage employees to maximize their potential and improve their performance. Meanwhile, diversified learning resources are made available to employees (e.g., orientation training, management training, professional training, and general training) to encourage self-enhancement among employees.

1. Orientation training: Aims to assist new employees to know their way around the workplace and understand the Company's vision, organizational structure, rules, and the operating status of each functional and business units.
2. Management training: Aims to strengthen the organization's management performance, and foster and improve supervisors' leadership and strategic thinking capabilities.
3. Professional training: Aims to enhance work-related skills of departmental professionals.
4. General training: Aims to foster employees' knowledge and skills required for independent operations, workplace communication, and job management to support the Company's future business development requirements and achieve long-term business goals.

The focus of education and training outcomes in 2025 is as below:

Course type	No. of classes	Total number of people	Total man hour	Total expenses (NT$)
Professional competency	94	1,172	1,235.32	34,860
Management and general knowledge	31	701	1,253	15,195
Cultural cultivation for new recruits	22	178	310.5	0
On-the-job continuing education	0	0	0	0

(IV) Employee code of conduct or ethics

The Company's *Work Rules* provide a service guideline and clear work principles for employee compliance. To more effectively protect the Company's trade secrets, operating profits, and competitive edge in response to the amendment made to the Trade Secrets Act in 2013, the Company has prescribed Integrity and Confidentiality of Intellectual Property Agreement as a mandatory document for registration of new recruits.

Arizon promulgated the *Arizon RFID Technology (Hong Kong) Co., Ltd. Taiwan Branch Employee Work Rules* in August 2019. Employees' behavior must comply these Rules when performing daily tasks and operations, and provides regular education training for new recruits so as to familiarize them with the work rules and HR regulations.

The *Ethical Corporate Management Operating Procedures and Code of Conduct* were promulgated in July 2022 in accordance with the Company's *Ethical Corporate Management Guidelines* and TWSE's *Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies*. The Company performs business activities based on the principles of fairness, integrity, accountability, and transparency. The *Ethical Corporate Management Operating Procedures and Code of Conduct* were established to implement the ethical corporate management policy, actively prevent unethical conduct and conflicts of interest, establish whistleblowing channels, and regulate the conduct of relevant personnel.

(V) Employee safety and health

The Company is responsible for and obligated to protect the health and safety of its employees. In addition to the ISO45001 - Occupational Health and Safety, Arizon has declared its determination to promote employee safety and the vision to create a corporate safety culture.

1. Responsibilities of units: Appointed occupational safety and health supervisors charged with responsibility to acts as the counselor, supervisor, and inspectors of safety and health measures.
2. Safe operations promotion: Through safety education, the safety management functions of managers of all levels are reinforced to gradually establish a coherent set of safety values and standards, and build a consensus to promote safe operations.
3. Operation standardization: Standard operating procedures are implemented for various operations.
4. Employee health management: Regular employee physical checkups are held and exceed requirements of the Labor Health Protection Regulations. Health and safety training for employees according to their health checkup results.
5. Employee safety training: Employees must receive safety training upon entering the Company and during

reassignments. Departments hold ad hoc work safety training and education seminars to increase collective safety awareness.

6. Accident reporting and investigation: Any work accident at any of the plants must be reported to the person in charge of the occupational safety and health within 24 hours, and an investigation for cause and improvement must take place within the time frame specified based on the level of incident. Meanwhile, all employees are informed of the incident through announcements and are required to complete education training to prevent the incident from repeating.
7. Work safety reviews and disaster drills: In addition to regular disaster drills and occupational safety and health management meetings, equipment safety inspections are reinforced to actively improve the workplace and safety measures.

VI. Information Security Management

(I) Preface:

From our perspective, information management requires both software and hardware comprising equipment, and system (hardware), and safety awareness (software), which are all key to ensuring information security. With a dedicated information security management system and a dedicated team, the Company is able to adopt optimal approaches to utilize resources, centralize management in an appropriate and timely manner, and upgrade existing information security network equipment and mechanisms, so that the information of Arizon is kept secure in line with current trends. We will continuously work toward increasing employees' awareness towards the risks of information security to reinforce our lines of defense for information security. Details are as follows.

(II) Information Security Management Framework:

In order to comply with relevant government regulations and strengthen the Company's overall information security governance framework, the Company established the position of Chief Information Security Officer in November 2023 and set up a dedicated information security team responsible for promoting, supervising, and reviewing information security management activities.

The Company has established a dedicated information security team, led by a Chief Information Security Officer and composed of IT staff from both the Taiwan and Yangzhou offices, to ensure a clear division of professional authority and responsibility, adequate technical support, and well-defined control mechanisms for information security, and to comply with government regulations and strengthen the Company's information security governance.

The team is responsible for promoting, coordinating, supervising and reviewing information security management issues, and regularly review of its information security policies and objectives, propose specific implementation management plans and report the results to the Board of Directors on a regular basis, evaluate and screen possible risks, and plan accordingly. The most recent report to the Board of Directors was submitted on November 11, 2025.

(III) Information security policies and specific management plans:

To ensure the confidentiality, integrity, and availability of the Company's information assets and to maintain stable and continuous operations, the Company mitigates information security risks through institutionalized management and technical protective measures, and continuously strengthens its overall information security defense capabilities.

With regard to network and system security, the Company has established the necessary network security protection mechanisms and system management procedures. Through appropriate equipment and technical measures, the Company maintains the security of its network architecture and regularly reviews the operational status of information systems and security updates, so as to reduce risks arising from unauthorized access, malicious attacks, or other information security threats.

With regard to identity verification and access management, the Company has established an access control system based on the division of job responsibilities and operational requirements, ensuring that access to information systems and data is restricted to authorized personnel only. Appropriate identity verification mechanisms and account management measures are in place to prevent unauthorized use and data leakage.

With regard to data protection and business continuity, the Company has established data backup and recovery mechanisms to ensure that critical data can be preserved and restored. Regular disaster recovery drills and related tests are conducted to strengthen the system's ability to respond to anomalies or information security incidents, thereby ensuring business continuity.

With regard to information security management and continuous improvement, the Company continuously reviews the effectiveness of its information security policies and related protective measures. Through education and training, awareness campaigns, and simulation exercises, the Company enhances information security awareness among all employees, and through the professional development of dedicated personnel and institutionalized

management, continuously strengthens its overall information security governance capabilities.
To implement information security management, the Company carries out the following specific measures:

1. Deploys firewalls and core network switches, and implements network segmentation and the principle of least privilege to reduce potential risks.
2. Performs inventories of the computer system software and security updates.
3. Uses network services in accordance with the information security policy.
4. Regular data backups are performed to ensure critical data remains traceable and recoverable.
5. The Taiwan factories have implemented multi-factor authentication (MFA); the Yangzhou factory is expected to complete its evaluation in 2025 and officially implement MFA in 2026.
6. Starting from 2025, AI-powered zero-latency antivirus software has been deployed to enhance real-time threat detection and protection capabilities.
7. Computer equipment is managed by designated personnel, and accounts and passwords are governed by strong password rules and changed on a regular basis.
8. Remote login to systems is subject to access control, with appropriate access permissions granted based on job responsibilities.
9. A disaster recovery drill is conducted once per year to ensure business continuity.
10. Social engineering drills are conducted at least once per year to raise employees' prevention awareness.
11. At least one information security training session is held for all employees per year to continuously enhance overall security awareness.
12. Members of the information security team receive more than 12 hours of information security training per year to continuously improve their professional capabilities.
13. Information security awareness activities are held on an irregular basis to foster a security-conscious culture among all employees.

(IV) Resources used for information security management:

To continuously improve information security management and enhance information security defense capability, The Company dedicated resources to building a comprehensive management and technical security infrastructure and strengthening information security defense equipment, while also reinforcing training and education. The promotion and implementation results for 2025 are as follows:

1. A total of four information security team meetings were held throughout the year to regularly review information security risks and control effectiveness, ensuring the effective implementation of information security management objectives.
2. Two information security training sessions were held for all employees to enhance their awareness of and ability to guard against information security risks.
3. Information security awareness emails are sent on a quarterly basis; a total of four were distributed in 2025, continuously reinforcing employees' security awareness and reducing the risk of social engineering and information security incidents.
4. By adopting the IEC 62443-4-1 standard, a Secure Development Lifecycle (SDL) has been established, incorporating information security design from the earliest stages of product development to enhance overall security resilience.
5. 300 sets of AI-powered zero-latency antivirus software were procured to strengthen endpoint real-time threat detection and protection, reducing the risk of information security attacks.
6. The Yangzhou site has completed the procurement of a multi-factor authentication (MFA) system and plans to formally complete its implementation in 2026 to further enhance account and access security.
7. A firewall disaster recovery drill, core system disaster recovery drill, external system vulnerability scan, and social engineering drill were completed to verify the effectiveness of relevant security controls and enhance overall information security defense capabilities.
8. An ISO 27001 information security management system certification project has been launched, with certification expected to be obtained in 2026, in order to establish a more comprehensive information security governance framework.

(V) Losses due to major information security incidents:

The Company did not have significant information security incidents resulting in business losses.

VII. Material contracts

Supply/sales contracts, technologies cooperation contracts, construction contracts, long-term loan agreements, and all other important contracts which are likely to impact the investors' rights, whether they are currently effective or have expired in the most recent fiscal year

Contract type	Parties Involved	Commencement date/ expiration date	Content	Restrictive clauses
Bank loan agreements	Taishin International Bank	2025.6.30~2026.6.30	Credit line	N/A
Bank loan agreements	CTBC Bank	2025.9.30~2026.9.30	Credit line	N/A
Bank loan agreements	KGI Bank Co., Ltd.	2025.3.12~2026.3.12	Credit line	N/A
Bank loan agreements	DBS Bank (Taiwan) Ltd.	2025.10.14~2026.10.14	Credit line	N/A
Lease contracts	Weizheng	2023.4.1~2028.3.31	Leasing of factory site in Taipei	N/A
Lease contracts	Shin-Yi Enterprise Co., Ltd.	2026.1.1~2026.12.31	Leasing of office in Taipei	N/A
Lease contracts	Tadashi Tsuchida	2024.7.1~2026.06.30	Leasing of office in Japan	N/A
Lease contracts	Yen My Industrial Park Investment Co., Ltd.	2024.3.15~2071.08.18	Vietnam land lease	N/A
Lease contracts	Welcome Industrial SUB 60, LLC	2025.8.26~2030.10.26	Leasing of office in the United States	N/A

Chapter 6 Financial Position, Financial Performance and Risk Analysis

I. Financial comparison analysis

Unit: NT$ thousand

Item \ Year	2025	2024	Difference	
			Amount	%
Current assets	4,929,827	6,724,736	(1,794,909)	(27)
Property, plant and equipment	2,179,966	1,771,584	408,382	23
Other assets	2,141,932	631,245	1,510,687	239
Total assets	9,251,725	9,127,565	124,160	1
Current liabilities	2,206,209	1,782,074	424,135	24
Non-current liabilities	1,097,046	1,054,077	42,969	4
Total liabilities	3,303,255	2,836,151	467,104	16
Share capital	748,880	748,880	0	0
Capital surplus	4,277,367	4,272,805	4,562	0
Retained earnings	1,039,738	1,226,726	(186,988)	(15)
Other equity	(118,595)	41,927	(160,522)	(383)
Non-controlling interest	1,080	1,076	4	0
Total equity	5,948,470	6,291,414	(342,944)	(5)

Notes on changes in increase or decrease percentage:

1. Decrease in current assets: Mainly due to decreases in accounts receivable and financial assets measured at amortized cost - current.
2. Increase in other assets: Mainly due to the increase in financial assets measured at amortized cost - non-current.
3. Increase in Current Liabilities: Primarily due to an increase in short-term borrowings.
4. Increase in Total Liabilities: Primarily due to an increase in short-term borrowings.
5. Increase in capital surplus: This mainly resulted from the issuance of employee stock options.
6. Decrease in retained earnings: Primarily due to the distribution of dividends for fiscal year 2024.
7. Decrease in other equity: Primarily due to a decline in the exchange rate used to translate the financial statements of foreign operations as a result of exchange rate fluctuations.
8. Decrease in total equity: Mainly due to the distribution of dividends for fiscal year 2024 and the decline in the exchange rate used to translate the financial statements of foreign operations.

II. Financial Performance Review and Analysis

Unit: NT$ thousand

Item \ Year	2025	2024	Increase/decrease	Change (%)
Net sales	3,952,716	4,612,422	(659,706)	(14)
Cost of goods sold	3,070,979	3,128,804	(57,825)	(2)
Gross profit	881,737	1,483,618	(601,881)	(41)
Operating expenses	530,434	629,983	(99,549)	(16)
Profit from operations	351,303	853,635	(502,332)	(59)
Non-operating income and expenses	(1,556)	149,623	(151,179)	(101)
Profit before income tax	349,747	1,003,258	(653,511)	(65)
Income tax expense	(124,750)	(156,279)	31,529	(20)
Net profit	224,997	846,979	(621,982)	(73)
Other comprehensive income	(160,544)	244,867	(405,411)	(166)
Total comprehensive income for the year	64,453	1,091,846	(1,027,393)	(94)

Notes/Analysis on changes in increase or decrease percentage:

1. Decrease in net sales: Mainly due to the impact of US reciprocal tariffs, which led to a decline in the performance of end-brand apparel companies, in turn affecting the Company's operating revenue.
2. Decrease in gross profit: Mainly due to changes in the sales mix and the increase in US reciprocal tariffs, which raised the cost of goods sold.
3. Decrease in operating expenses: As operating revenue declined, operating expenses also decreased proportionally.
5. Decrease in profit from operations: Mainly due to the impact of the sales mix and US reciprocal tariffs.
4. Decrease in non-operating income and expenses: Mainly due to exchange rate fluctuations, which led to increased exchange losses.
5. Decrease in profit before income tax and net profit: Mainly due to US reciprocal tariffs, changes in the sales mix, and exchange rate fluctuations.
6. Decrease in other comprehensive income and total comprehensive income for the year: Primarily due to a decline in the exchange rate used to translate the financial statements of foreign operations as a result of exchange rate fluctuations.

III. Cash flow analysis

CASH, BEGINNING OF YEAR	Net cash flow from operating activities	Inflow (outflow) of net cash from other activities	Cash balance	Liquidity contingency plan	
				Investment plan	Financial plan
$2,384,419	$807,410	$(582,820)	$2,609,009	-	-

1. Analysis on the cash flow changes of the current year:

(1) Cash flow from operating activities: Cash flow from operating activities is mainly generated from cash inflow from operating profits.

(2) Cash flow from other activities: Mainly due to the increase in the purchase of property, factory and equipment under investing activities.

2. Liquidity contingency plan and liquidity analysis: **N/A**

3. Cash flow analysis for the coming year:

(1) Cash flow from operating activities: The Group expects a continued growth in revenue and profit into 2026, and a continued cash inflow from operating activities.

(2) Cash flow from investing activities: Mainly consisted of the annual capital expenditure on the upgrading and maintenance of relevant equipment.

(3) Cash flow from financing activities: Arrange borrowings and repayments with financial institutions based on the overall planning of operating and investing cash flows, and distributed cash dividends.

IV. Major capital expenditures and impact on financial operations in last year:

1. Utilization of Major Capital Expenditures and Capital Sources in the Latest Year

Unit: NT$ thousand

Project	Actual Source of Funds	Capital required	Actual / projected use of funds	
			2025	2024
Production, R&D, and Equipment and Land	Internal Funds, Corporate Bond Issuance, and bank borrowing	1,708,220	679,699	1,028,521
Others	Internal Funds	105,443	12,268	93,175
Total		1,813,663	691,967	1,121,696

2. Expected Potential Benefits

Expanding the factory, increasing production capacity, and enhancing the Company's process technology development will help maintain or increase market share.

V. Reinvestment policy, reasons for profit or loss, improvement plans, and investment plans for next year:

1. Reinvestment policy

The Company's investment in other companies is for the purpose of the Group's operating needs. The operating revenue is mainly from export to southeast Asia and is stable. Currently, the Company's investment policies and operating procedures are handled in accordance with "Asset Acquisition and Disposal Procedure", "Procedures for Transactions with Related Parties" and "Regulations on Transactions with Related Parties, Specific Companies and Groups" formulated by the Company and passed at its board or shareholders' meetings, and also the procedures for investment cycles specified in the internal control system. In terms of internal control, all investee companies shall comply with the bylaws of the Company, local laws and regulations, as well as actual business operation. The Company will continue to prudently evaluate investment plans based on the same principles going forward.

2. Reasons for reinvestment profit or loss, and improvement plans for next year

Name of Company	Profit or loss amount in 2025	Main reasons for profit or loss	Improvement plan
YFY RFID CO. LIMITED	482,502	Mainly due to income from investment accounted for using the equity method.	-
Arizon RFID Technology Co., Ltd.	507,228	Mainly due to the Company's continued expansion of its customer base, which sustained profitability.	-
Arizon RFID Technology (Hong Kong) Co., Ltd.	(25,519)	Mainly due to non-operating foreign exchange losses at the Taiwan branch and the continued increase in personnel costs.	The Company expects to increase revenue by growing orders from existing customers and obtaining certifications from new customers.
Arizon Japan Co., Ltd.	1,514	Mainly due to good business operation.	-
Arizon Corporation	(76,216)	Mainly due to reciprocal tariffs.	Additional back-end production lines are planned to be built in the future to mitigate the impact of reciprocal tariffs.
Arizon Technology (Vietnam)	(55,023)	Mainly due to the initial stage of factory construction and exchange rate fluctuations.	Profitability is expected to improve once mass production achieves economies of scale.

3. Investment plan in the coming year: N/A.

VI. Risk analysis and assessment in the last year and up to the print date of this annual report:

(I) The impact of interest rate, exchange rate change, and inflation on the company's profit and loss and future response measure

1. Impact of changes in interest rates on the Company's profitability and response measures

The Group's interest income primarily arises from interest accrued on bank deposits. Interest expenses are mainly attributable to the imputed interest on lease liabilities, interest on certain borrowings, and the amortization of interest expenses on convertible bonds. In the past two years, the Group's interest income has exceeded its interest expenses, resulting in net interest income. In 2024 and 2025, the net interest income (interest income less interest expenses) was NT$94,517 thousand and NT$59,666 thousand, representing 9.42% and 17.06% of profit before tax, respectively. Accordingly, interest rate fluctuations have not had a material adverse impact on the Group's operations.

Countermeasures: The Group has established and has been maintaining good credit relation with the banks. It also watches the trend of market interest rates, so as to obtain preferred interest rate terms when there is capital needs for business expansion in the future. In addition, the Group mitigates its interest rate risks by a comprehensive financial planning and appropriate utilization of other financial instruments.

2. Impact of changes in exchange rates on the Company's profitability and response measures

The Group's main sales markets are in North America and mainland China. The operating entities in 2025 are located in mainland China and Taiwan. Sales transactions are mainly denominated in USD and RMB, and so is procurement of raw materials. Although receivables and payables offset each other and have a certain level of natural hedging effect, exchange rate gains or losses may still arise, as RMB and NTD are needed for daily operations at operating sites.

Countermeasures:

(1) Finance departments remain in close contact with various financial institutions so as to collect related information pertaining to changes in foreign exchange at all times, and to stay on top of information regarding international foreign exchange trends and changes. Such information could be leveraged as reference for adjusting portfolios in the Company's foreign currency accounts to actively respond to the impact of foreign exchange fluctuations.

(2) When providing quotes to customers, we take into the consideration the effects of exchange rate fluctuations, and take a conservative approach when providing quotes, so as to minimize the impact of exchange rate fluctuation on the revenue of received orders.

3. The Group evaluates exchange rate fluctuations, and utilizes spot and forward foreign exchange transactions in accordance with "Asset Acquisition and Disposal Procedure" to hedge potential risks, in order to minimize the impact of exchange rate fluctuation on the Company's income.

4. **Impact of inflation on the Company's profitability and response measures**

There are no incidence of significant impact on the Group's profit caused by inflation. In the future, the Group will continue to watch the changes in global market, and pay attention to possible inflation risks. Countermeasures: The Group maintains close and sound interactions with its suppliers and customers. In the event of changes to market prices, they would be reflected in product costs and prices in a timely fashion. Therefore, inflation has not impacted the bottom line of this key subsidiary.

(II) Policies on high risk or high leverage investments, lending to others, making endorsements or guarantees, and trading derivatives, reasons for profit or loss, and response measures

1. **Policies on high risk or high leverage investments, reasons for profit or loss, and response measures**

The Company upholds the basis of steady operation, focuses on the business operations and values technological research and development and the expansion of sales and marketing, all under the premise of a sound financial development. Therefore, the Company did not engage in high risk or high leverage investments in last year and up to the print date.

2. **Policies on lending to others, making endorsements or guarantees, and trading derivatives, reasons for profit or loss, and response measures**

The Company conducts lending to others and endorsement/guarantee activities in accordance with the Procedure for Lending Funds to Other Parties, Procedure for Making Endorsements and Guarantees, and Procedure for Asset Acquisition and Disposal. All counterparties are related subsidiaries, and all activities are carried out in compliance with the applicable regulations.

(III) Future R&D Plans and Expected R&D Investment:

1. **Future R&D Plans:**

Project name	Plan content:
Ongoing Development of ARC Products	1. Strategic Expansion Across Multiple Application Domains. 2. Miniaturization of Label Size. 3. Diversification of Chip Coverage.
Development of Sustainable Low-Carbon Labeling	1. Development of Low-Carbon and Eco-Friendly Structural Label Design 2. Standardization of Low-Carbon Label Calculation
Development of RFID tags with sensing functionality	Integration of sensing functionality into RFID tag design
Mass production of ultra-thin anti-metal tags	Ultra-thin anti-metal tag process finalized for mass production
Design and development of high cost-performance RFID retail tags for smart fresh food applications	Batch reading for fresh food products
Reader Gen2X Performance Optimization Program	Utilization of E710 Reader to Enhance Reading Efficiency and Security.
Development of DPP Carbon Emission Traceability and Data Exchange System	1. Compliance with European Union Digital Product Passport (DPP) Regulations. 2. Integration of Activity Data with Product Carbon Footprint Rules (PCR) Emission Factors to Achieve Accurate Calculation and Transparent Management of Carbon Emission Information. 3. Enabling Efficient Exchange of Carbon Emission Information Between Suppliers and Manufacturing Facilities.

2. **R&D expenditure to be invested**

The Company's R&D expenses have exceeded 3% of operating revenue in each of the past three fiscal years; accordingly, the R&D budget for 2026 is expected to remain at approximately 3% of total annual revenue.

(IV) Impact of important policy and legislative changes in Taiwan and overseas on financial operations and response measures:

The Company is registered in the Cayman Islands but has no substantive economic activity there; its main business operations are conducted in mainland China, Taiwan, Vietnam, and the United States. All business operations of the Company are in compliance with domestic and foreign major policies and ordinances. The Company pays close attention to any changes to the major policies and ordinances of its operating sites and makes preventive preparations through an array of means beforehand. In the event of such changes, the Company consults lawyers, accountants, or other relevant units, or retains them to evaluate and make necessary measures, so as to respond appropriately to the changes in the market in a timely manner. Up to the print date, there is no incident of changes in the major policies and laws of the Company's operating sites and Cayman Islands that cause significant impact on the Group's business operation.

(V) Impact of recent technological (including cyber security risks) and market changes on the Company's finance and business, and response measures:

In the face of the fast-changing technological and industrial environment, the Group pays close attention to the changes in technology and the trends in the industry in which it is involved. It also works closely with its customers to grasp the latest industrial and developmental trends and market information, gather information about advances in technologies and changes in trends, and continues with the work to improve in all areas so as to increase production efficiency.

In addition, the Group has established a comprehensive network and cyber security protection system, to maintain and secure important data of its R&D, management, and finance. Although there is no guarantee of absolutely no cyber security threats or malicious hacker attacks on the system, the Group strives to ensure the appropriateness and effectiveness and improve the response capability of its security system through regular review and evaluation of the control cycle.

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

The Group upholds its business philosophy of integrity, trustworthiness, and sustainable operation, devotes itself to its core business since its establishment, and focuses on improving its product image while maintaining a harmonious labor-management relation so as to upkeep its good corporate image. Up to the print date, there is no major corporate image change that impacted the Group.

(VII) The expected benefits and possible risks of mergers and acquisitions as well as the responding measures: N/A

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

The Company's new factory in Vietnam was completed in Q3 2025, and the newly established factory in Texas, US, is expected to commence back-end processes and production in 2026. The Company expects that the two newly established factories will effectively enhance the Group's production capacity in 2026 to meet growing market demand, expand the scope of customer services, and strengthen the Company's global supply chain footprint. However, capacity expansion also entails potential risks. These include fluctuations in market demand that may result in lower-than-expected capacity utilization, thereby impacting cost efficiency. Additionally, during the initial phases of construction and operation, the new Vietnam facility will incur increased capital expenditures for equipment, staff training, and operational costs. Should the ramp-up to economies of scale be slower than projected, short-term profitability may be adversely affected. To mitigate these risks, the Company has conducted thorough market assessments and customer demand analyses prior to expansion, ensuring alignment with long-term strategic goals. Furthermore, the Company will continue to optimize production scheduling and cost management, while maintaining close collaboration with key customers to flexibly adjust capacity allocation. These measures are aimed at maximizing investment efficiency and minimizing the impact of market volatility. In response to potential demand downturns, the Company may adopt strategies such as deferring equipment installation or suspending future phases of capacity expansion, thereby preserving financial stability and ensuring flexible resource allocation.

(IX) Risks in concentrated procurement or sales and response measures:

1. Purchase concentration risk

In recent years, purchases from Arizon's largest supplier have accounted for approximately 59% of total purchases. These purchases are concentrated with the world's leading ultra-high frequency (UHF) RFID chip suppliers, among others such as Impinj, NXP, EM Microelectronic, and Alien Technology, and has world-leading technology and good product quality. In order to fulfill orders amidst world chip shortage in recent years, the Group raised its chip stock level and thus, increased its procurement percentage. The Group maintains three or more suppliers for its main suppliers, and these suppliers are world-renowned mega manufacturers in the industry, with which the Group has a long-standing and stable business relationship. Furthermore, due to the shortage of IC chips in recent years, the Group not only consolidates its position as a core customer of Impinj, but also works on increasing the number of chip types that are compatible with ARC-certified products and other measures, so as to increase procurement volume from another leading chip supplier - NXP. As manufacturers in China continue to launch new chip products that can be widely used in RFID, the Group will be open up to more procurement options, and thus there is no event of supply shortage that affected the Group's production scheduling.

2. **Sales concentration risk**

Arizon's end customers primarily consist of globally brands in the logistics, apparel, and retail, sectors. In recent years, the combined net revenue contribution from the Company's top ten customers has consistently exceeded 80% of total sales. Over the past two years, there have been two customers each year whose individual contributions accounted for more than 10% of total revenue. Notably, a major new customer has also been added during this period. Due to the solid sales performance of key customers and the steady growth in RFID technology adoption, the Company has a relatively high level of sales concentration.

The RFID tag industry benefits from economies of scale, which favor larger manufacturers, while customers generally possess stronger bargaining power. Although the industry remains in a phase of rapid growth, it is also experiencing increasing consolidation on both the customer and supplier sides. In response, the Company is actively expanding into new application segments to mitigate customer concentration risks. At the same time, it closely monitors the growth momentum of existing key customers to ensure alignment with broader industry trends and to capture opportunities for mutual growth.

(X) Impact of mass transfer of equity by or change of directors, supervisors, or shareholders holding more than 10% equity of the Company, associated risks and response measures:

The composition of directors, or shareholders holding more than 10% of the Company's shares and the shareholding ratio are stable. Up to the print date, there are no major transfers of shares.

(XI) Impact of control transfer and risks: The Company is not exposed to risks of control transfer.

(XII) Litigation or non-litigation events: N/A

(XIII)Other significant risks and response measures:

1. **Intellectual property management**

(1) Intellectual property management plan and implementation status

The Company focuses on the R&D and application of RFID and IoT technologies. Intellectual property rights are one of the Company's core competitive strengths. To protect and strengthen its rights in this regard, the Company has adopted the following measures:

① Protection of patents and R&D achievements

- The primary focus is on developing diverse applications based on conventional RFID tag technology combined with new materials, and continuously pursuing patent applications and portfolio development in the areas of antenna design, tag structure, and manufacturing processes.
- Building on RFID tag technology, new applications are extended to RFID readers and IoT gateways. Based on standard RFID communication, patent applications and portfolio development are further extended to algorithms, application software, and edge computing.
- Patent applications and portfolio development for complete IoT system solutions, using the physical ID layer and network layer as the foundation and extending into application software.
- Regularly inventories and maintains patents and trademarks already obtained.

② Protection of confidential information and technology

- R&D design files, antenna simulation data, and source code are all subject to access control.
- A zero-trust architecture and AI-powered zero-latency antivirus software have been implemented to ensure that both internal and external personnel can only access necessary data with proper authorization, reducing the risk of technology leaks.

③ Policy and contractual provisions

- The Company has formulated its Intellectual Property Management and Incentive Measures to encourage R&D personnel to actively pursue innovation and patent applications, and to ensure transparency in the ownership and use of intellectual property rights.
- All employees and partner vendors are required to sign non-disclosure agreements (NDAs), and the ownership of intellectual property rights is clearly defined in all cooperation contracts.

④ Education and enhancing awareness

- Annual education and training on intellectual property rights and information security is conducted to enhance employees' understanding of the patent application process, trade secret protection, and infringement risks.

⑤ External collaboration and risk management

- The Company collaborates with patent law firms to develop a comprehensive RFID/IoT patent map and technology portfolio.

- The Company continuously monitors international intellectual property trends among competitors, with particular attention to standards related to RFID, wireless communications, and IoT, in order to avoid infringement risks and take advantage of new opportunities.

Implementation status and results:

① Two training sessions were arranged for 2025: one for the Taiwan branch on November 13, 2025, and one for Yangzhou on September 11, 2025.

② Patent activities for 2025 are shown in the table below.

	2025 — Taiwan (Arizon RFID Technology Co., Ltd.)	Number of patents	2025 — Yangzhou (Arizon RFID Technology (Yangzhou) Co., Ltd.)	Number of patents	Total
Application filed	Invention	4	Invention	2	42
	Utility model	4	Utility model	8	
	Design	4	Design	20	
Approved (Granted)	Invention	3	Invention	1	51
	Utility model	4	Utility model	9	
	Design	2	Design	32	

As of October 2025, the Company (including Group subsidiaries) had filed approximately 923 patent applications and been granted approximately 824 patents, with filings distributed across Taiwan, the United States, China, Japan, and South Korea, covering the main R&D, manufacturing, and sales locations of the relevant products.

③ As of October 2025, the Company and its subsidiaries held a total of 39 valid trademark certificates, comprising 17 domestic and 22 overseas.

(2) Board of Directors Report

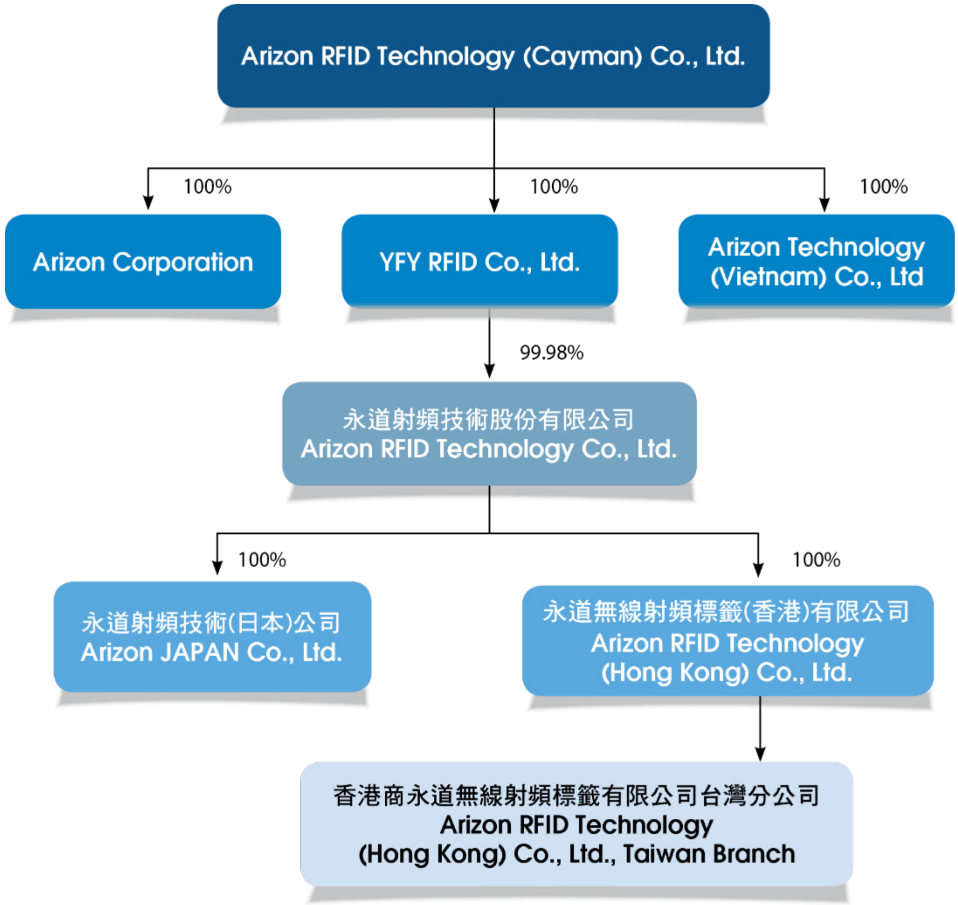
The Company submits matters related to intellectual property to the Board of Directors at least once per year; the most recent submission was made on November 11, 2025.

VII. Other important matters: N/A

Chapter 7 Special disclosures

I. Information of Affiliates

(I) Organizational Chart



(II) Basic information of the various affiliated enterprises

Up to December 31, 2025 Unit: in thousands, NT$ unless otherwise specified

Company name	Date of establishment	Address	Paid-in capital	Main businesses/products
YFY RFID Co., Limited	2010/06/25	13/F Amber Commercial Building, 70 Morrison Hill Road, Wanchai, Hong Kong	USD 127,603	General investment.
Arizon RFID Technology Co., Ltd.	2004/06/11	No. 88 Wuzhou E. Rd., Economic Development Park, Yangzhou, Jiangsu	RMB 194,290	Design, development and manufacturing of various software and hardware for radio-frequency identification (RFID) intelligent systems, after-sales services, and packaging and printing.
Arizon RFID Technology (Hong Kong) Co., Ltd.	2017/10/02	Rm 2702-03, C. C. Wu Building, 302-8 Hennessy Road, Wan Chai, HK	USD 22,000	Product distribution and R&D service.
Arizon Japan Co., Ltd.	2019/08/08	3-2-11 Nishishinjuku, Shinjuku, Tokyo, Japan	JPY 50,000	Product distribution and technology consulting services
Arizon Corporation	2023/08/03	919N.Market Street #950, Wilmington, Delaware 19801	USD 10,250	Product distribution and technology consulting services
Arizon Technology (Vietnam) Co., Ltd.	2024/02/21	Plot CN 01.9 and CN 01.10, Industrial Park No.05, Quang Lang Commune, An Thi District, Hung Yen Province, Vietnam.	VND 339,080,000	Product distribution and R&D service.

Note: Exchange rate on the report day US$1=31.43, RMB1=4.471603, JPY1=0.2008

(III) The same shareholders as those presumed to have controlling and subordinate relationships: N/A

(IV) Related to the industries covered by the company's operations:

General investment, various hardware products and software system development of wireless radio frequency intelligent identification systems, design and manufacturing of wireless radio frequency electronic tags, and provision of peripheral system integration services

(V) Basic information of Directors, Supervisors, and Presidents of affiliates

December 31, 2025 Unit: No. of shares/shares, investment amount/NT$

Company name	Title	Name or representative	Shares held	
			Number of shares	Shareholding ratio (%)
YFY RFID Co., Limited	Director Director	YFY Global Investment B.V. Felix Ho	29,584,886	100.0
Arizon RFID Technology Co., Ltd.	Chairman Director Director Director Director Supervisor Supervisor Supervisor President	Felix Ho Bing-Yi Lin Hong-Shi Wen Lin-En Zhou Wan-Chuan Lin Zhi-Qing Min Pai-Wei Hong Qiu-Yue Xia Bing-Yi Lin	Investment RMB 194,290,000	Investment percentage 99.98
Arizon RFID Technology (Hong Kong) Co., Ltd.	Director Director	Bing-Yi Lin (Representative of Arizon RFID Technology Co., Ltd.) Hong-Shi Wen (Representative of Arizon RFID Technology Co., Ltd.)	Investment USD 22,000,000	Investment percentage 100.0
Arizon Japan Co., Ltd.	Director Director Director Supervisor	Felix Ho (Representative of Arizon RFID Technology Co., Ltd.) Bing-Yi Lin (Representative of Arizon RFID Technology Co., Ltd.) Xiao-Zhi Luo He Nai-Hsia Wu	Investment JPY 50,000.000	Investment percentage 100.0
Arizon Corporation	Director	Bing-Yi Lin	Investment USD 10,250,000	Investment percentage 100.0
Arizon Technology (Vietnam) Co., Ltd.	Chairperson	Felix Ho	Investment VND 339,080,000,000	Investment percentage 100.0

(VI) Financial and operational overview of affiliated companies

2025 Unit: NT$ thousand

Company name	Paid-in capital	Total assets	Total liabilities	Net worth	Net sales	Operating profit	Profit (loss) for the current period (After tax)	Number of shares	Earnings per share (NT$) (After tax)
YFY RFID Co. Limited	4,010,562	5,439,760	25,684	5,414,076	-	714	482,502	29,584,886	16.31
Arizon RFID Technology Co., Ltd.	868,788	6,083,643	683,639	5,400,004	21,976,107	3,950,776	507,228	194,290,000	2.61
Arizon RFID Technology (Hong Kong) Co., Ltd.	691,460	1,646,838	1,189,778	457,060	1,792,953	(53,787)	(25,519)	22,000,000	(1.16)
Arizon Japan Co., Ltd.	10,040	15,675	6,468	9,207	31,948	2,608	1,514	1,000	1,514.00
Arizon Corporation	322,158	1,113,597	845,137	268,460	1,156,684	(74,461)	(76,216)	1,025	(74,357.07)
Arizon Technology (Vietnam) Co., Ltd.	440,020	1,153,151	787,232	365,919	17	(31,201)	(55,023)	-	-

(VII) Consolidated financial statements of various affiliated enterprises: N/A

II. Progress of Private Placement of Securities During the Last Year and Up to the Print Date of the Annual Report: N/A

III. Holding or Disposal of the Company's Shares by Subsidiaries in the Past year and Up to the Print Date of the Annual Report: N/A

IV. Other supplemental information: N/A

V. Explanation of the significant differences compared to the regulations on the protection of shareholders' rights and interests in our country:

Explanation of significant differences between the Company's Articles of Corporation and the regulations on the protection of shareholders' rights and interests in the ROC: Except as described below, within the scope permitted by the laws of the Cayman Islands, the Company has established relevant provisions in accordance with the "Checklist for the Protection of Shareholders' Rights and Interests in the Country Where the Foreign Issuer is Registered" announced by Taiwan Stock Exchange Corporation so as to protect the exercise of shareholders' rights. The following list explains the differences between the company's currently valid Memorandum and Articles of Corporation (hereinafter referred to "AOA") and the protection of shareholders' equity due to the provisions of the laws of the British Cayman Islands, and the provisions of the company's AOA.

Differences	Cayman law and description	Memorandum and Articles of Corporation ("AOA") regulations and description
Chapter I Formation and change of company capital		
1. The company shall not cancel its shares unless it reduces its capital in accordance with the resolution of the shareholders' meeting; the reduction of capital shall be made in accordance with the proportion of shares held by shareholders. 2. When the company reduces its capital, it may return the share payment with property other than cash; the property to be returned and the amount to be replaced shall be resolved by the shareholders' meeting and approved by the shareholder receiving the property. 3. The Board of Directors shall submit the value of the property mentioned in the preceding paragraph and the offset amount to an accountant of the ROC for verification and approval before the shareholders' meeting.	According to the provisions of the Companies Act of the Cayman Islands, the reduction of issued shares can only be canceled after going through the procedure of stock buyback, and the company has no right to cancel the shares still held by shareholders.	Article 27 and Article 51(c) of the Company's AOA stipulate that the company's procedures for reducing capital are carried out through share repurchases. These differences are caused by the provisions of the Companies Act of the Cayman Islands. There are no restrictions on the procedure by which a company can reduce its capital.
1. Procedures for the company to sign stock option contracts with employees or issue employee stock option certificates. 2. Employee stock option certificates are not transferable, except for successors.	The Companies Act of the Cayman Islands does not have special regulations on matters such as employee stock option contracts or the procedures for issuing employee stock option certificates. These restrictions on transfer are part of the contractual relationship between the company and its employees and should be stipulated in the employee stock option contract.	Article 14 of the Company's AOA has been amended according to the important matters for the protection of shareholders' rights listed on the left. However, according to Cayman law, if it is desired to restrict the transfer of employee stock option certificates, it should still be stipulated in the employee stock option contract or stock option certificates.
Shares with no par value adopted by the company shall not be converted into shares with par value.	According to Article 8 of the Companies Act of the Cayman Islands, a Cayman company shall not divide its capital into shares with a fixed amount and shares with no par value.	The issued shares of the company are par value stock, this important issue of shareholder equity protection does not apply to the company.
Chapter II The convening procedure and resolution method of the shareholders meeting		
The convening of the physical shareholder meeting of the company shall be held within the territory of the ROC. If a physical shareholder meeting is held outside the Republic of China, it shall report to the stock exchange for approval within two days after the resolution of the board of directors or the approval of the shareholders to convene by the competent authority.	There is no local competent authority in the Cayman Islands responsible for examining whether shareholders can convene shareholders' meetings by themselves. There is also nothing in the Companies Act of the Cayman Islands that prohibits a company from regulating its meeting procedures in its AOA.	If the shareholders convene the shareholders' meeting outside the Republic of China, since the shareholders convene the extraordinary shareholders' meeting by themselves without the permission of the local competent authority of the Cayman Islands, Article 34 of the company's AOA only stipulates that it should be reported to the TPEx or the stock exchange (as applicable) for approval in advance. This part shall have no substantial impact on the company's shareholders' equity.

Differences	Cayman law and description	Memorandum and Articles of Corporation ("AOA") regulations and description
1. When a company convenes a general meeting of shareholders, it shall list electronic means as one of the channels for exercising voting rights. 2. When the company exercises voting rights in writing or electronically, the method of exercise shall be specified in the shareholders meeting convening notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person. However, it shall be regarded as abstaining from voting on the temporary motion of the shareholders meeting and the amendment of the original motion. 3. Shareholders who exercise their voting rights in writing or electronically shall send their declaration of intent to the company two days before the shareholders meeting. In case of duplicate declarations of intent, the first one shall prevail. Except when a declaration is made to cancel the earlier declaration of intent. 4. Shareholders who wish to attend the shareholders' meeting in person after exercising their voting rights in written or electronic means shall revoke the declaration of intention to exercise voting rights in the preceding paragraph in the same manner as for exercising voting rights two days before the shareholders' meeting; If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail.	The Companies Act of the Cayman Islands does not specify whether shareholders who exercise their voting rights in writing or electronically can be deemed to attend the shareholders' meeting in person. If the AOA stipulate that shareholders exercise their voting rights in writing or electronically, it shall be deemed as appointing the chairman of the shareholders meeting as their proxy. The Cayman Company Law does not have provisions for shareholders to revoke the power of attorney, but the company's AOA may still stipulate relevant provisions for revoking the power of attorney when shareholders do not attend the general meeting in person. However, according to the principles of common law in Cayman, regardless of any provisions to the contrary in the company's AOA, shareholders who vote in person at the general meeting of shareholders should have priority.	The latter paragraph of Article 63 and Article 69 of the Company's AOA stipulate that shareholders who exercise voting rights in writing or electronically shall be deemed to entrust the chairman of the shareholders' meeting as a proxy to exercise voting rights in accordance with the contents contained in the written or electronic documents. Therefore, shareholders who exercise voting rights in writing or electronically can enjoy all the rights of shareholders who exercise voting rights in writing or electronically in accordance with the laws of the Republic of China, and there should be no substantial impact on the shareholders' equity of the company. According to the common law principles of Cayman, shareholders attending the general meeting to vote in person should have priority. However, Article 64 and Article 67 of the company's AOA have been amended according to important matters concerning the protection of shareholders' equity, which should have no substantial impact on the rights and interests of shareholders of the company.
1. The AOA of the company may stipulate that profit distribution or loss allocation shall be made after the end of each quarter or half of the fiscal year. 2. Proposals on the company's profit distribution or loss compensation for the first three quarters or the first half of the fiscal year should be submitted to the supervisor or the audit committee for review together with the business report and financial statements, and then submitted to the board of directors for resolution. 3. When distributing surplus according to the provisions of the preceding paragraph, the company shall first estimate and retain the tax payable, make up losses according to law, and set aside the statutory surplus reserve. However, this restriction does not apply when the statutory surplus reserve has reached the paid-in capital. 4. When the company distributes earnings in accordance with the provisions of Paragraph 2 by issuing new shares, shareholders representing more than two-thirds of the total number of issued shares shall be present, and more than half of the voting rights of the attending shareholders shall agree to do so. If the total number of shares of shareholders present is less than the above-mentioned quota, it can be done with the consent of shareholders representing more than half of the total number of issued shares and more than two-thirds of the voting rights of shareholders present; the distribution of cash shall be subject to a resolution of the board of directors. 5. When the company distributes profits or makes up losses in accordance with the preceding four paragraphs, it shall do so in accordance with the financial statements audited or reviewed by accountants.	There is no relevant mandatory regulation in the Companies Act of the Cayman Islands for profit distribution or loss appropriation after the end of each quarter or half of the fiscal year, which can be stipulated in the AOA of the company.	According to Article 107 (3) of the company's AOA, the company adopts the annual profit distribution system, and does not adopt the quarterly or semi-fiscal year end distribution of surplus or appropriation of losses, therefore, the following important matters for the protection of shareholders' equity listed on the left are not applicable.
When the procedure for convening a shareholders' meeting or the method of resolution violates the laws or the AOA, the shareholders may appeal to the court to revoke the resolution, and the Taiwan Taipei District Court may be the jurisdictional court of first instance.	The Cayman courts cannot recognize and enforce a foreign judgment that is not a monetary award without re-examining the legal basis of the dispute at issue.	Article 56 of the AOA of the company clearly stipulates the protection of shareholders' equity listed on the left. However, this regulation is slightly different from the important matters listed on the left for the protection of shareholders' equity. The important matters for the protection

Differences	Cayman law and description	Memorandum and Articles of Corporation ("AOA") regulations and description
		of shareholders' equity listed on the left are actually the statutory provisions for rescission of the shareholder's right of appeal. Its legal effect cannot be achieved by the provisions of the AOA. It is necessary to have legal provisions to endow shareholders with the right of revocation of appeal. Although Article 56 of the Company's Articles of Corporation differs slightly from the provisions of the Cayman Islands law listed herein, the Articles of Corporation do not restrict the right of shareholders to bring legal proceedings or seek relief before the courts when the procedures for convening a shareholders' meeting or the method of adopting resolutions are in violation of the law or the Articles of Corporation. As to whether a court will accept such proceedings and whether the court that accepts the case will revoke the resolution of the shareholders' meeting in violation of the law or the Articles of Corporation, this shall be determined by the relevant court (whether in the ROC, the Cayman Islands, or another jurisdiction with competent authority) based on whether the applicable law grants shareholders the right to bring an action for revocation, and shall be adjudicated accordingly. These differences arise from the inherent nature of the shareholders' right of action for revocation; however, the Company's Articles of Corporation do not restrict the right of shareholders to bring legal proceedings or seek relief before the courts. This difference has no adverse impact on the Company's shareholders' equity.
For any of the following proposals materially involving shareholders' rights and interests, a resolution adopted by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares is required. If the total number of shares of shareholders present is less than the above-mentioned quota, it can be done with the consent of shareholders representing more than half of the total number of issued shares and more than two-thirds of the voting rights of shareholders present: 1. The company's signing of, amendment to, or termination of a contract in respect of lease of all business, appointment of an agent to operate business, or regular joint operation with a third party, assignment of all or major business or assets, assumption of all business or assets of a third party that may have a significant impact on the operation of the company 2. Amendment to the Articles of Corporation 3. If an amendment to the memorandum and AOA will jeopardize the rights and interest of preferred shareholders, the amendment is subject to approval of a preferred shareholders' meeting 4. Allocation of all or part of share dividends and bonuses through issue of new shares 5. Resolution on dissolution, merger or split-up 6. Share swap	The Companies Act of the Cayman Islands law requires special resolutions (including: Amendment to the memorandum and AOA, merger, reduction of capital, capital redemption reserve, voluntary dissolution due to reasons other than failure to pay off its debts when due), refers to the shareholders' meeting attended by shareholders representing more than one-half of the company's total issued shares, and a resolution made by "more than two-thirds of the voting rights" of the attending shareholders' voting rights (if the AOA provide for a higher number of voting rights, then the regulations) and cannot be adopted by a lower majority.	Article 2 of the company's AOA defines "special resolution" and "supermajority resolution". "Special Resolution" means a special resolution stipulated in the Companies Act of the Cayman Islands. "Supermajority resolution" refers to the presence of shareholders representing more than two-thirds of the total number of issued shares in accordance with Taiwan's company law, and the consent of more than half of the voting rights of the attending shareholders. If the total number of shares of shareholders present is less than the above-mentioned quota, it can be done with the consent of shareholders representing more than half of the total number of issued shares and more than two-thirds of the voting rights of shareholders present. The following matters have been listed as "supermajority resolution" in Article 52 of the company's AOA, However, certain matters should be subject to special resolutions in accordance with the provisions of the Companies Act of the Cayman Islands, and these matters cannot be made below the threshold for special resolutions in the Companies Act of the

Differences	Cayman law and description	Memorandum and Articles of Corporation ("AOA") regulations and description
		Cayman Islands, so they are also listed in Article 51 and Article 53 of the AOA. The difference above is limited by the provisions of the Cayman Law. The AOA of the company have separately specified the matters that require "supermajority resolution" and the statutory matters that require special resolutions in accordance with the Companies Act of the Cayman Islands. This difference is for the company's shareholders Interests shall not be adversely affected.
Chapter III. Authorities and Responsibilities of Members, Directors, and Supervisors		
If a director conducts business and has a major event that seriously damages the company or violates laws or regulations or the AOA, and the shareholders' meeting does not pass a resolution to remove him, shareholders holding more than 3% of the company's total issued shares may, at the shareholders' meeting Within 30 days thereafter, appeal to the court for dismissal, and the Taipei District Court in Taiwan may be the jurisdictional court of first instance.	The Cayman courts cannot recognize and enforce a foreign judgment that is not a monetary award without re-examining the legal basis of the dispute at issue.	The Cayman Court will not recognize and enforce foreign judgments that are not monetary payments without a substantive trial. Therefore, even if the following important matters for the protection of shareholders' rights and interests are included in the company's AOA, the judgment or ruling made by the Taipei District Court in Taiwan may not be recognized and enforced by the Cayman courts. In view of this, according to Article 91 of the company's AOA, within the scope permitted by the Cayman Law, the Taiwan Taipei District Court can be the court of first instance jurisdiction, so the difference should have no adverse impact on the company's shareholders' rights and interests.
Regulations on supervisors	The Companies Act of the Cayman Islands does not have a concept equivalent to a "supervisor". It is not clear how effective the establishment of a supervisor by the company's AOA is.	The company adopts the audit committee system and does not have a supervisor. Therefore, the important matters for the protection of shareholders' rights and interests listed on the left do not apply to the company.
1. A shareholder holding 1% or more of the Company's total issued shares for six consecutive months or longer may request in writing the supervisor to institute an action against the director on behalf of the Company, in which case the Taiwan Taipei District Court shall be the court of first instance. 2. In the absence of action initiated by supervisor after 30 days of a shareholder's request, the shareholder may initiate an action for the Company, in which case the Taiwan Taipei District Court shall be the court of first instance.	The Cayman courts cannot recognize and enforce a foreign judgment that is not a monetary award without re-examining the legal basis of the dispute at issue.	1. Since the company has not set up a supervisor, Article 92 of the AOA stipulates that qualified shareholders should request independent directors to file a lawsuit. 2. Since the Cayman court will not recognize and enforce a foreign judgment on non-pecuniary payments without a substantive hearing, even if this important matter of protecting shareholders' equity is included in the AOA, the judgment or ruling made by the Taipei District Court of Taiwan may not be recognized and enforced by the Cayman court. In view of this, Article 92 of the Company's AOA stipulates that, to the extent permitted by the Cayman Laws, the Taipei District Court of Taiwan may be the court of first instance, so the difference shall have no adverse effect on the shareholders' rights of the Company.

Differences	Cayman law and description	Memorandum and Articles of Corporation ("AOA") regulations and description
1. Directors of the company shall have the loyalty and shall exercise the duty of care as good administrators in conducting the business operation of the company. Director shall be liable for damages to the company in the event of a violation of the above. If the act was performed for themselves or others, the shareholders may resolve at a general meeting to treat the gains from the act as the gains of the company. 2. If directors have, in the course of conducting the business operations, violated any provision of the applicable laws and/or regulations and thus caused damage to any other person, the directors and the company shall be jointly and severally liable for the damages to the injured. 3. Within the scope of performance of their duties and functions, managers and supervisors of the company shall have the same liability as the directors of the company.	1. According to the Cayman law, if a director causes damage to a third-party during performance of company business, the third party may claim damages against the company, and the company may further claim compensation by the director for losses arising from the third-person claim. Despite of the fact that the AOA provides directors and the Company have joint and several liability, from the perspective of the Cayman law, the third party cannot directly claim against the director. 2. Managers generally have no fiduciary duties towards the company. Since the manager is not a party to the AOA, even if it is stipulated in the AOA, it will still have no enforcement power. The above-mentioned obligations should be agreed with the manager in the form of contract.	Article 79 of the Company's AOA has been amended according to the important matters on the protection of shareholders' rights listed on the left. However, under the Cayman Law, even if the company's AOA stipulate that the director should be jointly and severally liable to others and the company, there is no basis for a claim. Therefore, there may not be a basis for the director to directly sue for compensation. In addition, although Article 79 of the company's AOA has been stipulated that it is also applicable to the manager, according to the Cayman Law, it should still be agreed with the manager in the form of a contract. Therefore, if the manager's responsibility in this article is to be implemented, the company and the manager should still make a special agreement in the contract. This difference has no adverse impact on the company's shareholders' equity.

VI. Any Incidents with Material Impact on Shareholder Equity or Security Price as Described Under Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act in the Last Year and Up to the Print Date for the Annual Report: N/A

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