

Stock Code:2419



Hitron Technologies Inc.

2025 Annual Reports

Printed on March 31, 2026

The content of these annual reports and the relevant information of the Company can be found in the following website

Market Observation Post System (MOPS) <https://mops.twse.com.tw>

I. Names, positions, contact numbers and e-mail addresses of spokesperson and acting spokesperson

Spokesperson: Yang-Chih Chou

Position: President

Telephone No.: (03) 578-6658

E-mail Address: ir@hitrontech.com

Acting Spokesperson: Yu-Fa Hsu (Acting)

Position: Supervisor of Finance & Accounting Division

Telephone No.: (03) 578-6658

E-mail Address: ir@hitrontech.com

II. Addresses and Telephone Numbers of Headquarters, Subsidiary and Factory Plant

Headquarters: No. 1-8, Li-Hsin 1st Rd., Hsinchu Science Park

Phone: (03) 578-6658

Vietnam Plant: No.15, Road No.17, VSIP Hai Phong Township, Industrial and Service Park, Thuy Nguyen Ward, Hai Phong City, Vietnam

Phone: (0225)2299380

III. Name, Address, Website and Telephone Number of Stock Transfer Agent & Registrar

Name: Registrar Agency Department of Capital securities Corp.

Address: B2, 97, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City 106, Taiwan (R.O.C.)

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

Telephone No.: (02) 2702-3999

IV. Name, Accounting Firm, Address, Website and Telephone Number of CPAs

CPAs: Chun-Yuan Wu and An-Chih Cheng

Accounting Firm: KPMG Peat Marwick

Address: Taipei 101 Tower, 68F, No.7, Sec.5, Xinyi Road, Taipei 11049, Taiwan, R.O.C.

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

Telephone No.: 886-2-8101-6666

V. Overseas Trade Places and Related Information for Listed Negotiable Securities: None.

VI. Company Website: <https://www.hitrontech.com>

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One. Letter to Shareholders

Dear Shareholders:

In 2025, the market demand had not yet fully recovered, and the inventory liquidation remained insufficient. We experienced a decline in the markets of the United States, Europe, and Asia. Major operators and service providers continued to liquidate inventory, leading to a slowdown in shipments during the first half of the year. Although network and communication infrastructure projects were still being carried out in North America and Europe, there was no significant growth in the number of end users. In the Central and South American markets, alongside slowing demand, there's also pressure to reduce inventory. While revenue is up year-over-year, it hasn't translated into higher profits. In 2025, Hitron continued to reduce finished goods inventory. The total revenue for 2025 was NT\$8.88 billion, with a gross margin slightly lower than the previous year. From the perspective of each operating region, the North American market remains our largest revenue source, accounting for 75% of income. The Asia-Pacific region is second at approximately 12%. The CALA (Central and Latin America) region accounts for 10%, and Europe accounts for 3%.

In response to operators beginning to implement fiber-optic network infrastructure and the increasing demand for home broadband networks, we have accelerated our product deployment. As fiber-optic products are widely adopted and deployed by most telecom operators, MSOs have also begun leveraging the advantages of higher bandwidth and lower costs in fiber-optic products for regional network deployment. Hitron continues to develop 10G PON-related product solutions, following the adoption of our 10G fiber-optic ONU products by one of the two largest MSOs in the United States and the start of mass shipments. We have also entered the supply chain of operators in Canada and the Asia Pacific region. In addition, Hitron has launched 5G product solutions in the North American and European markets, providing 5G FWA mobile network solutions and combining home gateways to offer telecom operators a complete home broadband network service package. By integrating the latest DOCSIS 4.0 and WiFi7 products, we are not only deepening our presence in the existing MSO market but also expanding our product line by incorporating fiber-optic network ONU products, 5G FWA mobile network products, and WiFi7 wireless network gateways. This expansion will lead Hitron into the telecom operator market and create new business opportunities.

Through the integration benefits of the Group, we have gained better operational advantages, more competitive manufacturing costs, and improved manufacturing efficiency. At the same time, our procurement costs have also become more competitive. This year's goals include continuing to reduce inventory while leveraging the synergies of integration and strengthening cost competitiveness. Additionally, through the development of multiple new products, we aim to actively expand the market and accelerate the effectiveness of our transformation. In addition to the cable router DOCSIS-related product line, we are also developing multiple product lines such as fiber-optic and wireless routers, extenders, and more. To increase customer loyalty and market influence, we are actively developing software and cloud platform technologies, providing customers with a more comprehensive network hardware and software integration service and all-encompassing solutions. These solutions help customers integrate cable router DOCSIS, wireless networks, fiber-optic, 5G, and other products, and through the cloud-based home network management solution, offer end-users the best home broadband network services.

Financial Performance

Hitron's consolidated revenue for the year 2025 was NT\$8,880.24 million, a decrease of approximately 2% compared to NT\$9,088.22 million in the previous year. The consolidated gross margin for the year was 18.8%, a decrease of approximately 0.6% from 19.4% in the previous year. Operating expenses decreased by 1.5% compared to the previous year, and consolidated operating profit was NT\$133.19 million, a decrease of 47% from NT\$250.50 million in the previous year. The consolidated net loss attributable to the parent company was NT\$116.63 million, an increase of NT\$64.49 million compared to a net loss of NT\$52.14 million in the previous year. The basic earnings per share for 2025 was a net loss of NT\$0.36.

Technology Development

Hitron has been engaged in the broadband operator industry for the long term, actively collaborating with operator customers on early-stage technical partnerships. Through its excellent software and hardware integration capabilities, the Company can quickly respond to customer demands and proactively participate in the development and planning of various forward-looking broadband technologies. This allows Hitron to continue leveraging its technological leadership in the communications field.

In addition to its expertise in cable data transmission technology, Hitron is also actively deploying integrated product technologies, such as WiFi 6/6E/7 and 5G Small Cell. Using the most advanced data communication technologies, the Company has developed a range of high-end gateway devices that not only support wireless network standards like WiFi 7 but also integrate high-power SOC and IP voice technologies. These products are designed to meet all applications for broadband home services. As a result, the technology roadmap we must

consider needs to be broader and deeper, almost covering all new technologies. Additionally, we are actively investing in the development of products such as DOCSIS 4.0, WiFi 7, 5G mobile solutions, and 25G PON. At the SCTE Cable Tech EXPO in October 2025 and CES 2025, we exhibited advanced cable modem products such as DOCSIS 4.0 EMTA/Gateways and Meters, along with WiFi7 wireless gateways, 10G PON/XGSPON high-speed fiber products, and 5G FWA mobile communication routers. We anticipate that the phased rollout of these new products starting in 2026 will accelerate our business expansion in North America, Europe, and the Asia-Pacific region.

The global market share of Hitron Cable CPE shipments will remain around 12% in 2024. In 2025, global DOCSIS 3.1 CPE will continue to be the market mainstream, with its share of the overall cable market continuing to increase. DOCSIS 4.0 will also be gradually introduced to the North American market starting in 2026. In Central and South America, DOCSIS 3.0 will continue to be upgraded to DOCSIS 3.1, accelerating the replacement of DOCSIS 3.0 CPE. Simultaneously, demand for wireless networks will upgrade from WiFi 5 to WiFi 6, and DOCSIS 3.1 cable data gateways integrating WiFi 6 will become the primary product in Central and South America. Furthermore, GPON fiber network product gateways integrating WiFi 6 will also gradually become another key product for operators in Central and South America beginning in 2025. In addition, we have developed a Wi-Fi extender that supports Mesh functionality for Wi-Fi 6/6E/7, which can be integrated into Hitron's cloud service platform to provide users with a complete home broadband service. This also indirectly helps operators increase broadband subscription revenue per household, allowing Hitron's operator customers to add more value-added software services to their existing business models and network structures, thereby generating more revenue and profit.

In 2025, Hitron continued to see growth in the development of fiber-optic products, developing more 10G PON/XGSPON CPE (ONU). We also secured adoption from operators in Canada and Taiwan. Strategically, we are expanding our successful products from North America to Europe, the Asia-Pacific region (Taiwan MSO), and Central and Latin America, while also extending into the telecom operator market.

In product development, Hitron focuses on providing network hardware and software integration services, as well as comprehensive solution strategies, to offer customers a wider range of differentiated products. We continue to invest more resources in software R&D to develop cloud management systems (Hitron Cloud). In addition to strengthening the support for human-machine interface apps, we are also enhancing the cloud-based GUI interface. In recent years, we have continued to collaborate with several world-renowned software service providers to launch more diversified services and have completed development of a new AI-Enabled Hitron Cloud management platform, and have introduced these services to operators in North America and Taiwan MSO. This allows more household users to utilize these services in various ways, thereby increasing operators' ARPU. We are able to integrate different WiFi products into our Hitron Cloud platform, allowing service providers to manage through the platform and view real-time online user data at any time. This enables operators to manage and serve customers more effectively. Additionally, user feedback in real time allows us to continuously improve the quality of our software services and offer better value-added services. Currently, over 800,000 users are using the Hitron Cloud solution every day.

Future Outlook

Looking back at 2025, although global demand for terminal devices slowed and network communication products continued inventory adjustments, with improvements in inventory and a gradual recovery in demand, it is expected that in 2026, the demand for network terminal devices will gradually increase. In addition, the rapid development of various smart applications, combined with the surge in AI application demand, has made network connectivity applications inevitable. These include integration of DOCSIS 3.1, DOCSIS 4.0, and WiFi 7 with WiFi Mesh functionality, RDK-B software platforms, home network security protection, and the integration of AI-Enabled Hitron Cloud and IoT applications, all of which have a pressing need for faster network speeds. This will drive the upgrade of network communication equipment and also promote the replacement and upgrading of terminal devices, including fiber access equipment, DOCSIS 3.x Cable and DOCSIS 4.0 products, and commercial network communication equipment.

Looking ahead to 2026, the operational outlook for Hitron is expected to continue the trend of market demand recovery observed in Q4 of 2024. We anticipate a return to growth in 2026. Based on current estimates, overall order visibility for next year has exceeded 80%, with customer demand for broadband terminal equipment in all regions remaining stable compared to last year. In addition to continuously developing new products to enhance our market share in the MSO market with a comprehensive and rich product portfolio, we are also actively developing the telecom operator market. At the same time, by leveraging the integration synergies within the group, we aim to expand our broadband market share through more optimized cost efficiency.

We wish you good health and best of luck.

Chairman: Wen-Fang Huang

Two. Corporate Governance

I. Information on Directors, General Manager, Deputy General Manager, Assistant Vice President and heads of Departments and Branches

1. Director Information

March 24, 2026

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Term	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding in the names of other persons		Selected Education, Past Positions & Current Positions at Non-profit Organizations	Selected Current Positions at Hirtrn and Other Companies (Note2)
							shares	%	shares	%	shares	%	shares	%		
Chairman	Republic of Cinal	Alpha Networks Inc.	-	2023.05.25	3	2020.02.03	200,000,000	62.24%	200,000,000	62.24%	-	-	-	-	EMBA, National Taiwan University Department of Economics, National Taiwan University Director, Qisda Optronics Corp.	Chairman, CFO & President, Alpha Networks Inc Director, Enrich Investment Corporation. Director, Transent Corporation Director, BenQ Foundation Chairman, Alpha Foundation Director, Alpha Networks (Hong Kong) Limited. Chairman, Alpha Networks, Inc. (USA) Chairman, Alpha Solutions Co., Ltd. Chairman, Alpha Technical Services Inc. (Note2)
		Representative Wen-Fang Huang	Female 51-60	2023.05.25	3	2020.04.30	-	-	-	-	-	-	-	-		
Director	Republic of Cinal	Alpha Networks Inc.	-	2023.05.25	3	2020.02.03	200,000,000	62.24%	200,000,000	62.24%	-	-	-	-	Technology Management Program, National Chengchi University EMBA, Thunderbird American Graduate School, U.S.A B.S., Electrical Engineering, National Cheng Kung University President, Qisda Corp.	Chairman & CFO, Qisda Corp Director, Darfon Electronics Corp. Chairman, DFI Inc Vice Chairman, Alpha Networks Inc Chairman, BenQ Medical Technology Corporation Chairman, Partner Tech Corp. Director, BenQ Materials Corp. Director, BenQ Corp. Director, Darly Venture Inc. Director, Darly2 Venture, Inc Director, Darly Consulting Corporation Director, BenQ Healthcare Consulting Corp. Director, BenQ Hospital Management Consulting (NanJing) Co., Ltd Director, NanJing BenQ Hospital Co., Ltd. Director, Suzhou BenQ Hospital Co., Ltd. Director, Qisda (Hong Kong) Limited. Director, BenQ BM Holding Corp. Director, BenQ BM Holding Cayman Corp. Director, Qisda (L) Corp. Director, Darly Venture (L) Ltd. Director, BenQ Foundation Director, Phoenix Innovation Investment Corporation. Director, PhoenixII Innovation Investment Corporation. Director, PhoenixIII Innovation Investment Corporation. Director, PhoenixIV Innovation Investment Corporation. Director, PhoenixVI Innovation Investment Corporation. Director, PhoenixVII Innovation Investment Corporation. Director, Dunpin No.1 Innovation Investment Co., Ltd. Director, Dunpin No.2 Innovation Investment Co., Ltd. Director, Dunpin No.5 Innovation Investment Co., Ltd. Director, InnoFund V Co., Ltd. Director, Industrial Technology Research Institute.
		Representative Chi-Hong Chen	Male 61-70	2023.05.25	3	2020.02.03	-	-	-	-	-	-	-	-		

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Term	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding in the names of other persons		Selected Education, Past Positions & Current Positions at Non-profit Organizations	Selected Current Positions at Hirtm and Other Companies (Note2)
							shares	%	shares	%	shares	%	shares	%		
Director	Republic of Cinal	Alpha Networks Inc.	-	2023.05.25	3	2020.02.03	200,000,000	62.24%	200,000,000	62.24%	-	-	-	-	MSEE, Polytechnic University Manager, Industrial Technology Research Institute. Assistant Vice President, Tecom Co., Ltd. President, Wireless Broadband Business Unit of Alpha Networks Inc.	President, Hitron Technologies Inc. Director, Alpha Foundation (Note2)
		Representative Yang-Chih Chou	Male 61-70	2023.05.25	3	2020.02.03	-	-	188	0.00%	-	-	-	-		
Director (Note1)	Republic of Cinal	Alpha Networks Inc. Representative Pei-Shun Chiu	- Male 51-60	2023.05.25	3	2020.02.03	200,000,000	62.24%	200,000,000	62.24%	-	-	-	-		
Director	Republic of Cinal	Alpha Networks Inc. Mei-Lan Liu	- Female 61-70	2023.05.25	3	2005.06.14	743,951	0.23%	548,951	0.17%	-	-	-	-	EMBA, National Chengchi University Department of International Business, Ming Chuan University Vice Chairman, Hitron Technologies Inc	Vice Chairma & President, Interactive Digital Technologies Inc. Director, Fiber Logic Communications, Inc. (Note2)
Independent director	Republic of Cinal	Lo-Min Chen	Male 61-70	2023.05.25	3	2017.06.13	-	-	-	-	-	-	-	-	Business Administration, National Chengchi University Global Executive Vice President of Diebold Nixdorf, Inc. (2009-2011) President, Asia Pacific Area of Diebold Nixdorf, Inc. (1998-2008) General Manager of Philips Electronics N.V China Group (1996-1998) General Manager of NCR China (1994-1996) Deputy General Manager of NCR Taiwan (1982-1993) Senior Consultant of Oki Electric Industry Co., Ltd. (2012-2015) Independent Director, Transcend Information. Inc. (2012-2024)	
Independent director	Republic of Cinal	Mao-Chao Lin	Male 71-80	2023.05.25	3	2020.02.03	-	-	-	-	-	-	-	-	Ph.D. from the University of Hawaii Professor in the Department of Electrical Engineering, National Taiwan University (1993-2025) Emeritus Professor, Department of Electrical Engineering, National Taiwan University (2024) Professor in Graduate Institute of Communication Engineering, National Taiwan University (1997-2025) Independent Director, Alpha Networks Inc. (2004-2021)	
Independent director	Republic of Cinal	Ta-Wei Lee	Male 51-60	2023.05.25	3	2023.05.25	-	-	-	-	-	-	-	-	M.S., Graduate School of Management Science, National Chiao Tung University B.S., Mechanical Engineering, National Taiwan University Chairman and General Manager, Shanghai Dun Zhi Information Consultation Co., Ltd. (2015-2021) General Manager, Topology Research Institute, China (2009-2015) Consultant, Topology Research Institute, China (2008)	

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Term	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding in the names of other persons		Selected Education, Past Positions & Current Positions at Non-profit Organizations	Selected Current Positions at Hirtm and Other Companies (Note2)
							shares	%	shares	%	shares	%	shares	%		
															Chief Representative (Mainland China), Benchmark Academy, Acer Foundation(2005-2006) President and Director (Mainland China), Third Wave Publishing Corp., Acer Group(2002-2005) Manager & Special Assistant to the President, Third Wave Publishing Corp., Acer Group(1996-2001) Industry Analyst & Project Manager, Market Intelligence Center (MIC), Institute for Information Industry(1992-1996) Lecturer of Technology Industry, IBF Investment Consulting Co., Ltd.(2021-2023)	

Note1: Pei-Shun Chiu, representative of corporate director, Alpha Networks Inc., resigned on May 28, 2025.

Note2: Please refer to the section “Summary of Affiliated Companies” in annual report.

Note3: Where the Chairman of the Board of Director and the President or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto must be disclosed: None

Note4: Any Executive, Director, or supervisor who is a spouse or relative within the second degree of kinship: None.

Substantial shareholders of the corporate shareholder

Name of corporate shareholders	Substantial shareholders of the corporate shareholders	
	Name	Shareholding Percentage (%)
Alpha Networks Inc. (Note1)	Qisda Corporation	54.60%
	Darly Consulting Corporation	2.35%
	Darly Venture Inc.	2.26%
	Darly2 Venture Inc.	0.77%
	JPMorgan Chase Bank is entrusted with the custody of Advanced Starlight Fund Corporation's series of funds Advanced Aggregate International Stock Index	0.61%
	JPMorgan Chase Bank N.A. Taipei Branch in custody for Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds	0.54%
	The investment account of Arcadia Emerging Markets entrusted by HSBC (Taiwan) Commercial Bank Co., Ltd.	0.48%
	Citi (Taiwan) Commercial Bank is entrusted with the custody of Berkeley Capital Securities Co., Ltd. — Berkeley Capital Securities Co., Ltd. SBL/PB Investment Account	0.47%
	HSBC Bank (Taiwan) Co., Ltd. is entrusted with the custody of Goldman Sachs International Investment Account	0.43%
	J.P. Morgan Securities LLC Investment Account custody of J.P. Morgan Chase Bank, Taipei Branch	0.39%

Note1 : Source of information for Alpha Networks Inc. is recorded as of the book closure date of Alpha Networks Inc. on March 29, 2025

Substantial shareholders of corporate shareholders who are the substantial shareholders of the Company's corporate shareholders.

Name of institutional shareholders	Substantial shareholders of the corporate shareholders	
	Name	Shareholding Percentage (%)
Qisda Corporation (Note1)	AU Corporation	12.20%
	ACER INCORPORATED	4.21%
	Taishin International Bank entrusted with the Qisda Corporation Employee Stock Ownership Trust Account	3.89%
	Konly Venture Corp.	2.60%
	Darfon Electronics Corp	2.07%
	Chunghwa Post Co., Ltd	1.39%
	Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	0.99%
	Polunin Developing Countries Fund, LLC	0.95%
	Vanguard Emerging Markets Stock Index Fund, a Series Of Vanguard International Equity Index Funds	0.92%
	JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	0.89%
Darly Consulting Corporation (Note 2)	Darly 2 Venture, Ltd.	54.89%
	Darly Venture Inc.	45.11%
Darly Venture Inc. (Note 2)	Qisda Corporation	100%
Darly 2 Venture, Ltd. (Note 2)	BenQ Corp.	100%

Note 1: Source of information for Qisda Corporation is recorded as of the book closure date of Qisda Corporation on March 31, 2025.

Note 2: Source of information for Department of Commerce, MOEA.

Professional qualifications and independence analysis of directors

Name Condition	Key board qualifications, expertise and attributes	Meet conditions of independence (Note2)	Number of other public companies in which the individual is concurrently serving as an independent director
<p>Chairman Alpha Networks Inc. Representative: Wen-Fang Huang</p>	<p>Ms. Wen-Fang Huang holds an Executive MBA degree from National Taiwan University (NTU). Having previously served as General Manager of the Network & Communication Business Group at Qisda Corporation, she is currently the Chairperson, CEO, and General Manager of Alpha Networks and the Chairperson of IDT. With extensive experience in product management across diverse markets and product lines, she possesses robust analytical and managerial expertise in corporate governance, business, marketing, and industrial technology.</p>	<p>Not applicable</p>	<p>0</p>
<p>Director Alpha Networks Inc. Representative: Chi-Hong Chen</p>	<p>Mr. Chi-Hong Chen holds a Master of International Management (MIM) from the Thunderbird School of Global Management in the United States. With over 30 years of industry experience, he has held various leadership roles at Qisda Corporation, where he was responsible for R&D across diverse product lines and the management of several business units. He also served as General Manager of the Product Technology Center at BenQ Corporation. Leveraging his profound technical background and expertise in corporate governance, marketing, and the technology sector, he provides the Board of Directors with strategic insights and policy guidance on governance and operational management. Furthermore, he oversees the executive team in the formulation and implementation of robust business strategies to achieve the company's objectives.</p>	<p>Not applicable</p>	<p>0</p>
<p>Director Alpha Networks Inc. Representative: Yang-Chih Chou</p>	<p>Mr. Yang-Chih Chou holds a degree from MSEE, Polytechnic University. He served as Assistant General Manager of Tecom and General Manager of Wireless Broadband Business Unit at Alpha Networks, responsible for developing a number of broadband product development projects. He currently serves as the President of Hitron Technologies and possesses technical, marketing and industry technology skills.</p>	<p>Not applicable</p>	<p>0</p>
<p>Director Alpha Networks Inc. Representative: Pei-Shun Chiu (Note1)</p>	<p>Mr. Pei-Shun Chiu holds a master's degree from the University of Nebraska Lincoln. He joined Hitron Technologies in 2003 and has been in charge of product technology R&D and management for approximately 20 years. With nearly 30 years of experience in the industry, He currently serves as General Manager of the Research & Development Division at Alpha Networks Inc. and possesses a professional technical background, marketing and operational planning, business and management skills.</p>	<p>Not applicable</p>	<p>0</p>
<p>Director Mei-Lan Liu</p>	<p>Ms. Mei-Lan Liu received an EMBA degree from National Chengchi University and founded Hitron Technologies in 1986. She has accumulated more than 35 years of</p>	<p>Not applicable</p>	<p>0</p>

Name \ Condition	Key board qualifications, expertise and attributes	Meet conditions of independence (Note2)	Number of other public companies in which the individual is concurrently serving as an independent director
	experience in the industry. She is currently the Vice Chairperson and President of Interactive Digital Technologies Inc. and possesses expertise in industrial business and management, business, accounting analysis, and crisis management.		
Independent Director Lo-Min Chen	Mr. Lo-Min Chen holds a bachelor's degree in Business Administration from National Chengchi University, and served as an independent director of Transcend Information, Inc., the Global Executive Deputy General Manager of Diebold Nixdorf, Inc., and the President of Asia Pacific Region. He possesses analytical and management skills in industrial management, financial analysis, marketing, and industrial technology.	Compliant	0
Independent Director Mao-Chao Lin	Mr. Mao-Chao Lin received his Ph.D. from the University of Hawaii and used to be a professor at the Department of Electrical Engineering and the Institute of Telecommunications at National Taiwan University. He possesses engineering skills, academic ability and industrial technology required for the Company's business. He has served as an independent director in the relevant network industry.	Compliant	0
Independent Director Ta-Wei Lee	Mr. Ta-Wei Lee holds a master's degree in management science from the National Chiao Tung University. He served as the Chairman and President of the Shanghai Dun Zhi Information Consultation Co., Ltd., and the General Manager of Topology Industry Research Institute, China Region. He specializes in researching and analyzing the electronics and technology industry, with expertise in government relations in Mainland China, technology industry investments, strategic planning, and developing new business ventures.	Compliant	0

Note1: Pei-Shun Chiu, representative of corporate director, Alpha Networks Inc., resigned on May 28, 2025.

Note2: Independence

- (1) All meet the provisions of Article 3(1) of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.
 - (2) There is no circumstances specified in the government agency, juristic person or authorized representative specified in Article 27 of the Company Act.
 - (3) They don't provide any commercial, legal, financial, accounting or related services to the Company or any affiliate of the company in recent 2 years.
 - (4) There is no circumstances specified in the shares and shareholding ratio held by independent directors and their spouse or relative within the second degree of kinship (or in the name of others).
- Please refer to II. Information about directors, presidents, vice presidents, associate vice presidents, heads of departments and branches (I) Information about directors.

Note3: All the independent directors’s professional qualifications and experience meet the provisions of Article 2(1) of “Regulations Governing Appointment of Independent Directors and Compliance”.

Note4: All the directors don’t have any circumstances specified in Article 30 of the Company Act.

The Board of Director Diversity and Independence.

1. The Board of Director Diversity:

Article 20 of the Company’s “Corporate Governance Best Practice Principles” states that the diversification policy for board member composition. When planning the formation of the board of directors shall consider the appropriateness and diversity of the professional background of the board members and the nomination and the election of the board members were according to the Article of Incorporate under the candidates nominating system. Except assessing the education and experience qualification and also consider the opinion of stakeholders to ensure the Board members are qualified with the rules.

The composition of the board shall have the necessary knowledge, skill, and experience to perform their duties.

To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

- (1) Ability to make operational judgment.
- (2) Ability to perform accounting and financial analysis.
- (3) Ability to conduct management administration.
- (4) Ability to conduct crisis management.
- (5) Industrial knowledge.
- (6) International market perspective.
- (7) Ability to lead.
- (8) Ability to make decisions.

The composition of Board Members shall be determined by taking diversity into consideration and formulating an appropriate approach on diversity based on the company’s business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

- (1) Basic requirements and values: Age, gender, identity, and more.
- (2) Professional knowledge and skills: Professional background, professional skills, industry experience, and more.

2. The Company’s fulfillment of diversification of members of the Board of Directors in 2025 is as follows:

Title	Diversified Core Item	Basic Composition						Professional Background and Ability									
		Name	Nationality	Gender	Concurrently as the employees of the Company	Age			Terms of service of independent directors			Crisis Management and International Market Perspective	Business management	Industry or Technology	Leadership decision making	Making judgments about operation	Finance and Accounting
						41 to 60	61 to 80	81 to 90	Less than 3 years	3-9 years	Over 9 years						
Chairman	Wen-Fang Huang	Republic of China	Female		V						V	V	V	V	V		
Director	Chi-Hong Chen	Republic of China	Male			V					V	V	V	V	V		
Director	Yang-Chih Chou	Republic of China	Male	V		V					V	V	V	V	V		
Director (Note)	Pei-Shun Chiu	Republic of China	Male		V						V	V	V	V	V		
Director	Mei-Lan Liu	Republic of China	Female			V					V	V	V	V	V	V	V
Independent Director	Lo-Min Chen	Republic of China	Male			V			V		V	V	V	V	V	V	V
Independent Director	Mao-Chao Lin	Republic of China	Male			V			V		V		V				
Independent Director	Ta-Wei Lee	Republic of China	Male		V		V				V	V	V	V	V		

Note: Pei-Shun Chiu, representative of corporate director, Alpha Networks Inc., resigned on May 28, 2025.

11% of the Company's directors are employees, 33% are independent directors, while 22% are female directors. 2 independent director serves a term of 3-9 years and 1 independent directors serve a term of less than 3 years.

3. Specific Management Objectives

Management Objectives	Achievement
Number of Directors who concurrently serve as Company managers do not exceed one-third of all Directors	Achieved
At least two seats of Directors are females.	Achieved
Independent directors may not serve more than 3 terms.	Achieved

4. If the number of female directors is less than one-third of the total number of directors, specify the reasons and the measures to be taken to enhance the diversity of the Board of Directors.

Description of the current status:

Currently, among the members of the Board of Directors, less than one-third of the directorships are held by directors of either gender, which is 22.22%.

Analysis of the reasons:

The main reasons for the current condition include the following:

- (1) Industry characteristics: In the professional talent structure of the industry to which the Company belongs, the number of female high-level management personnel is relatively low.
- (2) Historical factors: The existing members of the Board of Directors are long-term business managers or highly experienced professionals, and the gender ratio fails to be adjusted in time.

Future plans and measures

In order to improve the diversity of the Board of Directors, the Company will adopt the following measures:

- (1) Cultivation of internal talents: Strengthen the professional competence of the internal female management to get prepared for future promotion to the Board of Directors.
- (2) Enhancement of external recruitment: Actively seek and invite external talents with professional backgrounds and in line with the diversity goals to join the Board of Directors.
- (3) Long-term goals: Set specific timelines and targets to ensure that the gender diversity ratio of directors gradually increases.

5. The Board of Director Independence:

The company currently has a total of 9 director, including 3 independent directors (accounting for 33% of the directors respectively), by the end of 2025, all independent directors meet the regulations of the Securities and Futures Bureau of the Financial Supervisory Commission for independent directors, and there is no relationship between the directors of a spouse or within the second degree of kinship. Therefore, there is no requirement of Article 26-3 of the Securities and Exchange Act. And the matter of item 4. In conclusion, the Board of Directors of the Company is Independent.

2. Documents of president, vice president, associate vice president and managers of each department and division

March 24, 2026

Title	Nationality or Place of Registration	Name	Gender	Date Appointed	Number of shares held		Shares held by spouse or underage children		Shareholding by Nominee Arrangement		Primary work or academic experiences	Position concurrently held in other companies (Note3)
					Number of shares	Shareholding Percentage (%)	Number of shares	Shareholding Percentage (%)	Number of shares	Shareholding Percentage (%)		
President	Republic of China	Yang-Chih Chou	Male	2024.03.01	188	0.00%	-	-	-	-	MSEE, Polytechnic University Manager, Industrial Technology Research Institute Assistant Vice President, Tecom Co., Ltd. President, Wireless Broadband Business Unit of Alpha Networks Inc.	Director, Alpha Foundation. (Note3)
Vice President (Note1)	Republic of China	Chih-Chien Huang	Male	2020.01.01	-	-	-	-	-	-	-	-
Supervisor, Finance & Accounting Division	Republic of China	Yu-Fa Hsu	Male	2017.11.10	30,656	0.01%	-	-	-	-	Master's Degree in Accounting of Tunghai University Section Manager of the Accounting Division of Neo Solar Power Corp. Manager of Accounting Division of Camel Precision Co., Ltd.	(Note3)

Note1: Chih-Chien Huang , resigned on January 20, 2025.

Note2: Where the Chairman of the Board of Directors and the President or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto must be disclosed: None

Note3: Only the positions of public companies are listed; Please refer to the section "Summary of Affiliated Companies" in annual report.

Note4: Managers who are spouse or relatives within the second degree of kinship: None

II Compensation of Directors, Supervisors, President, and Vice President

1. Compensation to Directors

December 31, 2025; Unit: NT\$ Thousand/ Thousands of Shares

Title	Name	Remuneration to Directors								Amount and ratio of Total Compensation(A+B+C+D) to Profit		Remuneration received by directors who is an employee of the Company								Amount and ratio of Total Compensation(A+B+C+D+E+F+G) to Profit(%)		Compensation from Affiliates Other than Subsidiaries
		Compensation (A)		Pension upon Retirement (B)		Director's Remuneration (C)		Business execution Expenses (D)				Salary, Bonuses, and Special expense (E)		Pension upon retirement (F)		Employee's remuneration (G)						
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements			
Chairman	Representative of Alpha Networks Inc.: Wen-Fang Huang	3,000	5,400	0	0	0	0	40	80	3,040 -2.61%	5,480 -4.70%	0	0	0	0	0	0	0	0	3,040 -2.61%	5,480 -4.70%	7,077
Director	Representative of Alpha Networks Inc.: Chi-Hong Chen	1,000	1,000	0	0	0	0	40	40	1,040 -0.89%	1,040 -0.89%	0	0	0	0	0	0	0	0	1,040 -0.89%	1,040 -0.89%	33,071
Director	Representative of Alpha Networks Inc.: Yang-Chih Chou	1,000	1,000	0	0	0	0	40	40	1,040 -0.89%	1,040 -0.89%	3,786	3,786	108	108	0	0	0	0	4,934 -4.23%	4,934 -4.23%	0
Director (Note1)	Representative of Alpha Networks Inc.: Pei-Shun Chiu	409	1,209	0	0	0	0	20	60	429 -0.37%	1,269 -1.09%	0	0	0	0	0	0	0	0	429 -0.37%	1,269 -1.09%	1,964
Director	Mei-Lan Liu	1,000	2,600	0	0	0	0	40	80	1,040 -0.89%	2,680 -2.30%	0	7,960	0	108	0	0	3,462	0	1,040 -0.89%	14,210 -12.18%	0
Independent director	Lo-Min Chen	1,600	1,600	0	0	0	0	40	40	1,640 -1.41%	1,640 -1.41%	0	0	0	0	0	0	0	0	1,640 -1.41%	1,640 -1.41%	0
Independent director	Mao-Chao Lin	1,300	1,300	0	0	0	0	40	40	1,340 -1.15%	1,340 -1.15%	0	0	0	0	0	0	0	0	1,340 -1.15%	1,340 -1.15%	0
Independent director	Ta-Wei Lee	1,300	1,300	0	0	0	0	40	40	1,340 -1.15%	1,340 -1.15%	0	0	0	0	0	0	0	0	1,340 -1.15%	1,340 -1.15%	0

1. The correlation between the policies, regulars, standards, and structure of the remuneration, and the responsibilities, risk and time undertook by the Independent Director:

The remuneration is determined by the participation and contribution in the operation of the Company while taking into consideration the performance of counterparts, all of which the Board meeting is authorized to resolve. However, the remuneration to independent directors may be slightly higher than the remuneration to non-independent directors.

2. In addition to the disclosure in the above table, in the most recent fiscal year, compensation received by Directors (e.g., serving as a consultant for a non-employee of the parent company/companies included in the financial statements/investment businesses): None.

Table of compensation ranges

Range of Remuneration for Directors	Name of director			
	Sum of the first 4 items (A+B+C+D)		Sum of the first 7 items (A+B+C+D+E+F+G)	
	The Company	All companies included in the financial statements (Note2)	The Company	All companies included in the financial statements (Note2)
Less than NTD\$1,000,000	Pei-Shun Chiu		Pei-Shun Chiu	
NTD\$1,000,000 (included) to NTD\$2,000,000 (excluded)	Chi-Hong Chen 、 Mei-Lan Liu 、 Yang-Chih Chou 、 Lo-Min Chen 、 Mao-Chao Lin 、 Ta-Wei Lee	Chi-Hong Chen 、 Pei-Shun Chiu 、 Yang-Chih Chou 、 Lo-Min Chen 、 Mao-Chao Lin 、 Ta-Wei Lee	Chi-Hong Chen 、 Mei-Lan Liu 、 Lo-Min Chen 、 Mao-Chao Lin 、 Ta-Wei Lee	Chi-Hong Chen 、 Pei-Shun Chiu 、 Lo-Min Chen 、 Mao-Chao Lin 、 Ta-Wei Lee
NTD\$2,000,000 (included) to NTD\$3,500,000 (excluded)	Wen-Fang Huang	Mei-Lan Liu	Wen-Fang Huang	
NTD\$3,500,000 (included) to NTD\$5,000,000 (excluded)			Yang-Chih Chou	Yang-Chih Chou
NTD\$5,000,000 (included) to NTD\$10,000,000 (excluded)	Alpha Networks Inc.	Alpha Networks Inc. 、 Wen-Fang Huang	Alpha Networks Inc.	Alpha Networks Inc. 、 Wen-Fang Huang
NTD\$10,000,000 (included) to NTD\$15,000,000 (excluded)				Mei-Lan Liu
NTD\$15,000,000 (included) to NTD\$30,000,000 (excluded)				
NTD\$30,000,000 (included) to NTD\$50,000,000 (excluded)				
NTD\$50,000,000(included) to NTD\$100,000,000 (excluded)				
More than NTD\$100,000,000				
Total	9 persons	9 persons	9 persons	9 persons

Note1: Pei-Shun Chiu, representative of corporate director, Alpha Networks Inc., resigned on May 28, 2025.

Note2: All consolidated entities in the consolidated financial statements (including the company)

2. Compensation for President and Vice Presidents

December 31, 2025; Unit: NT\$ Thousand

Title	Name	Salary (A)		Pension upon retirement (B)		Bonuses and Special expenses etc. (C)		Employee's remuneration (D)				Amount and ratio of Total Compensation(A+B+C+D) to Profit (%)		Compensation from Affiliates Other than Subsidiaries
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
President	Yang-Chih Chou	2,830	2,830	108	108	956	956	0	0	0	0	3,894 -3.34%	3,894 -3.34%	0
Vice President (Note1)	Chih-Chien Huang	132	132	5	5	0	0	0	0	0	0	137 -0.12%	137 -0.12%	0

Note1: Chih-Chien Huang , resigned on January 20, 2025.

Table of compensation ranges

Range of Compensation Paid to General Manager and Deputy General Managers	Names of General Manager and Deputy General Managers	
	The Company	All companies included in the financial statements (Note2)
Less than NTD\$1,000,000	Chih-Chien Huang	Chih-Chien Huang
NTD\$1,000,000 (included) to NTD\$2,000,000 (excluded)		
NTD\$2,000,000 (included) to NTD\$3,500,000 (excluded)		
NTD\$3,500,000 (included) to NTD\$5,000,000 (excluded)	Yang-Chih Chou	Yang-Chih Chou
NTD\$5,000,000 (included) to NTD\$10,000,000 (excluded)		
NTD\$10,000,000 (included) to NTD\$15,000,000 (excluded)		
NTD\$15,000,000 (included) to NTD\$30,000,000 (excluded)		
NTD\$30,000,000 (included) to NTD\$50,000,000 (excluded)		
NTD\$50,000,000 (included) to NTD\$100,000,000 (excluded)		
More than NTD\$100,000,000		
Total	2 persons	2 persons

Note2: All consolidated entities in the consolidated financial statements (including the company).

Compensation for the top five highest-paid executives

December 31, 2025; Unit: NT\$ Thousand

Title	Name	Salary (A)		Pension upon retirement (B)		Bonuses and Special expenses etc. (C)		Employee's remuneration (D)				Amount and ratio of Total Compensation(A+B+C+D) to Profit (%)		Compensation from Affiliates Other than Subsidiaries
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
President	Yang-Chih Chou	2,830	2,830	108	108	956	956	0	0	0	0	3,894 -3.34%	3,894 -3.34%	0
Supervisor, Finance & Accounting Division	Yu-Fa Hsu	1,761	1,761	105	105	631	631	0	0	0	0	2,497 -2.14%	2,497 -2.14%	0

3. Names of managers provided with employee's remunerations and state of payments

December 31, 2025; Unit: NT\$ (thousand)

Title	Name	Stock	Cash	Total	Ratio of total amount to the net income after taxes (%)
President	Yang-Chih Chou	0	0	0	0 %
Vice President (Note)	Chih-Chien Huang				
Supervisor, Finance & Accounting Division	Yu-Fa Hsu				

Note: Chih-Chien Huang , resigned on January 20, 2025.

4. Compare and describe the percentage of the total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to Directors, General Manager, and Deputy General Managers of the Company, relative to net profit after tax, and the correlation between policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and business performance and future risks.

(1) Analysis of the proportion of the total remuneration of Directors, General Manager and Deputy President of the Company paid by the Company and all companies in the consolidated financial statement to net profit after tax in individual financial statements in the most recent two years:

Title	2025		2024	
	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements
Director	(5.65)	(9.87)	(13.79)	(23.29)
Independent director	(3.71)	(3.71)	(8.29)	(8.29)
President and Vice President	(3.46)	(3.46)	(15.01)	(15.01)

(2) The remuneration policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation of remuneration to business performance and future risks.

A. The remuneration of the directors of the company is paid by the board of directors in accordance with the authorization of the company's articles of association, according to the director's participation in the company's operation and contribution value, and with reference to the "Remuneration Regulations for Directors and Functional Committee Members" stipulated by the domestic and foreign industry standards. If the company has a surplus, the board of directors may, in accordance with the provisions of Article 29 of the company's articles of association, decide on the remuneration of directors for the current year within 1% of the profit for the current year. The company regularly evaluates the remuneration of directors in accordance with the "Measures for the Performance Evaluation of the Board of Directors", and the relevant performance evaluation and the rationality of the remuneration have been reviewed and approved by the Remuneration Committee and the Board of Directors.

B. The company's managers' remuneration, according to the relevant regulations on remuneration management, handles various work allowances and bonuses to show compassion and reward employees for their hard work at work. Relevant bonuses also depend on the company's annual operating performance, financial status, operation. In addition, if the company makes a profit in the current year, it will allocate more than 5%~20% as employee compensation in accordance with the provisions of Article 29 of the company's articles of association. The performance evaluation results implemented by the company in accordance with the "Performance Management Regulations" are used as a reference for the issuance of managers' bonuses. The performance evaluation items for managers are divided into one. Financial indicators: 1. According to the company's management profit and loss report, each business group department has Distribution of profit contribution, and considering the achievement rate of managers' goals; 2. Non-financial indicators: the practice of the company's core values, operational management capabilities, and participation in sustainable operations. Review the remuneration system in a timely manner according to the actual operating conditions and relevant laws and regulations.

III. Implementation of Corporate Governance

1. Operations of the Board of Directors

The Company had convened 4 Board of Director meetings in 2025 with the following attendance:

Title	Name	Number of actual attendance	Number of proxies attendance	Actual attendance rate (%)	Remarks
Chairman	Alpha Networks Inc. Representative: Wen-Fang Huang	4	0	100	
Director	Alpha Networks Inc. Representative: Chi-Hong Chen	4	0	100	
Director	Alpha Networks Inc. Representative: Yang-Chih Chou	4	0	100	
Director (Note)	Alpha Networks Inc. Representative: Pei-Shun Chiu	2	0	100	
Director	Mei-Lan Liu	4	0	100	
Independent director	Lo-Min Chen	4	0	100	
Independent director	Mao-Chao Lin	4	0	100	
Independent director	Ta-Wei Lee	4	0	100	

Note: Pei-Shun Chiu, representative of corporate director, Alpha Networks Inc., resigned on May 28, 2025.

Other items that shall be recorded:

- A. When one of the following situations occurred to the operations of the Board, state the date and term of the Board meeting, content of proposals, opinions of all Independent Directors and the Company's actions in response to the opinions of the Independent Directors:
- (1) Matters included in Article 14-3 of the Securities and Exchange Act: regulations from Article 14-3 are not applicable since the Company has already established an Audit Committee. For explanations on matters stipulated in Article 14-5 of the Securities and Exchange Act, please see Operations of the Audit Committee.
 - (2) In addition to the aforementioned matters, any other resolutions from the Board of Directors where an Independent Director expressed a dissenting or qualified opinion that has been recorded or stated in writing: None.
- B. For the recusal of Director(s), the name(s) of Director(s), the content of the resolution, the reason for recusal and the participation of voting for the resolution:

Date of Board Meeting	Name of Directors	Content of the Proposal	Reasons for Abstentions	Participation in Voting
2025.02.26	Chi-Hong Chen Mei-Lan Liu	To lift non-competition restrictions on current directors and their representatives.	Directors who are Lifted non-competition restrictions on	Did not participate in discussion or voting
	Yang-Chih Chou	Proposed the 2025 salary compensation indicators for senior managers	Concurrently serve as a manager of the Company	
	Yang-Chih Chou	Proposed the 2025 Bonus and Salary Adjustment Policy Discussion for Senior Managers.	Concurrently serve as a manager of the Company	
2025.04.30	Yang-Chih Chou	ESG-Linked Executive Compensation Structure Proposal	Concurrently serve as a manager of the Company	

C. Implementation Status of Board Evaluations

The Board of Directors approved the “The Rules for Performance Assessment of the Board of Directors” on May 3, 2019, and approved the amendment on November 4, 2020, which stipulated the requirements of commencing performance appraisal to the Board and the Board members at least once per annual period. That at least one board of directors’ performance evaluation shall be conducted by an external professional independent institution or external expert and scholar team every three years.

(1) The Company had completed the performance appraisal to the Board, the Board members and two Functional Committees by the end of 2025 and reported at the Board meeting in February of 2026, that is “excellent”, which indicated the efficient and good operation by the Board.

(2) The Company has entrusted an independent evaluation institution, Taiwan Corporate Governance Association in 2018, to evaluate the performance of the board of directors of the Company. The evaluation was conducted with respect to eight main aspects: the composition, guidance, authorization, supervision, communication, self-discipline, internal control, risk management and other (ex: board’s meeting and Support system, etc.) of the board of directors. The evaluation method includes online self-evaluation, written review of relevant documents, and a field survey that was conducted in July, 2023. The subjects of the evaluation included the chairperson, two independent directors, the president, the corporate governance officer and the Internal auditing officer. And Board meeting to report the evaluation results in October, 2023.

(3) Implementation status:

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation items
Annually	2025.01-2025.12	Board and Board members	Internal Self-Evaluation made by the Board and Board members	<ol style="list-style-type: none"> 1. Alignment of the goals and missions of the company 2. Participation in the operation of the company 3. Management of internal relationship and communication 4. Improvement of the quality of the board of directors' decision making 5. Composition and structure of the board of directors 6. Awareness of the duties of a director 7. Election, professionalism and continuing education of the directors 8. Internal control
		Audit Committee	Internal Self-Evaluation made by Audit Committee	<ol style="list-style-type: none"> 1. Participation in the operation of the company 2. Awareness of the duties of Audit Committee 3. Improvement of quality of decisions made by Audit Committee 4. Makeup of Audit Committee and election of its members 5. Internal control
		Remuneration Committee	Internal Self-Evaluation made by Remuneration Committee	<ol style="list-style-type: none"> 1. Participation in the operation of the company 2. Awareness of the duties of Remuneration Committee 3. Improvement of quality of decisions made by Remuneration Committee 4. Makeup of Remuneration Committee and election of its members
Every three years	2022.06-2023.05	Effectiveness of the Board of Directors	The evaluation institution paper review and field survey	The eight main aspects: the composition, guidance, authorization, supervision, communication, self-discipline, internal control, and risk management of the board of directors

D. Targets for strengthening the functions of the Board of Directors in the current and the most recent year (e.g., setting up an Audit Committee and enhancing information transparency) and evaluation of target implementation:

- (1) In accordance with Rules and Procedures of Board of Directors Meetings, the Board of Directors established a Compensation Committee in 2011 and Audit Committee in 2017, to assist the Board in executing its duties and enhance corporate governance and strengthen information transparency.
- (2) Members of the Board of Directors have participated in various corporate governance courses. Lecturers have also been arranged to hold courses to strengthen the competency of the Board members.
- (3) Meetings of Hitron Board shall be convened at least once per quarter. All members of the Board shall exercise the due care of a good administrator and bear fiduciary duty to manage exercise their powers with a high degree of self-discipline and prudence under the guidance of optimization of Shareholders' interest.

2. Operation of the Audit Committee

The Company had convened 4 (A) Audit Committee meetings in 2025 with the following attendance:

Title	Name	Attendance in Person	Number of times attended by proxy	Attendance Rate (%)	Remark
Independent director (Converner)	Lo-Min Chen	4	0	100	
Independent director	Mao-Chao Lin	4	0	100	
Independent director	Ta-Wei Lee	4	0	100	

Other items that shall be recorded:

A. If any of the following matters occurs during the operation of the Audit Committee, the dates, terms, contents of the proposal of the Board meetings, the opinions of all Independent Directors and the responses by the Company shall be clearly described:

(1) Matters included in Article 14-5 of the Securities and Exchange Act: (Please see Two. Corporate Governance Report – Material Resolutions from the Shareholders' Meeting and the Board of Directors of the Annual Report):

All resolutions have been approved with the consent of one-half or more of all Audit Committee members before a resolution has been reached at the Board meeting. There were no resolutions which had not been approved with the concurrence of one-half or more of all Audit Committee members but were undertaken upon the consent of two-thirds or more of all directors.

(2) Except the items in the preceding issues, other resolutions which had not been approved with the concurrence of one-half or more of all Audit Committee members but were undertaken upon the consent of two-thirds or more of all directors: None.

II. For the implemtnation of Directors' avoidance due to conflicts of interest of Directors, please clearly specify the names of Directors, the content of the proposals, the reasons of avoidance due to conflicts of interest and the participation in the voting amd resolution: None.

III. Communication between Independent Directors, the Internal Audit Director and CPAs (the major issues, methods and results of the Company's financial and business conditions shall be described in details):

(1) In addition to the monthly internal audit report, the Independent Directors also receive a quarterly internal audit report (including the audit report at the period and the follow-up audit report after the period, etc.) at the Audit Committee meetings. If there are special circumstances, they can timely report back to the Audit Committee. In 2025, no special circumstances were noted.

(2) The CPAs will report the audit results of the quarterly financial reports at the quarterly Audit Committee meetings and communicate any regulatory matters. If special circumstances arise, they will timely report to the Audit Committee. In 2025, no special circumstances were noted. The communication between the Audit Committee and CPAs remains effective.

Summary of Communication of Independent Directors and the Internal Audit Officer in 2025.

Date	Meeting	Key points of communication	Recommendations and Corrections
2025.02.26	Audit committee	1.October-December 2024 audit operation focus report and post-session follow-up audit explanation. 2.2024 internal control system declaration and selfevaluation execution result report. 3.Approved the amendments to “Internal Control System.”	None
2025.04.30	Audit committee	January-March 2025 audit operation focus report and post-session follow-up audit explanation.	None
2025.07.31	Audit committee	April-June 2025 audit operation focus report and post-session follow-up audit explanation.	None
2025.10.28	Audit committee	1.July-September 2025 audit operation focus report and post-session follow-up audit explanation. 2.To approve the 2026 annual internal audit plan	None

Summary of Communication Status of Independent Directors with CPAs in 2025

Date	Meeting	Key points of communication	Recommendations and Corrections
2025.02.26	Audit committee	2024 annual financial report audit result report	None
2025.04.30	Audit committee	1.2025Q1 financial report audit result report 2.Important regulation updates	None
2025.07.31	Audit committee	1.2025Q2 financial report audit result report 2.Important regulation updates	None
2025.10.28	Audit committee	1.2025Q3 financial report audit result report 2.2024 Audit Quality Indicators (AQIs) 3.Important regulation updates	None

IV. Annual Operation Highlights and State of Operation

(I) Annual Operation Highlights

1. Review on the Financial statements and communication on the key audit matters
2. Periodically communicating the audit report results with the internal audit officer according to the annual audit plan.
3. Enacted of laws and regulation and compliance
4. Reviewing the regulations of assets, derivatives, funds, loans, and endorsements and guarantees, and the transactions of major assets, fund loans and endorsements and guarantees.
5. The engagement or dismissal of an attesting CPA, or the compensation given thereto.
6. Evaluate the independence of CPAs in providing audit and non-audit services.
7. Control of existing or potential risks in the company. (In accordance with the company's Risk Management Policies and procedures)

(II)2025 operations: Proposals of the Audit Committee meetings have all been reviewed or approved by members of the Audit Committee with no dissent from any of the Independent Directors.

(III) Implementation of Corporate Governance, and Differences with Contents of Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons:

Assessment criteria	Actual governance			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
I. Has the Company established and disclosed its corporate governance principles based on the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?"	V		In accordance with "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies", the Company has established "Corporate Governance Best-Practice Procedures" and make relevant disclosure on Market Observation Post System and the Company website: https://www.hitrontech.com .	No differences.
II. Shareholding structure and shareholders' interests (I) Has the Company implemented a set of internal procedures to handle Shareholders' recommendations, queries, disputes, and litigations? (II) Is the Company constantly informed of the identities of its major Shareholders and the ultimate controller? (III) Has the Company established and implemented risk management practices and firewalls for companies it is affiliated with? (IV) Has the Company established internal policies that prevent insiders from trading securities against non-public information?	V		(I) The Company has appointed a spokesperson and an acting spokesperson, and set up an investor section on the website for the contact information to handle shareholders' suggestions, questions, disputes and litigation matters. (II) In addition to obtaining shareholder information from the stock transfer book during the closing period and timely monitor the change of shareholding of major Shareholders, the Company makes a monthly declaration on the shareholding of internal personnel in accordance with the Securities and Exchange Act, Article 25. (III) The Company has established procedures to govern the management of affiliated companies in its internal control system. Moreover, the Company has also established "Procedures for Transactions with Specified and Affiliated Companies", implementing risk control and firewall mechanism. (IV) The company has established the " the Ethical Corporate Management Policies" and " Ethical Corporate Management Best Practice Principles of Employees" and " Procedures for Handling Material Inside Information " to regulate the use of undisclosed information on the market by insiders to buy and sell securities.	No differences.
III. Composition and responsibilities of the Board of Directors (I) Has the Board of Directors formulated a diversity policy, specific management objectives and implement them? (II) Apart from the Compensation Committee and Audit Committee, has the Company assembled other functional committees at its own discretion? (III) Has the Company established Self-Evaluation or Peer Evaluation of the Board of Director? Is regular performance evaluation conducted, at least once a year,	V		(I) For the formulation and implementation of the Company's policy on diversity of board members, please refer to the chapter on diversity and independence of the board of directors (II) Hitron has established the Risk Management Committee. For more details on the operations, please see the Hitron website. On the other hand, although the Company does not establish the Nomination Committee, it adopts the candidate nomination system for the election of the directors (including independent directors) in terms of practical operations. The candidate list of the existing directors (including independent directors) shall be submitted by the shareholders holding more than 1% of the total number of outstanding Shares or by the Board of Directors. Meanwhile, the Board of Directors shall review and approve in advance the candidate list in accordance with the laws, and shall report to the regular shareholders' meeting for election. (III) On May 3, 2019, the Board of Directors of the Company passed the "Procedures for the Evaluation of the Board of Directors' Performance". For the performance evaluation method and implementation, please refer to the Implementation of the Board's Evaluation. According to the Article 29 of the Articles of Incorporate the	No differences.

Assessment criteria	Actual governance			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
<p>and the evaluation result is submitted to the Board to serve as a reference in determining the remuneration of individual Directors and a nomination for re-election?</p> <p>(IV) Does the Company assess the independence of external auditors regularly?</p>			<p>director's remuneration shall not exceed 1 %. The remuneration of directors and the consideration of nomination and re-appointed were set by the remuneration committee and Board of Directors in accordance of operational result, "Guidelines for compensating directors and members of functional committee", and the result of evaluation.</p> <p>(IV) The independence and suitability of the Company's CPAs are evaluated annually by the Audit Committee and the Board of Directors. In addition to requiring auditors to provide independence statements and Audit Quality Indicators (AQIs), the evaluation is conducted based on the criteria for auditor independence and 13 AQI indicators . Please refer to page 24 of the Annual Report Upon verification, it has been confirmed that apart from the fees for financial reporting and tax cases, there are no other financial interests or business relationships between the accountant and our company. The accounting firm (including the certifying accountant and the audit team members) also does not violate the requirements for independence. Referencing AQI indicator information, it is confirmed that the auditor and the firm have auditing experience comparable to peers, with training hours exceeding the industry average. The results of the most recent annual assessment were discussed and approved by the Audit Committee on October 28, 2025, and subsequently reported and passed by the board of directors on the same day.</p>	
<p>IV. Does the TWSE/TPEX listed company dedicate competent managers or a sufficient number of managers to take charge of corporate governance, and designate supervisors thereof to oversee the corporate governance affairs (including but not limited to providing information required for director/supervisor's operations, assisting the Board and Supervisors in legal compliance, convening Board/Shareholders' meetings in accordance with the law, applying for/changing company registry, and producing meeting minutes of Board/Shareholders' meetings)?</p>	V		<p>The Company appointed Yu-Fa Hsu as the Corporate Governance Officer by the approval of board of directors on March 16, 2021. He will be in charge of monitoring and planning of Corporate Governance and he is qualified by the criteria of Corporate Governance Supervisor stated on Paragraph 1, Article 3-1 of the Corporate Governance Best Practice Principles. The duties of Corporate Governance Officer includes furnishing information required for the business execution by directors and audit committee, updating information for newly revised laws and regulations and future revised trend to the directors and audit committee, assisting directors and audit committee compliance of law and regulations, report to the corporate governance committee and board of directors for the functioning of corporate governance, handling matters relating to board meetings and shareholders meetings, producing minutes of board meetings and shareholders meetings, assisting directors and member of audit committee to be appointed, continuous studies and etc.</p> <p>The implementation highlight of corporate governance in 2025 as follows</p> <ol style="list-style-type: none"> 1. Liabilities Insurance of the Company's directors and important employees and reported to the board of directors after completion of procedures. 2. 4 board of directors' meetings and 4 Audit Committee meetings were convened in 2025. 3. 1 Shareholders' Meeting was convened in 2025. 4. Board Members shall complete at least 6 credits of continuous courses. 5. After board of directors' meeting, responsible for verifying the announcements of significant information about important board resolutions in order to ensure the legality and accuracy of the significant information content and to ensure the propriety of the investor transaction information etc 6. Assist the independent directors and general directors in performing their duties and providing necessary information and arranging further education for directors. 7. A performance evaluation of the Board was conducted and the results were "Excellent". 8. The board of directors' performance evaluation has been conducted, and the evaluation result was ranked as excellent. Regarding the 11th term of 	No differences.

Assessment criteria	Actual governance		Summary description	Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No		
			Corporate Governance Evaluation of the Company, the result was 21-35% 9.In 2025, the training hours for corporate governance executives totaled 15 hours. Please refer to page 25 of the Annual Report for the complete information on the training courses.	
V. Has the Company established a means of communicating with its stakeholders (including but not limited to Shareholders, Employees, customers, suppliers, et cetera) or created a stakeholder section on the Company website? Does the Company respond to stakeholders' questions on corporate responsibilities?	V		The Company has established a stakeholder section on its website for communication with parties including investors, customers, suppliers and employees, so as to timely respond to corporate responsibilities issues that the stakeholders are concerned with.	No differences.
VI. Does the Company appoint the professional stock transfer agent to handle the affairs of the shareholders' meeting?	V		The Company has appointed the Registrar Agency "Department of Capital Securities Corp." to handle the affairs of the Shareholders' meeting.	No differences.
VII. Information disclosure (I) Has the Company established a website that discloses financial, business, and corporate governance-related information? (II) Does the Company adopt other avenues for information disclosure (e.g. setting up an English website, designating specific personnel to collect and provide disclosure on the Company, implementing spokesperson system, disclosing the process of institutional investor conferences on the Company website and et cetera)? (III) Does the Company publicly announce and file the annual financial reports within two months after the accounting year-end, and publicly announce and file the first, second and third quarterly financial reports and monthly operating status reports before the stipulated deadlines?	V		(I) Hitron has established the Investor Relations in its website in Chinese and English that discloses the information regarding financial or business operations as well as corporate governance. (II) The Company has a website in both Chinese and English, information collection and disclosure, the implementation of the spokesperson and deputy spokesperson system, and the presentation of institutional investor conferences are all placed on the Company's website. (III) On February 24, 2026, Hitron has publicly announced the consolidated and Standalone financial reports in 2025; the financial reports in 2025 Q1, Q2 and Q3, in addition to the monthly operating status will be publicly announced on the Market Observation Post System (MOPS) prior to the designated deadlines and then upload them to the Company's website.	No differences.
VIII. Does the Company have other important information for better understanding the Company's corporate governance system (including but not limited to interests and rights of Employees, care for Employees, investor relations,	V		1. Interests and rights of Employees care for employees: The Company has established the Staff Benefits Committee, in which members are elected by open ballot. The fund is allocated to the Committee as a benefit to promote various welfare activities for the employees. Further, a pension fund is appropriated in accordance with labor law regulations and regular meetings between the Management and labor representatives are held to ensure effective communication taking place. 2. Investor relations: The Company makes honest disclosure in accordance	No differences.

Assessment criteria	Actual governance			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
relations with suppliers, relations with interested parties, continuing education of directors and supervisors, execution of risk management policies and risk measuring standards, execution of customer policies, liability insurance for the Company's directors and supervisors)?			<p>with regulations to protect the basic rights and interests of the investors.</p> <p>3. Relations with suppliers: The Company maintains a long term and interactive relationship with its suppliers.</p> <p>4. Relations with interested parties: The Company has established a section for interested parties on its website to protect their relevant rights and interests.</p> <p>5. Continuing education of directors: The Directors have taken securities-related courses in accordance with regulations, and satisfy the number of training hours stipulated. Please refer to page 37-38 of the Annual Report</p> <p>6. Execution of risk management policies and risk measuring standards: The Company undertakes various risk management and assessment measures in accordance with major internal policies. In 2021, we set up the risk management committee and risk management policies for evaluating company risks and reducing corporate risks. Please see the company's website.</p> <p>7. Execution of customer policies: The Company maintains a stable and constructive relationship with its customers to create more profits for the Company.</p> <p>8. The Company purchases liability insurance for directors and managers, evaluates the insurance coverage regularly every year, and reports the directors' liability insurance renewal status to the board of directors.</p>	
<p>IX. Please describe improvements that have been made about the results of the corporate governance evaluation as prescribed by the Taiwan Stock Exchange Corporate Governance Center, as well as priorities and measures for matters that have yet to be improved.</p> <ol style="list-style-type: none"> The Company maintained its ranking in the top 21%-35% in the 2024 Corporate Governance Evaluation. Continue to deepen corporate governance, make the Company comply with international standards, and announce the annual financial statements before the end of February; and voluntarily provide financial statements in English quarterly to increase international visibility. After the annual evaluation results are announced, the Company will review the projects that have not yet met the standards and continue to improve to implement information disclosure and transparency, reduce information asymmetry and enhance shareholder's rights. 				

Accountant Independence Assessment Results:

Evaluation Items	Evaluation Results	Compliance with Independence Requirements
1. Does the CPA have direct or significantly indirect financial interest relationship with the Company	No	Yes
2. Does the CPA have financing or guarantee behaviors with the Company or the Company's directors	No	Yes
3. Does the CPA have close commercial relationship and potential employment relationship with the Company	No	Yes
4. Do the CPA and its audit team members act as director or manager or hold any other office having significant influence on audit in the Company currently or during the past two fiscal years	No	Yes
5. Has the CPA provided non-audit service items to the Company that might directly affect the audit	No	Yes
6. Does the CPA act as broker for the shares or other securities issued by the Company	No	Yes
7. Does the CPA act as defender for the Company or coordinate the conflict with other third parties for and on behalf of the Company	No	Yes
8. Does the CPA have the kinship with the Company's directors, managers or other personnel who have significant influence on the audit case	No	Yes

Corporate governance training undertaken by corporate governance personnel in 2025

Date of training	Organized by	Course title	Number of hours of continuing professional education
2025.05.02	Securities & Futures Institute	Prevention of Insider Trading 2025	3
2025.05.07	Taiwan Institute of Director	SAP NOW AI Tour Taiwan: Business AI – Powering the Future	3
2025.06.19	Taiwan Institute for Sustainable Energy	Global Supply Chain Labor Rights: Trends & Corporate Insights	3
2025.07.09	Taiwan Stock Exchange Corporation	2025 Cathay Sustainable Finance And Climate Change Summit	6
Accumulated hours of continuing professional education			15

(I) Composition, duties, and operations of the Company's Remuneration Committee:

1. Professional Qualifications and Independence Analysis of Compensation Committee Members

Position	Criteria		Meet conditions of independence	Number of other public companies at which the person concurrently serves as remuneration committee member
	Name	Key board qualifications, expertise and attributes		
Independent director (Convener)	Lo-Min Chen	Please refer to Professional qualifications and independence analysis of directors. (P.3-P.10)	In compliance with Articles 5 and 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange.	0
Independent director	Mao-Chao Lin			0
Independent director	Ta-Wei Lee			0

2. Responsibilities of the Remuneration Committee and key Annual Tasks

The Compensation committee shall faithfully perform the following duties with the due care of a prudent administrator and submit its recommendations to the board of directors for discussion:

- (1) Establish and periodically review the policies, systems, standards, and structures for performance evaluation and compensation of directors and managerial officers.
- (2) Regularly assess and determine the compensation of directors and managerial officers.

3. Information on the state of operation of the Compensation Committee

- (1) The Remuneration Committee of the Company consists of 3 members.
- (2) Term of appointment of the current Committee: May 25, 2023 to May 24, 2026. The Remuneration Committee held 3 meetings in 2025. The qualifications of the members are as follows:

Position	Name	Attendance in Person	By proxy	Attendance in Person (%)	Remarks
Convener	Lo-Min Chen	3	0	100	
Committee member	Mao-Chao Lin	3	0	100	
Committee member	Ta-Wei Lee	3	0	100	

Other notes:

- I. If the Board of Directors chooses not to adopt or revise recommendations proposed by the Remuneration Committee, the date of the Directors' Meeting, session, contents of proposals, results of meeting resolutions, and the Company's disposition of opinions provided by the Remuneration Committee shall be described in detail (also, where the salary and

compensation approved by the Directors' Meeting is better than that recommended by the Remuneration Committee, the differences and the reason for the approval shall be described in detail): None.

II. If the Board of Directors chooses not to adopt or revise recommendations proposed by the Remuneration Committee, the date of the Directors' Meeting, session, contents of proposals, results of meeting resolutions, and the Company's disposition of opinions provided by the Remuneration Committee shall be described in detail (also, where the salary and compensation approved by the Directors' Meeting is better than that recommended by the Remuneration Committee, the differences and the reason for the approval shall be described in detail): None.

III. Discussion from the Remuneration Committee in 2025 and up to the publication date of this annual report, resolutions, and ways the Company handled opinions from committee members:

Date of Compensation Committee Meeting	Content of resolution	Voting result of resolution	Response of the Company toward the opinion of Compensation Committee
2025.02.26	1. Proposed the 2025 salary compensation indicators for senior managers. 2. Proposed the 2025 Bonus and Salary Adjustment Policy Discussion for Senior Managers.	Convener of the Remuneration Committee consulted the opinion of all attending remuneration committee members.	The proposal was approved without dissent and submitted for resolution at the Board meeting.
2025.04.30	ESG-Linked Executive Compensation Structure Proposal		
2025.10.28	2025 Executive Salary Adjustment Report	No Discussion required.	None

(V) Implementation of the promotion of sustainable development and the differences and reasons for the code of practice for sustainable development of listed OTC companies.

Assessment criteria	Actual governance			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
I. Has the company constructed a governance structure to promote sustainable development and established a dedicated (part-time) unit for the promotion of sustainable development, which is managed by senior management by authorization of the Board of Directors and is supervised by the Board of Directors?	V		The Company began to introduce a CSR Committee in 2019 and is committed to promoting CSR-related activities. In 2021, relevant departments were integrated to establish an ESG Committee for internal promotion. Based on the economic, social, and environmental aspects, the committee expanded environmental initiatives into "sustainable products," "sustainable operations," and "sustainable supply chains." Additionally, it included the social aspect of "social responsibility" and the economic aspect of "corporate governance," encompassing five major aspects to promote sustainable business-related projects. The committee also established management performance indicators for each aspect. The committee is chaired by General Manager Patrick Chiu, and the heads of each department serve as committee members. The secretary-general is responsible for coordinating and promoting cross-departmental corporate sustainability development affairs, convening regular meetings, reporting on performance indicators, and the progress of corporate social responsibility reports. Additionally, the committee reports annually to the board on material topic identifications and management outcomes, and the board reviews the ESG strategies and establishment of objectives each year, urging adjustments to the operating team when necessary. The 2025 execution status was reported in February 2026.	No differences.
II. Has the Company performed risk assessment pertaining to the environment, community and corporate governance issues related to the operation of the Company in accordance	V		We follow the materiality identification guidelines of the GRI Standards when conducting a risk evaluation. We regularly issue questionnaires to further understand material topics covering economic/governance, environment, society and health and safety aspects that concern stakeholders. Moreover, we review the meaning and impact of the material topics identified for the year, set annual	No differences.

Assessment criteria	Actual governance			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
<p>with the materiality principle, and established the corresponding risk management policies or strategies?</p> <p>III. Environmental issues</p> <p>(I) Has the Company developed an appropriate environmental management system, given the distinctive characteristics of its industry?</p> <p>(II) Is the Company committed to achieving efficient use of energy, and using renewable materials that produce less impact on the environment?</p> <p>(III) Has the Company assessed the present and future potential risks and opportunities posed by climate change to the Company and undertaken countermeasures pertaining to climate change?</p>			<p>management risk targets, review the targets, and disclose the results of the management targets. Please refer to the ESG section of the Company's website.</p> <p>(I) The Company takes various environmentally friendly actions, including reducing the use of energy resources, minimizing emissions of harmful substances, and maximizing the recycling of energy resources to achieve environmental sustainability. The environmental management system is formulated in accordance with the ISO 14001 international standard for environmental management systems to effectively manage non-compliance with environmental regulations in the Company's activities, processes, products, services, and other processes and to continuously improve environmental management to ensure compliance with ISO 14001 environmental management system and RoHS requirements.</p> <p>(II) The Company continues to improve the efficiency of environmental pollution prevention and energy use, and design and manufacture of green products to minimize their impact and damage on the environment while taking into account the needs of stakeholders, environmental considerations and efficient use of energy, and at the same time, comply with EU RoHS, WEEE, and other directives, and continue to promote the improvement of product performance to meet the requirements of the EU ErP directive. We adopt the Life Cycle Thinking (LCT) concept in the product development stage, gradually include the green design concepts, and make adjustments in line with the updates of international environmental protection laws and regulations at any time. All products comply with relevant product requirements.</p> <p>(III) The Company discloses the risks and opportunities brought about by climate change in accordance with the Task Force on Climate-Related Financial Disclosures, and evaluates the potential impact and financial impact on the enterprise, and takes relevant countermeasures to strengthen the Company's ability to adapt to climate change. Please refer to the ESG section on the Company's website.</p>	

Assessment criteria	Actual governance			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons												
	Yes	No	Summary description													
(IV) Has the Company measured its greenhouse gas emission, water use, and the total weight of waste for the past two years, and established policies pertaining to energy conservation, reduction in carbon and greenhouse gas emission, reduction in water use, or management of waste disposal?	V		<p>(IV) Since 2010, the Company has established the ISO 14064-1 Greenhouse Gas Inventory System. Through the annual inventory, the Company aim to achieve the greenhouse gas reduction target through annual inventory and energy-saving measures. The statistics of greenhouse gas emissions, water consumption, power consumption, and total weight of waste in the past two years are shown below:</p> <p>i. Greenhouse Gas Emissions (metric tons): (Including HT& HSZ) (Scope 3~6 includes only downstream transportation, purchased goods/services, and waste disposal.)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Scope 1 Direct Emissions</th> <th>Scope 2 Energy Indirect Emissions</th> <th>Scope 3-6 Other Indirect Emissions</th> </tr> </thead> <tbody> <tr> <td>2025</td> <td>70.1024</td> <td>680.8830</td> <td>312.1270</td> </tr> <tr> <td>2024</td> <td>67.2941</td> <td>609.7696</td> <td>132.6791</td> </tr> </tbody> </table> <p>GHG Reduction Measures: To reduce the impact of energy consumption on global warming, Hitron is committed to reducing greenhouse gas emissions. To reduce greenhouse gas emissions, we save energy through the following methods:</p> <p>a. Energy conservation through lights: We gradually replaced traditional lamps with energy-saving LED ones at the plants; adopted smart lights for the parking lots.</p> <p>b. Energy conservation through air-conditioning: We improved the efficiency of the main equipment of air conditioners; increased the temperature of water used by air conditioners.</p> <p>c. Energy conservation awareness raising: On Earth Day on April 22, we turned off the lights for one hour to motivate people to turn off the lights during lunch breaks and when the lights were not being used.</p> <p>ii. Water consumption (m3) To implement sustainable water management, all operating sites strictly monitor tap water consumption and rely exclusively on municipal water supply, with zero groundwater extraction. No industrial wastewater is generated during operations; only domestic sewage is discharged. All water quality tests comply with local sewage connection standards to ensure environmental friendliness.</p> <p>Water Policy: To fulfill our responsibility for water resource protection, we actively promote water conservation and treat every drop with care.</p> <p>Water Conservation Measures:</p> <p>a. Zero-Leakage Management Prioritizing the monitoring of HVAC and chilled water circulation pipelines to prevent hidden leaks. A rapid-response mechanism is in place: cleaning staff conduct routine inspections of domestic water facilities, ensuring that any abnormalities are immediately reported and repaired by the Facilities Department.</p> <p>b. Operational Optimization Adjusting air conditioning operations based on ambient climate conditions. By raising temperatures or deactivating systems during cooler periods, we reduce cooling tower loads at the source, thereby minimizing water consumption.</p> <p>c. Promoting Water Conservation Enhancing employee awareness of water-saving practices through periodic training sessions and internal communications. Our goal is to foster a culture of self-management and collaborate in</p>	Year	Scope 1 Direct Emissions	Scope 2 Energy Indirect Emissions	Scope 3-6 Other Indirect Emissions	2025	70.1024	680.8830	312.1270	2024	67.2941	609.7696	132.6791	No differences.
Year	Scope 1 Direct Emissions	Scope 2 Energy Indirect Emissions	Scope 3-6 Other Indirect Emissions													
2025	70.1024	680.8830	312.1270													
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Assessment criteria	Actual governance			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons																		
	Yes	No	Summary description																			
			<p>creating a water-efficient workplace. Water Consumption Performance: (Including HT, HSZ&HVN)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Total water consumption</th> </tr> </thead> <tbody> <tr> <td>2025</td> <td>4,700</td> </tr> <tr> <td>2024</td> <td>26,035</td> </tr> </tbody> </table> <p>Note: Due to a shift in corporate operational strategy, HVN's manufacturing operations were transferred to Alpha Networks. Consequently, total water consumption in 2025 decreased by 81% compared to 2024.</p> <p>Management Targets: With 2021 as the base year, we aim to reduce annual per capita domestic water consumption by 1%~3% year-over-year. Furthermore, we are committed to maintaining exclusive use of municipal surface water and achieving zero groundwater extraction across all operating sites.</p> <p>iii. Total weight of waste (metric tons) Waste Management Policy: Upholding the principles of resource recycling and reuse, the Company implements the 3R framework (Reduce, Reuse, Recycle). Through effective source management, we aim to minimize resource waste and ensure that all operational waste is handled in a legal and appropriate manner. We are committed to maximizing waste diversion rates to reduce our environmental footprint.</p> <p>Waste Reduction Measures: a. Sustainable Procurement: Continuously promote green purchasing to align with environmental sustainability goals and minimize environmental hazards. b. Single-Use Plastic Reduction: Encourage employees to bring their own reusable tableware and cups, and prohibit the use of single-use plastic products. c. Ensure proper waste separation to enable resource circulation.</p> <p>Waste Recovery and Reuse Performance: (Including HT&HVN)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Non-recyclable waste</th> <th>Recyclable waste</th> <th>Percentage of recyclable waste</th> </tr> </thead> <tbody> <tr> <td>2025</td> <td>21.46</td> <td>3.596</td> <td>14.35%</td> </tr> <tr> <td>2024</td> <td>97.856</td> <td>166.001</td> <td>62.91%</td> </tr> </tbody> </table> <p>Note: Due to a shift in corporate operational strategy, HVN's manufacturing operations were transferred to Alpha Networks. As a result, total water consumption in 2025 decreased by 77% compared to 2024.</p> <p>Management Targets: To actively promote a circular economy, we aim to increase the resource recovery rate to 15% by 2027. Furthermore, all industrial waste must be handled by qualified contractors to ensure effective resource circulation and utilization.</p>	Year	Total water consumption	2025	4,700	2024	26,035	Year	Non-recyclable waste	Recyclable waste	Percentage of recyclable waste	2025	21.46	3.596	14.35%	2024	97.856	166.001	62.91%	
Year	Total water consumption																					
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2025	21.46	3.596	14.35%																			
2024	97.856	166.001	62.91%																			
IV. Social Issues (I) Has the Company developed its policies and procedures in accordance with laws and the International Bill of Human Rights?	V		(I) The Company adheres to internationally recognized human rights standards, including the Universal Declaration of Human Rights (UDHR), the ILO Declaration on Fundamental Principles and Rights at Work, International Labour Conventions, and the Global Sullivan Principles. We have established our Human Rights Policy in alignment with the Responsible Business Alliance (RBA) Code of Conduct to uphold the rights of all personnel, while requiring our supply chain partners to comply with the same standards. Based on these guiding principles, the HR department periodically reviews	No differences.																		

Assessment criteria	Actual governance		Summary description	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No		
<p>(II) Has the Company established and implemented reasonable Employee benefit measures (including salary, leave, and other benefits), reasonably reflecting the operating results in Employee salary?</p> <p>(III) Does the Company provide employees with a safe and healthy work environment? Are Employees trained regularly on safety and health issues?</p>			<p>human rights management to identify material human rights issues, ensuring they are thoroughly examined and their implementation is tracked.</p> <p>Human Rights Policy and Management Approach:</p> <ol style="list-style-type: none"> 1. Working Hours: Working hours are governed by and comply with applicable labor laws and regulations. 2. Non-Discrimination: Recruitment, development, and retention are based on the principle of "best fit." Discrimination based on race, gender, marital status, age, political affiliation, or religious belief is strictly prohibited. 3. Disciplinary Measures: Employees are treated with dignity. Any form of inhumane treatment or insulting behavior is prohibited; we prioritize the well-being and working conditions of our colleagues. 4. Prohibition of Child Labor: We strictly adhere to local minimum age laws and regulations; the employment of child labor is prohibited. 5. Minimum Wage Compliance: Salaries and benefits comply with legal requirements and industry standards. Deductions from wages for disciplinary purposes are strictly prohibited. 6. Freely Chosen Employment: We respect employee volition; any form of forced or compulsory labor is prohibited. 7. Open Communication Channels: To ensure the protection of employee rights, labor-management meetings are held quarterly. <p>In 2025, the total duration of human rights education and training for all employees was 60 hours, with a 100% completion rate. The Company has established the "Whistleblowing and Grievance Management Regulations." Employees who experience unfair treatment may file a complaint through internal communication channels. The Company maintains absolute confidentiality regarding all cases, and a Review Committee is established to handle related incidents.</p> <p>Human Rights Due Diligence Process:</p> <ol style="list-style-type: none"> 1. Receipt of report or grievance by designated contact points. 2. Review Committee/Investigation Team determines if the case is substantiated. 3. Case is referred to the specialized department for handling. 4. Investigation Team reaches a final resolution and notifies the parties involved. <p>In 2025, there were 0 reported human rights violations.</p> <p>(II) The working environment, development and protection of our employees are important to us. As such, we make a concerted effort to conform to and respect the local law and regulations, and universally acknowledged human rights. We feel compelled to make each colleague to be treated fairly and respectfully. Apart from providing a safe and healthy work environment, we have also adopted a market-averaged salary policy. Via diversified learning courses and transparency in the promotion process, we ensure that our employees can enjoy growth and development.</p> <p>(III) The Company cares for the work-life balance of its employees and is keen to provide the most comfortable recreational spaces and hold various sporting events from time to time. Further, the Company provides safe and comfortable breastfeeding spaces, regularly provide medical checkups for employees, and hires professional lecturers to hold fire drill exercises, and safety and precaution courses, thus strengthening the crisis response capability of the employees, effectively enhancing the personal safety and reducing property damage.</p>	

Assessment criteria	Actual governance			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
<p>(IV) Has the Company implemented an effective training program that helps Employees develop skills throughout their career?</p> <p>(V) Pertaining to issues regard the health and safety of customers when using the Company's products and services, consumer privacy, marketing and labeling, does the Company comply with the relevant regulations and international standards, and establish relevant policies on consumer or customer protection and complaint procedure?</p> <p>(VI) Has the Company established policy on supplier management, demanding suppliers to observe code of conduct pertaining to environmental protection, labor safety, and health or labor rights, and monitoring their implementation?</p>			<p>(IV) To enhance the technical and management competency of employees, the Company holds training courses according to functionality and ranking of employees or sends them for external training courses, to cultivate the competency of employees in different professional areas. Our training curriculum includes Leadership, Professional, and General Education programs. In 2025, the total educational training reached 1,003 participants (headcount), with a cumulative total of 2,113.5 training hours.</p> <p>(V) The Company has designated specific personnel and e-mail address and created a stakeholders section on the Company website to provide a channel for responding to customers' queries, complaints or recommendations promptly, and thus providing high-quality services.</p> <p>(VI) The Company has established supplier evaluation procedures. The suppliers of the Company must sign a declaration statement (environmental protection statement, integrity commitment statement and anti-terrorism agreement, etc.) in accordance with these procedures and meet the product safety and business integrity requirements of the Company. The suppliers should undertake CSR. If any violation is found, the Company may terminate contracts with the supplier with immediate effect and request for damages.</p>	
<p>V. Does the Company refer to universal standards or guidelines for report preparation when preparing for the Sustainability Report and other non-financial disclosure reports? Does the Company obtain the confirmation or affirmation opinion from a third party for the aforementioned reports?</p>	V		<p>The 2025 Sustainability Report of Hitron is prepared in accordance with the Core option of the Global Reporting Initiative (GRI) Standards and AA 1000 AS 2008 (verified by Taiwan Weili International Quality Assurance Co. of Bureau Veritas). The company expects to hold a board meeting resolution in 2026Q2, the Report is published by the end of August 2026.</p>	No differences.
<p>VI. If the Company has established its own Sustainable Development Principles in accordance with "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe the current practices and any deviations from the Best Practice Principles: The Company set up a Corporate Sustainable Development Responsibility Committee in 2019. The Committee is responsible for promoting corporate sustainable development and social responsibility-related activities. The Company has also set up "CSR Best Practice Principles" and the overall operation is not different from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies".</p>				
<p>VII. Other important information that helps understand the implementation of sustainable development: For information about Sustainable Development Best Practice Principles of the company, such as corporate governance, environmental safety, and social welfare, please refer to the company website.</p>				

(VI) Implementation of Climate-Related Information

Item	Implementation status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	<p>The Board of Directors of the Company values the risks and opportunities of climate-related issues. It regularly reviews the climate strategies and targets set and monitors the implementation progress of related issues through the Corporate Sustainability Committee. The Corporate Sustainability Committee is headed by the General Manager and is composed of heads of each department as members. The committee is responsible for reviewing climate-related risk management, target achievement, and future planning.</p> <p>Under the corporate sustainability framework, the Company has expanded its environmental dimension into three core pillars: "Sustainable Products," "Sustainable Operations," and "Sustainable Supply Chain." For each pillar, corresponding strategies and management goals have been established, with progress tracked and managed through Key Performance Indicators (KPIs). The Company's carbon management scope encompasses greenhouse gas (GHG) emissions at the organizational level and environmental impact analysis at the product level. We are committed to complying with international standards, including ISO 14064-1 (Organizational Greenhouse Gas Inventory) and ISO 14067 (Product Carbon Footprint).</p> <p>In 2025, The Company completed the carbon footprint self-inventory (ISO 14067) for three products and finalized the organizational GHG inventory and external verification (ISO 14064-1) for its major entities. Furthermore, the Company actively participated in the CDP carbon disclosure program, earning a "B" rating in the SME category. These achievements demonstrate the Company's tangible results and unwavering commitment to carbon management and climate action.</p>
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	<p>Hitron systematically identifies and assesses climate-related risks and opportunities based on international frameworks, including IFRS S2 (integrating TCFD recommendations). This process covers physical risks, transition risks, and market opportunities, evaluating their impact and likelihood through existing risk management mechanisms. The Corporate Sustainability Committee oversees this process to integrate climate factors into governance, strategy, and asset management, with key risks detailed in the Sustainability Report.</p> <p>Additionally, the Company identifies transition opportunities, such as enhanced resource efficiency, low-carbon energy adoption, innovative products, green market expansion, and supply chain resilience. The Committee also evaluates these opportunities, with details available in the "Climate Change Governance" section of the Sustainability Report.</p>
3. Describe the financial impact of extreme weather events and transformative actions.	
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	<p>The Company has not yet used scenario analysis to assess climate change risks. In the future, the Company will conduct relevant risk scenario analysis for RCP 4.5 & RCP 8.5 and disclose them in the relevant chapters of the Sustainability Report.</p>
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	<p>Please refer to the relevant disclosures in accordance with TCFD.</p>
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	<p>As the Company is not subject to carbon tax regulations, internal carbon pricing (ICP) has not been implemented; however, future plans will be developed as circumstances evolve.</p>

Item	Implementation status
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	The Company has established greenhouse gas (GHG) emission reduction targets for Scope 1 and Scope 2: a 4.2% reduction by 2025 and a long-term reduction of 46.2% by 2035, both relative to the 2021 base year, with the ultimate goal of achieving Net Zero by 2050. These targets encompass our Hsinchu headquarters in Taiwan and will progressively extend to overseas subsidiaries and other operational sites. All GHG emissions are verified by third-party institutions in accordance with ISO 14064-1. As of 2025, the Company has achieved an 18.3% reduction in GHG emissions, exceeding our original target. This success was primarily driven by office lighting upgrades, energy-efficient air conditioning systems, and internal awareness campaigns. Moving forward, we will continue to advance internal reduction measures while introducing renewable energy and purchasing Renewable Energy Certificates (RECs).
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan	Please refer to the following table for explanation.

Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

(1) Greenhouse gas inventory information

Describe the emission volume (metric tons CO₂e), intensity (metric tons CO₂e/NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.

The 2024 and 2025 greenhouse gas emissions (tCO₂e) and emission intensity (tCO₂e/NTD 1 million in revenue) are as follows:

Years	Scope1	Scope2	Scope3	Total (Metric tons of O ₂ e)	Emission intensity (tCO ₂ e/NTD 1 million in revenue)
2025	70.1024	680.8830	312.1270	1,063.112	0.120
2024	67.2941	609.7696	132.6791	809.743	0.089

*Data covers Hsinchu headquarters in 2024.

*Data covers Hsinchu headquarters and HSZ in 2024 & 2025.

(2) Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.

Hsinchu Headquarters (2024 & 2025) and HSZ (2025): Greenhouse gas data are verified by SGS in accordance with the ISO14064-1:2018 standard. Scope 1 and Scope 2 are reasonable assurance level; Scope 3 data is limited assurance level

(3) Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.

Baseline year and data for greenhouse gas reduction : Using 2021 as the base year, total greenhouse gas (GHG) emissions were 878.849 tCO₂e (comprising 76.9978 tCO₂e for Scope 1, 666.2544 tCO₂e for Scope 2, and 135.597 tCO₂e for Scope 3)..

Reduction target : The original target was a 1% annual reduction, reaching 20% by 2035 (Year 124). However, to align with our parent company, Alpha Networks, the targets have been revised to a 4.2% reduction by 2025 and a 4.2% annual reduction thereafter, aiming for a cumulative 46.2% reduction by 2035.

Strategy : As the Company's operational sites consist entirely of office spaces, reduction efforts primarily focus on lighting system upgrades, HVAC (air conditioning) energy efficiency, and awareness campaigns. Moving forward, we will continue to advance internal reduction measures while introducing renewable energy and purchasing Renewable Energy Certificates (RECs).

Specific action plan:

- 1) Energy conservation through lights: We gradually replaced traditional lamps with energy-saving LED ones at the plants; adopted smart lights for the parking lots; upgrading office lighting. and we reduced emissions by about 19 tCO₂e a year;
- 2) Energy conservation through air-conditioning: We improved the efficiency of the main equipment of air conditioners; increased the temperature of water used by air conditioners; we reduced emissions by about 9 tCO₂e a year;
- 3) Energy conservation awareness raising: On Earth Day on April 22 , we turned off the lights for one hour to motivate people to turn off the lights during lunch breaks and when the lights were not being used.
- 4) Actively implementing PCF self-disclosure and pursuing ISO 14067 third-party verification to quantify emissions across all stages and execute continuous carbon mitigation measures.;
- 5) Sustained participation in the CDP (Carbon Disclosure Project)
- 6) Procuring Renewable Energy Certificates (RECs) and evaluating the feasibility of renewable energy adoption

Reduction Target Achievement : As of 2025, Hitron's GHG emissions (Scope 1 & 2) have decreased by 19% compared to the base year.

(VII) Implementation of Ethical Management and Implemented Measures:

Assessment criteria	Actual governance		Summary description	Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No		
<p>I. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures</p> <p>(I) Does the Company establish corporate conduct and ethics policy that is approved by the Board of Directors and document such policy and procedure, as well as ensuring the commitment of the Board and Management team in the implementation of the policy thereof, in the bylaws and publicly available documents?</p> <p>(II) Has the Company established a risk assessment mechanism for unethical conduct, analyzed and evaluated activities that contain a higher risk of unethical conduct in the operating aspect on a regular basis, and established measures for the prevention of unethical conduct, which at least covering the business activities prescribed in the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" article 7 paragraph 2?</p> <p>(III) Does the Company establish relevant policies that are duly enforced to prevent unethical conduct, provide and implement operating procedures, behavioral guidelines, the penalty for violation and appeal system in such policies, as well as evaluating and amending the aforementioned policies on a regular basis?</p>	V		<p>(I) The Company has established the "Ethical Corporate Management Best Practice Principles" which has been approved by the Board of Directors. The policies and practices for ethical management are clearly defined. The members of the Board of Directors and the management have signed the Declaration of Ethical Corporate Management to actively implement the commitment of the operating policy.</p> <p>(II) The Company has established the "Business Integrity Procedures and Behaviors" and "Whistleblowing and Complaint Management Measures," which explicitly prohibit the receiving or giving of gifts, discounts or special treatments, leaking trade secrets, providing illegal political donations, and other violations of integrity conducts. The Company has conducted awareness training and taken preventive measures to implement its integrity management policy.</p> <p>(III) The Company has established the "Employee Integrity and Ethics Code" and the "Whistleblowing and Complaint Management Measures" to clearly regulate and implement the unethical behaviors. The Company regularly promotes the Business Integrity Procedures and Behaviors and reviews and amends the relevant measures.</p>	No differences.
<p>II. Implementation of integrity management</p> <p>(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?</p>	V		<p>(I) The Company insists on integrity management when conducting business activities. For its suppliers and customers, the Company always first considers the legality in transacting with them and if they have a misconduct record, and requires the suppliers to submit an integrity commitment statement.</p>	No differences.

Assessment criteria	Actual governance			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
(II) Does the Company task a unit that reports directly to the Board of Directors and with promoting ethical standards, making periodical updates (at least once a year) to the Board on business integrity management policy, as well as the supervision of measures for prevention of unethical conduct?			(II) The Company designates the Human Resources Department as the specific unit in promoting integrity management, interpretation and consultation services, content reporting, account access and documentation, as well as supervision. The Company regularly reports the execution of integrity management to the Board of Directors every year. On February 24, 2026, the execution of integrity management for 2025 had been reported to the Board of Directors. The implementation of education and training in 2025 is as follows: 1. Title of the course: Prohibition and Prevention of Insider Trading; Ethical Corporate Management Best Practice Principles 2. The total number of trainees was 234 for the year, and the total number of training hours was 176 hours. All employees have completed the training. 3. The passing standard for the course is to complete the online courses and participate in the test; a score of 100 shall be achieved for the test. Another test will be performed for those who fail to pass	
(III) Does the Company have any policy that prevents conflict of interest, and channels that facilitate the report of conflicting interests?			(III) The "Code of Conduct for Directors and Managers," "Business Integrity Procedures and Behaviors" and "Rules and Procedures of Shareholders Meeting" established stipulate that in case of conflict of interest, parties involved must recuse themselves. The Company provides whistleblowing channels for reporting illegal activities or misconduct behavior.	
(IV) Has the Company implemented effective accounting and internal control systems to maintain business integrity? Are these systems reviewed by internal or external auditors on a regular basis?			(IV) The Company has established and implemented accounting and internal control systems, and internal auditors regularly conduct audit reviews to examine its compliance. Audit reports are then submitted to the Board of Directors.	
(V) Does the Company conduct internal and external ethical training programs on a regular basis?			(V) The "Ethical Corporate Management Best Practice Principles" and "Business Integrity Procedures and Behaviors" established have been put on the Company website and integrated into the training for new employees, as well as other training seminars, to ensure that employees fully understand the content and conform to them.	
III. Implementation of whistleblowing system	V			No differences.
(I) Does the Company provide incentives and means for Employees to report malpractice? Does the Company dedicate personnel to investigate the reported malpractice?			(I) The Company has established the "Code of Ethical Management" and "Whistleblowing and Grievance Management Measures," setting up diverse communication channels-including the Chairman's Mailbox, HR Mailbox, and Integrity Mailbox-to provide comprehensive internal and external grievance mechanisms.	
(II) Has the Company implemented any standard procedures or confidentiality measures for handling reported malpractices?			(II) Regarding the handling of reports, the Company's "Whistleblowing and Grievance Management Measures" define the Standard Operating Procedures (SOP) and relevant confidentiality mechanisms for all reported matters.	
(III) Does the Company assure malpractice reporters that they will not be mistreated for making such reports?			(III) Furthermore, these regulations explicitly mandate the protection of whistleblowers, ensuring they do not face any adverse treatment or retaliation as a result of their reports. In 2025, there were no reported grievance or whistleblowing cases.	

Assessment criteria	Actual governance			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
IV. Enhanced information disclosure (I) Has the Company disclosed relevant CSR principles and implementation on its website and Market Observation Post System?	V		The company's website has a corporate governance area disclosing information related to ethical management.	No differences.
V. If the Company has established business integrity policies in accordance with "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies", please describe its current practices and any deviations from the Best Practice Principles: No material deviation.				
VI. Other information relevant to understanding the Company's business integrity (e.g. review and amendment of the code of conduct of business integrity etc.):				
1. The "Rules and Procedures of Board of Director Meetings" provides for the Director recusal system for conflict of interest. For the agenda of the Board meetings in which the Director has any conflict of interest, whether personal or related to the corporates represented, material information regarding the conflict of interest must be disclosed at the Board meeting. If the conflict of interest may damage the Company's interest, the Director is refrained from participating in the discussion and voting. During the discussion and voting, the Director should excuse oneself and is forbidden to act as a proxy to other Directors in the voting process.				
2. The Company has established "Guidelines for Process of Internal Major Information and Insider Trading Prevention Management" which stipulate insiders and personnel who obtain information from their position shall not leak the said information.				
3. The Company complies with the Company Act, the Securities and Exchange Act, and other laws and regulations, and is committed to implementing integrity management.				

(VIII) Other important information for enhancing understanding of the implementation of corporate governance:

1. The Company approved a resolution of the board of directors to appoint a corporate governance officer to protect the rights and interests of shareholders and strengthen the functions of the board of directors on March 16, 2021.
2. The newly-elected directors of the Company will be given the brochure published by the authority with the contents including various laws, regulations and precautions to facilitate legal compliance.

(IX) The Company regularly arranges for Director and Accounting Manager to attend corporate governance courses. Please see the following table:

Job Title	Name	Date of training	Organized by	Course title
Corporate Director Representative	Wen-Fang Huang	2025.06.19	Taiwan Institute for Sustainable Energy	Labor and Human Rights Trends in Global Supply Chains: Corporate Practice Sharing.
		2025.11.13	KPMG Peat Marwick	Major Overhaul of Financial Statements: A Comprehensive Guide to IFRS 18 "Presentation and Disclosure in Financial Statements.
Corporate Director Representative	Chi-Hong Chen	2025.06.19	Taiwan Institute for Sustainable Energy	Labor and Human Rights Trends in Global Supply Chains: Corporate Practice Sharing.
		2025.11.13	KPMG Peat Marwick	Major Overhaul of Financial Statements: A Comprehensive Guide to IFRS 18 "Presentation and Disclosure in Financial Statements.
Corporate Director Representative	Yang-Chih Chou	2025.07.09	Taiwan Stock Exchange Corporation	2025 Cathay Sustainable Finance And Climate Change Summit
Director	Mei-Lan Liu	2025.06.19	Taiwan Institute for Sustainable Energy	Labor and Human Rights Trends in Global Supply Chains: Corporate Practice Sharing.
		2025.11.13	KPMG Peat Marwick	Major Overhaul of Financial Statements: A Comprehensive Guide to IFRS 18 "Presentation and Disclosure in Financial Statements.
Independent director	Lo-Min Chen	2025.07.09	Taiwan Stock Exchange Corporation	2025 Cathay Sustainable Finance And Climate Change Summit

Job Title	Name	Date of training	Organized by	Course title
Independent director	Mao-Chao Lin	2025.06.19	Securities & Futures Institute	Space Tech Explosion: B5G and 6G Low Earth Orbit (LEO) Satellite Technologies and Development Trends.
		2025.07.04	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	The Path to Sustainable Legacy and AI Application Transformation
Independent director	Ta-Wei Lee	2025.05.16	Securities & Futures Institute	Prevention of Insider Trading 2025
		2025.06.19	Taiwan Institute for Sustainable Energy	Labor and Human Rights Trends in Global Supply Chains: Corporate Practice Sharing.
Supervisor, Accounting Division	Yu-Fa Hsu	2025.04.24-2025.04.25	Accounting Research and Development Foundation.	Advanced Studies for Principal Accounting Supervisors of Issuers, Securities Firms, and Securities Exchanges

(X) Status of Implementation of Internal Control System

1. Statement of Internal Control System : Please refer to the MOPS (<https://mops.twse.com.tw>) / Single Company > Corporate Governance > Company Rules / Internal Control > Statement of Internal Control
2. Companies which CPAs to professionally review the internal control system shall disclose the review report provided by the accountants : Not applicable.

(XI) Material Resolutions Approved by Board Meetings

Date	Important resolutions
2025.02.26 Board Meeting	<ol style="list-style-type: none"> 1. Approved of the Statement of Internal Control System and Self-Assessment Implementation Result Report for 2024. (Note) 2. The Company's definition of entry-level employees. 3. Approved the amendment to “Articles of Incorporation” 4. Approved the amendments to “Internal Control System.” (Note) 5. The 2024 financial statements and business report, and the 2025 business plan. (Note) 6. Approved the proposal for 2024 Deficit Compensation. (Note) 7. To lift non-competition restrictions on current directors and their representatives. 8. Approved the proposal of the convene date of 2025 Shareholders’ Meeting and meeting agenda. 9. Proposal to review the public fee case for accountant services in 2025. (Note) 10. Approved the proposal of donation to BenQ Foundation
2025.04.30 Board Meeting	<ol style="list-style-type: none"> 1. Approved the proposal of financial statement of Q1, 2025. (Note) 2. ESG-Linked Executive Compensation Structure Proposal
2025.05.26 Shareholders’ Meeting	<ol style="list-style-type: none"> 1. Recognized the proposal of 2024 business report and financial statements. Status: Proposal was recognized 2. Recognized the proposal of 2024 Deficit Compensation. Status: Proposal was recognized 3. Approved the amendment to Articles of Incorporation. Status: Resolution was passed, and the amended Articles of Incorporation became effective on May. 26, 2025. 4. To lift non-competition restrictions on current directors and their representatives Status: Resolution was passed.
2025.07.31 Board Meeting	<ol style="list-style-type: none"> 1. Approved the proposal of financial statement of Q2, 2025. (Note) 2. Proposed the 2024 Sustainability Report.
2025.10.28 Board Meeting	<ol style="list-style-type: none"> 1. Established the internal audit plan of 2026. (Note) 2. Approved the proposal of financial statement of Q3, 2025. (Note) 3. Proposed appointment of certified accountant for the 2026 financial statements of the company. (Note)

Date	Important resolutions
	4. Proposal for the amendment to the 'Corporate Governance Best Practice Principles'.
2026.02.24 Board Meeting	1. Approved of the Statement of Internal Control System and Self-Assessment Implementation Result Report for 2025. (Note) 2. The 2025 financial statements and business report (Note) 3. The 2026 business plan. 4. Approved the proposal for 2025 Deficit Compensation. (Note) 5. To elect seven directors (including three independent directors) 6. Proposal for the nomination of Director and Independent Director candidates. 7. To lift non-competition restrictions on newly-elected directors and their representatives. 8. Approved the proposal of the convene date of 2026 Shareholders' Meeting and meeting agenda. 9. Proposal to review the public fee case for accountant services in 2026. (Note) 10. Approved the proposal of donation to BenQ Foundation

Note: Matters included in Article 14-5 of the Securities and Exchange Act.

- (XII) Major contents of any dissenting opinions on record or stated in a written statement made by Directors or supervisors regarding material resolutions passed by the Board of Directors' Meeting in the most recent year up to the publication date of this report: None.

IV. Information on Audit Fees of CPAs

Unit: NT\$ thousand

Name of accounting Firm	Name of CPA	Period covered by CPA's audit	Audit fee	Non-audit fee (Note)	Total	Remarks
KPMG	Chun-Yuan Wu	2025.01.01-	3,460	690	3,995	-
	An-Chih Cheng	2025.12.31				

Note: Non-audit Fees mainly related to tax services etc.

- (I) Replacement of accounting firm and the audit fees in the replacing year is less than that in the previous year: None.
(II) Audit fees were reduced by over 10% compared with the previous year: None.

V. Accountant Replacement Information: None

VI. Has any of the Company's Chairman, President, or managers responsible for finance or accounting duties served in the Company's CPA firm or its affiliated Company within the most recent year: None.

VII. The Situation of equity transfer or changes to equity pledge of Directors, managers or shareholders holding more than 10% of Company shares in the most recent year (or initial date of a manager's term of service) up to the publication date of this report:

- (I) Changes in shares held by Directors, managers, and shareholders holding 10% or more of shares: Please visit the MOPS (website: <https://mops.twse.com.tw>) / Single Company > Equity Change/Securities Issuance > Equity Transfer Information Inquiry > Post-event Reporting Form for Insider Shareholding Changes
(II) Counterparty of equity transfer is a related party: None.
(III) Counterparty of equity pledge is a related party: None.

VIII. Information of relationships between Top 10 shareholders are related parties, spouses or relatives within the second degree of kinship Relationship

Name	Shares held		Shares held by spouse or underage children		Total shares held in the name of other persons		Familial relationships between top 10 shareholders who are either related parties, spouses, or relatives within the second degree of kinship, his/her/its title (or name) and relationships (Note2)		Remarks
	Number of shares	Shareholding Percentage (%)	Number of shares	Shareholding Percentage (%)	Number of shares	Shareholding Percentage (%)	Title (or Name)	Relationship	
Alpha Networks Inc.	200,000,000	62.24%	-	-	-	-	None	None	
Representative: Wen-Fang Huang	-	-	-	-	-	-	None	None	
Chia-Yuan Chang	1,465,000	0.46%	-	-	-	-	None	None	
Citi Trust Barclays Capital SBL/PB Investment Account	935,000	0.29%	-	-	-	-	None	None	
Yu-Jen Li	797,000	0.25%	-	-	-	-	None	None	
Wen-Yu Chiu	785,000	0.24%	-	-	-	-	None	None	
Mei-Lan Liu	548,951	0.17%	-	-	-	-	None	None	
Mei-Chun Yang	502,000	0.16%	-	-	-	-	None	None	
Rui-Quan Yang	491,564	0.15%	-	-	-	-	None	None	
Sheng-Lung Wang	453,683	0.14%	-	-	-	-	None	None	
Chang-Peng Tung	401,068	0.12%	-	-	-	-	None	None	

IX. Shareholdings and Combined Joint Shareholdings of Businesses Invested in by the Company, Company Directors or Executive Officers or Directly or Indirectly Controlled by the Company

December 31, 2025; Unit: thousand shares; %

Re-investing business	The company investment		Held by Directors, Supervisors, managerial officers, and directly/indirectly controlled entities		Comprehensive investment	
	Amount of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding
Interactive Digital International Co., Ltd.	16,703	32.82%	-	-	16,703	32.82%
Hitron Technologies Europe Holding B.V.	15	100.00%	-	-	15	100.00%
Hitron Technologies (Americas) Inc.	300	100.00%	-	-	300	100.00%
Hitron Technologies (Samoa) Inc.	5,850	100.00%	-	-	5,850	100.00%
Hitron Technologies (SIP) Inc.	-	100.00%	-	-	-	100.00%
Jietech Trading (Suzhou) Inc.	-	100.00%	-	-	-	100.00%
InnoAuto Technologies Inc. (Note1)	-	-	-	-	-	-
Hitron Technologies Vietnam Company Limited	-	100.00%	-	-	-	100.00%

Note1: Innoauto Technologies has completed the liquidation process as of the reporting day.

Note2: Invested by the Consolidated Company using the equity method.

Three. Capital and Shares

I. Capital and Shares

(I) Source of capital

1. Share types for the most recent year until the publication date of the annual report

Unit: NT\$/share

Year/ Month	Issue price	Authorized Capital		Paid-in Capital		Remark		
		Number of shares	Amount	Number of shares	Amount	Source of capital	Property other than cash provided as capital contributions	Others
2019.4	10	300,000,000	3,000,000,000	224,689,554	2,246,895,540	Shares converted from corporate bond 3,956,010	—	Letter Zhu-Shang-Zi No.1080011240 dated 2019.04.17
2019.5	10	300,000,000	3,000,000,000	227,799,421	2,277,994,210	Shares converted from corporate bond 31,098,670	—	Letter Zhu-Shang-Zi No.1080014914 dated 2019.05.24
2019.8	10	300,000,000	3,000,000,000	228,986,229	2,289,862,290	Shares converted from corporate bond 11,868,080	—	Letter Zhu-Shang-Zi No. 1080024677 dated 2019.08.26
2019.12	10	400,000,000	4,000,000,000	328,986,229	3,289,862,290	Private placement of newly issued shares 1,000,000,000	—	Letter Zhu-Shang-Zi No. 1080037612 dated 2019.12.25
2022.2	10	400,000,000	4,000,000,000	321,317,229	3,213,172,290	Cancellation of treasury stock 76,690,000	—	Letter Zhu-Shang-Zi No. 1110007294 dated 2022.03.11

(Share type)	Authorized capital		
	Outstanding shares	Unissued shares	Total
Common stock	321,317,229	78,682,771	400,000,000

2. For shelf registration for issuing marketable securities that have been approved, the Company should disclose the approved issue amount, and relevant information on scheduled issuance and issued marketable securities: Not applicable.

(II) Major Shareholders

March 24, 2026

Name of Major Shareholder	Share	Shareholding	Percentage of Shareholding
Alpha Networks Inc.		200,000,000	62.24%
Chia-Yuan Chang		1,465,000	0.46%
Citi Trust Barclays Capital SBL/PB Investment Account		935,000	0.29%
Yu-Jen Li		797,000	0.25%
Wen-Yu Chiu		785,000	0.24%
Mei-Lan Liu		548,951	0.17%
Mei-Chun Yang		502,000	0.16%
Rui-Quan Yang		491,564	0.15%
Sheng-Lung Wang		453,683	0.14%
Chang-Peng Tung		401,068	0.12%

(III) Dividend Policy and Implementation Status

1. Dividend policy as stipulated in the Articles of Incorporation

The industrial environment of the Company is ever-changing and the Company is in a stable growth stage. Its dividend policy takes into consideration its future capital need and long-term financial planning to pursue a sustainable development strategy. The Company adopts an excessive dividend policy and its issuance terms, timing and amount are handled according to Article 29-1 of the Articles of Incorporation. The Company establishes plans according to the future capital demands. When there is a surplus earning at the final account of a fiscal year and when the distributable earnings of the current year reaches 2% of the capital, the dividend distribution shall not be less than 10% of the distributable earnings of the current year, and the cash dividend shall not be less than 10% of the total amount of the cash and share dividends issued in the current year.

Article 29-1 of the Articles of Incorporation stipulates that the earning after tax should be first utilized to offset losses from previous years, and next, set aside 10% of the remaining profit as a legal reserve. However, if the legal reserve is on par with the authorized capital, the Company is allowed to stop allocation to the legal reserve, and allocate to a special reserve in accordance with relevant laws and regulations. If there are earnings left, the Board of Directors can devise an earnings distribution proposal using the remaining amount, together with the cumulative unappropriated retained earnings, and submit to the Shareholders' Meeting to disburse as a cash dividend or retain it. When the earnings distribution proposal described in the preceding paragraph is made in the form of cash dividends, the Board of Directors is authorized to reach resolution and to report to the shareholders' meeting.

2. The dividend distribution proposal by the Shareholders' Meeting:

The Company has accumulated losses for the year ended December 31, 2025, and therefore has not proposed any appropriation of earnings by the Board of Directors.

(VII) The impact on the operating performance of the Company and earnings per share by the proposal of the Shareholders' Meeting to issue bonus shares: Not applicable.

(VIII) Employees Bonus and Directors Remuneration

1. Employees' and directors' compensation policies as stated in the Articles of Incorporation:

Articles of Incorporation, Article 29:

The Company, if profitable in the year, shall set aside 5~20% of the profit as compensation for the employees and no higher than 1% as remuneration for the directors. However, the Company, when accumulated losses remain on the account, shall reserve a portion of its earnings to offset the losses first.

The remuneration distributed to grassroots employees shall not be less than 10% of the total employee

remuneration.

The Company may allocate employees' remuneration prescribed in the first item in the form of stock or cash to employees of an affiliated company meeting certain conditions. The Board or the person duly designated by the Board is authorized to decide the conditions and allocation method.

2. The estimation basis of the compensation for employees, Directors, and Supervisors for the current period, the computation basis for the number of shares issued as stock dividend serving as Employee compensation, and accounting treatments for any discrepancies between the amounts estimated and the amounts disbursed: In pursuant to the Company Act and the Articles of Incorporation, to appropriate for compensation to employees and remuneration to Directors, according to Accounting Research and Development Foundation (96) Explanatory Note No. 052, the Company shall make an estimation when preparing for interim and annual reports, and make recognition under the appropriate accounting categories based on the nature of the compensation and remuneration. Afterward, when the actual disbursement approved by the Shareholders' Meeting differs from the estimation in the financial reports, the discrepancy shall be deemed as a change in accounting estimate and recognized as the profit and loss for the period.
3. Employees compensation proposal passed by the Board of Directors:
 - (1) No estimation and distribution are required for net loss after tax for the year.
 - (2) Sum of employees' compensation in stock and its proportion of the net income after tax (NIAT) provided in the Individual Financial Statement and the total sum of employees' compensation: Not applicable.
4. Actual disbursement of employee bonus and remuneration to Directors for the preceding year (including employee stocks, cash disbursement and share prices). In circumstances where any differences between the actual distributed and recognized amount, the difference, reasons and handling of such matter shall be stated as follows: Not applicable.

(IX) Share Repurchase by the Company: None

II. Preferred Shares: None

III. Preferred Shares: None

IV. Global Depository Receipts: None

V. Subscription of Warrants for Employee: None

VI. New Employee Restricted Stock Plans: None

VII. Issuance of New Shares Regarding Acquisitions of the Other Companies: None

VIII. Execution of Fund Usage Plan: None

Four. Overview of Operations

I. Our Businesses

(I) Business Scope:

1. Content of main businesses: R&D, manufacturing and sales of network and telecommunication equipment.
2. Revenue distribution

The revenue based on products for 2025 is as follows:

Unit: NT\$ (thousand), %

Major Products	Sales revenue for 2025	Weighted in the operation
Network and telecommunication equipment	8,880,244	100.00

3. Current product (service) range

Hitron will celebrate its 40th anniversary in the network communications industry this year, backed by extensive market expertise and product development capabilities. Leveraging decades of experience in the industry, the company continues to expand its proprietary brand channels and invest in product technology research and development. Its business development goals include ongoing innovation in home communication broadband products, as well as the development of both home and commercial switch products. In addition to its existing broadband customer premise equipment (CPE), the product line also offers a comprehensive service solution (Hitron Cloud) encompassing corresponding cloud-based network management software and a customer operations management system. In addition to helping service providers manage existing cable modem products (DOCSIS), this cloud management system can also manage different broadband network user terminals, such as fiber optic terminals (ONUs) and wireless routers/extenders (WiFi Router/Extender), providing service providers with a complete cloud-based end-to-end customer service management system. Corresponding to changes in the broadband network market and product technology, we have accelerated and continued to develop a new home access network product line – in addition to our existing cable modem product line (Broadband DOCSIS CPE) – including ultra-fast fiber access equipment (GPON/XGSPON), WiFi 6/6E and WiFi7 wireless routers and extenders, 5G wireless access equipment (5G FWA), and home/commercial switches, among other new products. In terms of software, the Company continues to invest in its proprietary cloud management development system (Hitron Cloud). It currently provides cloud user management services to some operators in North America. To accommodate the growing number of broadband terminal products connecting to the network – including ONU, WiFi Router/Extender, and 5G FWA devices – our cloud management system is continually evolving with new human-machine interface app support and an enhanced cloud-based GUI. This allows home users to access a variety of cloud services on different devices, significantly reducing operators' CAPEX and increasing their ARPU. Currently, the cloud management software system we offer is used by over 2 million end users in North America, with more than 1 million still actively using the continuous application service. With the Company's longstanding dedication to its field as a broadband operator, it has accumulated extensive and outstanding software and firmware integration capabilities. While we take a proactive approach to participate in various broadband network technology development and projects of customers, including DOCSIS 4.0 and XGSPON, with our leading technology in communications, we also work closely with global operator clients around the world.

4. New products development (service)

Using the existing technologies and products as its foundation, the Company continues to develop the following new products:

- (1) DOCSIS 4.0 new generation cable router, voice modem, and switchboard
- (2) IoT Gateway
- (3) SD-WAN
- (4) 10Gbps Full Duplex DOCSIS 3.1 Cable Gateway (10Gbps downstream speed and WiFi 6/6E support)
- (5) 10Gbps Full Duplex DOCSIS 3.1 Cable Gateway (10Gbps downstream speed and WiFi 7 support)
- (6) DOCSIS4.0 Test Meter
- (7) GPON/XGSPON ONU Fiber Optic Terminal Equipment
- (8) Mobile Backhaul
- (9) Hitron Cloud Management System
- (10) Wi-Fi 6/6E, Wi-Fi Extender with EasyMesh

- (11) WiFi7, Wi-Fi Extender with EasyMesh
- (12) 3.5GHz wireless base station CBRS Small Cell RAN
- (13) 2.5Gbps/10Gps PON ONU
- (14) Indoor and outdoor 5G FWA and mmWave solutions
- (15) Provide new value-added services by integrating Hitron Cloud and third-party software application platforms.
- (16) Analysis of big data and calculation of customer behavior patterns

(II) Industry overview

1. Current and future industry prospects

According to the ITRI's Industrial Economics & Knowledge Center, the cloud services market has grown significantly, driven by generative AI, the rapid expansion of cloud applications in the telecommunications industry, and the digital transformation of businesses. The global communications industry market is forecast to reach US\$2.58 trillion in 2024, a 6.9% increase. Meanwhile, the growth in communication equipment is driven by the rapid development of AI applications and the active construction of global data centers, leading to substantial increases in demand for products such as cloud high-speed switching equipment, wireless local area networks, fiber bandwidth networks, and mobile broadband equipment. In 2025, the global communications industry is forecast to continue growing by 6.8% to reach US\$2.76 trillion. The communications industry in Taiwan is benefiting from increased global demand for broadband infrastructure in 2024, driven by accelerated network bandwidth upgrades and continued growth in the market for global WiFi 6/6E products. Furthermore, the rapid development of AI applications and the resulting increase in demand for high-bandwidth AI applications are fueling upgrades to enterprise-class switches, sustaining momentum in Taiwan's communication product shipments. However, lingering equipment inventory from 2023 has yet to be fully cleared, with network equipment destocking continuing into the third quarter of 2024, impacting growth in the year. Taiwan's communications industry generated approximately NT\$1.2784 trillion in production value in 2024, a 2.4% decline from 2023. The de-stocking is expected to be completed between Q3 and Q4 of 2024. Global network industry demand is projected to return to normal levels in 2025. In addition, continued growth in demand for cloud and communication infrastructure since last year will drive export growth in Taiwan's communications industry for high-speed fiber access equipment, DOCSIS 3.x cable products, Wi-Fi 6/6E wireless equipment, 5G FWA fixed wireless access equipment, and 5G small base stations. Taiwan's communications industry output value is estimated to reach approximately NT\$1.294 trillion in 2025, a 1.2% increase from 2024.

The main growth driver for the communication industry in 2026 will be the expansion of AI infrastructure, a new cycle of wireless technology upgrades, and fiber/cable network enhancements, which are forecast to boost global production value by 8-12%. The output value of Taiwan's communication industry is expected to reach NT\$ 1.4 trillion, an increase of approximately 8.5% from NT\$1.29 trillion in 2025, primarily driven by growth in network equipment, fiber optic equipment, PON products, and satellite communication terminal equipment. Network equipment is expected to account for 50% of the total output value, with a growth rate of 15%, and shipments of WiFi 7 routers and access points (APs) are projected to double. PON and fiber optic equipment will represent 30% of the total, with a growth rate of 20%, and XGSPON shipments are forecast to increase by as much as 70%. Low Earth Orbit (LEO) satellite and emerging services are expected to account for 10% of the total, a significant 50% increase year-over-year. Terminal equipment and ground gateways from Starlink and SpaceX will significantly contribute to shipments from Taiwanese ODMs, exceeding one million units. Furthermore, the production value of key technology development related to 6G and integrated satellite communication application services is expected to surpass NT\$30 billion.

Looking ahead to industry trends in 2026, the communications industry will be driven by AI integration, low-orbit satellites (LEO), the widespread adoption of WiFi 7, the development of new WiFi 8 products, and fiber optic upgrades. Global output value is forecast to grow by 8-12%, reaching over US\$3 trillion. Following the continued rollout of broadband subsidies in rural areas of the US and UK, North America and several European countries are seeing substantial opportunities in next-generation broadband network deployment. For example, the U.S. major network service providers are all expanding investment in 10G PON (XGSPON) network and commercial operation simultaneously. The launch of the Build in America, Buy in America (BABA) policy and BEAD policy subsidies in the United States are driving a global restructuring of manufacturing and supply chains, accelerating diversification and localization, and prompting equipment manufacturers to speed up their global expansion. Continuing the significant growth seen in 2025 with large-scale fiber-to-the-home (FTTH) construction in China/India, 2026 continued to see significant growth in FTTH equipment in Europe, Americas, Asia Pacific, and Latin America. It is expected to drive the shipment demand for high-bandwidth, high-end products, such as Wi-Fi 6/Wi-Fi 7 routers. In the post-pandemic period, people's dependence on communications has increased, and the bandwidth needs of global telecom providers

for broadband customers are still strong. The new generation of DOCSIS 4.0 Modem and gateways featuring Wi-Fi 7, 5G FWA and LEO products will drive a new wave of networking opportunities.

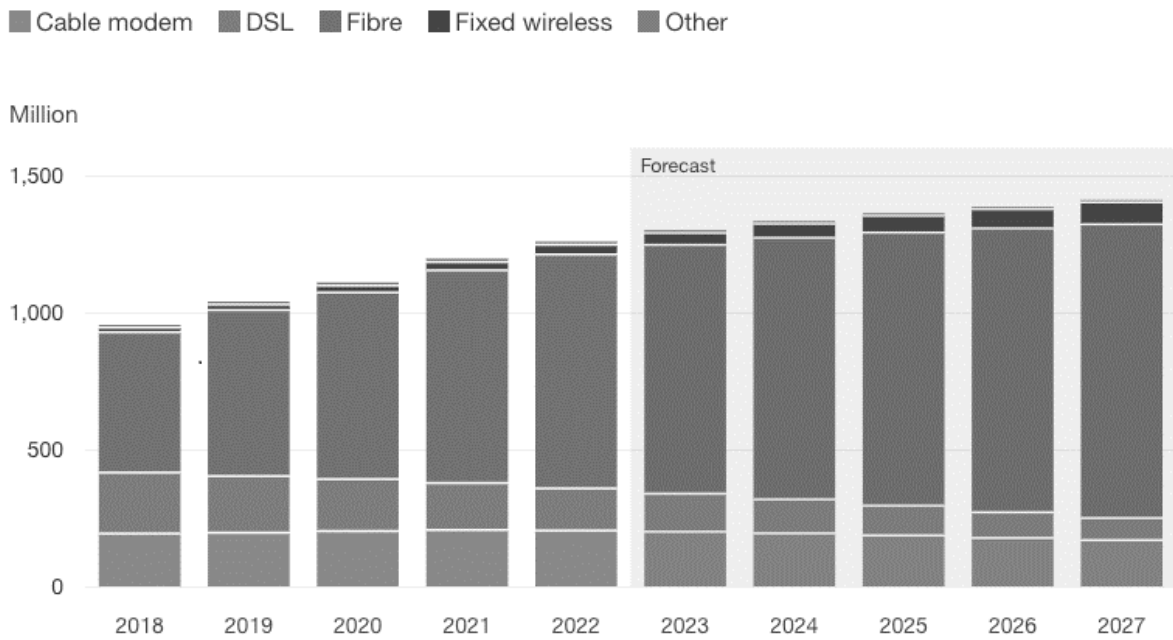


Figure 1. Number of broadband Internet access technologies worldwide (Source: PwC's Global Telecom outlook 2023-2027, Omdia)

During the period of 2025 to 2030, the compound annual growth rate (CAGR) of the fixed-line communication market is forecast to exceed 11.32%, driven primarily by strong demand for optical fiber equipment (PON), DOCSIS 4.0 upgrades and replacement cycles, and increasing adoption of fixed wireless access (FWA). Starting in 2025, the global fixed-line market is expected to accelerate with FTTH penetration reaching 60% and growing enterprise 5G applications. In addition, the trend of digitization and cloud management also enables service providers to provide better service quality to end users. The cloud service is essentially a remote virtual platform for storing, managing, and retrieving data or resources when needed by an enterprise. The increase in the number of data-enabled devices and Web applications increases the demand for scalable cloud technology. Many enterprises turn to cloud storage to eliminate the investment required for storage hardware and physical infrastructure.

The demand for faster internet service is driving the market studied. The technology and popularity of wired network communications are highly related to the bandwidth needs of small and medium enterprises, families, educational institutions, and offices. Fixed line operators are witnessing the booming development of data service revenues and are attempting to provide consumers with "triple play" through IP network, that is, a combination of broadband Internet, video and voice over IP networks.

With the emergence of the Internet of Things, big data analysis, and cloud-based services, the market demand for data centers continues to increase. Network equipment plays an important role in the operation of data centers. In addition, the rising demand for data centers by government agencies, large enterprises, and telecommunication organizations is boosting the demand for broadband-to-home and broadband-to-office and complete services.



Cable Modem全球出貨與需求

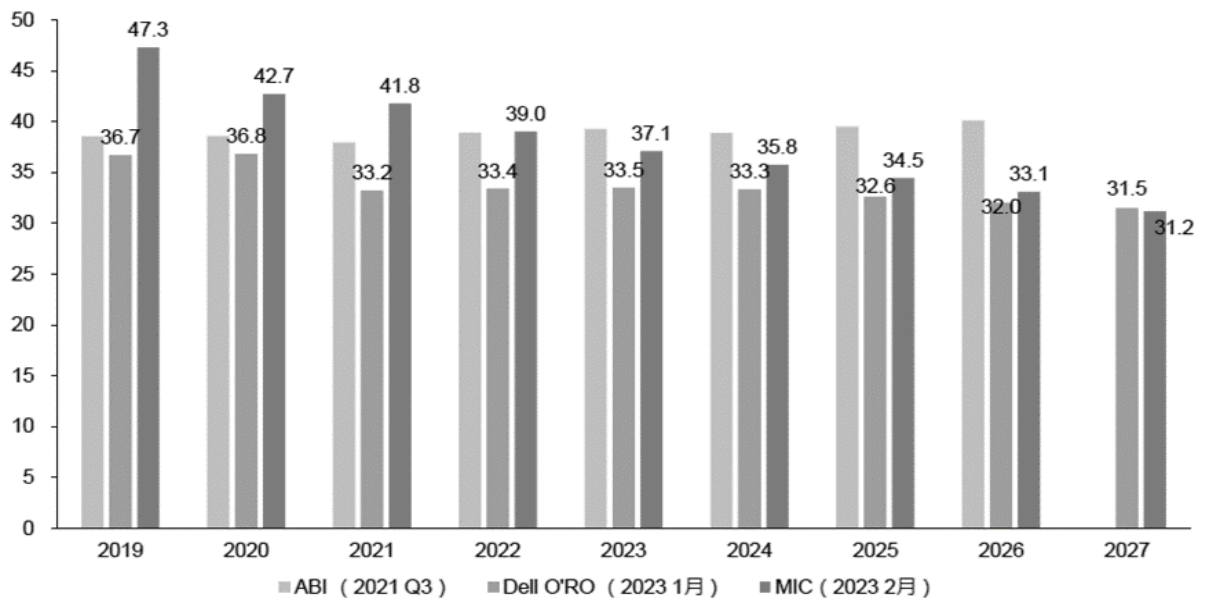


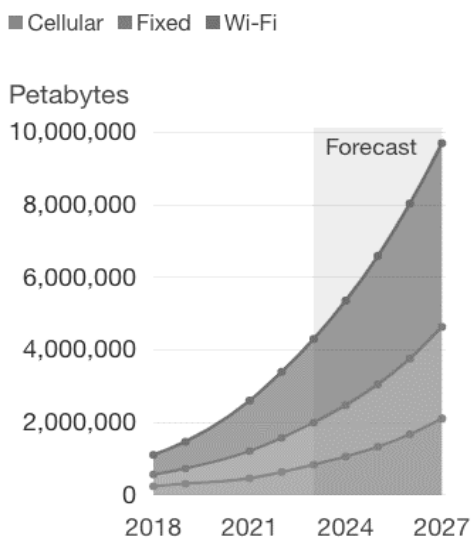
Figure 2. Demand for cable modem (source: various research institutions, compiled by MIC, April 2023)

Global broadband traffic has grown rapidly, with a four-fold increase from 2016 to 2021, and a double-fold increase from 2022 to 2026. Apart from the growth in the number of broadband subscribers, the growth also comes from the increase in people's demand for bandwidth. It is estimated that the number of global fixed broadband users will exceed 1.6 billion in 2030, an increase of approximately 18% compared to 2024, mainly driven by the deployment of FTTH and DOCSIS 4.0. Among them, Asia – particularly China, East Asia, South Asia, and India – accounts for the largest regional share, followed by North America, Europe, and the Middle East/Africa. Broadband users are forecast to reach around 1.6 billion in 2030. In the next few years, the largest market is expected to be North America, followed by Europe and then Asia Pacific.

When the bandwidth of broadband service raises to Gbps in a unit, the monthly broadband subscriber fee for households would range between US\$70 and US\$140. The difference is mainly due to the competition between the local service providers. However, such a fee range represents the advent of broadband service in Gbps. North America will first change, and Europe, Japan, and Korea will be next. Nevertheless, the broadband service in Gbps is not without weakness. Currently, many households face a shortage in VR and 4K content services. As such, the growth of users would not be as fast as it used to be. Cable TV service providers would make use of such investment on market segmentation of corporate users and Mobile Backhaul, because this market has a great need for broadband and the profitability is high. As such, the low-priced high-speed internet service is a good backup service, presenting business opportunities to the broadband service providers, commercial users of new corporate service providers and SME users in North America.

In certain regions, some broadband service providers have rolled out broadband service in 2Gbps. Take the US for example. The monthly subscription fee for service in 2Gbps amounts to US\$300. In HK, the fee ranges from US\$218 to US\$318. In Taiwan, providers like kbro plans to roll out 2Gbps uplink and downlink services in 2025. For equipment manufacturers, 10Gbps EPON has been exited for more than 10 years. In recent three years, 10Gbps XGSPON has gradually become the mainstream of the broadband equipment market. Cablelab from the US set the specification of the next-generation 10Gbps as the new standard for DOCSIS 4.0.

Global total data consumption split by network, 2018–2027



Global total data consumption split by device, 2018–2027

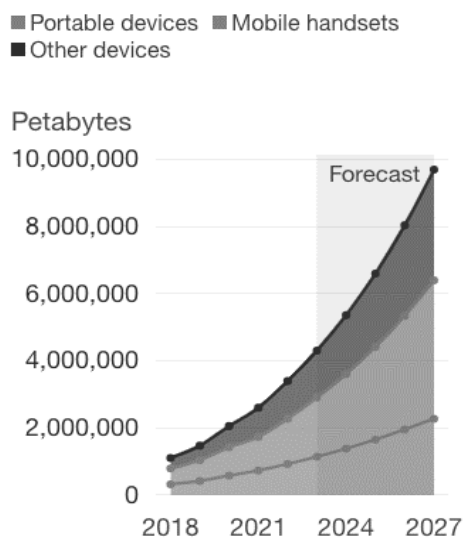


Figure 3. Global total data consumption (Source: PwC's Global Telecom outlook 2023-2027, Omdia)

The existence of the internet has changed many traditional industries. The traditional pay-TV market is shrinking. Globally, the traditional cable and satellite pay-TV market is shrinking at a rate of 3% per year. Such a trend is also noted in the reports of Kagan and S&P Global Market Intelligent. However, this does not mean that the viewers of traditional pay-TV change from satellite and cable TV to the internet to viewing the pay-TV. The viewership of traditional internet pay-TV is also falling, but the rate of falling is lower than the satellite and cable TVs. The most affected are the satellite TV service providers. For example, AT&T lost 650,000 DirectTV subscribers in the third quarter of 2021, and Dish Network lost 110,000 subscribers in the first three quarters of 2021. This was due to content providers of traditional pay-TV provided digital content via the internet, causing the subscription model for the traditional channels to be replaced by the free selection model. Through broadband internet service, some providers can collaborate with streaming service providers like Netflix, TiVO, Amazon, or Apple to reach the viewers. However, traditional viewing is the main revenue source of cable and satellite TV. As such, they must quickly find a new revenue source and profit-making method. This is evident in the annual reports released by some of the cable TV operators. For example, in Q3 2020, the overall revenue of Comcast Communication amounted to US\$47.922 billion, up by 8.1% as compared to US\$44.346 billion in the first 3 quarters of the year. Of which, the monthly broadband subscription fee revenue amounted to US\$17.118 billion, down by 12.6% as compared to the preceding year. However, revenue from corporate users amounted to US\$6.597 billion, up by 8.2%; revenue from mobile communication amounted to US\$1.672 billion, up by 56.4%. The content service amounted to US\$16.676 billion, slightly up by 1.3%.

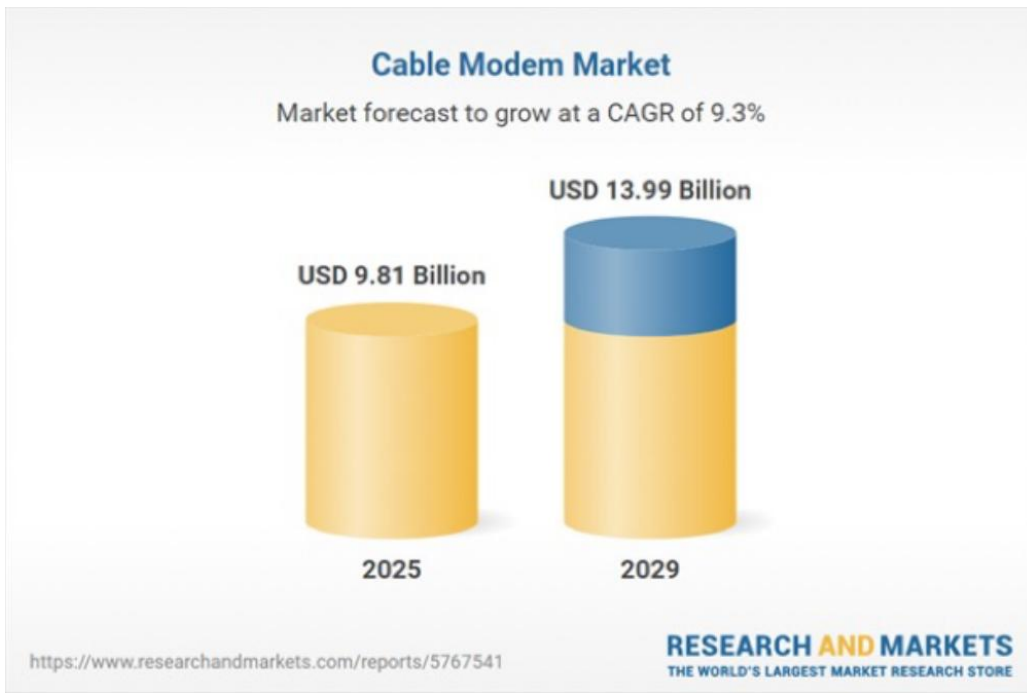


Figure 4 Cable Modem market growth (Source: Research and Markets, 2025-2029)

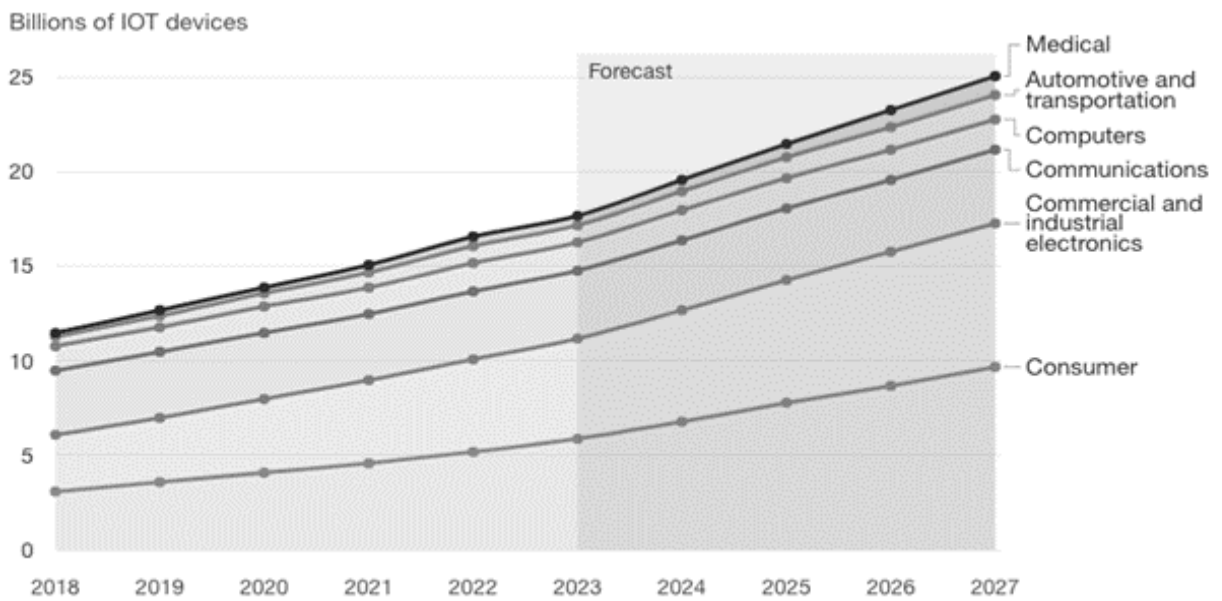


Figure 5. Demand for IoT equipment installation (Source: PwC's Global Telecom outlook 2023-2027, Omdia)



Figure 6. Service of MSOs

Some cable TV businesses have managed to build a viewing platform successfully, integrating terminal facilities and other content service provider via cloud management platform, and providing one-stop integrative services. When users apply for broadband services, they can apply for a selection of new generation content at the same time and are not limited to one viewing platform. Further, due to the integration of infrastructure, the quality of one-stop integrative services is much more guaranteed than separate applications for different contents. Moreover, the cloud management platform providers can reduce the number of complaints during internet congestion, occurrences whereby users threaten to cancel, and costs. As such, the ability of terminal infrastructure to be managed and incorporated into cloud management is a must in the future.

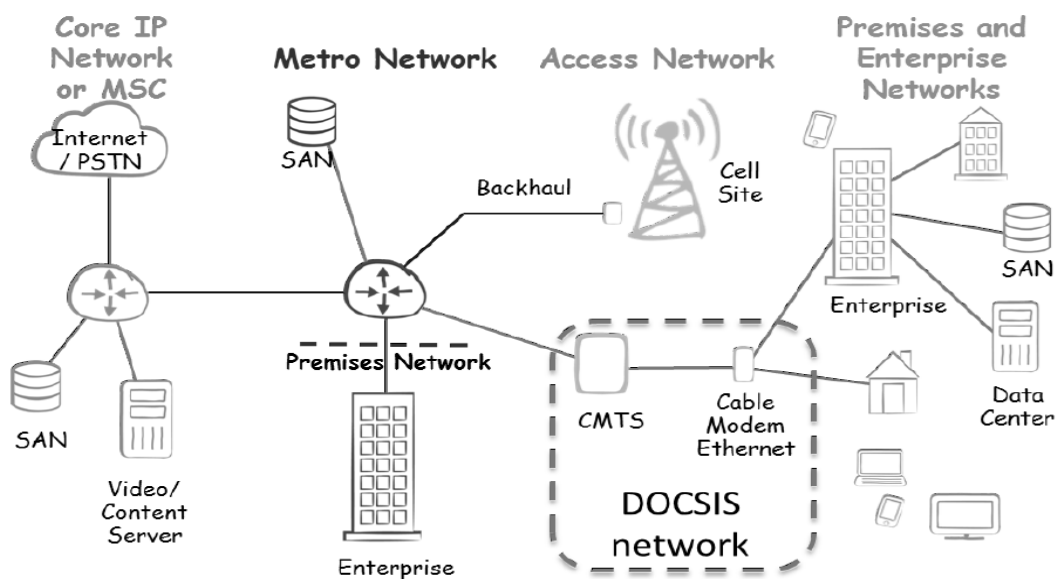


Figure 7. Mobile and Fixed Network Providers' Networks

In addition, as mobile communication becomes the mainstream internet service, some cable TV businesses are venturing into mobile data and value-added network services. Other businesses possess the service framework and licenses for both cable TV and mobile communication service. Cable TV businesses that do not own mobile communication infrastructure will adopt a mobile virtual network operator (MVNO) model to lease the broadband use from mobile network operator (MNO) and re-sell to consumers. The US Comcast launched Xfinity Mobile as followed the mode of MVNO. In 2019, the U.S. cable companies Comcast and Charter both had double-digit percentage growth in customers and revenue of mobile communications service. Firstly, the integration of mobile communication users with cable TV viewers has reached economies of scale. Secondly, data flow and backbone fees must be incorporated as revenue items. In other words, the existing cable TV infrastructure must translate to the new subscriber of mobile communication. However, the revenue from mobile communication is not sufficient to support the expenditure on a large scale or aimless construction of the base station. Therefore, some cable TV providers set their eyes on the corporate private network, Citizens Broadband Radio Service (CBRS) to reach their target market, because the target customers are concentrated, the ROI of infrastructure can be estimated, and it is a blue ocean where existing mobile communication service providers have not taken up much profit. In 2020, the Federal Communications Commission (FCC) approved the business use of CBRS. The approval is expected to be beneficial for the cable TV businesses to fight for the market share of the mobile communication industry. In addition, major international operators, like Starlink and OneWeb, continue to deploy their satellite constellations. The growth in the number of users will drive the demand for related terminals. In order to support the rollout of commercial services, carriers will accelerate the cooperation with the equipment supply chain to expand the manufacturing of satellite/terrestrial equipment and the procurement of spare parts. The Company mainly focuses on the design and manufacturing of routers, coupled with the self-developed device cloud management solution - Hitron Cloud, potential growth in revenue is expected in the next 10 years.

DOCSIS 3.1 provides the downlink frequency of 5Gbps. The uplink frequency can reach up to 1Gbps, which provides sufficient backbone capacity to corporate and mobile communication users. The standard of DOCSIS 4.0 which governs the stage one FDX DOCSIS confirms to increase the downlink and uplink frequencies to between 108 MHz and 684 MHz and is expected to provide a “two-way,” approximately 10Gbps service. Looking back on 2022, in mature markets such as North America and Europe, service providers rolled out broadband service of 500Mbps to 1Gbps. The sales of DOCSIS 3.1 has taken up more than 65% of total sales and will continue to drive high-level hybrid cable modems that integrate voice, data, content and residential internet access, to provide users not only with high-speed internet and cable TV programs, but also the recording of other channels simultaneously, and supporting the transmission of content to mobile devices, notepads, and other network terminals. Further, the service providers in mature markets have gradually adopted the standard of DOCSIS3.1 for terminal devices. More cable TV service providers are launching Hybrid Fiber/Coax (HFC) internet service that combines the DOCSIS 3.1 technology and fiber optics, so that without constructing more optical fiber infrastructure, higher speed broadband internet service can still be provided to users. Due to the aforementioned factors, the output value of the global cable CPE would still be growing.

As CableLabs began certifying DOCSIS 4.0 equipment in 2023, we completed field trials in 2024. In 2025, the first DOCSIS 4.0 devices and network services launched with a North American TV operator. Compared to DOCSIS 3.1, DOCSIS 4.0 not only supports downlink speeds of 10Gbps and uplink bandwidth up to 6Gbps, but also extends to a 1.8GHz spectrum. Additionally, it introduces full-duplex DOCSIS (FDX) for in-band two-way communication and extended spectrum DOCSIS (ESD) transmission technology. North America is expected to fully upgrade to the 1.8GHz spectrum between 2026 and 2027, reaching maximum deployment by 2030. This equipment upgrade will facilitate a phased overall upgrade of the cable network infrastructure. Currently, North American operators (such as Charter, Comcast, and Cox) are the most active in this regard. They are expected to begin large-scale deployment of DOCSIS 4.0 networks sequentially from 2026/2027. MSOs in other regions, such as Europe and Asia Pacific, are considering initial deployment with DOCSIS 3.1+. The global cable CPE DOCSIS 4.0 is expected to gain momentum starting in 2026, with widespread deployment in 2027 and full adoption by 2030.

With broadband service provider no longer offering simple broadband service and instead of venturing into the application of IoT, so as to launch various cross-platform smart home/community-related application service via the integration of fixed network and mobile communication networking infrastructure, and with the mobile networking and cloud service gaining popularity, the concept of integration -- IoT has become the focus of development of various corporations in the near future. IoT is not a brand new conception and product. When the internet became popular, electronic appliance manufactures had already come up with the idea. However, the opportunity is only maturing now as compared to before. Its objective is to link devices through radio frequency identification sensing equipment to IoT, implementing smart identification and management. As the internet is more ubiquitous than ever, use of personal mobile devices is prevalent, equipment costs

decreasing substantially, platforms from Apple IOS, Google and Amazon offering value-adding software and services, and industry chain becoming more complete, from facilities, services, content to financial integration, the product and service systems are maturing.

Meanwhile, corporates apply IoT technologies extensively and widely used products are applied in different markets. Cases in point include medical equipment, factory automation and industrial robotics, monitoring sensor installation to increase agricultural output, car automation and infrastructural monitoring systems for different areas, such as streets, railway transportation, water and electricity supplies. IoT industry includes the making of hardware and embedded software, telecommunication service and IT services related to IoT.

Currently, most broadband service providers use hybrid access to provide for the last mile wire layout. The internet service providers provide the optical fiber, copper wire transmission, and even services through integrated wireless transmission platform. The traditional operating model of single access or old transmission method has since disappeared. The difference among the service providers is diminishing gradually, leading to even more cutthroat competition.

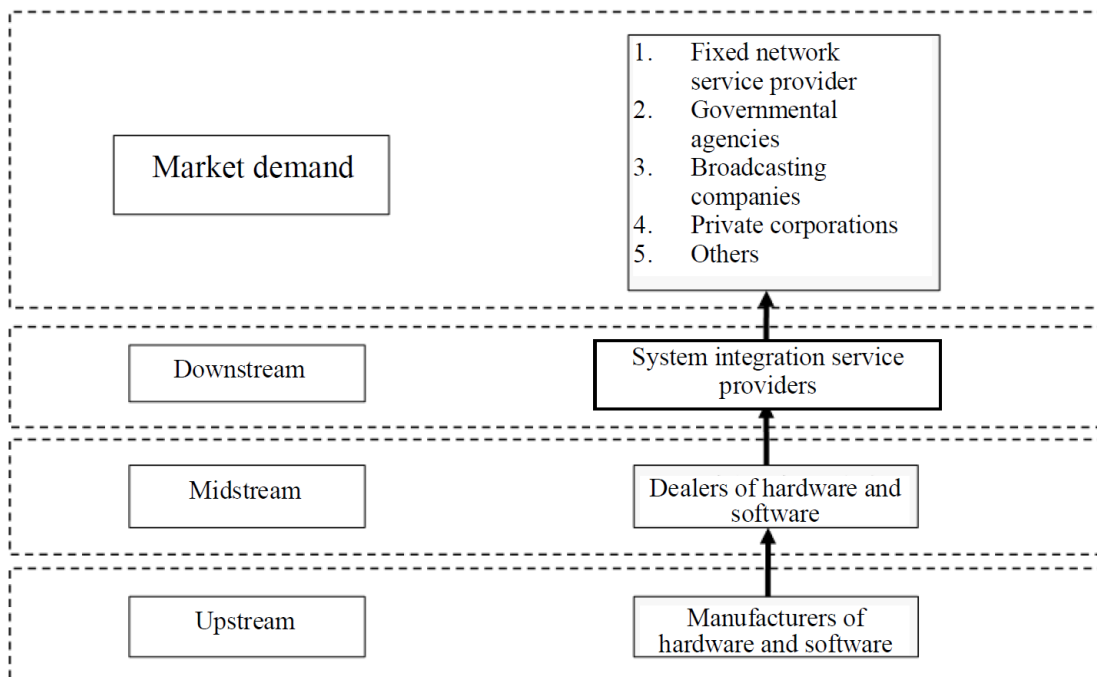
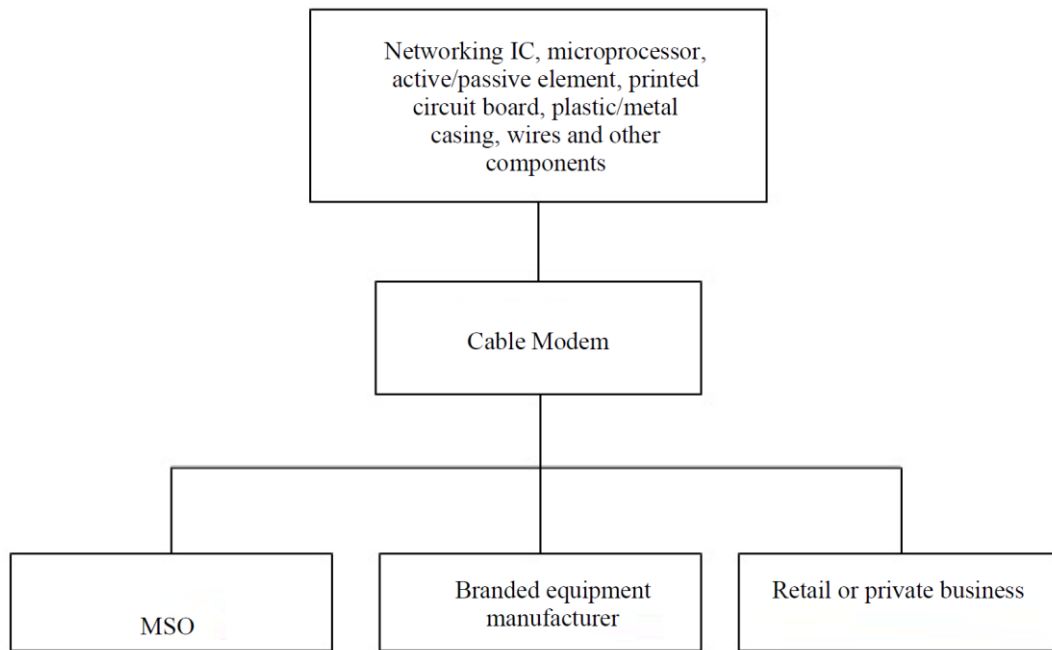
Our country is the main production settlement for cable CPE manufacturing, comprising more than 80% of global output. The cable CPE manufacturing of our country consists of serving as OEMs for system products, and as brand operators. So far, no other countries or production settlements have emerged to threaten the status of our country. Further, in Taiwan, there is a growing number of manufacturers who bypass brands and get in touch with MSO directly to solicit orders, thus making the Taiwanese manufacturers to quickly come up with product design and manufacturing capability, which helps maintain their product profitability. For this industry, in terms of comparison of output value or production volume, Taiwan has been the most important R&D and production site globally.

Due to the high cable laying cost and time consumption, the entry barrier for manufacturing cable CPE is relatively higher. Looking at the future outlook, globally, the current number of cable modem users is fewer than ADSL's. However, with the ubiquity of the digitalization of cable TV, compounded by the increase in wire broadcasting users, the revenue of the global telecommunication market will continue to grow. Furthermore, the cable modem is being integrated into the communication module of the set-up box (STB), and the development of DOCSIS technology drives the trend of renewing devices. This development may be where the growth of cable modem lies in the future, especially for large cable user markets, such as the US, Korea, and Japan.

2. The connectivity of target customers services content and supply chain

According to services, the Company re-deconstructs the supply chain of the cable TV industry and no longer positions the value of the Company in terms of a single terminal equipment supply chain. Supplying target customers with in-house brand products requires substantial operating costs. Increasing revenue and profitability for the costs incurred requires an integration strategy, which besides the existing vertical integration business strategy, can enhance the product standard. This is because from the point of view of the customers, they would go for the double equipment supplier while reducing the total number of suppliers strategy, reducing the risk of equipment supply, increase the room for price bargaining and reduce operating costs. As such, if a single equipment supplier is unable to provide more supply for other equipment or services, its revenue will fall while the operating costs remain the same.

The establishment of sales channels requires the time and cultivation of professionals and relationships. The development of new products takes time as well. The building of a brand also requires focus and professionalism. The capability and knowledge of product line and professionalism must also in tandem with the needs of customers.



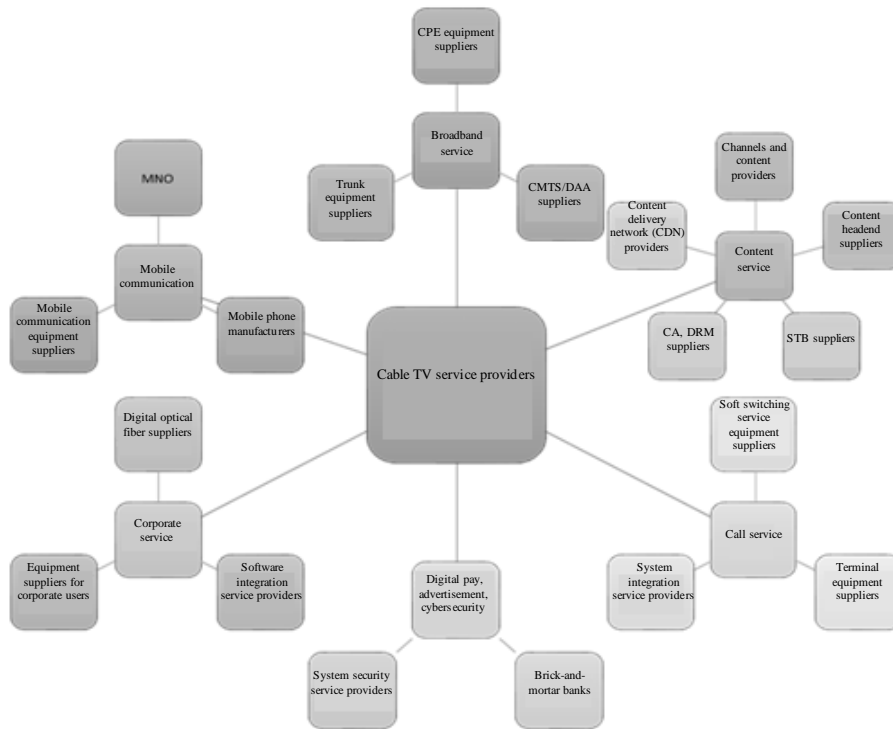


Figure 8. Relationship between services provided to target customers and supply chain

3. Product development trend and competition

CableLabs released the standard for DOCSIS 4.0 in 2020, supplementing and amending previous generation technology, DOCSIS 3.1. The average downloading and uploading rate can reach up to 10Gbps, and the upload speed can reach 6Gbps, including the full-duplex DOCSIS (FDX) which allows the downloading and uploading data to flow in the same band. Further, it has a low delay (target <1ms) and a new DOCSIS (EDS) function to expand the frequency range from the original 1.2GHz to 1.8GHz to support the HFC 1.8GHz (expanded by 600MHz as compared to DOCSIS 3.1) internet data flow. In addition to improving the transmission speed, DOCSIS4.0 provides a stronger network security mechanism, with stronger network identity authentication and encryption functions. DOCSIS 4.0 significantly boosts home network upstream and downstream bandwidth, enabling support for 4K/8K video and audio streaming, VR cloud gaming, and AI applications for multiple users and devices. With upstream speeds increasing by more than sixfold from 1Gbps to 6-7Gbps compared to DOCSIS 3.1, it provides ample support for video conferencing, work-from-home scenarios, and real-time backups. Furthermore, full-duplex DOCSIS (FDX) technology delivers stable, low-latency connections to reduce network congestion and substantially increase the number of Smart Home IoT connections. In addition, increasing the frequency to 1.8GHz—a 50% increase—allows operators to deliver high-bandwidth network services equivalent to fiber-to-the-home (FTTH) over their existing HFC infrastructure.

Compared to FTTH for home networking, DOCSIS 4.0 offers significant advantages in network upgrade costs and deployment speed. It leverages existing HFC network infrastructure without requiring new cable installation. Home users can increase bandwidth severalfold simply by replacing their DOCSIS 4.0 cable modem. This is particularly valuable for rural areas and older communities or residences where fiber optic networks are impractical. For instance, fiber network coverage for AT&T and Verizon in rural and suburban North America and Europe is less than 40%. DOCSIS 4.0 can help significantly bridge the digital divide. In Taiwan, DOCSIS 4.0 can supplement Chunghwa Telecom's fiber optic coverage in areas where it is lacking.

Hitron Technology has accumulated many years of research and development strength, and the research and development team has deeply captured the confidence and loyalty of customers with customized research and development services. In the future product development, using its existing technologies and products as its R&D basis, the Company will integrate multimedia and diversified service medium with service platforms, providing the broadband products and integrated services, such as Hybrid Video Gateway, SMB Gateway and other diversified terminal equipment of IoT that support content transmission through ultra-high frequency.

Apart from broadband, wireless telecommunication network is the most important demand. In the development of application software, the software design capability of the businesses in our country is one of

the best globally. Therefore, for a wireless telecommunication network, in addition to the four capabilities of broadband network, the technological capability of the businesses in our country includes the capability of designing the value-adding service of the application software.

The domestic competitors have gradually merged, and new manufacturers have entered the market. The main OEMs are Hon Hai, Pegatron, Sercomm. Companies with in-house designers are Hitron, Ubee, CBN, Askey, CBN, and Gemtek. In the future, the Company will develop products that timely cater to market needs, integrating further with customers' processes, providing value-added services to customers with innovation, and pursuing higher quality in products. We expect there is more room for growth in the future.

(III) Technological capability and R&D

In 2018, Hitron Technologies will upgrade the Ethernet interface at the user end to the expansion speed of 2.5Gbps. The PC and notebook interface of end-user provided will be 2.5Gbps as well globally. In 2021, Hitron also introduced the new Wi-Fi 6E specification into home wireless network routers and extenders. With the main terminal equipment, it can produce a better wireless telecommunication coverage. Users will increase the mini Wi-Fi7 access points (APs) for the wireless mesh network (WMN). In 2024, Hitron also launched the new generation of faster wireless network equipment, including routers and extenders, and design and manufacture pure wireless APs, and hybrid APs with Wi-Fi and cable network capacities that integrate them with the existing router and extender production lines. With the introduction of cloud computing, AI and other technologies, Hitron Technologies will incorporate remote control and telecommunication interface into the new design of network analyzer, providing network analyzer with positioning and range forecast troubleshooting to service providers, and thus giving more value-adding services and functions to new products. Market Digits predicts that the global WiFi 7 market will grow from US\$1.82 billion in 2024 to US\$24.2 billion in 2030, with a compound annual growth rate of 57.56%, and will rapidly become the mainstream market leader, replacing WiFi6. The market penetration of WiFi7-related technology products and applications is expected to exceed 50% in the second half of 2026. North America is currently the largest market, while the Asia-Pacific region is experiencing the fastest growth. Compared with the technical specifications of WiFi 6, WiFi 7 offers 320MHz ultra-wideband network performance and multi-link operation (MLO), enabling simultaneous data transmission across 2.4/5/6GHz frequency bands. It achieves transmission rates of up to 40Gbps and beyond, with support for 4096-QAM to increase data efficiency by 20%. This makes it suitable for applications like AR/VR AI, smart monitoring, and cloud gaming, and boasts a low latency of just 1ms (millisecond), opening possibilities for uses in autonomous driving and medical imaging. These technical advancements position WiFi 7 as a key technology for wireless communication in the next decade. In addition, WiFi 7 offers high integration with AI applications, simultaneously providing high-speed transmission (320MHz), low latency, and multi-link operation (MLO) to revolutionize AI edge computing, cloud management services, IoT, and various smart applications.

Yearly R&D expenditure and the latest successfully developed technologies or products for the most recent year until the publication date of the annual report

Unit: NT\$ (thousand)

Item \ Year	2025	2026 Q1
R&D expenses	415,911	Note
Successfully developed technologies or products	1.DOCSSIS 3.1 Cable Wi-Fi Gateway: CODA-4680, CODA-4589, CODA-4514,CHITA; DOCSIS 3.0 Wi-Fi 24x8 Cable Gateway CGNV4-28, HUB4, CGNV4-FX4; DOCSIS 3.0 Wi-Fi 16x4, CODA-5712 2.DOCSSIS 3.1 Cable 802.11ax Wi-Fi Gateway: CODA-552X, CODA-553X 3.DOCSSIS 3.0 Cable Network Probe:CGN-DP2, DOCSSIS 3.1 Cable Network Probe: CGN-DP3 4. Optical fiber voice gateway: SVE-3710 5. Outdoor DOCSIS 3.1 Cable Modem: COMA, CHOE. ODIN-1112 6. Wi-Fi 6 Extender ARIA2210 , ARIA3411 7.NOVA2200 10GPON ONU, NOVA1214 10GPON HTU	

Note : As of the print date of the annual report, the 2026 Q1 financial statements have not been reviewed by CPAs yet, with no number of the quarterly report for reference.

(IV) Long and Short Term Business Development Plans

1. Short Term Business Development Plans

- (1) Marketing strategy: Continue to expand the existing market by providing products with stable functions and high quality to cater to customer needs, timely provide customization of product specifications to create a 100% top-grade service. In the short term, Hitron Technologies will actively engage service providers to develop products that can increase operational effectiveness. Via the channels of existing brands, the product design will be adjusted to cater to the needs of service providers in terms of profitability and services.
- (2) Increase in product quality and cost reduction: the factory in Vietnam will serve as the production base of Hitron, striving to improve in-house R&D and production technology and increase product quality. To counter the increase in labor costs in Mainland China, the Company will strive to introduce automation, reduce labor needs and improve production capacity, in order to lower production costs and increase the room for profitability.
- (3) Reduce the percentage of customers and products that require a longer development period, so as to increase profit realization from investments and assets.
- (4) Increase the sales of innovative and high value-adding product lines.

2. Long Term Business Development Plans

- (1) Continue to develop cable modem and system integration service, start to venture into integrating products with value-adding services, cloud, and AI big data.
- (2) Expand the scale of a product based on existing products by instilling the results of in-house R&D, so as to master the core technology that can be the lead company in the industry. The scale of the market shall expand globally, catering to customer needs in terms of both cable and wireless products.
- (3) Develop new products and customers in new markets, effectively mitigate risk by diversifying customer groups and regions, and obtain long-term stable ordering to maintain the yearly growth target.
- (4) Continue to explore new opportunities for growth and cross-industry consolidation, develop products related to home-used network gateway and other module inserted TVs that cater to the digital needs of households.

II. Markets and Sales Overview

(I) Market Analysis

1. Sales (Service) by Regions

Unit: NT\$ (thousand)

Region \ Year		2025		2024	
		Amount	%	Amount	%
Sales domestically		3,356,130	37.79	3,124,459	34.38
Export sales	Asia	17,783	0.20	425,880	4.69
	America	5,326,839	59.99	5,276,099	58.05
	Europe	179,492	2.02	261,777	2.88
	Others	-	-	-	-
	Subtotal	5,524,114	62.21	5,963,756	65.62
Total		8,880,244	100.00	9,088,215	100.00

2. Market Share

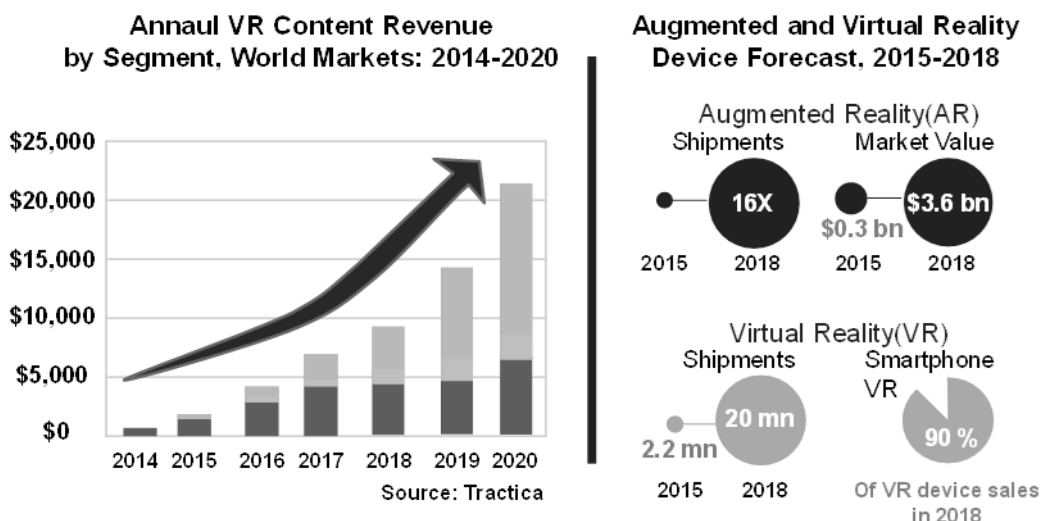
Since 2008, Hitron Technologies has strived to develop in-house brands and provide localized services. In recent years, as customers have widely accepted our product design, functions and quality, the Company has achieved economies of scale and is invited to take part in bidding for high-level mainstream products. Currently, the sales of Hitron Technologies rank number three to four in Taiwan in terms of the export of cable modem products. Of which, more than 70% of the products contain wireless networking function and are deemed as high-level home-used routers. Some customers apply them in SMEs or connecting subsidiaries. Due to the consolidation of in-house R&D, manufacturing and sales of cable modems and system integration service to a one-stop-shop, the Company has more competitive advantage than other cable modem OEMs in

the country, such as Foxconn, Pegatron, Askey, Sercomm. Companies with in-house designs are Hitron, CBN. Our main difference is reflected in time-saving and effectiveness in communication, allowing the Company to win over the ultimate users and make direct sales to them. In the future, the Company will develop products that timely cater to market needs, integrating further with customers' processes, providing value-added services to customers with innovation, and pursuing higher quality in products. We expect there is more room for growth in the future.

In 2022, most of the cable TV service providers used DOCSIS 3.1 globally. From 2022 to 2024, Hitron's cable CPE shipment volume accounted for approximately 10-12% of the global market share. The market share for DOCSIS 3.1 CPE in the overall cable market continued to increase, and the demand for DOCSIS 3.1 CPE in Central and South America was higher than expected. The next generation of standard DOCSIS 4.0 CPE products began launching in European and American markets in 2025 with initial shipments. Shipments to North American operator customers are expected to grow rapidly in 2026. In home network application services, the wireless gateway has become the primary product. With the gradual addition of Wi-Fi 6 products and Wi-Fi extenders supporting mesh networking, home network deployment becomes more comprehensive and can be integrated with Hitron's cloud service (Hitron Cloud). The newly added WiFi7 wireless extender products have also indirectly contributed to the operators' broadband as they use Hitron's cloud services. The Company's development centers on the home network and user experience. By doing so, we enable our customers to increase revenue from more software services with the existing business model and network structure, generating more profits.

3. Future market supply and demand, and growth

- (1) In the internet era, the ubiquity of broadband can increase the overall competitive advantage of a country. As such, due to the ever-increasing internet users, the need for broadband internet equipment continues to grow, so as to cater to the need of cable TV service providers.
- (2) Automation in households has significant growth potential. The main application lies in home security, home automation, health care and treatment, and smart grid.
- (3) In response to the global digitalization phenomenon, the need for integration of many high-level functions at the end-user equipment is getting more evident. The upgrading of DOCSIS version continues to grow, and thus the global market is expected to grow significantly.
- (4) The application and need for augmented reality (AR) and Virtual Reality (VR) are starting to pick up. The need for internet bandwidth will grow by more than six times, and thus a higher bandwidth technology is in demand.
- (5) Internet from 1Gbps to 2.5Gbps or 10Gbps is becoming ubiquitous.



4. Niche market

The Company can grow in a competitive telecommunication and broadband service market and take up a certain percentage of market share due to the following after an analysis of its niche market strategy:

- (1) A strong R&D team that create a niche

The Company closely follows new technologies such as hybrid cloud computation, big data and AI, and consolidates existing technologies to prepare for the advent of an era where future communication and software-defined network (SDN) are closely integrated.

- (2) Building brand awareness, adding application value and system integration to products
 The Company acutely masters telecommunication technologies, the trend of development, while gradually building a well-oiled sales network and servicing group, which can increase professional value-add. The cloud service integration system of Hitron Technologies will not only provide an integrative solution to customers but also reduce operational and service costs, creating a three-way win for users, Hitron Technologies, and customers.
- (3) Professional talents with high qualification and experience that can create high productivity
 To meet the goals of strengthening technologies and developing the international market, the Company consistently hires professional talents with high qualifications and experience. Take R&D researchers, for example. 100% of the personnel possess at least a bachelor's degree. 50% of them possess at least a master's degree.
- (4) Consistently reduce costs and increase the room for profitability
 With an increasing fuel price and standard of living, the survival of companies and their profitability is threatened. New technology is consistently applied to reduce costs and search for new substituting components and manufacturing process. In the future, it will also be beneficial to resist inflation and improve profitability. High automation will reduce the labor need and robots will increase production effectiveness and enhance product standardization.
- (5) Improve cost–performance ratio
 When the costing is optimal, to avoid hurting profitability, the Company should not continue to engage in a price war. Instead, it should improve cost-performance ratio. For service providers, services include after-sale service, maintenance, response time to feedback, delivery and tax services. Helping service providers to save costs should be taken into consideration. For example, delivery of products to end-users on behalf of service providers can reduce the storage, dispatch and management costs for service providers.
- (6) Vertical integration of production, sales and R&D
 Vertical integration of sales and production is an evident costing advantage as opposed to foreign competitors. Further, effective sales channels can shorten the delay from ordering to delivery. The risk of raw material wastage is lowered. Once R&D and sales are vertically integrated, the Company can timely cater to customer needs. When production and R&D are vertically integrated, the Company can effectively improve product quality and production effectiveness.
5. The favorable and unfavorable factors, and countermeasures
- (1) Favorable factors
- A. Obtaining certification of various countries
 Many cable modem products of the Company have passed the DOCSIS1.0/1.1/2.0/3.0/3.1 certification of CableLabs, which is helpful in market development and maintaining technological advantages.
- B. Regulations and intellectual property law in securing R&D technologies
 The domestic trading regulations and intellectual property law compel businesses to acquire new technologies and invest in R&D, securing the protection of technologies and contributing to the growth and continuance of the Company. The Company possesses a strong R&D team. Currently, it has actively developed transmission products, such as products related to FTTH and Wi-Fi Mesh. The results are promising.
- C. Smooth marketing channels and established sales locations in North America, South America and Europe
 The Company has established many subsidiaries all over the world to conveniently provide technical support and advisory services to their respective regions, giving customers and sales agencies the most accessible and complete services. Establishing regional offices is also part of the Company's plan, so as to further the sales and technical support network. In 2021, new sales channels were opened up for e-commerce platforms, and the sale of Hitron's products was rolled out on Amazon and New Eggs.
- D. Key innovative technological breakthroughs
 The Company has invested in R&D for well over ten years, accumulating new techniques needed in telecommunication technology, message coupling and de-coupling techniques on ASIC and noise-canceling techniques, all of which are core competitive advantage in constructing future telecommunication infrastructure. In recent years, cloud platforms and artificial intelligence (AI) have been introduced in equipment management and service optimization. Except to equipment sales, a new business of charged software services (Software as a service-SaaS) has also been launched
- E. Development of home-based internet/automatic products to cater to market needs.
 Nonetheless, the product level has advanced from home networking to home server, or even home automation. In which, home automation sees the greatest growth. For service providers, this helps

raise the monthly average revenue per user (APRU) and will reflect in the revenue made off the broadband services. From the point of view of the user, the needs are mainly in home security, home automation, health care and treatment, and smart grid. Currently, the number of machines is at least four times greater than the number of people. This marks a great market potential for the Company. Hitron possesses first-mover advantage and a comprehensive understanding of users' habits as compared to other platforms and has thus accumulated a large number of application software and product design that provide users with direct interaction and integration with other related information.

(2) Unfavorable factors and countermeasures

A. Merging and acquiring capability that is lagging behind international brands

Countermeasures:

- a. To acquire the niche for its products, the Company shall develop its services and application framework on the niche of the cable modem. The market potential for its products remains promising. As such, in terms of operational strategy, the Company strives to maintain an advantage in its profits, and even expand the niche market share. The Company will make use of the economies of scale accumulated in the niche market to acquire an advantage in cost, to apply pressure to other international brands.
- b. In terms of product functions, the Company must increase new functions or interface to prolong the product cycle life, while focusing on catering to customer needs to maintain its advantages.
- c. Medium to large businesses continues to merge. Their economies of scale will create a substantial difference in terms of cost.
- d. The Company shall consistently develop new technologies and collaborate with suppliers.

B. The shortage of key components has gradually improved, but there is still a need to further strengthen local procurement of components.

The disparity in raw material supply is much smaller now compared to before. However, the overall demand is slightly lower than the capacity supply. Therefore, in 2023, the Company will be able to continue to handle the source of the main chip to reduce the main disadvantages. Currently, the domestic high-tech product development is not yet mature. However, some of the main components, such as ASIC etc. still require importing from large international suppliers. In addition, starting in the fourth quarter of 2025, the global memory market has experienced a shortage in supply. This shortage of DDR3/DDR4 and NAND FLASH has caused prices to rise rapidly and is expected to impact operations in 2026.

Countermeasures:

- a. The Company shall strengthen the long-term relationship with suppliers, closely monitoring the change in the upstream industry to obtain the information regarding the supply of raw materials, so as to maintain flexibility in the production schedule and tying down of capital or interruption of raw material supply.
- b. Seeking for design diversity and variety to avoid single supplier

C. Inflation in raw materials and an increase in labor costs

Countermeasures:

- a. The Company extends the preparation time for raw material. Due to the expectation of rising prices, suppliers would stockpile inventories, hoping to make a greater profit subsequently. To avoid the interruption of raw material supply, the Company will increase the preparation time for raw material. However, the shortfall is that inventory turnover will be lowered and more capital will be tied down.
- b. Increase automation. To replace labor with robots.
- c. Expand the scale of the market. Accumulate more price bargaining chips.
- d. Sourcing for substituting materials and suppliers.

D. ESG regulations

Sustainable development is the ultimate goal pursued by all countries and enterprises in the world today. Hitron Technologies set up the CSR Committee in 2019 and has since been committed to implementing corporate social responsibility related activities. In 2021, we set up the ESG Committee based on the three elements of Environment, Social responsibility, and corporate Governance. Based on the economic, social, and environmental aspects, the company has expanded its environmental focus to include "sustainable products," "sustainable operations," and "sustainable supply chains." Additionally, it addresses "social responsibility" and "corporate governance", totaling five aspects to promote sustainable business initiatives. With that, we have implemented sustainable development projects and formulated management performance indicators for each aspect; and set 2022 as our base year of implementing and recording ESG activities.

Corporate social responsibility is a new concept that is trending in the mid to late 20th century. The influence that large corporations possess, corporate image, pressure from NGOs and international regulations imposed on exports documented on ESG reports have become the competitive advantage in sustainable development that corporations pursue. Companies showcase their management results, improvement of corporate image and the communication medium with stakeholders by issuing corporate sustainability reports. Internationally, the more common CSR standard is as follows:

Global Reporting Initiative (GRI) G3: the preparation principle for sustainable development report writing and standard for disclosure. The reporting comprises three major aspects in voluntary disclosure framework in the economy, environmental protection and social, providing a guideline for sustainable development reporting that is applicable internationally and thus standardizing the reporting of different regions.

Account Ability 1000 (AA 1000): Aims at improving interaction and issues between corporations and stakeholders. The standard is established by maintaining a balance between accounting, auditing and reporting standards. Its principle examines the accommodation, comprehensiveness and responsiveness of the reporting.

Electronic Industry Citizenship Coalition (EICC): Ensures the workplace safety of the network and telecommunication manufacturing industry, and establishes an environment that treats workers with respect and observes eco-friendliness principles in the manufacturing process. Usually, customers (members of EICC) would ask to review suppliers or have suppliers designated an inspection institution.

ISO 26000 (the International Organization for Standardization): Emphasizes the lawfulness of corporations, human rights, care workers, consumer protection, social welfare, environmental protection, contribution to sustainable development in terms of social, economic, and environmental aspects. The reporting is for reference only and should not be deemed as third-party certification. The content of the reporting could be made by self-assessment or declaration, or review by a third party.

Countermeasures:

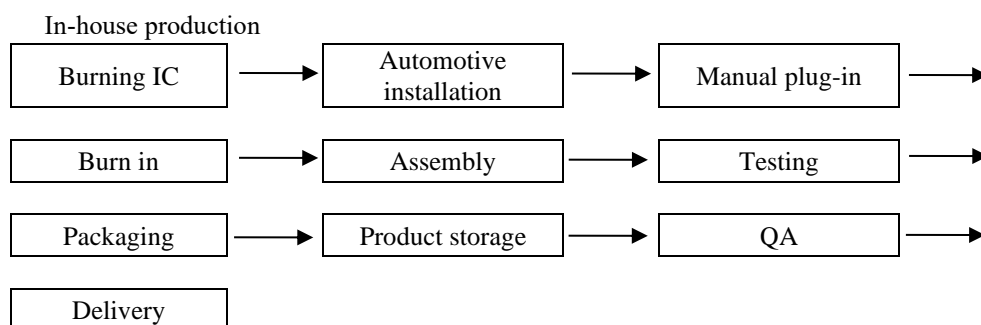
- a. In 2017, Hitron Technologies had passed the certification from Ecovadis CSR and was conferred a silver award. The Company will continue its effort in obtaining SA8000 certification and reviews by a third party.
- b. In the next five years, Hitron Technologies will, CSR focus will be on social responsibility (employees), putting people first, and creating a happy and inclusive workplace. A series of action plans will be initiated with caring for employees as the main focus.
- c. The Company will introduce cross-border cloud management system integration as a preventive measure to undertake challenges posed by the environment.

(II) Important applications and manufacturing processes of main products

1. The important applications of main products

Product type Service type	Item	Main Usage
Cable modem products	<ul style="list-style-type: none"> * Cable modem (Cable Modem) * Multiple line eMTA cable modem (Multiple Line eMTA) * Multiple line eMTA voice gateway (Multiple Line eMTA) * Digital STB with cable modem module (STB eCMM) * Cable data network testing instrument 	<ul style="list-style-type: none"> * Using cable TV HFC network and integrating cable modem, MSO can provide various value-adding services such as internet access, cable telephony, or even VOD etc. * Multiple Dwelling Unit (MDU) in communities, buildings, apartments, VoIP over cable * Digital STB with cable modem module * Internet access of cable TV and message return * Troubleshooting for a cable network
System integration service	<ul style="list-style-type: none"> * WiFi 6 wireless broadband router and extender * Optical fiber router - XGSPON * 5G mobile network - FWA 	<ul style="list-style-type: none"> * The wireless broadband router used by digital households to connect wireless end users, such as mobile phones, tablets and laptops. * Fiber optical network to the home user's broadband Internet access modem * Home broadband router that uses 5G mobile network signals to access the Internet

2. Manufacturing process



(III) Supply status of main materials

The suppliers of the main raw materials are from the US, Taiwan, Japan, Vietnam, and Mainland China. The Company maintains a good relationship and signs a long-term supply contract with major suppliers. Therefore, the supply of raw materials is stable. The sales of the Company are fairly substantial currently. Thus, the bargaining chips of the Company have increased. Suppliers are willing to stock up and thus the supply is fairly stable. As Hitron Technologies possesses technological advantages and control over service providers, major wafer makers deem Hitron important collaborative counterparts and are willing to provide better technical support and competitive pricing.

(IV) For either fiscal year of the two most recent fiscal years, the customers with purchase or sale of 10% or more

1. Major customers for the most recent two years

Unit: NT\$ (thousand)

Item	2025				2024			
	Name	Amount	As a percentage of net sales for the year [%]	Relationship with the issuer	Name	Amount	As a percentage of net sales for the year [%]	Relationship with the issuer
1	Customer C	1,880,063	21.17	-	Customer C	2,377,460	26.16	-
2	Others	7,000,181	78.83	-	Others	6,710,755	73.84	-
	Net sales	8,880,244	100.00	-	Net sales	9,088,215	100.00	-

Description on change: No significant changes in the most recent two years

2. Major Suppliers for the most recent two years

Unit: NT\$ (thousand)

Item	2025				2024			
	Name	Amount	As a percentage of net purchases for the year [%]	Relationship with the issuer	Name	Amount	As a percentage of net purchases for the year [%]	Relationship with the issuer
1	Supplier A	5,237,142	71.11	Parent and subsidiary	Supplier W	1,890,924	26.69	-
2	Others	2,127,293	28.89	-	Supplier A	1,854,414	26.18	Parent and subsidiary
3	-	-	-	-	Others	3,339,220	47.13	-
	Net purchases	7,364,435	100.00	-	Net purchases	7,084,558	100.00	-

Description on Changes:

- The decrease in purchases from supplier W is mainly due to the relocation of production line of Hitron Vietnam to Alpha, resulting in a decrease in demand for production raw materials.
- The increase in purchases from supplier A is mainly due to the relocation of production line of Hitron Vietnam to Alpha.

III. Employees Information for the Past Two Years Until the Publication Date of the Annual Report

Year		2024	2025	Until March 31, 2026
Number of employees	Management employees	85	65	64
	Technical employees	233	184	184
	Direct labor	0	0	0
	Total	318	249	248
Average age		38.11	40.87	41.13
Average years of service		6.77	8.32	8.50
Distribution of academic qualifications	PhD	0	0	0
	Master's Degree	62	67	67
	Bachelor's Degree	201	170	169
	High School	52	12	12
	Below High School	3	0	0

IV. Expenditure on Environmental Protection

- (I) For the most recent year until the publication date of the annual report, the total losses (including damages) and fines incurred by the Company due to environmental pollution:

The production process of IT and telecommunication service systems of the Company has never had any pollution issue. Further, the production plant has many pollution prevention facilities and large scale sewage treatment plants that meet the international standard. The requirements imposed by the Park Bureau regarding environmental protection under the care of corporations are also very strict. Since its establishment, the Company has never been punished or has incurred losses due to pollution.

Apart from paying quarterly sewage treatment fees to the Park Bureau, there are no other regulations that compel the Company to apply for a license for installation of anti-pollution facilities or permit for pollutant emission, or designate specific unit and personnel for environmental protection. Moreover, depending on the circumstances, the Management of the Company would hold review meetings to improve the comfort and safety of the work environment.

- (II) Countermeasures (including improvement measures) and possible expenditure due to pollution (including estimation of possible losses, fines, and damages due to inaction): The Company has never been punished or has incurred losses due to pollution.

V. Labor Relations

- (I) Availability and execution of employee welfare, education, training and retirement policies. Elaboration of the agreements between employers and employees, and protection of employee rights.

The welfare, education, training, retirement and opinion of employees are important to the Company. As such, labor relations have always been harmonious. There was no labor dispute for the past two years.

1. Employee Benefits

The employee welfare includes labor and health insurance, employee group insurance (Coverage includes medical, accident, and term life insurance; travel insurance is also provided for employees during each corporate event to ensure their safety.), medical checkup (The company has arranged on-site medical personnel who provide services such as health promotion and medical consultation, based on employees' health checkup results. The on-site physician and nurse are present for 2 hours and 6 hours per month, respectively. In 2025, the company also held multiple practical and diverse health promotion seminars and activities, offering comprehensive health management services and resources to employees.), year-end bonus, performance bonus, Employee Stock Ownership Trust and Employee Profit Sharing, all of which is to increase the sense of belonging of the employees. Further, the Company has established the Staff Benefits Committee, in which members are elected by open ballot. The fund is allocated to the Committee as a benefit to promote various welfare activities for the employees. including staff retreats, wedding congratulatory money, and bereavement ex gratia payment, childbirth allowance, scholarship for the children of employees, birthday allowance and get-togethers.

2. Further education and training

The Company offers a diverse range of training programs and has established formal 'Education and Training Regulations' to enhance employees' professional expertise and core competitiveness. These initiatives aim to empower employees to fulfill their functional roles, improve work efficiency, and ensure quality, thereby achieving the Company's goals for sustainable operation and development.

The curriculum includes Leadership Programs (covering financial and accounting knowledge, leadership, management, and talent cultivation), Professional Programs (focusing on R&D technology and quality management), and General Education Programs (including orientation for new hires, personal effectiveness/efficiency training, and mandatory compliance training). By leveraging internal and external training along with self-directed learning resources, the Company provides comprehensive development opportunities, enabling colleagues to continuously acquire new knowledge, sharpen their skills, and unleash their inner potential.

3. Retirement system

The employee retirement system is established in accordance with the Labor Standard Act. The Company appropriates pension funds regularly which is deposited in Central Trust of China. Every year-end, the Company appoints an actarits to compute the pension cost to ensure that the pension liability is sufficient. Since July 1, 2005, after the new system was implemented, the Company conforms to the regulations and pays 6% of employees' salaries to their individual accounts at the Bureau of Labor Insurance.

4. Employer-employee communications

Since its establishment, labor relations have always been important to the Company. Employee welfare is well established in accordance with the Labor Standard Act. As such, the labor relations of the Company have always been harmonious. Staff benefits and material measures are announced by the relevant unit, while employees can express themselves and find out the intentions of the Company's regulations via many channels.

5. Work environment and employee safety measures

Our office environment is designed with a primary focus on employee safety. All entrances and exits are equipped with access control card systems, and security personnel are stationed at main access points during overtime hours. Automated External Defibrillators (AEDs) are installed throughout the office areas to ensure immediate medical response and enhance personal safety. All electromechanical and fire safety equipment undergo scheduled maintenance and repair, and environmental disinfection is conducted annually. Additionally, the Group organizes daily walking activities to encourage regular exercise, reduce obesity, and mitigate risks associated with the "three highs" (hypertension, hyperglycemia, and hyperlipidemia). To further enhance workplace protection, the Company also maintains public liability insurance coverage for all employees.

6. Measures to protect the interests of employees

(1) The Company has established a comprehensive documentation and management system that details various protocols, employees' rights, duties and welfare. Evaluation of the content of these protocols is undertaken regularly to ensure the rights of employees are well protected.

(2) The Company holds a labor mediation meeting quarterly to establish a communication mechanism between labor and the management to protect the interests of employees.

7. For the most recent year until the publication date of the annual report, actual or estimated losses arising as a result of labor disputes and any countermeasures taken: None.

VI. Intellectual Property Management

(I) Intellectual Property Management Plan

1. The Company places great importance on technological innovation and development. Intellectual property (IP) is the core of protecting our research and development (R&D) achievements. Implementing an IP-related system is essential to safeguarding our core competitiveness. Therefore, the Company has formulated an Intellectual Property Management System in alignment with our business strategy, focusing on both the quality and quantity of our patents.

2. To support our strategic expansion into new business ventures and mitigate potential patent litigation risks as products reach economies of scale, the Company has established an IP management system centered on patent risk control. Through the analysis of patent technical information, we formulate optimal strategies to minimize operational risks.

(II) Implementation of Intellectual Property Plan

1. Currently, we hold more than 9 active patents, including 7 U.S. patents, 1 Taiwan patent, and 1 design patent.

2. The implementation status for 2025 was reported to the Board of Directors in October 2025.

VII. Cyber Security Management

(I) Information Security Management Committee

Our company established the Information Security Management System (ISMS) Implementation Committee in 2019 and renamed it the Information Security Management Committee in 2022. The President serves as the Chairperson of the committee, overseeing the development, implementation, and maintenance of all related standards and systems. The Chairperson is also responsible for coordinating and reviewing company-wide policies and resource allocation. Under the committee's structure, a Secretary General, Implementation Team, and Documentation Team have been established. Department heads from Internal Audit, IT, and Quality Management serve as advisory members to ensure clear task assignments and effective coordination within the information security management system.

The Secretary General is fully empowered to supervise the operation of the information security management system. In the event of any irregularities, the Secretary General has the authority to report directly to senior management, independent of the administrative hierarchy or external influences. The Implementation Team is responsible for the promotion, maintenance, and continual improvement of the ISO/IEC 27001 information security management system. The Documentation Team reports on the system's performance and maintains related records during regular committee meetings.

(II) Information Security Policy and Strategy

To protect the confidentiality, integrity, availability, and compliance of our information assets and to safeguard them against internal or external threats, we follow the ISO/IEC 27001 international standard. We achieved certification in June 2020 (valid 2020–2023) and, through annual audits, maintained its validity. Following the three-year term, we passed the recertification audit in June 2023, securing the ISO/IEC 27001:2013 certification for 2023–2025.

Guided by our core principle, "Information Security is Everyone's Responsibility," we actively strengthen our information security management to safeguard the confidentiality, integrity, and availability (CIA) of our information assets. This commitment ensures business continuity, maintains regulatory compliance, and effectively prevents potential threats, whether internal or external, intentional or accidental.

(III) Information Security Management System (ISMS)

Our Information Security Committee drives security initiatives and fosters awareness across the organization. By implementing the Plan-Do-Check-Act (PDCA) management cycle, we have established a robust Information Security Management System (ISMS). This framework allows us to continuously adapt to internal and external changes, evaluate management directions, and propose improvement plans to ensure the ongoing effectiveness of our ISMS. The progress and status of these initiatives are reported to the Board of Directors annually. Based on the ISO/IEC 27001:2013 framework, we have developed a hierarchical documentation system, including policies, procedures, work instructions, and operational records. These documents serve as the regulatory basis for organizational management, asset protection, and resource allocation across all information security domains.

(IV) Information Security Management System (ISMS)

To mitigate security risks, the Company executes information security management operations and key measures in alignment with our Information Security Policy. We employ a multi-pronged approach to strengthen security defense concepts and management mechanisms. Our risk management follows the ISO/IEC 27001:2013 requirements and incorporates the ISO 31000 risk management framework and processes. By establishing this risk management architecture, we continuously monitor primary risks to achieve management objectives and minimize potential losses in personnel, assets, and reputation.

(V) Information Security and Cyber Risk Assessment

To safeguard activities within the ISMS and implement relevant regulations, we perform rigorous risk assessment procedures. Based on assessment results and internal committee decisions, we determine risk treatment measures—including risk reduction, transfer, or elimination. Information security is a continuous process; we conduct annual regulatory reviews and assess internal security regulations to ensure legal compliance and operational effectiveness. These efforts allow us to adapt to evolving threats and technologies, with updates communicated to all employees.

(VI) Information Security Awareness and Training

In addition to foundational security training for new hires, the Company regularly conducts Email Social Engineering Drills. These exercises, combined with training on email handling best practices, reduce the risk of employees clicking malicious links. Furthermore, we hold mandatory online information security courses for all staff to heighten security alertness and integrate security concepts into daily operations.

In 2025, three major information security training sessions were conducted: "General Security Awareness 2.0": 186 total hours (62 participants), "IT Personnel Specialized Training": 36 total hours (12 participants) and "Security Awareness Training": 90 total hours (30 participants), Total Participation: 104 persons | Total Training Hours: 312 hours

(VII) List of losses due to labor disputes in the most recent year up to the date this report is published, disclosure of the estimated amount, and countermeasures against current and possible future occurrences. If the amount cannot be reasonably estimated, the reason shall be provided: None.

VII. Material Contracts: None.

Five. Operating Results and Status of and Risk Management

I. Financial Position

Financial Position Analysis

Unit: NT\$ (thousand)

Item	Year	2025	2024	Difference	
				Amount	%
Current assets		8,866,618	7,704,458	1,162,160	15.08
non-current assets		2,127,429	2,338,392	(210,963)	(9.02)
Total assets		10,994,047	10,042,850	951,197	9.47
Current liabilities (Note1)		4,486,510	3,157,133	1,329,377	42.11
Non-current liabilities (Note1)		398,941	559,476	(160,535)	(28.69)
Total liabilities (Note1)		4,885,451	3,716,609	1,168,842	31.45
Share capital		3,213,172	3,213,172	-	-
Capital surplus		1,153,471	1,153,005	466	0.04
Retained earnings (Note2)		184,553	290,043	(105,490)	(36.37)
Other equity interests(Note3)		190,586	303,733	(113,147)	(37.25)
Treasury stock		-	-	-	-
Total equity interest of parent company		4,741,782	4,959,953	(218,171)	(4.40)
Non-controlling interest		1,366,814	1,366,288	526	0.04
Total equity		6,108,596	6,326,241	(217,645)	(3.44)

Fluctuation analysis:

Note 1: The increase in current liabilities and total liabilities, along with the decrease in non-current liabilities, was primarily due to Hitron's strategy to maintain liquidity for short-term operational needs by increasing short-term borrowings and repaying long-term borrowings.

Note 2: The decrease in retained earnings was mainly attributable to the decline in profitability.

Note 3: The decrease in other equity primarily resulted from the disposal of financial assets measured at fair value through other comprehensive income (FVTOCI) during the current period, as well as unfavorable exchange differences arising from the translation of financial statements of foreign operations.

II. Financial Performance

Comparison analysis for operating performance

Unit: NT\$ (thousand)

Items	2025	2024	Increase/ (decrease)	Change in %
Net operating revenue	8,880,244	9,088,215	(207,971)	(2.29)
Operating cost	7,209,861	7,323,415	(113,554)	(1.55)
Gross profit	1,670,383	1,764,800	(94,417)	(5.35)
Operating expenses	1,537,189	1,514,297	22,892	1.51
Operating income (Note1)	133,194	250,503	(117,309)	(46.83)
Non-operating income and expenses (Note2)	(46,178)	(30,068)	(16,110)	(53.58)
Net profit before tax (Note1)	87,016	220,435	(133,419)	(60.53)
Income taxes expenses (Note3)	3,360	83,250	(79,890)	(95.96)
Net income from continuing operations (Note1)	83,656	137,185	(53,529)	(39.02)

Analysis of fluctuation:

Note 1: The decrease in operating profit, net profit before tax, and net profit from continuing operations was primarily due to the decline in revenue compared to the same period last year. This decline was influenced by factors such as customer demand, raw material shortages, and market exchange rate fluctuations.

Note 2: The net decrease in non-operating income and expenses was mainly due to the adverse impact of exchange rate fluctuations and the reclassification of depreciation from investment properties of subsidiaries into non-operating expenses.

Note 3: The decrease in income tax expense was primarily due to the decline in profit during the current period.

III. Cash Flow

(I) Change in consolidated cash flow in 2025

Unit: NT\$ (thousand)

Cash balance at the beginning of 2025	2025 Net cash flow	Cash balance at the end of 2025
2,352,742	1,153,995	3,506,737

(II) Analysis of changes in consolidated cash flow in 2025

Unit: NT\$ (thousand)

Item	2025	2024	Increase (decrease) amount	Change in proportion
Net cash flows provided by operating activities	17,538	995,593	(978,055)	(98.24)
Net cash flows used in investing activities	32,104	86,476	(54,372)	(62.88)
Net cash flows used in financing activities	1,106,227	(579,109)	1,685,336	291.02

1. The net cash inflow from operating activities is mainly due to the revenue from operating activities.
2. The net cash inflow from investing activities is mainly to sell the equipment in Vietnam.
3. The net cash inflow from financing activities is mainly due to the increase in borrowings

(II) Liquidity improvement plan: The Company showed no signs of liquidity deficit.

(III) Analysis of cash liquidity in the coming year: The Company, on the premise of maintaining stable cash liquidity, will carefully plan and manage cash expenditures related to investments and operations while taking, cash balances on accounts, cash flows from operating activities and investing activities and the status of financial markets into consideration.

IV. Impacts of Major Capital Expenditures in the Most Recent Year to Financial Performance:
None.

V. Causes of Profit or Loss Incurred on Investments in the Most Recent Year, and Any Improvements or Investments

The investment policy of the Company is mainly pertinent to the current basic business operation while searching for reinvestment on related businesses of the Company. Before making an investment, assessment in accordance with the "Procedures for Acquisition or Disposal of Assets" will be conducted.

VI. Risk Issues for the Most Recent Year until the Publication Date of the Annual Report

- (I) The impact of interest rates, exchange rate changes, and inflation on the Company's profit and loss and future response measures for the most recent year and up to the publication date of the annual reports: The Company closely monitors the change in interest rates and undertakes the necessary measures to low the impact on the Company's profit and loss due to interest rate fluctuation.
1. Interest rates: The Company evaluates the bank loan interest rates regularly and maintain a good working relationship with the Bank to obtain favorable interest rates, so as to decrease the interest expense.
 2. Exchange rates: The Company has established concrete strategies on forex maneuvering and strict procedures to monitor the fluctuation of forex rates.
 3. Inflation: Due to the nature of the industry, inflation has little impact on the operation of the Company. However, the Company shall monitor the inflation rate from time to time.
- (II) For the most recent year until the publication date of the annual report, policies on transactions involving high risks, highly leveraged investments, funds lending to others, endorsement or guarantee and derivatives, the main reasons for the profit or loss of these transactions and future countermeasures:
1. The Company concentrates on managing its own business and does not engage in highly risky and highly leveraged investments.
 2. The Company conducts transactions in forward exchange contracts and swaps primarily to hedge the risk arising from fluctuations in exchange rate of foreign-currency-denominated assets or liabilities. The Company

uses derivative financial instruments that are highly negatively correlated with changes in the fair value of the hedged item as a hedging instrument, and carries out regular evaluation.

3. When engaging in loans to others, endorsements and guarantees, and derivative transactions, the Company complies with relevant procedures and makes periodic public announcements and filings in accordance with regulatory requirements.

(III) R&D expenses for future R&D projects and investment amount.

In 2026, the Company is planning to invest more than NT\$ 0.454 billion in R&D expenditures. In the future, we will adjust our investment plans according to the global industry development trend and the actual operating conditions of the Company. Please reference “The development plan of new products and services” of “FOUR. Operations Overview”.

(IV) Effects of and response to changes in local and foreign policies and regulations relating to corporate finance and sales:

The Company closely monitors the changes in local and foreign policies and regulations to fully grasp and respond to the changes in the market environment. For the most recent year until the publication date of the annual report, there has been no incident that impacts the corporate finance and sales of the Company.

(V) The impact of technological and industrial changes on the Company's financial business and the countermeasures

The Company is committed to comprehending the future trends and new technology and thus would continue to invest in high value-adding telecommunication products to create optimal profit and core competitive advantages, while maintaining control on inventories to minimize the impact of the Company's finances. For control on cybersecurity, to implement internal control and policies on protecting cybersecurity, the Company has established IT safety protocols and preventive measures to regulate the information security. Further, the Board of Directors will receive reports regularly regarding cybersecurity issues. For the Company's information security management, please refer to the page 65-66 of this annual report.

(VI) Impact of change in the corporate image on crisis management, and countermeasures:

The business spirit of the Company is “Caring for humanity, leading with technologies”. The corporate image is fairly well and for the most recent year until the publication date of the annual report, no incident that giving rise to a change in corporate image and requiring crisis management has occurred.

(VII) Expected benefits from, risks relating to, and response to merger and acquisition plans: None.

(VIII) Expected benefits from, risks relating to, and response to factory expansion plans: None.

(IX) Risks relating to and responses to excessive concentration of purchasing sources and excessive customer concentration: None.

(X) Effects of, risks relating to, and response to large share transfers or changes in shareholdings by Directors, or Shareholders with shareholdings of over 10%: None.

(XI) Impact of changes in management on the Company and risks: None.

(XII) For litigation or non-litigation cases involving the Company, Directors, Supervisors, General Manager, actual persons in-charge or major Shareholders with a stake of 10% or more that have been concluded or are still pending, and have a material impact on the Shareholders' interest or security prices, the disclosure should be made regarding the content of the disputes, the sum of penalty or claim, the commencement date of the suits, the parties involved and the status as of the publication date of the annual report: None.

(XIII) Other major risks and the countermeasures: None.

VII. Other Material matters: None.

Six. Special Notes

I. Summary of Affiliated Companies

(I) Please refer to the MOPS (<https://mops.twse.com.tw>) / Single Company > Electronic Document Download / 3 Forms for Affiliates.

(II) Please refer to the MOPS (<https://mops.twse.com.tw>) / Single company > Electronic Document Download/Financial Report/2025Q4

II. For the private placement of Securities in the most recent year until the publication date of the annual report, the date and amount approved by the Shareholders' and Board Meetings, basis and rationale of the price determined, selection method of the specific persons and reasons why the private placement was necessary, and the status of use of the capital raised through the private placement of common shares, the implementation progress of the plan: None.

III. Other items that must be included: None.

IV. Any event that results in substantial impact on the shareholders' equity or prices of the Company's securities as prescribed by Subparagraph 2, Paragraph 2, Article 36 of the Securities and Exchange Act that have occurred in the most recent year up to the publication date of this Annual Report: None.