



2024 Annual Report

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<https://www.arbor-technology.com/zh-tw>

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Title: Director of the Finance department

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Deputy spokesperson Name: Clark Lien

Title: General Manager

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III. Stock Transfer Agency

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Tel: (02) 2383-6888

IV. CPA for the Latest Annual Financial Statements

CPA Firm: Deloitte & Touche Tohmatsu Limited (Deloitte & Touche) Taiwan

Name: Meng-Chieh Chiu, and Chun-Yu Wang.

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

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V. Overseas Securities Exchange Where Securities are Listed and Method of Inquiry: None

VI. Company Website: <http://www.arbor-technology.com/tw/Home>

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I 、 Letter to Shareholders

Establishment in 1982, ARBOR Technology has been a global leader in Industrial Internet of Things (IoT), rugged handheld devices and edge AI computing. We provide comprehensive system integration, customer-centric design services, embedded systems, automation products and global logistics support, as well as working with partners to develop complete solutions for various industries and applications. We are committed to realize a smart future by providing smarter mobile and embedded computing devices that make operations more efficiently.

For the past few years, in order to optimize energy efficiency, and realize intelligent energy management, we have launched AI-driven energy IoT solutions, integrating edge and cloud, using AI algorithms with hardware control functions, providing seamless integration of microgrids and virtual power plants, winning the best stacked design, as well as the Best Product of the Year (Embedded World 2025 Best in Show award) in the German media selection for its unique EzIO.

Driven by the increase of product value and decrease of production costs, the Company's operating scale has expanded, also the benefits of alliances have been fermented, which is conducive to maintaining a high gross profit margin. Profits are expected to reach a higher level and realize the innovative value of "industrial communication and communication industrialization". It will surely create better products and better operational results to attend the expectations of all shareholders.

The results of operations for FY 2024 and business outlook for 2025 are reported as follows :

I 、 Operating results for FY 2024 :

(1) Implementation results of business plan for 2024 :

Arbor's revenue and gross profit for FY 2024 was NT\$1,566,604 thousand and NT\$494,744 thousand respectively; Operating income was NT\$104,913 thousand, net income before tax was NT\$177,666 thousand, and net income after tax was NT\$152,082 thousand with EPS NT\$1.36.

(2) Research and Development status :

Arbor invested NT\$87,298 thousand in R&D in FY 2024, representing a decrease of 0.40% over FY 2023 and accounting for 6.00% of operating revenue. The major R&D results in FY2024 are as follows :

1. Intel 14th Raptor Lake Refresh S processor, supports 5x PCIe/PCI multi-slot expansion cards, meets the demand for up to 150W GPU expansion, and serves as a controller for mid-range AI PC applications;
2. Intel 14th Raptor Lake Refresh S processors, and supports 5x PCIe/PCI multi-slot expansion cards, supporting applications up to 350W GPU graphics cards, advanced AI PC application controllers;
3. The entire HMI series is upgraded to the latest Intel Amston Lake platform to meet future AI requirements of the equipment;
4. Arbor's 3rd generation railway PISC/NVR controller integrates the practical vehicle integration experience from the previous two generations in Taipei Metro and Taiwan Railways, aiming to consolidate the PISC/NVR specifications into an all-in-one machine, setting a paradigm shift for future railway controllers;

5. Develop Intel 13th Generation Raptor Lake and Core Ultra Processors (Meteor Lake) COM Express Type 6 Module, supporting edge AI applications, suitable for vertical industries such as industrial automation/smart cities/smart retail;
6. Develop Intel 13th generation medical computers to meet the needs of medical environments, suitable for smart medical applications;
7. The single-board computer designed with the Intel Amston Lake platform and Q7/Smarc modules offers excellent low-power, high-performance capabilities, suitable for embedded applications such as machine vision/factory automation.

(3) Marketing and promotion status:

Arbor Technology participated in a total of 7 international benchmark exhibitions worldwide in 2024, in order to promote company's products, including the latest industry trend products such as edge AI computing, energy IoT, and remote I/O modules, enhancing brand visibility and significantly increasing social media and website traffic.

Year 2024	1. Investment in Anasis Tech Ltd, setting up a new energy IoT dept; 2. Establishment of a new office in GaoXiong city, expanding remote I/O modules; 3. Passed ISO/IEC 27001, Information Security certification; 4. Creation of a new manufacturing unit in Malaysia, which shows the resilience of production transfer technology and global supply chain.
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(4) Budget implementation:

The Company did not publish financial forecasts for 2024.

(5) Financial income and expenditure and profitability analysis:

Currency:NTD thousands

	Item	2023	2024
Financial performance	Revenue	1,671,427	1,566,604
	Net profit before tax	160,430	177,666
Profitability	return on assets (%)	3.92	4.11
	Shareholder return on equity (%)	5.87	6.51
	Pre-tax income to paid-in capital (%)	16.81	18.57
	Net Profit Margin (%)	7.44	9.71
	Earnings per share (NTD\$)	1.30	1.36

II 、2025 Business Outlook :

1. Continue to create value of industrial communication, communication industry innovation, and build the IoT ecosystem as the mission, so that industrial computers have the ability to connect (IPC with connectivity), and through the integration of network, communication, software, optoelectronics, and cloud data applications, so that the original industrial computer applications biased towards factory automation can be extended to various aspects of intelligent life, forming a true intelligent industry.
2. Provide customers with better and more stable quality and one-stop service solutions through intelligent optimization of the production environment, training

- of personnel, upgrading of testing equipment and adjustment of organizational structure.
3. Implement inventory and expense control programs continuously in order to reduce unproductive costs and achieve profitability goals.
 4. Launching continuously series of new products designed for IoT and edge computing applications, with high performance, low power consumption and high integration, providing greater flexibility and reliability to customers.

III 、Future Development Strategies ：

Continue to actively develop distributors to increase market share, and jointly develop products with strategic partners, centralize resources, and accelerate product development to grasp market business opportunities.

IV 、Impact of the Regulatory Environment and the Overall Business Environment ：

ARBOR has invested ESG gradually in recent years, including the ISO 14064-1 certification was obtained by the Arbor headquarter for the first time in 2024, which demonstrates the determination to reduce carbon emissions. Additionally, Arbor established an Energy Internet of Things (IoT) Division in Kaohsiung city, integrating system software and hardware resources, developing energy storage equipment in related markets. This action not only expand the application of renewable energy, but it also helped Arbor to win bids with success, bids relating to renewable energy and communication technology, pushing and preparing the energy sustainability for the future.

Recently, the reciprocal tariffs imposed by the US has influenced almost every country over the world. Since the most orders from US customers are delivered to other regions, thus the impact from the reciprocal tariffs policy to Arbor has been very limited. The Company continues adhering the principle of conservatism and prudence. In addition, Arbor will keep watching the course of reciprocal tariffs, as well as assessing possible impacts of appreciation of Taiwanese dollar over the US dollar. The Company will also adjust pricing strategy regularly according to situations and changes, but taking secure operational actions as preconditions. The Company will make the most appropriate allocation of capitals to maximize the interests of shareholders.

As the market and technology are changing rapidly, Arbor's team must adhere to continuous innovation and make all efforts to create the greatest value for the company and shareholders. Today, we would like to thank all shareholders, ladies and gentlemen for attending to shareholders' meeting. We hope that all shareholders may continue encouraging the management and the team in the future.

ARBOR Technology Corp

Chairman ： Eric Lee



II 、 Corporate Governance Report

I. Information on directors, general managers, vice presidents, assistant managers, heads of departments and branch offices

(I) Director Information

1. Name, experience, shareholding and nature of directors

Title	Nationality	Name	Gender/Age	Election date	Term (years)	First time election date	Shareholding when elected		Current shareholding		Spouse & Minor current shareholding		Shareholding by nominees		Education/ Experience	Other position concurrently held at the Company or other companies	Executives, directors, or supervisors who are spouses or within the second degree of kinship			Remarks
							Shares	Holding %	Shares	Holding %	Shares	Holding %	Shares	Holding %			Title	Name	Relation	
Chairman	Republic of China	Eric Lee	Male/61-70years old	2021.07.05	3	1995.01.25	4,105,173	4.29	4,175,173	4.35	1,869,176	1.95	-	-	Master of Department of Electrical Engineering , University of Memphis, USA Supervisor of R&D of ITRI	President and CEO of ARBOR Technology Co., Ltd. President of Anasis Tech Ltd President and General Manager of Amobile Intelligent Corp. Ltd. Taiwan Branch. President and General Manager of Amobile Solutions Corp. President and General Manager of Amobile(HK) President and General Manager of Amobile Solutions (Xiamen) Co. Ltd. President and General Manager of Amobile Solutions (Shenzhen) Co., Ltd. President of Arbor Solution President of Arbor France S.A.S President of Arbor Korea Co.,Ltd President of Arbor UK Director of Guiding Technology Ltd. Director of Flourish Technology Co., Ltd Director o of Excellent Top International Development Director o of Best Vintage Global LTD Director of Perfect Stream LTD.	VP	Annie Lin	Spouse	

Title	Nationality	Name	Gender/Age	Election date	Term (years)	First time election date	Shareholding when elected		Current shareholding		Spouse & Minor current shareholding		Shareholding by nominees		Education/ Experience	Other position concurrently held at the Company or other companies	Executives, directors, or supervisors who are spouses or within the second degree of kinship			Remarks
							Shares	Holding %	Shares	Holding %	Shares	Holding %	Shares	Holding %			Title	Name	Relation	
Director	Republic of China	Clark Lien	Male/51-60years old	2021.07.05	3	2007.03.01	1,019,322	1.06	999,322	1.04	135	-	-	-	Leeds University Business School MBA Taiwan Mobile Direct Sales SunTen Pharmaceutical Special Assistant	General Manager(GM) of Arbor Technology Corp., Representative and GM of Arbor Technology (Shenzhen) Co., Ltd, Representative and GM of Arbor China Technology Co. GM of Arbor Beijing Technology Co.	-	-	-	
Director	Republic of China	ENNOCONN INTERNATIONAL INVESTMENT CO., LTD.	-	2022.06.27	3	2022.06.27	16,000,000	16.72	16,000,000	16.68	-	-	-	-	-	-	-	-	-	
	Republic of China	Legal Representative: Neng-Chi Tsai	Male/51-60years old	2022.06.27	3	2022.06.27	-	-	-	-	-	-	-	-	MBA of University on the West Coast of America	General Manager of Ennoconn President of American Industrial Systems Inc., President of Vecow Co., Ltd. Director of AIS Cayman Technology Group Director of Ennoconn International Investment Co., Ltd. Director of Caswell Inc., Director of Ennowell Director of Poslab Technology Corp.	-	-	-	
Director	Republic of China	WISTRON CORPORATION	-	2021.07.05	3	2015.05.06	4,633,879	6.33	4,678,586	4.88	-	-	-	-	-	-	-	-	-	Note 4
	Republic of China	Legal Representative: Robert Lin	Male/51-60years old	2021.07.05			-	-	-	-	-	-	-	-	Master of Computer Science & Information Engineering National Taiwan University, Executive Program of National Chengchi University Business Administration /Wistron Corporation President of Client Products Business Group and Global Supply Chain Management	President of Client Products Business Group and Global Supply Chain Management; Chairman of International Standards Laboratory Corp. Director of Wistron InfoComm (Zhongshan) Corporation Director of Wistron InfoComm Technology (Zhongshan) Co., Ltd. Director of Wistron InfoComm (Chongqing) Co., Ltd. Director of Wistron	-	-	-	Note 4

Title	Nationality	Name	Gender/Age	Election date	Term (years)	First time election date	Shareholding when elected		Current shareholding		Spouse & Minor current shareholding		Shareholding by nominees		Education/ Experience	Other position concurrently held at the Company or other companies	Executives, directors, or supervisors who are spouses or within the second degree of kinship			Remarks
							Shares	Holding %	Shares	Holding %	Shares	Holding %	Shares	Holding %			Title	Name	Relation	
																Investment (Sichuan) Co., Ltd. Director of Wistron InfoComm (Chengdu) Co., Ltd. Director of Formosa Prosonic Industries Berhad Director of Wistron InfoComm (Vietnam) Co., Ltd. Director of Wistron InfoComm Computer (Chengdu) Co., Ltd. Director of Aver Information Inc.				
Independent Director	Republic of China	Ming De, Wang	Male/61-70years old	2021.07.05	3	2008.02.22	-	-	-	-	-	-	-	-	Ph.D., Massachusetts Institute of Technology, Civil Engineering, US/ Master of Civil Engineering, New York Institute of Technology; Master of Civil Engineering, National Taiwan University Chairman of Taoyuan International Airport Corporation Ltd., Vice Mayor of Taoyuan City Government	Chairman of Transformative Cell Processing Co., Ltd. Independent director of Taiwan High Speed Rail Corporation	-	-	-	
Independent Director	Republic of China	Chuang-Chien Chiu	Male/51-60 years old	2021.07.05	3	2021.07.05	-	-	-	-	-	-	-	-	Ph.D., Michigan State University Dean, College of Information and Electrical Engineering, Feng Chia University Dean, Office of	Dean of International School of Technology and Management, Feng Chia University, Chair Professor, Department of Automatic Control Engineering, Feng Chia University and Director of Giga Solution Tech. Co.,	-	-	-	

Title	Nationality	Name	Gender/Age	Election date	Term (years)	First time election date	Shareholding when elected		Current shareholding		Spouse & Minor current shareholding		Shareholding by nominees		Education/ Experience	Other position concurrently held at the Company or other companies	Executives, directors, or supervisors who are spouses or within the second degree of kinship			Remarks
							Shares	Holding %	Shares	Holding %	Shares	Holding %	Shares	Holding %			Title	Name	Relation	
Independent Director	Republic of China	Ya-Chun Lin	Female/Under 50 years old	2021.07.05	3	2021.07.05	-	-	-	-	-	-	-	-	Master of Laws, Fu Jen Catholic University/ Admitted Solicitor of the Court of Taiwan since 1998	Lead lawyer, Meridian Attorneys-at-Law. New Taipei City Government Labor Dispute Arbitration Commissioner Labour Dispute Director Arbitration Committee of New Taipei City Government, Sole Arbitrator of Labour Disputes of New Taipei City Government, Labour Dispute Mediation Committee of New Taipei City Government, 5th Term Arbitration Commission of Labour Dispute, Taipei City Government.	-	-	-	
Independent Director	Republic of China	Chein, Tai	Male/71-80 years old	2023.06.27	3	2023.06.27	-	-	-	-	-	-	-	-	Doctor in Genetics, University of California.; Deputy Mayor of Tainan City; Chairman of Taiwan Biotechnology Industry Alliance	Chair Professor of Department of Business Administration Kun Shan University; Director of Kun Shan University; Chairman of Asia Pacific ESG Action Alliance; Chairman of South Wind Venture Capital Co., Ltd.; Director of Chi Mei Medical Hospital Corp.; Director of Tainan City Meat Market	-	-	-	

Note 1: Enter the time when you first became a director or supervisor of the Company, if there is any interruption - no such situation.

Note 2: For experience related to current position, if you have worked for a certified public accounting firm or a related company during the previous reporting period, please specify the title and responsibilities of your position - no such situation.

Note 3: If the chairman of the Board of Directors and the president or equivalent (top manager) are the same person, spouses or relatives of one another, the reasons, reasonableness, necessity, and measures (such as increasing the number of independent directors and having a majority of directors who are not also employees or managers, etc.) should be disclosed - no such situation.

Note 4: Wistron Corporation resigned from position of director on 30th Aug, 2024.

2. Major shareholders of corporate shareholders (shareholding of the top 10 and their shareholding ratio)

As of March 18, 2025

Name of Shareholders	Major Shareholders	%
Wistron Corporation	Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF	3.99%
	Labor Pension Fund	3.45%
	Yuanta Taiwan Dividend Plus ETF	2.03%
	Fubon Life Insurance Co., Ltd.	1.96%
	Taipei Fubon Bank Trust Account (employee share ownership trust)	1.73%
	Chunghwa Post Co.,Ltd.	1.60%
	Lin Hsien-Ming	1.54%
	Vanguard Total International Stock Index Fund , a series of Vanguard Star Funds	1.02%
	Wistron NeWeb Corporation	0.99%
	Cathay Life Insurance Co., Ltd.	0.97%

Major shareholder of the Company's major corporate shareholders

As of March 18, 2025

Name of Shareholders	Major Shareholders	%
Wistron NeWeb Corporation	Wistron Corporation	19.85
	Yuanta Taiwan Dividend Plus ETF	5.16
	Fuh Hwa Taiwan Technology Dividend Highlight ETF under the custody of Taipei Fubon Bank	3.70
	Labor Pension Fund (New Scheme)	3.45
	Yuanta Taiwan Value High Dividend ETF trust fund under the custody of Hua Nan Bank	2.96
	Chunghwa Post Co., Ltd.	2.62
	Wang Yung-Shun	1.56
	Norges Bank	1.55
	Haydn Hsieh	1.53
	Yuanta Taiwan High-yield Leading Company Fund under the custody of Chang Hwa Commercial Bank	1.39

Major shareholders of corporate shareholders (shareholding of the top 10 and their shareholding ratio)

Name of Shareholders	Major Shareholders	%
ENNOCONN INTERNATIONAL INVESTMENT CO., LTD	ENNOCONN CORPORATION	100

Major shareholder of the Company's major corporate shareholders

As of March 31, 2025

Name of Shareholders	Major Shareholders	%
ENNOCONN CORPORATION	Bao Shin International Investment Co., Ltd.	24.21%
	Chunghwa Post Co., Ltd.	3.98%
	Fuh Hwa Taiwan Technology High Income ETF Securities Investment Trust Fund Special Account managed by Taipei Fubon Commercial Bank Co.	3.61%
	Dedicated investment account of Google Inc. managed by Citibank Taiwan Commercial Bank	3.55%
	Yuanta Taiwan Value High Dividend ETF Securities Investment Trust Fund managed by Hua Nan Commercial Bank	3.09%
	New Labor Retirement Pension Fund	2.33%
	Hyield Venture Capital Co., Ltd	1.50%
	KGI Life Insurance Co., Ltd.	1.34%
	TransGlobe Life Insurance Inc.	1.27%
	Dedicated investment account of Norges Bank managed by Citibank Taiwan Commercial Bank	1.09%

3. Disclosure of professional qualifications of directors and independence of independent directors:

Term of office: from 27th June 2024 to 26th June 2027

Name	Criteria	Professional Qualifications and Working Experience	Independence situation	Number of independent directors of other companies concurrently.
(Chairman) Eric Lee		Master of Department of Electrical Engineering, University of Memphis, USA. Former supervisor of R&D of ITRI, currently Chairman of ARBOR Technology Co., Ltd., Eric has long experiences in leadership, operational judgment, management skills, decision making, crisis management, industry knowledge and international market perspective.	(1) No spouse relationships or within the second degree of kinship with other directors (2) No situations referred by Article 30 from Company Act	0
(Director) ENNOCONN INTERNATIONAL INVESTMENT CO., LTD. Legal Representative: Neng-Chi Tsai		MBA of University on the West Coast of America, currently General Manager of Ennoconn Int. Invest., and Director of Markettech International. Director Tsai is engaged with long experiences in marketing and development in the European and American industrial computer markets, possessing extensive industry knowledge and international market perspective, as well as strong operational judgment, management skills, crisis management, leadership, and decision-making abilities.		0
(Director) Clark Lien		MBA of Leeds University Business School, currently General Manager of ARBOR Technology Co., Ltd., with over 20 years of industrial experience, as well as extensive industry knowledge and international market perspective, strong management skills, crisis management, leadership, and decision-making abilities.		0
(Independent director) Ming De Wang		Ph.D., Massachusetts Institute of Technology, Civil Engineering, US., former Vice Mayor of Taoyuan City Government, Chairman of Taoyuan International Airport Corporation Ltd., besides knowledge in civil engineering and international market, Director Wang as Vice Mayor of Taoyuan City Government was responsible for many important constructions, also has strong management skills, accounting and financial analysis skills, crisis management, leadership, and decision-making abilities.	All Independent directors are qualified within the regulatory requirement for independent directors established and published by Financial Supervisory Commission (Note1: clarification on independence status)	1

Criteria Name	Professional Qualifications and Working Experience	Independence situation	Number of independent directors of other companies concurrently.
(Independent director) Chuang-Chien Chiu	Ph.D., Michigan State University, former of many important positions in Feng Chia University, currently is Dean of Department of Automatic Control Engineering of Feng Chia University, specialized in voice recognition, image processing, computer-aided medical diagnosis, and biomedical signal processing, in the same time has strong industry knowledge and international market perspective, leadership, and decision-making skills.		0
(Independent director) Ya-Chun, Lin	Master of Laws at Fu Jen Catholic University, currently Lead lawyer at Meridian Attorneys-at-Law, and New Taipei City Government Labor Dispute Arbitration Commissioner. The Legal expertise of Director Lin includes civil and criminal litigation, contract review and drafting, with particular expertise in labor, capital, and Company Act. She also has strong crisis management, leadership, and decision-making skills.		0
(Independent director) Chein, Tai	Ph.D. in Genetics at University of California, former Vice Mayor of Tainan City, Chairman of Taiwan Biotechnology Industry Alliance, Director of Southern Taiwan Science Park Bureau, Vice Commissioner of National Science and Technology Council, and Director of Institute of Biotechnology of NCKU, currently Director of Kun Shan University, and Chairman of Asia Pacific ESG Action Alliance. Doctor Tai is professional in administrative management and information technology, also has vast experience in management, leadership, and decision-making; he is currently committed to assist corporations in sustainable management by proposing specific strategies, and promoting leader training with sustainable management (ESG) skills.		1

Note 1: The independent directors of the Company meet the independence conditions during the term:

Name	Executives, directors, or supervisors who are spouses or within the second degree of kinship	Spouses or within the second degree of kinship who holds company's shares and its percentage	Acting as executive, director, or Supervisor of related party	Remuneration received in last 2 years by providing services to the Company or related party relating to business consulting, attorney, finance, accounting, etc.
Ming De Wang	No	No	No	No
Chuang-Chien Chiu	No	No	No	No
Ya-Chun, Lin	No	No	No	No
Chein, Tai	No	No	No	No

4. Board Diversity and Independence :

(1) Diversity of the Board:

(1.1) The Company has specified the following excerpts from Article 20 of the “Corporate Governance Code” as below:

The membership of the Board of Directors shall consider diversity and formulate an appropriate diversity policy with respect to its operation, business model and development needs, which shall include but not be limited to the following two major standards :

(A) Basic qualifications and values: gender, age, nationality and culture, etc.

(B) Professional knowledge and skills: Professional background (e.g.: law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc. °

(1.2) Specific management goals

The Board of Directors of the Company shall direct corporate strategy, supervise management, and be accountable to the Company and its shareholders in order to implement corporate governance and enhance the functions of the Board of Directors, the management goals are defined as follows. :

Specific management goals	Achievement Status Term : 2024.06.27~2027.06.26
(1) The Board of Directors has more than one (inclusive) female director.	Achieved (a total of 1 female director is elected).
(2) The actual attendance rate of the annual board meeting of all directors was more than 85% on average.	Achieved in fiscal year 2024 (96.61%).
(3) The professional background of the board members should cover at least one professional field such as business management, industry knowledge, accounting, etc. At least one of the independent directors should have accounting or financial expertise.	One independent Director with financial expertise and operation management skills to be elected.
(4) Completion of the performance evaluation of the Board of Directors (including functional committees) by the end of the first quarter of the following year	2023 Annual Performance Evaluation Report 2024.03.15 Board of Directors Meeting.

(1.3) Implementation status

(A) The term of office of the current Board of Directors is from 2024.06.27 to 2027.06.26, with 7 directors (including 4 independent directors), of which 29% are employees, 57% are independent directors, and 14% are female directors; 3 independent directors have less than 3 terms (two elected on 2021.07.05, and one on 2023.06.27), 1 independent director has over 3 terms (first elected on 2008.02.22). 1 director is aged over 70, 3 directors are aged 61 to 70, three directors are aged 41 to 60.

(B) The number of female directors on the current board did not achieve 1/3:
Reason: due to the industry, the number of female directors is relatively small.
Measure: during re-election of directors in the year 2027, company will recruit female directors from different fields, in order to balance board diversity.

(2) Implementation of diversity of board members (elected on June 27, 2024) :

Summary of education, experience of Board members Office term : 2024.06.27~2027.06.26															
Title	Name	Gender /Age	Arbor Employee	Term of Office of Independent Directors		Board diversity policy									
				Less than 3 years	Over 3 years	Operational Judgement	Accounting& Finance Analysis	Management administration	Crisis management	Industry Knowledge	Global market observation	Leadership	Decision making	Legal expert	ESG
Chairman	Min, Lee (Eric Lee)	Male 61-70	Yes			V		V	V	V	V	V	V		
Director	Ennoconn International Investment Co., LTD. Legal Representative: Neng-Chi Tsai (Director)	Male 51-60	No			V		V	V	V	V	V	V		
Director	Clark Lien	Male 51-60	Yes			V		V	V	V	V	V	V		
Independent director	Ming-De, Wang	Male 61-70	No	V first elected on 2018.06.19		V	V	V	V			V	V		
Independent director	Chuang-Chien, Chiu	Male 61-70	No		V first elected on 2008.02.22					V	V	V	V		
Independent director	Ya-Chun, Lin	Male 45-50	No	V first elected on 2021.07.05					V			V	V	V	
Independent director	Chein, Tai	Male 71-80	No	V first elected on 2023.06.27		V		V	V			V	V		V

(II) Independence of the Board of Directors

1. The Company elects the members of the Board of Directors in accordance with the “provisions of the Company Act” and the “Regulations Governing the Establishment and Compliance of Independent Directors of Public Companies”. The nomination and selection of the Board members is based on the provisions of the Company's Articles of Incorporation, and a candidate nomination system is used. In addition to evaluating the academic qualifications of each candidate, the views of interested parties are taken into consideration to ensure the diversity and independence of the Board members.
2. None of the current directors or independent directors are related to each other by consanguinity or affinity within the second degree.

(III) Directors and Key Management Personnel Successor Plan

1. Successor planning and operation of the Board members

Regarding the successor planning of the Board of Directors, there are currently a number of senior managers in the Group who have the necessary management and professional abilities to serve as directors. At the same time, the Company will also seek external professional talents to prepare for the successor planning of directors. The plan is as follows:

- (1) The selection of directors shall be nominated in accordance with the Company's Articles of Incorporation, and the candidates shall consider the diversity of the composition of the Board of Directors in accordance with the diversity policy of directors, including but not limited to basic requirements, add-value, as well as the standard for two major aspects such as professional knowledge and skill.
- (2) The Board of Directors is structured according to the scale of business, shareholding situation of the Company, also depends on the actual situation of business operation.
- (3) The following standard is used to establish a database of director candidates for the ongoing director successor plan :
 - (3.1) Integrity, responsibility, innovation and decision-making ability, in line with the Company's core values, with professional background (e.g. legal, accounting, industrial, financial, marketing or technology) and professional skills (e.g. operational judgment, accounting and financial analysis, operational management, crisis management, industry knowledge, international market perspective, leadership, decision-making) that contribute to the Company's operations and management.
 - (3.2) Industry experience related to the business of the Company.
 - (3.3) It is expected that the addition of this member will provide the Company with an effective, diverse Board of Directors that meets the needs of the Company.
 - (3.4) The overall expertise of the board of directors needs to include corporate strategy and management, accounting and taxation, finance,

and law

- (3.5) The Company shall determine the selection process of candidates for directorship in accordance with the qualifications and relevant regulations to ensure the effective identification and selection of suitable candidates for new directorship when vacancies arise or when additional directorships are planned.
- (4) Based on "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies", every member of the Board has to participate training courses totalizing from 6 to 12 hours a year, classes addressing to fields related to core values and professional knowledge (considering duties of each member), which will be helpful for each board member to execute the corporate governance with a higher efficiency.
- (5) In accordance with the "Rules for Performance Evaluation of Board of Directors", the Board of Directors is evaluated on an annual basis to confirm the effectiveness of the Board of Directors' operations and to assess the performance of the Directors for future selection and compensation of the Directors through relevant measurement items, including control of corporate goals and tasks, awareness of responsibilities, operational participation, internal relationship management and communication, professional functions and training, internal control and specific opinions. The Board of Directors' performance will be used as a reference for the future selection of directors and the determination of their individual remuneration.

2. Successor planning and operation of key management personnel.

The Company's senior executives are the key management level and has gradually implemented successor planning for key management level, including cross-disciplinary training for senior executives and implementation of the duty agent system, where each management level has a duty agent. In addition to professional training, we also develop judgment, management skills, and problem-solving abilities to improve the quality of management decisions and to prepare high quality manpower for the long-term development of the Company. The planning is as follows:

- (1) Employees of the Company at the Associate level (and above) are responsible for the management of the organization, and each management level has an agent. In addition to having the necessary professional skills and experience, the values and management philosophy of key management personnel must be consistent with the Company's corporate theory of business.
- (2) In order to cultivate key management and their agents, the training mechanism includes not only professional competency and corporate governance-related courses, but also practical training through attendance at board meetings, participation in regular internal management meetings, and on-the-job training on project management. In addition, we arrange for practical sharing and exchange of management issues among executives every year and provide an online course learning platform that includes leadership, management, technology, innovation, and industry trends for

independent learning by management colleagues. We also require employees at the supervisory level and above to take at least four online training courses per month.

- (3) In order to continuously enhance the leadership and management functions of high potential talents, in addition to enhancing the six management functions through management on-the-job training, we also design leadership development checklists and use institutionalized tools such as internal and external training, rotations, attending important meetings, and leading major cross-departmental projects to accumulate experience and refine the mind. In addition, we promote personal development plans for key talent pools, and through functional tasks and challenges, we integrate company and departmental mission objectives to strengthen the strengths of current positions and improve readiness for positions.
- (4) Except for the aforementioned selection criteria for directors, the Company has also trained several senior managers to join the Board of Directors to familiarize them with the operation of the Board of Directors, and to enhance their management skills by expanding their participation in various operating units of the Group or through job rotation and expatriate assignments. In addition, in response to the Group's organizational development and growth momentum, the Company has recruited outstanding senior managers and currently has more than 10 senior managers who are responsible for related businesses within the organization. Besides one-on-one experience sharing, we also hold strategic consensus meetings every year to set the future direction of the Company's goals and strategic planning, and senior executives share the latest management thinking and leadership experience, so that the legacy candidates can better understand the Company's organizational culture and management and leadership practices, and strengthen the future management team with a plan and goal.
- (5) The Company is actively cultivating key management personnel and their agents, among which 2 colleagues were promoted to associate level or above in FY 2024.

(IV) Information on General Managers, Vice Presidents, Senior Managers and Heads of Departments and Branches

April 28, 2025

Title	Name	Nationality	Gender	On Board date	Shareholding		Spouse and Minor shareholdings		Shareholding by nominees		Education/ Experience	Concurrent positions at other Companies	Executives, directors, or supervisors who are spouses or within the second degree of kinship			Note
					Shares	%	Shares	%	Shares	%			Title	Name	Relations	
General Manager	Clark Lien	ROC	Male	2007.03.01	999,322	1.04	–	–	–	–	Leeds University Business School MBA/ – Taiwan Mobile Direct Sales SunTen Pharmaceutical Special Assistant	General Manager of Arbor Technology Corp., President and GM of Arbor Technology (Shenzhen) Co., Arbor China Technology Co.,and Arbor Beijing Technology Co.,	–	–	–	
Operation Management Vice President	Annie Lin	ROC	Female	1995.01.25	1,869,176	1.95	4,175,173	4.35	–	–	Master of North Alabama, USA Manager of Reliability Center of Sampo Corporation Executive Assistant to G.M of Escort Instruments Corp. ExecutiveAssistant to President of Perstico Associated Corp.	Head of Hongteng Investment (Shares) Co., Ltd.	Chairman	Eric Lee	Spouse	
Finance& Accounting Associate Senior Manager	Feng-Lin, Kuo	ROC	Female	2002.01.04	897,052	0.93	–	–	–	–	Department of Accouting Feng Chia University/ PricewaterCoopers Senior	Arbor Technology (Shenzhen) Co. Director, Arbor Beijing Technology Director Satem Technology Co., Ltd. Director Acloud Intelligence Services Corp. Ltd.	–	–	–	
Information Technology Associate Senior	Adonis Lin	ROC	Male	2008.04.09	309,685	0.32	–	–	–	–	Department of Plant Pathology and Entomology, – National Taiwan University/ Synnex Information Section Manager	-	–	–	–	

Note 1: If the chairman of the Board of Directors and the president or equivalent (top manager) of the Company are the same person, spouses or first-degree relatives of each other, the reasons, rationality, necessity and measures (such as increasing the number of independent directors and having a majority of directors who are not also employees or managers, etc.) should be disclosed - no such situation.

(V) Remuneration for directors, supervisors, general manager and deputy general manager :

1. The remuneration of directors, general manager and deputy general manager paid the last year.

(1) Remuneration of directors and independent directors.

Unit: NT\$ thousands

Title	Name	Remuneration(Note 1)								Ratio of Total Remuneration(A+ B+C+D) to Net Incom(%)		Remuneration(Note 1)								Ratio of total Compensation (A+B+C+D+E+F +G)to Net Income(%)		Compensat ion Paid to Directors from an Invested Company Other than the Company' s Subsidiary or parent Company
		Severance Pay(B)		Severance Pay(B)		Severance Pay(B)		Severance Pay(B)				Salary, Bonus and Allowances (E)		Severance Pay(F)		Employee Compensation(G) (Note 1)						
		The comp any	All compan ies in the consoli dated financi al stateme nts	The comp any	All compan ies in the consoli dated financi al stateme nts	The comp any	All compan ies in the consoli dated financi al stateme nts	The comp any	All compan ies in the consoli dated financi al stateme nts	The comp any	All compan ies in the consolid ated financial stateme nts	The comp any	All compan ies in the consoli dated financi al stateme nts	The Company		All companies in the consolidated financial statements		The comp any	All compan ies in the consolid ated financial stateme nts			
Chairman	Eric Lee	0	0	0	0	520	520	90	90	610; 0.47 %	610; 0.47%	6,684	6,684	70	70	1,206	0	1,206	0	8,570 ; 6.66 %	8,570; 6.66%	4,550
Director	Clark Lien																					
Director	Ennoco nn Investm ents.																					
Director (Note 3)	Wistron Corp.																					
Independen t Director	Chuang -Chien Chiu	800	800	0	0	480	480	207	207	1,487 1.16 %	1,487 1.16%	0	0	0	0	0	0	0	0	1,487 1.16%	1,487 1.16%	0
Independen t Director	Ming- De Wang																					
Independen t Director	Ya- Chun Lin																					
Independen t Director	Chein, Tai																					
1. Please describe the policy, system, standards and structure of independent directors' remuneration payment, and describe the relevance to the amount of remuneration according to the responsibilities, risks, time invested and other factors: According to the Company's "Articles of Incorporation" and " Director and Functional Committees Compensation and Payment Principles", except basic funds, the independent directors' compensation will be added according to the positions held by them in the functional committees, regardless of profit or loss. 2. Except for the compensation listed in the above table, the compensation that directors received by offering services (such as serving as a consultant of parent company, all companies included in the financial statements and all invested companies instead of an employee) for companies in the financial statements is: NT\$100,000 3. Wistron Corporation resigned from position of director on 30th Aug, 2024.																						

Range of compensation paid to the Company's directors	Name of director			
	Sum of the first 4 items (A+B+C+D)		Sum of the first 7 teams (A+B+C+D+E+F+G)	
	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements
Under NT\$1,000,000	Eric Lee, Wistron Corp., Ennoconn Investments, Chuang-Chien Chiu, Clark Lien,, Ming-De Wang , Ya-Chun Lin and Chein Tai..	Eric Lee, Wistron Corp., Ennoconn Investments, Chuang-Chien Chiu, Clark Lien, Ming-De Wang, Ya-Chun Lin and Chein Tai.	Wistron Corp., Ennoconn Investments, Chuang-Chien Chiu, Ming-De Wang, Ya-Chun Lin and Chein Tai.	Wistron Corp., Ennoconn Investments, Chuang-Chien Chiu, Ming-De Wang, Ya-Chun Lin and Chein Tai.
NT\$1,000,000 ~ NT\$2,000,000	—	—	—	—
NT\$2,000,000 ~ NT\$3,500,000	—	—	Clark Lien	Clark Lien
NT\$3,500,000 ~ NT\$5,000,000	—	—	Eric Lee	Eric Lee
NT\$5,000,000 ~ NT\$10,000,000	—	—	—	—
NT\$10,000,000 ~ NT\$15,000,000	—	—	—	—
NT\$15,000,000 ~ NT\$30,000,000	—	—	—	—
NT\$30,000,000 ~ NT\$50,000,000	—	—	—	—
NT\$50,000,000 ~ NT\$100,000,000	—	—	—	—
Over NT\$100,000,000	—	—	—	—
Total	8	8	8	8

(2) Remuneration for supervisors- Not applicable.

(3) Remuneration for General Manager and Deputy General Manager

Unit: NT\$ thousands

Title	Name	Salary(A)		Severance Pay and pensions (B)		Bonus and special allowances(C)		Employee compensation(D) (note)				Total compensation (A+B+C+D)and its ratio to net income (%)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary
		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	Stock	Cash	Stock			
CEO	Eric Lee	7,651	7,651	178	178	963	963	1,596	0	1,596	0	10,388; 8.07%	10,388; 8.07%	4,550
General Manager	Clark Lien													
VP	Annie Lin													

Table of remuneration range

Range of remuneration	Names of General Manager and Deputy general manager	
	The Company	All companies included in the financial statements
Under NT\$1,000,000	—	—
NT\$1,000,000 ~ NT\$2,000,000	—	—
NT\$2,000,000 ~ NT\$3,500,000	Clark Lien ,Annie Lin	Clark Lien ,Annie Lin
NT\$3,500,000 ~ NT\$5,000,000	Eric Lee	Eric Lee
NT\$5,000,000 ~ NT\$10,000,000	—	—
NT\$10,000,000 ~ NT\$15,000,000	—	—
NT\$15,000,000 ~ NT\$30,000,000	—	—
NT\$30,000,000 ~ NT\$50,000,000	—	—
NT\$50,000,000 ~ NT\$100,000,000	—	—
Over NT\$100,000,000	—	—
Total	3	3

(4) Employee compensation paid to key management team:

Unit: NTD thousands

	Title	Name	Share value	Cash value	total	Proportion to net income after tax (%)
Management	President	Eric Lee	0	3,000	3,000	2.56%
	General Manager	Clark Lien				
	Deputy General Manager	Karl Chen				
	Deputy General Manager	Annie Lin				
	Deputy General Manager	Ivan Huang				
	Deputy General Manager	Jacky Xie				
	Deputy General Manager	Jaime tso				
	Senior Manager	Feng Ling Kuo				
	Senior Manager	Ted Du				
	Senior Manager	Vince Chang				
	Senior Manager	Adonis Lin				
	Senior Manager	Cindy Chen				
	Senior Manager	Patrick Lee				
	Senior Manager	Jesse Lai				

2. Compare and describe the total amount of remuneration paid to the Company's directors, supervisors, general manager and vice president as a percentage of net profit after tax for the last two years for the Company and all consolidated companies, respectively, and describe the policy, criteria and composition of remuneration payments, the process of setting remuneration and the correlation with operating performance.
 - (1) Analysis of total remuneration paid to directors, supervisors, president and vice president of the Company as a percentage of net profit after tax for the last two years

Unit : NTD Thousands ; %

Item \ Year	Ratio of total remuneration paid to directors, supervisors, president and vice presidents to net income (%)		Variance
	FY 2024	FY 2023	
Director also acting as General Manager and Deputy General Manager	9.7	10.46	-7.27%

Note: Remuneration to directors, general manager and vice general manager as a percentage of net income decreased in 2024 compared to 2023, due to the increase in net profit after tax in 2024 and reduction in compensation compared to 2023.

- (2) The Company's policy, criteria and composition of remuneration payments, the procedure for setting remuneration, and the relationship with operating performance and future risks :

(2.1) Directors:

(A) Including remuneration, dividends from Earnings, and transportation allowance for attending meetings.

(B) In accordance with Article 16 and 19 of Company's Articles of Incorporation, the remuneration of the Company's directors and managers (profit refers to the profit before tax deduction of employee remuneration and director remuneration) shall be set at no more than 5% of the Company's profit for the year. Considering also the company's operating results, as well as contribution to the company's performance, giving reasonable compensation.

(2.2) Managers:

(A) Remuneration (regular remuneration): the remuneration of the Company's directors and managers shall be determined in accordance with the "Regulations Governing the Organization of the Remuneration Committee" and shall be submitted to the shareholders' meeting after the Board of Directors has considered the amount of remuneration.

(B) Year-end bonus, employee compensation, employee stock option, etc. (non-regular remuneration): based on annual performance review and related regulations, submitted by department of HR to Remuneration Committee for review, and executed after approval by the Board of Directors.

Criteria of evaluation for management remuneration is based on Financial Targets (such as goal achievement, company profitability, revenue contribution, etc.), and Non-Financial Targets (such as management skills,

sustainable management, possible events on moral hazard, corporate governance evaluation, ESG performance, etc.). Each indicator and weighting is determined annually based on the business environment and risk factors.

II. Corporate Governance Operation

(I) Operation of the Board of Directors

The attendance of directors at the 2024 annual meeting of the Board of Directors (8) (A) is as follows :

Title Name	Title Name	Frequency of actual attendance (B)	Frequency of proxy attendance	Actual attendance ratio (%) 【B/A】	Remarks
Chairman	Eric Lee	7	1	87.5	
Director	Wistron Corporation legal Rep.: Robert Lin	5	0	100	Resigned from 2024.8.29
Director	Ennoconn International Investment Co., Ltd. Legal Rep. Neng-Chi Tsai	8	0	100	
Director	Clark Lien	8	0	100	
Independent Director	Chuang-Chien Chiu	7	1	87.5	
Independent Director	Ming De, Wang	8	0	100	
Independent Director	Ya-Chun Lin	8	0	100	
Independent Director	Chein Tai	8	0	100	

Other matters to be recorded :

- The Board of Directors shall specify the date and time of the Board meeting, the content of the proposal, the opinions of all independent directors and the Company's handling of the opinions of the independent directors if any of the following situations apply to the operation of the Board meeting :
 - Matters listed in Article 14-3 of the Securities and Exchange Act. : The Company has established an audit committee in accordance with Article 14-5 of the Securities and Exchange Act, so it is not applicable. For the matters listed in Article 14-5 of the Securities and Exchange Act, please refer to the Important Resolutions of the Board of Directors on pages 55-57.
 - Except for the preceding matters, other matters resolved by the Board of Directors with the objection or reservation of the independent directors and recorded or stated in writing: No such situations in the current year.
- In the implementation of the recusal of a director from an interest proposal, the name of the director, the content of the proposal, the reasons for the recusal and the participation in the voting shall be stated :

Term Date	Proposal	Name of Director	Reason for Recusal	Participation in Voting
2024.12.27	(1) Approved the 2024 year-end bonus distribution for Management Team proposed by the Remuneration Committee	Eric Lee Clark Lien	Concurrently serve as the Company's President and General Manager, which is related to their own interests.	Recusal was adopted in accordance with the law and both directors did not participate in discussion and voting.

3. The Company's (approved by the Board of Directors on March 14, 2025) self-evaluation by the Board of Directors and Functional Committee in fiscal year 2024: :

Evaluation frequency	Evaluation Period	Evaluation scope	Evaluation method	Evaluation and Results		
Once a year	Evaluation of the performance from January 1, 2024 to December 31, 2024	Board of Directors	Internal self - evaluation of the Board of Directors	Self-evaluation result: Excellent.		
				Content(Full score 5)	Item (No.)	Average score
				Level of participation in company operations	12	4.58
				The decision quality of the Board of Directors	12	4.67
				Composition and Structure of the Board of Directors	7	5
				Election and Continuing Education of Directors	7	4.71
				Internal Control Evaluation Items	7	5
				Total Evaluation Items	45	4.80
Once a year	Evaluation of the performance from January 1, 2024 to December 31, 2024	Individual Board Members	Self - Evaluation of Directors	Self-evaluation result: Excellent; total average score 4.91 (full score 5) The total number of evaluation items is 23. Including: mastery of corporate goals and missions, directors' awareness of responsibilities, participation in company operations, internal relations and communication, directors' professionalism and continuing education, internal control, etc.		
Once a year		Functional Committees - Audit Committee	Internal self - evaluation of the Board of Directors	Self-evaluation result: Excellent; total average score 4.95 (full score 5) The total number of evaluation items is 22. Including: mastery of corporate goals and missions, directors' awareness of responsibilities, participation in company operations, internal relations and communication, directors' professionalism and continuing education, internal control, etc.		
Once a year		Functional Committees - Remuneration Committee	Internal self - evaluation of the Board of Directors	Self-evaluation result: Excellent; total average score 4.89 (full score 5) The total number of evaluation items is 19. Including: mastery of corporate goals and missions, directors' awareness of responsibilities, participation in company operations, directors' professionalism and continuing education etc.		

4. Evaluation of the objectives and performance of the current and most recent year in strengthening the functions of the Board of Directors :

(1) The Company has taken out directors' and supervisors' liability insurance, which are described as follows :

Insurance Period	Insurance amount	Insurance Coverage	Insurance Rates(%)	Report Date of the Board of Directors
2024.06.18~2025.06.18	USD 3 million	1. Directors' and Managers' Liability 2. Liability for corporate indemnification 3. Liability for corporate indemnification	0.075	2024.08.14
2023.06.18~2024.06.18	USD 3 million	4. Securities Claims 5. Liability for Employment Practices 6. Defense expenses for pollution	0.075	2023.08.11

- (2) The number of hours of study for each director in FY2024 is in accordance with the "Implementation Points for Directors and Supervisors of Listed Companies" and their study status is published in the "Market Observation Post System - Summary of Directors' and Supervisors' Attendance at Board Meetings and Study Status".
- (3) The Board of Directors revised the "Board of Directors' Performance Evaluation Regulations" on March 14, 2024 to implement corporate governance and enhance the efficiency of the Board of Directors' operations.
- (4) The results of the 2024 evaluation were disclosed to the Board of Directors on March 14, 2025, and the performance evaluation was disclosed on the Company's website (<https://www.arbor-technology.com/zh-tw/investor-area/investor-12>) (Arbor Technology home page> Investor> Corporate Governance > Board of Directors).

(II) Status of operation of the Audit Committee: The Company Audit Committee is constituted by all independent directors, with at least one member with accounting or financial expertise.

1. Summary of annual priorities of the Audit Committee from year 2024 :

- (1) Review quarterly financial reports: The company's quarterly financial reports are approved by the Audit Committee and discussed by the Board of Directors.
- (2) Formulation or revision of internal control, as well as other related internal regulation.
- (3) Evaluation of the effectiveness of the internal control.
- (4) Transaction of important material asset or derivatives products.
- (5) Material monetary loan, endorsement, or provision of guarantee.
- (6) Offering, issuance, or private placement of any equity-type securities.
- (7) Hiring, dismissal or remuneration of CPA, as well as the independent assessment.

2. Audit Committee for fiscal year 2024 (7 meetings) (A) The attendance of directors was as follows :

Title	Name	Qualification /Experience	No. of actual attendance (B)	No. of times not attended or proxy attendance	Rate of actual attendance (%) 【B/A】	Remark
Independent director	Chuang-Chien Chiu	Please refer to pages 10-11 (Disclosure of qualification and independence of Independent Directors)	6	1	86	
Independent director	Ming-De Wang		7	0	100	
Independent director	Ya-Chun, Lin		7	0	100	
Independent director	Chein Tai		7	0	100	

Other matters to be recorded :

- (1) If the Audit Committee operates under any of the following circumstances, it shall state the date and period of the Audit Committee meeting, the content of the proposal, the objections, reservations or significant proposals of the independent directors, the results of the Audit Committee resolution and the Company's handling of the Audit Committee's opinion :

- (1.1) Please refer to pages 69-73 for the matters listed in Article 14-5 of the Securities and Exchange Act.
- (1.2) Except for the preceding matters, other matters not approved by the Audit Committee and approved by two-thirds or more of all directors: No such situation in FY2024.
- (2) In the case of recusal of a director from the implementation of an interest motion, the name of the director, the content of the motion, the reason for the recusal and the participation in voting should be stated: No such situation existed in FY2024.
- (3) Communication status between the independent directors and the head of internal audit and the accountant :
- (3.1) The independent directors and the accountant shall meet at least once a year to report to the independent directors on the Company's financial condition, the financial and overall operations of the Company's domestic and overseas subsidiaries, and the status of internal control audits, and to communicate with the independent directors on whether the financial reports and the accountant's audit reports or amendments to laws and regulations have any impact on the accounts; a meeting may be convened at any time in the event of significant events.
- (3.2) The internal audit submits the completed "Audit Report" to the independent directors and supervisors by e-mail every month, and if there is any question or instruction, it will be asked or informed to the audit supervisor by e-mail or telephone; In addition, the head of internal audit and the independent directors shall hold a communication meeting at least once a year to explain the status of the Company's internal audit and the operation of internal control, and shall keep the independent directors and supervisors informed of any significant irregularities.

Communication Date Communication Method	Communication with CPA	Communication with internal audit manager	Independent Director's Recommendation	Implementation Results
2024/3/15 Pre-Meeting	(1) Description of the key audit issues for fiscal year 2023, and the way CPA performs audit. (2) Reminding on 2024 corporate governance implementation matters	Self-evaluation of the effectiveness of the internal control system for the fiscal year 2023.	No comment	Not applicable
2025/3/14 Pre-Meeting	(1) Description of the key audit issues for fiscal year 2024, and the way CPA performs audit. (2) Introduction on update of legislation relating year 2025	Self-evaluation of the effectiveness of the internal control system for the fiscal year 2024.	No comment	Not applicable

(III) The Company's implementation of corporate governance and the differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons.

Evaluation Items	Status of implementation (Note 1)			Differences from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary Description	
I. Has the Company formulated and disclosed its corporate governance practice principles in accordance with the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”?	V		The Company has established a " Corporate Governance Practice Principles" based on the " Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for Listed Companies", which was revised and approved by the board of Directors on December 27th 2024, and is disclosed on the Company's website for downloading and reference.	No difference
II. The Company's equity structure and shareholder equity				
(1) Has the Company established internal operating procedures to handle shareholder recommendations, doubts, disputes, litigations, and implemented them according to the procedures?	V		The Company convenes shareholders' meetings in accordance with the provisions of the Company Act and related laws and regulations, and establishes the "Rules of Procedures for Shareholders' Meetings", and implements matters that should be resolved at shareholders' meetings in accordance with the Rules of Procedures. In addition, the Company has a spokesperson system in which a spokesperson or a proxy spokesperson is responsible for external communication with investors and employs a professional stock agency (the Stock Agency Department of Grand Fortune Securities Co., Ltd.) to handle shareholders' proposals, doubts and disputes, etc. If legal issues or litigation are involved, the legal staff or lawyers are appointed to assist in handling such matters.	No difference
(2) Does the Company have a list of the major shareholders who actually control the Company and those who ultimately control the major shareholders?	V		The Company keeps track of the shareholdings of directors, supervisors, managers, and major shareholders holding more than 10% of the shares based on the shareholder register provided by the stock exchange agent, and reports monthly the changes in their shareholdings and the creation or dissolution of their shares in accordance with the provisions of Article 25 of the Securities and Exchange Act.	No difference
(3) Has the Company established and implemented risk control and firewall mechanisms between affiliated companies?	V		The Company has established the "Regulations on Inter-company Transactions with Group Companies" to regulate inter-affiliate transactions, property transactions, endorsements and guarantees, and loans of funds. In addition, the Company has established controls in its internal control system, such as "management of related party transactions" and "supervision and management of subsidiaries", and has included "supervision and management of subsidiaries" as an annual audit item in	No difference

Evaluation Items	Status of implementation (Note 1)			Differences from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary Description	
			accordance with the law to implement risk control and firewall mechanisms for subsidiaries. The Company also includes "supervision and management of subsidiaries" in its annual audit program, and implements risk control and firewall system for subsidiaries.	
(4) Has the Company formulated internal regulations to prevent insiders from trading securities using undisclosed information on the market?	V		<p>1. the Company establish "Management Practice to Prevent Insider Trading", in order to guarantee rights of the investors, also of the Company. The Company has also established the "Internal Procedures for Handling Significant Information" to ensure the consistency and correctness of information released by the Company to the public.</p> <p>2. According to article 8th of "Management Practice to Prevent Insider Trading", directors are not allowed to buy or sell shares (called: closing period) of the company 15 days, and 30 days before the quarterly and annual public announcement of the financial statement, respectively; the board of directors meeting office will notify the closing period 15 or 30 days before the public announcement of the financial statement.</p>	No difference
III. Composition and responsibilities of the Board of Directors (1) Has the Board of Directors formulated a diversity policy, specific management objectives and implemented them?	V		<p>1. The policy of diversity for the board is clear in the article 20th of Corporate Governance of the Company.</p> <p>2. For specific diversity policy, management objectives and implementation status, please refer to pages 12-13 (Diversity and Independence of the Board of Directors).</p>	No difference
(2) In addition to the Remuneration Committee and the Audit Committee Established in accordance with the law, has the Company voluntarily set up other functional committees?	V		In accordance with article 27th of “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”, the Company plan to establish “IT Security Committee” in 2025. Other functional committees will be established in the future as necessary.	No difference

Evaluation Items	Status of implementation (Note 1)			Differences from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary Description	
(3) Whether the Company has formulated board performance evaluation measures and methods, conducts performance evaluations annually and regularly, and reports the results of performance evaluations to the Board of Directors, and uses them as a reference for individual directors' remuneration and a nomination for reappointment?	V		<p>1. The Company has established the "Board of Directors Performance Evaluation Method" to evaluate the performance of the Board of Directors and functional committees in the first quarter of each year for the previous year, and the evaluation results will be reported to the Board of Directors and disclosed on the Company's website; the results will be used as a reference for individual directors' remuneration and nomination for reappointment. The results will be used as a reference for individual directors' remuneration and nomination for reappointment.</p> <p>2. Please refer to pages 23-25 (Operation of the Board of Directors) for the results of year 2024 the evaluation of the performance of the Board of Directors and functional committees, which was reported in the board of directors meeting on March 14th, 2025.</p>	No difference
(4). Does the Company regularly evaluate the independence of the attesting CPA?	V		<p>1. In accordance with the "Procedures for the Evaluation of the Independence of CPAs _ V0" passed by the Board of Directors on 14 November 2017, and in accordance with the provisions of Article 47 of the Certified Public Accountant Act regarding the independence and the content of the Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China No. 10, the Company conducts the independence and suitability evaluation of the certified public accountant every year in accordance with the regulations, and submits it to the Audit Committee and the Board of Directors for deliberation. Evaluation Procedures and criteria.</p> <p>2. In addition to the "Statement of Independence" and AQI information (increased since 2023) provided by the CPAs, the Company also evaluates the independence of the CPAs in accordance with the standards of the Company's "Procedures for the Evaluation of the Independence of the Accountants" and 13 AQI indicators. The important evaluation of the independence of the accountants, as well as the results of year 2024 evaluation are available in Governance Practices _ Attachment 1.</p>	No difference

Evaluation Items	Status of implementation (Note 1)			Differences from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary Description	
IV. Do TWSE/TPEX listed companies have a suitable and appropriate number of corporate governance personnel and appoint a corporate governance officer to be responsible for corporate governance-related matters (including but not limited to providing information necessary for directors and supervisors to perform their business, assisting directors and supervisors in complying with laws and regulations, conducting board meeting and shareholders’ meeting related matters in accordance with the law, handling company registration and alteration registration, and preparing minutes of board meetings and shareholders’ meetings, etc.)?	V		<p>1. The Board of Directors of the Company has resolved on March 28, 2023 to designate Associate Ms. Kuo Feng-ling as the Head of Corporate Governance. Ms. Kuo has at least three years of experience in financial and stock management in public companies and meets the qualifications set forth in Article 23 of the Board of Directors' Establishment.</p> <p>2. The main responsibilities of the corporate governance staff include (1) registering and registering changes in the Company. (2) Conducting Board of Directors and shareholders' meeting related matters in accordance with the law and assisting the Company to comply with the relevant laws and regulations of the Board of Directors and shareholders' meeting. (3) To prepare minutes of the Board of Directors' and shareholders' meetings. (4) To provide directors and supervisors with information necessary for the execution of their business and the latest regulatory developments related to the operation of the Company, and to assist directors and supervisors in complying with laws and regulations. (5) Matters related to investor relations. (6) Other matters in accordance with the articles of incorporation or contract.</p>	No difference
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers, etc.) and a special section for stakeholders on the Company's website, and responded appropriately to important corporate social responsibility issues that are of concern to stakeholders?	V		<p>The Company has set up a "Stakeholder Area" on its website and provided contact information to respond to the concerns of stakeholders. The concerns of stakeholders and the results of communication are compiled and reported to the Board of Directors on a regular basis each year.</p> <p>The Company reported "Communication with Stakeholders for the Year 2024" in the Board of Directors' Meeting on March 14, 2025. Details see on search path (Arbor Technology home page> Investor> Corporate Governance> Governance and communication), and website from Arbor: https://www.arbor-technology.com/zh-tw/investor-area/investor-6#%E5%88%A9%E5%AE%B3%E9%97%9C%E4%BF%82%E4%BA%BA%E5%B0%88%E5%8D%80</p>	No difference
VI. Has the Company appointed a professional stock affairs agency to handle matters for shareholders’ meetings?	V		The Company has appointed a professional stock affairs agency, Grand Fortune Securities Co., Limited, to handle the affairs of the shareholders' meeting.	No difference
VII. Information Disclosure (1). Has the Company set up a website to disclose finance and business matters	V		The Company has set up a website to disclose financial and non-financial operating information such as the Company's profile, basic information, financial statements, and corporate governance in accordance with the relevant laws and regulations.	No difference

Evaluation Items	Status of implementation (Note 1)			Differences from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary Description	
and corporate governance information?			Website: https://www.arbor-technology.com/zh-tw/investor-area/investor-38 (Arbor Technology home page> Investor> Financial Information > Company Profile)	
(2) Has the Company adopted other means of information disclosure (such as setting up an English website, appointing dedicated personnel responsible for the collection and disclosure of Company information, implementing a spokesperson system, posting the Company's earnings call on its website, etc.)?	V		The Company has set up a website in English and Chinese to provide relevant information for stakeholders' reference, and has designated a person responsible for collecting and disclosing information about the Company. At the same time, the Company has established a spokesperson system and has followed it. The presentation of the corporate presentation is also disclosed on the Company's website for the reference of stakeholders to achieve the purpose of adequate information disclosure.	No difference
(3) Does the Company publicly announce and file annual financial statements within two months after the end of the fiscal year? The financial statements for the first, second and third quarters and the monthly operating status before the prescribed deadline?		V	In accordance with the Securities and Exchange Act, the Company will hold an audit committee and a Board of Directors' meeting within three months after the end of the year and within 45 days after the end of the quarter to approve and announce the annual financial report and the first, second and third quarter financial reports, respectively; and to announce the operation of each month by the 10th of each month.	Notice of compliance period
VIII. Does the Company have other important information that is helpful to understand its implementation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, continuing education of directors and supervisors, Implementation of risk management policies and risk measurement standards, implementation of customer policies, the Company's purchase of liability insurance for directors and supervisors, etc.)?	V		<p>1. Employee rights and benefits, employee care.</p> <p>The Company recruits and employs employees without differences based on gender, race, nationality, etc. In addition to attaching importance to the protection of employees' rights and interests, the Company holds regular labor-management meetings to form a good communication channel, and establishes an "Employee Welfare Committee" to provide emergency relief funds, gifts for three holidays, birthday gifts, and wedding and funeral gifts, and conducts regular health checks for employees to maintain their balanced physical and mental development.</p> <p>2. Investor Relations, Rights of Stakeholders.</p>	No difference

Evaluation Items	Status of implementation (Note 1)			Differences from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary Description	
			<p>The Company provides spokesperson contact information on the Company's website and sets up a "Stakeholder Zone" to provide contact information. The Company also discloses information on the Market Observation Post System in accordance with the law and communicates with investors and stakeholders through the shareholders' meeting and spokesperson system to respect and protect their legitimate rights and interests through smooth communication channels.</p> <p>3. Supplier relations and customer policy implementation.</p> <p>The Company has established clear agreements between suppliers and customers to regulate their rights and obligations. The Company has internal procedures to ensure that the delivery time, quality and price of suppliers meet the Company's requirements; the Company's website also has a customer service function to provide customers with product and technical services.</p> <p>4. The Company has taken out liability insurance for all directors, please refer to page 23-25 of the "Operation of the Board of Directors" in this annual report.</p> <p>5. The number of hours of study for each director in fiscal year 2024 is in accordance with the "Implementation Guidelines for Directors and Supervisors of Listed Companies", and their study status is published in the "Market Observation Post System - Summary of Directors' and Supervisors' Attendance at Board Meetings and Study Status".</p> <p>6. The implementation of risk management policies and risk measurement standards are summarized as follows:</p> <p>Based on "Risk Management Policy and Procedure" approved by the Board of Directors on March 15th, 2024, the Company performs risk management mechanism, which the Board of Directors is the highest governing body, with Audit Committee in charge, delegating a risk management team, which Chairman of the company is the convener, in the same time in charge to promote and execute the risk management.</p> <p>The risk management process of the Company includes 5 key elements: Risk</p>	

Evaluation Items	Status of implementation (Note 1)			Differences from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary Description	
			<p>Identification, Risk Evaluation, Risk Response, Risk Supervising, and Risk Review.</p> <p>The Company identifies material issues by weighing the "level of stakeholder concern" * "level of impact of risk management areas on corporate operations", and reported to the Board of Directors on May 13th, 2024.</p> <p>The execution status of year 2023 Risk Management Policy was disclosed in the "2023 ARBOR Corporate Social Responsibility Report", and reported to the Board of Directors on December 27th, 2024. For details see company's website: https://www.arbor-technology.com/zh-tw/investor-area/investor-32 Search path: Arbor Technology home page>Investor> Corporate Governance> Risk Management</p>	
<p>IX. Please describe the improvements that have been made in response to the corporate governance evaluation results issued by the Corporate Governance Center of the Taiwan Stock Exchange in the last year, and propose priorities and measures for those not yet improved: (Not included in the evaluated company need not be filled in)</p> <p>(1) For the items that did not receive a score in the Company's annual corporate governance evaluation for FY 2023 held in 11th session of year 2024, the improvement situation is described as follows :</p> <p>(a) Key works of the year performed by members of Audit Committee were disclosed on the Company's website and annual report.</p> <p>(b) The Arbor's ESG report from year 2023 was prepared in accordance with revised GRI Standards, also disclosing Greenhouse gas (GHG) emission of category 1 and 2 from year 2022 and 2023.</p> <p>(c) The detailed description of Suppliers Management Policy and Performance Status (such as suppliers' assessment/guidance, performance evaluation, etc.) are disclosed in the Company's website and ESG report from year 2023.</p> <p>(2) The Company will make a more detailed disclosure within the Company's website or annual report, anticipating for more efficient operation management in corporate governance and ensure thorough information disclosure to the stakeholders.</p>				

The operation of corporate governance and the differences between it and the Code of Corporate Governance Practice for TWSE/GTSM-Listed Companies and the reasons thereof (note1) :

● Criteria and results of the evaluation of the independence and suitability of CPAs for fiscal year 2024 :

Item	Independence Evaluation Items (Previous CPA : 05/02/2024 Approved by Audit Committee and Board of Directors (New CPA : 23/09/2024 Approved by Audit Committee and Board of Directors		Previous CPA		New CPA From 23/09/2024	
			Ming Chuan, Hsu	Sunny Huang	Meng-Chieh Chiu	Chun-Yu Wang
1	Influenced by self-interest	The CPA and the Company or the Company's directors have no lending of funds and guarantees.	Yes	Yes	Yes	Yes
2		The CPA and the Company have no direct or material indirect financial interest in the Company.	Yes	Yes	Yes	Yes
3		The CPA is not employed to perform regular work for the Company and receive a regular salary; no potential employment relationship with the Company.	Yes	Yes	Yes	Yes
4	Influenced by self-evaluation	The non-audit services were provided to the Company and did not have an impact on the audit of the Company's financial information for the purpose of review or audit work	Yes	Yes	Yes	Yes
5		(The CPA, including members of the audit service team) are not currently or within the last two years holding positions as directors, supervisors, managers, or those who have significant influence on the audit cases of the Company.	Yes	Yes	Yes	Yes
6	Influenced by the defenses	No shares or other securities issued by the Company have been advertised or brokered.	Yes	Yes	Yes	Yes
7		The Company has not acted as an advocate for the Company or coordinated conflicts with other third parties on behalf of the Company.	Yes	Yes	Yes	Yes
8	Influenced by familiarity	There is no kinship relationship between the CPA and the Company's directors, President, or any person who has a direct and significant influence on the audit work.	Yes	Yes	Yes	Yes
9	Other influences	We have not provided audit services to the Company for seven consecutive years.	Yes	Yes	Yes	Yes
10		Whether or not a written " independent statement" issued by an appointed accountant has been obtained.	Yes	Yes	Yes	Yes

(IV) Organization, duties and operations of the Remuneration Committee :

1. Organization: The Remuneration Committee of the Company (3 members for the 5th session, and 4 members for the 6th session), of which all are independent directors appointed by the Board and shall convene at least two meetings annually.

Remuneration Committee member profiles:

Title (Note1)	Criteria Name	Professional qualifications and experience	Independence status (Note)	Number of other public companies in which the member also serves as a member of their remuneration committee
Convenor/Independent director	Ming-De Wang	Please refer to page 4~7 (Director Information)	Please refer to page 10~11 (Independent Directors Information)	None
Independent director	Ya-Chun Lin			None
Independent director	Chuang-Chien Chiu			None
Independent director	Chein, Tai			None

Note1 : Chein, Tai was elected as a member of Remuneration Committee on June 27th, 2024.

2. Responsibilities of the Remuneration Committee, summary of job priorities performed in the year 2024 and execution status:

For details See Company's website "Corporate Governance - Salary and Remuneration Committee": <https://www.arbor-technology.com/zh-tw/investor-area/investor-22>
(Arbor home page>Investor> Corporate Governance> Remuneration Committee)

3. Information on the operations of the Remuneration Committee : The office terms of the Remuneration Committee (5th office term from July 05, 2021 to July 04, 2024) (6th office term from June 27, 2024 to June 26, 2027) Total number of meetings in the year 2024 is 4 times 【A】 , the qualifications and attendance of the members are as follows:

Title	Name	No. of actual attendance (B)	No. of times not attended or proxy attendance	Rate of actual attendance (%) 【B/A】	Remark
Convenor	Ming-De, Wang	4	0	100	extend
Member	Ya-Chun, Lin	4	0	100	extend
Member	Chuang-Chien, Chiu	4	0	100	extend
Member	Chein, Tai	2	0	100	New 27/6/2024
Other matters to be recorded:					
<ol style="list-style-type: none"> 1. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, it should state the date, period, proposal content, resolution of the board, and its handling of the committee's opinions: No such situation. 2. For the proposals by the Remuneration Committee, if any members have objections or reservations with records or written statements, the date, period, proposal content, the opinions of all members, its handling of the members' opinions should be stated: No such situation. 3. For the results of the Remuneration Committee's deliberations and resolutions for the year 2024, please refer to pages 69-73. 					

(V) Implementation of the promotion of sustainable development and the differences and reasons for the code of practice for sustainable development of TWSE/TPEX Listed Companies:

Evaluation Item	Implementation Status (Note1))			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Does the Company establish a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, which is authorized by the Board of Directors to handle senior management, and the Board of Directors supervises the situation?	V		<p>Please see details as follow (Website Arbor_ Corporate Social Responsibility_ Corporate Environmental Sustainability) : https://www.arbor-technology.com/zh-tw/csr-cate-first/CSR (Arbor home page> Corporate Social Responsibility> Sustainable Development Organization and Operation)</p> <p>The Company's Board of Directors approved the change of "Code of Sustainable Development Practice" on November 14, 2024 establishing "Sustainable Development Committee", which is chaired by the Chairman of the Board of Directors and it is divided into three task groups: "Environmental(E)", "Social(S)", and "Governance/Economy (G)", each headed by the head of the Manufacturing, Human Resources, and Finance Department, respectively. The task force is responsible for formulating strategies and guidelines, planning and implementation, and holding meetings with the Board of Directors at least twice a year reporting the implementation results, as well as the future management strategy and procedure.</p> <p>(1) Before the first quarter of each year, the Committee reports the sustainable development issues that require attention, as well as the corresponding strategies for the current year, receiving subsequently suggestions from the board of director. The company's 2024 risk management policy and procedures were submitted to the board of directors on May 13, 2024, and the board of directors had no suggestions for adjustment.</p> <p>(2) Results on the previous year execution was reported in advance prior the fourth quarter of the year, which the progress was reviewed by the Board of Directors, as well as advising the management team to review the strategy progress when necessary. Management policy, institution, or related execution plan of corporate social responsibility of year 2023, as well as the "CSR Performance Report 2023" were</p>	No difference

Evaluation Item	Implementation Status (Note1))		Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons				
	Yes	No					
		Abstract Illustration					
		submitted to the Board of Directors on December 27, 2024, and the board of directors had no suggestions for adjustment.					
2. Does the Company conduct risk evaluation of environmental, social and corporate governance issues related to its operations and establish relevant risk management policies or strategies in accordance with the Materiality Principle?		<div><div>(1) The Company's risk assessment boundary covers the operations of Arbour Technology in Taiwan. The financial data covers the overall operating performance of the parent company and subsidiaries in the annual report, and the rest of the indicators do not cover the relevant data of the subsidiaries. Considering the international trend of sustainable development, the policy direction of the competent authority, and the important issues of domestic and foreign industries, the material issues were identified after the balance of "degree of concern by stakeholders" * "degree of impact of risk management on business operations", and the "2024 Risk Management Policies and Procedures" was reported to the Board of Directors on 13 May, 2024.</div><div>(2) The "Risk Management Policy and Procedures for FY 2024" are as follows : (2.1) Major issues: E- Environmental aspects</div><table><tr><th>Risk Evaluation Items</th><th>Risk Management Policy</th></tr><tr><td>Energy conservation and carbon reduction (Including climate change and greenhouse gas management)</td><td>(A) Incorporating climate change risks into the overall risk management system, proposing effective response strategies for potential climate change shocks to reduce its impact. (B) The "Greenhouse Gas Inventory Committee" was established to standardize greenhouse gas inventory and verification activities, based on “Taiwan’s Climate Change Response Law” and ISO 14064-1. Formulating talent training, strategic goals, control mechanisms, internal verification and external verification plans according to the plan. The greenhouse gas</td></tr></table></div>	Risk Evaluation Items	Risk Management Policy	Energy conservation and carbon reduction (Including climate change and greenhouse gas management)	(A) Incorporating climate change risks into the overall risk management system, proposing effective response strategies for potential climate change shocks to reduce its impact. (B) The "Greenhouse Gas Inventory Committee" was established to standardize greenhouse gas inventory and verification activities, based on “Taiwan’s Climate Change Response Law” and ISO 14064-1. Formulating talent training, strategic goals, control mechanisms, internal verification and external verification plans according to the plan. The greenhouse gas	No difference
Risk Evaluation Items	Risk Management Policy						
Energy conservation and carbon reduction (Including climate change and greenhouse gas management)	(A) Incorporating climate change risks into the overall risk management system, proposing effective response strategies for potential climate change shocks to reduce its impact. (B) The "Greenhouse Gas Inventory Committee" was established to standardize greenhouse gas inventory and verification activities, based on “Taiwan’s Climate Change Response Law” and ISO 14064-1. Formulating talent training, strategic goals, control mechanisms, internal verification and external verification plans according to the plan. The greenhouse gas						

Evaluation Item	Implementation Status (Note1))			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
				<p>inventory is scheduled to be completed in 2026 and external audit will be completed in 2028.</p> <p>(C) Implementation of energy conservation and carbon saving projects: improving energy efficiency and reducing energy consumption. (Completely replacing LED energy-saving lamps).</p> <p>(D) Promoting data inventory. (Energy management project was established with Ennowell on May 2023, adding digital meters to control electricity usage).</p> <p>(E) Delivering information on carbon reduction and greenhouse gas emissions reduction, sharing greenhouse gas results with suppliers.</p>
			Sustainable Supply Chain Management	<p>(A) Short-Term Risks: abnormal production from suppliers or delivery delays due to customs inspections. Action Taken: advanced production inquiring by purchase dpt., tracking closely delivery status.</p> <p>(B) Mid-Term Risks: unable to complete production or shipment on schedule due to uncontrolled factors such as political factors, earthquakes or floods at the production site or transportation route. Action Taken: (1) build a material substitution mechanism; (2) stay tuned for the news, in case of uncontrolled factors, activate BCP supplier inquire system, and be prepared for material substitution in advance.</p> <p>(C) Long-Term Risks: affected by the supply-chain, demand over supply. Action Taken: (1) understanding change trend on shipment and inventory, responding risks of material shortage in advance; (2) building a safety</p>

Evaluation Item	Implementation Status (Note1))			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
				stock mechanism, diversify supply sources in order to reduce dependence on a single supplier.
			Green products/services	(A) Intensify HSPM management thought material management system platform, in order to meet the management requirements of international laws such as RoHS, REACH, TSCA, and CP65. (B) Promoting Packaging and Packaging Waste Directive, Waste Electrical and Electronic Equipment Directive, attending in the same time International and environmental regulations, improving competitiveness.
			(2.2) Major Issues: S- Social aspects	
			Risk Evaluation Items	Risk Management Policy
			Talent attraction and retention	(A) Provide fair and competitive compensation and benefits, implement policies such as performance management and training and development. Annual review of employee salaries to determine whether they are in line with the employment market, and reward employees according to the Company's operating performance, in order to provide competitive remuneration. In addition, for personnel with relevant professional and work experience, the approved treatment will be based on the academic experience, expertise and licenses of the interviewee, and there will be no difference due to gender or ethnic group. In addition, various bonus systems are set up to motivate employees with excellent performance and a number of high-quality welfare measures.

Evaluation Item	Implementation Status (Note1))			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>(B) Established an "Employee benefits/welfare Committee", which is composed of members elected by both employers and employees, regularly organizes various activities, and handles employee health checks and on-the-job training subsidies and other welfare measures.</p> <p>(C) The Company regularly carries out anti-discrimination and anti-harassment promotions and provides multiple complaint/reporting channels. If employees suffer any inappropriate discrimination and harassment, they can report and appeal through the channels. The Company will have dedicated personnel to accept and assist.</p> <p>(D) Organize a consensus camp for managers in order to cultivate management thinking and capability through brainstorming and group discussions.</p> <p>(E) Provide external training courses for colleagues with development potential, in order to strengthen continuously their professional capabilities; creation of on-the-job training program to encourage employees to have a diversity learning.</p> <p>(F) Creation of "Talent Recommendation Program" to incentive colleagues to recommend external talents and receive awards by recommendation.</p> <p>(G) Increase popularity of the company though participation in activities such as 104 job bank (Employer Brand Award), or be awarded by 1111 Job Bank (Happy</p>	

Evaluation Item	Implementation Status (Note1))			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
				Company Award), in order to attract external talents.
			Occupational safety and health management	(A) Provide a workplace environment that is better than legal health care and safety (ISO14001: 2015 certified, valid from 2022.11.27 ~ 2025.11.27), (ISO45001: 2018 certified, valid from 2022.11.30 ~ 2025.11.29), so that employees can work wholeheartedly. (B) In accordance with the “Occupational Safety and Health Act”, the Company has set up the Occupational Safety and Health Department, held regular meetings, and invited the top executives and labor representatives of each unit to discuss the Company’s safety and health business.
			(2.3) Major Issues: G- Governance in terms of economic aspects	
			Risk Evaluation Items	Risk Management Policy
			Operation performance	(A) Interest rate: Keep abreast of changes in interest rates and adjust the use of funds in a timely manner. (B) Exchange rate: Natural hedging effect by foreign currency denominated purchases and sales; Exchange in a timely manner with reference to market information and future trends; Monitor changes in the foreign exchange market for relevant managers to adjust exchange fluctuations in a timely manner, and serve as the basis for the Company's business units to adjust product prices; Depending on the level of

Evaluation Item	Implementation Status (Note1))			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			foreign currency positions, the Company will engage in relevant foreign exchange hedging operations in accordance with the "Procedures for Acquisition or Disposal of Assets" when necessary. (C) The Company does not engage in high-leverage investments, and has also established "Procedures for Lending Funds to Other Parties", "Procedures for Endorsement and Guarantee", and "Procedures for Acquisition or Disposal of Assets" to handle financial related operations.	
			Information/personal information security (A) Creation of Information office headed by General Manager, tasks executed by Information Security Center, with periodic meetings every quarter, ensuring current situation of information security. (B) Planning of conclusion in the implementation, and certification of ISO 27001 “Information Assurance System” in 2024. (C) Annual cybersecurity risk assessment, execution of risk improvement plan for cybersecurity high-risk items. (D) Annual information security incident reporting drill.	
			Innovative R & D (A) Through the monthly work review with global business unit, providing solutions to customers by understanding its demand for new products or technologies, ensuring the newly developed products will keep meeting the market demand in the future.	

Evaluation Item	Implementation Status (Note1))			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<div> <div></div> <div> <p>(B) Ensure key customer needs and satisfaction through a semi-annual survey, in order to enable strategic adjustments and strengthen the company’s ESG strategy response in key markets</p> <p>(C) Ensure strategic results and set business performance target, review regularly on a monthly/quarterly/annual basis, adjust or make decision of the next period plan to increase market share in the key markets.</p> </div> </div>	
			<div> <div>Customer Service</div> <div> <p>(A) Set quantitative targets based on quality management policies, regulatory requirements, and service quality requirements.</p> <p>(B) Systematic quality control, review and monitor the management of hazardous substances and implement a control plan for environmentally prohibited substances every year in accordance with international environmental regulations, customer needs, and environmental trends.</p> <p>(C) If the hazardous substance is abnormal and there is a risk of harm, it will be reported to the management immediately and the product will be returned or exchanged according to the instructions and procedures</p> </div> </div>	
3. Environmental issues (1) Does the Company have an appropriate environmental management system established in accordance with its industrial character?	V		1. Environment Management Policy (1) In order to reduce environment impact during manufacturing and operating process, the company passed ISO 14001:2015, and ISO 45001:2018 certifications, promoting an effective management system for environment, safety, and health for national standards. (2) Green Procurement: procurement policies for raw materials, elimination of minerals conflict, green procurement (such as reducing	No difference

Evaluation Item	Implementation Status (Note1))			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>material consumption, choosing biodegradable, renewable, and recyclable materials), increasing local procurement.</p> <p>(3) Energy and Greenhouse Gas Management: determine water and electricity consumption, greenhouse gas emissions, and related reduction plan and measures</p> <p>(4) Waste materials and water resource management: see detailed assessment on item (IV).</p> <p>2. The implementation status of 2024 is summarized as follows: (Details disclosed in the 2023 Sustainability Report)</p> <p>(1) Passed ISO 14001:2015 certification (valid from November 27, 2022 to November 27, 2025) and ISO 45001:2018 certification (valid from November 30, 2022 to November 29, 2025)</p> <p>(2) Procurement: the proportion of domestic procurement in 2024 was accounted for over 80% of the total number of suppliers, and 100% of suppliers complied with international laws and regulations on banned and restricted substances.</p> <p>R&D: Starting from the material selection and R&D technology level, the application products in the vertical market of digital signage have reduced energy consumption by nearly 57% in the past 10 years, and introduced 100% recyclable and recycled packaging materials.</p> <p>(3) Energy and greenhouse gas management: see detailed assessment on item (IV)</p> <p>(4) Waste materials and water resource management: see detailed assessment on item (IV)</p>	
(2) Is the Company committed to enhance the utilization efficiency of resources and use renewable materials that are with low impact on the environmental?	V		Other important information that helps you to understand the implementation of sustainable development: 4. ARBOR Energy Management Plan	No difference

Evaluation Item	Implementation Status (Note1))			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons				
	Yes	No	Abstract Illustration					
(3) Does the Company assess the potential risks and possibilities of climate changes to the Company now and in the future, and take measures to respond to climate related issues?	V		<div>1. ARBOR Sustainability Committee is the highest unit for climate change management. Based on the framework of Task Force on Climate-related Financial Disclosures (TCFD), it is divided into governance, strategy, risk management, indicators and targets. The management level identifies climate-related risks and opportunities, actively understands the possible impact of climate change, evaluates the expected impact of climate change on the company and its upstream suppliers and downstream customers, and formulates subsequent response strategies and reports to the board of directors. For detailed information, please refer to our company's (2023 Sustainability Report_3.2.3 Climate Change Governance)</div> <div>2. Please refer to pages 55-57 (Note 1) of this annual report for the Company's risk identification and response measures for climate change and the current year's implementation.</div>	No difference				
(4) Does the Company record the greenhouse gas emissions, water consumption and total weight of waste produced in the past two years, and formulate policies on energy conservation and carbon reduction, greenhouse gas reduction, water consumption or other waste management?	V		<div>1. Greenhouse gas emissions</div> <div>(1) Energy conservation, carbon reduction, and greenhouse gas reduction management policies Promoting 14064-1 inquiring, building a greenhouse gas emissions inquiring data base, in order to understand the situation of greenhouse gas emissions, as well as tracking results on the reduction of gas emission.</div> <table><tr><th>Reduction Target (note 1)</th><th>Execution</th></tr><tr><td>Compared to base year 2024 (Note 2)<ul style="list-style-type: none">● Short-Term: Reduction of gas emission of Scope 1 and 2 by 4.3853% compared to the year base 2024, by 2026.● Mid and Long Term: Reduction of gas emission of Scope 1 and 2 by 21.9265% compared to year base 2024, by</td><td><ul style="list-style-type: none">● Reducing energy consumption from the aspects of material selection and R&D technology.● Improve efficiency of energy equipment.</td></tr></table>	Reduction Target (note 1)	Execution	Compared to base year 2024 (Note 2) <ul style="list-style-type: none">● Short-Term: Reduction of gas emission of Scope 1 and 2 by 4.3853% compared to the year base 2024, by 2026.● Mid and Long Term: Reduction of gas emission of Scope 1 and 2 by 21.9265% compared to year base 2024, by	<ul style="list-style-type: none">● Reducing energy consumption from the aspects of material selection and R&D technology.● Improve efficiency of energy equipment.	No difference
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Evaluation Item	Implementation Status (Note1))			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons																									
	Yes	No	Abstract Illustration																										
			<table><tr><td>2030. In cooperation with “Climate Change Response Act”, plan to achieve 0 of gas emission by year 2050.</td><td></td></tr></table> <p>Note 1: Due to the change on the year base to 2024, thus carbon reduction targets were recalculated.</p> <p>Note 2: Supposing the global warming is limited within 1.5°C, taking also as reference SBTi tool, calculations based on “absolute Contraction Approach”.</p> <p>(2)For greenhouse gas emissions in the last two years, please refer to page 58 of the annual report (Note 2).</p> <p>(3)Gas emission reduction status (including type1 and 2)</p> <table><tr><th rowspan="2">Descri</th><th colspan="3">Emission Equivalent (MT CO2e/year)</th></tr><tr><th>Scope 1</th><th>Scope 2</th><th>Total</th></tr><tr><td>Year 2023</td><td>35.5165</td><td>204.4717</td><td>239.9882</td></tr><tr><td>Year 2024</td><td>20.5337</td><td>257.9229</td><td>278.4566</td></tr><tr><td>Difference</td><td>- 42.19%</td><td>+ 26.14%</td><td>+ 16.03%</td></tr><tr><td>Reason</td><td>Septic tank changed to community sewage treatment in 2024</td><td>Building electricity was not calculated in 2023.</td><td>Year base is 2024</td></tr></table>	2030. In cooperation with “Climate Change Response Act”, plan to achieve 0 of gas emission by year 2050.		Descri	Emission Equivalent (MT CO2e/year)			Scope 1	Scope 2	Total	Year 2023	35.5165	204.4717	239.9882	Year 2024	20.5337	257.9229	278.4566	Difference	- 42.19%	+ 26.14%	+ 16.03%	Reason	Septic tank changed to community sewage treatment in 2024	Building electricity was not calculated in 2023.	Year base is 2024	
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Evaluation Item	Implementation Status (Note1))		Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons												
	Yes	No													
		Abstract Illustration													
		<div>2. Waste Management</div> <div>(1) Waste management policy, promotion plan and reduction targets: The emission, treatment and reduction of general waste and hazardous waste are based on the concept of resource recycling and comply with the occupational safety and health management system (ISO-45001:2018, ISO-14001:2015), as well as international requirements (such as WEEE) standards, establishing "waste control procedure" set up policy and strategy of ARBOR's waste treatment as: target check, on-site diversion, recycling, proper treatment and other four aspects to be gradually implemented. A commission contract is signed with legal waste removal companies to carry out resource recycling, classification and reuse, hoping that the amount of waste removal can achieve the goal of reducing 3% year by year.</div> <div>(2) Waste reduction achievements in the past two years (Data coverage: ARBOR Headquarters and Jian kang Road Factory) The weight of waste in FY 2024 has reduced by 92.65 % compared to FY 2023.</div> <table><tr><th>Year</th><th>Hazardous waste</th><th>Non-hazardous waste</th><th>Gross Weight</th></tr><tr><td>2024</td><td>74.11(kg)</td><td>13.56(kg)</td><td>87.67(kg)</td></tr><tr><td>2023</td><td>196.86(kg)</td><td>996.12(kg)</td><td>1,192.99(kg)</td></tr></table> <div>3. Water Management</div> <div>(1) Water use reduction management policies and execution plan (For materiality explanation, please refer to ARBOR's official website_Corporate Social Responsibility_Climate and Environmental Protection and Response)</div> <div>(2) Reduction targets and water consumption achievement in the last two years.</div>	Year	Hazardous waste	Non-hazardous waste	Gross Weight	2024	74.11(kg)	13.56(kg)	87.67(kg)	2023	196.86(kg)	996.12(kg)	1,192.99(kg)	
Year	Hazardous waste	Non-hazardous waste	Gross Weight												
2024	74.11(kg)	13.56(kg)	87.67(kg)												
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Evaluation Item	Implementation Status (Note1))			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>(Data coverage: ARBOR Headquarters and Jian kang Road Factory)</p> <p>The main item of the production of the Company is industrial computer assembly. Overall business activities are domestic water use, so there is no need to apply for a separate business water meter. The water fee is calculated by the office building management committee based on the average public water used and included into the building management fee. Thus, it is not possible to set a reduction target.</p> <p>According to the "Daily tap water consumption per person in New Taipei City" (306 liters in 2023) (not announced in 2024) of the Water Resources Agency, Ministry of Economic Affairs, the water consumption is as follows. In 2014, it decreased by 6.49% due to the increase of staff.</p> <p>2024: 60,282 liters (197 employees as of December 31, 2024). 2023: 56,610 liters (185 employees as of December 31, 2023).</p>	
<p>4. Social Issues</p> <p>(1) Does the Company have the relevant management policies and procedures stipulated in accordance with the relevant laws and regulations and international conventions on human rights?</p>	V		<p>Please refer to "Corporate Social Responsibility" on the Company's website. https://www.arbor-technology.com/zh-tw/csr-cate-first/Employee_Care (Arbor home page> Corporate Social Responsibility> Occupational Safety and Human Rights Protection)</p>	No difference
<p>(2) Does the Company formulate and implement reasonable employee benefits measures (including remuneration, vacation and other benefits, etc.), and appropriately reflect the results of operating performance in employee compensation?</p>	V		<p>For details please refer to Arbor’s website: https://www.arbor-technology.com/zh-tw/page/salary-and-benefits (Arbor home page> Recruitment> Benefit)</p> <p>1. Employee Welfare Regulations: The Company complies with the Labor Standards Law and related laws and regulations, and has established the "Employee Welfare Management Regulations", "Employee Health Protection Management Regulations", "On-the-job Training Management Regulations", and "Retirement Management Regulations" to provide employee benefits</p>	No difference

Evaluation Item	Implementation Status (Note1))			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>that are superior to those provided by the law, including employee share options, marriage and childbirth subsidies, and bonuses for the three festivals, as well as "public welfare leave" to encourage employees to participate in public welfare activities. Employee benefits and their implementation are disclosed on pages 113-114 of the annual report, and can be found on the Company's website under "Corporate Social Responsibility".</p> <p>2. Retirement system and implementation are disclosed on pages 117-118 of the annual report.</p> <p>3. Link between business performance and employee compensation:</p> <p>Article 19 of the Company's Articles of Incorporation stipulates that if the Company makes a profit in the year (profit means profit before taxation before the distribution of employees' remuneration and remuneration to directors and supervisors), it shall set aside 2%~10% of the profit. The Company has also established the "Promotion and Salary Adjustment Management Regulations", "Performance Appraisal Management Regulations", "Reward and Punishment Management Regulations", etc. to integrate the Company's overall operation objectives with the individual employees' work objectives, and to evaluate employees' performance, learning and growth, leadership and management, reward and punishment records on a semi-annual basis. The results are effectively linked to employee bonuses, salary adjustments, and promotions.</p>	
(3) Does the Company provide employees with a safe and healthy work environment, and provide safety and health education to employees regularly?	V		<p>(Details are disclosed in 2023 Sustainable Development Report_6.5 Occupational Safety and Health Management System)</p> <p>1. The Company has established the "Occupational Safety and Health Code of Practice" in accordance with the Occupational Safety and Health Management Regulations, and set up a dedicated "Occupational Safety and Health Office" to promote it, and passed the certification of ISO 45001 2018 of the Occupational Safety and Health Management System to provide a safe and healthy working environment for employees (validity 2022.11.30~2025.11.29).</p>	No difference

Evaluation Item	Implementation Status (Note1))			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>2. 1 case of occupational injury occurred in the year 2024 (of which 0 case of fire incident); number of injured: 1 person (0.51% of the total of 197 employees at the end of 2024), caused by a trolley left along aisle teasing falling of an employee. Notifications, announcements, and improvements have been made according to related regulations.</p> <p>3. Implementation: The Company regularly holds 2 fire drills each year, conducts annual carbon dioxide concentration monitoring and illumination measurement in the workplace and production line, inspects and reports on firefighting equipment in the office and production line before December each year, and holds quarterly prize quizzes on health and environmental protection-related issues. We also hold regular employee health checks (held in November 2024) and analysis of health check records.</p>	
(4) Does the Company have an effective career capacity development training program established for the employees?	V		<p>(Details are disclosed in 2023 Sustainable Development Report_6.4 Talent Development Program)</p> <p>The Company's education and training include new employee training, professional training, management skills training, etc. Each year, the Company conducts internal and external education and training according to the annual training schedule. and external trainers. In addition, an online learning platform has been established to provide a more rapid and convenient learning environment for our employees.</p> <p>708 people have completed training program in 2024, total training hour is 264, the training program execution rate was 87.50%.</p>	No difference
(5) Does the Company comply with relevant laws and regulations and international standards for customer health and safety, customer privacy, marketing and labeling of products and services, and develop relevant consumer protection policies and complaint procedures?	V		<p>The Company complies with relevant laws and regulations and international standards in the marketing and labeling of its products and services, and complies with confidentiality agreements and personal data protection laws with respect to customer privacy; in addition to the "Customer Satisfaction Management Procedures" and "Customer Satisfaction Management Procedures", the Company also provides online customer service and e-mail contact windows and methods on its website, and has a stakeholder area to protect consumer rights and provide a channel for complaints.</p>	No difference

Evaluation Item	Implementation Status (Note1))			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(6) Does the Company formulate a supplier management policy that requires suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and their implementation?	V		<p>The Company considers the environmental and social impact of suppliers as one of the evaluation criteria for the selection of suppliers, and has established the "Supplier Management Procedures" and disclosed the supplier management policies on the Company's website and CSR reports to enable suppliers to understand and comply with the Company's responsibilities for product safety and social and environmental issues, including the requirement for suppliers to comply with labor rights, health and safety, and environmental protection.</p> <p>The internal regulations "Supplier Management Procedures" and the implementation status for FY2024 is disclosed in pages 58-59 for this annual report.</p>	No difference
5. Does the Company prepare its nonfinancial reports such as Corporate Social Responsibility Report in accordance to the internationally used reporting standards or guidelines? Have such reports been assured, verified or certified by a third party?		V	The 2023 ARBOR CSR Report, which is based on the GRI Standards version, has not been validated by a third party; it is available on the Company's website and will be uploaded to the Market Observation Post System on July 01, 2023.	Self-prepared in accordance with GRI Standards
6. If the Company has its own code of sustainable development in accordance with the "Code of Sustainable Practices for TWSE/TPEx Listed Companies", please describe the differences between its operation and the code: No differences				
7. Other relevant information that helps to understand the implementation of sustainable development: (For details, please refer to the ARBOR CRS Report)				
(1) Results of execution plan:				
Subject		Execution Plan		Results of execution from year 2024
(E)Environment		<ul style="list-style-type: none"> ● Green procurement ● Energy and greenhouse gas management ● Waste and water management 		Refer to assessment item: III. Environment (4)
(S)Social Sustainability _Employee		<ul style="list-style-type: none"> ● Implement environmental, safety and health management systems 		<ul style="list-style-type: none"> ● Refer to assessment item: III. Environment (4) ● A total of 708 people completed training program in 2014,

Evaluation Item	Implementation Status (Note1))			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
Care			that meet international standards <ul style="list-style-type: none"> Promote employee training programs Welfare measures and retirement system 	with a participation rate of 87.5% <ul style="list-style-type: none"> See pages 114-115 of the annual report.
(S)Social Sustainability _Social Responsibility			<ul style="list-style-type: none"> Social Responsibility 	<ul style="list-style-type: none"> Art and culture sponsorship (participation in the "Yanyang Foundation_Art Corridor Project") _with participation of all employee Supporting underprivileged_ 2024 Annual donation amounted to NT88,000.
(G)Governance Sustainability			<ul style="list-style-type: none"> Transparency of corporate governance information Strengthen information security 	<ul style="list-style-type: none"> Creation of an investor zone on the company website https://www.arbor-technology.com/zh-tw/investor-area/investor-2 (Arbor home page> Investor> Corporate Governance> Organization and Responsibilities) Certified by ISO/IEC 27001:2022 (validity 2024.11.06~2027.11.06)
<p>(2) Promoting workplace diversity and gender equality</p> <p>(2.1) Policy</p> <p>ARBOR's specific approach to pursuing gender equality and diversity includes ensuring that there is no gender discrimination in recruitment, promotion and remuneration, providing equal career development opportunities, and ensuring that male and female employees receive equal pay for the same positions and similar work content, thereby eliminating the gender pay gap.</p> <p>In order to ensure the work-life balance of employees, we provide appropriate and flexible work arrangements in accordance with the Labor Standards Act, and provide male and female employees with parental leave, maternity leave, menstrual leave and other measures. In addition, we have formulated sexual harassment prevention and control measures and a HR complaint mechanism to ensure the safety and dignity of all employees in the workplace. These specific measures promote gender equality and enhance diversity and inclusion in the workplace.</p> <p>(2.2) Execution</p> <p>In 2024, the proportion of female employees was 36.46%, while the proportion of female at the management level and above was 24.32%.</p>				

Evaluation Item	Implementation Status (Note1))		Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	
Abstract Illustration			
<div>(3) Taking appropriate measures to address community risks or opportunities.<div>(3.1) Scope of the Company Community<div>Head office is located in Zhonghe District, New Taipei City, and surrounded by areas: Yonghe, Xindian, Tucheng, Banqiao, etc.</div>(3.2) Measures taken for community risks or opportunities in 2024<div>(A) Increase local employment opportunities (Kaohsiung working areas are not included in the statistics)<div><div>➤ In 2024, a total of 29 new colleagues from the above regions were hired, which correspond to 57% of the total of new employees.</div><div>➤ As of December 31, 2024, a total of 128 employees of the company live in the above-mentioned area, which correspond to 68%.</div></div>(B) Participation in local public welfare<div><div>➤ Donations continuously to “New Taipei City Liuhe Heart Home”: Through rotating Qigong and various dynamic and static body, mind and spirit courses, helping cancer patients exercise to enhance their physical fitness, restore their health and self-healing functions, working together with cancer patients and their families to enhance their spiritual growth and quality of life.</div><div>➤ Donating to “Taiwan Lohas Service Development Association” (Zhonghe Liancheng Station): Protecting happiness of the elderly through non-profit community care centers.</div></div></div></div></div> <div>(4) ARBOR Energy Management Plan<div>(4.1) Energy Management Policy<div>Continuously improving energy efficiency and reducing greenhouse gas emissions.</div><div>Strictly abide by energy-related laws and regulations, deepen the concept of energy conservation and carbon reduction.</div><div>Incorporating recycle raw materials into R&D to reduce the impact of environmental load.</div><div>Establishing sustainable management of suppliers and achieve net zero emissions goals.</div></div><div>(4.2) Energy management plan and implementation status<div>(A) Improving energy efficiency<div>a. Improved equipment efficiency<div><div>➤ Reducing physical hosts in high-energy-consuming computer rooms and integrating physical servers with virtual servers.</div><div>➤ Eliminating inefficient light sources, introducing high-efficiency LED lamps, turning off lights during lunch breaks to save energy, and replacing traditional fans in office spaces to circulation fans.</div><div>➤ Defaulting air conditioner temperature at 26 degrees to make air system running more efficiently, reducing in the same time energy consumption.</div><div>➤ Digitalize documents, forms and approval processes, in order to reduce paper usage.</div></div><div>b. Conduct greenhouse gas inventory every year and set reduction targets, in line with the “Climate Change Response Act”, in order to achieve net zero greenhouse gas emissions by 2050.</div></div></div></div></div>			

Evaluation Item	Implementation Status (Note1))			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>c. Implementation status, details refer to Arbor official website (Corporate Social Responsibility> Climate and Environmental> Protection and Response> Greenhouse Gas Management https://www.arbor-technology.com/zh-tw/csr-cate-first/7be971b7ceb5c001ef4fd379b3b71ddf).</p> <p>(B) Deepen the concept of energy conservation and carbon reduction</p> <p>a. Promote employee energy awareness: Use the company's internal website, emails, bulletin and other channels to promote energy conservation between employees, encouraging them to best practice of low-carbon behavior in the daily work, making low-carbon culture the key support for ARBOR's long-term carbon reduction.</p> <p>b. Organize internal activities on carbon reduction to increase employees’ attention and participation in net zero emissions.</p> <p>c. Implementation: was held “step-counting carbon reduction competition”, as well as “ESG carbon reduction, and meat-free day” in 2024, with a total of 250 participants.</p> <p>(C) Use recycled materials with a lower environmental impact</p> <p>a. All raw materials used comply with EU ROHS regulations, and we are committed to process reduction and resource recycling.</p> <p>b. Implementation of 100% recyclable packaging materials.</p> <p>c. Implementation status: In 2024, 100% of raw materials have been compliant with international regulations on environment-related substances; 100% recyclable packaging materials have been introduced into green packaging design and 53% of related storage space has been reduced to meet the expectations of green product design for ESG sustainable management.</p> <p>(D) Sustainable supply chain management</p> <p>a. Raw material procurement policies, elimination of conflict minerals, green procurement (such as reducing material consumption, choosing biodegradable, renewable materials, and recyclable materials), and increasing the percentage of local procurement.</p> <p>b. For details of implementation, please refer to Arbor Technology’s official website (Home page> Corporate Social Responsibility> Climate and Environmental Protection and Response> Supplier Management) https://www.arbor-technology.com/zh-tw/csr-cate-first/7be971b7ceb5c001ef4fd379b3b71ddf .</p>				
8. If the Company's product or CSR report has passed the verification standard of the relevant verification agency, it should be stated : ARBOR's 2023 CSR Report, which is based on the GRI Standards version, has not been verified by a third party except for disclosure on the Company's website and uploading to the Market Observation Post System on August 30, 2024.				

Implementation of sustainable development and differences on Code of Practice for Sustainable Development of Listed and OTC Companies and their reasons (Note 1)

(Note 1) Analysis of climate change risks and opportunities, response measures and implementation status in the current year

Type	Topic	Risks Relating Climate	Potential Financial Risk	Actions to Taken	Indicators and Targets Execution Execution Status year 2024
Transiti on Risk	Policy and Regulat ions	<ul style="list-style-type: none"> ● Taxation or fees collection over Carbon ● Constitution of new laws and regulations 	<ul style="list-style-type: none"> ● Increase on operational cost (such as compliance cost and insurance fee) ● Increase on cost due to sentences from court or fine. 	<ul style="list-style-type: none"> ● Implementation of ISO 14064_1, to be completed in the year 2024, Arbor's group Carbon Footprint Verification, and technical validation from year 2023. 	<ul style="list-style-type: none"> ● ARBOR's parent company: Completed in August 8, 2024 "Greenhouse Gas Carbon Footprint Verification" from year 2023, and obtained external certification from ARES. ● ARBOR's subsidiary company: ARBOR Group has 14 financial statement subsidiaries in total, excluding paper companies, a total of 8 subsidiaries completed year 2023 annual greenhouse gas internal audit in accordance with ISO 14064-3 in November 2024, and compiled the year 2023 "Arbor Subsidiaries Greenhouse Gas Inventory Books".
	Market	Increase on cost of raw materials	Increase on operational cost, decrease on profit	<ul style="list-style-type: none"> ● Selection of suppliers that meet social responsibilities, signing also the "Supplier Corporate Social and Environmental Responsibility Commitment". ● Reduction of regional and customs clearance risks, increasing the proportion of local suppliers (number) to 80% . 	<ul style="list-style-type: none"> ● 100% of the new major raw material suppliers in 2024 signed the "Supplier Corporate Social and Environmental Responsibility Commitment". ● The proportion of local suppliers in 2024 reached over 80% (number of suppliers).
	Reputat ion	Concerns and increase of negative feedbacks from Stakeholder	<ul style="list-style-type: none"> ● Decrease for goods or services demand ● Impact on corporate financial credit score 	Committed for an effective strategy transition, aligning "Climate Change Response Act" to achieve net zero greenhouse gas emissions by 2050. The short-term target is to keep warming to 1.5°C, reducing emissions from Scope 1 and 2 by 8% by 2025, in comparison to 2023 base year.	"Annual Reduction Achievement Details" from year 2024, please see "Assessment Item 3 Environmental Issues (4)".

Type	Topic	Risks Relating Climate	Potential Financial Risk	Actions to Taken	Indicators and Targets Execution Execution Status year 2024
Physical Risk	Short-Term	The increase on severity of extreme weather events such as typhoons and floods.	<ul style="list-style-type: none"> ● Reduction or interruption on production capacity (such as suspension of production, transportation issues, supply chain disruptions) ● Influences on labor management and planning (e.g. health, safety, absence) 	<ul style="list-style-type: none"> ● Increase on percentage of purchases from local suppliers (number of suppliers). ● Establish an “Occupational Safety and Health Department” and implement ISO45001 “Occupational Safety and Health Management System”. 	<ul style="list-style-type: none"> ● In 2024, the percentage of local procurement (number of suppliers) reached over 80%. ● 1 occupational accident occurred in 2024.
	Long-Term	<ul style="list-style-type: none"> ● Increase on probability of extreme weather events. ● Increase of average temperature. 	<ul style="list-style-type: none"> ● Increase on asset insurance, and operational costs ● Increase on water and electricity consumption. 	<ul style="list-style-type: none"> ● The business and management office shall assess the insurance cost, coverage, and categories every year. ● Set targets on carbon reduction. ● Update plans for uninterruptible power supply (UPS). 	<ul style="list-style-type: none"> ● Insurance for cargo transportation. ● Conclude the uninterruptible power supply (UPS) in the IT room, as well as updating its virtualization.
Opportunity	Resource Efficiency	Utilizing more efficiently a transportation method.	<ul style="list-style-type: none"> ● Reducing operational costs. ● Increasing production capacity, and income. 	Increase on percentage of purchases from local suppliers (number of suppliers)	In 2024, the percentage of local procurement (number of suppliers) reached over 80%.
		Utilizing more efficiently a production and distribution process.		<ul style="list-style-type: none"> ● Optimize production process by IE ● Build energy management system ● old equipment with new ones, as well as energy-saving equipment. 	Increasing energy efficiency.

Type	Topic	Risks Relating Climate	Potential Financial Risk	Actions to Taken	Indicators and Targets Execution Execution Status year 2024
		Utilization of new technologies.		Innovative products and services.	Combine smart water meters, switchboard equipment, water management, industrial safety and carbon management integration, as well as carbon inventory, in order to acquire green energy transformation business opportunities.
	Product and Service	<ul style="list-style-type: none"> ● Changes on consumer preferences. ● Product carbon reduction and enhance company image. 	Decrease on demand for goods and services.	Utilization of 100% recyclable packaging materials.	Utilization of 100% recyclable packaging materials.

Implementation of the promotion of sustainable development and the differences and reasons for the code of practice for sustainable development of TWSE/TPEX Listed Companies (Note 2).

(Note 2) ARBOR Technology: “Greenhouse Gas Emissions Statistics” by category:

(Data coverage: ZhongZheng Road Headquarters, and JianKang Factory)
(year 2023 and 2024 certified by ARES)

The company conducted greenhouse gas inventory according to ISO 14064-1:2018. The original base year was set as 2023. However, due to total emission in 2024 (1,369.672 metric tons CO₂e) increased over 24.22% compared to 2023 (1,102.578 metric tons CO₂e), the base year was adjusted to 2024 according to recalculation mechanism of gas emission of the base year.

Year	Emission	Scope 1					Scope 2	Scope 3	Scope 4	Scope 5	Scope 6	Total Emission
		Fixed Emission	Variable Emission	Manufacturing Emission	Dispersal Emission	Total Emission	IE by Power Consumption (Note1)	IE by Transportation	IE By Products Utilized by Company	IE By Utilizing Products produced by Company	Other Sources of IE	
2024	Emission T CO ₂ e/Year	0.0307	2.6967	0.00	17.8063	20.5337	257.9229	0.7421	64.2221	1026.2508	0.00	1369.672
	Gas Proportion (%)	0.00%	0.20%	0.00%	1.30%	1.50%	18.83%	0.05%	4.69%	74.93%	0.00%	100.00%
2023	Emission T CO ₂ e/Year	0.0307	2.6229	0.00	32.8629	35.5165	204.4717	0.4635	46.8198	815.3063	0.00	1102.578
	Gas Proportion (%)	0.00%	0.24%	0.00%	2.98%	3.22%	18.54%	0.04%	4.25%	73.95%	0.00%	100.00%

Note 1: IE or Indirect emission

Implementation of the promotion of sustainable development and the difference from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons (Note 3: “Arbor Supplier Management Policy”, and year 2024 execution status)

Supplier			
Management policy	1. New supplier evaluation mechanism: This includes assessing suppliers' financial risks, operational capabilities, and environmental protection, occupational safety and health, or labor rights to ensure that the selected suppliers meet our requirements.	2. Existing supplier management mechanism (1) Evaluation management (2) Education and training	3. Commitment of suppliers 4. Local procurement
FY2024 Implementation status	<ul style="list-style-type: none"> The Supplier Management Procedure regulates the evaluation and re-evaluation operations that should be carried out for the procurement of "consultants" (for the purchase of non-purchased products): (1) Evaluation of sample: (Evaluation of standard item suppliers): Due to the needs of new product development, the R&D personnel will verify and evaluate the 	<ul style="list-style-type: none"> According to the Company's supplier procedure audit mechanism, qualified suppliers are required to be audited every six months. After the evaluation unit participates in the evaluation, the procurement/production management personnel will summarize and submit it to the relevant supervisor for review (1) Suppliers that have passed the examination (Class A) shall be indicated in 	<ul style="list-style-type: none"> The Company used to organize supplier training from time to time. According to electronic material and mechanical material manufacturers, a total of 12 manufacturers will be completed in 2024. In addition to environmental protection, occupational safety and health or labor human rights promotion, the training content is as follows: “Supplier Corporate Social Commitment” has been signed by all Suppliers with annual turnover over NT\$500,000. The

	<p>sample to confirm its feasibility. Relevant documents of adoption and adoption are submitted to the purchasing unit to facilitate the application of new suppliers.</p> <p>(2) On-site evaluation: (Supplier evaluation/Outsourced processing plant evaluation): It was determined to be an important Supplies supplier and a local manufacturer and processing manufacturer, in accordance with the Supplier Evaluation Report or Subcontractor Evaluation Report, conducting on-site evaluation.</p> <p>●In 2024, 13 new suppliers were added, all of which have completed the evaluation in accordance with the requirements of the supplier management procedures and have passed the evaluation.</p>	<p>the “Basic Information of Manufacturers” and registered in the “List of Qualified Suppliers”.</p> <p>(2) Suppliers listed as the observation period (Class B) (the total score of supplier assessment is less than 80, and the total score of subcontractor assessment is less than 75), immediate improvement is required.</p> <p>(3) If the review result is unqualified (Class C), it will not be registered, but a three-month improvement period can be granted, and then the evaluation will be conducted once. In the event of the following special circumstances, the registration can be approved.</p> <p>(A) Designated manufacturer by customer.</p> <p>(B) Exclusive supply.</p> <p>(C) Limited resources (oligopoly supply).</p> <p>(D) Tight time schedule (special procurement requirements)</p> <p>●2024 Audit Evaluation</p> <p>(A) From January to June, 293 suppliers were evaluated (Grade A suppliers: 236, Grade B suppliers: 56, Grade C suppliers: 1).</p> <p>(B) From July to December, 301 suppliers were audited (A-level suppliers: 215, B-level suppliers: 86, C-level suppliers: 0, D-level suppliers: 7)</p>	<p>1. Ten electronics manufacturers:</p> <p>(A) Understand market trend and select the mainstream materials in the market</p> <p>(B) Affected by laws and regulations, design verification introduces recommended parts</p> <p>2. Two mechanical parts manufacturers</p> <p>(A) The impact of each process on quality through the introduction of the process by the manufacturer</p> <p>(B) With the rising awareness of environmental protection, it is recommended not to increase waste discharge in the introduction of the original Supplies selection.</p>	<p>percentage of Taiwan suppliers of Arbor technology is over 80% by 2024.</p>
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(VI) Implementation of ethical management and measures taken by the Company

Evaluation Item	Implementation Status(Note1)			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
I、Establishment of ethical corporate management	V		1. The Company's "Integrity Management Procedures" were	No difference

Evaluation Item	Implementation Status(Note1)			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>policies and programs</p> <p>(1) Does the Company formulate an honest management policy approved by the Board of Directors, and express the policy and practice of honest management in its regulations and external documents, as well as the commitment of the Board of Directors and senior management to actively implement the management policy?</p>			<p>approved and implemented by the Board of Directors' Meeting on October 11, 2011, and the last revision date was February 1, 2021.</p> <p>2. The Company engages in business activities based on the principles of fairness, honesty, trustworthiness, and transparency, and in order to implement the policy of integrity management and actively prevent dishonest acts, the Company has established the "Operating Procedures for Integrity Management", "Code of Ethical Conduct for Directors, Supervisors and Managers", and "Code of Ethical Conduct for Employees", which are disclosed on the Market Observation Post System and the Company's website. The above documents are applicable to directors, supervisors, managers, employees and persons with substantial control, and the Human Resources Division is designated as the unit responsible for supervising the implementation and reporting to the Board of Directors on a regular basis.</p>	
<p>(2) Does the Company establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within its business scope that are at a higher risk of being involved in unethical conduct, and establish prevention programs which at least include preventive measures against the conducts listed in article 7, paragraph 2 of Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?</p>	V		<p>1. The evaluation of the risk of dishonest behavior, together with the internal control self-evaluation, is initiated periodically in the first quarter of each year. The supervisor of each unit evaluates the occurrence of business activities with higher risk of dishonest behavior in the business area, reviews the appropriateness and effectiveness of the preventive measures, and then revises the measures and plans to prevent dishonest behavior accordingly.</p> <p>2. The scope of the Company's prevention program specified in the "Integrity Management Procedures" includes the prohibition of bribery and accepting bribes, illegal political contributions; improper charitable donations or sponsorships; offering or accepting unreasonable gifts, hospitality or other improper</p>	No difference

Evaluation Item	Implementation Status(Note1)			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>benefits; infringement of trade secrets, trademarks, patents, copyrights and other intellectual property rights; engaging in unfair competition; and products and services that directly or indirectly harm the rights, health and safety of consumers or other stakeholders in the research, development, procurement, manufacture, provision or sale of products and services. The Company shall not be liable for any direct or indirect harm to the rights, health and safety of consumers or other interested parties in the development, procurement, manufacture, provision or sale of products and services.</p> <p>3. The Company's "Integrity Management Procedures" stipulate that all employees shall not offer or accept, directly or indirectly, any unreasonable gifts, hospitality or other improper benefits for business activities with a higher risk of dishonest behavior, in order to prevent employees from sacrificing the Company's rights and interests for their personal interests. We will also strengthen preventive measures through the establishment of internal rules, regulations and practices, education and training, and daily promotion.</p>	
(3) Does the Company clearly specify operational procedures, guidelines, and well-defined disciplinary and appeal systems for handling violations in the prevention programs against unethical conducts, implement such programs rigorously, and regularly review and correct the programs?	V		<p>1. The Company's "Integrity Management Procedure" defines the pattern of benefit and dishonest behavior, specifies the guidelines for offering or receiving benefits and benefit avoidance, establishes a reward and grievance system, and procedures for handling dishonest behavior; when dishonest behavior occurs among the Company's personnel, the dedicated unit shall report the dishonest behavior, its handling and subsequent review and improvement measures to the Board of Directors. There was no</p>	No difference

Evaluation Item	Implementation Status(Note1)			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			dishonest behavior of the Company's personnel in fiscal year 2024.	
II 、Implementation of integrity management (1) Does the Company evaluate business partners’ ethical records and include ethics-related clauses in business contracts?	V		1. The Company discloses its integrity management policy in its internal rules and regulations and on its website, and announces it at external events, such as product launches and corporate presentations, so that its suppliers, customers and other business-related organizations and personnel can clearly understand ARBOR's integrity management concepts and standards. 2. The Company's "Integrity Management Procedures" stipulate that before entering into business relationships with others, the Company shall evaluate the legitimacy of agents, suppliers, customers or other business partners and whether there is a history of dishonest behavior. 3. The Company will sign a contract with the counter-party with integrity clauses as necessary after the evaluation to ensure that the business is conducted in a fair and transparent manner and that it will not ask, offer or accept bribes.	No difference
(2) Does the Company have a dedicated unit under the Board of Directors to promote corporate integrity, and report regularly (at least once a year) to the Board of Directors on its integrity management policies and plans to prevent dishonest practices and monitor their implementation?	V		1. The Company has designated the Human Resources Department as the part-time responsible unit for promoting the Company's integrity management, and reports annually to the Board of Directors on the implementation of the previous year to assist the Board of Directors in evaluating the effective operation of the integrity management measures established by the Company, The report on the implementation of the integrity management for fiscal year 2024 was submitted to the Board of Directors on March 14, 2025. 2. Implementation of the Company's integrity management policy was carried out as follows in 2024 :	No difference

Evaluation Item	Implementation Status(Note1)			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>(1)Legal compliance promotion and education training Except for the disclosure of the Company rules and regulations related to integrity management issues on the Company's website, internal and external education and training are held to promote compliance, as described in Item 2(5) of the evaluation.</p> <p>(2)Establishment of monitoring mechanism The Company has established relevant regulations for the prevention of conflict of interest (please refer to Item 2(5) of the evaluation), an effective accounting system and internal control system, and the internal audit unit performs each audit operation according to the annual audit plan. No fraud was found in fiscal year 2024 (see Item 2(5) of the evaluation).</p> <p>(3)Establishment of reporting mechanism The Company has established a specific whistleblowing and reward system and a convenient and confidential whistleblowing channel (please refer to Item 3 of the evaluation). There were no internal or external whistleblowing cases in 2024.</p>	
(3) Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	V		<p>1. The Company has established the "Integrity Management Procedures" and the "Code of Ethical Conduct for Directors, Supervisors and Managers" to regulate the obligations of directors, supervisors, managers and employees to the Company, their business activities, monetary transactions, conflict of interest avoidance and confidential information management.</p> <p>2. The Company provides an internal whistleblowing channel for employees to complain and respond and establishes an external contact on the Company's website to provide a channel for external personnel to comment on the Company.</p>	No difference

Evaluation Item	Implementation Status(Note1)			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(4) Has the Company established an effective accounting system and internal control system for the implementation of integrity management, and has the internal audit unit prepared an audit plan based on the evaluation results of the risk of dishonest acts, and checked the compliance of the dishonesty prevention plan accordingly, or appointed a CPA to perform the audit?	V		<ol style="list-style-type: none"> 1. The Company has established an accounting system and an internal control system to ensure the effectiveness of the financial reporting procedures and internal controls. 2. The Audit Office prepares an annual audit plan based on the risk evaluation results, performs regular audits, and reports the results to the Board of Directors. In addition, each unit of the Company ensures the effectiveness of the system design and implementation through the annual self-evaluation of the internal control self-evaluation. 3. According to the "Statement of Internal Control System for 2024" issued by the Company's auditing office and the "Letter of Internal Control System for 2024" issued by the accountant, the design and implementation of internal control for 2024 are effective. 	No difference
(5) Does the Company regularly hold internal and external educational trainings on operational integrity?	V		<ol style="list-style-type: none"> 1. The Company has posted the "Integrity Management Procedures", "Code of Ethical Conduct for Directors, Supervisors and Managers" and "Code of Ethical Conduct for Employees" on the Company's website in order to communicate the Group's policy on integrity management. 2. The Company shall make it mandatory for all ARBOR employees to complete the "Prevention of Insider Trading and Integrity Management Promotion" online training (at least 30 minutes per person). Additionally, external courses related to integrity and management are required to directors, supervisors and managers. 3. The Company completed the "Prevention of Insider Trading and Integrity Management Promotion" course in fiscal year 2024, and 163 employees were trained and passed the test. 	No difference
III 、 Operation of the Corporate Whistleblowing System	V		<ol style="list-style-type: none"> 1. The Company has specified the rules for reporting dishonest behavior in the " Integrity Management Procedures" and disclosed 	

Evaluation Item	Implementation Status(Note1)			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(1) Does the Company have a specific whistleblowing and reward/punishment system, and has it established a convenient reporting channel and assigned appropriate staff to receive reports against the target?			<p>them on the Market Observation Post System and the Company's website.</p> <p>2. A whistleblower may submit an application in writing via the "whistleblower mailbox" or by "email" (email address inform @Arbor.com.tw) to the "Human Evaluation Committee", which will make a resolution after investigation by the "Human Evaluation Committee".</p> <p>3. The Company encourages internal and external personnel to whistleblowing dishonest behavior or misconduct, and if the report of dishonest behavior or misconduct is substantiated, a bonus of 1% of whistleblowing amount will be awarded, with the maximum amount of the bonus not exceeding NT\$50,000.</p>	No difference
(2) Has the Company established standard operating procedures for investigating the complaints received, take corresponding measures after investigation, and ensuring such complaints are handled in a confidential manner?	V		<p>1. The Company's " Integrity Management Procedures" specify the requirements, acceptance and examination procedures for whistleblowing, and stipulate that records of the acceptance, investigation process and results of whistleblowing cases shall be kept and preserved, and that information provided by the whistleblower's personal information shall be kept confidential by the Company in accordance with the Personal Information Law. If the investigation reveals any material irregularities or if the Group is in danger of suffering significant losses, a report shall be made immediately and the independent directors shall be notified in writing.</p> <p>2. The Company received 0 report in FY 2024.</p>	No difference
(3) Does the Company adopt measures to prevent the whistleblower from improper treatment as a result of the whistleblowing?	V		The Company's whistle-blowing process has a confidential mechanism that prohibits reprisals against bona fide whistle-blowers.	No difference

Evaluation Item	Implementation Status(Note1)			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
IV、Strengthening Information Disclosure (1) Does the Company disclose its integrity management principles and implementation progress on its website and the Market Observation Post System?	V		The Company discloses information about its corporate culture and business policies through the "Integrity Management Procedures" announced on the Company's website and the Market Observation Post System, and also discloses information about the implementation process on the Company's website, annual reports, and CSR reports.	No difference
V、If the Company has established the Integrity Management Principles in accordance with the "Integrity Management Principles for TWSE/TPEX Listed Companies", please describe the current practices and any deviation from the principles: : No major differences.				
VI、Additional important information that may assist in understanding the integrity management operations of the Company: (e.g., the Company has reviewed and amended its own integrity management practices): The Company engages in business activities based on the principles of fairness, honesty, trustworthiness, and transparency. In order to implement the integrity management policy and actively prevent dishonest practices, the Company has established the "Integrity Management Procedures" to specifically regulate the matters to which the Company's personnel should pay attention when conducting business.				

(VII) Other significant corporate governance operation facts to be disclosed: None.

(VIII) Execution status of internal control system:

1. Statement of Internal Control

Arbor Technology Corporation

Statement of Internal Control

Date: March 14, 2025

Based on the findings of a self-assessment, Arbor Technology Corporation (Arbor) states the following with regard to its internal control system during the year 2024:

1. Arbor's Board of Directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system. Our internal control is a process designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability, timeliness, transparency of our reporting, and compliance with applicable rulings, laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and Arbor takes immediate remedial actions in response to any identified deficiencies.
3. Arbor evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the Regulations). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities.
4. Arbor has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
5. Based on the findings of such evaluation, Arbor believes that, as of December 31, 2024, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws and regulations.
6. This Statement is an integral part of Arbor's annual report for the year 2024 and Prospectus, and is publicly disclosed. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This statement was approved by the Board of Directors in their meeting held on March 14, 2025, with none of the eight attending directors expressing dissenting opinions. All attending directors have affirmed the contents of this Statement.

Arbor Technology Corporation

Chairman: Eric Lee

General Manager: Clark Lien

2. Disclosure of the CPA audit report if CPA was engaged to conduct special audit of the Internal control system: None.

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

1. Important resolutions of the Board of Directors :

Board Of Directors						Remuneration Committee			Audit Committee			
Date	Resolution	Matching with Stock Exchange Act No.14-5	Resolution Result	Independent Director's Opinion	Company's actions	Term date	Resolution result	Company's actions	Term date	Resolution Result	Independent Director's Opinion	Company's actions
	Contents											
2024.02.05	(1) Approved the Company's appointment of a CPA for FY 2024, as well as the evaluation of the independence and performance of hiring accountants.	V	Agreed	None	Not applicable	None			13th of the 1st session February 05, 2024	Agreed	None	Proposed to the Board of Directors
	(2) Approved year 2023 annual bonus plan for managers.					7th of the 5th session February 05, 2024	Agreed	Proposed to the Board of Directors	None			
	(3) Approved the Company's proposal to extend the maturity of the convertible bonds issued by Amobile Intelligent Technology Co., Ltd. by one year.					None						
	(4) Addition or change on bank financing limit credits.					None						
	(5) Changes to the greenhouse gas inventory and verification schedule of subsidiary companies.					None						
2024.03.15	(1) Approved year 2023 employees and directors remuneration distribution plan.		Agreed	None	Not applicable	8th of the 5th session March 15, 2024	Agreed	Proposed to the Board of Directors	None			
	(2) Approved year 2023 business report and financial statements	V				None			14th of the 1st session March 15, 2024	Agreed	None	Proposed to the Board of Directors
	(3) Approved year 2023 "Internal Control System Effectiveness Assessment" and "Internal Control System Statement" of the Company	V				None						

	(4) The Company possibly will not proceed with the private placement cash capital increase, as well as the new share issue, as approved by the year 2023 Annual General Meeting of Shareholders.	V				None				
	(5) Approved the year 2023 profit distribution plan.					None				
	(6) Approved the proposal of cash dividends distribution from earnings for fiscal year 2023.					None				
	(7) Approved the proposal to amend the “Risk Management Policies and Procedures” and abolish of the “Risk Management Policy”.					None				
	(8) Approved the general re-election of directors.					None				
	(9) Approved the convening of the year 2024 Annual General Meeting of Shareholders.					None				
2024.05.13	(1) Proposed the conduction of a private placement cash capital increase and new share issuance through the recommendation of strategic investors.	V	Agreed	None	Not applicable	None	15th of the 1st session May 12, 2024	Agreed	None	Proposed to the Board of Directors
	(2) Due to business needs, was approved the endorsement guarantee for the investment company Amobile Hong Kong and its subsidiary Amobile Intelligent Co., Ltd.	V				None				
	(3) Approved the first quarter consolidated financial statements report of year 2024.					None				
	(4) Approved the list of nominees for independent directors.					None				
	(5) Approved the proposal for release the prohibition of new elected directors and his/her representative from participation in competitive business.					None				
	(6) Approved the proposal amendment for the Articles of incorporation.					None				
	(7) Approved the resolution on the convening of the year 2024 shareholders' meeting.					None				
	(8) Approved additional or change of bank financing limits credits.					None				
2024.07.08	(1) Approved re-election of the chairman.		Agreed	None	Not applicable	None				
	(2) Approved the appointment of members of the 6th Remuneration Committee.					None				

	(3) Approved the Company's Base Date for Issuance of New Shares through Employee Stock Option Certificates.					None						
2024.08.14	(1) Due to business needs, was approved additional limits for the of bank financing credits.		Agreed	None	Not applicable	None						
	(2) Approved the second quarter consolidated financial statements report of year 2024	V				None			1st of the 2nd session August 14, 2024	Agreed	None	Proposed to the Board of Directors
	(3) Approved the Company's eighth share repurchase and transfer of shares to employees.	V				1st of the 6th session August 14, 2024	Agreed	Proposed to the Board of Directors				
	(4) Approved the manager appointments and salary proposals.								None			
	(5) Approved the 2024 Manager Promotion and Salary Adjustment Plan.								None			
2024.09.23	(1) Due to business needs, was approved additional limits for the of bank financing credits.		Agreed	None	Not applicable	None						
	(2) Approved the proposal to increase investment on Amobile Intelligent Technology Co., Ltd. (hereinafter referred to as Amobile Hong Kong)	V				None		2nd of the 2nd session September 23, 2024	Agreed	None	Proposed to the Board of Directors	
	(3) Approved the proposal to abolish the "Self-Assessment Operating Procedures", revise the "General Principles of Internal Control System (including the incorporation of Self-Assessment Operating Procedures)", abolish the "Internal Audit System Implementation Rules" and add the "Internal Audit System Implementation Rules"	V				None						
	(4) Approved the proposal to change Accounting Firm and CPA starting from the third quarter of 2024.	V				None						
	(5) Approved the appointment of CPA for year 2024, as well as the evaluation of the independence and performance of hiring accountants.	V				None						
	(6) Approved the pre-approval of Accounting Firm and its affiliates to provide non-assurance services to the Company and subsidiary companies.	V				None						

2024.11.13	(1) Approved the third quarter consolidated financial statements report of year 2024		Agreed	None	Not applicable	None			3rd of the 2nd session November 13, 2024	Agreed	None	Proposed to the Board of Directors		
	(2) Approved the 2025 Internal Audit Plan					None								
	(3) Approved the amendments to the "Internal Control and Internal Operations of Sustainability Information Management", the "Sustainability Report Preparation and Confidence Operation Procedures", and the revision of the "Sustainable Development Code of Practice".	V				None								
	(4) Approved the amendment of the "Internal Control and Internal Auditing of Operational Management in Compliance with Laws and Regulations"	V				None								
2024.12.27	(1) Approved the proposal to extend the expired Convertible Bonds Transferring of the Company's to Amobile Intelligent Technology Co., Ltd.	V	Agreed	None	Not applicable	None			4th of the 2nd session December 27, 2024	Agreed	None	Proposed to the Board of Directors		
	(2) Approved the conversion plan from Convertible Bonds Transferring to Equity, as mentioned in the previous case of convertible bonds issued by the Company to Amobile Intelligent Technology Co., Ltd. (hereinafter referred as Amobile)	V				None								
	(3) Approved year 2024 annual bonus plan for managers.					2nd of the 6th session December 27, 2024	Agreed	Proposed to the Board of Directors	None					
	(4) Approved the amendments of the Company’s “Rules of Procedure for Board Meetings”					None			None					
	(5) Approved the revised Corporate Governance Code of the Company					None			None					

2024.03.14	(1) Approved year 2023 employees and directors remuneration distribution plan.		Agreed	None	Not applicable	3rd of the 6th session March 14, 2025	Agreed	Proposed to the Board of Directors	None			
	(2) Approval of the revision of the Company's "Performance Evaluation Rules for the Board of Directors, Functional Committees and Managers"								None			
	(3) Approved the company's 2015 manager promotion and salary increase proposal								None			
	(4) Approved the third quarter consolidated financial statements report of year 2024	V				None			5th of the 2nd session March 14, 2024	Agreed	None	Proposed to the Board of Directors
	(5) Approved the 2014 “Internal Control System Effectiveness Assessment” and “Internal Control System Statement” of the Company	V				None						
	(6) Approval of not proceeding with the private placement cash capital increase and new share issuance proposal approved by the 113th Annual General Meeting of Shareholders of the Company	V				None						
	(7) Approval of the Company's proposed private placement cash capital increase and new share issuance to attract strategic investors	V				None						
	(8) Approved the revision of the company's internal control/internal audit "CW.AW-710 Salary Cycle_Salary Payment Operation"	V				None						
	(9) Approval of the 2014 profit distribution plan					None						
	(10) Approval of the 2014 profit distribution cash dividend proposal					None						
	(11) Approved the proposal to amend the bank's financing renewal agreement due to business needs					None						
	(12) Approval of the amendment to the Articles of Association					None						
	(13) Approval of convening the 114th Annual Shareholders Meeting					None						

2. Significant resolutions of the shareholders' meeting held on June 27, 2024 and the status of implementation

Significant Resolutions	Status of Implementation
1. Business Report and Financial Statements for fiscal year 2023	Resolution results: 98.65% voted in favor, and it was passed as proposed. Implementation status: Proceeded as per resolution result.
2. Distribution of earnings for fiscal year 2023	Resolution results: 98.71% voted in favor, and it was passed as proposed. Implementation status: In accordance with Resolution, a cash dividend of NT \$56,861,615 will be distributed, and the ex-dividend base date is 04 September 2024, and the release date is 30 September 2024.
3. Proposal amendment for Article of Incorporation of the Company	Resolution results: 98.71% voted in favor, and it was passed as proposed. Implementation status: Proceeded as per resolution result.
4. Proposal to issue new shares in a private placement of Proceeds from issuing shares to bring in strategic investors.	Resolution results: 98.54% voted in favor, and it was passed as proposed. Resolution approved the private placement, and the Board of Directors was authorized to handle the private placement in two batches within one year from the date of the shareholders' meeting of Resolution. Implementation status: 2025.03.14 The Board of Directors approved the termination of the Company's 2024 shareholders' meeting, approved the issuance of new shares for the private placement of Proceeds from issuing shares.
5. Release of new directors and their representatives from the prohibition of competition	Resolution results: 98.86% voted in favor, and it was passed as proposed. Implementation status: Proceeded as per resolution result.

(X) In the most recent year and as of the publication date of the annual report, the directors or supervisors had different opinions on important resolutions passed by the Board of Directors, and there are records or written statements of the main contents: None.

III. Accountant's fee information :

1. CPA fee information

CPA firm	Name of CPA		Audit Period	Remark
PricewaterhouseCoopers (PwC) Taiwan	Ming Chuan, Hsu	Sunny Huang	2024/1/1~2024/6/30	None
Deloitte & Touche Tohmatsu Limited Taiwan	Meng-Chieh Chiu	Chun-Yu Wang	2024/7/1~2024/12/31	None

Currency: NTD/Thousands

Range of CPA fee		Item	Audit fee	Non-Audit fee	Total
1	Under 2M		—	66	66
2	2M-4M		3,710	—	3,710
3	4M-6M		—	—	—
4	6M-8M		—	—	—
6	8M-10M		—	—	—
7	Above 10M		—	—	—

2. The proportion of non-audit fees paid to the CPA, the CPA's firm and its affiliates is at least one-fourth of the audit fees :

Currency: NTD/Thousands

Name of CPA firm	Name of CPA	Audit Fee	Non Audit Fee					Audit period	Remark
			System design	Company registration	Human Resource	Others	Subtotal		
PricewaterhouseCoopers (PwC) Taiwan	Ming Chuan, Hsu	1,450	—	—	—	54	54	2024/1/1-2024/6/30	Others: reimbursements
	Sunny Huang								
Deloitte & Touche Tohmatsu Limited Taiwan	Meng-Chieh Chiu	2,260	—	—	—	532	532	2024/7/1-2024/12/31	Others: tax filling, and reimbursements
	Chun-Yu Wang								

3. Replacement of accounting firm and decrease in audit fees paid in the year of replacement compared to the audit fees paid in the year before the replacement: None.
4. Audit public expense decreased by more than 10% compared to the previous year: None.

IV. Replacement of accountant information :

(I) Predecessor auditor:

Replacement date	Approved by the Board on September 23, 2024		
Reasons and explanations	The change on accounting firm and CPA are due to the business development and internal management of the company		
Explanation of termination or no acceptance of appointment by the appointer or CPA	Circumstance	Involved party	Appointer
		CPA	
		Voluntary termination of appointment	Not applicable
		Declining (further) appointment	Not applicable
The opinions and reasons of audit reports issued in the past two years, excluding unqualified opinions	None		
Differences of opinion with the issuer	Yes	Accounting principles or practices	Not applicable
		Disclosure of financial statements	Not applicable
		Audit scope or procedures	Not applicable
		Others	Not applicable
	None		V
	Explanation		None
The disclosure of other matters (those required to be disclosed under Article 10, paragraph 5, items 4 to 7 of this standard)	None		

(II) Successor auditor:

Name of the firm	Deloitte & Touche Tohmatsu Limited Taiwan
Names of the CPA	Meng-Chieh Chiu, and Chun-Yu Wang
Date of appointment	Approved by the Board on September 23, 2024
Consultation and results on the accounting treatment methods or accounting principles for specific transactions and possible opinions to be issued on the financial statements before the appointment	None
Written opinions of the successor auditor on matters where they differ from the former auditor	None

(III) Response from the Former auditor regarding the Matters of Article 10, Paragraph 5, Subparagraphs 1 and 2, Item 3 of This Standard: None.

- V. The Company's chairman, general manager, or manager in charge of financial or accounting affairs has worked for the firm of the CPA or its affiliated companies within the last year: None.
- VI. Share transfer and pledge of shareholdings of directors, supervisors, managers and shareholders holding more than 10% of the shares in the latest year and as of the date of publication of the annual report.

Search path: home> Investor> Financial Information> Annual Report> Prospectus

Web Site: <https://www.arbor-technology.com/zh-tw/investor-area/investor-41>

VII. Information on the top ten shareholders who are related to each other or are related to each other as spouses, relatives within two degrees, etc. :

Name	Current shareholding		Spouse/minors' shareholding	Shareholding by nominee arrangement			Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remark
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Ennoconn International Investments.	16,000,000	16.68%	-	0.00%	-	0.00%	-	-	-
Ennoconn International Investments legal representative : Fu-Chuan Chu	-	0.00%	-	0.00%	-	0.00%	-	-	-
Wistron Corporation	4,678,586	4.88%	-	0.00%	-	0.00%	Wise Cap Limited Company	Parent-of Wise company	-
Wistron Legal Rep.:Robert Lin	-	0.00%	-	0.00%	-	0.00%	-	-	-
Eric Lee	4,175,173	4.35%	1,869,176	1.95%	-	0.00%	Annie Lin	Spouse	-
Hong-Teng Investments	4,165,011	4.34%	-	0.00%	-	0.00%	-	-	-
Hong Teng Investment Legal Rep:Annie Lin	1,869,176	1.95%	-	0.00%	-	0.00%	-	-	-
Mu Lin, Lee	3,176,000	3.31%	-	0.00%	-	0.00%	-	-	-
Wise Cap Limited Company	2,005,107	2.09%	-	0.00%	-	0.00%	Wistron Corporation	Subsidiary of Wistron	-
Wise Cap Limited Company Legal Rep.: Fu-Chien Lin	-	0.00%	-	0.00%	-	0.00%	-	-	-
Annie Lin	1,869,176	1.95%	4,175,173	4.35%	-	0.00%	Eric Lee	Spouse	-
Standard Chartered Custody Mizuho Securities Co., Ltd.	1,410,000	1.47%	-	0.00%	-	0.00%	-	-	-
Citi custodian investment account of Berkeley Capital Securities Co., Ltd.	1,155,320	1.20%	-	0.00%	-	0.00%	-	-	-
Chui-Hsing, Lee	999,915	1.04%	986,707	1.03%	-	0.00%	Ming-Kai, Tsai	Spouse	-
Ming-Kai, Tsai	986,707	1.03%	999,915	1.04%	-	0.00%	Chui-Hsing, Lee	Spouse	-

VIII. The number of shares held by the Company, its directors, supervisors, managers, and businesses directly or indirectly controlled by the Company in the same investee business, and the consolidated shareholding ratio shall be calculated :

April 28, 2025 Units: Thousands of shares ; %

Affiliate companies (Note 1)	Ownership by the Company		Direct or Indirect Ownership by Directors/Supervisors/ Manager		Total ownership	
	Shares	%	Shares	%	Shares	%
ARBOR Solution, Inc.	9,000	100.00	-	-	9,000	100.00
Guiding Technology Co., Ltd.	500	100.00	-	-	500	100.00
Allied Info Investments Ltd.	850	100.00	-	-	850	100.00
ARBOR France S.A.S	-	100.00	-	-	-	100.00
Flourish Technology Co., Ltd.	35,195	100.00	-	-	35,195	100.00
ARBOR Korea Co., Ltd.	101	100.00	-	-	101	100.00
Best Vintage Global Ltd.	-	100.00	-	-	-	100.00
Acloud Intelligence Services Corp. Ltd.	4,025	67.08	-	-	4,025	67.08
Excellent Top International Development Limited(H.K) Holding	40,562	100.00	-	-	40,562	100.00
Anasis Tech Ltd.	800	68.97	-	-	800	68.97
Amobile Intelligent Corp. Ltd. (Hong Kong)	7,349	61.77	-	-	7,349	61.77
Amobile Intelligent Corp. Ltd. (Taiwan)	-	-	12,354	100.00	-	100.00
AMobile (HK) Limited	-	-	-	100.00	-	100.00
AMobile Solutions (Xaimen) Co., LTD	-	-	-	100.00	-	100.00
AMobile Solutions (Shenzhen) Co., LTD	-	-	-	100.00	-	100.00
ARBOR Beijing Technology Co.	-	-	-	100.00	-	100.00
ARBOR Technology (Shenzhen) Co., Ltd	-	-	-	100.00	-	100.00
ARBOR China Technology Co.	-	-	-	100.00	-	100.00
Perfect Stream Ltd.	-	-	-	100.00	-	100.00
ARBOR Technology UK Ltd.	-	-	-	100.00	-	100.00
Note 1: The Company adopts Equity Method for long-term investment.						

III. Funding Status

I. Capital & Shares

(I) Sources of capital

April 28, 2025; units: shares/thousands

Year/Month	Par Value(NT\$)	Authorized Capital		Authorized Capital		Remark		
		Shares	Amount (NT Thousands)	Shares	Amount (NT Thousands)	Sources of Capital	Capital increased by assets other than cash	Others
1993.09	10	500	5,000	500	5,000	Issuance of shares	-	
1994.01	10	1,325	13,250	1,325	13,250	New issuance of shares	-	
1994.11	10	2,475	24,750	2,475	24,750	New issuance of shares	-	
1998.11	10	6,712	67,125	5,327	53,625	New issuance of shares	-	
2001.03	10	8,742	87,423	8,742	87,423	New issuance of shares	-	
2001.12	10	14,742	147,423	10,638	106,381	New issuance of shares	-	
2002.02	11.5	14,742	147,423	13,038	130,381	New issuance of shares	-	
2002.04	21	27,500	275,000	16,238	162,381	New issuance of shares	-	
2002.08	10	27,500	275,000	18,874	188,738	New issuance of shares	-	
2006.06	16	27,500	275,000	24,674	246,738	New issuance of shares and issuance of employee stock option	-	
2006.08	10	30,000	300,000	27,683	276,830	New issuance of shares	-	
2007.10	10	38,000	380,000	31,057	310,569	New issuance of shares	-	
2008.10	10	38,000	380,000	34,840	348,396	New issuance of shares	-	
2009.10	10	38,000	380,000	35,667	356,666	New issuance of shares	-	
2010.10	10	48,000	480,000	36,992	369,922	New issuance of shares	-	
2011.07	10	48,000	480,000	38,091	380,909	New issuance of shares	-	
2012.06	10	48,000	480,000	39,257	392,569	issuance of employee stock option	-	
2012.08	10	48,000	480,000	40,394	403,940	New issuance of shares	-	
2013.05	10	48,000	480,000	45,780	457,800	New issuance of shares	-	
2014.09	10	55,000	550,000	48,067	480,673	New issuance of shares	-	

Year/Month	Par Value(NT\$)	Authorized Capital		Authorized Capital		Remark		
		Shares	Amount (NT Thousands)	Shares	Amount (NT Thousands)	Sources of Capital	Capital increased by assets other than cash	Others
2014.12	10	55,000	550,000	50,067	500,673	New issuance of shares	-	
2015.04	10	65,000	650,000	56,145	561,445	New issuance of shares; Convertible bonds	-	
2016.10	10	65,000	650,000	57,782	577,806	New issuance of shares	-	
2017.10	10	65,000	650,000	62,781	627,807	New issuance of shares	-	
2018.10	10	65,000	650,000	63,548	635,475	New issuance of shares; Decrease in Treasury stock	-	
2018.12	10	65,000	650,000	62,998	629,985	Decrease in Treasury stock	-	
2019.10	10	100,000	1,000,000	64,227	642,275	New issuance of shares	-	
2020.10	10	100,000	1,000,000	65,537	655,370	Convertible Bonds; Decrease in Treasury stock	-	
2020.11	10	100,000	1,000,000	66,790	667,906	New issuance of shares	-	
2021.01	10	100,000	1,000,000	69,646	696,459	Plan for Exchange of Share (Bond) Certificates	-	
2021.04	10	100,000	1,000,000	71,588	715,884	Convertible Bonds;	-	
2021.09	10	150,000	1,500,000	73,230	732,305	Convertible Bonds	-	
2021.12	10	150,000	1,500,000	74,422	744,218	New issuance of shares; Convertible Bonds	-	
2022.04	10	150,000	1,500,000	90,422	904,218	New issuance of shares	-	
2022.09	10	150,000	1,500,000	93,509	935,092	Convertible Bonds	-	
2022.11	10	150,000	1,500,000	95,439	954,394	Convertible Bonds	-	
2024.03	10	150,000	1,500,000	95,697	956,975	Employee stock options NTD 2,580,000	-	Unregistered.
114.03	10	150,000	1,500,000	95,841	958,413	Employee stock options NTD 1,440,000	-	Unregistered.
114.04	10	150,000	1,500,000	95,948	959,483	Employee stock options NTD 1,070,000	-	Unregistered.

(II) List of Major Shareholders :

April 18, 2025 (book closure date); units: shares

Shares Name of Major shareholders	Holding shares	Holding %
Ennoconn International Investment Co., Ltd.	16,000,000	16.68%
Wistron Corporation	4,678,586	4.88%
Eric Lee	4,175,173	4.35%
Hong Teng Investment Ltd. Company	4,165,011	4.34%
Mu Lin, Lee	3,176,000	3.31%
Wise Cap Ltd Company	2,005,107	2.09%
Annie Lin	1,869,176	1.95%
Xiang Lu Ltd Company	1,690,000	1.76%
Standard Chartered Custody Mizuho Securities Co., Ltd.	1,410,000	1.47%
Citi custodian investment account of Berkeley Capital Securities Co., Ltd.	1,155,320	1.20%

(III) Company's Dividend Policy and Implementation Status :

1. Dividend Policy :

The Company's dividend policy is a "residual dividend policy". Depending on the Company's current and future investment environment, capital requirements, domestic and foreign competition, and capital budget, the Board of Directors shall prepare a proposal for distribution each year in accordance with the law and submit it to the shareholders' meeting for resolution, considering the interests of shareholders, the balance of dividends and the Company's long-term financial planning. The percentage of cash dividends to be distributed each year shall not be less than 10% of the total amount of cash and stock dividends to be distributed in the current year.

If there is any surplus in the Company's annual financial statements, the Company shall first pay tax to cover the accumulated deficit and then set aside 10% as legal reserve; except when the accumulated legal reserve has reached the Company's total capital, the Company may set aside or reverse the special reserve depending on operational needs or laws and regulations, and if there is any surplus, it shall be included in the accumulated undistributed earnings, a cash dividends and distributions not be less than 10%, the Board of Directors shall prepare a proposal for distribution, submit it to the shareholders' meeting for resolution. However, if the total amount of distributed earnings does not reach NT\$2 per share, the above ratio is not restricted.

2. Dividend distribution in the current year :

The dividend distribution proposal for fiscal year 2024 has been approved by the Board of Directors on March 14, 2025: shareholders' bonus - cash dividends of \$76,219,000, with an allotment of NT\$0.80 per share.

(IV) The effect of the free stock allotment proposed in the current year's plan on the Company's operating performance and earnings per share: Not applicable.

(V) Remuneration of employees and remuneration of directors and supervisor :

1. The percentage or scope of remuneration for employees and remuneration for directors and supervisors as described under the Articles of Incorporation:

The Company shall set aside 2% to 10% of its annual profit as compensation to employees and up to 5% as compensation to directors and supervisors if the Company makes a profit (Profit is defined as pre-tax income before employee compensation and remuneration to directors and supervisors). However, the Company shall reserve the amount of compensation in advance if the Company has accumulated losses.

2. The basis for estimating the amount of compensation to employees, directors and supervisors, the basis for calculating the number of shares to be allotted, and the accounting treatment if the actual amount of allotment is different from the estimated amount :

The remuneration of employees for the current period is estimated based on the net income after tax for the current period, after considering the legal reserve, at least 2% of which is recognized as operating expenses for the current period, and if the actual amount of allotment resolved by the shareholders' meeting is different from the estimated amount, it is recorded as profit or loss in the next period.

3. The Board of Directors resolved to distribute the amount of remuneration to employees and remuneration to directors and supervisors as follows :

(1) The resolutions of the Board of Directors of the Company on March 14, 2025 are as follows :

Employee's remuneration: NT\$4,000,000

Director's remuneration: NT\$1,000,000

There is no difference between the amount of remuneration to employees and directors and supervisors resolved by the Board of Directors and the estimated amount of expenses recognized in fiscal year.

(2) Amount of employee stock allotment and ratio of total net income after tax and total employee remuneration for the period: Not applicable.

4. The actual allotment of employees' remuneration, directors' and supervisors' remuneration (including the number of shares allotted, the amount and share price) in 2024, and the difference between the allotment and the recognition of employees' remuneration, directors' and supervisors' remuneration, as well as the amount of the difference, the reasons for the difference and the treatment of the difference :

The Board of Directors resolved to distribute employees' remuneration and directors' and supervisors' remuneration totaling NT\$5,000,000 and are not different from the amounts recognized as remuneration to employees and directors and supervisors.

(VI) Repurchase of the Company's shares : None.

II. Issuance of corporate bonds : None

III. Issuance of preferred stocks: None

IV. Issuance of Overseas Depository Receipts: None.

V. Issuance of employee stock subscription certificates.

(I) As of the publication date of the annual report, the Company had outstanding employee stock subscription certificates and the effect on shareholders' equity:

As of 2025/4/28

Type of Employee Stock Option Certificate	First (period) employee stock option certificate (Note 4)
Effective date of filing and total number of units	January 7, 2021
Date of issuance (processing) (Note 3)	November 26, 2022
Number of Units Issued	1,350
Number of units still available for issuance	0
Ratio of the number of shares issued to the total number of shares issued	1.41%
Duration of subscription	November 26, 2021~November 25, 2026
Performance method(Note 2)	NA
Restriction period and rate (%)	50% at the end of 2 years 100% at the end of 3 years
Number of executed shares	0
Amount of executed subscriptions	0
Number of unexecuted stock options	503,000 shares
Subscription price per share for unexecuted stock options	20.07
The ratio of the number of outstanding warrants to the total number of issued shares (%)	0.52%
Effect on shareholders' equity	The number of outstanding warrants represents only 0.52% of the total number of shares in issue and the dilution effect is limited.

Note 1: Corporate bonds include public and private bonds in process. Public bonds in process refer to those that have been approved by the Board of Directors; bonds in process refer to those that have been approved by the Board of Directors.

Note 2: For overseas corporate bonds, please fill in

Note 3: For example, restrictions on cash dividends, foreign investments or requirements to maintain a certain ratio of assets.

Note 4: Private placements should be marked in a prominent manner.

Note 5: For convertible bonds, exchange bonds, omnibus reporting bonds or bonds with stock options, the information on convertible bonds, exchange bonds, omnibus reporting bonds and bonds with stock options should be disclosed according to the nature of the table.

(II) The names of managers who acquired employee stock subscription certificates and the top ten employees who acquired stock subscription certificates and the situations of acquisition and subscription:

As of 2025/4/28

	Title (Note 1)	Name	Number of shares acquired (in thousands)	Ratio of the number of stock options acquired to the total number of shares issued (Note 3)	Executed				Not executed			
					Number of shares (in thousands)	Subscription price (NT\$) (Note 4)	Amount of stock subscription (in thousands)	Ratio of the number of shares subscribed to the total number of shares issued (Note 3)	Number of shares (in thousands)	Subscription price (NT\$) (Note 5)	Amount of stock subscription (in thousands)	Ratio of the number of shares subscribed to the total number of shares issued (Note 3)
Key Managers	CEO	Eric Lee	565	0.59%	292	20.23	5,906.00	0.31%	273	20.07	5,479	0.29%
	General Manager	Clark Lien										
	Vice President	Karl Chen										
	Vice President	Annie Lin										
	Senior Special Assistant	Jason Huang (Resigned)										
	Vice President	Ivan Huang										
	Associate	Feng-Ling, Kuo										
	Associate	Vince Chang										
	Associate	Seantmia Lin (Resigned)										
	Associate	Ted, Tu										
	Associate	Patrick Lee										
	Associate	Adonis Lin										
	Associate	Jesse Lai										

	Title (Note 1)	Name	Number of shares acquired (in thousands)	Ratio of the number of stock options acquired to the total number of shares issued (Note 3)	Executed				Not executed			
					Number of shares (in thousands)	Subscription price (NT\$) (Note 4)	Amount of stock subscription (in thousands)	Ratio of the number of shares subscribed to the total number of shares issued (Note 3)	Number of shares (in thousands)	Subscription price (NT\$) (Note 5)	Amount of stock subscription (in thousands)	Ratio of the number of shares subscribed to the total number of shares issued (Note 3)
Staff (Note 2)	Senior Project Manager	Lin, Hsien- Yen (Resigned)	285	0.30%	111	20.21	2,243.00	0.12%	174	20.7	3,602	0.18%
	Project Special Assistant	Stanley Lee										
	Senior Manager	Cindy Chen										
	Senior Manager	Ching-Ming, Cheng (Resigned)										
	Senior Manager	Charles Chen										
	Manager	Ming-Chih, Chou.										
	Manager	Chien-Hsin, Tsai (Resigned)										
	Manager	Yu-Chen Huang										
	Manager	Orange Hsu.										
	Associate	Joyce Wang										

Note 1: Including key managers and employees (those who have resigned or deceased should be noted), individual names and titles should be disclosed, but the acquisition and subscriptions should be disclosed in aggregate.

Note 2: The top ten employees who have acquired stock options refer to the employees other than the manager.

Note 3: The total number of shares issued refers to the number of shares listed in the change of registration data of the Ministry of Economic Affairs.

Note 4: The price of the executed employee stock options shall be disclosed at the time of execution.

Note 5: For unexecuted employee stock options, the stock option price should be disclosed after the adjustment according to the issuance method.

(III) Information on private placement of employee stock options in the past three years: None

VI. Restrictions on the application of new shares of employees' rights: None.

VII. Merger or acquisition of shares of other companies to issue new shares: None.

VIII. Implementation of capital utilization plan: None.

IV. Overview of Business Operations

I. Content of business

(1) Business scope

1. The main contents of the business :

CC01080	Electronic Parts and Components Manufacturing
CC01110	Computers and Computing Peripheral Equipment Manufacturing
CC01990	Other Electrical Engineering and Electronic Machinery Equipment Manufacturing
CE01010	Precision Instruments Manufacturing
CF01011	Medical Devices Manufacturing
E603050	Automatic Control Equipment Engineering
E605010	Computer Equipment Installation
EZ05010	Instrument and Meters Installation Engineering
F108031	Wholesale of Medical Devices
F113010	Wholesale of Machinery
F113050	Wholesale of Computers and Clerical Machinery Equipment
F113070	Wholesale of Telecommunication Apparatus
F113990	Wholesale of Other Machinery and Tools
F118010	Wholesale of Computer Software
F119010	Wholesale of Electronic Materials
F208031	Retail Sale of Medical Apparatus
F213030	Retail Sale of Computers and Clerical Machinery Equipment
F213060	Retail Sale of Telecommunication Apparatus
F213990	Retail Sale of Other Machinery and Tools
F218010	Retail Sale of Computer Software
F219010	Retail Sale of Electronic Materials
F401010	International Trade
I301010	Information Software Services
I301020	Data Processing Services
I301030	Digital Information Supply Services
ZZ99999	All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Revenue Distribution

Unit: NT\$ Thousands; %

Fiscal Year	2024		2023	
Item	Value	% of total sales	Value	% of total sales
Main Board	553,879	35.36%	606,535	36.29%
System	777,610	49.64%	777,145	46.50%
Others	235,115	15.01%	287,747	17.22%
Total	1,566,604	100.00%	1,671,427	100.00%

3. Current Products and Services
 - A. Industrial Computer Products
 - B. Network Security Products
 - C. Automotive Electronic Mobile Surveillance Products
 - D. Medical Electronic Products
 - E. HMI Tablet
 - F. Fanless Industrial Control System
 - G. Gaming System
 - H. Customized products and related application software
 - I. Wide temperature product line
 - J. Modular Computer
 - K. Tablet PC
 - L. In-vehicle computer products
 - M. Factory Automation Products
 - N. Rail transportation, power plant automation, intelligent power grid, etc.
 - O. Industrial safety, thermal imaging applications
 - P. Smart City IoT

4. New Products and Services to be Developed by the Company
 - A. Traffic monitoring controller
 - B. Multi-interface gateways for power industry applications
 - C. High-end motherboards for video acquisition and communication systems
 - D. Portable tablet PC for warehousing and logistics management applications
 - E. Medical LCD panel PC for surgery, diagnosis and drug dispensing applications
 - F. Rail Transportation IoT
 - G. Total body temperature and mask monitoring solution for epidemic prevention technology
 - H. Industrial Safety & Thermal Imaging Applications

(2) Overview of the Industry

1. Current status and development of the industry

Our company is a manufacturer of Industrial Personal Computer (IPC), which is defined as a variety of customized computer equipment used in different industries, and therefore has a small number of diverse and powerful functions. In terms of applications, IPC was first used in the control, monitoring and testing of instruments and machines in the manufacturing process of factories, and was narrowly limited to industrial automation board systems, mainly used for automation equipment. Broadly speaking, any computer other than personal computer (PC) can be classified as IPC industry, such as POS (Point of Sale), ATM, security monitoring system, car computer, medical electronics, gaming machine, digital signage, industrial controller, rail traffic monitoring system, security system, and so on. Rail traffic monitoring systems,

epidemic detection devices, industrial safety thermometers, etc., can be included in the IPC industry.

Industrial Computer Application Fields

Industrial Tablet PC 	Ruggedized Computers 	Handheld computer/scanner 	Automation Control 	Digital Signage 	Medical Electronics 
Intelligent Transportation 	Gaming 	ATM 	Special Printers 	Lottery Machine 	
Internet of Things (IoT) 	In-vehicle computers 	Smart Grid 	Smart Home 		POS/KIOSK 

Source of Information: IBTSIC

Industrial computers are different from general consumer and commercial PCs in that they must operate normally in harsh environments and focus on product stability and require longer product life cycles than PCs. The product life cycle requirements are also longer. In addition, industrial computers are not produced in large quantities like personal computers because the user groups are locked in special fields. Therefore, compared to personal computers, industrial computers are a diverse and highly customized industry, and customers are mostly technically competent equipment users or system integrators with some degree of special requirements for product specifications, design and services. Therefore, industrial computer manufacturers not only need to have the technical ability, but also must have a sufficient degree of understanding of the customer's industry in order to meet the requirements of different industry customers to change the design, and the service orientation is obvious.

Table 1: Application differences between industrial computers and general computers

Item	Industrial Computers	General Computers
Market Scale	Customized products are the main products, production and market scale is smaller	Standardized products are the main products , production and market scale is larger
Price Sensitivity	Low price sensitivity	High price sensitivity
Purpose of Use / Quality of Service	According to the purpose and environment of use, there are different requirements (application orientation), so it is necessary to communicate with customers individually.	More fixed purpose and stable environment, after-sales service of standardized products
Environment / Application Field	Can be operated in harsh working environment (long working hours, dangerous climate, outside the city, vibration, waterproof), special market	Mostly used in stable working environment (short working hours, indoor, room temperature) home/office
Product Life Cycle	Slow product innovation, long product life cycle (at least 3-5 years)	New products are introduced faster, short product life cycle (about 2-3 seasons)
Procurement / Design	Quality/stability/durability/flexibility are the priority factors for purchasing, and more customization.	High performance/price ratio, multiple standardization
Delivery/Supply	Small quantity and multiple samples, high repurchase rate	Less sample, more quantity, general consumer brand loyalty is not high except for a few brands

Industrial computers were mostly used for control, monitoring, testing, and production equipment in the automation process of factories in early years. However, industrial computers have been rapidly expanding their applications to the general life level with the change of industrial ecology and technological evolution in recent years, coupled with the high integration of information and communication technologies such as optoelectronics, network, and software design, such as POS, Kiosk, ATM, Digital Signage, MRT ticket reading system, gaming machines, lottery machines, car computers, medical electronics, and other devices. In addition, with the rise of the Internet of Things, cloud computing and smart living concepts, intelligent transportation, smart grid, smart housing and other related applications are also gradually emerging, and industrial computer industry applications can be found everywhere in the living environment, mainly divided into the following five categories :

A. Industrial PC (IPC) :

The main hardware and software architecture of industrial computers is the same as that of desktop computers. Wintel (Windows + Intel) was the main system platform in the past, but with the popularity of the Linux open system, which can be freely modified, there is an increasing trend of using Linux system. However, industrial computers are designed differently from personal computers in that they can be placed in more demanding external environments, such as high (low) temperature, high pressure, waterproof, and vibration resistant, to provide a stable system platform for long term operation in factories.

B. Industrial Work Station(IWS) :

The higher the level of automation required by the industry, the larger the range of equipment work, the more industrial computers need to be connected to form a group operation, and industrial workstations to manage and monitor the operation of each industrial computer.

C. Single Board Computer :

The motherboard integrates computing functions into a single add-on card. The backplane accommodates additional add-on cards to expand functionality with automatic detection, control, and processing, and the backplane size and expansion slots can be designed to meet customer requirements. The backplane size and expansion slots are designed to meet customer requirements. The main applications of single board computers are industrial control, computer telephony integration (CTI), wireless machines, robots, and medical monitoring systems.

D. Embedded PC :

Embedded computer boards are similar to PC motherboards, but they are smaller in size and can be designed to be double-sided and can be developed with different functions and forms to meet customer needs. This is a niche product with a wide range of products, lower shipment volume, and higher unit price and gross profit than the motherboard.

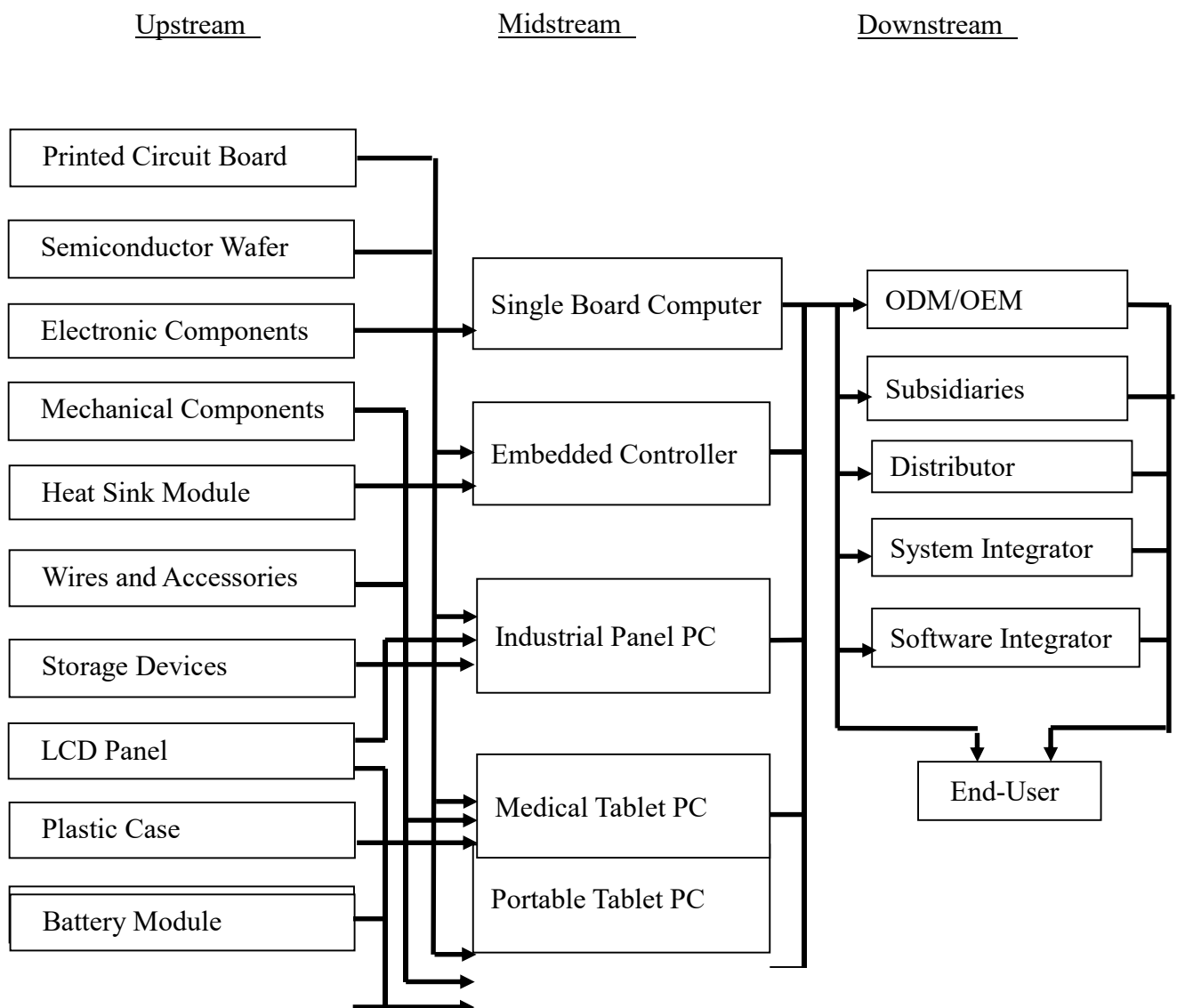
E. Panel PC :

It is a slim LCD computer with a touch screen, waterproof function, and long-lasting power supply, and has a wide range of applications. It can be used not only in industrial applications, but also in commercial purposes, such as Kiosk for station and amusement spot tour, building intercom, intelligent building monitoring system, or as an information interface for product promotion or product introduction in large shopping malls. With the modular design, we can quickly change the appearance and functions of the products according to the customers' needs, and the contents of the software are designed according to the customers' needs.

2. Linkages between upstream, midstream and downstream of the industry

Our products include single board computer, embedded controller, industrial tablet PC, medical tablet PC and portable tablet PC. It is mainly focused on computers, and its upstream includes printed circuit boards, semiconductor chips, electronic components, mechanical components, thermal modules, cables and accessories, storage devices, LCD panels, plastic housings, communication modules, battery modules, and other suppliers and outsourcing partners. The midstream is the products manufactured by the Company, while the downstream varies depending on the marketing model, as industrial computer manufacturers mainly sell to end users through distributors, system Integrators and software developers. The industrial computer industry is not a standardized industry, with a high degree of functional integration and a wide range of product applications, and customers are potentially located in various industries. Therefore, most of the industrial computers are sold to end users worldwide through distributors, system integrators and software developers with engineering backgrounds.

The upstream, midstream, and downstream linkages of the industry are illustrated below :



3. Various development trends and competition of products

A. Industry-specific boom cycle

The Company is an industrial computer manufacturer, and the end-users of industrial computers are corporate users. Although the market demand is still affected by the regional economic downturn, it is less likely to be affected by ups and downs, and when the economy recovers, corporate investment in capital expenditure increases, so the demand for industrial computers also rises. The overall application of industrial computer products is different from the past industrial automation-oriented, and the applications are moving towards a variety of industries and life applications. Generally speaking, the proportion of the first and second half of the sales is about 40:60.

B. Product Substitutability

Industrial computer products utilize the abundant hardware and software resources of personal computers, and then evolve with different motherboards, chipsets, housings, connection slots, and operating systems to meet specific operational needs. Therefore, industrial computers are distinctly different from general personal computers in that they are customized products with emphasis on product stability and a longer product life cycle, creating an irreplaceable industry value and stable growth. In contrast, most commercial PCs are mass-produced and designed for office environments, and are used in industrial and life automation applications, which cannot meet the special needs of standardized product appearance, harsher working environments, and large differences in product functionality. Therefore, the threat of replacement is limited.

C. Industry Future Development

Industrial computers emerged from the Slot Computer architecture in the early days, emphasizing good scalability, easy maintenance (MTTR), high compatibility, and long product life cycle. After years of industrial development, the slot computer has become the mainstream of industrial control industry and network server manufacturers, among which the application of computerized computer integrated system (CTI) and digital video recording and playback system (DVR) The characteristics of slot computers can be best demonstrated. With the introduction of low-power/high-efficiency CPUs (e.g. AMD GX3 & Intel CPUs), fanless systems are gradually being developed, with the advantages

of fanless systems in terms of size, volume and vibration resistance. The embedded computer developed by our company emphasizes the features of low power consumption/high integration/no fan/strong vibration resistance, and the combination of video and voice functions makes the embedded computer more deeply applied in various industries, including POS, ATM, gaming machine, KIOSK, medical, car, digital information signage, KIOSK, industrial automation, building, and other industries. KIOSK, industrial automation, building monitoring, and HMI tablet PC are the most popular applications.

As mentioned above, our company has always been highly interactive with the trend of industrial application market, and we are able to grasp the core technology design for the related technology development and application, such as our project development mode to meet the needs of customers, and our RISC architecture products have become mature, and we believe that our company will be highly competitive in the industry in the future.

D. Competitive situation

Currently, the leading industrial computer manufacturers in Taiwan are Advantech, Ennoconn and ADLINK. Other industrial computer manufacturers include IEI Integration, Portwell, NEXCOM, Lanner, Flytech, Axiomtek, AAEON and Avalu, etc. Each manufacturer has different business results according to their technology, business philosophy and product features. In terms of product orientation, except for single-board computers, which are workstation computers, and data acquisition computers for life support equipment, all of them are sold with self-developed finished products, unlike other companies that only develop one kind of application products (with different sizes) or only undertake the embedded board design of medical computers for ODM customers, therefore, the actual competitors of our medical tablet PC are mostly foreign companies. Therefore, most of our competitors for medical tablet PC are foreign companies. Therefore, the Company's actual competitors for medical tablet PC are mostly foreign companies. Therefore, the Company is more mature than other companies in the industry in terms of technology, demand specifications for new vertical applications and industry trends.

Our main source of technology is our long history of recruiting R&D talents and gaining experience in various fields to develop products across different industries, and to accumulate experience and try to make technological breakthroughs through practical work. On the other hand, we have maintained a long-standing relationship

with Intel, a major supplier, and are a strategic partner in the Intel Embedded Alliance, through which we have early access to the technical specifications and design manuals for CPUs and Chipsets of various generations. In addition, we have also joined PICMG, SFF-SIG, PCISIG, PC104, and other related organizations to continuously obtain the standard specifications for various industrial computer products. Except for joining the above standards, we also join various other unions such as Taiwan Electrical and Electronic Industry Association and Electrical Technicians Association to increase our connection with the electronic industry.

Our company mainly researched and developed embedded single board computers in the early days, when Kontron, a major foreign industrial computer manufacturer, started to launch the ETX standard CPU module specification. We were the first company in Taiwan to launch such products. After several years of research and development, we have not only developed new CPU module-based single board computers, but also developed many major product lines such as embedded controllers, portable rugged tablet PCs, and medical tablet PCs. The following is a description of our product competitiveness :

- a. Leading in R&D technology: We are a leading industrial computer manufacturer with a complete range of wide temperature products, and our wide temperature technology spans dozens of products such as embedded single board computers and embedded controllers. In addition, we have the R&D capability of mobile computing devices, especially the technology that supports dual battery hot-swappable, which is not only unique in the industrial computer industry, but also ahead of some commercial notebook or tablet PC manufacturers.
- b. Complete product structure: We have a complete product structure for all major product lines, including industrial automation, transportation automation, in-vehicle information systems, medical and health care, multimedia information terminals, military computers and other industries, providing customers with more diversified choices.
- c. Fast and flexible service: According to the diversification of various industry specifications, our strong R&D team can reuse existing product resources to modify BIOS or specifications and form new models in the first time to meet customers' urgent needs.

- d. Advanced market advantage: We are the first to introduce mobile computing technology and have developed tablet PCs for various industrial applications, such as portable medical computers, in-vehicle LCD computers, mobile cash registers, and mobile warehouse management computers. Therefore, we are more mature than our competitors in terms of technology, demand specifications and industry trends for these new vertical applications. Competitors need at least two years to prepare for the development of such products, thus creating a competitive barrier.

(3) Technology and R&D Overview

1. Technical level of the business operated

The Company is focused on Intel x86 platform which is the core of our product development strategy. The products covered embedded computers, wide-temperature fanless computers, vehicle-mounted computers, HMI (human machine interface controllers), industrial rugged tablets, energy storage and other product lines. The company's R&D team includes senior R&D personnel in hardware design, power supply design, software development, firmware development, mechanism design, etc., and has long-term experience in high-density design, power supply, heat dissipation, energy storage, waterproofing, Core technologies such as shockproof and explosion-proof can integrate various industrial IO functions for different special fields and applications, and quickly design products that meet customer needs. It meets the rapid and small-volume diversified market needs of the IPC industry, as well as the certification needs of different applications, such as rail transit, medical, etc. It spares no effort in researching the harsh environments of wide temperature and vehicles, and hopes to become a leader in the field of embedded applications in the future.

Besides x86 platform, the RISC BASED R&D team of the Company provides a one-stop innovative R&D and production technology capability from hardware design, embedded development to end product mass production. Our key R&D personnel have more than 10 years of experience in ARM embedded design and development, and are familiar with porting, optimizing, long-term maintenance and updating of various Linux operating systems, providing customers with another innovative product development technology with low power consumption and high performance.

2. Research Development Status

In response to the increasing demand for edge AI, the Company leverages its deep industrial computer research and development experience to actively deploy in the field of edge AI and promote the implementation of intelligent solutions through high-performance computing platforms, AI acceleration technology and vertical application integration.

The company's edge AI products cover embedded AI edge computing, Edge AI fanless computers, and provide complete AIoT (Artificial Intelligence Internet of Things) solutions for application scenarios such as smart factories, smart transportation, and medical image analysis. Among them, embedded AI edge computing products are embedded computer modules and edge AI industrial computers equipped with Intel, NVIDIA or ARM architecture and built-in AI computing power, supporting high-performance inference, image processing and data analysis. Edge AI fanless computer: Equipped with NVIDIA GPU Card and Embedded MXM module, it provides a high-performance GPU computing platform for AI deep learning applications, suitable for factory automation, machine vision, smart medical and other fields.

On the other hand, as new technologies such as mobile communication and mobile computing become more and more widespread, the traditional industrial computer industry is constantly evolving and many new applications have been created, such as mobile POS for outdoor business establishments, automatic navigation used in vehicles, mobile LCD computers used in autonomous driving and communication, portable LCD computers and AMR (autonomous mobile robots) used in warehouse access and management, etc. The company has been continuously researching and developing related technologies since 2007. It has now launched a variety of portable tablet computers with high integration (wireless network, Bluetooth, mobile communication, barcode machine, RFID, chip card and magnetic stripe reader...), and high battery life. The rugged design and high battery life of these products are the most important factors in the development of portable tablets. This type of product is a niche product due to its high technology threshold.

Embedded controllers applied on industrial automation, transportation, power industry, etc., are based on wide temperature technology, as well as the portable and rugged tablet products applied on in-vehicle computers, smart inspection (power and oil & gas, etc.), warehouse management, retail industry, medical and health care, etc., are based on edge AI and mobile computing technology.

The future direction of its planning is :

A. Short-term development direction :

(A) Introduce and nurture outstanding R&D talents to form a solid R&D team and maintain our technological advantage to launch niche products quickly.

(B) We actively utilize our existing R&D strengths to grasp the trends of CPUs, chipsets and market changes, and launch competitive new products ahead of the market.

(C) Industrial PC single board products continue to introduce higher-end Core™ processor series and new generation Atom™ series products with low power consumption to develop COM (Computer On Module) series products and wide temperature, low power, small size and high integration embedded products. The Company is also developing COM (Computer On Module) series products and embedded products with wide temperature, low power, small size and high integration.

(D) Industrial computer system products are focused on the development of Edge AI fanless computer HMI, Rugged Tablet PC, Embedded Controller, Expert Medical Station, In-Vehicle Computer and other series of products.

(E) Develop RISC Based system modules for industrial electrical system products, such as HMI, Rugged Tablet, Rugged handheld, Embedded BOX PC, In-Vehicle Computer, Kiosk Retail POS and other series products.

B. Medium and long-term development direction :

(A) We are actively cultivating R&D talents in system integration, application software, and BIOS to lay the foundation for the expansion of industrial computer system product lines.

(B) Strategic alliances with industry key technology vendors for technology collaboration to enhance R&D capabilities, including industry vertical integration: providing customized AI solutions for smart manufacturing, smart transportation, medical AI and other scenarios to accelerate the application of AI technology.

(C) Create a market-oriented and responsive R&D team.

(D) Provide long-term maintenance and updates for industrial development systems such as Linux and Android operating systems.

3. Research and development staff and their qualifications

Unit: Person

Education \ Year	2024		2023	
	No.Of Persons	% of total Employees	No.Of Persons	% of total Employees
PhD	2	1.08%	1	1.20%
Master degree	49	26.34%	12	14.46%
College degree	133	71.51%	68	81.93%
Senior High school(inclusive) or below	2	1.08%	2	2.41%
Total (Note1)	186	100.00%	83	100.00%

Note 1: New Subsidiary in 2024, such as Amobile, and AMobile Solutions.

4. Research and development(R&D) expenses for each year within the past five years

Unit: NT\$ Thousands

Item	2020	2021	2022	2023	2024
R&D expenses	97,252	84,353	89,812	86,972	87,298
Net revenue	1,510,316	1,509,412	1,801,055	1,671,427	1,566,604
% of net revenue	6.44	5.59	4.99	5.20	5.57

5. Technology and products successfully developed in FY 2024

Year	Item
FY 2024	<p>1. FPC-82xx Series: Developed Intel 14h Raptor Lake Refresh S processor, supported 5xPCIe/PCI, multi-slot expansion card, supports up to 150W GPU expansion, application controller for mid-range AI PC;</p> <p>2. FPC-9207 : Intel 14h Raptor Lake Refresh S processor, which also supports 5xPCIe/PCI multi-slot expansion cards, supports applications up to 350W GPU display cards, and high-end AI PC application controllers;</p> <p>3. LYNC-HMI: The entire HMI series is upgraded to the latest INTEL AMSTON LAKE platform to meet the future AI needs of equipment;</p> <p>4. FPC-9200-V1-MRT: Arbor's 3rd generation railway PISC/NVR controller, integrating the practical vehicle integration experience of the previous two generations in Taipei Metro and Taiwan Railways, aims to integrate PISC/NVR specifications into an all-in-one machine, making it a model for future railway controller migration;</p> <p>5. Intel 13th generation Raptor Lake and Core Ultra processor (Meteor Lake) COM Express Type 6 Module to support edge AI applications, suitable for vertical industries such as industrial automation/smart city/smart retail;</p> <p>6. Develop Intel 13th generation medical computers to meet the needs of medical environments and be applicable to smart medical applications;</p> <p>7. Single board computers and Q7/Smarc modules designed with Intel Amston Lake platform have excellent performance of low power consumption and high performance, suitable for embedded applications such as machine vision/factory automation.</p>

6. The Company's future R&D plans and estimated R&D expenses

R&D expenses are forecasted to stand around 9.59% of revenue in fiscal year 2025. All R&D programs are focused on providing new technology applications, meeting customer needs in the market, and improving customer satisfaction. We also expect to increase our competitiveness and scale of operations by developing new products and technologies.

The major R&D highlights of the Company for the period from FY2024 as of the publication date of the annual report are as follows :

Plan Name	Plan Description
FPC-930x Series	Keep improving the high-end AI PC hardware solutions, developing performance-class controllers based on the latest Intel Core Ultra II processor (Arrow Lake S). In addition to support 5xPCIe/PCI multi-slot expansion cards, it will also supports the latest Nvidia RTX 50xx PCI graphics cards to help customers meet future AI needs.
FPC-5211 Series	Based on the Intel 14th processor platform, we continue to work hard on mid-range AI computing controllers that support Nvidia MXM graphics cards. This year, we will develop a series of 5 to 6 options based on different vertical application requirements to help customers implement AI computing in different harsh environments and vertical markets, and prepare for the future AI industrialization.
ARTS-155x Series	Industrial computer industrialization is IA's goal this year. In addition to AI edge computing, in-vehicle applications and unmanned mobile transportation will also be the focus of IA's efforts. The ARTS-1550 series will be a rugged in-vehicle computer equipped with the latest Intel® Atom® Amoston Lake processor. It not only has built-in CANbus and gyroscope/G sensor, but also a 2.5-inch hard drive tray and dual SIM card slots that can be removed from the front, plus four PoE connectors (RJ45/M12), which greatly enhance the system integration experience of professional system integrators. The design goal is to meet a variety of vehicle applications, such as road fleet management, driving monitoring and recording, unmanned transport vehicles, etc.
COM Express Type 6 Module	Developed COM Express Type 6 Module that supports Intel's new generation Core Ultra Series 2 processor (Arrow Lake), with a computing power of up to 99 TOPS, suitable for edge AI applications that require multimodal high computing power, such as multimodal large language model (Multimodal LLM), visual language model (VLM), etc.
COM-HPC	Developed COM-HPC products that support the next generation module standard, supporting Core Ultra Series 2 BGA/LGA packaged processors, suitable for industrial applications with high computing power and highly scalable IO.
Q7/Smarc	Intel Twin Lake platform-based tablet computers and Q7/Smarc modules, suitable for digital signage/Kiosk applications.
ARM Industrial Computer	Using MediaTek Genio 510/700 modules, we develop ARM industrial computers with excellent performance of low power consumption and high performance. It also has edge AI computing power and is suitable for applications such as image recognition/machine vision/face recognition, etc.

(4) Long and short-term business development plans

1. Marketing Strategy

- A. We are committed to deepening efforts in existing markets, establishing solid and mutually trusting partnerships with clients through efficiency, quality, and technical services.
- B. Strengthen technology leadership to maintain good customer interaction, and continue brand promotion and image building, so that the upstream, midstream and downstream industries can designate branded products and bring benefits to customers by the nature of technology.
- C. We will develop various product lines under our own brand name "ARBOR" in the future. Regarding market expansion, the Company operates in China, the United States and France through its investment subsidiaries, and in Australia through strategic alliances and cooperation with local distributors in the rest of the world. In the rest of the world, we work with local distributors to enhance customer satisfaction and loyalty, strengthen brand awareness and expand market share with solid technology and a solid and honest management philosophy, in order to achieve steady growth.
- D. With "industrialization of communication and industrialization of communication" as the main axle, we are developing four vertical markets: smart medical, car networking, smart retail and factory intelligence, and actively deploying solutions that meet the demands of specific industries.
- E. Combining digital marketing and big data applications, we use offensive marketing, budgeting for Google Ads, PPC, Remarketing and SEO, supplemented by our own communities such as FB and Linkedin and online media, to continue to develop new customers in the US, Europe and Asia Pacific, and to promote the global corporate recognition of the ARBOR brand.

2. Short-term business development plan.

- A. Develop OEM/ODM business opportunities with well-known manufacturers by aggressively utilizing our R&D strengths to establish a customized professional R&D image.
- B. Expand the product line of industrial computer boards and interface cards and promote industrial computer system products with market potential and high added value to meet the demands of customers in different industries with diversified product lines.

- C. Strengthen our FAE and RMA capabilities to provide attentive after-sales service.
 - D. Participate aggressively in industrial computer exhibitions in various potential countries around the world to increase reputation and develop new customers.
 - E. Establish a database of potential customers and actively publish new products and related technical information through internet marketing.
 - F. Strengthen the collection of information from upstream and downstream industries to quickly respond to market demands and create niche products.
 - G. Establish a dedicated business team (channel & project development) for product lines to focus on product sales resources and sales development.
 - H. Increase R&D strength and provide customers with more perfect solutions and services through strategic alliance of consulting system or industry-academia.
 - I. Implement the positioning of each subsidiary and integrate resources to strengthen the function of each subsidiary to serve customers nearby and provide real-time feedback on local market demand.
3. Long-term business development plan
- A. Establish long-term partnership with key component suppliers and excellent outsourcing companies to create a win-win strategy.
 - B. Form strategic alliances with well-known customers to support cooperative products with professional technology and create prosperity together.
 - C. Deeply develop the Greater China and Asian markets, and meanwhile expand the markets in Europe and the United States.
 - D. With the increase of system integration capability, the main axis of the original sales of industrial computer single board products will gradually change to the strategy of industrial computer single board products and system products together, and deepen the vertical industry.
 - E. Planning and evaluating the establishment of overseas offices and establishing a global distributor system for each regional market to facilitate deeper penetration into the local market.
 - F. Transform overseas subsidiaries into technical support service centers to support customer development and rapid service in the vicinity.

II. Market and Production Overview

(1) Market Analysis

1. Main product sales regions

Unit: NT\$ Thousands

Year		2024		2023	
Regions		Value	%	Value	%
Domestic sales		67,868	4.33%	181,242	10.84%
Overseas	Asia	628,464	40.12%	581,738	34.80%
	America	386,480	24.67%	407,654	24.39%
	Europe	483,792	30.88%	500,793	29.97%
Total		1,566,604	100.00%	1,671,427	100.00%

2. Market share and future supply and demand situation and growth

As an industrial computer manufacturer, the Company continues to manage brand awareness in Europe, America, Asia Pacific and the big region, and continues to expand distribution channels and establish a global sales system.

In response to the increased investment in infrastructure plans by governments of various countries to stimulate the economy, and the increase in demand for self-service driven by factors such as the accelerated digital transformation of enterprises in the post-epidemic era, labor shortages, and epidemic prevention, industrial computer manufacturers generally felt that the demand for orders rebounded significantly last year.

Due to the rapid development of emerging information technologies such as cloud computing, artificial intelligence, the Internet of Things, edge computing and block chain, as well as the innovation of related applications, which drives the evolution of business models and drives the added value of industrial transformation, it will be conducive to the performance of demand for information industry-related products. Among them, industrial applications, medical care, and transportation are estimated to be the most potential markets. These field applications are also the vertical markets where Arbor technology has deeply cultivated the layout. It is estimated that the annual growth rate of the Group's total revenue will continue to grow.

3. Competitive niche

Our main competitive niche products are industrial computers, medical computers, and rugged tablet PCs, etc. The characteristics of the industrial computer industry are high durability, high quality stability, diverse and small quantities, and long-life cycles. In order to accurately grasp the development trend of PC-based computer industry, our company not only develops market-oriented products, but also chooses to research and develop products with high technological threshold and high added value in order to maintain our technological advantage, create profits, maintain long-term competitiveness, and establish the rock of sustainable management. The key factors are as follows :

- A. Strong research and development team to ensure rapid response for market demand

Technology is the key to survival and profitability of our company, and we have put a lot of emphasis on R&D (integration of hardware, software, firmware engineers and advanced equipment) and invested a lot of manpower and funds. At the end of December 2024, the R&D staff accounted for 39% of the Company's total workforce, in order to combine innovation, speed and technology to create marketable, forward-looking and futuristic products, and to help customers provide the best solutions. We have developed a series of low-power, highly integrated embedded products, and led the industry in launching high-end medical computers and rugged tablet PC products. Our excellent R&D team is the best guarantee to deliver new products quickly and in line with the market trend.

- B. Management Team

Our main management team has more than 20 years of experience in industrial computer-related fields and has an engineering background, so they are familiar with the market, products and customers. Therefore, we are able to make quick and correct decision and development direction in product and market strategy. °

- C. Good employee centripetal force, strong ambition, and high team consensus

The main management team of our company had a high level of consensus at the beginning of the Company's establishment that employee centripetal force and ambition are the main driving force of the Company's growth, therefore, we actively open up employee shareholding to allow employees to share the fruits of management in order to cohesion and ambition of employees. Since its establishment, the Company has maintained a high level of employee motivation and ambition, and therefore, the Company has been able to achieve good growth in recent years.

- D. Image Recognition and Affirmation

Our products have been utilized by many international renowned manufacturers, as well as established excellent images in the industry for design, manufacture, and OEM of industrial computers, human-machine interfaces, motherboards, and medical computers. Product strategy of ARBOR Technology focuses on mid-to-high-end, low-power, small-volume, and highly integrated products with higher design difficulty. It often leads the industry in launching market-leading products, with the current industry's small-volume and diversified demands, the company's product R&D and design strategies have also been adjusted accordingly, and have been repeatedly recognized in international media

reviews, which has benefited the company's brand image and performance growth.

E. Marketing channels

Our company has a global integrated marketing channel and multinational subsidiaries to keep close to the market pulse and demand, respond to customer needs immediately and provide perfect and fast after-sales technical service.

4. Favorable and unfavorable factors of development prospect and countermeasures

A. Favorable factors for future development

i. Information industry structure is complete and resources are abundantly available

The advantages of both vertical integration and vertical division of labor in the information industry have already taken shape. In addition, domestic manufacturers have made great progress in the development of key components, and this complete information industry structure and increasingly complete production and sales system are sufficient to fully support the development of the industrial computer industry, creating an excellent environment for industry development.

ii. Industrial computers have a wide range of applications and Business opportunities are unlimited

The application of industrial computers covers automation, Internet of Things, smart grid, rail transportation, communication, military, medical and other fields. The scope of application is very wide and will bring unlimited business opportunities to the industry.

iii. Industrial computer industry characteristics create profitability

The product range is diverse and small, and it is not possible to adopt the mass production method of economy of scale, so it is possible to maintain a rather high price. In addition, industrial computer manufacturers must tailor their products to meet the specific needs of their customers, as they may be used in harsh environments such as low and high temperatures, vibration, and humidity. Therefore, the most important factors for customers are product reliability and stability, and finally, the price of the product is considered.

Therefore, the average gross margin of industrial computer manufacturers can enjoy a high profit level of more than 20%, and the life cycle of industrial computers can generally last for 3-5 years. Compared with personal computers, which will be updated in 6-9 months due to the change of CPU generations, industrial computer products are more stable and not easily eliminated by the market. Since industrial computers are often customized according to customers' needs, once they are verified by customers, the chances of subsequent cooperation are very high, so the loyalty of customers in this industry is very high.

iv. Technology advantage and product leadership base

Technology advantage is the only way for our company to survive and make profits. Since our company was established, we have put a lot of emphasis on R&D (integration of hardware, software, firmware engineers and advanced equipment) and invested a lot of manpower and money, especially for medical and rugged tablet PCs, and actively innovated. We have accumulated many years of experience and technology in the fields of wide temperature, fanless cooling and mobile computing, and are able to provide new products and services that meet the market trend faster than our competitors when facing the future demand.

v. Independent R&D capability

In the high-tech industry, our company has many years of experience in industrial computer research and development, and has independent and independent research and development capabilities, which is also a guarantee of creating a brand in the market, establishing a reputation and profitability. We have accumulated abundant resources in product applications and our main source of technology, in addition to a long history of recruiting R&D talents and gaining experience from various sources, has enabled us to develop products across different industry sectors, and to accumulate experience and try out technological breakthroughs from actual practice. Through this relationship, we have been able to obtain early access to the technical specifications and design manuals for CPUs and Chipsets of various generations.

- vi. Insist on producing and selling high quality products and services to accumulate market trust

The most important basis for the survival and development of an enterprise is to provide high quality products, and the quality requirements of industrial computers are even more stringent, therefore, our company always takes the improvement of product quality as the first priority, and passed the ISO-9001 quality certification in FY88 and the ISO-13485 medical specification certification in FY2010, which are helpful for the promotion of products and winning the trust of customers.

- vii. Use of management information systems to improve operational performance

The internal management of ARBOR is moving towards institutionalization and computerization. The use of the management information system will improve the quality of decision making, increase operational performance and benefit ARBOR's future development.

- viii. Develop customers aggressively and have strong future development

We have established ARBOR SOLUTION INC., ARBOR FRANCE S.A.S., ARBOR TECHNOLOGY UK LTD. and ARBOR KOREA CO., LTD. in order to further develop the market in the United States, Europe and Korea. In order to seize the business opportunities in Mainland China market, in addition to the original North China region, the Company established ARBOR SOLUTION INC., ARBOR FRANCE S.A.S, ARBOR TECHNOLOGY UK LTD. and ARBOR KOREA CO. In order to capture the market opportunities in Mainland China, we acquired a subsidiary in South China, Sibosi Technology (Shenzhen) Co. Ltd. to capture the growing industrial computer market in China. The Company has built up a marketing network with its investee companies and distributors in different parts of the world to fully understand the market demand, which is expected to lay a good foundation for future business growth.

B. Negative factors and countermeasures

i. Key components are not easy to control.

Countermeasures :

·Maintain long-term cooperation and establish good relationship with original suppliers.

·The sources of purchase are appropriately diversified to reduce risk.

·Estimate the supply and demand from the receipt of orders and the history of the usage and control the inventory at any time.

ii. The sales quotation is mainly in US dollars and there is a potential risk of exchange rate changes.

Countermeasures :

·Prepare product price lists to include evaluation of exchange rate movements.

·Collect information on exchange rate changes and keep an eye on the trend.

·Use of bank foreign exchange to hedge exchange risk.

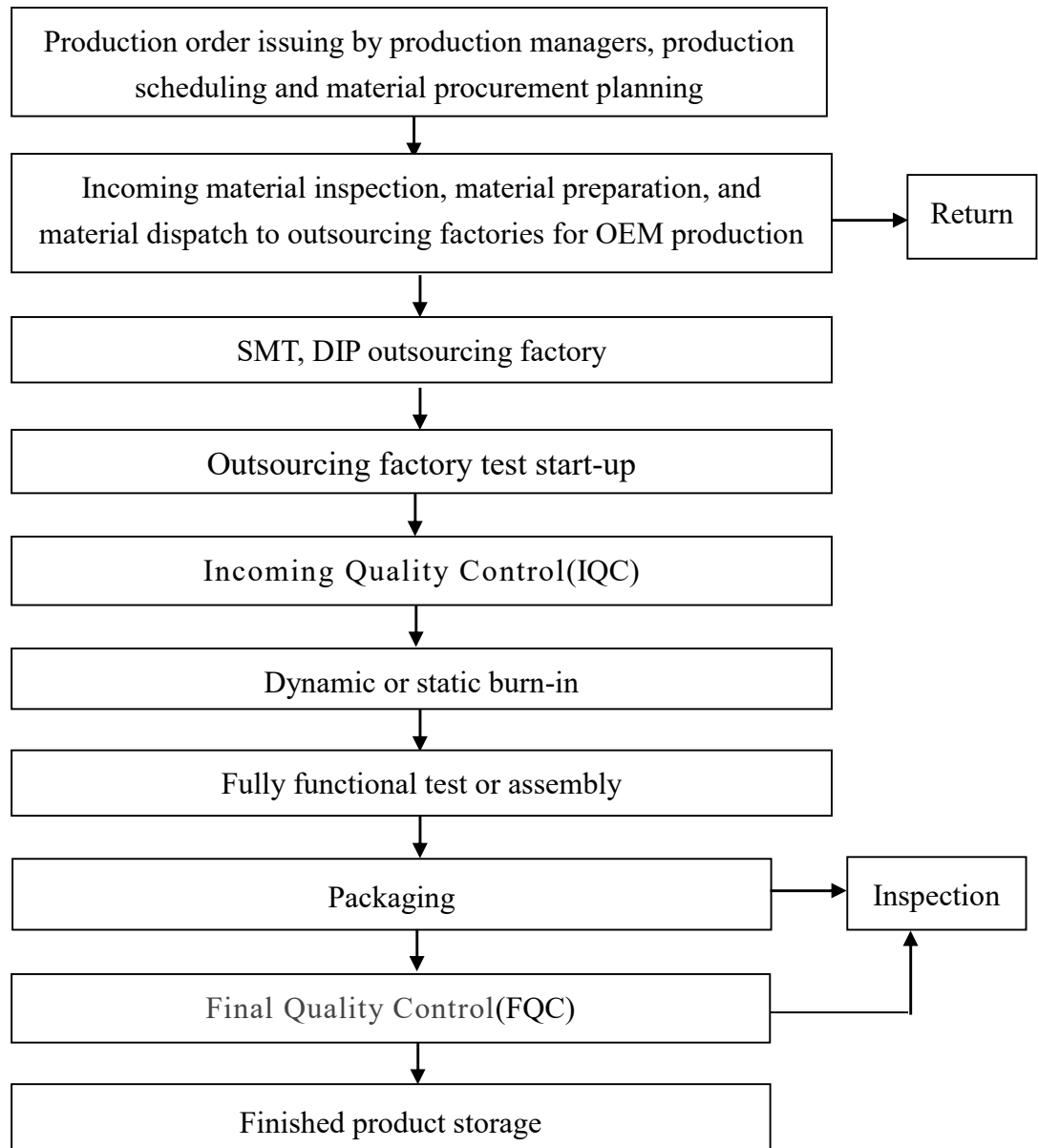
(2) Important usage and manufacturing process of main products

1. Important usage for main products

Main Products	Important Usage
Single Board Computer	PICMG single-board computers are mainly designed to expand by combining various computing functions on a single motherboard with expandable ISA BUS, PCI BUS, Express Bus, and other add-on cards, or by combining various combinations of back planes. The applications are as follows: Computer Telephony Integration (CTI), Digital Video Recording (DVR), Surveillance, Automatic Teller Machine (ATM), and other applications.
Embedded Computer	The concept of embedded is to achieve system integration and application through module or complete functional system board design or through module carrier board with multiple functional add-on design or complete functional system board. The applications are as follows: single and fixed function embedded applications, emphasizing on various working environments. For example: POS, Vending Marchine, Control Box, Medical Equipment, Military, Gaming, Lottery,

Main Products	Important Usage
	Electronic Signage, Telematics, Smart Grid, Rail Transit, Internet of Things, and Information Services.
LCD Flat Panel Computer	The main concept is to combine the computer host, LCD screen, and peripheral interface into one All-In-One PC, but the industrial LCD panel PC will have higher peripheral integration than the general commercial computer, such as swipe card machine, barcode machine, etc., plus the thin and light appearance design, suitable for application in building navigation system, access control system, KIOSK, electronic signage, medical imaging auxiliary computer. It is suitable for applications such as building navigation system, access control system, KIOSK, electronic signage, medical imaging assistant computer, retail terminal computer POS, factory automation system, and various human-machine interface systems (e.g. CNC, monitoring).
Wide Temperature Products	The main concept is to design products for harsh environments, featuring a wider operating temperature tolerance. The operating temperature design specification of general products is usually 0~60°C, while the operating temperature specification of wide temperature products reaches -20~+70°C or even -40~+85°C, which is often required for certain special environment applications, such as: automotive computers, railroad traffic control, military aerospace applications, meteorological detection, etc.
Medical Computer	Most of them are derived from the concept of LCD panel PC, mainly two types of thin and light LCD panel PC and portable panel PC, with low noise, dustproof and waterproof, antibacterial, easy to clean and other features. One of them is the slim LCD tablet PC which is suitable for patient infotainment system, medical workstation, medical imaging assistance system, etc., while the portable tablet PC is suitable for medical assistant tablet PC, medical data acquisition terminal PC, bedside infotainment PC, etc.
In-vehicle computer	Embedded PC and portable tablet PC are the main derivatives of embedded PC and portable tablet PC, and the product demands various functions or features such as wireless connectivity, rugged design, support for car power and GPS positioning. One of them is the embedded In-vehicle PC with integrated applications such as bus electronic signage, mobile DVR, and electronic navigation; while the portable In-vehicle Tablet PC can be applied to fleet task dispatch, navigation, wireless communication, and other practical applications, and can be applied to field dispatch operations such as pipeline inspection and maintenance that require the computer to be carried out of the vehicle because of the battery.

2. Manufacturing process of main products



(3) Status of supply of main raw materials

Material Name	Suppliers
Central CPU	Yosun, Sertek, Synnex , ARW-Arrow, RichPower, WT, WPG Holdings
Chipsets	Yosun, Sertek, FAE, Synnex, ARW-Arrow, MediaTek, WPG Holdings, RichPower, Macnica, WT.
Printed Circuit Boards	EW, Hannstar, Song-Shang.
Memory	Innodisk, Transcend, Adata, Apacer, Phison , Jager, Team Group
Panel Type	AcmePoint, Sanshin, 3AScreen, EDT, Bunion, Cuntai
Mechanical Components	Han Chang, Punctek, Janyu, Ching-Hsin, Chitai, Good Mold, Wang Pai

The main suppliers are well-known and well-received in the industry, and they maintain stable and good cooperative relationships with the Company, and the supply of raw materials is stable and sufficient. °

(4) The names of customers who have accounted for more than 10% of the total purchase (sales) in any of the two most recent years and the reasons for the changes in the amount, proportion and increase/decrease of purchase (sales)

1. List of suppliers who have accounted for more than 10% of the total amount of imports in either of the last two years :

Unit: NT\$ Thousands; %

Item	2023				2024				Year to Date up to latest quarter			
	Name	Value	Percentage of annual net purchases (%)	Relationship	Name	Value	Percentage of annual net purchases (%)	Relationship	Name	Value	Percentage of annual net purchases (%)	Relationship
1	Amobile HK	192,099	21.41	Affiliate	Amobile Taiwan	240,755	23.19	Affiliate	Sertek	38,293	13.40	None
2	Sertek	92,284	10.29	None	Victor Plus	147,146	14.17	Affiliate	Victor Plus	34,525	12.08	Affiliate
3	Others	612,685	68.30	-	Others	650,466	62.64	-	Others	213,039	74.53	-
	Net purchases	897,068	100.00	-	Net purchases	1,038,367	100.00	-	Net purchases	285,857	100.00	-

Analysis of the change:

The increase of amount and proportion of purchases from Amobile Intelligent Corp. is due to the stable order quantity of customer's product sales projects in each year; in addition, the purchase ratio of a single supplier does not exceed 30%, so there is no risk of concentration or unstable source of supply.

2. List of customers who have accounted for more than 10% of the total sales in either of the last two years: No such situation.

III. Headcount Information

Statistical breakdown of the number of employees by job nature, total average age, average length of service and education distribution for the last two years and as of the date of publication of the annual report. :

Unit: Person ; %

Fiscal Year		2023	2024	Year to date as of 4/30/2025
No. Of Employees	Administrative personnel	47	71	66
	Sales and marketing personnel	48	62	62
	R&D personnel	83	186	186
	Direct/indirect production personnel	130	163	161
	Total (Note 1)	308	482	475
Average age		40.89	43.08	43.56
Average years of service		6.32	6.22	6.39
Education Distribution Ratio	0%	0.32%	0.41%	0.42%
	Master	10.06%	15.77%	16.21%
	University (College)	62.01%	62.03%	62.53%
	High School	27.60%	21.78%	20.84%

IV. Information on Environmental Expenditures

We are engaged in the research, development, manufacture and sale of industrial computer products and interface cards without the risk of environmental pollution.

- (1) In accordance with the provisions of the law, shall apply for a pollution facility installation permit or pollution discharge permit or shall pay pollution prevention and control fees or shall establish a special environmental protection unit personnel: Not applicable.

- (2) Investment in major equipment for the prevention and control of environmental pollution and its use and possible benefits: No such situation.
- (3) The history of environmental pollution improvement in the most recent year and as of the date of the annual report, and the history of pollution disputes: No such situation.
- (4) The total amount of losses and penalties incurred due to environmental pollution in the most recent year and up to the date of publication of the annual report, with a description of future countermeasures and possible expenses: No such situation.
- (5) The impact of the current pollution situation and its improvement on the Company's earnings, competitive position and capital expenditures, and the estimated significant environmental capital expenditures in the next two years: No such situation.

V. Labor Relations

- (1) The Company's employee welfare measures, retirement system and their implementation, as well as the agreements between employers and employees and measures to protect employees' rights and interests :

1. Employee welfare measures :

The Company has been paying great attention to the welfare policy of its employees. We have set up a special unit (Human Resources Department) in our organization system to plan a series of welfare measures in order to stabilize employees' lives, protect their rights and interests, enhance their sense of identification with the Company, and further promote labor harmony. Our company believes that only when employees' welfare is valued and their lives are free of worries can they devote themselves to their work, give full play to their strengths, create higher quality products, and contribute to the overall corporate progress and prosperity.

A. Welfare measures directly handled by the Company :

- (A) Year-end bonuses and employee dividends.
- (B) Labor insurance.
- (C) National health insurance.
- (D) Group insurance.
- (E) Travel safety insurance.
- (F) New system of labor pension.
- (G) Dragon Boat Festival and Mid-Autumn Festival gift boxes
- (H) Year-end dinner party.
- (I) Departmental dinner.
- (J) Training courses, various kinds of training from time to time, etc.
- (K) Festival activities, meals.

B. Welfare measures handled by the Company's Employee Welfare Committee (Welfare Committee) :

The main sources of welfare benefits are 0.5% of the Company's monthly operating income, 40% of the Company's sales, and 0.5% of employees' salaries, etc. The main welfare measures are as follows :

- (A) Domestic travel.
- (B) Overseas travel.
- (C) Magazine subscription subsidy.
- (D) Community activities.
- (E) Wedding, funeral, celebration, maternity and hospitalization subsidies.
- (F) Annual health checkup.
- (G) Birthday cash gift.
- (H) Planning activities according to the meeting of the Welfare Committee.

2. Advanced education, training :

In order to improve the quality and skills of our employees, we are committed to human resources training and implement general and professional training from time to time. We also actively encourage our employees to participate in various training courses, including internal and external training courses, in the hope that through solid education and training, we can establish a good corporate culture, cultivate employee skills and improve technical standards, so that our employees can grow together with the Company.

A. Training of new recruit

Formulate training courses for new recruits so that they can understand the rules and regulations of the Company and the general situation.

B. Professional Vocational Training

According to the professional functions of each department, we formulate internal training courses, or send employees to attend the courses of various training institutions to enhance personal professional knowledge and skills, including professional technical training, business training, etc.

C. Management Training

(A). Regarding the supervisors at each level, we arrange various management skills training for their characteristics to build a common vision and management consensus of the team.

(B). Managers participate in corporate governance-related studies and training.

D. Liberal Training

Fire safety training and labor safety education training are planned annually to maintain the safety of the labors themselves.

E. Financial information transparency related personnel to obtain relevant licenses, education and training

(A). The financial supervisor of the Company participated in the continuing

education program for accounting supervisors organized by the Securities and Futures Institute and obtained the relevant certificates.

- (B). The audit supervisors and auditors of the Company participated in the continuing education courses for auditors organized by the Securities and Futures Institute and obtained the relevant certificates.

Advanced education and training are as follows :

Unit: NT\$1,000

Items	Number of classes	Total number of people	Total Hours	Total Cost
Newcomer Training	29	63	63	
Professional Training	70	619	1,238	60,900
Management Training	6	6	48	17,600
General Knowledge Training	4	220	440	
Total	109	908	1,789	78,500

3. Employee conduct or code of ethic

Regarding the employee's conduct and code of ethics, the Company has established many relevant rules and regulations, which are posted on the Company's intranet bulletin area for all employees to consult at any time, as a standard for employee conduct, and the relevant rules and regulations are summarized as follows :

A. Work rules:

In order to clearly stipulate the rights and obligations of both employees and employers, the Company has formulated "Work Rules" with reference to the relevant laws and regulations. The main regulations include: appointment, attendance, service, leave, salary, benefits, evaluation, rewards and punishments, dismissal and retirement, etc. °

B. Recruitment and appointment management system

Our company will follow the "Recruitment and Employment Management Regulations" when the employees arrive at work to handle the payroll operation, and to ensure the Company's commercial property, we also need to sign a confidentiality undertaking to ensure the safety of the Company's assets.

C. Management method of Approval Authority

The Company has a division of functions and responsibilities at each level, and there are duty agents at each level. The Company has established the "Management

of Approval Authority" and a list of duty agents for each department to follow in order to ensure the normal operation of the Company's business.

D. Staff appraisal management method

In order to make the daily work performance and performance evaluation of all employees comply with the principle of fairness, impartiality and openness, so as to achieve the purpose of distinguishing rewards and punishments for employees and to improve the overall work efficiency and management performance, the Company has established the "Employee Evaluation Management Regulations" for compliance.

E. Employee reward and punishment management method

In order to standardize the rewards and punishments for our staff, we have specified in the "Management Regulations for Rewards and Punishments" that rewards are divided into commendation, minor merit, major merit and exceptional promotion; and punishments are divided into admonishment, minor fault, major fault and dismissal, with additional deduction of performance and discretionary deduction of year-end bonus according to the rewards and punishments.

F. Prevention of sexual harassment in the workplace and disciplinary methods

In order to provide a work and service environment free from sexual harassment for employees and job seekers, the Company takes appropriate preventive, corrective, disciplinary and handling measures, and establishes rules and employee grievance channels to regulate employees' behavior and speech in the workplace.

G. Protection measures for work environment and employee safety

In order to prevent occupational disasters and protect the safety and health of workers, the Company has established an occupational safety and health management committee and occupational safety and health management personnel in accordance with Article 23 of the Occupational Safety and Health Law, and has established a safety and health code of practice in accordance with Article 34 of the Occupational Safety and Health Law, which stipulates safety management matters for employees to follow.

4. Retirement system and implementation :

The Company complies with the relevant retirement laws and regulations, and there are currently "Old Labor Pension System" and "New Labor Pension System" for employees, and eligible employees can apply to the Human Resources Department. The explanation is as follows :

(1) Pension :

(a) Old Labor Pension System

Regulations: Labor Standards Act

Applicable candidates: Employees who arrived at work before June 30, 2005 can choose the old system or the new system by themselves.

The percentage of contribution : The Company has a retirement plan that provides for a monthly contribution of 2% of the employee's total payroll. The reserve is deposited into the Bank of Taiwan's Labor Retirement Reserve Account.

Status of contribution : Accrued Labor Retirement Reserve NT\$4,708,000

(b) New Labor Pension System

Regulations: Labor Pension Act

Applicable candidates: Employees who started working after July 1, 2005; or employees who started working before July 1, 2005 and chose the new system.

The percentage of contribution : The Company contributes 6% of the employee's monthly wages to the employee's personal pension account. Employees may also contribute 0% to 6% of their monthly wages to their individual pension accounts at their own discretion, and the Company will deduct the amount of their contributions from their wages on a monthly basis.

Status of contribution : The Company made a contribution of NT\$8,372,000 in fiscal year 2024.

(2) Retirement requirements : Employees whose years of service or age meet the requirements for retirement under the Labor Standards Act may submit an application.

(3) Retirement Procedures : Application shall be made in accordance with the Company's "Separation Management Regulations". In the case of self-application for retirement, the application shall be submitted "six months" in advance and approved by the supervisor in charge; in the case of compulsory retirement, the application shall be submitted by the unit in charge and approved by the general manager and then notified for retirement.

5. Agreements between labor and management and various measures to protect employees' rights and benefits :

Our company adheres to the concept of "one employer, one employee" , emphasizes rational and humanized management, establishes smooth communication channels, and complies with all government laws and regulations. All employees' employment, termination, retirement and various welfare measures are handled in accordance with the relevant laws and regulations, so as to maintain a good relationship between employers and employees, create productivity and share profits together, and establish a stable and harmonious labor-management relationship.

6. The losses suffered from labor disputes in the most recent year and as of the date of the annual report, and disclose the estimated amount of current and potential future losses and measures to address them, and if it is not possible to make a reasonable estimate, state the fact that it is not possible to make a reasonable estimate :

The Company has harmonious labor relations and considers its employees as the most valuable assets of the Company and spares no effort to maintain harmonious labor relations. There were no labor disputes in the latest year and up to the date of publication of the annual report.

VI. ICT security management

1. Information Security Policy

(1) Purpose

In order to strengthen information security management and ensure the confidentiality, integrity and availability of the information assets to which they belong, so as to provide an information environment in which the Company's business can continue to operate and to meet the requirements of relevant government regulations and internal and external stakeholders, so that they can be protected from any intentional or accidental threats, both internal and external, and to achieve information security.

(2) Applicable Candidates

All of our employees, vendors and visitors who have business dealings with us shall comply with this policy.

(3) Information Security Goals

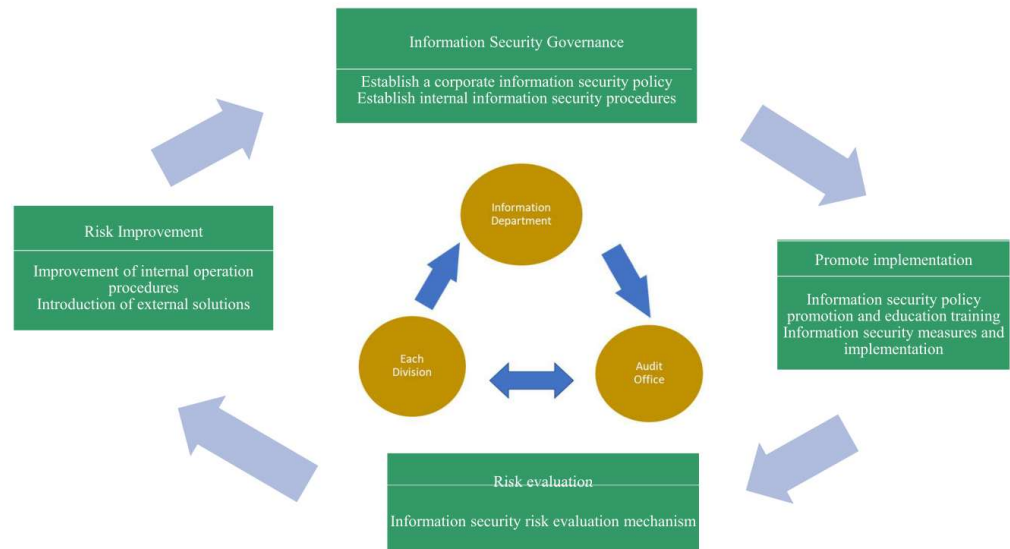
(A) Ensure the confidentiality of the Company's important information and implement data access control, which shall not be exceeded until the information is approved by authorized personnel. °

(B) Respect intellectual property rights and protect customer and company information.

- (C) Ensure that all information security incidents or suspected security weaknesses are reported upwards in accordance with the appropriate notification mechanism and are properly investigated and handled.

2. Information Security Risk Management Framework

- (1) The information security authority of the Company is the Information Center. The Information Center has an information supervisor and several professional information personnel who are responsible for formulating internal information security policies, planning and implementing information security operations, and promoting and implementing information security policies.
- (2) The Company's Audit Office is the supervisory unit for information security monitoring and is responsible for supervising the implementation of internal information security. If deficiencies are found in the audit, the inspected unit is immediately requested to propose relevant improvement plans and specific actions, and the effectiveness of the improvements is regularly tracked to reduce internal information security risks, and an overview of the implementation of the Company's information security governance is reported to the Board of Directors annually in accordance with the audit plan.
- (3) Information security meeting
 - Agenda: Internal corporate information security planning and management
 - Time: The second Wednesday of every June and December of the year on from 1pm to 2pm.
 - Host: Information Center
 - Participants: All team colleagues of the company
 - Venue: HQ meeting room
 - Purpose: a) To strengthen personnel information security and anti-hacking education
b) To Strengthen the information security inside and outside the organization
- (4) Organizational operation mode:
PDCA (Plan-Do-Check-Act) cycle management to ensure the achievement of reliability targets and continuous improvement



3. Specific management solution

(1) Management Direction

- (A) Regulation of system: Establish the Company's information security management system and regulate personnel's operation behavior.
- (B) Technology application: To build information security management equipment and implement information security management measures.
- (C) Personnel training: In addition to the information security promotion on the first week of each quarter; Regularly implement company-wide cyber security education and training every year to strengthen the awareness of colleagues on cyber security.
- (D) Information security website: Provide the latest information security-related information on the Company's website for all employees to know and raise their awareness of information security.

(2) ICT Security Input Resources

- (A) Fortinet Network Security Next Generation Firewall System.
- (B) Chunghwa Digital Proactive Spam Blocking System.
- (C) Trend Micro anti-virus system to prevent virus/malware, spyware/possible information security threats.
- (D) Establishing a secure VPN channel between head office and overseas branches.

(3) The specific information security management measures, include the following :

Type	Description	Related Operations
Authority Management	Management measures for personnel accounts, authority management and system operation behavior	<ul style="list-style-type: none"> • Personnel account privilege management and audit • Regular inventory of personnel account privileges
Access Control	Control measures for personnel access to internal and external systems and data transmission channels	<ul style="list-style-type: none"> • Internal/external access control measures • Operation behavior track record
External Threats	Potential internal vulnerabilities, poisoning channels, and protective measures	<ul style="list-style-type: none"> • Host/computer weakness detection and update measures • Virus Protection and Malware Detection
System Availability	Disposal measures in case of system availability and service interruption	<ul style="list-style-type: none"> • System/network availability monitoring and notification mechanism • Service interruption contingency measures • Information backup measures, local/offsite backup mechanism • Regular disaster recovery drills

4. Performance Report for Fiscal Year 2024 (March 14, 2025 to the Board of Directors)

- (1) Annual information security audit achievement rate for fiscal year 2024 was 100%, and no significant information security incidents occurred throughout the year.
Quantified investment on Information Security in the year:
 - A. Personnel involved: Information Manager x 1, and Information Security Staff x 1.
 - B. Provided information security education and training to 168 people.
- (2) Obtained ISO/IEC 27001:2022 certification (from November 6, 2024 to November 6, 2027)

5. Analysis of Information Security Risk Audit Results and Response Measures for Fiscal Year 2024 :

Audit Highlights	Audit Results and Risk Evaluation	Response measures
Has a security control mechanism for computer network systems been established to ensure the security of data transmitted over the network?	The board of directors of the company has approved on November 13, 2023 the proposal to appoint one information security director, which was also announced the appointment of one information security staff.	Not applicable
Has the company's information security policy been officially published and communicated to all employees, including training on the correct use of legal software, emails, and other security concepts?	The Information Center publishes the "Information Security Policy" on the company's internal website and sets up a specific area for "Promoting Cyber Security—Video Link (TWCERT/CC) Taiwan Computer Emergency Response Team and Coordination Center". Additionally, new employees are asked to sign software usage regulations and information network security regulations.	Not applicable
The company had completed installation of information and communication security protection equipment, as well as the software and hardware updates or upgrades time to time?	(1) Utilization of firewall protection for internal and external networks (2) Anti-virus software is installed on personal computers and network system servers. The product license expiration dates of Office Scan and Kaspersky are November 15, 2024 and January 21, 2027 respectively. (3) The latest virus code is downloaded instantly from the Web site. IT staff can check the virus scan status and perform routine anti-virus management, settings through the "Task Manager" operation interface.	Not applicable
Is there any account management mechanism? Checking regularly whether there are any abnormal or external accounts? Reviewing regularly whether the accounts are still necessary?	Building "Accounts Management Mechanism" in the "Access Control Management Procedure". "Account Review Form" filling by System Management dept. every year, in order to check accounts usage status. No abnormality was found in the year 2024 audit.	Not applicable
If the login sources, access of restricted/ privileged areas, as well as the tracking records	The Information Security director stated that in order to comply with ISO 27001 standards, there are no privileged areas.	Not applicable

are controlled or audited periodically.		
Is there any password protection mechanism?	Comply with ISO 27001 standards, using Windows AD domain management, setting password length and periodic changing mechanism.	Not applicable
When any confidential information is transmitted over communications networks, is there any appropriate protection to ensure the confidentiality and integrity of the information?	According to ISO 27001 "Information Asset Management Procedure", the information assets of the Company are divided into 6 categories and 3 levels (confidential, internal, and general use), which procedure was completed in 2024. Based on "Information Asset and Information Control Table", confidential data must be encrypted when it is transmitted, which security protection are taken by the data custodian.	Not applicable
Is the security protection appropriately built for databases that store important personal data?	Personal data is classified as "confidential" according to the Company's information classification. Personal data control, and access must be approved and authorized by the department-level manager, while the transmission of personal data must be encrypted as determined by "Information Asset and Information Control Table".	Not applicable
Is built any remote maintenance and operation management mechanism? (including outsourcing)	External personnel utilize one-time remote control log in, which complies with the principle of non-repeated usage. For new ARBOR employees, VPN access are enabled, while the employee leaves the company, the access is deleted.	Not applicable
If the network operating environment are reviewed periodically, as well as establishing a reporting procedures for abnormal access or information security incidents? Are these notification recorded and reviewed by the manager?	IT staff conducts daily online inspections of the network operating environment according to "Communication Security Management Procedures", recording into Daily Check. The Daily Check records are randomly checked and reviewed by the Information Security Manager. The "Information Security Adapter Management Procedure" divides information security incidents into four levels, which are processed, analyzed, and reported according to the "Information Security Incident Handling Flowchart", and recorded in the "Information Security Incident Report Form". No information security incidents occurred in 2024.	Not applicable
Is required any time period for log recording, and retention policy? Is the policy executed as	According to the "Communication Security Management Procedure", the network security of core systems and equipment should have relevant log files, and the log files are kept for at least six	Not applicable

established?	months. The records of the company are current retained on the DC01 server and have not been deleted yet. Currently, there is no plan to back up the relevant records to other physical systems outside the original system.	
If any cyber security incident (including important subsidiaries) provokes a significant loss or impact to the Company, is any significant information announced within the time line as required by law?	None events in 2024 that require announcements as determined by “important” information as listed in “Article 4, Paragraph 1, Item 26 of the Re-information Processing Procedures” and “Reference Questions and Answers on Important Information Releases by Emerging Stock Exchange Companies (June 2024)”,.	Not applicable
Is there any “System Recovery Methods” which is reviewed regularly? Is tested regularly the “System Recovery Plan”?	In accordance with ISO 27001 "Business Continuity Management Procedure", the "Organization Panorama Identification Form" should be reviewed at least once a year, in order to conduct business impact analysis, and filled into the "Business Process Operation Impact Analysis Form". For key business processes with a "high" impact, a business continuity plan should be elaborated. After approval, a regular testing and drills should be conducted, and filled into the "Business Continuity Plan Drill Planning and Processing Report Form" with the drill results for review by the responsible manager. The mentioned procedure has been implemented and executed in 2024, as well as reviewed by the Information Security Manager.	Not applicable
When a hardware is reusable, data storage media are scrapped or used for other purposes, are scrapping records kept and confirmed data removal?	Information asset scrapping is carried out in accordance with the "Information Asset Management Procedure". The asset custodian fills out the "Information Equipment Scrapping Form" and after review, the "Asset and Risk Assessment Form" is updated. The procedure has been completed in 2024. For hard drives to be recycled, WD Data Lifeguard Diagnostics is used to erase data; for hard drives that need be scrapped is destroyed physically. The information security manager confirmed that no hard drives were scrapped in 2024.	Not applicable

VII. Important contracts

Nature	Counterparty	Contract Start and Ending Dates	Main content	Restricted Clause
Patent Licensing	American Megatrends International, LLC	March 15, 2024 ~ March 14, 2025	AMI BIOS SOURCE CODE (Technology License)	None
Distributor Agreement	Code	January 01, 2025~ December 31, 2025	Distributor	None
Long-term loans	Taiwan Cooperative Bank	February 5, 2021~ February 5, 2041	Purchase of Office, 8th floor, No. 700, Zhongzheng Road, Zhonghe District	None
Long-term loans	Taiwan Cooperative Bank	September 16, 2019 ~ September 16, 2024	Repayment of convertible bonds	None
Long-term loans	Taiwan Cooperative Bank	May 14, 2020 ~ May 14, 2040	Purchase of Plant 7F, No. 119, Jiankang Road, Zhonghe District	None

Note: The above information is the significant contracts that are still in effect as of the publication date of the annual report and expired in the most recent year.

V. Matters to be recorded in respect of financial position and performance and evaluation of risks

I. Financial Position

(1) The main reasons for the significant changes in assets, liabilities and equity in the last two years and their effects. If the impact is significant, the future plans should be stated.

Unit: NT\$1,000

Item \ Year	2024	2023	Variance		
			Value	%	Analysis
Current assets	3,333,835	2,416,190	917,645	37.98%	Note 2
Non-Current financial assets at fair value through other comprehensive income	13,919	12,660	1,259	9.94%	註 1
Equity investments	-	432,193	(432,193)	-100.00%	Note 2
Property, Plant and equipment	581,874	562,753	19,121	3.40%	Note 1
Right of use asset	26,100	33,801	(7,701)	-22.78%	Note 1
Intangible Assets	402,890	33,522	369,368	1101.87%	Note 2
Other Assets	136,040	139,576	(3,536)	-2.53%	Note 1
Total Assets	4,494,658	3,630,695	863,963	23.80%	Note 2
Current Liabilities	1,587,573	1,059,451	528,122	49.85%	Note 2
Non-Current Liabilities	383,400	424,286	(40,886)	-9.64%	Note 1
Total Liabilities	1,970,973	1,483,737	487,236	32.84%	Note 2
Equity attributable to owners of the company	2,273,066	2,139,313	133,753	6.25%	Note 1
Common Stock	956,974	954,394	2,580	0.27%	Note 1
Capital surplus	817,907	808,946	8,961	1.11%	Note 1
Retained Earnings	530,193	457,870	72,323	15.80%	Note 2
Other equity	(17,874)	(58,806)	40,932	-69.61%	Note 1
Treasury stock	(14,134)	(23,091)	8,957	-38.79%	Note 1
Non-controlling equity	250,619	7,645	242,974	3178.21%	Note 2
Total shareholder's equity	2,523,685	2,146,958	376,727	17.55%	Note 2
<p>1. Description of significant changes (changes of 10% or more in the preceding and following periods, and changes amounting to one percent of the total assets of the year)</p> <p>Note 1: There is no significant change in the percentage of items in FY 2024 and FY 2023, therefore these data will not be analyzed.</p> <p>Note 2: The increase (decrease) of significant changes in FY 2024 compared to FY 2023: The increase (decrease) in this period was due to the acquisition of Amobile Hong Kong shares in 2024, obtaining control, becoming a subsidiary of the consolidated entity.</p> <p>2. Countermeasures: No significant abnormality was identified in the Company's overall performance; therefore, no contingency plan has been prepared.</p> <p>3. The above financial information has been audited by the accountants.</p>					

II. Financial Performance

(1) Analysis of significant changes in operating revenues, net operating income and net income before income tax in the last two fiscal years :

Unit: NT\$1,000

Item \ Year	2024	2023	Change	Change (%)	Analysis
Operating revenue	1,566,604	1,671,427	(104,823)	-6.27%	Note 1
Gross profit	494,744	547,107	(52,363)	-9.57%	Note 1
Operating profit	104,913	151,770	(46,857)	-30.87%	Note 2
Non-operating income and expenses	72,753	8,660	64,093	740.10%	Note 2
Pre-tax profit	177,666	160,430	17,236	10.74%	Note 1
Profit (loss) from continuing operations	152,082	124,338	27,744	22.31%	Note 1
Net operating profit	152,082	124,338	27,744	22.31%	Note 1
Net other comprehensive income (loss)	42,660	(10,537)	53,197	-504.86%	Note 1
Total comprehensive income	194,742	113,801	80,941	71.13%	Note 2
Net profit attributable to owners of the Company	128,709	122,898	5,811	4.73%	Note 1
Net profit attributable to non-controlling equity.	23,373	1,440	21,933	1523.13%	Note 1
Total comprehensive income attributable to owners of the company.	170,206	112,361	57,845	51.48%	Note 2
Total comprehensive income attributable to non-controlling equity.	24,536	1,440	23,096	1603.89%	Note 1
<p>1. Description of significant changes (changes of 10% or more in the prior and subsequent periods, and changes amounting to 1% of total assets for the year):</p> <p>Note 1: There is no significant change in the percentage of items in FY 2024 and FY 2023, therefore these data will not be analyzed.</p> <p>Note 2:</p> <ol style="list-style-type: none"> Net operating income decreased by 30.87% in 2024 compared to 2023, due to the de-inventory of industrial computer customers in the first half of the 2024, decreasing the operating profit. The non-operating income and expenses increased due to the realized foreign exchange gains. Further, the increase in “Net Other Comprehensive Income (loss)”, “Total Comprehensive Income”, and “Total Comprehensive Income Attributable to Owners of the Company” was due to the appreciation of foreign currency, influencing on “Exchange Differences on Translation of Foreign Financial Statements”. <p>2. Countermeasures: The Company's overall performance is not materially abnormal, and therefore no contingency plan has been prepared.</p> <p>3. The above financial information has been audited by the accountants.</p>					

- (2) The expected sales volume and its basis, the possible impact on the Company's future financial operations and the contingency plan :
The Company has not disclosed its financial forecast for fiscal 2025 and therefore does not intend to disclose the expected sales volume.

III. Cash flow

(1) Liquidity analysis for the last two fiscal year

Item \ Fiscal Year	2024	2023	Increase (decrease) amount	Increase (decrease) Ratio (%)
Net cash inflows (outflows) from operating activities	172,633	325,600	(152,967)	-46.98%
Net cash inflows (outflows) from investing activities	1,116	(55,413)	56,529	-102.01%
Net cash inflows (outflows) from financing activities	(350,176)	(85,857)	(264,319)	307.86%
Analysis description of changes in the ratio of increase and decrease :				
1. Net cash inflows (outflows) from operating activities : The increase in cash outflow in FY 2024 compared to FY 2023 is due to the acquisition of Amobile Hong Kong in the year 2024, transferring from the equity method to controlled company of the consolidated entity.				
2. Net cash inflows (outflows) from investing activities : Although net cash outflow from acquisition of Amobile HK in 2024, the company had increase in the amount of net cash inflow in 2024 compared to 2023, because of the withdraw of large amount of fixed and restricted deposits under investment activities in 2023.				
3. Net cash inflows (outflows) from financing activities : The significant cash outflow in 2024 compared to 2023 is due to the repayment of short-term loans in 2024.				

- (2) Improvement plan for liquidity deficiency: The Company has no cash flow deficiency, therefore, it is not applicable.

(3) Expected Cash flow analysis for the coming year

Unit: NT\$1,000

Opening cash balance	Estimated full-year net cash flow from operating activities	Estimated full-year cash inflow (outflow)	Estimated residual cash amount	Remedial Measures for Estimated Cash Shortage	
				Investment Plan	Financial Plan
469,359	109,177	-62,242	516,294	None	None
1. Analysis of changes in cash flows in the coming year :					
Operating activities: The results are expected to continue to grow steadily in the coming year, and the effective control of accounts receivable will result in net cash inflows from future operating activities.					
Investing activities: Expected increase in equipment required for production, etc.					
Financing activities: Repayment of bank loans upon maturity, and cash dividends distribution, etc.					
2. Estimated cash shortage remediation measures and liquidity analysis: Not applicable.					

IV. Impact of significant capital expenditures on financial operations in the most recent fiscal year :

- (1) Significant capital expenditures in recent fiscal years and sources of funds: None.
- (2) Expected to generate revenue: None.

V. Transfer of investment policy for the most recent fiscal year, the main reasons for profit or loss, improvement plans and investment plans for the coming year :

(1) Transfer of investment policy :

The Company's management policy for its reinvestment business is based on the "investment cycle", "procedures for the acquisition or disposal of assets" and "supervision and management of subsidiaries" of the internal control system to regulate the operations of the reinvestment business. The investee company is required to provide financial statements and analysis reports on a regular basis, and to review the operating and financial reports on a regular basis so that the Company can fully understand the operations. From time to time, the Company assigns financial and auditing personnel to visit the actual operations and operating conditions of the subsidiaries, and conducts random checks on the implementation of internal control operations and reports to the parent company for management purposes.

(2) Main reasons for profit or loss on transfer of investments and improvement plans :
The Company's equity-method investments are made for long-term strategic purposes and deployment :

1. The Company adopted the equity method for recognition of investment loss of NT\$3,919,000 in 2024.
2. Investment income by equity method for fiscal year 2024 decreased by NT\$21,368,000 compared to fiscal year 2023, as shown in the table below:

Affiliate	Business Scope	2024	2023	Variance
Amobile HK	Industrial Computer, Parts and Accessories Trading and Investment	(3,919)	(25,287)	21,368
Total		(3,919)	(25,287)	21,368

The loss-making business will continue to be evaluated on the basis of long-term strategic investments and the priority of the Company's core business-related peripheral businesses.

(3) Investment plan for the coming year: None.

VI. Risk analysis and evaluation

(1) Impact of interest rate, exchange rate changes and inflation on the Company's profit and loss and future response measures

1. Impact of interest rate changes on the Company's profit and loss and future measures

Unit: NT\$1,000 ; %

Item	Fiscal year	2024
Net Operating Income		1,566,604
Net income before tax		177,666
Interest income		24,377
Interest income to net operating income (%)		1.56%
Interest income to net income before income tax (%)		13.72%
Interest expense		18,737
Interest expense as a percentage of net operating income (%)		1.20%
Interest expense to net income before income taxes (%)		10.55%

The Company is conservative in the use of capital and invests mainly in time deposits and demand deposits. Interest rates have not fluctuated significantly in recent years and remain low, so interest income does not account for a high proportion of operating income. In addition, the interest expense on bank loans for operational capital demand is also not high as a percentage of operating income.

The Company will continue to operate in a conservative and prudent manner in the future, considering both liquidity and safety, to allocate the most appropriate capital group for the maximum benefit of shareholders :

A. Maintain close contact with financial institutions to keep abreast of interest rate changes.

B. With reference to domestic and international economic trend research reports and observing the fluctuation of domestic and international benchmark market interest rates, we adjust the capital utilization in a timely manner.

2. Impact of exchange rate changes on the Company's profit or loss and future measures

Unit: NT\$1,000 ; %

Item	Fiscal year	2024
Net Operating Income		1,566,604
Net income before tax		177,666
Net foreign exchange gain (loss)		56,575
Net foreign exchange (loss) as a percentage of net operating income (%)		3.61%
Net foreign exchange gains (losses) to net income before income tax (%)		31.84%

The Company's net foreign exchange gain (loss) for fiscal year 2024 was NT\$56,575,000, representing 3.61% of revenue and 31.84% of net income before income tax. The Company's overseas revenue accounted for 95.67% of the total revenue in fiscal year 2024 so the exchange rate changes had a certain impact on the Company's profitability.

The Company adopted the following measures to address the impact of exchange rate changes on the Company's profit or loss :

- A. Besides generating a natural hedge through foreign currency-denominated imports and sales, the Company's treasury department also takes into account relevant information and future trends in the exchange rate market to exchange foreign currencies in a timely manner in order to reduce foreign currency risk exposure.
- B. The Company maintains close contact with its major counterparties to monitor changes in the foreign exchange market for timely adjustment of exchange rate fluctuations by the relevant executives and as a basis for product price adjustments by the Company's business units.
- C. The Company also engages in foreign exchange hedging operations in accordance with the "Procedures for the Acquisition or Disposal of Assets" when necessary, depending on the level of foreign currency positions.

3. The impact of inflation on the Company's profit and loss and future measures

The global economic growth trend is promising, but the shortage of components, imported raw materials and technical equipment have become more expensive, affecting production costs. The Company will adjust selling prices in response to rising operating costs, and improve production efficiency and optimize the supply chain to moderate inflationary pressures. The Company will continue to seek new market opportunities and reduce its dependence on a single market, while adopting appropriate currency risk management strategies to cope with the risk of currency depreciation.

- (2) The policy of engaging in high-risk, highly leveraged investments, lending of funds to others, endorsement of guarantees and derivative transactions, the main reasons for profit or loss and future measures.

The Company does not engage in high capitalization in the year of operation and its financial operations are based on the principle of prudence and conservatism; recent risky, highly leveraged investments and other transactions. As of the date of the publication of the annual report, the Company's derivative transactions are for hedging purposes, except for the endorsement and guarantee lines provided by the Company to its investees for the purchase of materials. The Company conducts regular audits and makes announcements and reports in accordance with the relevant regulations.

- (3) Future research and development plans and estimated research and development expense

In order to continue to improve the Company's competitiveness, the Company has been investing in R&D. In 2024, the Company invested \$87,298,000 in R&D expenses, accounting for 6% of net operating revenues. The proportion of R&D expenses to revenue is expected to remain at approximately 5~10%.

- (4) Impact of significant changes in domestic and foreign policies and laws on the Company's financial operations and response measures: None.

The Company operates in compliance with relevant domestic and foreign laws and regulations and keeps an eye on domestic and foreign policy developments and regulatory changes in order to respond to changes in domestic and foreign political and economic conditions in a timely manner, therefore, important domestic and foreign policy and legal changes do not have a significant impact on the Company's financial operations.

- (5) Impact of technological changes and industry changes on the Company's financial operations and response measures

The Company is always aware of changes in its industry and technological development, and keeps abreast of industry dynamics and market information. The Company's professional staff often collects information on industry-related technology and trend changes for the management's reference in making decisions, so as to adjust the Company's operating strategies and formulate response measures. Therefore, there is no significant impact on the Company's financial operations due to technological or industrial changes in the recent year.

- (6) The impact of corporate image change on corporate crisis management and response measures

The Company's business purpose is based on the principle of stability and integrity, with a good corporate reputation, and plans to enter the capital market in order to attract more talented people to enter the Company's services, to build up the strength of the business team, and then to return the results of operations to the shareholders and fulfill the corporate social responsibility, therefore, there is no threat to the corporate reputation. Therefore, there are no incidents that endanger the corporate image. In the future, the Company will fulfill its corporate social responsibility while pursuing the best interests of shareholders.

- (7) Expected benefits, possible risks and contingency measures for mergers and acquisitions: None.

- (8) Expected benefits, possible risks and contingencies of plant expansion: None.

- (9) Risks of concentration of imports or sales and response measures: None.

- (10) The impact, risk and response measures on the Company due to the substantial transfer or change of shareholding of directors, supervisors or major shareholders holding more than 10% of the shares: None.

- (11) Impact of the change in operating right on the Company, risks and response measures: None.

- (12) Litigation or non-litigation events :

1. The Company shall disclose the facts of the dispute, the amount of the subject matter, the date of commencement of the litigation, the principal parties involved in the litigation and the current status as of the date of publication of the annual report if the outcome of the litigation or administrative dispute has been determined or is still pending as of the latest year and as of the date of publication of the annual report:

(1) Closed Litigation Events :

Company A, a customer of ARBOR signed a purchase agreement with ARBOR in April 2022 for equipment purchasing (Company A purchased 50 units of equipment from ARBOR and Company A's subsidiary in China purchased 450 units from ARBOR), but due to misunderstanding between both parties along the procurement process, Company A suspended the purchasing process in May 2022 by a notification letter. In order to defend company's interests, ARBOR sued Company A in July 2022 with purpose to fulfill obligations held by the agreement. The litigation had a final court decision in July 2023, which company A was ordered to fulfill the obligation by purchasing 50 units of equipment, which payments were collected on 15th September, 2023.

(2) Pending litigation, non-litigation or administrative disputes

- a. Company A, a customer of Arbor Technology Shenzhen (ARBOR's subsidiary company), signed a purchase agreement with Arbor Technology (Shenzhen) in April 2022 for equipment purchasing of 450 units, but due to a misunderstanding between both parties along the procurement process, Company A suspended the purchasing in May 2022 by a notification letter. Arbor Technology (Shenzhen) filed against Company A in July 2022 through local Chinese court, in order to defend company's interests, claiming for obligation performance according to purchasing agreement. Since the local Chinese court had a different perspective, as well as disagreement with evidences, and a well-justified deposition raised by Arbor Technology (Shenzhen), the company lost the case in both first and second instance; currently, the company is preparing to apply for a retrial. Regardless the results (victory or loss) on the lawsuit, it will not impact on company's capital, business plan, financial situation, public interest, neither results on suspension of production, organizational change, or dissolution of the company.
- b. Shenzhen Xin Ya Bo Technology Co., Ltd. (hereinafter referred to as "Xin Ya Bo"), a subsidiary of ARBOR, filed a lawsuit against Jiangsu Tianyu Quick Source Intelligent Technology Development Co. On August 19, 2022, a lawsuit was filed with the People's Court of Xinbei District, Changzhou City, Jiangsu Province. Tianyu was ordered by the first instance judgment on October 17, 2022 to repay Xin Ya Bo the amount of RMB8,861,875 and the liquidated damages calculated on the basis of such amount from January 31, 2021 to the date of actual payment at the quoted market interest rate of the one-year loan published by the National Interbank Offered Rate Center. However, Tianyu filed an appeal on October 28, 2022 against the judgment of the first trial regarding the starting point of the calculation of the liquidated damages, but the judgment was confirmed in the second instance as Tianyu withdrew the appeal on April 3, 2023, and after the judgment was confirmed, Shin-Appo has filed a claim for enforcement against Tianyu and is currently waiting for the final enforcement result before it can. In addition, the Company has recorded a full amount of impairment loss on the overdue credit in 2022 for this payment.

c. The project Train 381 from Taipei Metro executed by ARBOR was partially terminated by Taipei Metro due to several delay of contract performance by the main contractor, CHUNGHWA SOCHAMP TECHNOLOGY (also called Chunghwa). In order to claim for the loss resulted from the termination of the contract, ARBOR filed against Chunghwa on 6th December 2024 in the Taipei District Court, claiming for a compensation of NTD 42,847,888. The law suit is currently in progress, awaiting results.

2. Directors, supervisors, general managers, beneficial owners, substantial shareholders holding more than 10% of the shares and subsidiaries of the Company, and litigation, non-litigation or administrative disputes that have been determined or are currently pending as of the publication date of the annual report, the outcome of which may have a significant impact on the Company's shareholders' equity or securities prices :

(1) Closed Litigation Events :

The Company had no such situation in fiscal year 2024 and as of the date of publication of the annual report.

(2) Pending litigation, non-litigation or administrative disputes: None.

(13) Other important risks and response measures: None.

VII. Other important matters: None.

VI. Special Disclosures

I. Related Information on Affiliated Companies

1. Consolidated report of affiliated companies :

Affiliate companies consolidated business report (such as diagram of related parties, relationship and cross-shareholding of related parties); basic information of related parties; disclose of controlling and affiliates according to Article 369-3 of the Company Act; basic information of directors, supervisors and general managers of each related parties; disclose of business operations of related parties; operational overview of each related parties. See details on web site from Market Observation Post System:

https://doc.twse.com.tw/server-java/t57sb01?step=1&colorchg=1&co_id=3594&year=&mtype=K&isnew=true
(MOPS> Basic Information > Electronic Books > Affiliation Reports)

2. The companies which shall be included by the Company in the preparation of the Consolidated Financial Statements of affiliates in accordance with the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Companies are the same as the companies which shall be included in the preparation of the Consolidated Financial Statements of parent company and subsidiaries in accordance with International Financial Reporting Standards No. 10 recognized by the Financial Supervisory Commission, and the relevant information which shall be disclosed in the Consolidated Financial Statements of affiliates have been disclosed in the said Consolidated Financial Statements of parent company and subsidiaries, therefore Consolidated Financial Statements of affiliates are not prepared separately.

3. Reports on Affiliations: None

- II. Private placement of securities in the most recent year and up to the date of publication of the annual report: Consolidated Business Reports and Consolidated Financial Statements of Affiliated Companies are the same as the companies which shall be included in the preparation of the Consolidated Financial Statements of parent company and subsidiaries in accordance with International Financial Reporting Standards No. 10 recognized by the Financial Supervisory Commission. Therefore, Consolidated Financial Statements of affiliates are not prepared separately.

- III. Other Supplementary Information: None.

VII. Material Impacts

If any of the situations listed in Article 36, paragraph 3, sub paragraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, such situations shall be listed one by one: None.

ARBOR



Chairman

Eric Lee

