

Stock Code: 3017



Innovating Thermal Solutions

Delivering Global Excellence

ASIA VITAL COMPONENTS CO., LTD. Annual Report 2025

Annual Report is available at Taiwan Stock Exchange Market Observation Post

System: <https://mops.twse.com.tw>

Official website of the Company: <https://www.avc.co>

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The reader is advised that this annual report have been prepared originally in Chinese. In the event of a conflict between this annual report and the original Chinese version or difference in interpretation between the two versions, the Chinese financial statements shall prevail.



1. Names, titles, contact numbers, and emails of the Company's spokesperson and deputy spokesperson:

Spokesperson: Chen, Yi Chen / Chief Financial Officer

Deputy spokesperson: Chen, Yang Chieh / VP of Sales Business Unit

Deputy spokesperson: Chen, Yen Liang/ Senior Finance Manager

Deputy spokesperson: Shen, Hsing Hao/ Special Assistant to the President

Tel: (02)2299-6930

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2. Address and phone number

Headquarters

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Taipei Office

Address: Rm. 3, 7F., No.24, Wuquan 2nd Rd., Xinzhuang Dist., New Taipei City 242, Taiwan (R.O.C.)

Tel: (02)2299-6930

3. Stock Transfer Agent

Title: Stock Transfer Division of Yuanta Financial Holding Co., Ltd.

Address: B1, No. 67, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City, Taiwan

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

Tel: (02)2586-5859

4. Certified Public Accountant

Accountant: Li, Fang Wen; Hung, Kuo Sen

Accounting Firm: Ernst & Young, Taiwan

Address: 17F, No. 2, Chung Cheng 3rd Rd., Kaohsiung City, Taiwan (R.O.C.)

Website: <https://www.ey.com>

Tel: (07)238-0011

5. Overseas Securities Exchange Agency: None

6. Corporate website: <https://www.avc.co>

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1. Letter to Shareholders

In 2025, AVC achieved revenue of NT\$139 billion, representing a year-on-year growth of approximately 94.59%. Net income reached NT\$19.2 billion, an increase of about 134.77% compared with the previous year. In addition to achieving substantial growth in revenue and profitability, we further established our position as a key partner to the world's leading technology firms. This exceptional growth was no coincidence; it was driven by our robust delivery capabilities in AI servers. The year 2025 marks the "Inaugural Year of Liquid Cooling" for AVC, where we have successfully achieved large-scale, high-reliability production of liquid cooling solutions for the AI sector. This success was underpinned by robust, cross-functional collaboration with our customers, suppliers, and all global partners. This collaborative synergy is the cornerstone of our ability to achieve such significant successes.

1. Operation result of the Company in 2025

Unit: NT\$ thousand

Item	2024	2025	Increased (Decreased) amount	Variation ratio
Operating revenue	71,761,296	139,639,362	67,878,066	94.59%
Gross profit	16,870,441	36,034,003	19,163,562	113.59%
Net income	8,172,379	19,186,495	11,014,116	134.77%
Earnings per share (dollar)	21.21	49.17	27.96	131.82%

2. Execution of budget plan : Not applicable. (no financial forecast was prepared for 2025)

3. Financial Performance and Profitability Analysis

Item	2024	2025
Debt ratio (%)	66.50%	68.42%
Return on Asset (%)	9.94%	15.13%
Return on Equity (%)	32.11%	52.23%
Net Profit (%)	11.39%	13.74%

4. Research and Development

The company is a comprehensive provider of thermal and mechanical solutions. We specialize in developing cooling solutions for CPUs, network switches and connectors, power distribution boards, and all other components that make up servers, automobiles, and robotics. As Total Design Power (TDP) across core components continues to rise significantly, we remain steadfast in our commitment to innovation, delivering high-performance thermal solutions that empower the world's leading tech clients. In Fiscal Year 2025, our R&D expenses grew by 32% YoY to NT\$5.4 billion, representing approximately 3.86% of total revenue.

II. 2026 Business Plan

The Company remains committed to investing in physical asset capacity expansion and core R&D, leveraging these as strategic catalysts for future growth and fortifying the foundation for our FY2026 revenue objectives. Regarding our global presence, the Company will continue to expand production capacity to meet customer order demands. Furthermore, our “Total Thermal Solution” aligns with customer requirements and centers on a technological triad of “fans, heatsinks, and chassis.” Through our C-Design one-stop services, we effectively resolve complex thermodynamic integration challenges while deepening collaboration with the key supply chain to secure our technical leadership in the AI server sector.

III. Future Development Strategy

The global surge in Generative AI, High-Performance Computing (HPC), and cloud data center expansion have driven massive growth demand for AI servers. Our primary clients include major Cloud Service Providers (CSPs) and brand-name server manufacturers. According to the latest report from Trend Force, the “arms race” among the world’s top eight CSPs is set to explode in 2026, with total capital expenditure projected to exceed US\$710 billion (approx. NT\$23 trillion), a staggering YoY increase of 61%. The Company’s future strategic focus will be on deep AI transformation and organizational evolution. In terms of technological development, we will transition from the current “Agentic AI” phase to “Physical AI,” achieving deep integration between AI, hardware, and machinery to counter rising labor costs through the power of technology. To maintain our technology barriers, our R&D team will continue to operate at high intensity, aligning employee remuneration closely with corporate goals and our AI vision to create a community of shared interests.

IV. Impact of External Competition, Regulations, and Macro-Environment

In recent years, the Company has benefited from the growing demand for Generative AI and HPC applications. The escalating AI server performance and power consumption of next-generation AI servers have pushed traditional air-cooling systems to their physical limits, driving demand for high-end air-cooling and liquid-cooling solutions. As customer product specifications undergo rapid iteration, thermal module designs must continuously upgrade to meet the high-power density and high heat flux requirements. Through our long-term investment in Cold Plates and Coolant Distribution Units (CDU), the company has secured a first-mover advantage. Furthermore, in response to the trend of hyperscale data centers, we have developed the integration capabilities required to provide “Rack-level” thermal solutions, marking our successful transformation from a traditional “component supplier” into a “core provider” of AI computing infrastructure.

Recent geopolitical factors have led to export controls on certain high-end AI chips and related technologies. These policies may affect AI server shipment regions and supply chain configurations, indirectly impacting the demand and rhythm of thermal module shipments. The Company will continue to monitor regulatory changes and coordinate with customers to adjust capacity and shipment locations.

In summary, the Company remains committed to strengthening our R&D capabilities, optimizing manufacturing yield and efficiency, and maintaining a disciplined approach to capacity scaling and risk management to mitigate the

aforementioned factors. AI demand is entering a phase of hyper-acceleration, as evidenced by the sustained capital expenditures from major CSPs for data center construction. We anticipate that thermal industry will be increasingly 'scorching' in its intensity.

Chairman: Shen, Ching Hang

General Manager: Shen, Ching Hang

Accounting Officer: Lin, Shu Hua

2. Corporate Governance Report

2.1 Directors, President, Vice President, Associate Manager, and directors of the divisions and branches

2.1.1 Directors

2.1.1.1 Information of Directors

March 11, 2026

Title	Nationality / Country of Origin	Name	Gender Age	Date of Election (Service)	Term	Date First Elected	Shareholding when elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Assignment		Experience (Education)	Other Position	Director, Supervisor and other Executives who are spouses or within two degrees of kinship			Remark
							Shares	Ratio	Shares	Ratio	Shares	Ratio	Shares	Ratio			Title	Name	Relation	
Chairperson	R.O.C.	Zing He Investment Co., Ltd.	NA / 18	June 6, 2025	3 years	June 18, 2010	6,964,120	1.80%	6,228,120	1.59%	0	0.00%	0	0.00%	(Not applicable)	Corporate Director Representative of the Fositek Corp.	None	None	None	(Note 7)
	R.O.C.	Representative: Shen, Ching Hang	Male 61-70	June 6, 2025	3 years	Dec. 26, 1999	439,000	0.11%	0	0.00%	0	0.00%	0	0.00%	Master of Business Administration, Michigan State University, U.S First International Computer, Financial Officer of Portable Product Business Department	(Note 1)	None	None	None	None
Director	Japan	Furukawa Electric Co., Ltd. (Japan)	NA/ 129	June 6, 2025	3 years	May 29, 2001	48,144,693	12.40%	48,144,693	12.27%	0	0.00%	2,460,000	0.63%	(Not applicable)	(Note 2)	None	None	None	None
	Japan	Representative: Ono Ryoji	Male 61-70	June 6, 2025	3 years	June 17, 2011	0	0.00%	0	0.00%	0	0	0	0	Waseda University, Department of Mechanical Engineering	Corporate Executive Vice President, General Manager, Digital Infrastructure Components Domain	None	None	None	None
	Japan	Representative: Kawabata Kenya	Male 51-60	June 6, 2025	3 years	April. 26, 2023	0	0.00%	0	0.00%	0	0	0	0	Master of Engineering in Mechanics and Systems Engineering from Tokyo Metropolitan University	Corporate Vice Presidents and Director of Heat Dissipation Product and Electronic Component Business Department of Furukawa Electric Co., Ltd.; Director of Furukawa Asia Vital Component (Suzhou) Co., Ltd; Director of NTEC LIMITED; Director of Furukawa Electric Group; Director of ORIEX LIMITED; Director of Furukawa Electric Thermal Management Solutions and Products Laguna Inc.; Chairman of Taiwan Furukawa Electric Co., Ltd.	None	None	None	None

Title	Nationality / Country of Origin	Name	Gender Age	Date of Election (Service)	Term	Date First Elected	Shareholding when elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Assignment		Experience (Education)	Other Position	Director, Supervisor and other Executives who are spouses or within two degrees of kinship			Remark
							Shares	Ratio	Shares	Ratio	Shares	Ratio	Shares	Ratio			Title	Name	Relation	
	Japan	Representative: Katoh Shin	Male 51-60	June 6, 2025	3 years	July 16, 2024	0	0.00%	0	0.00%	0	0	0	0	Chuo University, Department of Commerce, Japan	General Manager of Supply Chain Management Dept. Thermal Management Solutions & Products Division Functional Products Division of Furukawa Electric Co., Ltd.; Director of NTEC LIMITED; Director and Vice President of Taiwan Furukawa Electric Co., Ltd.; Supervisor of ORIEX LIMITED	None	None	None	None
Director	Japan	Kitanoya, Atsushi	Male 71-80	June 6, 2025	3 years	June 13, 2019 (Note 5)	0	0.00%	0	0.00%	0	0	0	0	Chiba Institute of Technology, Department of Electrical, Electronics and Computer Engineering	None	None	None	None	None
Director	R.O.C.	Cheng Li Investment Co., Ltd.	NA / 2	June 6, 2025	3 years	June 6, 2025	600,000	0.15%	600,000	0.15%	0	0.00%	0	0.00%	(Not applicable)	None	None	None	None	None
	R.O.C.	Representative: Chen, Yi Chen	Male 61-70	June 6, 2025	3 years	June 15, 2004	696,787	0.18%	496,787	0.13%	50,000	0.01%	600,000	0.15%	National Sun Yat-sen University, Master of Finance and Administration; Quintain Steel Co., Ltd., Vice President of Finance department; TaiFlex Scientific Co., Ltd., Finance Officer	(Note 3)	None	None	None	None
Director	R.O.C.	Xianyan Investment Co., Ltd.	NA/ 6	June 6, 2025	3 years	June 6, 2025	40,000	0.01%	40,000	0.01%	0	0.00%	0	0.00%	(Not applicable)	Corporate Director Representative of the Fositek Corp.	None	None	None	None
	R.O.C.	Representative: Huang, Chiu Mao	Male 51-60	June 6, 2025	3 years	June 18, 2010	509,358	0.13%	0	0%	0	0.00%	549,358	0.14%	Master of Science and Engineering Administration, Chinese Academy of Science; Executive Vice President of AVC	(Note 6)	None	None	None	None
Independent Director	R.O.C.	Ueng Joseph Chehchung	Male 61-70	June 6, 2025	3 years	June 13, 2019	0	0.00%	0	0.00%	0	0	0	0	Ph.D. in Finance, St. Louis University, USA Instructor of Finance; Saint Louis University, Saint Louis City, Missouri, USA; Director of Houston Society of Financial Analysts Ltd.; Dean of Research, Research Center in Cameron School of Business, University of St. Thomas (Houston), U.S.A	Chair and Finance Professor, Department of Finance in Cameron School of Business, University of St. Thomas (Houston), USA; Chartered Financial Analyst, USA	None	None	None	None

Title	Nationality / Country of Origin	Name	Gender Age	Date of Election (Service)	Term	Date First Elected	Shareholding when elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Assignment		Experience (Education)	Other Position	Director, Supervisor and other Executives who are spouses or within two degrees of kinship			Remark
							Shares	Ratio	Shares	Ratio	Shares	Ratio	Shares	Ratio			Title	Name	Relation	
Independent Director	R.O.C.	Lin, Tzu Yun	Female 31-40	June 6, 2025	3 years	June 17, 2022	0	0.00%	0	0.00%	0	0	0	0	Master in Financial Management of Rotterdam School of Management, Erasmus University, the Netherlands; Bachelor's in Finance, National Central University (NCU); ALLERGAN PLC. (AGN) , Senior Financial Planning Analyst; LOGITECH INTERNATIONAL, Financial Analyst	CFO of Ou-Guang International Ltd.	None	None	None	None
Independent Director	R.O.C.	Cheng, Chun Jen	Male 61-70	June 6, 2025	3 years	June 6, 2025	0	0.00%	0	0.00%	0	0	0	0.00%	Master in Accounting and managerial decision-making of National Taiwan University. General Manager and Director of Sentelic Corporation; Deputy Director, Department of Listing, Taiwan Stock Exchange Corporation	Independent Director of Anji Technology Co., Ltd.; Independent Director of Buima Group Inc.	None	None	None	None
Independent Director	R.O.C.	Chen, Ren Her	Male 61-70	June 6, 2025	3 years	June 6, 2025	0	0.00%	0	0.00%	0	0	0	0.00%	Master in Financial Management, National Kaohsiung First University of Science and Technology; Bachelor's in Accounting, Feng Chia University.	Chairman of Tai-Chi Enterprise and Intangible Asset Appraisal Co., Ltd.	None	None	None	None
Director	R.O.C.	Wang, Jui Pin (Note 8)	Male 61-70	June 17, 2022	3 years	May 24, 2002 (Note 4)	363,784	0.10%	386,951	0.10%	0	0	0	0	University of Houston, U.S., Master of Accounting; Eastern Michigan University, U.S., Master of Business Administration; First International Computer, Vice President of Information and Internet Business Division	Independent Director of Waymics Inc.; Independent Director of Lemtech Holdings Co., Ltd. (Note 8)	None	None	None	None
Director	R.O.C.	Gao, Pai Ling (Note 8)	Male 51-60	June 17, 2022	3 years	June 13, 2019	0	0.00%	70,000	0.02%	1,000	0.00%	0	0	PhD in Fluid Dynamics, Ecole Polytechnique de Toulouse, France General Manager of Thermal Division I of the AVC.	Director of Thermal Division of AVC	None	None	None	None

Title	Nationality / Country of Origin	Name	Gender Age	Date of Election (Service)	Term	Date First Elected	Shareholding when elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Assignment		Experience (Education)	Other Position	Director, Supervisor and other Executives who are spouses or within two degrees of kinship			Remark
							Shares	Ratio	Shares	Ratio	Shares	Ratio	Shares	Ratio			Title	Name	Relation	
Independent Director	R.O.C.	Chen, Chun Cheng (Note 8)	Male 51-60	June 17, 2022	3 years	June 16, 2005	0	0.00%	0	0.00%	0	0	0	0	Feng Jia University, Department of Accounting; Tamkang University, Graduate Institute of History; Vice President, the CID Group; Supervisor, Flexium Interconnect, Inc.	Supervisor of Han-Yu Investment Co., Ltd.; Chairman of Tinderle Co., Ltd.; Chairman of Yo-Sheng Audio Computer Co., Ltd.; Representative of Juridical Person Director at Bestar (Holding) Co., Ltd.; Independent Director of Zinwell Corporation (Note 8)	None	None	None	None
Independent Director	R.O.C.	Cho, I Lang (Note 8)	Male 61-70	June 17, 2022	3 years	June 18, 2010	0	0.00%	0	0.00%	0	0	0	0	National Kaohsiung University of Applied Science, Department of Civil Engineering Retired from Chunghwa Telecom Co., Ltd.	Chairperson and Vice President of Hao Xing Construction Co., Ltd. (Note 8)	None	None	None	None

Note 1 : Corporate Director Representative of AVC International Co., Ltd.—B.V.I.; Corporate Director Representative of Chihung International Ltd.; Corporate Director Representative of Rayney International Limited; Corporate Director Representative of MERIT TRADING CORPORATION; Corporate Director Representative of MACE TECH CORP.—B.V.I.; Corporate Director Representative of JADS Corporation (HK) Limited; Chairperson of Zing He Investment Co., Ltd.; Corporate Director Representative of AVC International (SAMOA) Co., Ltd.; Corporate Director Representative of AVC INTERNATIONAL CO., LTD.—SAMOA; Corporate Director Representative of D-Max Technology Ltd.; Corporate Director Representative of D-Max International Co., Limited; Corporate Director Representative of Wuchida International Co., Ltd.; Corporate Director Representative of AVC OPTICS CORP.—CAYMAN; Corporate Director Representative of Ding (Beijing) Intelligent Technology Co. Ltd.

Note 2 : Director and Supervisor of Taiwan Furukawa Electric Group; Director of Furukawa Asia Vital Component (Suzhou) Co., Ltd.; Director and Supervisor of NTEC LIMITED; Director and Supervisor of Furukawa Shanghai Ltd.; Director and Supervisor of Furukawa Electric Thermal Management Solutions and Products Laguna Inc.

Note 3 : Corporate Director Representative of Rayney International Limited; Director of SHENG-SHING CORP.; Corporate Director Representative of Hung Ye Investment Co., Ltd.; Corporate Director Representative of Zimag Technology Co., Ltd.; Independent Director of PanJit Co., Ltd.; Chairperson of Li Cheng Investment Co., Ltd.; Corporate Director Representative of Fositek Corp; Supervisor of SteadyBeat Technology Corporation.; Corporate Representative Director of Paragon Semiconductor Lighting Technology Co., Ltd.; Director and Chairperson of Cheng Li Investment Co., Ltd.

Note 4 : Originally elected as a Supervisor on May 24, 2002, and resigned on February 16, 2004; subsequently elected as a Director on June 15, 2004, and remains in office to date.

Note 5 : Served as Representative of Directors for Furukawa Electric Co., Ltd. (Japan) between May 29th, 2001 and June 17th, 2010; Re-elected as Supervisor on June 18th; Re-elected as director on Jun 13th, 2019.

Note 6 : Corporate Director Representative of AVC America Inc.; Corporate Director Representative and Chairperson and Chief Sustainability Officer of Fositek Corp.; Corporate Director Representative of MARKETHILL INVESTMENTS LIMITED.; Director of Xianyan Investment Co., Ltd.; Corporate Representative Chairperson of Fositek America Inc.; Chairman of Zu-Yan Investment Corporation.

Note 7: The dual role of Chairman and President facilitates the seamless execution of Board-level strategies while optimizing management efficiency in line with the Company's current operational scale.

Note 8: The director's term expired on June 6, 2025. Shareholding information is disclosed up to the date of dismissal. Information regarding concurrent positions in other companies pertains to the period of tenure; such information has not been updated following the dismissal.

2.1.1.2 Corporate Shareholders holding more than 10 percent of the Company's shares and Shareholders of top ten shareholding ratio

Corporate shareholders	Major Shareholders of the Corporate Shareholder	%
Furukawa Electric Co., Ltd. (Japan)	Master Trust Bank of Japan, Ltd. (Trust Account) (Note)	17.41%
	Custody Bank of Japan, Ltd. (Trust Account) (Note)	7.09%
	Nomura Trust and Banking Co., Ltd. (Investment Trust Account) (Note)	2.40%
	JPMorgan Securities Japan Co., Ltd.	2.16%
	Asahi Mutual Life Insurance Company	1.93%
	Mizuho Trust & Banking Co., Ltd. (Note)	1.71%
	Mizuho Trust & Banking Co., Ltd. Retirement Benefit Trust, Mizuho Bank Account	1.71%
	Re-trust Trustee: Custody Bank of Japan, Ltd. (Note)	
	Morgan Stanley MUFG Securities Co., Ltd.	1.63%
	Mizuho Trust Retirement Benefit Trust, Asahi Mutual Life Insurance Account	1.49%
	Re-trust Trustee: Custody Bank of Japan, Ltd. (Note)	
	State Street Bank and Trust Company	1.35%
Zing He Investment Co., Ltd.	Shen, Ching Hang	36.00%
	Wang, Yao	24.00%
Cheng Li Investment Co., Ltd.	Chen, Yi Chen	98.93%
	Chao, Yuan Li	1.07%
Xianyan Investment Co., Ltd.	Huang, Chiu Mao	100%

Note: Information on major shareholders is not available for trust accounts and investment accounts.

2.1.1.3 Major shareholders of Corporate Shareholders:

Corporate shareholders	Major Shareholders of the Corporate Shareholder	%
JPMorgan Securities Japan Co., Ltd.	J.P. Morgan International Finance Limited	100.00%
Asahi Mutual Life Insurance Company	Mizuho Bank, Ltd.	58.80%
	Aozora Bank, Ltd.	9.80%
	SBI Shinsei Bank, Limited	9.80%
	NIPPON EXPRESS HOLDINGS, INC.	3.90%
	Fujitsu Limited	3.90%
	Furukawa Electric Co., Ltd.	3.90%
	S-Finance Co., Ltd.	2.00%
	Tomato Bank, Ltd.	2.00%
	ADEKA CORPORATION	1.00%
	Nippon Light Metal Holdings Company, Ltd.	1.00%

2.1.1.4 Board Member Information: Disclosure of Directors' Professional Qualifications and Independent Directors' Independence.

Conditions Name	Professional Qualifications and Independence	Independent situation	Number of independent directors of other public companies
Shen, Ching Hang (Representative of Zing He)	●MBA, Michigan State University, USA ●Serves as the Chairman and President of the Company; expertise in Board leadership, accounting and financial analysis, business management, international markets, risk management, industry knowledge, ESG, and decision-making. ●Does not fall under any of the circumstances stipulated in Article 30 of the Company Act.	During the two years prior to being elected and during the term of office: 1. Serves as the President of the Company and concurrently as a director with managerial status. 2. Serves as a Director of an affiliated enterprise. 3. Meets all other independence requirements stipulated in Paragraph 1, Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission.	0
Ono Ryoji (Representative of Furukawa)	●Bachelor of Science in Mechanical Engineering, Waseda University, Japan. ●Serves with Furukawa Electric Co., Ltd.; expertise in business management, international markets, risk management, industry knowledge, and decision-making. ●Does not fall under any of the circumstances stipulated in Article 30 of the Company Act.	During the two years prior to being elected and during the term of office: 1. An employee of a shareholder that directly holds 5% or more of the total number of issued shares of the Company. 2. Meets all other independence requirements stipulated in Paragraph 1, Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission.	0

Conditions Name	Professional Qualifications and Independence	Independent situation	Number of independent directors of other public companies
Kawabata Kenya (Representative of Furukawa)	● Master of Science in Mechanical Systems Engineering, Tokyo Metropolitan University, Japan. ● Serves with Furukawa Electric Co., Ltd.; expertise in business management, international markets, industry knowledge, and decision-making. ● Does not fall under any of the circumstances stipulated in Article 30 of the Company Act.	During the two years prior to being elected and during the term of office: 1. An employee of a shareholder that directly holds 5% or more of the total number of issued shares of the Company. 2. Meets all other independence requirements stipulated in Paragraph 1, Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission.	0
Katoh Shin (Representative of Furukawa)	● Bachelor of Commerce, Chuo University, Japan ● Serves with Furukawa Electric Co., Ltd.; expertise in operational judgment, accounting and financial analysis, international markets, and risk management. ● Does not fall under any of the circumstances stipulated in Article 30 of the Company Act.	During the two years prior to being elected and during the term of office: 1. An employee of a shareholder that directly holds 5% or more of the total number of issued shares of the Company. 2. Meets all other independence requirements stipulated in Paragraph 1, Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission.	0

Conditions Name	Professional Qualifications and Independence	Independent situation	Number of independent directors of other public companies
Kitanoya Atsushi	● Bachelor of Engineering in Electronic Engineering, Chiba University, Japan ● Served with Furukawa Electric Co., Ltd.; expertise in business management, international markets, industry knowledge, and decision-making. ● Does not fall under any of the circumstances stipulated in Article 30 of the Company Act.	During the two years prior to being elected and during the term of office: 1. Serves as a Director of the Company. 2. Meets all other independence requirements stipulated in Paragraph 1, Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission.	0
Chen, Yi Chen	● MBA in Finance, National Sun Yat-sen University ● Serves as the Vice President of the Company; expertise in accounting and financial analysis, business management, risk management, ESG, and decision-making. ● Does not fall under any of the circumstances stipulated in Article 30 of the Company Act.	During the two years prior to being elected and during the term of office: 1. Serves as the Vice President of the Company and concurrently as a director with managerial status. 2. Serves as a Director of an affiliated enterprise. 3. Meets all other independence requirements stipulated in Paragraph 1, Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission.	1

Conditions Name	Professional Qualifications and Independence	Independent situation	Number of independent directors of other public companies
Huang, Chiu Mao	● Master of Management Science and Engineering, Chinese Academy of Sciences ● Serves as the Vice President of the Company; expertise in business management, international markets, industry knowledge, and decision-making. ● Does not fall under any of the circumstances stipulated in Article 30 of the Company Act.	During the two years prior to being elected and during the term of office: 1. Serves as the Vice President of the Company and concurrently as a director with managerial status. 2. Serves as a Director of an affiliated enterprise. 3. Meets all other independence requirements stipulated in Paragraph 1, Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission.	0
Ueng Joseph Chiehchung	● Ph.D. in Finance, Saint Louis University, USA ● Serves as Chair and Professor of the Department of Finance at the Cameron School of Business, University of St. Thomas, Houston; expertise in accounting and financial analysis, international markets, risk management, and decision-making. ● Does not fall under any of the circumstances stipulated in Article 30 of the Company Act.	During the two years prior to being elected and during the term of office, the candidate meets the independence requirements stipulated in Paragraph 1, Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission.	0

Conditions Name	Professional Qualifications and Independence	Independent situation	Number of independent directors of other public companies
Lin, Tzu Yun	● Master in Financial Management, Rotterdam School of Management, Erasmus University, Netherlands / Bachelor of Finance, National Central University, Taiwan ● Formerly served as the Senior Financial Planning and Analysis (FP&A) Analyst at Allergan Taiwan; Financial Analyst at Logitech; and Business Analyst at Far Eastern New Century Corporation. ● Serves as the Chief Financial Officer of O-Grown International Co., Ltd. and Independent Director of the Company; expertise in accounting and financial analysis, business management, risk management, and ESG. ● Does not fall under any of the circumstances stipulated in Article 30 of the Company Act.	During the two years prior to being elected and during the term of office, the candidate meets the independence requirements stipulated in Paragraph 1, Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission.	0

Conditions Name	Professional Qualifications and Independence	Independent situation	Number of independent directors of other public companies
Cheng, Chun Jen	● MBA in Accounting and Management Decision Making, College of Management, National Taiwan University ● Formerly served as Deputy Manager of the Listing Department at the Taiwan Stock Exchange, and Director and President of Sentaída Technology Co., Ltd. ● Serves as Independent Director of Anji Technology Co., Ltd. and Independent Director of Buima Group Inc.; expertise in accounting and financial analysis, business management, risk management, and ESG. ● Does not fall under any of the circumstances stipulated in Article 30 of the Company Act.	During the two years prior to being elected and during the term of office, the candidate meets the independence requirements stipulated in Paragraph 1, Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission.	2
Chen, Ren Her	● Master of Finance, National Kaohsiung First University of Science and Technology; Bachelor of Accounting, Feng Chia University ● Serves as Chairman of Tai-Zhi Business and Intangible Asset Appraisal Co., Ltd.; expertise in accounting and financial analysis, business management, risk management, and decision-making. ● Does not fall under any of the circumstances stipulated in Article 30 of the Company Act.	During the two years prior to being elected and during the term of office, the candidate meets the independence requirements stipulated in Paragraph 1, Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission.	0

2.1.1.5 Board Diversity Policy, Specific Objectives, and Implementation

The Company has established a “Board Diversity Policy,” which is formally implemented under Article 20 of the Corporate Governance Best Practice Principles.

2.1.1.5.1 Establishment and Disclosure of Board Diversity Policy

In the spirit of being people-oriented and fulfilling corporate governance, the Company explicitly defines the required collective capabilities of the Board of Directors within its “Corporate Governance Best Practice Principles.” The nomination and selection of Board members consider educational and professional qualifications, diversity in basic composition (e.g., gender, age, nationality, and cultural background), professional functions, and industry experience. Through a multinational and multi-disciplinary composition, the Company ensures that decision-making balances local experience with a global perspective, thereby enhancing the efficiency of corporate governance.

2.1.1.5.2 Specific Management Objectives and Current Achievement Status of the Diversity Policy

1. Gender Diversity:

- Objective: Plan for at least one female Director.
- Achievement Status: Currently, among the 11 seats on the Board, there is one female Director; the established objective has been achieved.
- Reason for not reaching one-third: Female Directors currently account for 9.09% of the Board. This is primarily due to the characteristics of the thermal management industry, which is centered on engineering technology and manufacturing. The baseline of high-level female professional talent in the overall industrial environment is relatively limited, leading to greater difficulty in selecting female directors with relevant industrial backgrounds.
- Improvement Measures: The Company will continue to promote training programs for female senior executives, with current directors mentoring outstanding female talent. Furthermore, the Company will actively identify female experts in various professional fields (such as in Finance, ESG, and Law) through professional communities and industry associations to be included in the list of Director candidates, aiming to gradually increase the proportion of female seats in future re-elections.

2. Nationality Diversity:

- Objective: Include multinational members to align with global operations.
- Achievement Status: The Board possesses international characteristics, consisting of 4 Japanese Directors and 7 Taiwanese Directors, successfully incorporating diverse cultural perspectives.

3. Professional Oversight and Employee Participation:

- Objective: The primary function of Independent Directors is to implement checks and balances and oversight through the expertise and independent status of external experts. Directors who are also employees are responsible for deeply connecting internal operational practices with Board decision-making.
- Achievement Status: There are 4 Independent Directors, accounting for 36% of the Board; Directors who are also employees total 3 seats,

accounting for 27%.

2.1.1.5.3 Disclosure of Quantitative Data on Individual Director Background Diversity

The specific data regarding the implementation of diversity for the Company's Board of Directors (total of 11 seats) is as follows:

Diversity Indicators	Specific Data and Percentage (Quantitative Performance)
Average Tenure	The average tenure of all directors is 9 years
Average Age	The average age of all directors is 60 years old.
Proportion of Independent Directors	4 seats, accounting for 36%.
Proportion of Female Directors	1 seat, accounting for 9%.
Proportion of Directors with Employee Status	3 seats, accounting for 27%.
Nationality Distribution	Taiwanese: 7 seats (64%); Japanese: 4 seats (36%).

Name	Basic Composition			Professional Knowledge and Skills						
	Nationality	Gender	Employee Status	Accounting and Financial Analysis	Business Management	Global Marketing	Risk Management	Industry Knowledge	ESG	Decision Making
Shen, Ching Hang (Representative of Zing He)	R.O.C	Male	✓	✓	✓	✓	✓	✓	✓	✓
Ono Ryoji (Representative of Furukawa)	Japan	Male	--	--	✓	✓	✓	✓	--	✓
Kawabata Kenya (Representative of Furukawa)	Japan	Male	--	--	✓	✓	--	✓	--	✓
Katoh Shin (Representative of Furukawa)	Japan	Male	--	✓	--	✓	✓	--	--	--
Kitanoya Atsushi	Japan	Male	--		✓	✓		✓	--	✓
Chen, Yi Chen (Representative of Cheng Li)	R.O.C.	Male	✓	✓	✓	--	✓	--	✓	✓
Huang, Chiu Mao (Representative of Xianyan)	R.O.C.	Male	✓	--	✓	✓	--	✓	--	✓
Ueng Joseph Chiehchung	R.O.C.	Male	--	✓	--	✓	✓	--	✓	✓
Lin, Tzu Yun	R.O.C.	Female	--	✓	✓	--	✓	--	✓	--
Cheng, Chun Jen	R.O.C.	Male	--	✓	✓	--	✓	--	✓	--
Chen, Ren Her	R.O.C.	Male	--	✓	✓	--	--	--	--	✓

2.1.2 President, Vice President and directors of the Divisions and Branches

March 11, 2025

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee		Experience (Education)	Other Position	Executives who are Spouses or Within Two Degrees of Kinship			Remark
					Shares	Ratio	Shares	Ratio	Shares	Ratio			Title	Name	Relation	
President	R.O.C.	Shen, Ching Hang	Male	Oct. 26 1999	0	0.00%	0	0.00%	0	0.00%	Master of Business Administration, Michigan State University, U.S. First International Computer First International Computer, Financial Officer of Portable Product Business Department	(Note 1)	None	None	None	Note 5
Vice President	R.O.C.	Chen, Yi Chen	Male	Feb. 18, 2002	496,787	0.13%	50,000	0.01%	600,000	0.15%	National Sun Yat-sen University, Master of Finance and Administration; Quintain Steel Co., Ltd., Vice President of Finance department; TaiFlex Scientific Co., Ltd., Finance Officer	(Note 2)	None	None	None	None
Vice President	R.O.C.	Huang, Chiu Mao	Male	May 16, 2000	0	0%	0	0.00%	549,358	0.14%	Master of Science and Engineering Administration, Chinese Academy of Science; Executive Vice President of AVC	(Note 3)	None	None	None	None
Corporate Governance Officer	R.O.C.	Kuo, Hui Ying	Female	Mar. 13, 2020	50,000	0.01%	0	0.00%	0	0.00%	Master of Business Administration, Soochow University; Bachelor of Accounting, Soochow University; Audit Dept. of PwC Taiwan; Underwriting dept. of Yuanta Securities Co., Ltd. Internal Audit Officer of AVC	(Note 4)	None	None	None	None
Accounting Officer	R.O.C.	Lin, Shu Hua	Female	Jan. 1, 2021	21,000	0.01%	0	0.00%	0	0.00%	Master of Accounting, Fu Jen Catholic University Director of AVC's accounting department	Corporate Director Representative of AVC Europe Technology GmbH	None	None	None	None
Vice President	R.O.C.	Wang, Jui Pin (Note 6)	Male	Feb. 17, 2004	386,951	0.10%	0	0.00%	0	0.00%	University of Houston, U.S., Master of Accounting; Eastern Michigan University, U.S., Master of Business Administration; First International Computer, Vice President of Information and Internet Business Division	Independent Director of Waymics Inc.; Independent Director of Lemtech Holdings Co., Ltd. (Note 6)	None	None	None	None

Note 1 : Corporate Director Representative of AVC International Co., Ltd.—B.V.I.; Corporate Director Representative of Chihung International Ltd.; Corporate Director Representative of Rayney International Limited; Corporate Director Representative of MERIT TRADING CORPORATION; Corporate Director Representative of MACE TECH CORP.—B.V.I.; Corporate Director Representative of JADS Corporation (HK) Limited; Chairperson of Zing He Investment Co., Ltd.; Corporate Director Representative of AVC

International (SAMOA) Co., Ltd.; Corporate Director Representative of AVC INTERNATIONAL CO., LTD.—SAMOA; Corporate Director Representative of D-Max Technology Ltd.,; Corporate Director Representative of D-Max International Co., Limited; Corporate Director Representative of Wuchida International Co., Ltd.; Corporate Director Representative of AVC OPTICS CORP.—CAYMAN; Corporate Director Representative of Ding (Beijing) Intelligent Technology Co. Ltd.

Note 2 : Corporate Director Representative of Rayney International Limited; Director of SHENG-SHING CORP.; Corporate Director Representative of Hung Ye Investment Co., Ltd.; Corporate Director Representative of Zimag Technology Co., Ltd.,; Independent Director of PanJit Co., Ltd.; Chairperson of Li Cheng Investment Co., Ltd.; Corporate Director Representative of Fositek Corp; Supervisor of SteadyBeat Technology Corporation.; Corporate Representative Director of Paragon Semiconductor Lighting Technology Co., Ltd.; Director and Chairperson of Cheng Li Investment Co., Ltd.

Note 3 : Corporate Director Representative of AVC America Inc.; Corporate Director Representative and Chairperson and Chief Sustainability Officer of Fositek Corp.; Corporate Director Representative of MARKETHILL INVESTMENTS LIMITED.; Director of Xianyan Investment Co., Ltd.; Corporate Representative Chairperson of Fositek America Inc.; Chairman of Zu-Yan Investment Corporation.

Note 4 : Corporate Director Representative of Furukawa Electronics (ShenZhen) Co., Ltd.; Corporate Director Representative of Furukawa AVC Electronics (Suzhou) Co., Ltd.; Corporate Supervisor Representative of Hung Ye Investment Co., Ltd.; Director and Audit Committee Member of CapsoVision, Inc.

Note 5 : The Chairman concurrently serves as the President to effectively translate the Company's development blueprint formulated by the Board into operational execution, while also considering the scale of operations and the enhancement of overall management efficiency.

Note 6 : The individual was dismissed from the position of managerial officer on June 6, 2025. Shareholding data is disclosed as of the date of dismissal. Information regarding concurrent positions in other companies is based on the period of employment and has not been updated since the dismissal.

2.2 Remuneration of Directors, President, and Vice Presidents in the Most Recent Fiscal Year

2.2.1 Remuneration of General Directors and Independent Directors

The year of 2025/ unit: NT\$ Thousand

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary	
		Compensation(A)		Severance Pay (B)		Bonus to Directors (C) (Note 1)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Profit Sharing- Employee Bonus (G) (Note 1)							
		Company	Companies in the consolidated financial statements	Company	Companies in the consolidated financial statements	Company	Companies in the consolidated financial statements	Company	Companies in the consolidated financial statements	Company	Companies in the consolidated financial statements	Company	Companies in the consolidated financial statements	Company	Companies in the consolidated financial statements	Company		Companies in the consolidated financial statements		Company	Companies in the consolidated financial statements		
			Cash	Stock	Cash	Stock	Cash	Stock	Cash	Stock	Cash	Stock	Cash	Stock	Cash	Stock	Cash	Stock	Cash	Stock			
Chairman/ Director	Zing He Investment Co., Ltd. Representative : Shen, Ching Hang	0	0	0	0	256,497	256,497	117	117	1.34%	1.34%	59,131	128,967	310	310	51,800	0	51,800	0	367,854	437,690	1,000	
Director	Furukawa Electric Co. (Japan), Ltd. Representative : Ono Ryoji																						
Director	Furukawa Electric Co. (Japan), Ltd. Representative: Kawabata Kenya																						
Director	Furukawa Electric Co. (Japan), Ltd. Representative: Katoh Shin																						
Director	Kitanoya Atsushi																						
Director	Chen, Yi Chen(Note 4)																						
Director	Wang, Jui Pin (Note 4)																						
Director	Huang, Chiu Mao (Note 4)																						
Director	Sao, Pai Ling (Note 4)																						
Director	Cheng Li Investment Co., Ltd. Representative : Chen, Yi Chen (Note 5)																						
Director	Xiayan Investment Co., Ltd. Representative : Huang, Chiu Mao (Note 5)																						
Independent Director	Chen, Chun Cheng (Note 4)	0	0	0	0	123,503	123,503	60	60	0.64%	0.64%	0	0	0	0	0	0	0	0	123,563	123,563	0	
Independent Director	Cho, I Lang (Note 4)																						
Independent Director	Jeng Joseph Chiehchung																						
Independent Director	Lin, Tzu Yun																						
Independent Director	Cheng, Chun Jen (Note 5)																						
Independent Director	Chen, Ren Her (Note 5)																						

Note 1: This represents the amount of employee remuneration approved by the Board of Directors on March 11, 2026. As of the publication date of this annual report, the specific distribution list for employee remuneration has not yet been determined; therefore, the amount shown is an estimated allocation.

Note 2: Description of the remuneration policy, system, standards, and structure for Independent Directors, and the correlation with the amount of remuneration based on responsibilities, risks, and time commitment: The principles for the remuneration of the Company's Independent Directors are identical to those for Directors. The total amount of Director remuneration is appropriated in accordance with the Company's Articles of Incorporation. The correlation is as follows: the higher the Company's profitability, the higher the appropriation for Director remuneration. The rationale is as follows: within the total amount of Director remuneration, distribution is based on each Director's Board meeting attendance rate and the ratio of their days in office.

Note 3: In addition to the disclosures in the table above, remuneration received by the Company's Directors for services rendered to all companies included in the financial statements (e.g., serving as a non-employee consultant) during the most recent fiscal year: None.

Note 4: Retired following the comprehensive re-election on June 6, 2025.

Note 5: Assumed office following the comprehensive re-election on June 6, 2025.

Range of Remuneration of Directors (Including Independent Directors)

Range of Remuneration	Name of Director			
	Total of (A+B+C+D)		Total of A+B+C+D+E+F+G)	
	Company	Companies in the consolidated financial statements	Company	Companies in the consolidated financial statements
Under NT\$1,000,000	0	0	0	0
NT\$1,000,000-NT\$1,999,999	0	0	0	0
NT\$2,000,000-NT\$3,499,999	0	0	0	0
NT\$3,500,000-NT\$4,999,999	0	0	0	0
NT\$5,000,000-NT\$9,999,999	0	0	0	0
NT\$10,000,000-NT\$14,999,999	Chen, Yi Chen; Huang, Chiu Mao; Wang, Jui Pin; Gao, Pai Ling; Chen, Chun Cheng; Cho, I Lang	Chen, Yi Chen; Huang, Chiu Mao; Wang, Jui Pin; Gao, Pai Ling; Chen, Chun Cheng; Cho, I Lang	Wang, Jui Pin; Gao, Pai Ling; Chen, Chun Cheng; Cho, I Lang;	Wang, Jui Pin; Gao, Pai Ling; Chen, Chun Cheng; Cho, I Lang;
NT\$15,000,000-NT\$29,999,999	Cheng Li Investment Co., Ltd. Representative : Chen, Yi Chen; Xianyan Investment Co., Ltd. Representative : Huang, Chiu Mao; Cheng, Chun Jen; Chen, Ren Her	Cheng Li Investment Co., Ltd. Representative : Chen, Yi Chen; Xianyan Investment Co., Ltd. Representative : Huang, Chiu Mao; Cheng, Chun Jen; Chen, Ren Her	Cheng Li Investment Co., Ltd. Representative : Chen, Yi Chen; Xianyan Investment Co., Ltd. Representative : Huang, Chiu Mao; Cheng, Chun Jen; Chen, Ren Her	Cheng Li Investment Co., Ltd. Representative : Chen, Yi Chen; Xianyan Investment Co., Ltd. Representative : Huang, Chiu Mao; Cheng, Chun Jen; Chen, Ren Her
NT\$30,000,000-NT\$49,999,999	Zing He Investment Co., Ltd. Representative : Shen, Ching Hang; Furukawa Electric Co. (Japan), Ltd. Representative : Ono Ryoji; Furukawa Electric Co. (Japan), Ltd. Representative : Kawabata Kenya; Furukawa Electric Co. (Japan), Ltd. Representative: Katoh Shin; Kitanoya Atsushi; Ueng Joseph Chiehchung; Lin, Tzu Yun	Zing He Investment Co., Ltd. Representative : Shen, Ching Hang; Furukawa Electric Co. (Japan), Ltd. Representative : Ono Ryoji; Furukawa Electric Co. (Japan), Ltd. Representative : Kawabata Kenya; Furukawa Electric Co. (Japan), Ltd. Representative: Katoh Shin; Kitanoya Atsushi; Ueng Joseph Chiehchung; Lin, Tzu Yun	Furukawa Electric Co. (Japan), Ltd. Representative : Ono Ryoji; Furukawa Electric Co. (Japan), Ltd. Representative : Kawabata Kenya; Furukawa Electric Co. (Japan), Ltd. Representative: Katoh Shin; Kitanoya Atsushi; Chen, Yi Chen; Huang, Chiu Mao; Ueng Joseph Chiehchung; Lin, Tzu Yun	Furukawa Electric Co. (Japan), Ltd. Representative : Ono Ryoji; Furukawa Electric Co. (Japan), Ltd. Representative : Kawabata Kenya; Furukawa Electric Co. (Japan), Ltd. Representative: Katoh Shin; Kitanoya Atsushi; Chen, Yi Chen; Huang, Chiu Mao; Ueng Joseph Chiehchung; Lin, Tzu Yun
NT\$50,000,000-NT\$99,999,999	0	0	0	0
NT\$100,000,000 and above	0	0	Zing He Investment Co., Ltd. Representative : Shen, Ching Hang	Zing He Investment Co., Ltd. Representative : Shen, Ching Hang
Total	17	17	17	17

2.2.2 Remuneration of President and Vice President

The Year 2025/ Unit NT\$ Thousand

Title	Name	Compensation (A)		Severance Pay (B)		Bonuses and Allowances (C)		Profit Sharing- Employee Bonus (D) (note 1)				Ratio of total compensation (A+B+ C+D) to Net Income		Compensation paid to the President and Vice President from an Invested Company Other Than Company's Subsidiary
		The Company	Companies in the consolidated financial statements	Company	Companies in the consolidated financial statements	Company	Companies in the consolidated financial statements	Company		Companies in the consolidated financial statements		Company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
President	Shen, Ching Hang	14,550	20,017	473	473	51,023	121,818	56,000	0	56,000	0	122,046	198,308	1,000
Vice President	Chen, Yi Chen													
Vice President	Huang, Chiu Mao													
Corporate Governance Officer	Kuo, Hui Ying													
Accounting Officer	Lin, Shu Hua													
Vice President	Wang, Jui Pin (Note 2)											0.64%	1.03%	

Note 1: The sum of Remuneration of Employees was adopted on the Board of Directors Meetings on March 11, 2026; it is an estimated sum, and the listed of employees who will receive the bonuses has not been finalized until the printing date of the Annual Report.

Note 2: The managerial position was revoked on June 6, 2025.

Range of Remuneration of President and Vice President

Range of Remuneration	Name of President and Vice President	
	Company	Companies in the consolidated financial statements
Under NT\$1,000,000	0	0
NT\$1,000,000-NT\$1,999,999	Wang, Jui Pin	Wang, Jui Pin
NT\$2,000,000-NT\$3,499,999	0	0
NT\$3,500,000-NT\$4,999,999	Lin, Shu Hua	0
NT\$5,000,000-NT\$9,999,999	Kuo, Hui Ying;	Kuo, Hui Ying; Lin, Shu Hua
NT\$10,000,000-NT\$14,999,999	0	0
NT\$15,000,000-NT\$29,999,999	Huang, Chiu Mao; Chen, Yi Chen	0
NT\$30,000,000-NT\$49,999,999	0	Chen, Yi Chen; Huang, Chiu Mao
NT\$50,000,000-NT\$99,999,999	Shen, Ching Hang	0
NT\$100,000,000 and above	0	Shen, Ching Hang
Total	6	6

2.2.3 Remuneration of the Five Highest Compensated Executives

Not applicable. The Company does not meet the conditions set forth in Sub-item 2, Item 2, Paragraph 1, Article 10 of the “Regulations Governing Information to be Published in Annual Reports of Public Companies.”

2.2.4 Names of Managerial Officers Distributed Employee Remuneration and Distribution Status

Fiscal Year 2025 /Unit: NT\$ Thousand; percentage

	Title	Name	Employee Bonus in Stock	Employee Bonus in Cash	Total	Ratio of Total Amount to Net Income (%)
Executive Officers	President	Shen, Ching Hang	Not applicable (Note 1)	56,000 (Note 2)	56,000	0.29%
	Vice President	Chen, Yi Chen				
	Vice President	Wang, Jui Pin (Note 3)				
	Vice President	Huang, Chiu Mao				
	Corporate Governance Officer	Kuo, Hui Ying				
	Accounting Officer	Lin, Shu Hua				

Note 1: According to the resolution of the Board of Directors on March 11, 2026, the employee remuneration will be distributed entirely in cash, with no stock awards.

Note 2: The amount shown is an estimated allocation; the specific distribution list for employee remuneration has not yet been determined as of the publication date of this annual report.

Note 3: The individual was dismissed from their position as a managerial officer on June 6, 2025.

2.2.5 Comparative analysis of the total remuneration paid to the Company’s Directors, President, and Vice Presidents in the most recent two fiscal years, as a percentage of net income after tax in the parent company only or individual financial reports; including the remuneration policies, standards and packages, the procedure for determining remuneration, and their correlation with business performance and future risks.

2.2.5.1 Analysis of remuneration paid to Directors, President, and Vice Presidents in the most recent fiscal year as a percentage of net income after tax:

Item Title	FY2024 Ratio of Total Remuneration to Net Income		FY2025 Ratio of Total Remuneration to Net Income	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Director (including Independent Directors)	1.87%	3.61%	2.56%	2.92%
President and Vice President	0.63%	2.34%	0.64%	1.03%

2.2.5.2 Policy, Standard, and Composition of Remuneration, Procedures for Determining Remuneration, and its Association with Business Performance and Future Risks:

- A. Remuneration for Directors: In accordance with the Company's "Articles of Incorporation," if the Company records a profit for the year, the Board of Directors shall resolve to allocate no more than 2% as remuneration for directors, which shall be reported to the shareholders' meeting. The reasonableness of director remuneration is calculated based on their respective weighting and attendance records and is subject to review and approval by the Remuneration Committee and the Board of Directors.
- B. Remuneration for Managers: Managerial compensation is determined based on annual earnings and the employee remuneration allocation ratio stipulated in the "Articles of Incorporation." It is reviewed by the Remuneration Committee and submitted to the Board of Directors for approval by a resolution requiring the attendance of at least two-thirds of the directors and the consent of a majority of the directors present and subsequently reported to the shareholders' meeting. The standards for distributing managerial remuneration consider individual performance, overall contribution, or special achievements, as well as the fulfillment of performance commitment letters and ESG indicators. Relevant performance appraisals and the reasonableness of remuneration are reviewed by the Remuneration Committee and the Board of Directors. The remuneration system is periodically reviewed based on actual operating conditions and relevant regulations to maintain a balance between the Company's sustainable operations and risk management.

2.3 Implementation of Corporate Governance

2.3.1 Board of Directors:

A total of 5(A) meetings of the Board of Directors were held in the previous period. The attendances of directors were as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (B/A) (%)	Remarks
Chairperson	Zing He Investment Co., Ltd. Representative : Shen, Ching Hang	5	0	100	—
Director	Furukawa Electric Co., Ltd. (Japan) Representative: Ono Ryoji	5	0	100	—
Director	Furukawa Electric Co., Ltd. (Japan) Representative: Kawabata Kenya	5	0	100	—
Director	Furukawa Electric Co., Ltd. (Japan) Representative: Katoh Shin	5	0	100	—
Director	Kitanoya Atsushi	5	0	100	—
Director	Cheng Li Investment Co., Ltd. Representative : Chen, Yi Chen	3	0	100	Newly appointed on June 6, 2025
Director	Xiyan Investment Co., Ltd. Representative : Huang, Chiu Mao	3	0	100	
Independent Director	Ueng Joseph Chiehchung	5	0	100	—
Independent Director	Lin, Tzu Yun	5	0	100	—
Independent Director	Cheng, Chun Jen	3	0	100	Newly appointed on June 6, 2025
Independent Director	Chen, Ren Her	3	0	100	
Director	Chen, Yi Chen	2	0	100	Term expired on June 6, 2025
Director	Wang, Jui Pin	2	0	100	
Director	Huang, Chiu Mao	2	0	100	
Director	Gao, Pai Ling	2	0	100	
Independent Director	Chen, Chun Cheng	2	0	100	
Independent Director	Cho, I Lang	2	0	100	

Other matters to be specified:

- 1 Regarding the operation of the Board of Directors, if any of the following circumstances apply, the date of the meeting, session, content of the motion, opinions of all independent directors, and the Company's handling of said opinions shall be specified:
 - (1) Matters listed in Article 14-3 of the Securities and Exchange Act: During FY2025 and up to the publication date of the annual report, all independent directors attended the Board of Directors meetings, and all matters listed in Article 14-3 of the Securities and Exchange Act were approved as proposed

without objection.

(2) Other than the aforementioned matters, any resolutions of the Board of Directors to which an independent director has a dissenting or qualified opinion, and which are recorded or stated in writing: None.

2 Implementation of director recusal due to conflicts of interest, specifying the name of the director, the content of the motion, the reason for recusal, and the voting status: On November 12, 2025, during the review of the "Management Employee Compensation and Year-end Performance Bonus Distribution," Directors Shen, Ching Hang, Chen, Yi Chen and Huang, Chiu Mao recused themselves from the discussion and voting in accordance with regulations, as they concurrently serve as internal managers of the Company. The motion was approved as proposed without objection by the remaining directors present.

3. Implementation of the Board of Directors' performance evaluation:

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation items
Once a year	Jan.1, 2025 ~ Dec. 31, 2025	Board of Directors	Board of Directors self-evaluation	1. Participation in company operations 2. Improvement of the quality of the Board of Directors' decision making 3. Composition and structure of the Board of Directors 4. Selection and continuing education of directors 5. Internal control
Once a year	Jan.1, 2025 ~ Dec. 31, 2025	Individual Directors	Individual Directors self-evaluation	1. Grasping of Company's goals and mission 2. Understanding of directors' responsibilities 3. Participation in company operations 4. Internal relationship management and communication 5. Professional and continuous training of directors 6. Internal controls, etc.
Once a year	Jan.1, 2025 ~ Dec. 31, 2025	Audit Committee	Audit Committee self-evaluation	1. Degree of participation in the Company's operations 2. Awareness of the duties and responsibilities of the Audit Committee 3. Enhancement of the decision-making quality of the Audit Committee 4. Composition and election of members of the Audit Committee
Once a year	Jan.1, 2025 ~ Dec. 31, 2025	Remuneration Committee	Remuneration Committee self-evaluation	1. Degree of participation in the Company's operations 2. Awareness of the duties and responsibilities of the Remuneration Committee 3. Enhancement of the decision-making quality of the Remuneration Committee 4. Composition and election of members of the Remuneration Committee

Implementation of the Board of Directors' performance evaluation: The evaluation was conducted through internal assessments carried out by the Sustainability Committee via internal questionnaires. The scope of the evaluation covers four areas: the operation of the Board of Directors, the participation of Directors, and the operations of the Audit Committee and the Remuneration Committee. Specific assessments include Board and Director self-evaluations, as well as operational evaluations for both the Audit and Remuneration Committees

The Company completed the 2025 performance evaluations for the Board of Directors, individual board members, the Audit Committee, and the Remuneration Committee (covering the period from January 1, 2025, to December 31, 2025) in March 2026. The evaluation results and the planned areas for continued enhancement in 2026 were submitted for review to the Board of Directors held on March 11, 2026. The average evaluation score for 2025 was 4.9, which is considered favorable.

4. Evaluation of the targets and implementation status for strengthening the functions of the Board of Directors during the current and most recent fiscal years:
 - (1) The Company has established the "Rules of Procedure for Board of Directors Meetings." All matters concerning the proceedings of the Board of Directors are executed in accordance with these rules. The attendance records of directors at Board meetings are periodically updated on the Market Observation Post System (MOPS), and Board resolutions are disclosed on the Company's website for investors' reference.
 - (2) To refine corporate governance and strengthen the functions of the Board of Directors, four independent directors have been appointed in accordance with Article 14-2 of the Securities and Exchange Act. These four Independent Directors constitute the Audit Committee, the Remuneration Committee, the Nomination Committee, and the Mergers and Acquisitions (M&A) Special Committee. These committees assist the Board of Directors in managing compensation, nominating candidates for directors and senior executives, and reviewing the fairness and reasonableness of M&A plans and transactions.

2.3.2 Audit Committee:

Please refer to Section 2.1.1.4, Information on Directors, of this annual report for the professional qualifications of the Audit Committee members. The Audit Committee of the Company held 4 meetings (A) in 2025. The attendance of independent directors is as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (A/B)	Remarks
Convener	Cheng, Chun Jen	2	0	100.00	Newly appointed on June 6, 2025
Member	Ueng Joseph Chiehchung	4	0	100.00	—

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (A/B)	Remarks
Member	Lin, Tzu Yun	4	0	100.00	—
Member	Chen, Ren Her	2	0	100.00	Newly appointed on June 6, 2025
Convener	Cho, I Lang	2	0	100.00	Term expired on June 6, 2025
Member	Chen, Chun Cheng	2	0	100.00	

Other matters to be specified:

1. Regarding the operation of the Audit Committee, if any of the following circumstances apply, the date of the meeting, session, content of the motion, details of any dissenting opinions, qualified opinions, or material recommendations from independent directors, the resolution of the Audit Committee, and the Company's handling of said opinions shall be stated:
 - (1) Matters listed in Article 14-5 of the Securities and Exchange Act: For FY2025 and up to the publication date of the annual report, all Independent Directors attended the Audit Committee meetings, and all matters listed in Article 14-5 of the Securities and Exchange Act were approved as proposed without objection.
 - (2) Other than the matters previously mentioned, any resolutions not approved by the Audit Committee but agreed upon by two-thirds or more of all directors: None.
2. Implementation of Independent Director recusal due to conflicts of interest, specifying the name of the independent director, the content of the motion, the reason for recusal, and the voting status: No such instances occurred during the most recent fiscal year and up to the publication date of the annual report.
3. Communication between Independent Directors and the Internal Audit Head and the Certified Public Accountants (CPAs) (including material matters, methods, and results of communication regarding the Company's financial and business conditions):
 - (1) Communication between Independent Directors and the Internal Audit Head: Independent Directors and the Internal Audit Head maintain contact as needed via email, telephone, or other means. The Internal Audit Head attends quarterly Audit Committee meetings to report on the execution of internal audits and the operation of internal controls. In the event of material anomalies, meetings may be convened at any time, ensuring diverse and open communication channels. The internal audit head provides the audit reports or follow-up reports from the previous month to each Independent Director for review via email and postal mail on a monthly basis. Independent Directors provide feedback or opinions based on the content of the reports. Summary of communication between Independent Directors and the Internal Audit head:

Date	Method	Communicating with the Chief Internal Audit	Results
March 12, 2025	Pre-Audit Committee Meeting	1. Internal audit report for the period from Oct. 2024 to Feb. 2025. 2. The "Assessment of the Effectiveness of the Internal Control System" and the "Internal Control Statement" for FY2024. 3. Revision of certain forms within the internal control system.	No objections were raised in this meeting.
May 13, 2025	Pre-Audit Committee Meeting	1. Internal Audit Report for March 2025. 2. Amendments to the Internal Control System and the internal management regulation "Corporate Governance Best Practice Principles," and the addition of the "Capital Efficiency and Stock Price-Focused Management Plan". 3. Amendments to the internal regulation "Table of Authority" and the internal control procedures for "Investment Cycle" and "Management of Short-term and Long-term Investments."	No objections were raised in this meeting.
August 13, 2025	Pre-Audit Committee Meeting	Internal audit report for the period from April to June 2025.	No objections were raised in this meeting.
November 12, 2025	Pre-Audit Committee Meeting	1. Internal audit report for the period from July to September 2025. 2. Amendment of the Internal Control System.	No objections were raised in this meeting.

The internal audit supervisor submitted audit reports and follow-up reports to each Independent Director via email and postal mail by the end of the month. The Independent Directors provide responses or opinions based on the content of the reports.

Date	Item	Method	Results
Feb. 25, 2025	Internal Audit Report on Jan. and Feb. 2025	Email and Postal mail	Approved by the Independent Directors after Review
April 30, 2025	Internal Audit Report on March 2025	Email and Postal mail	Approved by the Independent Directors after Review
May 28, 2025	Internal Audit Report on April 2025	Email and Postal mail	Approved by the Independent Directors after Review
June 25, 2025	Internal Audit Report on May 2025	Email	Approved by the Independent Directors after Review
July 22, 2025	Internal Audit Report on June 2025	Email	Approved by the Independent Directors after Review
Aug. 18, 2025	Internal Audit Report on July 2025	Email	Approved by the Independent Directors after Review

Date	Item	Method	Results
Sept. 23, 2025	Internal Audit Report on Aug. 2025	Email	Approved by the Independent Directors after Review
Oct. 23, 2025	Internal Audit Report on Sept. 2025	Email	Approved by the Independent Directors after Review
Nov. 25, 2025	Internal Audit Report on Oct. 2025	Email	Approved by the Independent Directors after Review
Dec. 24, 2025	Internal Audit Report on Nov. 2025	Email	Approved by the Independent Directors after Review
Jan. 20, 2026	Internal Audit Report on Dec. 2025	Email	Approved by the Independent Directors after Review

B. Communication between independent directors and CPA:

Date	Method	Item	Results
March 12, 2025	Pre-Audit Committee Meeting	1.Review of the accountant's independence and Audit Quality Indicators. 2.The execution and conclusion report of the audit of the 2024 financial statements, including any issues or difficulties encountered during the audit and responses from management.	No objections were raised in this meeting.
May 13, 2025	Pre-Audit Committee Meeting	The review execution and conclusion report of the consolidated financial statements for Q1 2025, including any audit issues or difficulties encountered and responses from the management.	No objections were raised in this meeting.
Aug.13, 2025	Pre-Audit Committee Meeting	The review execution and conclusion report of the consolidated financial statements for Q2 2025, including any audit issues or difficulties encountered and responses from the management.	No objections were raised in this meeting.
Nov. 12, 2025	Pre-Audit Committee Meeting	The review execution and conclusion report of the consolidated financial statements for Q3 2025, including any audit issues or difficulties encountered and responses from the management.	No objections were raised in this meeting.

4. Key areas of focus for the Audit Committee during the year:

- (1) Review of Financial Reports: The Board of Directors has prepared the Company's financial statements for 2024 and the first through third quarters of 2025. These financial statements have been audited/reviewed by Ernst & Young, and the corresponding audit/review reports have been issued. The financial statements have been reviewed by the Audit Committee, and no irregularities were found.
- (2) Assessment of the Effectiveness of the Internal Control System: The Audit Committee has assessed the effectiveness of the Company's internal control system policies and procedures (including control measures for finance, operations, risk management, information security, outsourcing, and legal compliance). The Committee also reviewed periodic reports from the Company's internal audit department, external auditors, and management, covering risk management and regulatory compliance. The Audit Committee considers the Company's risk management and internal control systems to be effective, and the Company has adopted the necessary control mechanisms to monitor and rectify non-compliance.
- (3) Annual Operations

Audit Committee	Agenda items and resolutions
2025/3/12 (16 th meeting of 2 nd term)	1. The financial statements consolidated financial statement, and business report of 2024.
	2. Setting the record date for capital increase through the issuance of common shares upon the exercise of employee stock options.
	3. The cash distributed from 2024 profits and capital surplus to shareholders.
	4. Ernst & Young and its affiliates provided non-Assurance.
	5. Audit of the Accountant's Independence.
	6. Appointment of Accountant and Compensation.
	7. Guarantee for the Subsidiary
	8. The "Assessment of the Effectiveness of the Internal Control System" and "Statement of Internal Control" of the Company for the year 2024.
	9. Acquisition or Disposal of Assets for Business Operations from Related Parties.
	10. Revisions to Certain Forms in the Internal Control System.
	11. Donation to the AVC Education Foundation.
2025/5/13 (17 th meeting of 2 nd term)	Audit Committee's Opinion: No objections or reservations. Resolution Result: All proposals were unanimously approved by all attending audit committee members. Company's Handling of the Audit Committee's Opinion: Submitted to the Board of Directors and approved without objection by all attending directors and independent directors.
	1. 2025 Q1 consolidated financial statements.
	2. Setting the record date for capital increase through the issuance of common shares upon the exercise of employee stock options.

Audit Committee	Agenda items and resolutions
	3. Provision of endorsements and guarantees for subsidiaries.
	4. Amendments to the Internal Control System and the “Corporate Governance Best Practice Principles” and the addition of the “Capital Efficiency and Stock Price-Focused Management Plan.”
	5. Amendments to the internal regulation “Table of Authority.”
	6. Construction of plant and acquisition of land-use right assets for the Vietnamese subsidiary, AVC TECH. (VIETNAM) CO., LTD.
	7. Establishment of a new subsidiary in Vietnam, AVC Development Co., Ltd.
	Audit Committee's Opinion: No objections or reservations. Resolution Result: All proposals were unanimously approved by all attending audit committee members. Company's Handling of the Audit Committee's Opinion: Submitted to the Board of Directors and approved without objection by all attending directors and independent directors.
2025/8/13 (1 st meeting of 3 rd term)	1. 2025 Q2 consolidated financial statements.
	2. Setting the record date for capital increase through the issuance of common shares upon the exercise of employee stock options.
	3. Provision of endorsements and guarantees for subsidiaries.
	4. Disposal of equity interests in Paragon Semiconductor Lighting Technology Co., Ltd.
	5. Disposal of equity interests in Jen-Mei Magnesium Alloy Technology Co., Ltd.
	Audit Committee's Opinion: No objections or reservations. Resolution Result: All proposals were unanimously approved by all attending audit committee members. Company's Handling of the Audit Committee's Opinion: Submitted to the Board of Directors and approved without objection by all attending directors and independent directors.
2025/11/12 (2 nd meeting of 3 rd term)	1. 2025 Q3 consolidated financial statements.
	2. Setting the record date for capital increase through the issuance of common shares upon the exercise of employee stock options.
	3. Provision of endorsements and guarantees for subsidiaries.
	4. Amendments to certain provisions of the Internal Audit System.
	5. Acquisition of real estate in Xinzhuang District, New Taipei City.
	Audit Committee's Opinion: No objections or reservations. Resolution Result: All proposals were unanimously approved by all attending audit committee members. Company's Handling of the Audit Committee's Opinion: Submitted to the Board of Directors and approved without objection by all attending directors and independent directors.
2026/3/11 (3 rd meeting of 3 rd -term)	1. 2025 financial statements (individual and consolidated) and business report.
	2. Setting the record date for capital increase through the issuance

Audit Committee	Agenda items and resolutions
	of common shares upon the exercise of employee stock options.
	3. Distribution of cash dividends from 2025 earnings and capital surplus.
	4. Provision of non-assurance services by Ernst & Young and its affiliates.
	5. Donation to the AVC Education Foundation.
	6. Amendments to the maximum limit of activity funding allocated to the AVC Education Foundation.
	7. Review of the independence of the appointed external auditors.
	8. Appointment of external auditors and their remuneration.
	9. Provision of endorsements and guarantees for subsidiaries.
	10. The 2025 "Assessment of the Effectiveness of the Internal Control System" and the "Internal Control System Statement."
	11. Amendments to certain contents of the Internal Control System.
	12. Investment in Shenzhen Baoxing Electric Wire & Cable Manufacture Co., Ltd.
	13. Capital increase for the Vietnamese subsidiary, AVC TECH. (VIETNAM) CO., LTD.
	Audit Committee's Opinion: No objections or reservations. Resolution Result: All proposals were unanimously approved by all attending audit committee members. Company's Handling of the Audit Committee's Opinion: Submitted to the Board of Directors and approved without objection by all attending directors and independent directors.

2.3.3 Corporate Governance Implementation Status and Derivations from “the Corporate Governance Best-Practice Principle for TWSE/TPEX Listed Companies”

Evaluated Items	Implementation Status			Deviations from the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustrations	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	✓		The Company’s “Corporate Governance Best Practice Principles” have been approved by the Board of Directors and are disclosed on the company's website and the Market Observation Post System (MOPS).	None
2. Shareholding structure & shareholders’ rights (1) Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure? (2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares? (3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	✓ ✓ ✓		(1) The Company has appointed a Spokesperson and Deputy Spokesperson, and established a Shareholder Services department to address shareholder suggestions or disputes. Furthermore, the Company maintains both Chinese and English websites to facilitate investor inquiries and feedback; any matters involving legal issues are referred to the Legal Department for handling. (2) The Company has appointed a professional shareholder services agent to manage various shareholder rights and interests. The Company maintains up-to-date lists of major shareholders who exert actual control over the Company, as well as the ultimate controllers of such major shareholders. (3) The Company's Board of Directors has resolved and approved the "Operating Procedures for Financial and Business Transactions Between Related Parties." Additionally, the Shareholders' Meeting has established the "Procedures for Acquisition or Disposal of Assets," "Procedures for Lending Funds to Others," and "Procedures for Endorsement and Guarantee." In conjunction with the "Related Party Transaction Management" and "Monitoring and Management of Subsidiaries" internal control procedures established in accordance with the law, the Company has established comprehensive risk management and firewall mechanisms.	None

Evaluated Items	Implementation Status			Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustrations	
(4) Does the company establish internal rules against insiders trading with undisclosed information?	✓		(4) The Company has established the "Procedures for Prevention of Insider Trading," which strictly prohibits insiders from trading securities using non-public market information. Insiders are prohibited from trading the Company's shares during a closed period of 30 days prior to the announcement of the annual financial report and 15 days prior to the announcement of each quarterly financial report, effective from the time they become aware of the relevant financial condition and operating performance. In 2025, the Company notified all directors and executives on February 3, April 25, July 28, and October 27 regarding the prohibition of trading the Company's shares prior to the announcement of financial reports.	
3. Composition and Responsibilities of the Board of Directors (1) Does the Board of Directors have a diversity policy, specific management objectives and implementation?	✓		(1) The Company has established the "Corporate Governance Best Practice Principles," of which Article 20 stipulates the required collective capabilities of the Board of Directors. The structure of the Board is determined by the scale of the Company's business development, the shareholding status of major shareholders, practical operational needs, relevant laws, and the Articles of Incorporation to ensure an appropriate number of director seats. Furthermore, Article 3 of the "Procedures for Election of Directors" provides that the election of directors should consider the overall composition of the Board. Board membership should be diversified, with appropriate diversity policies formulated based on the Company's operations, business model, and development needs, covering factors such as gender, age, nationality, culture, professional background, expertise, and industry	None

Evaluated Items	Implementation Status			Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustrations	
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee? (3) Does the company establish standards and methods for evaluating Board performance, conduct annual performance evaluations, submit performance evaluation results to the Board, and use the results as a basis for determining the remuneration and nomination of individual directors? (4) Does the company regularly evaluate the independence of CPAs?	✓ ✓ ✓		experience. It is also mandated that more than half of the directors shall not be spouses or relatives within the second degree of kinship to each other. (2) In addition to the Remuneration Committee and the Audit Committee, the Company has established a Nomination Committee, a Special Committee for Mergers and Acquisitions, and a Sustainability Committee to enhance Board functions and strengthen management mechanisms. (3) The Company has established the "Rules for Performance Evaluation of the Board of Directors," whereby the Remuneration Committee submits an evaluation report and specific suggestions for improvement once a year. The 2025 Board performance evaluation was completed via self-assessment, and the results were submitted to the Board of Directors for discussion on March 11, 2026. The results were found to be in compliance with the spirit of corporate governance and serve as a reference for the nomination of individual directors for re-election. For the results of the Board performance evaluation, please refer to Section 2.3.1, "Operations of the Board of Directors," of this Annual Report. (4) The Company assesses the independence of its external auditors once a year. For the most recent period up to the publication date of the annual report, the Audit Committee evaluated the independence and suitability of the CPAs on March 12, 2025, and March 11, 2026, respectively. The evaluation results were submitted to the Board of Directors on the same date for the deliberation of CPA appointment and audit fees. The review confirms that the CPAs are not directors, shareholders, or employees of the Company, ensuring they are non-interested	

Evaluated Items	Implementation Status			Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustrations	
			parties. When resolving the appointment of CPAs, the Board's independence review primarily considers factors such as the scale and reputation of the accounting firm, years of audit service, the nature and extent of non-audit services, audit fees, peer reviews, and whether the CPAs are involved in legal litigation or investigations by competent authorities. The CPAs and their firm are required to provide relevant data and a Declaration of Independence. On March 11, 2026, the Audit Committee and the Board referred to the Audit Quality Indicators (AQIs), which include five dimensions: 1. Professionalism (audit experience and professional support); 2. Quality Control (workload, audit input, and engagement quality control review); 3. Independence (non-audit services, client familiarity); 4. Oversight (external inspection deficiencies and sanctions); and 5. Innovation. The Company confirmed that, other than fees for audit and tax services, the CPAs have no other financial interests or business relationships with the Company, and their family members do not violate independence requirements. Based on AQI information, it was confirmed that the ratio of professional support staff in the audit department and the number of deficiencies identified by the FSC are both better than the industry average. Furthermore, the firm's promotion of digital auditing provides relevant feedback and insights to assist the Company in optimizing processes and internal controls. For evaluation items, please refer to (Note 1).	
4. Does the public company have a suitable number of competent corporate governance personnel, and has it appointed a corporate governance supervisor	✓		The Company's Board of Directors has approved the appointment Kuo, Hui Ying as the dedicated Corporate Governance Officer. Director Kuo possesses more than three years of experience	None

Evaluated Items	Implementation Status			Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustrations	
responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their duties, assisting directors and supervisors with regulatory compliance, handling matters related to Board meetings and shareholders' meetings, and preparing proceedings for Board meetings and shareholders' meetings)?			in management roles related to finance, secretarial affairs, and shareholder services within public companies. The primary responsibilities of the Corporate Governance Officer include handling matters related to Board and Shareholders' Meetings in accordance with the law, preparing minutes for said meetings, assisting directors in their appointments and continuing education, providing information necessary for directors to perform their duties, assisting directors in regulatory compliance, reviewing the legal qualifications of independent directors, managing matters related to changes in directorships, and other matters as stipulated by the Articles of Incorporation or relevant contracts. The execution of duties by the Company's Corporate Governance Officer in 2025 is as follows: 1. Formulated and planned appropriate corporate systems and organizational structures to promote the independence of the Board of Directors, corporate transparency, regulatory compliance, and the implementation of internal audits and controls. 2. Consulted with directors prior to Board meetings to plan and prepare agendas. All directors were notified of attendance at least seven days in advance and provided with sufficient meeting materials to facilitate their understanding of relevant topics. In cases where agenda items involved potential conflicts of interest requiring recusal, the relevant parties were reminded in advance. 3. Registered the date of the Shareholders' Meeting within the legally mandated timeframe each year. Prepared and filed the meeting notice, meeting handbook, and minutes before the deadlines, and handled change of registration following amendments	

Evaluated Items	Implementation Status			Deviations from the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustrations	
			to the Articles of Incorporation or the re-election of directors. 4. Conducted annual internal performance evaluations for the Board's overall operation, in addition to individual performance appraisals for each director. The Corporate Governance Officer completed 36 hours of continuing education in 2025. For details regarding the training, please refer to (Note 2).	
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		The Company maintains sound cooperative relationships with its stakeholders, including customers, suppliers, employees, and investors. A dedicated Stakeholder Section has been established on the Company's website, with respective functional departments serving as designated contact windows to appropriately respond to key corporate social responsibility (CSR) issues of concern to stakeholders.	None
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The Company has appointed the Stock Registration Department of Yuanta Securities Co., Ltd. as its professional shareholder services agent to handle matters related to the Shareholders' Meeting, ensuring that the meeting is convened in a legal, effective, and secure manner.	None
7. Information Disclosure (1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance? (2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	✓ ✓		(1) The Company has disclosed relevant information regarding finance, business, corporate governance, and corporate sustainability on its official website for investors' reference. (2) The Company maintains a bilingual website in Chinese and English (https://www.avc.co). Dedicated personnel are responsible for the collection and disclosure of corporate information within the "Investor Relations" and "Stakeholders" sections. Furthermore, all financial and business policies and contents are communicated and explained externally by the Spokesperson or Deputy Spokesperson	

Evaluated Items	Implementation Status			Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustrations	
(3) Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?	✓		to ensure the rigorous implementation of the spokesperson system. In 2025, the Company was invited to participate in 41 investor conferences; the relevant information was filed and disclosed on the Market Observation Post System (MOPS), and the presentation materials and video recordings were uploaded to the Company's website for investors' accessibility. (3) Due to its numerous domestic and overseas subsidiaries, the Company prepares its financial reports in accordance with the timeline required by the competent authorities and currently has no plans for early filing of the annual report. However, the financial reports for the first, second, and third quarters, as well as monthly operating results, are all announced and filed ahead of the statutory deadlines.	The company has no plans to make an early announcement or submission of the annual financial report.
8. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	✓		1. Employee Rights and Employee Care: Please refer to Chapter 4, Section 4.5, "Labor-Management Relations," of this Annual Report. 2. Investor Relations: The Company ensures full information disclosure through the Market Observation Post System (MOPS) and the corporate website to keep investors informed of operating conditions. Direct communication with investors is maintained through the Shareholders' Meeting and the official Spokesperson and Deputy Spokesperson system. 3. Supplier Relations: The Company maintains sound relationships with its suppliers. The quality and delivery schedules of all suppliers have remained normal over the years, with no instances of supply shortages or interruptions. 4. Stakeholder Rights: The Company provides diverse communication channels and	None

Evaluated Items	Implementation Status			Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustrations	
			information disclosure to maintain constructive dialogue and communication with stakeholders and to identify issues of concern to them. 5. Director Continuing Education: The Company periodically provides information on training and seminars organized by relevant institutions to the directors. This encourages participation to enhance their professional leadership capabilities and improve corporate governance performance. For details on director training, please refer to Section 2.3.7.1, "Director Continuing Education in the Most Recent Year," of this Annual Report. 6. Implementation of Risk Management Policies and Risk Assessment Standards: The Company has established various internal regulations in accordance with the law to conduct risk management and assessments. 7. Implementation of Customer Policies: The Company maintains stable and sound relationships with its customers. Periodic visits are conducted to understand customer needs and provide timely technical support to generate corporate profits. 8. Liability Insurance for Directors: The Company has purchased liability insurance for all directors and key executives. Information regarding the insured amount, scope of coverage, and premium was reported to the Board of Directors on August 13, 2025.	
9. Please explain the improvement in the results of the corporate governance evaluation released by the Corporate Governance Center of Taiwan Stock Exchange Corporation in the latest year, and propose priority strengthening measures for those that have not yet improved: A. The English version of the Sustainability Report has been uploaded. B. Following the Shareholders' Meeting, a continuous video and audio recording of the entire proceedings was uploaded to implement information transparency and ensure the integrity of shareholders' rights. C. The Company's 2024 Sustainability Report was approved by the Board of Directors on June 6, 2025, and subsequently published on June 23, 2025.				

Evaluated Items	Implementation Status			Deviations from the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustrations	
D. The Company continues to track items identified for improvement in the Corporate Governance Evaluation and is actively formulating enhancement plans, striving to refine the governance framework to improve overall evaluation results.				

Note 1: Assessment Standards for the Competence and Independence of External Auditors (CPAs)

Compliance with Independence Requirements	Assessment Results		Independence Confirmed
	Lee Fang-Wen	Hung, Kuo-Sen	
Does the CPA have any direct or material indirect financial interest in the Company?	No	No	Yes
Does the CPA have any financing or guarantee arrangements with the Company or its directors?	No	No	Yes
Does the CPA have close business relationships or potential employment relationships with the Company?	No	No	Yes
Has the CPA or any member of the audit team served as a director, manager, or held any position with significant influence over the audit in the Company currently or within the past two years?	No	No	Yes
Does the CPA provide non-audit services to the Company that could directly influence the audit work?	No	No	Yes
Does the CPA act as an intermediary for shares or other securities issued by the Company?	No	No	Yes
Does the CPA act as a legal advocate for the Company or represent the Company in resolving conflicts with third parties?	No	No	Yes
Does the CPA have any kinship or family relationship with the Company's directors, managers, or personnel who hold positions with significant influence over the audit?	No	No	Yes

Note 2 : On-the-job training for the Corporate Governance Officer

No.	Organizer	Course Title	Date of On-the-Job training courses	Study hours
1	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	2025/07/09	6
2	Taiwan Stock Exchange	CDP Mapping to IFRS S2 Analysis Seminar: Strengthening Climate Disclosure to Enhance Corporate	2025/09/08	6

No.	Organizer	Course Title	Date of On-the-Job training courses	Study hours
		Climate Resilience		
3	Securities & Futures Institute	2025 Seminar on the Prevention of Insider Trading	2025/10/03	3
4	Financial Supervisory Commission	The 15th Taipei Corporate Governance Forum	2025/10/16	6
5	The Institute of Internal Auditors-Chinese	Risk-Based Internal Audit Methodology and Practice	2025/10/21	6
6	The Institute of Internal Auditors-Chinese	Key Practices of "Sustainability Information Management" in Internal Control and Audit	2025/10/22	6
7	Securities & Futures Institute	New Thinking in Corporate Hedging: Addressing Exchange Rate Challenges and Asset Management Trends	2025/12/05	3

2.3.4 Operations of the Remuneration Committee and Nomination Committee

2.3.4.1 Composition, Responsibilities, and Operations of the Remuneration Committee

2.3.4.1.1 Members of the Remuneration Committee

The Remuneration Committee of the Company is composed of all Independent Directors. For details regarding their professional qualifications, experience, and independence, please refer to Section 2.1.1.4, "Information on Directors."

2.3.4.1.2 Responsibilities of the Remuneration Committee

The Committee shall exercise the due care of a good administrator in faithfully fulfilling the following functions and powers, and shall submit its recommendations to the Board of Directors for discussion:

A. Periodically review these Charter and propose recommendations for amendments.

B. Establish and periodically review the annual and long-term performance targets, ESG sustainability indicators, and the policies, systems, standards, and structures for the remuneration of the Company's directors and executives.

C. Periodically evaluate the achievement of performance targets and ESG sustainability indicators for the Company's directors and executives, and determine the content and amount of their individual remuneration.

2.3.4.1.3 Information on the Operations of the Remuneration Committee

A. The Remuneration Committee of the Company consists of 4 members.

B. Tenure of current members: June 6, 2025, to June 5, 2028. In 2025, the Remuneration Committee held 3 meetings (A). The attendance of members is as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance rate (%) (B/A)	Remarks
Convener	Cheng, Chun Jen	1	0	100%	Newly Appointed (June 6, 2025)
Committee member	Ueng Joseph Chiehchung	3	0	100%	—
Committee member	Lin, Tzu Yun	3	0	100%	—
Committee member	Chen, Ren Her	1	0	100%	Newly Appointed (June 6, 2025)
Convener	Cho, I Lang	2	0	100%	Term Ended (June 6, 2025)
Committee member	Chen, Chun Cheng	2	0	100%	
Other Items to be Disclosed: 1.Should the Board of Directors decline to adopt or elect to modify a recommendation of the Remuneration Committee, the date and session of the Board meeting, the content of the proposal, the resolution of the Board, and the Company’s response to the Remuneration Committee’s opinion shall be specified (if the remuneration approved by the Board is superior to the recommendation of the Remuneration Committee, the circumstances and reasons for the difference shall be described): No such incident occurred. 2.Regarding resolutions of the Remuneration Committee, if any member has an opposing or qualified opinion that is documented in the records or by written statement, the date and session of the Remuneration Committee meeting, the content of the proposal, the opinions of all members, and the response to those opinions shall be specified: No such incident occurred.					

C. Items for discussion and resolutions of Remuneration Committee Meeting in the year of 2025 and as of the date of publishing the annual report.

Date / Session	Items for discussion	Resolutions	The company handles the opinions of the Remuneration Committee
March 12, 2025 (10 th meeting of 5th-term)	Review of the proposal for the total amount of FY2024 profit-sharing to be allocated for directors' remuneration and employees' compensation	The proposal was unanimously approved by all members present.	The proposal was submitted to the Board of Directors and unanimously approved as proposed by all Directors and Independent Directors present without objection.

Date / Session	Items for discussion	Resolutions	The company handles the opinions of the Remuneration Committee
May 13, 2025 (11 th meeting of 5th-term)	Review of the proposal for the FY2024 profit-sharing distribution method and payment date for directors' remuneration.	The proposal was unanimously approved by all members present.	The proposal was submitted to the Board of Directors and unanimously approved as proposed by all Directors and Independent Directors present without objection.
Nov. 12, 2025 (1 st meeting of 6th-term)	Review of FY2024 Employee Compensation for the Company's managers and FY2025 Year-end Performance Bonus Distribution Amounts. Submitted for approval.	The proposal was unanimously approved by all members present.	The proposal was submitted to the Board of Directors and unanimously approved as proposed by all Directors and Independent Directors present without objection.
March 11, 2026 (2 nd meeting of 6th-term)	Review of the proposal for the total amount of FY2025 profit-sharing to be allocated for directors' remuneration and employees' compensation.	The proposal was unanimously approved by all members present.	The proposal was submitted to the Board of Directors and unanimously approved as proposed by all Directors and Independent Directors present without objection.

2.3.4.2 Composition, Responsibilities, and Operations of the Nomination Committee

2.3.4.2.1 Members of the Nomination Committee

The Nomination Committee of the Company is composed of all Independent Directors. For details regarding their professional qualifications, experience, and independence, please refer to Section 2.1.1.4, "Information on Directors."

2.3.4.2.2 Responsibilities of the Nomination Committee

The Nomination Committee was established to enhance the functions of the Board of Directors and strengthen management mechanisms. Its scope of responsibilities is as follows:

- A. Establish standards for the required professional knowledge, skills, experience, and diversity background (including gender) and independence for Board members and senior executives; search for, review, and nominate candidates for directors and senior executives accordingly.
- B. Construct and develop the organizational structure of the Board and its committees; conduct performance evaluations of the Board, its committees, individual directors, and senior executives; and assess the independence of Independent Directors.
- C. Formulate and periodically review training programs for directors and succession plans for directors and senior executives.

D. Establish the Company's Corporate Governance Best Practice Principles.

2.3.4.2.3 Information on the Operations of the Nomination Committee

A. The Nomination Committee of the Company consists of 4 members.

B. Tenure of current members: June 6, 2025, to June 5, 2028. From the most recent year to the publication date of this annual report, the Nomination Committee held 1 meeting (A). For the professional qualifications and experience of the members, please refer to Section 2.1.1.4, "Information on Directors." The attendance record and items discussed are as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance rate (%) (B/A)	Remarks
Convener	Cheng, Chun Jen	0	0	NA	Newly Appointed (June 6, 2025)
Committee member	Ueng Joseph Chiehchung	1	0	100	—
Committee member	Lin, Tzu Yun	1	0	100	—
Committee member	Chen, Ren Her	0	0	NA	Newly Appointed (June 6, 2025)
Convener	Cho, I Lang	1	0	100	Term Ended (June 6, 2025)
Committee member	Chen, Chun Cheng	1	0	100	

Date / Session	Items for discussion	Resolutions	The company handles the opinions of the Nominating Committee
March 12, 2025 (1 st meeting of 4th-term)	1. Proposal on the Nomination Period, Number of Directors (Including Independent Directors) to Be Elected, and the Nomination Submission Office. 2. Proposal on the List of Nominated Candidates for Directors (Including Independent Directors).	The proposal was unanimously approved by all members present. The proposal was unanimously approved by all members present.	The proposal was submitted to the Board of Directors and was unanimously approved by all attending Directors and Independent Directors without objection.

2.3.5 Implementation of sustainable development and differences from the Code of Practice for Sustainable Development of listed and listed companies and reasons:

Promote Project	Operations			Differences and causes of differences in Sustainable Development Best Practice Principles for TWSE Listed Companies
	Yes	No	Description	
I. Has the Company established a governance structure to promote sustainable development and set up a special (part-time) unit to promote sustainable development, which is authorized by the Board of Directors to be carried out by senior management, and is supervised by the Board of Directors?	✓		The Company adheres to the principles of excellence in governance and is committed to the practice of environmental sustainability and social responsibility. To deepen the concept of sustainable management and fulfill corporate social responsibility, a “Sustainability (ESG) Committee” has been established under the Board of Directors. Chaired by the Chairman, the Committee is responsible for identifying and assessing sustainability risks and opportunities, promoting a global consensus on sustainability, and enhancing the Company's influence in sustainable practices through continuous performance improvement. Regarding institutionalization and implementation, the Company has established the “Sustainable Development Best Practice Principles.” We disclose practical achievements on the official website and regularly publish annual reports, with the most recent report submitted to the Board of Directors on June 6, 2025. In response to the government's “Net Zero Emissions” policy, the Company integrates sustainability concepts into R&D design, raw material procurement, manufacturing process optimization, and employees' daily conduct, building a comprehensive green value chain and making “Planetary Sustainability” a core value for every employee.	No discrepancies

Promote Project	Operations			Differences and causes of differences in Sustainable Development Best Practice Principles for TWSE Listed Companies
	Yes	No	Description	
			The Board of Directors periodically receives ESG reports from the management team and conducts feasibility assessments and dynamic oversight of corporate strategies. By continuously tracking implementation progress, the Board fulfills its supervisory and adjustment functions to ensure the precise achievement of corporate sustainability goals.	
II. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to the Company's operations according to the materiality principle, and establish relevant risk management policies or strategies?	✓		The Company sets a high priority on stakeholder engagement, viewing communication as a core driving force for corporate transparency and sustainable development. Through internal assessments and feedback collection, we identify key groups—including investors, employees, customers, and suppliers—and have established a materiality weighting evaluation mechanism. To address the specific needs of different stakeholders, we have constructed diversified communication channels to respond accurately to their concerns: 1. Customers and Suppliers: Through regular meetings, satisfaction surveys, and rigorous auditing mechanisms, we optimize service quality and build a responsible supply chain that complies with environmental regulations. 2. Employees: Through labor-management meetings and performance feedback systems, we ensure fair career development and a safe, healthy workplace.	No discrepancies

Promote Project	Operations			Differences and causes of differences in Sustainable Development Best Practice Principles for TWSE Listed Companies
	Yes	No	Description	
			3. Investors: By combining investor conferences, real-time revenue announcements, and the spokesperson system, we ensure transparent and symmetrical information within the capital markets. By continuously deepening interactions with all parties, the Company is committed to safeguarding stakeholder interests while fulfilling social responsibilities and achieving its vision of sustainable management. For detailed engagement performance and materiality analysis, please refer to the Company's "Sustainability Report."	
III. Environmental issues (1) Has the Company established an appropriate environmental management system that is appropriate for its industry?	✓		The Company has established a comprehensive environmental management system tailored to its industry characteristics, ensuring that all operations and production sites not only strictly comply with local regulations but also align with international green standards. The Company has currently implemented and maintains several international environmental management standards, with specific achievements as follows: 1. Environmental Management Foundation: Obtained ISO 14001 Environmental Management System certification to implement systematic environmental protection measures. 2. Climate Change Response: Introduced the ISO 14064 Greenhouse Gas Accounting and Verification management system to precisely monitor carbon emission data as a basis for carbon reduction decision-making.	No discrepancies

Promote Project	Operations			Differences and causes of differences in Sustainable Development Best Practice Principles for TWSE Listed Companies
	Yes	No	Description	
			3. Hazardous Substance Control: Passed the QC 080000 Hazardous Substance Process Management System and the Hazardous Substance Free (HSF) management system to ensure products meet green environmental specifications from the source. 4. Resource Circulation and Recycling: By conducting periodic performance reviews, the Company has initiated the implementation of the UL 2799 system starting with the Vietnam factory to continuously optimize waste management and resource recovery mechanisms, striving to minimize the ecological footprint throughout its operations. Through these systems, the Company transforms the concept of sustainable development into measurable management actions, achieving a win-win goal for both corporate operations and environmental protection.	
(2) Is the Company committed to improving energy efficiency and using recycled materials that have a low impact on the environment?	✓		I. Enhancing Energy Efficiency The Company is committed to promoting energy conservation and low-carbon transformation by constructing energy management systems, optimizing energy structures, and introducing recycled materials to minimize environmental impact. 1. Management System Certification: The Company regards ISO 50001 as a core tool for integrating energy strategies and reducing operational risks. Currently, our plants in Dongguan, Vietnam, Shenzhen, and Chengdu have all obtained this certification,	No discrepancies

Promote Project	Operations			Differences and causes of differences in Sustainable Development Best Practice Principles for TWSE Listed Companies
	Yes	No	Description	
			ensuring that energy management possesses systematic and continuous improvement momentum. 2. Energy Structure Transformation: To address the primary power consumption and non-renewable energy used in production, we are actively implementing Solar Photovoltaic (PV) systems to increase the proportion of renewable energy and reduce greenhouse gas (GHG) emission intensity. 3. Technical Performance: By regularly reviewing energy consumption data and promoting energy-saving retrofits for manufacturing equipment, the Company transforms environmental benefits into corporate competitiveness, achieving a win-win for both the economy and the ecology. II. Utilization of Low-Impact Recycled Materials 1. Circular Economy Practice: The Company actively promotes the circular reuse mechanism of packaging materials and prioritizes the selection of eco-friendly packaging with low environmental loads. 2. Resource Management Optimization: Through reduction and recycling strategies, the Company not only effectively reduces waste generation but also further implements Green Supply Chain Management to achieve sustainable development goals.	

Promote Project	Operations			Differences and causes of differences in Sustainable Development Best Practice Principles for TWSE Listed Companies
	Yes	No	Description	
(3) Does the Company evaluate the potential risks and opportunities of climate change for the enterprise now and in the future, and take measures to address climate related issues?	✓		Climate Change Strategy: TCFD and SBTi Frameworks Climate Risk Integration The Company attaches great importance to the impact of climate change on business operations. We have integrated climate risks into our core decision-making process and implemented systematic management through the TCFD framework and SBTi scientific targets. I. Climate Risk Management Mechanism (TCFD Framework) 1. Framework Adoption: In 2022, the Company formally adopted the Task Force on Climate-related Financial Disclosures (TCFD) framework, establishing a robust governance and risk control system. 2. Dynamic Assessment: We identify physical risks (e.g., extreme weather affecting production lines) and transition risks through a "Climate Risk Matrix." The Company conducts a comprehensive survey every three years, supplemented by annual rolling reviews, to ensure timely mastery and response to emerging climate risks. 3. Resilience Enhancement: By aligning business scope and facility characteristics with international initiatives and domestic environmental regulations, the Company formulates corresponding management policies to enhance operational resilience in the face of climate change. II. Science-Based Decarbonization Commitments (SBTi Targets)	No discrepancies

Promote Project	Operations					Differences and causes of differences in Sustainable Development Best Practice Principles for TWSE Listed Companies												
	Yes	No	Description															
			1. International Validation: Our plants in Shenzhen and Dongguan have successfully passed the target validation and review by the Science Based Targets initiative (SBTi). 2. Alignment with the Paris Agreement: We commit to aggressive decarbonization actions to ensure our reduction pathway aligns with the Paris Agreement's goal of limiting global warming to 1.5°C. By deeply aligning our business strategy with the global decarbonization trajectory, we meet the stringent green supply chain requirements of our brand customers.															
(4) Has the Company quantified greenhouse gas emissions, water consumption and total weight of waste, and the development of energy saving and carbon reduction, greenhouse gas reduction, water reduction or other waste management policies for the past two years?	✓		1. Greenhouse gas emissions data statistics, intensity, coverage, reduction policies, reduction targets and verification situations: Unit: metric tons co2e <table><thead><tr><th>Fiscal Year</th><th>Category I</th><th>Category II</th><th>Category III</th><th>Total Emissions</th><th>Intensity (total GHG emissions/ million revenue)</th></tr></thead><tbody><tr><td>2024</td><td>5,370</td><td>135,319</td><td>461,280</td><td>601,969</td><td>8.39</td></tr></tbody></table>			Fiscal Year	Category I	Category II	Category III	Total Emissions	Intensity (total GHG emissions/ million revenue)	2024	5,370	135,319	461,280	601,969	8.39	No discrepancies
Fiscal Year	Category I	Category II	Category III	Total Emissions	Intensity (total GHG emissions/ million revenue)													
2024	5,370	135,319	461,280	601,969	8.39													

Promote Project	Operations								Differences and causes of differences in Sustainable Development Best Practice Principles for TWSE Listed Companies	
	Yes	No	Description							
			2025	7,013	199,717	2,378,869	2,585,599	18.52		
			Note: Intensity refers to total greenhouse gas emissions per NT\$1 million in revenue.							
			Scope: Includes all companies in the consolidated financial statements, except for Fositek, which issues its own separate reports as a listed company. Some data is still under verification; the final data shall be based on the Sustainability Report.							
			A. Emission Reduction Targets: The target for greenhouse gas emission reduction in 2026 is to achieve a 3% decrease in emission intensity compared to 2025.							
			B. Greenhouse Gas Reduction Management Policy: In the interest of sustainability and where reasonably practicable, the Company prioritizes local procurement to minimize carbon emissions from logistics.							
			C. Achievement Status: The increase in emissions was primarily driven by Scope 3 (other indirect emissions), which rose from approximately 76.6% in 2024 to over 90% in 2025. This was most notably attributed to an increase in emissions from purchased goods and services, reflecting a significant growth in supply chain activities prompted by operational expansion. Given that Scope 3 emissions largely pertain to the supply chain and							

Promote Project	Operations			Differences and causes of differences in Sustainable Development Best Practice Principles for TWSE Listed Companies
	Yes	No	Description	
			product usage stages, they are difficult for the Company to directly control in the short term, causing the growth rate of total emissions to exceed that of revenue. Furthermore, in response to market demand, the Company has continued to expand production capacity and enhance its global footprint, leading to an increase in energy consumption and related indirect emissions. Prior to the full realization of economies of scale, this has affected carbon emissions per unit of revenue. In summary, the failure to reduce carbon intensity this year was primarily due to rapid operational expansion and a structural increase in Scope 3 emissions. The Company will continue to promote supply chain carbon management, the adoption of renewable energy, and the optimization of manufacturing processes to gradually improve carbon emissions performance. D. Verification result: The manufacturing plants of the Company in mainland China and Vietnam all obtained ISO 14064 certification for greenhouse gas emissions in 2024. As of the publication date of the annual report, the greenhouse gas emissions for each plant in 2025 are still undergoing verification. The information verified by a third party shall be based on the Sustainability Report. 2. Water consumption data statistics, intensity, coverage, reduction policy, reduction target and verification status.	

Promote Project	Operations			Differences and causes of differences in Sustainable Development Best Practice Principles for TWSE Listed Companies												
	Yes	No	Description													
			<table><tr><th>Fiscal Year</th><th>Total Water Consumption (Metric tons)</th><th>Intensity (total water consumption / million revenue)</th></tr><tr><td>2024</td><td>1,921,857</td><td>26.78</td></tr><tr><td>2025</td><td>2,562,496</td><td>18.35</td></tr><tr><td>Coverage</td><td colspan="2">AVCTW, AVCSZ /AVCCN, AVCDG /AVCP, AVCCD, AVCWH /AVCWN, D-Max JS, AVC (VN).</td></tr></table> Note: Intensity is calculated as total water consumption per million NTD of revenue. A. Reduction Target: The 2025 water conservation target for the Company and its manufacturing plants is a 5% reduction in water intensity compared to 2024. B. Implementation Measures: i. Increase the use of RO recycled water (reverse osmosis recycled water) for the air compressor cooling tower at the AVCDG. ii. Domestic wastewater is treated and reused for toilet flushing through a reclaimed water recovery system. C. Achievement: Achievement: In 2025, water intensity decreased by 31.48% compared to 2024, successfully achieving the 2025 reduction target (5%).	Fiscal Year	Total Water Consumption (Metric tons)	Intensity (total water consumption / million revenue)	2024	1,921,857	26.78	2025	2,562,496	18.35	Coverage	AVCTW, AVCSZ /AVCCN, AVCDG /AVCP, AVCCD, AVCWH /AVCWN, D-Max JS, AVC (VN).		
Fiscal Year	Total Water Consumption (Metric tons)	Intensity (total water consumption / million revenue)														
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2025	2,562,496	18.35														
Coverage	AVCTW, AVCSZ /AVCCN, AVCDG /AVCP, AVCCD, AVCWH /AVCWN, D-Max JS, AVC (VN).															

Promote Project	Operations			Differences and causes of differences in Sustainable Development Best Practice Principles for TWSE Listed Companies																				
	Yes	No	Description																					
			3. Waste Management: the company prioritizes the recycling and safe disposal of waste, strictly adhering to regulatory requirements. Waste is categorized and handed over to licensed and authorized companies for recycling and disposal. Waste in our facilities is classified into recyclable waste, hazardous waste, and general waste. Waste generation in the past two years: Unit: metric tons <table border="1"> <thead> <tr> <th>Fiscal Year</th><th>Hazardous waste</th><th>Non-hazardous waste</th><th>Total Waste Generated</th><th>Intensity (total waste volume/million revenue)</th></tr> </thead> <tbody> <tr> <td>2024</td><td>1,809.99</td><td>15,385.73</td><td>17,195.72</td><td>0.24</td></tr> <tr> <td>2025</td><td>2,431.59</td><td>28,340.14</td><td>30,771.73</td><td>0.22</td></tr> <tr> <td>Data range</td><td colspan="4">AVCTW, AVCSZ/ AVCCN, AVCDG/AVCP, AVCCD, AVCWH/AVCWN, D-MAX JS, AVC(VN).</td></tr> </tbody> </table> Note: Intensity refers to total waste volume per NT\$1 million in revenue. Reduction Target: Achieve a reduction of 0.50% to 2.0% or more in hazardous solid waste per unit of output value compared to the previous year.	Fiscal Year	Hazardous waste	Non-hazardous waste	Total Waste Generated	Intensity (total waste volume/million revenue)	2024	1,809.99	15,385.73	17,195.72	0.24	2025	2,431.59	28,340.14	30,771.73	0.22	Data range	AVCTW, AVCSZ/ AVCCN, AVCDG/AVCP, AVCCD, AVCWH/AVCWN, D-MAX JS, AVC(VN).				
Fiscal Year	Hazardous waste	Non-hazardous waste	Total Waste Generated	Intensity (total waste volume/million revenue)																				
2024	1,809.99	15,385.73	17,195.72	0.24																				
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Data range	AVCTW, AVCSZ/ AVCCN, AVCDG/AVCP, AVCCD, AVCWH/AVCWN, D-MAX JS, AVC(VN).																							

Promote Project	Operations			Differences and causes of differences in Sustainable Development Best Practice Principles for TWSE Listed Companies
	Yes	No	Description	
			Implementation Measures: 1. Incorporate requirements in procurement contracts for suppliers to recycle and reuse cardboard boxes. 2. Classify waste prior to disposal by qualified environmental service providers. 3. Implement the UL 2799A Environmental Claim Validation Procedure (ECVP) for Zero Waste to Landfill at the Vietnam manufacturing plants. C. Achievement: In 2025, the intensity of hazardous waste per unit of output value was 0.1741, representing a significant decrease of 30.97% compared to 2024. This performance successfully achieved the 2025 target (reduction of 0.50% to 2.0%).	
IV. Social Issues (1) Does the Company have relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	✓		The Company has established the “Asia Vital Components Co., Ltd. Human Rights Policy” (please refer to the official website at https://www.avc.co for policy details). Upholding the spirit of respecting human dignity and basic human rights, the Company is committed to creating a safe, equal, respectful, and inclusive work environment. We integrate human rights protection into our operational management and supply chain collaborations to fulfill our corporate social responsibility. The Company's Human Rights Policy refers to and complies with international human rights conventions, including the <i>Universal Declaration of Human Rights</i>, the <i>United Nations Guiding Principles on Business and Human Rights</i>, the <i>Ten Principles of the United Nations Global Compact</i>, the <i>International Covenant on Civil and Political Rights</i>, the	No discrepancies

Promote Project	Operations			Differences and causes of differences in Sustainable Development Best Practice Principles for TWSE Listed Companies
	Yes	No	Description	
			International Covenant on Economic, Social and Cultural Rights, the Convention on the Elimination of All Forms of Discrimination Against Women, the Convention on the Rights of the Child, the Convention on the Rights of Persons with Disabilities, the International Convention on the Elimination of All Forms of Racial Discrimination, and the Convention against Torture. This policy applies to all employees of the Company, its subsidiaries, and affiliates, covering suppliers, contractors, partners, and other stakeholders. The Company pledges to prohibit child labor, forced labor, and human trafficking; ensure equal employment and anti-discrimination; maintain workplace dignity; provide a safe and healthy working environment; and establish confidential grievance channels. The Company incorporates human rights requirements into its supply chain management system, conducting supplier assessments and audits as necessary to mitigate human rights risks. Regarding human rights governance, the Board of Directors oversees the strategic direction of the human rights policy, while the Sustainability Committee coordinates its promotion. This is executed in collaboration with units such as Human Resources, Occupational Health and Safety, Legal Affairs, and Supply Chain Management. The Company regularly reviews performance and discloses the policy and its implementation	

Promote Project	Operations			Differences and causes of differences in Sustainable Development Best Practice Principles for TWSE Listed Companies										
	Yes	No	Description											
			status on the corporate website and in the Sustainability Report to continuously enhance human rights protection measures. In 2025, the Company reported no incidents of forced labor, no complaints regarding human rights violations, no labor disputes, and no occurrences resulting in significant injury to employees. In 2025, employees were provided with corporate social responsibility training. The training covered the promotion of anti-corruption policies and related procedures, occupational health and safety education, as well as an overview of human rights policies and related procedures. The average training duration per employee was 1.83 hours. <table><tr><th>Indicator</th><th>2025 Performance</th></tr><tr><td>Forced Labor Incidents</td><td>Zero</td></tr><tr><td>Human Rights Complaints</td><td>Zero</td></tr><tr><td>Labor Disputes</td><td>Zero</td></tr><tr><td>Avg. Social Responsibility Training</td><td>1.83 hours per employee</td></tr></table>	Indicator	2025 Performance	Forced Labor Incidents	Zero	Human Rights Complaints	Zero	Labor Disputes	Zero	Avg. Social Responsibility Training	1.83 hours per employee	
Indicator	2025 Performance													
Forced Labor Incidents	Zero													
Human Rights Complaints	Zero													
Labor Disputes	Zero													
Avg. Social Responsibility Training	1.83 hours per employee													
(2) Has the Company established and implemented reasonable employee benefit measures (including salary, vacation and	✓		1. Comprehensive Employee Benefit Measures and Premium Workplace Environment The Company regards employees as its most significant asset and is committed to providing benefits and a friendly workplace that exceeds regulatory requirements: Welfare Mechanism: In accordance with the law, the “Employee Welfare	No discrepancies										

Promote Project	Operations			Differences and causes of differences in Sustainable Development Best Practice Principles for TWSE Listed Companies
	Yes	No	Description	
other benefits, etc.) and appropriately reflected operating performance or results in employee remuneration?			Committee” has been established. Welfare funds are appropriated regularly based on a percentage of revenue to provide travel subsidies and various grants for weddings, funerals, and other life events. • Superior to Regulations: The Company adopts standards exceeding current statutory requirements regarding insurance coverage, salary levels, and paid leave systems. • Facility Optimization: The Company continuously invests resources in infrastructure to enhance employees' quality of life. Based on the needs of various plant sites, facilities such as soccer fields, folk activity rooms, and lactation rooms have been constructed. Additionally, the Company provides convenient parcel storage services, fully upgraded dormitory air conditioning, and implemented campus greening projects to create a clean and healthy living and working environment. • AI Proposal Incentive Program: Employees are encouraged to leverage their creativity through an AI application proposal system, with monetary rewards provided to recognize outstanding contributions. • Diverse Benefits and Discounts: By partnering with external benefit providers, employees are offered a wide range of exclusive discount programs. 2. Operational Performance Reflected in Employee Compensation The Company shares its operational achievements with all colleagues through its	

Promote Project	Operations			Differences and causes of differences in Sustainable Development Best Practice Principles for TWSE Listed Companies
	Yes	No	Description	
			Articles of Incorporation and bonus systems: - Chartered Protection: Pursuant to Article 27 of the Company's Articles of Incorporation, if the Company records a profit for the year, no less than 3% shall be allocated as employee remuneration, with at least 1% reserved exclusively for entry-level employees to ensure fairness in distribution. - Performance Linkage: The "AVC Group Bonus Regulations" have been established to link compensation with corporate profits and ESG sustainability indicators. Performance bonuses are distributed based on the achievement status of each business unit and individual appraisal results. - Implementation Status: Performance bonuses cover all full-time employees of the Company and its subsidiaries. On March 11, 2026, the Board of Directors resolved to appropriate 3.12% of the 2025 profits (totaling NT\$800,000,000) as employee remuneration, of which at least 1% (totaling NT\$8,000,000) was allocated to entry-level employees. 3. Correlation Between Performance Evaluation and Remuneration for Directors and Executives - Director Remuneration: In accordance with the Articles of Incorporation, no more than 2% of profits shall be appropriated as director's remuneration. Individual directors are appraised annually for their participation and contribution based on	

Promote Project	Operations				Differences and causes of differences in Sustainable Development Best Practice Principles for TWSE Listed Companies		
	Yes	No	Description				
			the "Rules for Performance Evaluation of the Board of Directors." Aside from the remuneration specified in the Articles and attendance fees, no other compensation is provided. The Chairman’s performance measurement is strictly linked to the Company’s operations, financial results, and annual net profit after tax. - Executive Remuneration: Executive compensation is determined with reference to industry risks, business trends, individual qualifications, and performance. All relevant appraisals are reviewed by the Remuneration Committee and the Board of Directors to ensure a balance between sustainable operations and risk management. - ESG Key Performance Indicators (KPIs): The Company has integrated ESG performance into the appraisals of senior executives, accounting for 10% of the total score. The evaluation criteria include “MSCI ESG Ratings” and “Management of Significant Industrial Injury Incidents” (weighted at 50% each). This serves to incentivize management to actively enhance workplace safety, corporate image, and core sustainability competitiveness.				
			Bonus	Main Goal	Main	Sub-goal Description	Sub-goal

Promote Project	Operations							Differences and causes of differences in Sustainable Development Best Practice Principles for TWSE Listed Companies	
	Yes	No	Description						
				Category	Description	Goal Weight		Weight	
				KPI Bonus	ESG Implementation	10%	MSCI ESG Rating	50%	
							Major Occupational Injury Incidents	50%	
(3) Does the company provide a safe and healthy working environment for employees and implement occupational safety and health education for employees on a regular basis?	✓		Within our blueprint for sustainable development, employee health and safety remain a core priority. The Company not only strictly adheres to environmental and safety regulations and ISO 45001 Occupational Health and Safety Management Systems but also pledges to establish a safe workplace through systematic prevention and management. In 2025, there were no major occupational accidents. Regarding workplace environment protection, each manufacturing plant conducted two fire drills and implemented between 12 to 52 safety and health inspections annually based on risk profiles. This ensures that all personnel engaged in specialized operations have obtained qualified certifications in accordance with the law. Furthermore, professional medical personnel have been introduced to provide consultation and health examination services, with total health check participation reaching 23,655 person-times for the year.						No discrepancies

Promote Project	Operations			Differences and causes of differences in Sustainable Development Best Practice Principles for TWSE Listed Companies												
	Yes	No	Description													
			In terms of safety and health education, the Company regularly organizes systematic training, with cumulative participation reaching 38,795 person-times in 2025. Additionally, the Company launched the innovative "Saving the Desert Oasis" health promotion activity, where employees achieved over 100 million cumulative steps, integrating carbon reduction with physical and mental well-being. Looking ahead, we will continue to strengthen employees' self-safety management capabilities through quarterly meetings of the Occupational Safety and Health Committee and by advancing mid-to-long-term goals such as ISO 45001 certification, thereby creating a comprehensive and safe workplace environment. The details of the ISO 45001 Occupational Health and Safety Management Systems certifications obtained by the Company's various plant sites are as follows: <table><thead><tr><th>Site</th><th>Validity Period</th><th>Remarks</th></tr></thead><tbody><tr><td>AVCSZ</td><td>Nov. 4, 2023 to Nov. 3, 2026</td><td>—</td></tr><tr><td>AVCWH</td><td>Sept. 8, 2021 to Oct. 10, 2024 Aug. 26, 2024 to Oct. 10 2027</td><td>—</td></tr><tr><td>AVCCD</td><td>May 29, 2022 to May 28, 2025</td><td>—</td></tr></tbody></table>	Site	Validity Period	Remarks	AVCSZ	Nov. 4, 2023 to Nov. 3, 2026	—	AVCWH	Sept. 8, 2021 to Oct. 10, 2024 Aug. 26, 2024 to Oct. 10 2027	—	AVCCD	May 29, 2022 to May 28, 2025	—	
Site	Validity Period	Remarks														
AVCSZ	Nov. 4, 2023 to Nov. 3, 2026	—														
AVCWH	Sept. 8, 2021 to Oct. 10, 2024 Aug. 26, 2024 to Oct. 10 2027	—														
AVCCD	May 29, 2022 to May 28, 2025	—														

Promote Project	Operations					Differences and causes of differences in Sustainable Development Best Practice Principles for TWSE Listed Companies
	Yes	No	Description			
			AVCDG	Nov.26, 2022 to Nov. 20, 2025	—	
			AVC(VN)	Feb. 5,2023 to Feb. 4, 2026		
			A total of 14 fire drills were conducted in 2025 with an aggregate of 31,356 participants to enhance personnel fire safety awareness and mitigate potential disaster losses. 2. The plants covered include: AVCTW, AVCSZ/AVCCN, AVCDG/AVCP, AVCCD, AVCWH /AVCWN, D-Max JS, AVC(VN). 3. In 2025, there were 103 cases of occupational diseases reported. The total number of disabled injury cases per million working hours was 0.05 (frequency rate of disabled injuries, FR), and the total number of days lost due to disabled injuries per million working hours was 11.31 (severity rate of disabled injuries, SR). 4. In 2025, there was 1 fire incident, with 0 casualties. The casualty rate as a percentage of total employees was 0%. The following are the fire prevention and improvement measures taken: On April 18, 2025, a fire incident occurred at the AVCDG. The incident was triggered by a short circuit in the monitoring circuitry, which activated the alarm and sprinkler systems, and no open flames were observed. The incident resulted in damage to certain equipment and moisture damage to inventory. The Company has completed the cleanup and maintenance operations and has reinforced relevant management			

Promote Project	Operations			Differences and causes of differences in Sustainable Development Best Practice Principles for TWSE Listed Companies
	Yes	No	Description	
			measures. This incident has no material impact on the Company's financial position or business operations. In response to the fire incident, and in adherence to the principle of "prevention is better than cure" to achieve the goal of zero workplace accidents, the Company has implemented systematic improvement and preventive measures. Regarding hardware equipment and preventive monitoring, the Company, in addition to regular safety inspections of firefighting equipment and maintenance of monitoring systems, continues to invest in optimizing automatic alarm facilities and has introduced smart thermal imaging cameras for temperature tracking in high-risk distribution panels and server rooms to prevent fire hazards caused by short circuits or overheating. Regarding organizational training and employee response, each plant conducts annual scheduled fire drills, utilizing practical self-defense fire fighting team exercises and simulated evacuation training to strengthen emergency response capabilities, while also conducting educational programs including RBA standards and onboarding training to enhance employee safety and health awareness. Regarding management systems and standard operating procedures (SOP), the Company has established an Occupational Health and Safety Committee, strictly enforces the internal hot work permit system and on-site fire watch controls, and has strengthened fire safety supervision for external contractors.	

Promote Project	Operations			Differences and causes of differences in Sustainable Development Best Practice Principles for TWSE Listed Companies
	Yes	No	Description	
(4) Has the Company established an effective career development training program for its employees?	✓		To cultivate the talent necessary for business development, the Company has established "Education and Training Management Regulations" to standardize the implementation of training initiatives. Each year, we review business conditions and human resources development needs to formulate annual training plans and execute corresponding programs. Through talent cultivation, we strengthen managerial capabilities and professional knowledge, building a robust pipeline of management and technical experts at all levels. Based on the Company's strategic objectives, regulatory requirements, and the professional needs of various positions and levels, the Company provides the following training categories: • New Hire Training: Designed to help new employees understand the corporate culture, history, relevant work regulations, and the knowledge and skills required for their roles, facilitating rapid integration into the Company. • In-service Training: Tailored to the competencies required for different levels, positions, and job functions. This includes professional technical skills, management capabilities, general knowledge, mandatory courses based on organizational policy, and specialized professional certification requirements. The focus is on increasing the depth and breadth of employees' professional knowledge	No discrepancies

Promote Project	Operations			Differences and causes of differences in Sustainable Development Best Practice Principles for TWSE Listed Companies
	Yes	No	Description	
			and skills, enabling them to adapt quickly to corporate culture and accumulate practical job-related expertise. In 2025, the total duration of various career training programs across all plant sites reached 1,821,133 hours, with an average of 10.24 training hours per employee.	
(5) Does the Company follow the relevant laws and regulations and international standards on issues such as customer health and safety, customer privacy, marketing and labeling of its products and services, and has it established relevant policies and complaint procedures to protect the rights of consumers or customers?	✓		The Company has appointed dedicated personnel and established an email inbox to handle customer rights and complaints, ensuring that all grievances are addressed in a fair and timely manner. The marketing and labeling of all products strictly comply with relevant regulations and international standards to ensure product quality. Regarding the introduction of new suppliers, preference is given to those holding ISO 14001 certification or evidence of green supply chain management. For the introduction of new materials, suppliers are required to provide supporting documentation certifying compliance with RoHS and REACH regulations. The Company has constructed a robust grievance mechanism to support both internal and external stakeholders in reporting violations of business ethics or illegal activities through interviews, letters, or telephone. In addition to these channels, each of the Company's operating sites has established internal employee suggestion boxes, dedicated hotlines, and mailboxes to receive and process grievances from both internal and external parties.	No discrepancies

Promote Project	Operations			Differences and causes of differences in Sustainable Development Best Practice Principles for TWSE Listed Companies
	Yes	No	Description	
(6) Does the Company have a supplier management policy that requires suppliers to follow relevant regulations on environmental protection, occupational safety and health or labor human rights issues, and what is the status of relevant implementations?	✓		Within the framework of sustainable operations, supply chain management is a pivotal component in implementing environmental and social responsibilities. The Company has established a clear supplier management policy requiring suppliers to strictly adhere to international standards and the Company's guidelines regarding environmental protection, occupational health and safety, and labor rights. Concrete implementation achievements in 2025 include the execution rate for new suppliers signing the "Warranty of Non-Use of Prohibited/Restricted Substances," "Commitment to Social Accountability International Standard (SA8000)," and "Supplier Social Responsibility Code of Conduct" reaching 85%, while maintaining strict compliance with RoHS and other regulatory restrictions on hazardous substances to mitigate environmental pollution and its impact on human health. In terms of environmentally friendly procurement, localized procurement in the China region accounted for 80% of the total procurement value in 2025, and the successful integration of recycled steel materials, such as Zhongwang RC20 and Baosteel RC20, effectively reduced logistics-related carbon emissions and enhanced resource utilization efficiency. Furthermore, the Company actively strengthened supplier consensus through engagement activities, hosting a Supplier Conference in Vietnam in November 2025 with 99 representative suppliers participating to communicate the ESG vision and provide relevant training. Looking forward, the Company has set clear phased objectives, including completing GHG data and energy-saving surveys covering 80% of	No discrepancies

Promote Project	Operations			Differences and causes of differences in Sustainable Development Best Practice Principles for TWSE Listed Companies
	Yes	No	Description	
			procurement value by 2026, implementing ISO 20400 Sustainable Procurement Principles across major production sites in Shenzhen, Dongguan, and Vietnam, requiring suppliers to obtain ISO 14064 certification by the end of 2027, and achieving a long-term carbon reduction target of 40% by 2030 to co-create a sustainable supply chain ecosystem.	
5. Has the Company made reference to international standards or guidelines for the preparation of reports, such as sustainability reports, which disclose non-financial information about the Company? Has the Company obtained any assurance or guarantee from a third party?		✓	The Company's Sustainability Report is prepared by the Operations Service Group. Following an internal review, the report is submitted to and approved by the Sustainability Committee, after which it is reported to the Board of Directors. The report has not yet undergone third-party assurance.	The Company will send to a third-party verification unit to issue a confidence or guarantee opinion according to actual needs in the future.
6. If the Company has its own Code of Conduct for sustainable development in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," please describe the differences between its operations and the Principles: The company has established a "Sustainable Development Practices Guideline" that outlines specific regulations and standards for environmental protection, community engagement, social				

Promote Project	Operations			Differences and causes of differences in Sustainable Development Best Practice Principles for TWSE Listed Companies
	Yes	No	Description	
contributions, social services, public welfare, customer rights, human rights, and health and safety. You can download the guideline from the company website. For information on the Company's sustainable development performance, please refer to the annual report and sustainability report.				
7. Other important information that can help facilitate the understanding of the implementation of sustainable development by the Company: Over the years, the Company has actively engaged in social welfare initiatives and remains dedicated to caring for the underprivileged. In addition to our continuous focus on environmental protection and the education and health of children in remote areas, including the provision of necessary supplies and equipment, we actively invest in promoting cultural cultivation and sporting events. Our goal is to foster a peaceful and inclusive society that supports sustainable development. The implementation of our social welfare activities is as follows: In 2025, the Company fulfilled its corporate social responsibility through substantial resource investment, executing a total of 20 major philanthropic projects across its plant sites in Taiwan and Mainland China. In the Taiwan region, through the AVC Education Foundation, a total of over NT\$5.37 million was invested to deepen impact on education and local development. Regarding talent cultivation, merit scholarships were awarded to 102 students. To promote educational equity, we invested NT\$1 million each into the "Mobile Smart School" rural outreach service, the upgrade of gifted education equipment at Yichang Elementary School in Hualien County, and the "iSTEAM-PowerTech" Youth Technology Creation Contest. We donated casual jackets valued at NT\$134,000 to the Tamsui Police Precinct to boost morale and support police affairs as a concrete contribution to society. The Company further allocated NT\$450,000 to support classroom renovations at Ziqiang Junior High School to ensure a high-quality learning environment for students in underserved areas. Additionally, NT\$1 million was provided to sponsor women’s professional golf, aimed at cultivating youth talent and supporting the hosting of international tournaments. A donation of NT\$60,000 was made to the Sunfar Charity Sports Association to advocate for “Happiness through				

Promote Project	Operations			Differences and causes of differences in Sustainable Development Best Practice Principles for TWSE Listed Companies
	Yes	No	Description	
			Sports” and spread social impact. We also donated NT\$200,000 to an initiative that allows students to learn scientific concepts and technological knowledge through building blocks, aiming to encourage more schools to participate and realize the educational philosophy of creative development and aptitude-based talent cultivation within the 12-year National Curriculum. The Company donated NT\$300,000 under the theme “Craft as a Bridge: Letting the World See the Beauty of Taiwanese Handcrafted Art,” actively participating in international patchwork exhibitions to showcase Taiwanese works on the global stage. In our Mainland China plants, philanthropic actions focused on environmental protection and community mutual aid, with a total investment exceeding RMB 34,000 and significant employee mobilization. In terms of ecological maintenance, the Company provided RMB 30,000 for the desilting project of the Xialangpai Channel to tangibly improve community water quality; meanwhile, the Dongguan plant participated in forest tree-planting activities. Regarding life-saving and community care, employees across various sites demonstrated high levels of participation. Specifically, 41 employees from the Shenzhen plant participated in blood drives, contributing a total of 11,400ml of blood; the Wuhan and Dongguan plants also mobilized 17 and 20 employees respectively to respond to this cause. The Company’s efforts in ESG social responsibility demonstrate substantial results in the mutual prosperity of the enterprise and society.	

2.3.6 Climate-related actions

Item	Implement status
1. Describe the Board of Directors and the management's oversight and governance on climate-related risks and opportunities.	<u>Management Policy:</u> ● Establish an ESG Committee (which meets at least twice a year) as the core unit for AVC to promote sustainable development, and regularly report sustainability issues, operational and climate change risk assessment and management to the Board of Directors. ● The Board of Directors regularly (once a quarter) checks the ESG Committee's report on the progress of greenhouse gas inventory and verification, the implementation of major sustainable issues, TCFD information and greenhouse gas inventory roadmap, and provides feedback accordingly. <u>Implementation Status:</u> ● Follow the TCFD framework to disclose climate-related financial disclosure information. ● Established the ESG Committee in May 2022 and reported the greenhouse gas inventory plan to the Board of Directors periodically. ● Reported the progress of greenhouse gas inventory and verification to the Board of Directors on March 12, May 12, August 13 and Nov. 12, 2025, respectively.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	1. Short-term Strategic Focus (1-3 Years): Climate Resilience and Supply Stability Current challenges primarily involve immediate physical risks, such as typhoons or extreme heavy rainfall. Such climate disasters can lead to production shutdowns or logistics disruptions within the Company or its supply chain, resulting in delay risks for delivery. To address this, by refining our carbon footprint verification system and implementing the ISO 20400 Sustainable Procurement Guidance starting in 2026, the Company will establish early warning and risk management mechanisms.

Item	Implement status
	2. Medium-term Strategic Focus (3-10 Years): Low-carbon Transformation and Compliance Costs As government policies and customer net-zero targets become increasingly stringent, transition risks have become a core focus. While introducing low-carbon materials, increasing the proportion of recycled content, and expanding green energy installations will drive up operational and raw material costs, these actions are essential to maintaining supplier qualifications. Regarding the regulatory volatility of green power procurement and carbon trading markets, the Company adopts a dynamic observation strategy, offsetting the impact of transformation costs through optimized production efficiency and R&D innovation. 3. Long-term Strategic Focus (Over 10 Years): Climate Normalization and Sustainable Business Models Long-term climate change (such as persistent high temperatures and droughts) poses a structural threat to the stability of upstream resources. To prevent business interruptions caused by raw material shortages, the Company is committed to reshaping its business model. We are moving toward 100% renewable energy usage and constructing a circular supply chain to adapt to increasingly extreme environmental and policy trends.
3. Describe the financial impact of extreme weather events and transformative actions.	1. Physical Climate Risks Extreme weather events, such as torrential rain, flooding, or droughts leading to wildfires, pose severe challenges to global supply chains. These events may cause disruptions in material production or logistics, subsequently affecting product delivery schedules and overall operational stability. 2. Transformation Challenges and Opportunities To achieve a net-zero transition, the Company is actively introducing low-carbon raw materials,

Item	Implement status
	recycled packaging, and expanding its renewable energy footprint. Although these initiatives have increased operational costs in the short term, the global trend toward a low-carbon economy has significantly driven up market demand for High-Efficiency Liquid Cooling Solutions. The Company is seizing this opportunity to accelerate product line iterations, which not only creates space for revenue growth but also translates into a tangible and sustainable competitive advantage in the market.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	The company has designed a TCFD risk and opportunity questionnaire based on the TCFD guidelines, climate-related disclosures, and departmental interviews conducted by members of the ESG Committee. The questionnaire assesses the impact and frequency of climate risks and opportunities. Based on the questionnaire responses, a matrix diagram is used to identify significant climate change risks and future high-potential climate opportunities.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	There is no scenario analysis yet. The Company expects to implement scenario analysis operations starting in 2026.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	The Company's production bases in AVCSZ and AVCDG have officially passed the target validation by the Science Based Targets initiative (SBTi), and to implement this climate transition pathway, we have integrated multiple substantive actions, including the execution of plant-wide energy-saving programs, the expansion of solar renewable energy installations, and the accelerated replacement of high-energy-consumption production equipment, thereby

Item	Implement status
	transforming our low-carbon transition goals into tangible operational achievements.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The Company has not yet implemented internal carbon pricing.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	AVCSZ and AVCDG were approved for their carbon reduction targets by the Science Based Targets initiative (SBTi) in June and November 2024, respectively. Using 2022 as the base year, AVC aims to reduce absolute Scope 1 and Scope 2 greenhouse gas emissions by 50.4% by 2032. Additionally, by 2032, Scope 3 emissions per 10,000 RMB of value added are targeted to decrease by 58.1% compared to the base year. To achieve these targets, AVC is implementing climate-related transition actions such as promoting various energy-saving programs, installing solar power systems, and replacing energy-intensive machinery and equipment. Starting in 2026, AVC plans to introduce ISO 20400 sustainable procurement principles in its major manufacturing sites, namely AVCDG, AVCSZ, and AVC(VN), and work collaboratively with suppliers to meet these goals.
9. Greenhouse gas inventory and assurance	The Company and all entities included in the consolidated financial statements (with the exception of Fositek Corp., which issues its own report as a listed company) will obtain third-party verification reports for their 2025 greenhouse gas (GHG) inventories. The proportion of carbon inventories receiving third-party verification is approximately 100%. For details on the greenhouse gas inventory, please refer to Section 2.3.5, "Implementation of Sustainable Development," in the Annual Report.

2.3.7 Ethical Corporate Management and Situations and reasons for differences with the Code of Business Conduct and Ethics for TSEC/TPEX Listed Companies.

Evaluation Item:	Implementation Status			Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1. Establishment of ethical corporate management policies and programs (1) Did the Company establish an Ethical Corporate Management Policy that was approved by the Board of Directors, and declare its ethical corporate management policy and methods in its regulations and external documents, as well as the commitment of its Board and management to implementing the management policies?	✓		(1) The Company has established the "Procedures for Ethical Management and Guidelines for Conduct" approved by the Board of Directors to ensure the highest standards of integrity and professional ethics in all business dealings with shareholders, employees, customers, suppliers, government authorities, and the public in operating locations (including situations where personal interests conflict with corporate interests). The following ethical management policies have been instituted: 1. Prohibition of accepting or providing any form of bribery. 2. Strict adherence to privacy protection and non-disclosure of corporate trade secrets or other confidential information. 3. Compliance with all legal regulations and social norms. 4. Prohibition of involvement in unfair competition. These policies aim to collectively maintain and foster an honest and incorruptible working environment.	None.
(2) Does the Company establish mechanisms for assessing the risk of unethical conduct, periodically analyze and assess operating activities within the scope of	✓		(2) The Company puts its corporate belief, establishes the workplace culture, promotes five core values in accordance with work ethics and behavioral guidelines. We also	

Evaluation Item:	Implementation Status			Deviations from the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
business with relatively high risk of unethical conduct, and formulate an unethical conduct prevention plan on this basis, which at least includes preventive measures for conduct specified in Article 7, Paragraph 2 of the “Ethical Corporate Management Best- Practice Principles for TWSE/TPEX Listed Companies”? (3) Did the Company specify operating procedures, guidelines for conduct, punishments for violation, rules of appeal in the unethical conduct prevention plan, and does it implement and periodically review and revise the plan?	✓		establish and maintain fair, efficient, and superior work environment to ensure sustainable operation of the enterprise. A reporting system was established to allow employees and related people to report any inappropriate conduct. Senior executive officers of the Company would be designated to deal with the case personally. (3) To promote ethical conduct, the Company published relevant regulations on the internal website for easy access by all employees. Furthermore, we promote the Company’s core values and compliance system to all staff members and provide related educational training programs. The Company and its subsidiaries have established a strict accounting system, internal control and audit system to prevent unethical behavior. We also implemented a whistle-blowing system to encourage internal and external personnel to report illegal and fraudulent activities. All personnel are encouraged to report illegal and dishonest acts, and the Company regularly evaluates the compliance of the relevant business processes.	
2. Fulfill operations integrity policy (1) Does the Company evaluate business partners’ ethical records and include ethics-related clauses in business contracts?	✓		(1) All employees must maintain impartiality when managing relationships with suppliers. No attempt should be made to exert	None.

Evaluation Item:	Implementation Status			Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(2) Did the Company establish a dedicated unit under the Board of Directors to promote Ethical Corporate Management, and periodically (at least once a year) report to the Board of Directors and supervise the implementation of the Ethical Corporate Management Policy and Unethical Conduct Prevention Plan?	✓		influence on securing "preferential treatment" for a specific supplier, as this compromises the Company's competitive selection process. Procurement agreements must be properly reviewed and clearly specify the goods or services provided, the basis for payment calculations, and appropriate pricing and fees. All payment amounts must strictly correspond to the actual services or products delivered. (2)1. The "Sustainability and Risk Management Committee," under the Board of Directors of the Company, has established an "Integrity Management Promotion Task Force," convened by the Corporate Governance Officer. Based on the functions and scopes of responsibility of each department, this task force ensures the implementation of the Integrity Management Best Practice Principles. The Board of Directors receives a report on the effectiveness of integrity management implementation annually. On June 6, 2025, the Integrity Management Promotion Task Force reported its implementation status to the Board of Directors. After reviewing the results of the integrity risk assessment (which indicated no material corruption risks for that year), the Board of Directors	

Evaluation Item:	Implementation Status			Deviations from the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	✓		approved the assessment report and affirmed the effectiveness of the anti-corruption policies and integrity agreements currently implemented by the management team. The Board of Directors further directed management to continue implementing existing integrity management operational procedures to ensure high standards of corporate governance. 2. To avoid conflict of interest and provide appropriate channels for stating opinions, the Company has established Procedures for Ethical Management and Guidelines. 3. After conducting an internal audit on the internal control operations for FY2025, no related issues violating the principles of integrity in business were found. No internal or external reports or legal cases were received regarding the Company’s integrity in business. There were no violations of the standards related to the principles of integrity in business for the year 2025. (3) In order to implement the provisions of the “Code of Conduct and Behavioral Guidelines for Integrity in Business Operations,” and to reduce and prevent employee violations, a “dedicated line” and a “Complaint mailbox” have been set up. The company welcomes supervision from	

Evaluation Item:	Implementation Status			Deviations from the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(4) Does the Company have effective accounting and internal control systems set up to facilitate ethical corporate management? Does the Internal Auditing Unit formulate audit plans based on unethical conduct risk assessment results, and does it verify compliance with the unethical conduct prevention plan or commission a CPA to perform the audit?	✓		all sectors of society and complains about employees' violations through the hotline. Directors who have an interest in any matter discussed at the Board of Directors meeting, whether for themselves or for their represented entities, which may harm the company's interests, shall not participate in the discussion or vote, and shall recuse themselves during the discussion and voting process. (4) The Company has established an internal control and processing system of accounting to ensure that every internal trade was conducted under appropriate authorization, with clear records, and in compliance with all laws. The internal auditor will review the implementation of internal control system and submit an audit report to the Board.	
(5) Does the Company regularly hold internal and external educational trainings on operational integrity?	✓		(5) AVC adheres to the philosophy of sustainable development by establishing a management system based on five core values, requiring all colleagues to uphold the principles of integrity and responsibility while strictly following the Code of Conduct for Integrity and Honesty: prohibiting the acceptance or provision of any form of bribery; prioritizing privacy protection and non-disclosure of corporate trade secrets or confidential information; complying	

Evaluation Item:	Implementation Status			Deviations from the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			with all legal regulations and social norms; and abstaining from unfair competition. In 2025, the Group conducted three internal advocacy sessions reaching 20,827 participants, along with physical ethical management courses attended by 15,796 employees for a total of 5,044 hours. Furthermore, directors and executives participated in 24 hours of training across 8 sessions covering corporate governance, securities regulations, insider trading compliance, and anti-insider trading advocacy; these courses encompassed confidential handling of material information, the causes and identification of insider trading with case studies, and procedures for the scope, secrecy, disclosure, and penalty of internal material information. Based on internal audits of 2025 internal control operations, no violations of ethical management were found, nor were any internal or external reports or legal cases related to ethical management received; consequently, there were no instances of non-compliance with the Corporate Ethical Management Code in 2025.	
3. Operation of the integrity channel (1) Does the Company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	✓		(1) The Company specifies the rewards and related procedures in Article 21 of the Procedures for Ethical Management and Guidelines for Conduct and has been working in accordance with related regulations.	None.

Evaluation Item:	Implementation Status			Deviations from the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(2) Does the Company establish standard operating procedures for investigating reported cases, and does it take subsequent measures and implement a confidentiality mechanism after completing investigation?	✓		(2) The Company guarantees confidentiality of the reporters’ identities, but it retains the right to impose penalties on employees who make such reports with malicious, harassing, or unjust intentions.	
(3) Does the company provide proper whistleblower protection?	✓		(3) Any employee shall not be subject to vengeance by the Company or other employees.	
4. Strengthening information disclosure (1) Does the company disclose its ethical corporate management policies and the results of its implementation on the company’s website and MOPS?	✓		(1) The Company will regularly disclose the content and progress of its Integrity Management Code on its website and in its annual report.	None.
5. If the Company has established its own Ethical Corporate Management Policies based on the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies,” please describe any discrepancies between the policies and their implementation. The Company has established Procedures for Ethical Management and Guidelines for Conduct in accordance with the Ethical Corporate Management Best Principles for TWSE/GTSM Listed Companies. All employees, managers, and the Board of Directors of the Company shall abide by the guidelines and regulations in related Articles. The range of duties is mostly consistent with those specified in the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies. The ultimate objective is to prevent corporate corruption and ensure the implementation of internal control mechanisms that facilitate the prevention and detection of corrupt practices.				
6. Other important information to facilitate a better understanding of the Company’s ethical corporate management policies (e.g., review and amend its policies): There was no compensation or irregular incident claims in 2025.				

2.3.8 Other Important Information Regarding the Corporate Governance

2.3.8.1 On-the-job training of the Directors in the recent year and preceding the publication date of the annual report:

Title	Name	Training date	Organizer	Course Title	Training hours	Total Training Hours
Corporate Director Representative	Shen, Ching Hang	2025/11/04	Taiwan Corporate Governance Association	Insider Trading and Securities Regulations	3	6
		2025/05/27	Taiwan Corporate Governance Association	Tax Planning for Family Succession	3	
Corporate Director Representative	Ono Ryoji	2025/07/09	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	6	6
Corporate Director Representative	Kawabata Kenya	2025/07/09	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	6	6
Corporate Director Representative	Kato Shin	2025/07/09	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	6	6
Director	Kitanoya Atsushi	2025/07/09	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	6	6
Corporate Director Representative	Chen, Yi Chen	2025/11/04	Taiwan Corporate Governance Association	Insider Trading and Securities Regulations	3	6
		2025/05/27	Taiwan Corporate Governance Association	Tax Planning for Family Succession	3	
Corporate Director Representative	Huang, Chiu Mao	2025/11/04	Taiwan Corporate Governance Association	Insider Trading and Securities Regulations	3	6
		2025/05/27	Taiwan Corporate Governance Association	Tax Planning for Family Succession	3	
Independent Director	Ueng Joseph Chiehchung	2025/07/09	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	6	6

Title	Name	Training date	Organizer	Course Title	Training hours	Total Training Hours
Independent Director	Lin, Tzu Yun	2025/07/09	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	6	9
		2025/05/16	Securities & Futures Institute	2025 Anti-Insider Trading Advocacy Session	3	
Independent Director	Cheng, Chun Jen	2025/11/11	Taiwan Corporate Governance Association	AI Applications, Law, and Auditing	3	9
		2025/11/10	Taiwan Corporate Governance Association	Enterprise Risk and Corporate Social Responsibility	3	
		2025/08/07	Corporate Governance and Sustainable Development Association	Challenges and Strategies for Taiwanese Businesses under the New Trump Administration	3	
Independent Director	Chen, Ren Her	2025/11/21	Securities & Futures Institute	2025 Legal Compliance Seminar on Insider Equity Trading	3	18
		2025/10/15	BCSD Taiwan	Toward a Global Circular Vision: GCP Architecture and the Path to Circular Economy Practices in Taiwan's Industry	3	
		2025/10/03	Securities & Futures Institute	2025 Anti-Insider Trading Advocacy Session	3	
		2025/08/15	Securities & Futures Institute	2025 Legal Compliance Seminar on Insider Equity Trading	3	
		2025/07/09	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	6	

2.3.8.2 Operation of Corporate Governance Unit, Sustainable Development, and Ethical Management Unit of the Company and implementation of related policies:

2.3.8.2.1 Corporate Governance Unit:

The Company has established a Corporate Governance Unit in accordance with the law and established a Corporate Governance Working Group, which is convened by the Corporate Governance Officer. The Group Auditing Division is responsible for related promotion and operation. The main responsibilities are as follows:

- A. To plan for proper corporate system and organizational structure to improve independence of the Board, transparency of the Company, abidance by the laws, and internal control.
- B. To solicit opinions from all directors to plan and draft the agenda prior to Board meetings and provide notice of attendance and sufficient meeting materials to all directors at least seven days in advance to facilitate their understanding of the agenda items. Should any agenda item involve a potential conflict of interest requiring a director's recusal, the relevant party will be reminded in advance.
- C. To register the date of the Shareholders' Meeting annually in accordance with the law, create and report notification, handbook, and proceedings for the Meeting before deadline, and register for alterations after amendments in Articles of Incorporation or reelections of Directors.
- D. To conduct performance review of each Director and overall evaluation of internal operational performance annually and designate an independent professional institution or experts outside the Company to conduct an external performance evaluation at least once every three years.

2.3.8.2.2 Operational Status of the ESG Committee

Under the Board of Directors, AVC has set up a ESG Committee, led by the Chairman, to coordinate the definition of sustainable development risks and opportunities, evaluate the performance of sustainable development, establish a consensus on the global operation of sustainable development, and share and learn from the experience of sustainable development to enhance the effectiveness of AVC in the practice of sustainable development. The ESG Committee held 2 (A) meetings in 2025. The attendance of the members is as follows:

Title	Name	Sustainability Expertise and Competencies	Actual attendance (B)	Delegated attendance	Actual attendance rate (%) (B/A)	Notes
Chairman	Shen, Ching Hang	Integrating SDGs into Corporate Operations	2	0	100	—
Member	Lin, Tzu Yun	Green Finance & Investment,	2	0	100	—

Title	Name	Sustainability Expertise and Competencies	Actual attendance (B)	Delegated attendance	Actual attendance rate (%) (B/A)	Notes
		Sustainability Bonds, and Green Loans				
Member	Kuo, Hui Ying	Climate & Net-Zero, Carbon Footprint Inventory, Decarbonization Strategies, and Climate Risk Assessment	2	0	100	—
Member	Chen, Yi Chen	Green Finance & Investment, Sustainability Bonds, and Green Loans	1	0	100	Newly Appointed on June 6, 2025
Member	Chen, Yen Liang	Green Finance & Investment, Sustainability Bonds, and Green Loans	1	0	100	
Member	Shen, Hsing Hao	Strategy & Innovation: Integrating Sustainability into Core Business Models and Developing Green Products & Services	1	0	100	
Member	Wang, Jui Pin	Circular Economy and Resource Management	1	0	100	Term Ended on June 6, 2025
Member	Chen, Shu Mei	Collection, Analysis, Compilation, and Disclosure of Sustainability Information	0	0	0	

Operating status

Date / Session	Items
May 27, 2025 (7 th meeting of 1st-term)	1. AVC “2024 Greenhouse Gas Inventory Report.”
	2. AVC “2024 ESG Report.”
	Opinions of the ESG Committee: No objection or reservation. Decision result: All proposals were passed with the unanimous consent of all attending members of the ESG Committee. Company's handling of the ESG Committee's opinions: Implementation in accordance with the decision-making matters.
Oct. 29, 2025 (1 ST meeting of 2 nd -term)	1. The Company proposes to engage Ernst & Young to provide advisory and assessment services for sustainability-related initiatives.
	2. Establishing AVC’s 2026 targets for energy conservation, waste reduction, and water savings.
	3. Formulating the “Special Budget for Green Energy Procurement” for the 2026 fiscal year.
	4. Planning and organizing the AVC ESG Event Series to promote sustainability awareness and engagement.
	Opinions of the ESG Committee: No objections or reservations. Decision result: All proposals were passed with the unanimous consent of all attending members of the ESG Committee. Company's handling of the ESG Committee's opinions: Implementation in accordance with the decision-making matters.

2.3.8.2.3 Integrity Management Promotion Group

1. The company has established an “Integrity Management Promotion Task Force” composed of the Corporate Governance Officer and the Human Resources Department. This task force ensures the implementation of the Integrity Management Code based on the responsibilities and scope of each unit and reports its execution status to the Board of Directors annually.
2. Responsibilities of the Integrity Management Task Force:
 - A. Assisting in integration of integrity and ethical values into corporate business strategies and establishing anti-corruption measures in compliance with legal regulations.
 - B. Developing programs to prevent dishonest conduct and establishing standard operating procedures (SOPs) and behavioral guidelines for related business activities.
 - C. Planning internal organizational structures and responsibilities and implementing mutual supervision mechanisms for business activities with higher risks of dishonest behavior.
 - D. Promoting and coordinating integrity policy awareness and training programs.
 - E. Establishing and ensuring the effectiveness of a whistleblowing system.
 - F. Assisting the Board of Directors and management in auditing and evaluating the effectiveness of integrity management measures,

regularly reviewing business processes for compliance and reporting findings.

- G. Preparing and properly maintaining documentation related to the integrity management policy, including compliance statements, commitment to implementation, and execution records.
3. The most recent execution report was presented to the Board of Directors on June 6, 2025.
 4. To prevent conflicts of interest and provide appropriate reporting channels, the Company has established the "Integrity Management Operating Procedures and Behavioral Guidelines."
 5. For details on ethical management training, please refer to Section 2.3.7, "Implementation of Ethical Management," in this annual report.
 6. Internal audits of internal control operations for 2024 found no violations of integrity management policies. The company also did not receive any internal or external whistleblowing reports or legal cases related to integrity management. Therefore, there were no instances of non-compliance with the Corporate Integrity Management Code in 2024.

2.3.9 Items to be disclosed regarding implementation of the Internal Control System:

2.3.9.1 Statements of Internal Control:

Asia Vital Components Co., Ltd.
Statements of Internal Control System

Date: March 11, 2026

The Company issues the following statements regarding its Internal Control System for the period of January 1, 2025 to December 31, 2025, based on its self-assessment:

- A. The Company acknowledges that the establishment, implementation, and maintenance of its internal control system are the responsibilities of the Board of Directors and the management. The purpose of the internal control system is to provide reasonable assurance regarding the achievement of objectives and the effectiveness and efficiency of operations (including profitability, performance, and safeguarding of assets), the reliability, timeliness, and transparency of reporting, and compliance with relevant regulations and applicable laws.
- B. The internal control system has its innate limitations. The effective internal control system can only provide reasonable assurance regarding the achievements of three stated objectives. Furthermore, the effectiveness of an internal control system may change due to shifts in the environment or circumstances. However, the Company's internal control system maintains a self-monitoring mechanism and initiates corrective measures as soon as any deficiencies are identified.
- C. The Company evaluates the design and implementation of its internal control system based on the criteria for determining the effectiveness of internal control systems provided in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Internal Control Regulations"). The criteria adopted by the "Internal Control Regulations" divide the internal control system into five components based on the process of management control: 1. Control Environment, 2. Risk Assessment, 3. Control Activities, 4. Information and Communication, and 5. Monitoring Activities. Each component further comprises several items. Please refer to the "Internal Control Regulations" for the aforementioned items.
- D. The Company has adopted the internal control system criteria to evaluate the effectiveness of the design and implementation of its internal control system.
- E. Based on the results of the evaluation, the Company concludes that its internal control system (which covers the supervision and management of subsidiaries) was effectively designed and implemented as of December 31, 2025. This includes oversight of subsidiaries and controls ensuring the achievement of operational efficiency, the reliability and transparency of reporting, and adherence to all applicable laws. Consequently, the system provides reasonable assurance that the Company's strategic and compliance objectives are being met.
- F. This Statement shall be a major component of the Company's Annual Report and Prospectus, and shall be made available to the public. Any falsehood, concealment, or other illegalities in the disclosures shall involve legal liabilities under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- G. This Statement was approved by the Board of Directors on March 11, 2026. Of the 11 directors present, all agreed with the contents of this Statement.

Asia Vital Components Co., Ltd.
Chairperson: Shen, Ching Hang
President: Shen, Ching Hang

2.3.9.2 Entities that engage CPA to conduct a special review of their internal control systems shall disclose the auditor's review report: None.

2.3.10 Major Resolutions of Shareholders' Meetings and Board Meetings in the recent year and up to publication date of the annual report:

2.3.10.1 Major resolutions of the Shareholders' Meeting and Implementation

Date	Major Resolutions	Implementation
June 6, 2025	1. Approved the 2024 annual business report and financial statements.	Approved the adoption of the proposed items.
	2. Approved the 2024 earnings distribution proposal.	Approved the adoption of the proposal. On July 29, 2025, the Chairman set August 25, 2025, as the ex-dividend record date, and the dividend distribution was completed on September 22, 2025.
	3. Approved the amendment to the Company's Articles of Incorporation.	Passed the resolution and implemented it in accordance with the decision of the Shareholders' Meeting.
	4. Elected eleven members to the 14th Board of Directors.	Completed the full re-election and finalized the change of registration with the competent authority on June 16, 2025.
	5. Approved the removal of non-compete restrictions for newly elected directors.	Implemented in accordance with the resolution.

2.3.10.2 Major resolutions of the Board Meeting

Date / Session	Major Resolutions
March 12, 2025 (The 17 th of the 13 th session)	1. The distribution of remuneration for Directors and employees for 2024.
	2. The financial statements, consolidated financial statement, and business report of 2024.
	3. Determination of the Capital Increase Base Date for the Issuance of Common Shares Exercised Under the "First Issuance of Employee Stock Warrants in 2022."
	4. 2024 capital surplus and additional paid in capital distribution proposal.
	5. 2025 Operating Plan.
	6. Donation proposal to the AVC Education Foundation.
	7. Audit of the Accountant's Independence.
	8. Appointment of Accountant and Compensation.
	9. Increase Credit line from the bank.
	10. Guarantee for the Subsidiary.
	11. The "Assessment of the Effectiveness of the Internal Control System" and "Statement of Internal Control" of the Company for the year 2024.
	12. Proposal to change the custodian of the company seal registered with the Ministry of Economic Affairs.
	13. Proposed Amendment to the Articles of Incorporation.

Date / Session	Major Resolutions
	14. Proposal for board member re-election.
	15. Period for accepting nominations of director (including independent director) candidates, the number of positions to be elected, and the place of acceptance.
	16. List of directors (including independent director) candidates nominated by the Board of Directors.
	17. Proposal to lift the non-compete restrictions for newly appointed directors.
	18. Matters related to the exercise of shareholders' proposal rights.
	19. Determine the date, agenda, and related matters of Shareholders' regular Meeting in 2025.
	20. Acquisition or Disposal of Assets for Business Operations from Related Parties.
	21. Revision of Internal Control Forms.
May 13, 2025 (The 18 th of the 13 th session)	1. The consolidated financial statements for the first quarter of 2025.
	2. Setting the record date for the capital increase through the issuance of common shares upon the exercise of employee stock options.
	3. New financing facilities from financial institutions.
	4. Provision of endorsements and guarantees for subsidiaries.
	5. Authorization for determining the record date and other related matters for cash dividend distribution.
	6. Amendments to the internal control system and "Corporate Governance Best Practice Principles," and the addition of the "Enterprise Value Enhancement Plan."
	7. Establishment of the "Tax Policy and Management Measures."
	8. Review of the distribution method and date for the 2024 director remuneration from earnings.
	9. Amendments to the "Table of Authority" and internal control procedures for the "Investment Cycle" and "Long-term and Short-term Investment Management Measures."
	10. Establishment of a new Vietnamese subsidiary: AVC Development Co., Ltd.
June 6, 2025 (The 1 st of the 14 th session)	1. Election of the Chairman of the Board.
	2. Appointment of members to various functional committees.
	3. The Company's "2024 Sustainability Report."
	4. Dismissal of executive management.
August 13, 2025 (The 2 nd of the 14 th session)	1. The consolidated financial statements of the Company and its subsidiaries for the second quarter of 2025.
	2. Setting the record date for the capital increase through the issuance of common shares upon the exercise of employee stock options.
	3. New financing facilities from financial institutions.
	4. Provision of endorsements and guarantees for subsidiaries.
	5. Disposal of equity interest in Boyou Lighting Technology Co., Ltd.
	6. Disposal of equity interest in Renmei Technology Co., Ltd.
November 12, 2025	1. The consolidated financial statements of the Company and its subsidiaries for the third quarter of 2025.

Date / Session	Major Resolutions
(The 3 rd of the 14 th session)	2. Setting the record date for the capital increase through the issuance of common shares upon the exercise of employee stock options.
	3. New financing facilities from financial institutions.
	4. Provision of endorsements and guarantees for subsidiaries.
	5. The 2026 Annual Audit Plan.
	6. Amendments to certain provisions of the Internal Audit System.
	7. Acquisition of real estate located in Xinzhuang District, New Taipei City.
	8. Review of the 2024 employee remuneration and the 2025 year-end performance bonuses for executive management.
	9. Amendment to the Company's Articles of Incorporation.
March 11, 2026 (The 4 th of the 14 th session)	1. Proposal for the distribution of 2025 earnings as remuneration for directors and employees.
	2. The 2025 Individual and consolidated Financial Statements and Business Report.
	3. Setting the record date for the capital increase through the issuance of common shares upon the exercise of employee stock options.
	4. Cash dividend distribution from 2025 earnings and capital surplus.
	5. The 2026 Business Plan.
	6. Donation to the AVC Education Foundation.
	7. Amendment to the maximum limit for funding provided to the AVC Education Foundation.
	8. Assessment of the independence of the appointed external auditors.
	9. Appointment of external auditors and their compensation.
	10. New financing facilities from financial institutions.
	11. Provision of endorsements and guarantees for subsidiaries.
	12. The 2025 "Assessment of the Effectiveness of the Internal Control System" and the "Internal Control System Statement."
	13. Defining the scope of "Non-managerial Employees."
	14. Amendments to portions of the Internal Control System.
	15. Renaming the "Sustainability Development Committee" to the "Sustainability Development and Risk Management Committee."
	16. Appointment of a Chief Information Security Officer (CISO) and establishment of a dedicated cybersecurity unit as required by the TWSE.
	17. Investment project for Shenzhen Baoxing Wire and Cable Manufacturing Co., Ltd.
	18. Capital increase for the Vietnamese subsidiary, AVC TECH. (VIETNAM) CO., LTD.
	19. Matters related to the acceptance of shareholder proposals.
	20. Scheduling the date, venue, and agenda for the 2026 Annual General Meeting of Shareholders.

2.3.11 Major Issues of Record or Written Statements Made by Any Director Dissenting to Important Resolutions Passed by the Board of Directors in the recent year preceding the publication date of the annual report: None

2.4 Information Regarding the Audit Fee

2.4.1 The audit fees and non-audit fees paid to the attesting CPA and to the accounting firm to which they belong and to any affiliated enterprises as well as the details of non-audit services

Unit: NT\$ thousand

Accounting firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-audit fee	Total	Remarks
Ernst & Young, Taiwan	Lee, Fang Wen	Jan.1, 2025 ~ Dec. 31, 2025	3,280	1,248	4,528	Note
	Hung, Kuo Sen					

Note: Non-audit expenses are inclusive of Tax certification is NTD 300 thousand; Transfer pricing three-tier documentation report preparation is NTD 840 thousand; the audit fee of capital increase due to Employee stock option is NTD 108 thousand.

2.4.2 When the company changes its accounting firm and the audit fees paid for the year of the change are lower than those paid in the preceding year, it shall disclose the audit fees before and after the change, the percentage difference, and the reasons for the change: None.

2.4.3 When audit fees decrease by more than 10% compared to the previous year, the company shall disclose the amount and percentage of the decrease, along with the reasons for the reduction: None.

2.5 Information on replacement of certified public accountant

2.5.1 Information about the former certified public accountant:

Date of Change		January 1, 2025		
Reason and Description of Change		Internal reorganization and rotation within Ernst & Young.		
Explanation of whether the client or the auditor terminated or declined the engagement.	Principal		Auditor	Client
	Status			
	Terminate		No	No
	Decline the engagement		No	No
	Not applicable			
Audit Opinions other than Unqualified Opinions issued within the most recent two years and the reasons thereof.				
Whether there are any disagreements with the issuer.	Yes	—	Accounting Principles	
		—	Disclosure in Financial Reports	
		—	Audit Scope or Procedures	
		—	Others	
	None	✓		
		Description		

Other Disclosure Items (Items to be disclosed under Sub-item 4, Item 1, Sub-paragraph 5, Article 10 of the Regulations Governing Information to be Published in Annual Reports of Public Companies)	None
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2.5.2 Information about the succeeding certified public accountant: None.

Accounting Firm	Ernst & Young
Name of CPAs	Lee, Fang Wen; Hung, Kuo Sen
Date of Engagement	January 1, 2025
Consultations on accounting treatments for specific transactions, accounting principles, or the type of audit opinion that might be issued on the financial reports prior to engagement and the results thereof.	Not applicable
Written opinions from the successor auditor regarding matters of disagreement with the predecessor auditor.	Not applicable

2.5.3 The former certified public accountant should reply in mail about matters specified in Article 15 Subparagraph 1 and Subparagraph 2-3 of Regulation Governing Information to be Published in Annual Reports of Public Companies: Not applicable.

2.6 The period during which the company's chairperson, President, or any managerial officer in charge of finance or accounting matters has in the latest fiscal year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm
None.

2.7 The transfer of equity interests and/or pledge of or change in equity interests by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the latest fiscal year or during the current fiscal year up to the publication date of the annual report

2.7.1 Changes in equity interests by Directors, Managerial Officers, and major Shareholders:

unit: shares

Title	Name	2025		As of March 11, 2026	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Corporate Director	Zing He Investment Co., Ltd.	(476,000)	280,000	(260,000)	0

Title	Name	2025		As of March 11, 2026	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Corporate Director Representative and President	Shen, Ching Hang	(439,000)	0	0	0
Corporate Director and Major Shareholder	Furukawa Electric Co., Ltd. in Japan	0	0	0	0
Corporate Director Representative	Ono Ryoji	0	0	0	0
Corporate Director Representative	Kawabata Kenya	0	0	0	0
Corporate Director Representative	Kato Shin	0	0	0	0
Director	Kitanoya Atsushi	0	0	0	0
Corporate Director	Cheng Li Investment Co., Ltd. (Note 1)	0	0	0	0
Corporate Director Representative and Vice President	Chen, Yi Chen (Note 1)	0	0	0	0
Corporate Director	Xiyan Investment Co., Ltd. (Note 1)	40,000	0	0	0
Corporate Director Representative and Vice President	Huang, Chiu Mao (Note 1)	0	0	0	0
Independent Director	Ueng Joseph Chiehchung	0	0	0	0
Independent Director	Lin, Tzu Yun	0	0	0	0
Independent Director	Cheng, Chun Jen (Note 1)	0	0	0	0
Independent Director	Chen, Ren Her (Note 1)	0	0	0	0
Corporate Governance Officer	Kuo, Hui Ying	(50,000)	0	0	0
Accounting Officer	Lin, Shu Hua	(39,000)	0		0
Director and Vice President	Chen, Yi Chen (Note 2)	(200,000)	0	0	0
Director and Vice President	Wang, Jui Pin (Note 2)	(509,358)	0	0	0
Director and Vice President	Huang, Chiu Mao (Note 2)	28,000	0	NA	NA
Director	Gao, Pai Ling (Note 2)	0	0	NA	NA

Title	Name	2025		As of March 11, 2026	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Independent Director	Chen, Chun Cheng (Note 2)	0	0	NA	NA
Independent Director	Cho, I Lang (Note 2)	0	0	NA	NA

Note 1: Assumed office following the re-election on June 6, 2025; changes in shareholdings are disclosed starting from the date of assumption of office.

Note 2: Ceased to serve as manager, director, or independent director on June 6, 2025, respectively; changes in equity interest are disclosed up to the date of departure.

2.7.2 Counterparties of equity transfers who are related parties: None.

2.7.3 Counterparties of equity pledges who are related parties: None.

2.8 Information on relationship among the top ten shareholders by shareholding percentage

Shareholding Record Date: Aug. 25, 2025 (Record date for Ex-dividend date)

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	percentage	Shares	percentage	Shares	percentage	Title (or Name)	Relationship	
Furukawa Electric Co., Ltd. in Japan	48,144,693	12.33%	NA	NA	0	0	Taiwan Furukawa Electric Co., Ltd.	Affiliated Companies	None
Labor Pension Fund (New System)	27,326,120	7.00%	NA	NA	0	0	None	None	None
Taiwan Furukawa Electric Co., Ltd.	9,398,895	2.41%	NA	NA	0	0	Furukawa Electric Co., Ltd. in Japan	Affiliated Companies	None
HSBC (Taiwan) Bank in Custody for Morgan Stanley & Co. International Plc Investment Account	7,173,532	1.84%	NA	NA	0	0	None	None	None
Citibank (Taiwan) Bank in Custody for Norges Bank Investment Account	7,163,166	1.83%	NA	NA	0	0	None	None	None
Sing He Investment Co., Ltd.	6,964,120	1.78%	NA	NA	0	0	None	None	None
JPMorgan Chase Bank, N.A., Taipei Branch in Custody for J.P. Morgan Securities PLC Investment Account	6,678,822	1.71%	NA	NA	0	0	None	None	None
Citibank (Taiwan) Bank in Custody for UBS Europe SE Investment Account	6,179,867	1.58%	NA	NA	0	0	None	None	None
Labor Retirement Fund (Old System)	5,973,615	1.53%	NA	NA	0	0	None	None	None
Public Service Pension Fund Management Board Investment Account Managed by Fubon Asset Management in 2023	4,942,675	1.27%	NA	NA	0	0	None	None	None

2.9 The total number of shares and total equity stake held in any single enterprise by the Company, Managers, and any companies controlled either directly or indirectly by the company.

As of to Dec. 31, 2025

Unit: thousand shares; %

Companies directly or indirectly controlled by the Company (Invested by the Company with Equity Method)	Investment of the Company		Investments of Directors to companies directly or indirectly controlled by the Company		Comprehensive Investment	
	Stocks	Ratio	Stocks	Ratio	Stocks	Ratio
AVC INTERNATIONAL CO., LTD. — B.V.I.	16	100.00%	-	-	16	100.00%
CHIHUNG INTERNATIONAL LTD.	32,770	100.00%	-	-	32,770	100.00%
MERIT TRADING CORPORATION	892	100.00%	-	-	892	100.00%
RAYNEY INTERNATIONAL LTD.	2,400	100.00%	-	-	2,400	100.00%
AVC AMERICA INC.	41	100.00%	-	-	41	100.00%
AVC INTERNATIONAL (SAMOA) CO., LTD.	300	100.00%	-	-	300	100.00%
JADS CORPORATION (HK) LTD.	10	100.00%	-	-	10	100.00%
AVC INTERNATIONAL CO., LTD. — SAMOA	1,000	100.00%	-	-	1,000	100.00%
FOSITEK CORP	11,567	16.87%	2,544	3.71%	14,111	20.58%
HUNG YE INVESTMENT CO., LTD.	6,000	100.00%	-	-	6,000	100.00%
D-Max Technology Ltd.	28,500	100.00%	-	-	28,500	100.00%
AVC EUROPE TECHNOLOGY GMBH	250	100.00%	-	-	250	100.00%
AVC TECH. (VIETNAM) CO., LTD.	Note	100.00%	-	-	Note	100.00%
PARAGON SEMICONDUCTOR LIGHTING TECHNOLOGY CO., LTD.	3,000	16.67%	-	-	3,000	16.67%
AVC DEVELOPMENT CO., LTD.	Note	100.00%	-	-	Note	100.00%

Note: As a limited company, there are no shares.

3. Capital Overview

3.1 Capital and Shares

3.1.1 Source of Capital

As of March 11, 2026 (Unit: Thousands of shares / NT\$ in thousands)

Month/ Year	Issue price	Authorized Capital		Paid-in Capital		Remark		
		Shares (Note 1)	Amount	Shares	Amount	Sources of Capital	Capital Increased by Assets Other than Cash	Other
—	—	600,000	6,000,000	353,310	3,533,102	—	None	—
2023/4	95	600,000	6,000,000	383,310	3,833,102	Cash capital increase 30,000,000 shares	None	Note 1
2024/11	50/ 49.4	600,000	6,000,000	387,554	3,875,536	Employee stock options: NTD 42,434 thousand	None	Note 2
2025/4	49.4	600,000	6,000,000	387,695	3,876,952	Employee stock options: NTD 1416 thousand	None	Note 3
2025/6	49.4	600,000	6,000,000	388,167	3,881,672	Employee stock options: NTD 4,720 thousand	None	Note 4
2025/8	49.4	600,000	6,000,000	388,180	3,881,796	Employee stock options: NTD 124.5 thousand	None	Note 5
2025/11	49.4/ 48.9/ 146.1/ 144.5	600,000	6,000,000	390,713	3,907,128	Employee stock options: NTD 25,331.5 thousand	None	Note 6

Note 1: April 27, 2023; Ref. No. Jia-Shou-Gao-Zi-1124100052.

Note 2: December 2, 2024; Ref. No. Yuan-Shou-Gao-Zi-1135400297.

Note 3: April 8, 2025; Ref. No. Yuan-Shou-Gao-Zi-1145400057.

Note 4: June 16, 2025; Ref. No. Yuan-Shou-Gao-Zi-1145400111.

Note 5: September 3, 2025; Ref. No. Yuan-Shou-Gao-Zi-1145400193.

Note 6: December 5, 2025; Ref. No. Yuan-Shou-Gao-Zi-1145400265.

As of March 11, 2026 (Unit: Thousands of shares)

Share Type	Authorized Capital			Remarks
	Outstanding Shares	Unissued Shares	Total Shares	
Listing of Common Shares	392,455 shares (Note2)	207,545 shares	600,000 shares (Note1)	

Note 1: Among them, 30,000 thousand of shares are reserved for the issuance of employee stock options.

Note 2: Outstanding shares include 1,732 thousand of shares from employee stock option certificates that have been exercised but not yet registered.

3.1.2 List of Shareholders

As of August 25, 2025 (Record date for Ex-dividend date)

Name	Shareholding	
	Shares	percentage
Furukawa Electric Co., Ltd. in Japan	48,144,693	12.33%
Labor Pension Fund (New System)	27,326,120	7.00%
Taiwan Furukawa Electric Co., Ltd.	9,398,895	2.41%
HSBC (Taiwan) Bank in Custody for Morgan Stanley & Co. International Plc Investment Account	7,173,532	1.84%
Citibank (Taiwan) Bank in Custody for Norges Bank Investment Account	7,163,166	1.83%
Sing He Investment Co., Ltd.	6,964,120	1.78%
JPMorgan Chase Bank, N.A., Taipei Branch in Custody for J.P. Morgan Securities PLC Investment Account	6,678,822	1.71%
Citibank (Taiwan) Bank in Custody for UBS Europe SE Investment Account	6,179,867	1.58%
Labor Retirement Fund (Old System)	5,973,615	1.53%
Public Service Pension Fund Management Board Investment Account Managed by Fubon Asset Management in 2023	4,942,675	1.27%

3.1.3 Dividend Policy and Implementation Status

3.1.3.1 Dividend Policy established in the Company's current Articles of Incorporation:

Article 28: If there is net income for the period in the Company's annual final accounts, it shall first be used to offset accumulated losses (including the adjustment of undistributed earnings) and then 10% shall be set aside as a legal reserve. However, this shall not apply if the accumulated legal reserve has reached the total amount of the Company's paid-in capital. Subsequently, a special reserve shall be set aside or reversed in accordance with laws or regulations prescribed by the competent authority. The remaining earnings, together with the undistributed earnings at the beginning of the period (including the adjustment of undistributed earnings), should be proposed as an earnings distribution plan by the Board of Directors. If the distribution is

to be made through the issuance of new shares, it shall be submitted to the Shareholders' Meeting for resolution.

Pursuant to Paragraph 5, Article 240 of the Company Act, the Company authorizes the Board of Directors to distribute the dividends and bonuses, or the legal reserve and capital reserve (in whole or in part) as stipulated in Paragraph 1, Article 241 of the Company Act, in the form of cash. Such distribution requires a resolution approved by the majority of the directors present at a meeting attended by at least two-thirds of the total directors, and shall subsequently be reported to the Shareholders' Meeting.

Article 29: The Company's dividend policy is aligned with current and future development plans, considering the investment environment, capital requirements, and domestic and international competition, while balancing the interests of shareholders. Each year, no less than 5% of the distributable earnings shall be appropriated for shareholder dividends and bonuses. However, when the accumulated distributable earnings are less than 10% of the paid-in capital, no distribution may be made. The distribution of shareholder dividends and bonuses may be made in cash or shares, with cash dividends accounting for no less than 10% of the total dividends.

3.1.3.2 Proposed Dividend Distribution for the Current Meeting:

According to the resolution of the Board of Directors on March 11, 2026, a cash dividend of NT\$21 per share is proposed (NT\$18 from earnings and NT\$3 from capital reserve). Should there be a change in the number of outstanding shares that results in a change in the dividend payout ratio, the Chairman is authorized to adjust the distribution rate accordingly.

3.1.3.3 Explanation of any expected major changes in dividend policy: None.

3.1.4 Impact of Proposed Stock Dividends on Operating Performance and Earnings Per Share (EPS): Not applicable.

3.1.5 Remuneration for Employees and Directors

3.1.5.1 Percentages of Remuneration for Employees and Directors stipulated in Article 27 of the Articles of Incorporation:

If the Company makes a profit for the year, no less than 3% shall be appropriated as employee remuneration, of which at least 1% of the appropriation shall be reserved for entry-level employees (pending approval at the 2026 Shareholders' Meeting). No more than 2% shall be appropriated as director remuneration. However, if the Company still has accumulated losses, an amount shall be reserved to offset such losses. The distribution of employee remuneration in the form of shares or cash may include employees of subordinate companies who meet certain criteria.

For 2025, the cash remuneration for employees was appropriated at 3.12% of the Company's profit (before tax), totaling NT\$800,000,000, of which 1% (NT\$8,000,000) was allocated to entry-level employees and distributed in cash.

3.1.5.2 Basis for estimating employee and director remuneration, the calculation basis for the number of shares for stock-based remuneration, and accounting treatment if actual distribution amounts differ from estimates:

1. Basis for Estimating Remuneration: Employee and director remuneration are based on the provisions set forth in the Articles of Incorporation.
2. Calculation Basis for Stock-based Remuneration: There was no distribution of employee remuneration in the form of shares for the most recent year.
3. Accounting Treatment for Differences: If there is a difference between the actual distribution amount of employee/director remuneration and the original estimate, the expenses of the year on which the remuneration was originally recognized shall be adjusted. However, if a difference arises between the actual amount paid in the following year and the amount resolved by the Board of Directors, it shall be treated as a change in accounting estimate and recognized as a profit or loss adjustment in the year of actual payment.

3.1.5.3 Distribution of remunerations approved by the Board of Directors:

a. Employees and directors' remunerations distributed in cash or stock:

Board Meeting Date	March 11, 2026	
Employee Compensation	Cash	NTD 800,000,000
	Stock	NTD 0
Director Compensation	Cash	NTD 380,000,000
	Stock	NTD 0
Difference from Estimated Expense Recognition Amount	Difference	None
	Reason and Handling	NA

b. Ratio of Recommended Employee Stock Bonus to Net Income of the period and total amount of employees' remunerations: Not applicable.

3.1.5.4 The actual distribution of employee bonus and director remuneration for the previous fiscal year. If there are any discrepancies between the actual distribution and the recognized remuneration, the amount, cause, and treatment of such discrepancy shall be stated:

Unit: NT dollars

	Amount originally allocated	Amount distributed	Discrepancies	Reasons for the gap
Bonus of Employees (cash)	320,000,000	320,000,000	0	None
Remunerations of Directors (cash)	157,000,000	157,000,000	0	None

3.1.6 Execution of Share Buyback: None as of the publication date of this annual report.

3.2 Corporate Bond

Corporate Bond Type		2020 issuance of 1 st secured Corporate Bonds
Issuing Date		August 21, 2020
Denomination		NT\$10 million
Issuing and transaction location		OTC (Securities Over-the-Counter Trading Center)
Issue price		Issued at Par Value
Total amount		NT\$2,400 million
Interest rate		Fixed Annual Interest Rate 0.62%
Term		5 years Expiry Date: August 21, 2025
Guarantee institution		9 banks including E.SUN Bank jointly guarantee
Custodian institution		Trust Dept. of Fubon Bank Trust Department.
Underwriting institution		E.SUN COMMERCIAL BANK, LTD.
Legal Counsel		None
CPA		None
Repayment method		Repayment in lump sum upon maturity
Outstanding principal		NT\$0
Redemption or Early Repayment Clause		N/A
Covenants		None
Name of credit rating agency / Rating date / Rating of corporate bonds		N/A
Other Rights of Bondholders	Amount of Converted or Exchanged Common Shares, ADRs or Other Securities	N/A
	Conversion Right	N/A
Dilution Effect and Other Adverse Effects on Existing Shareholders		N/A
Custodian		N/A

3.3 Preferred Stocks

None.

3.4 Global Depository Receipts

None.

3.5 Employee Stock Options and Restricted Stock Awards

3.5.1 Outstanding employee stock options and the impact on shareholders' interests. For employee stock option certificates that are privately placed, they should be prominently labeled.

March 11, 2026

Type of Employee Stock Options	First Issuance of Employee Stock Options of 2022	Second Issuance of Employee Stock Options of 2022
Effective date and total unit	June 30, 2022 16,689 unit	
Date of issuance	July 7, 2022	June 29, 2023
Unit of issuance	14,631 unit	2,058 unit
Remaining units available for issuance	0	0
Number of shares subscribed upon issuance as a percentage of total no. of shares in issue	3.78%	0.53%
Subscription period	July 7, 2024 to July, 6 2032	June 29, 2025 to June 28, 2033
Way of performance	Issuance of new shares	
Restriction period and ratio (%) of subscription	Up to 35% of stock options can be exercised 2 years after issuance; up to 65% of stock options can be exercised 3 years after issuance; up to 85% of stock options can be exercised 4 years after issuance; up to 100% of stock options can be exercised 5 years after issuance.	
No. of shares acquired upon exercise	3,822,950 shares	660,700 shares
Subscription amount upon exercise	NT\$ 406,050,780	NT\$ 96,366,190
No. of shares lapsed but not yet exercised (Note 1)	6,340,950 shares	1,394,000 shares
Subscription price per share subscribed but not yet exercised	NT\$ 48.9	NT\$ 144.5
No. of shares subscribed but not yet exercised as a percentage of total no. of issued shares. (%)	1.62%	0.36%
Impact on shareholders' interests	After the expiration of two years from the date of issuance, the stock warrants may be executed successively during the continuity period and the dilution effect on the original shareholders' equity is still limited as it is diluted year by year.	

Note 1: The unexecuted number of stock options has been deducted for expired shares.

3.5.2 The names of the management officers and the top ten employees who obtained the employee stock options, acquisition and subscription.

March 11, 2026

	Position (Note 1)	Name	No. of shares acquired (thousand shares)	No. of shares acquired as a percentage of total no. of shares in issue (%)	Exercised				Not Yet Exercised			
					No. of shares subscribed (thousand shares)	Subscription price (NT\$)	Subscription amount (thousand shares)	No. of shares subscribed as a percentage of total no. of shares in issue (%)	No. of shares subscribed (thousand shares)	Subscription price (NT\$)	Subscription amount (thousand shares)	No. of shares subscribed as a percentage of total no. of shares in issue (%)
Management officers	President	Shen, Ching Hang	1,600	0.41%	175	49.4/ 48.9	8,645	0.04%	1,425	48.9	69,683	0.36%
	Vice President	Chen, Yi Chen										
	Vice President	Huang, Chiu Mao										
	Corporate Governance Officer	Kuo, Hui Ying										
	Accounting officer	Lin, Shu Hua										
Staff (Note 2)	Director	Sun, Song Wei	1,965	0.50%	1,222	48.9/ 144.5	61,122	0.31%	743	48.9/ 144.5	37,906	0.19%
	Director	Kao, Pai Ling										
	Director	Cheng, Ching Hsiang										
	Director	Tu, Shi Zuo										
	Director	Huang, Chang Mou										
	Director	Huang, Song Hong										
	Director	Lian, Zheng Nan										
	Special Assistant	Lin, Bing Wen										
	Director	Huang, Choun Wei										
	Director	Jian, Cong Yi										

Note 1: Including managers and employees (those who have left or deceased should be specified), individual names and job titles should be disclosed, but the acquisition status can be disclosed in a summarized manner.

Note 2: The top ten employees in terms of the number of stock options acquired refer to employees other than managers who have acquired stock options certificates.

3.6 Restricted Stock Awards

None.

3.7 New shares for mergers or acquisition of shares from other companies

None.

3.8 Financing Plans and Implementation

3.8.1 Project content: as of the quarter preceding the publication date of the annual report, are there instances of previous public offerings or private placements of securities that remain uncompleted, or those completed within the past three years where the projected benefits have not yet been realized: None.

3.8.2 Status of implementation: None.

4. Operational Highlights

4.1 Business Content

4.1.1 Scope of Business

4.1.1.1 The main operational categories of the company:

AVC's main products can be categorized into thermal products, chassis and cabinets, system assembly, and hinge products. Among them, thermal products include fans, heatsinks, heat exchangers, heat pipes/vapor chambers, 3D vapor chambers, water cooling plates, and comprehensive liquid cooling solutions. AVC is one of the few thermal solution providers with integrated capabilities in thermal solutions, system integration, and chassis/cabinet manufacturing.

4.1.1.2 The net sales proportion of the main product of the business

UNIT: NT\$ thousand; %

Main product	2025 year	
	Amount	proportion
3C Electronic Products	139,639,362	100%

4.1.1.3 Main products and services of the company and new product development projects:

The Company's primary sales and production portfolio is categorized into thermal products, chassis and cabinets, system assembly, and hinge products. Among these, the thermal product line offers comprehensive liquid cooling and air cooling solutions, including fans, heat sinks, radiators, thermal modules, heat exchangers, heat pipes, vapor chambers (VC), 3D VC, and cold plates.

These products are widely applied across 3C sectors—such as desktop computers, laptops, tablets, and smartphones, as well as in servers (including traditional and AI servers), communication base stations, electric vehicles (EV), and various energy-saving and energy storage industries. Regarding future R&D, the Company will focus on enhancing the high reliability and long life cycles of existing products while emphasizing low noise, high efficiency, and environmental sustainability. Furthermore, the Company will design products that meet future environmental requirements by aligning with market development trends and catering to specific customer needs.

4.1.2 Industry Overview:

4.1.2.1 Industry situation and development

The year 2025 has been designated as the “Inaugural Year of Liquid Cooling” for the Company. As the total design power of components grows exponentially, liquid cooling technology has emerged as the new standard in the AI sector. The industry is currently transitioning from focusing solely on GPU cooling to implementing liquid cooling solutions across all components within the AI cabinet, including CPUs, network switches, connectors, and power distribution units. As AI applications evolve from perceptual to generative and agentic

models, they are expected to extend more broadly into physical world devices in the future.

4.1.2.2 The relevance between upstream, midstream, and downstream of industry

The thermal module industry can be divided into upstream, midstream, and downstream segments. The upstream segment includes components such as fan assemblies, driver circuit boards, thermal pads, heat pipes, copper or aluminum blocks, and so on. The midstream segment comprises thermal modules or heat sinks, while the downstream segment consists of application areas such as desktop computers, laptops, tablets, smartphones, and other consumer electronics (3C sector), as well as industries including servers (including traditional and AI servers), communication base stations, electric vehicles, and various energy-saving and energy storage sectors.

The thermal industry can be divided into upstream basic materials, midstream thermal modules, and downstream electronic product applications:

Upstream	Midstream		Downstream
Raw material	Component	Module	
Aluminum sheet, aluminum ingot, copper powder, copper block	Heatsinks (including VC and 3D VC), heat pipes/vapor chambers, water cooling plates, fans, etc.		CPU, GPUs, graphic cards, desktop computers (DT), notebooks (NB), gaming consoles, LED modules, telecommunications, servers (including traditional and AI servers), automotive thermal management, and mobile devices such as smartphones.

4.1.2.3 Future growth and competition of product

(1). Development Trends

The demand for thermal management will become ubiquitous. Beyond data centers, demand for vapor chambers (VC) is growing significantly in edge devices due to increasing AI workloads. Technological R&D trends are shifting toward two-phase liquid cooling, jet impingement cooling, and advanced Thermal Interface Materials (TIM) to address higher Total Design Power (TDP) and more stringent low-thermal-resistance requirements.

(2). Competitive Landscape

As one of the few thermal solution providers equipped with comprehensive capabilities across thermal management, system integration, and chassis/cabinet manufacturing, the Company serves not only as a reference designer for leading GPU manufacturers but also as a key design partner for global hyperscale Cloud Service Providers (CSPs). The Company distinguishes itself by offering more than standalone products; it is a holistic thermal and mechanical solution provider with system-level design expertise.

4.1.3 Technology and R&D overview

4.1.3.1 R&D expenses incurred in the most recent period and up to the publication date of the annual report:.

UNIT: NT\$ thousand ; %

Year Items	Y2025	As of Feb., of Y2026 (non-audited)
R&D expense	5,391,852	960,465
Total Revenue	139,639,362	31,020,777
Accounted for the Total Amount Ratio of the Year (%)	3.86%	3.09%

4.1.3.2 Successful development of technology and products

(1). Two-Phase Cold Plate

The thermal resistance performance is optimized by 15% compared to traditional single-phase solutions, and the required flow rate is only one-third of that for single-phase systems, effectively reducing pump power consumption.

(2). Advanced Smartphone Vapor Chamber (VC)

Developed specifically to meet the AI processing requirements of edge devices.

4.1.4 Short-term and Long-term Business Development Plans

4.1.4.1 Short-term Business Development Plan:

- (1). 2026 Core Growth Drivers: Continuously expand cooperation with leading GPU manufacturers and identify the ASIC (Application-Specific Integrated Circuit) business as one of the primary growth engines for 2026.
- (2).Capacity Expansion: Progressively increase production capacity for liquid cooling modules, manifold systems, and other AI server-related components to meet the rapidly accelerating demands of customers.

4.1.4.2 Long-term Business Development Plan:

- (1). AI in the Physical World: Target thermal management challenges in emerging sectors such as autonomous vehicles, humanoid robots, and Low Earth Orbit (LEO) satellites.
- (2).Global Supply Chain Optimization: Strategically activate global manufacturing footprints based on customer requirements to enhance supply chain resilience.

4.2 Market and Sales Overview

4.2.1 Market analysis:

4.2.1.1 Main product sales area

UNIT: NT\$ thousand ; %

Year Area	Y2024		Y2025	
	Revenue amount	Ratio	Revenue amount	Ratio
Asia	62,092,577	86.53%	100,212,284	71.76%
America	7,541,873	10.51%	26,595,327	19.05%
Europe	2,105,814	2.93%	12,786,075	9.16%
Others	21,032	0.03%	45,676	0.03%
Total	71,761,296	100.00%	139,639,362	100.00%

4.2.1.2 Market Share

The Company is currently the world's most competitive thermal solution provider. Leveraging our "Total Thermal Solution" one-stop service, we possess the global market's most comprehensive product portfolio in IT rack cooling, with a product line ranging from millimeter-scale precision components to meter-scale full-rack solutions. Within the high-growth AI infrastructure market, the Company has long served as a reference designer for the world's leading GPU manufacturers, co-developing next-generation platform architectures. Additionally, as a primary design partner for global hyperscale Cloud Service Providers (CSPs), the Company has successfully transitioned from a traditional component supplier to a core infrastructure provider for AI computing power.

Following the "Inaugural Year of Liquid Cooling" for AVC in 2025, we are actively pursuing large-scale capacity expansion and global deployment to consolidate and expand our market share, with a specific focus on increasing production capacity for critical cold plate components. By leveraging delivery capabilities that far exceed industry peers and our advantages in system-level integrated design, the Company ensures its continued market leadership amidst the continuously evolving waves of technology.

4.2.1.3 Future Market Supply, Demand, and Growth

Market demand for AI infrastructure remains exceptionally robust, with Cloud Service Providers continuously revising their data center capital expenditures (CapEx) upward. As AI computing requirements expand from the core to the edge, thermal challenges will permeate all electronic devices, and market growth is expected to continue accelerating.

Global AI server shipments are projected to maintain high-speed growth between 2024 and 2026. The dual engines of GPU and ASIC will drive the escalation of the thermal industry's output value. Notably, the growth rate of liquid cooling demand for ASIC servers is expected to surpass that of GPU platforms.

4.2.1.4 Competitive Advantage

(1). Exceptional R&D and Design Capabilities

The Company boasts the world's largest and most proficient thermal R&D team, with over a decade of deep cultivation in liquid cooling technology. Our product portfolio offers unparalleled global breadth, spanning from millimeter-scale precision components to meter-scale rack solutions. This enables the Company to provide unique system-level integrated design capabilities rather than merely supplying individual components.

Furthermore, the Company has long served as a reference designer for the world's leading GPU manufacturers, co-developing next-generation platform architectures.

(2). Mature and High-Efficiency Manufacturing Processes

The Company is equipped with a dedicated automation engineering team that drives the implementation of collaborative robotic arms and Automated Guided Vehicles (AGVs). On our mature production lines, we are progressively achieving unmanned manufacturing. We are aggressively expanding our production capacity to align with the rapid growth in customer demand while maintaining sufficient inventory buffers to ensure high-efficiency construction requirements are met.

(3). Reliable and Flexible Global Supply System

The Company maintains long-term, high-trust relationships with all leading global Cloud Service Providers (CSPs) and serves as their primary design partner. We possess the ability to mobilize production facilities at any time according to customer requirements in response to geopolitical shifts. By maintaining in-house production capabilities for critical components, the Company effectively mitigates supply chain tightening risks and strengthens overall supply resilience.

4.2.1.5 Favorable and unfavorable factors of future development prospects and response measures

4.2.1.5.1 Favorable factors

(1). Technological Barriers and Market Leadership

With over a decade of deep cultivation in liquid cooling technology, the Company has established itself as a critical supplier to leading global technology giants.

(2). Strategic Partnerships

The Company maintains deep, collaborative R&D relationships with mainstream global GPU manufacturers and Cloud Service Providers (CSPs).

(3) Economies of Scale

Our large-scale production capacity and strategic inventory buffering enable us to meet customers' requirements for high-efficiency infrastructure deployment.

4.2.1.5.2 Unfavorable factors and response measures

(1). Geopolitical Risk

Response measures: The Company is implementing a strategy of global diversification and has expanded its manufacturing footprint to Vietnam in alignment with customer requirements and enhance supply chain resilience.

(2). Challenges of Extreme Power Consumption

Traditional cooling solutions may struggle to meet the demands of rapidly increasing thermal design power.

Response measures: The Company continues to develop forward-looking technologies, including two-phase liquid cooling and immersion cooling, to stay ahead of evolving high-performance computing requirements.

4.2.2 Important Uses and Manufacturing Processes of Main Products

4.2.2.1 Important Uses of Main Products: The Company provides comprehensive thermal and mechanical solutions for cooling critical server components, including CPUs, GPUs, network switches, connectors, and power distribution units (PDUs). The scope of application spans laptops, communication base stations, server racks, autonomous vehicles, humanoid robots, and Low Earth Orbit (LEO) satellites.

4.2.2.2 Manufacturing Process:

(1). High Degree of Automation: The Company operates highly efficient production lines, with specialized teams dedicated to automation technology. Certain mature lines are progressively transitioning toward unmanned factories. On these advanced lines, robotic arms and Automated Guided Vehicles (AGVs) have been fully integrated for automated assembly and material transport to minimize manual intervention.

(2). Superior Yield Rates and Stringent Quality Control: The Company strictly adheres to multiple ISO certification standards throughout the manufacturing process. We implement thorough Incoming Quality Control (IQC) and In-Process Quality Control (IPQC) to ensure that product quality consistently meets the rigorous requirements of our customers.

Through the integration of smart automation, high-yield management, and advanced manufacturing technologies, the Company ensures it can meet customers' high-efficiency infrastructure deployment needs with optimal efficiency and quality.

4.2.3 Supply Status of Major Raw Materials

The primary raw materials required for the Company's thermal products include copper, aluminum, steel, and plastic products, as well as components such as sensors, ICs, and bearings. The Company ensures high supply chain resilience and stability through the following strategies:

(1). Raw Material Procurement and Cost Control: The Company has established strategic alliances with multiple domestic and international suppliers to maintain a steady supply. Procurement of copper and aluminum is based on

formulas referencing London Metal Exchange (LME) market prices. Steel and plastic products are procured through annual contracts or market price comparisons to ensure competitive pricing advantages.

- (2).Diversified Supplier Strategy: To ensure supply chain security, the Company maintains multiple sources for all critical components, avoiding single-source risks and supporting customers' high-efficiency construction requirements.
- (3).In-house Production of Critical Parts: The Company possesses the technical capability to manufacture critical components in-house. This allows us to respond effectively to market supply tightening, mitigate external supply chain risks, and enhance delivery stability.

By combining diversified procurement, in-house production of key parts, and a global manufacturing footprint, the Company has established a highly resilient supply system capable of navigating geopolitical shifts and market volatility, making us the most reliable partner for global customers developing AI infrastructure.

4.2.4 Names of customers accounting for more than 10% of net sales and purchases in the past two years:

4.2.4.1 Major Sales Customers for the Past Two Years

UNIT: NT\$ thousand ; %

	Y2024				Y2025			
Item	Name	Amount	Annual Net sales (%)	Relation with Issuer	Name	Amount	Annual Net sales (%)	Relation with issuer
1	Client A	20,530,686	28.61%	None	Client A	31,751,350	22.74%	None
2	Client B	11,601,155	16.17%	None	Client B	13,269,765	9.50%	None
3	Client C	7,535,652	10.50%	None	Client C	27,556,669	19.73%	None
4	Others	32,093,803	44.72%	None	Others	67,061,578	48.03%	None
	Net sales	71,761,296	100.00%		Net sales	139,639,362	100.00%	

Reasons for Variations: The company has benefited from the growth in market demand, showing a steady increase in sales to major customers from 2024 to 2025.

4.2.4.2 Names of suppliers accounting for making more than 10% of net purchases in the last two years:

UNIT: NT\$ thousand ; %

Item	Y2024				Y2025			
	Name	Amount	Annual Net Purchase (%)	Relation with Issuer	Name	Amount	Annual Net Purchase (%)	Relation with Issuer
1	Supplier D	11,703,557	22.01%	None	Supplier D	17,666,906	18.72%	None
2	Others	41,480,627	77.99%		Others	76,684,196	81.28%	
	Net Purchases	53,184,184	100.00%			94,351,102	100.00%	

Explanation of the increase or decrease of changes: The Company's procurement policy is primarily based on considerations of cost, lead time flexibility, and quality stability. Variations in the procurement amounts from major suppliers during the fiscal years 2024 and 2025 were primarily driven by shifts in market supply and demand, as well as the Company's internal production and procurement strategies.

4.3 Employee

Employee Information for the Most Recent Two Fiscal Years and up to the Publication Date of this Annual Report: Number of Employees, Average Years of Service, Average Age, and Educational Background Distribution

Unit: person; year; %

Year		FY 2024	FY 2025	Mar. 11, 2026
Number of Employees	Corporate Officer	6	5	5
	Clerical staff	7,097	9,047	9,371
	Operators	9,948	17,392	18,088
	Total	17,051	26,444	27,464
Average Age		33.7	33.0	33.2
Average Length of Service		3.1	2.5	2.5
Education Level Distribution Ratio	PHD.	0.06%	0.05%	0.05%
	Master	1.67%	1.29%	1.24%
	Bachelor/ Associate/ Diploma	22.97%	18.93%	19.32%
	High school	22.98%	29.46%	31.48%
	Below high school	52.31%	50.28%	47.91%

4.4 Environmental Expenditure Information

4.4.1 Losses and Penalties from Environmental Pollution

For the most recent fiscal year and up to the publication date of this annual report, the Company has incurred no losses or legal penalties due to environmental pollution.

4.4.2 Estimated Contingent Costs and Mitigation Measures

The Company has successfully obtained certifications for the ISO 14001 Environmental Management System and the ISO 45001 Occupational Health and Safety Management System. We remain committed to strict regulatory compliance, continuous process improvement, and the prevention of environmental pollution.

4.5 Labor Relations

4.5.1 Various aspects of employee welfare measures, continuing education, job training, retirement system and its implementation, as well as labor agreement, labor rights and employment protection measures

4.5.1.1 Employee benefits

1. Corporate Welfare Initiatives

The Company is committed to creating a supportive and high-performance work environment through the following measures:

- (1) Flexible and Compliant Working Hours: In strict adherence to labor laws, the Company implements a flexible working hour system, allowing employees to arrange their schedules within regulatory guidelines to meet personal needs.
- (2) Comprehensive Leave Policy: Beyond statutory annual leave, we provide diverse leave options including marriage, maternity, paternity, pregnancy check-up, bereavement, menstrual, family care, and disaster leave, fully complying with the Labor Standards Act and the Gender Equity in Employment Act.
- (3) Maximum Leave Flexibility: To respect employees' right to rest, the minimum unit for leave requests is set at 30 minutes, allowing for granular and efficient time management.
- (4) Parental Leave Support: All employees, regardless of gender, are entitled to apply for unpaid parental leave with a guaranteed right to reinstatement.
- (5) Comprehensive Insurance: In addition to Labor and Health Insurance, the Company provides Group Insurance for all staff and Business Travel Accident Insurance for those on overseas assignments.
- (6) Health Management: We provide post-check-up follow-ups, health promotion activities, and professional medical consultations.
- (7) Innovation Incentives: To foster a culture of creativity, Patent Rewards are granted for both patent proposals and successful grants.
- (8) Additional Subsidies: Performance bonuses, year-end festivities, reading club subsidies, and parking space subsidies are provided.

(9) Recognition Programs: Awards and rewards are presented to acknowledge outstanding contributions from top performers and the dedicated service of senior employees.

(10) Health Education: Health-related updates and disease prevention concepts are published at least once a week to enhance employee health awareness.

2. Employee Welfare Committee (EWC) Measures

(1) Shared Success: In line with the philosophy of sharing business achievements with employees, the Employee Welfare Committee (EWC) was established in accordance with the law. The EWC meets regularly to plan and supervise various welfare activities, consistently delivering excellent results.

(2) Diverse Benefits and Activities: The EWC manages a wide array of benefits, including cash gifts for birthdays, major festivals, weddings, births, and retirement. It also provides hospitalization and funeral condolences, scholarships for employees and their children, and subsidies for domestic and international travel. Furthermore, the committee organizes regular festive celebrations and dining subsidies to strengthen employee cohesion and well-being.

4.5.1.2 Continuous education and job training system

To cultivate the high-caliber talent essential for strategic growth, the Company has established "Educational Training Management Regulations." We conduct annual reviews of business operations and human resource development needs to formulate and execute comprehensive annual training plans. By fostering talent, we strengthen managerial capabilities and professional expertise, ensuring a robust pipeline of management and technical specialists at all levels.

Based on corporate strategic goals, legal regulations, and the professional requirements of various positions and levels, the Company provides the following training programs:

(1) New Employee Orientation: These programs are designed to help new hires understand the corporate culture, history, organizational systems, core values, quality policies, and the Code of Conduct, ensuring they integrate rapidly into the team.

(2) Professional Development and Functional Training: Tailored to different job levels and functions, these programs cover professional technical skills, management capabilities, general competencies, mandatory organizational policy courses, and specialized professional certifications.

(3) Reading Club Subsidies: We promote a culture of continuous learning by providing subsidies for reading clubs. This encourages employees to absorb knowledge, share experiences, and enhance interpersonal interaction through intellectual exchange.

(4) Group Talent Training System: We have implemented a centralized digital training system to integrate training data, automate training workflows, and achieve a paperless environment to reduce resource waste.

In 2025, the number of participants in group-wide training sessions totaled 177,810, with a total of 1,821,133 training hours completed. The breakdown of training categories is as follows:

Training Program	Description	Number of Participants	Total Training Hours
ESG & Sustainability	To cultivate an ESG mindset across the workforce and implement ESG indicators, strengthening long-term competitiveness and realizing sustainable corporate development.	4,184	5,879.5
MES Certification	To ensure all personnel adhere to Standard Operating Procedures (SOPs) and technical specifications; implementing standardized management through MES certification to enhance process stability and quality consistency.	33,604	1,242,905.5
RBA Code of Conduct	To train employees in the RBA Code of Conduct and its alignment with company policies, deepening their understanding of RBA spirits and operational requirements.	16,384	63,175.0
Human Resources	To train employees in organizational behavior and management, HR administration, employee development, and career path management.	5,383	13,994.0
Production & Manufacturing	To train employees in essential manufacturing knowledge, production workflows, and advanced equipment operation skills.	35,563	232,909.7
General Competencies	To develop general knowledge, versatile skills, and professional attitudes across the entire workforce.	7,390	26,763.0
System & Process Operations	To ensure relevant personnel possess the capability to operate internal company systems, forms, and digital workflows.	1,104	3,022.0
Supply Chain Management	To develop expertise in production planning, production control, supplier management, logistics, warehousing, and material procurement.	1,380	3,254.5
Quality Management	To train in quality control (QC), quality auditing, management system awareness, and the application of quality management tools.	23,117	50,037.0
R&D and Engineering	To enhance capabilities in product R&D, technical innovation, patent/intellectual property management, and man-machine-material system efficiency.	2,363	4,802.5
Financial Management	To develop skills in auditing, internal financial control, corporate finance, accounting, and import/export tax and customs affairs.	34	210.0

Training Program	Description	Number of Participants	Total Training Hours
Information Security (ISMS)	To train employees on AVC's information management regulations, cyber risks, and social engineering to raise awareness of operational security and risk mitigation.	4,582	5,410.0
Information Management	To ensure all employees strictly implement information management protocols to safeguard data security and strengthen internal control mechanisms.	1,448	1,450.5
Computer & IT Infrastructure	To specialize in software programming, network management, and hardware infrastructure deployment.	2,121	4,347.0
Leadership & Management	To develop core competencies for managerial roles, including daily operational management, personnel leadership, and organizational development.	2,068	5,340.5
Environmental Health & Safety	To train in environmental safety management, occupational health and safety risk control, and facility planning.	37,034	157,470.5
Administrative Affairs	To develop capabilities in cross-unit asset management, inventory auditing, general procurement planning, and administrative execution.	51	162.0
Total		177,810	1,821,133.2

4.5.1.3 Retirement system and its implementation:

(1) Regulatory Compliance and Fund Management

The Company has established “Retirement Management Regulations” and an “Employees' Retirement Reserve Fund Supervisory Committee” in accordance with the *Labor Standards Act* and the *Labor Pension Act*. Since its inception, the Company has engaged professional actuaries to perform valuations and contributes retirement reserve funds to a dedicated account at the Bank of Taiwan as required by law. All applications, reviews, and payments of employee pensions are processed strictly according to statutory requirements.

(2) Defined Contribution and Defined Benefit Plans

The Company makes monthly pension contributions to the Bank of Taiwan's Trust Department to ensure post-retirement security for its employees.

Labor Pension Act (New System): For employees opting for the new system since July 1, 2005, the Company contributes 6% of their monthly insured salary into individual pension accounts at the Bureau of Labor Insurance. Employees may also voluntarily contribute up to an additional 6% of their monthly salary based on personal preference.

(3) Retirement Eligibility and Procedures

A. Eligibility for Retirement

Voluntary Retirement: Employees may apply for retirement if they meet any of the following:

- 15 years of service and age 55 or older.
- 25 years of service.
- 10 years of service and age 60 or older.

Mandatory Retirement: The Company may require an employee to retire if they meet any of the following:

- Age 65 or older.
- Mental or physical disability renders them unfit for work.
- For specialized roles involving danger or high physical strain, the Company may request an adjustment from the central competent authority, provided the age is not below 55.

Early Retirement Incentive (Preferential Plan): To further care for our staff, employees may apply for the preferential plan if they have 20 years of service and are aged 50 or older.

B. Application Procedures

Old System: Payments are made via check issued by the Bank of Taiwan's Trust Department within 30 days of the retirement date.

New System: Upon reaching the age of 60, employees may apply directly to the Bureau of Labor Insurance for their pension with the required documentation.

C. Pension Calculation Standards

Old System: Two bases are granted for each year of service for the first 15 years. For service beyond 15 years, one base is granted per year, up to a maximum of 45 bases.

New System: Based on individual accounts. The Company contributes 6% of the insured salary, with an optional employee contribution of up to 6%.

Hybrid Service: For those with tenure under both systems, the pension is calculated separately based on the respective rules of each system.

D. Pension Contribution Rates and Status: In FY 2025, the Company's pension contributions were as follows:

New System (Defined Contribution): NT\$ 34,488 thousand.

Old System (Defined Benefit): NT\$ 4,230 thousand.

4.5.1.4 Agreement in labor and status of various employee rights maintenance measures:

(1) Labor-Management Consultative Mechanism

To enhance operational efficiency and improve labor conditions, the Company established the Labor-Management Council in March 2003, which has been officially filed with the competent authorities. The Company holds regular Labor-Management meetings, providing a platform for employees to express their views through elected labor representatives. All consensus reached through these consultations is processed in accordance with formal institutional procedures.

(2) Code of Conduct and Grievance Channels

Since its inception, the Company has been dedicated to creating a superior work environment and comprehensive welfare programs. The Company has established “Work Rules” and a “Code of Professional Ethics and Conduct” in accordance with the Labor Standards Act to clearly define the rights and obligations of both parties, employee ethics and professional conduct, Furthermore, we maintain fair and transparent internal grievance mechanisms and feedback channels to actively listen to and address employee concerns and suggestions.

(3) Harmonious Labor Relations and Zero Disputes

The Company places immense value on labor harmony and seamless communication. We have fostered a collaborative “corporate family” culture with open communication channels between management and staff at all levels. As a result, the Company maintains highly harmonious labor relations with no labor disputes or related losses occurring during the current fiscal year.

- 4.5.2 Losses resulting from labor disputes for the most recent fiscal year and up to the publication date of the annual report (including labor inspection results in violation of the *Labor Standards Act*, specifying the date of penalty, reference number, legal articles violated, nature of the violation, and details of the penalty); including disclosure of estimated amounts and response measures for current and potential future occurrences: None.

4.6 Cyber Security Management

4.6.1 Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.

4.6.1.1 Management framework

To strengthen cybersecurity governance and comply with the regulations of the Taiwan Stock Exchange (TWSE), the Board of Directors approved a resolution on March 11, 2026, officially appointing Mr. Teng, Kuang Tsu, Director of the System Information Department, as the Company's Chief Information Security Officer (CISO). Simultaneously, the "System Information Security Group" was established as the dedicated unit for cybersecurity. The core functions and operational model of this framework are as follows:

(1) Dedicated Cybersecurity Unit

The "System Information Security Group," under the System Information Department, is responsible for the planning and execution of information operational security management. It is tasked with establishing and maintaining an Information Security Management System (ISMS) that aligns with international standards.

(2) Scope of Responsibilities

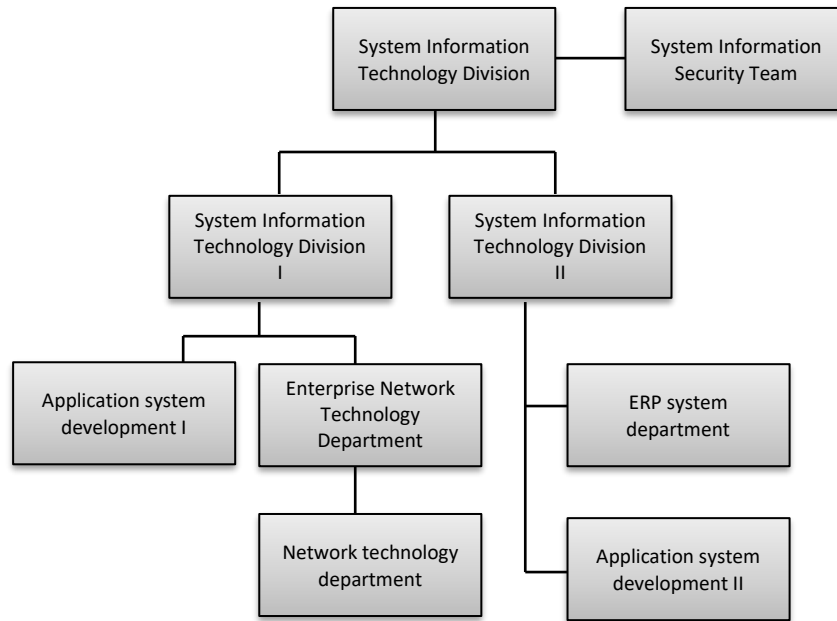
The unit oversees the formulation, implementation, risk management, and compliance auditing of cybersecurity and data protection policies across the entire Group.

(3) Certifications and Standards

The Company has fully implemented and obtained the latest ISO/IEC 27001:2022 certification, ensuring that our security governance remains globally competitive and up to date.

(4) Monitoring and Auditing Mechanisms

To ensure the effectiveness and applicability of our management systems, the Company conducts regular internal cybersecurity audits and self-assessments annually. Furthermore, external independent auditors are engaged to perform unscheduled audits, providing an additional layer of professional oversight.



4.6.1.2 Cyber security policies,

Purpose: To strengthen information security management and ensure the confidentiality, integrity, and availability of information assets, while meeting relevant information security requirements, to protect the enterprise from intentional internal and external threats.

Objectives:

- (1). Maintain the continuous operation of all information systems.
- (2). Prevent hackers and various types of viruses from infiltrating and damaging systems.
- (3). Prevent unauthorized and unlawful use by individuals.
- (4). Prevent sensitive data leaks.
- (5). Avoid accidental human errors.
- (6). Maintain the security of physical environments hosting servers.

4.6.1.3 Concrete management initiatives

To implement the "Electronic Data Processing Cycle Regulations," the Company ensures that internal departments and operational management personnel adhere to prescribed procedures through an annual information security internal audit management system, supplemented by internal control audits conducted by objective third parties. The Company's Internal Audit Department performs internal audits and self-assessment reviews semi-annually, typically at mid-year and year-end. Furthermore, external accounting firms conduct periodic information internal control audits to ensure the effectiveness and applicability of information security management. These measures are designed to ensure rigorous implementation, sustain information security systems, and meet the requirements and expectations of relevant stakeholders.

- (1) Risk Control: By strengthening identity authentication, system vulnerability scanning, and data encryption mechanisms, AVC enhances its overall

information security protection capabilities.

- (2) System Recovery and Response: Through regular data backups and redundancy measures, AVC ensures quick recovery and operational stability in the event of unexpected incidents.
- (3) Access and Permission Management: User access is governed by approved permissions to ensure that sensitive information is only accessible to authorized personnel, minimizing the risk of unauthorized access.
- (4) Cybersecurity Awareness Training: AVC conducts information security training to improve employees' ability to identify and respond to potential risks.
- (5) Monitoring and Incident Response: A real-time monitoring system is in place to ensure abnormal events are detected promptly and addressed with appropriate response strategies.

The Company will continue to strengthen its information security management and ensure long-term effectiveness through both internal and external audits and risk control mechanisms.

4.6.1.4 Investments in resources for cyber security management

(1) Global Implementation of ISO 27001:2022

The Group has successfully completed the transition to the new ISO/IEC 27001:2022 standard and obtained certification across all major sites. By establishing a comprehensive Information Security Management System (ISMS), the Company ensures that its security governance remains aligned with the most stringent international standards.

AVC	ISO/IEC 27001:2022 Certifying Body: BUREAU VERITAS Validity 2028-09-16
AVCSZ	ISO/IEC 27001:2022 Certifying Body: BUREAU VERITAS Validity 2028-09-16
AVCDG	ISO/IEC 27001:2022 Certifying Body: BUREAU VERITAS Validity 2028-09-16
AVCVN	ISO/IEC 27001:2022 Certifying Body: BUREAU VERITAS Validity 2028-09-16
AVCCD	ISO/IEC 27001:2022 Certifying Body: BUREAU VERITAS Validity 2028-09-16
AVCWH	ISO/IEC 27001:2022 Certifying Body: BUREAU VERITAS Validity 2028-09-16
D-Max JS	ISO/IEC 27001:2022 Certifying Body: BUREAU VERITAS Validity 2028-09-16

- (2) During the year, the internal and external information security audit mechanisms were implemented. A total of four information security audits were completed by the internal audit department (August and December) and external auditors (August and October). Furthermore, to enhance operational resilience, the IT department completed two system data recovery drills in June and December.
- (3) Upgraded the SPAM defense system to strengthen filtering mechanisms for Advanced Persistent Threats (APT), effectively blocking malicious social

engineering and penetration attacks while enhancing email system defense capabilities.

- (4) Deployed Web Application Firewalls (WAF) to bolster defense against Web attacks for outward-facing service systems, reducing application-layer intrusion risks and enhancing website application protection.
- (5) Completed the optimization of core network architecture across plants, improving data transmission stability while simultaneously strengthening network segmentation security to finalize infrastructure and architectural optimization.
- (6) Upgraded the Security Information and Event Management (SIEM) system to enhance threat detection sensitivity and event correlation analysis, shortening response times and improving monitoring and detection efficiency.
- (7) The Company conducted software spot checks and comprehensive audits in January and July to reinforce employee compliance with information security regulations and risk awareness.
- (8) To enhance employee awareness of information security risks and understanding of protection measures, the IT department held "Information Security and Risk Awareness" training in April 2025. This initiative aimed to promote the importance of cybersecurity, provide practical protection knowledge and operational skills, and help all staff build defense awareness to create a more secure environment.
- (9) According to Security Scorecard, a third-party cybersecurity risk assessment tool, AVC's security rating is "Grade A," with ongoing efforts for further enhancement.

4.6.2 List any losses suffered by the company in the latest fiscal year and up to the publication date of this annual report due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided.

- (1) List any losses suffered by the company in the latest fiscal year and up to the publication date of this annual report due to significant cyber security incidents: None.
- (2) The possible impacts therefrom, and measures being or to be taken: None.

4.7 Important contracts

Type of Contract	Party	Contract Duration	Contract Content	Restrictions
Rental agreement	Bureau of Industrial Parks, Ministry of Economic Affairs	From May 1, 2019, to April 30, 2029	Land lease rent of Kaohsiung plant	No
Long term loans	Export-Import Bank of the Republic of China	From December 21, 2021, to December 21, 2027	Unsecured loan NTD 125,000 thousand	No
Long term loans	Export-Import Bank of the Republic of China	From April 11, 2022, to April 11, 2028	Unsecured loan NTD 481,250 thousand	No
Long term loans	Taiwan Cooperative Bank - East Xinzhuang Branch	From February 9, 2023, to February 8, 2027	Unsecured loan NTD 156,250 thousand	No
Long term loans	Hua Nan Bank - North Xinzhuang Branch	From October 16, 2023, to October 16, 2026	Unsecured loan NTD 200,000 thousand	No

Type of Contract	Party	Contract Duration	Contract Content	Restrictions
Long term loans	Taiwan Cooperative Bank - East Xinzhuang Branch	From May 28, 2024, to May 27, 2029	Unsecured loan NTD 350,000 thousand	No
Long term loans	Export-Import Bank of the Republic of China	From October 16, 2024, to October 16, 2030	Unsecured loan NTD 600,000 thousand	No
Long term loans	Far Eastern International Bank	From December 10, 2024, to December 10, 2029	Unsecured loan NTD 550,000 thousand	No
Long term loans	Land Bank of Taiwan	From February 18, 2025, to February 18, 2028	Unsecured loan NTD 216,666 thousand	No
Long term loans	Mizuho Bank Ltd.	From September 20, 2025, to September 20, 2027	Unsecured loan NTD 200,000 thousand	No
Long term loans	Taiwan Business Bank - Wugu Branch	From October 13, 2025, to October 13, 2030	Unsecured loan NTD 773,333 thousand	No
Long term loans	DBS Bank	From October 17, 2025, to January 16, 2026	Unsecured loan NTD 200,000 thousand	No
Long term loans	Mizuho Bank Ltd.	From November 14, 2025, to May 14, 2026	Unsecured loan NTD 100,000 thousand	No
Long term loans	Mizuho Bank Ltd.	From November 17, 2025, to May 15, 2026	Unsecured loan NTD 300,000 thousand	No
Long term loans	Fubon Bank Syndicated Loan (14 Banks)	From December 22, 2025, to February 23, 2026	Unsecured loan NTD 2,400,000 thousand	No
Long term loans	HSBC Bank (Taiwan) Limited	From December 22, 2025, to March 31, 2026	Unsecured loan NTD 300,000 thousand	No
Long term loans	E.SUN Bank - Kaohsiung Branch	From December 29, 2025, to December 29, 2028	Unsecured loan NTD 500,000 thousand	No

4.8 Intellectual Property Management

The Company recognizes that intellectual property (IP) is a core asset for maintaining technological leadership and market competitiveness. To ensure legal protection of R&D achievements and mitigate operational risks, the Company has established a comprehensive IP management system that highly integrates IP strategy with operational goals.

(1) Management Plan Linked to Operational Objectives

The Company's IP management plan is built upon three pillars: "Protecting R&D Achievements, Respecting Others' Rights, and Enhancing Asset Value."

The specific links to our operational objectives are as follows:

- A. Elevating Technical Barriers to Entry: For core thermal technologies and next-generation innovative applications, we adopt a "Parallel R&D and Patenting" strategy. This ensures that technical outputs are immediately filed for patent protection, consolidating the Company's leading position in the global thermal management market.
- B. Implementing Risk Management and Compliance: We have established a preliminary IP search mechanism to ensure that all developed or introduced technologies prioritize the non-infringement of third-party IP rights. Simultaneously, contract management clearly defines the ownership of rights with employees and partners to ensure operational stability.
- C. Deepening Corporate Asset Protection: We strengthen confidentiality measures for trade secrets and technical data. By properly preserving R&D records, we transform them into sustainable intangible assets for the Company and prevent the leakage of core technologies.

(2) Implementation Status in 2025

The Company introduced its IP management system in 2007 and has continuously refined its management standards. Key implementation results for 2025 are summarized below:

A. Management System Operations

Education and Training: We continued “Basic Patent Concepts” training for new hires and conducted ad-hoc IP regulation briefings for R&D units to deepen IP risk awareness across the workforce.

Incentives: Through the “Intellectual Property Incentive Regulations,” we present bonuses and recognition for innovative service inventions. R&D momentum grew steadily in 2025.

Confidentiality Protection: We strictly enforced information security and document confidentiality protocols. All outsourced design projects include explicit non-disclosure agreements (NDAs) and breach of contract penalties to ensure core business secrets remain secure.

B. IP Acquisition Results

As of December 31, 2025, the Company’s global IP deployment data is as follows:

- Total Global Patent Applications: 6,536 items.
- Total Patents Granted/Published: 4,930 items (including 1,697 Invention Patents, 3,078 Utility Model Patents, and 155 Design Patents).
- Market Deployment: Coverage includes major global technology and sales markets such as Taiwan, China, the U.S., Germany, Japan, the EU, France, and South Korea.
- Domestic Ranking: According to data released by the Intellectual Property Office (TIPO) in February 2026, the Company ranked 82nd among the “Top 100 Domestic Legal Entities for Three Types of Patent Grants” in 2025.

(3) Governance and Reporting Framework

To fulfill the Board of Directors' oversight responsibility regarding IP management, the Company has adopted the following governance mechanisms:

Reporting Frequency: IP-related matters, management plans, and implementation results are reported to the Board of Directors at least once a year.

Latest Report Date: The most recent annual implementation report was presented to the Board of Directors on May 13, 2025.

5. Review and Analysis of Financial Status and Business Results and Risk Issues

5.1 Review and Analysis of Financial Status

5.1.1 Comparative Financial Analysis

UNIT: NT\$ thousand

Item \ Year	2024	2025	Difference	
			Amount	%
Current assets	76,092,357	126,176,263	50,083,906	65.82%
Property, plant and equipment	13,805,248	17,848,979	4,043,731	29.29%
Intangible assets	168,667	195,055	26,388	15.65%
Other assets	4,054,739	9,969,077	5,914,338	145.86%
Total assets	99,905,561	160,136,525	60,230,964	60.29%
Current liabilities	58,288,126	97,495,418	39,207,292	67.26%
Non-current liabilities	8,144,560	12,076,466	3,931,906	48.28%
Total liabilities	66,432,686	109,571,884	43,139,198	64.94%
Equity attributable to parent company owner	28,870,634	44,600,767	15,730,133	54.48%
Share capital	3,875,535	3,907,128	31,593	0.82%
Capital surplus	3,546,404	2,728,481	(817,923)	(23.06%)
Retained earnings	22,050,862	38,534,463	16,483,601	74.75%
Other equity	(609,162)	(644,905)	(35,743)	5.87%
Treasury stock	-	-	-	-
Non-controlling equity	4,602,241	5,963,874	1,361,633	29.59%
Total equity	33,472,875	50,564,641	17,091,766	51.06%
Description of Analysis (Please provide an analytical explanation for any fluctuations where the variance ratio reaches 20% and the amount exceeds NT\$10 million.)				
Current Assets: The increase was primarily driven by revenue growth this year, which led to a corresponding rise in cash and cash equivalents, as well as inventories for raw material preparation.				
Property, Plant, and Equipment (PP&E): The increase was primarily due to the growth in the Company's capital expenditure (CAPEX) for equipment.				
Other Assets: The increase was primarily due to a rise in prepayments for equipment.				
Total Assets: The increase was primarily attributed to the growth in current assets and property, plant, and equipment.				
Current Liabilities and Total Liabilities: The increase was primarily driven by revenue growth this year, resulting in a rise in accounts payable.				
Equity Attributable to Owners of the Parent and Total Equity: The change was primarily due to an increase in net profit for the current period, leading to a movement in total equity.				
Capital Surplus: The change was primarily due to the distribution of cash dividends from capital surplus.				
Retained Earnings: The change was primarily due to the increase in net profit for the current period.				
Non-controlling Interests: The change was primarily due to fluctuations in equity ownership of subsidiaries.				

5.1.2 Impact of Significant Financial Changes in the Last Two Years and Future Response Plan: The differences in financial changes over the past two years have had no material impact on the company's balance sheet.

5.2 Financial Performance

5.2.1 The main reasons for the significant changes in operating revenues, operating profit and net profit in the last two years

UNIT: NT\$ thousand

Item	2024	2025	Increased (decreased) amount	% Change
Operating revenues	71,761,296	139,639,362	67,878,066	94.59%
Gross profit	16,870,441	36,034,003	19,163,562	113.59%
Net operating income	10,822,659	27,555,663	16,733,004	154.61%
Non- operating income and expenses	1,528,952	1,230,544	(298,408)	(19.52%)
Profit before income tax, net	12,351,611	28,786,207	16,434,596	133.06%
Net income attributable to parent company	8,172,379	19,186,495	11,014,116	134.77%
Earnings per share	21.21	49.17	27.96	131.82%

Description of Analysis: (Please provide an analytical explanation for any fluctuations where the variance ratio reaches 20% and the amount exceeds NT\$10 million.)

Operating Revenue: The increase was primarily driven by strategic shifts in the Company's product mix, resulting in overall revenue growth.

Operating Gross Profit, Operating Income, Profit Before Tax, Net Income Attributable to Owners of the Parent, and Earnings Per Share (EPS): The increases across these metrics were primarily due to the overall growth in revenue and the corresponding rise in net profit for the current period.

5.2.2 Expected Sales Volume and Its Basis

With the rising demand for high-performance thermal management in AI servers, liquid cooling technology is set to become the mainstream solution over the next several years. In recent years, the Company has proactively adjusted its product portfolio to diversify risks associated with the fluctuations of different industries. We will continue to optimize this mix to achieve peak operational performance.

5.2.3 Potential Impacts on Future Finances and Business, and Mitigation Plans

1. Potential Impacts on Future Business and Finances

(1) Surge in AI Infrastructure Demand: Cloud Service Providers (CSPs) continue to revise capital expenditures (CapEx) upward for data center construction. AI-related products are expected to remain a primary growth engine in 2026.

(2) New Growth Drivers (ASIC & Edge AI): The ASIC (Application-Specific Integrated Circuit) business is projected to be one of the key drivers of growth in 2026 as edge AI applications expand.

(3) Geopolitical and Supply Chain Risks: International tensions and supply chain constraints may impact delivery capabilities.

2. Mitigation Plans and Expansion Strategies

- (1) Global Supply Chain Resilience: Since 2018, the Company has established a manufacturing footprint in Vietnam. To counter supply shortages, we have built in-house production capabilities for critical components and maintain multiple suppliers for all key parts to ensure zero-interruption in supply.
- (2) Sustained R&D Leadership: The Company is aggressively investing in the development of two-phase liquid cooling, jet impingement cooling, and advanced Thermal Interface Materials (TIM) to optimize Total Design Power (TDP) and thermal resistance. We deploy dedicated R&D personnel for major clients to ensure product development cycles lead the market and precisely align with customer needs.
- (3) Expansion into Emerging “Physical World AI” Sectors: We are extending our thermal technologies into new frontiers, including autonomous vehicles, humanoid robots, and Low Earth Orbit (LEO) satellites, addressing the comprehensive thermal challenges brought by the future of Edge AI.

5.3 Cash flow

5.3.1 Cash flow analysis for recent years:

Item \ Year	2024	2025	% Change
Cash and cash equivalents at beginning of year	26,956,969	29,923,508	11.00%
Cash generated from operations	9,632,478	39,415,135	309.19%
Net cash (used) in investing activities	(7,669,489)	(13,336,370)	73.89%
Net cash provided in financing activities	200,385	2,620,255	1207.61%
Effect of exchange rate changes	803,165	(92,730)	(111.55%)
Net increase in cash and cash equivalents	2,966,539	28,606,290	864.30%
Cash and cash equivalents at end of year	29,923,508	58,529,798	95.60%
Cash Flows from Operating Activities: The change was primarily driven by the increase in net profit for the current period. Cash Flows from Investing Activities: The change was primarily due to the increase in capital expenditure (CAPEX). Cash Flows from Financing Activities: The change was primarily attributed to the increase in bank borrowings. Effect of Exchange Rate Changes on Cash: The change was primarily due to exchange differences resulting from the translation of financial statements of foreign operations. Net Increase (Decrease) in Cash and Cash Equivalents for the Period and Ending Balance of Cash and Cash Equivalents: The change was primarily driven by the increase in net cash flows from operating activities.			

5.3.2 Insufficient capital liquidity improvement plan and cash flow forecast analysis for the next year: The balance of cash and cash equivalents at end of year is 58.53 billion. There is no cash flow liquidity shortage issue.

5.4 Major capital expenditures during the latest fiscal year

AVC's recent annual capital expenditures have primarily been directed toward expanding production capacity at its Vietnam facility to meet the growing market demand for thermal solutions. While the increase in capital spending may result in higher short-term cash outflows, these investments are expected to yield long-term benefits.

As the penetration rate of liquid cooling products continues to rise, the Company's revenue and gross margin are expected to further improve, enhancing overall profitability. By expanding capacity, AVC can more effectively meet the increasing demand for liquid cooling solutions, particularly in the AI server sector. This not only helps to solidify AVC's leadership position in the thermal solutions market but also opens new business opportunities to further drive growth.

5.5 The most recent annual investment policy, the main reason for the annual investment profit or loss, the improvement plan and the investment plan for the next year

5.5.1 Investment policy: the Company's investment policy is to vertically integrate the upstream and downstream industries to ensure both the control of product quality as well as order delivery.

5.5.2 Main Reasons for Investment Gains/Losses in the Most Recent Year:

In 2025, the share of profit or loss of associates accounted for using the equity method was (NT\$94,368) thousand. This was primarily due to a decrease in the operational performance of the investee companies; however, this does not have a material impact on the Company's overall operations.

5.5.3 Future investment plan: In the future, the Company will strengthen investment management, implement the performance appraisal system, and bring into play business synergy. It will also provide necessary assistance for the investment companies that operate losses, to quickly reverse the predicament. In the coming year, our investment plan will focus on the overall industrial situation and the development of the Company's business. It will mainly integrate the upstream and downstream industries and will report it to the Board of Directors for review after careful evaluation.

5.6 Risk Assessment

5.6.1 The impacts of interest rates, exchange rate fluctuations and the inflation on the company's profit and loss and its actions.

Impact on AVC's Profit and Loss:

Item	Year 2025		
	Amount (NT\$ Thousands)	% of Operating Revenue	% of Net Income
Interest Income/(Expense)	91,022	0.07%	0.43%
Foreign Exchange Gain/(Loss)	723,395	0.52%	3.45%

Future Response Measures:

(1) Interest Rate Risk:

The Company employs diversified strategies to mitigate the impact of interest rate risks. This includes balancing the ratio of fixed and floating rate borrowings to respond to market fluctuations and optimizing hedging strategies to ensure compliance with hedge accounting regulations and reduce financial volatility. We also diversify financing sources, such as issuing corporate bonds, to spread risk and stabilize funding costs. Key focus areas include asset-liability management and liquidity control to ensure stable cash flow. The Company periodically performs stress tests to simulate various scenarios and adjust strategies accordingly while monitoring market trends and policy shifts to enhance financial flexibility and maintain operational stability.

Sensitivity Analysis: The sensitivity analysis for interest rate risk is primarily conducted on interest rate exposure items at the end of the reporting period. If interest rates had been 10 basis points higher/lower, the net profit for FY2025 would have decreased/increased by NT\$37,605 thousand.

(2) Foreign Exchange Risk:

The Company utilizes multi-faceted strategies to reduce the impact of exchange rate fluctuations. First, we leverage natural hedging by offsetting accounts receivable and accounts payable denominated in the same currency. We also flexibly utilize forward foreign exchange contracts to manage currency volatility; although these do not meet the criteria for hedge accounting, they effectively minimize foreign exchange gains or losses. Regarding fluctuations in USD and RMB, the Company closely monitors market trends, timely adjusts foreign currency holdings, and utilizes cross-border fund management to diversify FX risk, ensuring financial stability and enhancing operational flexibility and competitiveness.

Sensitivity Analysis: The sensitivity analysis for FX risk focuses on major foreign currency monetary items at the end of the reporting period and the impact of the appreciation/depreciation of these currencies on the Group's profit and loss and equity. The Group's FX risk is primarily influenced by USD and RMB fluctuations:

(A) If the NTD appreciates/depreciates by 1% against the USD, the profit or loss for FY 2025 would increase/decrease by NT\$119,593 thousand.

(B) If the NTD appreciates/depreciates by 1% against the RMB, the profit or loss for FY 2025 would increase/decrease by NT\$102,366 thousand.

(3) Inflation Risk:

AVC will strengthen cost control and improve production efficiency to counter the cost pressure brought by inflation. The Company will also expand its overseas markets to reduce exposure to both exchange rates and inflation-related risks.

5.6.2 Policies on High-Risk and Highly Leveraged Investments, Loaning of Funds to Others, Endorsements and Guarantees, and Derivative Transactions; Main Reasons for Gains or Losses; and Future Response Measures

- (1) High-Risk and Highly Leverage Investments: The Company focuses on its core manufacturing business and has not engaged in any high-risk or high-leverage investments.
- (2) Loaning of Funds to Others: The Company's loaning of funds to others is conducted in strict accordance with the "Procedures for Loaning of Funds to Others." As the purpose of these loans are strictly for short-term financing and the recipients are limited to the parent company, subsidiaries, and affiliates with sound financial standing and stable operations, no losses have been incurred from such lending activities during the most recent fiscal year and up to the publication date of this annual report.
- (3) Endorsements and Guarantees: The Company's external endorsements and guarantees are conducted in strict accordance with the "Procedures for Endorsements and Guarantees." All recipients are limited to subsidiaries or affiliates, with most of these endorsements provided for bank financing guarantees. Given that the subsidiaries and affiliates receiving these guarantees maintain sound financial standing and stable operations, no losses have been incurred from such endorsements or guarantees during the most recent fiscal year and up to the publication date of this annual report.

5.6.3 Future R&D Plans and Estimated R&D Expenses

The Company is aggressively investing in the development of two-phase liquid cooling, jet impingement cooling, and advanced Thermal Interface Materials (TIM) to optimize Total Design Power (TDP) and thermal resistance performance. We deploy dedicated R&D personnel for major clients to ensure product development cycles lead the market and precisely align with customer requirements. The estimated R&D expenditure for 2026 is NT\$6 billion.

5.6.4 Impact of Important Domestic and Foreign Policies and Legal Changes on the Company's Finances and Business, and Mitigation Measures:

The Company conducts all business activities in accordance with the regulations of competent authorities and monitors updates to these regulations to ensure ongoing compliance. In the most recent year and up to the publication date of this annual report, there have been no significant impacts on the Company's finances or business resulting from major domestic or foreign policy or legal changes.

5.6.5 Impact of Technological Changes (Including Cybersecurity Risks) and Industry Shifts on the Company's Finances and Business, and Mitigation Measures:

There were no industry shifts in the most recent year that caused a material impact on the Company's finances or business. For information regarding cybersecurity risks, please refer to section "4.6 Cybersecurity Management" in this annual report.

5.6.6 Impact of Corporate Image Changes on Corporate Crisis Management and Mitigation Measures:

The Company upholds the principles of professionalism, integrity, and sustainable operations, placing high importance on corporate image and risk control. Currently, there are no instances of corporate crises resulting from changes in corporate image.

5.6.7 Expected Benefits, Potential Risks, and Mitigation Measures for Mergers and Acquisitions:

The Company has no plans for mergers or acquisitions in the most recent year or up to the publication date of this annual report; therefore, no such risks exist.

5.6.8 Expected Benefits, Potential Risks, and Mitigation Measures for Plant Expansion:

To meet customer demand and mitigate geopolitical risks, the Company has established a new factory in Vietnam, which is currently in the continuous capacity expansion phase. This is expected to enhance production scale and cost competitiveness. All plant expansions undergo a thorough and prudent evaluation process, accounting for both investment benefits and potential risks.

5.6.9 Risks Faced by Concentration of Procurement or Sales, and Mitigation Measures:

In 2025, the Company's largest sales customer was Group A, accounting for approximately 22.74% of net sales. Regarding procurement, the largest supplier was Group D, accounting for approximately 18.72% of total purchases. There is no significant concentration of procurement. The Company utilizes strategic alliances with suppliers to achieve vertical integration advantages, thereby reducing the impact of risks within a single industry and striving for superior operational performance.

5.6.10 Impact, Risks, and Mitigation Measures of Substantial Share Transfer or Replacement by Directors or Major Shareholders with a Stake Exceeding 10%:

As of the publication date of this annual report, no such significant transfers or changes in equity ownership have occurred within the Company.

5.6.11 Impact, Risks, and Mitigation Measures of Changes in Management Control:

In the most recent year and up to the publication date of this annual report, the Company's management team has remained stable and is dedicated to improving operational performance and maximizing shareholder value. No changes in management control have occurred.

5.6.12 Litigious or Non-Litigious Matters:

This Section requires disclosure of all concluded or pending material litigation, non-litigation, or administrative disputes, whether concluded or pending, involving the Company, its directors, general manager, de facto responsible persons, major shareholders with a stake exceeding 10%, or subsidiaries, where the outcome may significantly impact shareholder equity or securities prices. The Company has no such matters to report for the most recent year up to the publication date of this annual report.

5.6.13 Other Material Risks and Mitigation Measures:

As of the publication date of this annual report, there are no other material risk items to disclose.

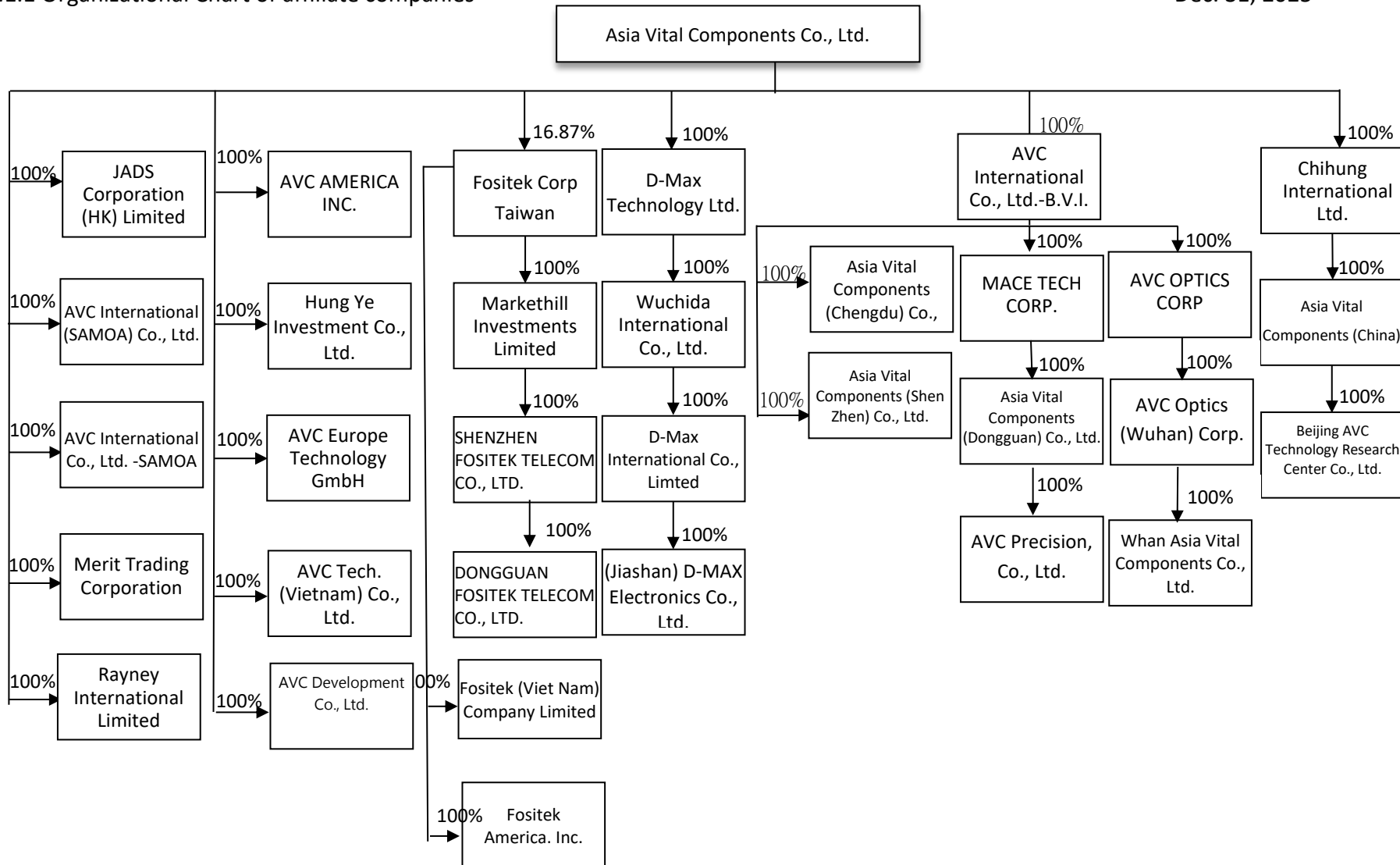
5.7 Other important matters: None

6. Special Disclosure

6.1 Information about the Company's Associates

6.1.1 Organizational Chart of affiliate companies

Dec. 31, 2025



6.1.2 Basic Information of affiliate companies

Dec. 31, 2025

UNIT: NT\$ thousand

Name of company	Date of incorporation	Address	Paid-in capital	Type of business
AVC International Co., Ltd.—B.V.I.	1998/02/24	BVI	5,147,294	Investment
Chihung International Ltd.	2001/09/27	Samoa	1,040,647	Investment
Rayney International Limited	2002/02/28	Samoa	78,950	Trading
Asia Vital Components (Shen Zhen) Co.,Ltd.	2001/02/22	Shenzhen, China	642,719	Manufacturing and trading of computer peripheral products and computer cooling fans
MACE TECH CORP.	1999/01/19	BVI	319,776	Trading
Asia Vital Components (Dongguan) Co.,Ltd.	2001/01/15	Dongguan, China	514,105	Manufacturing and trading of computers and components of electronic related products
Merit Trading Corporation	2004/05/07	Samoa	29,088	Trading
Asia Vital Components (China) Co.,Ltd.	2005/12/19	Shenzhen, China	879,291	Manufacturing and trading of computer peripheral products and computer cooling fans
AVC AMERICA, INC.	1998/01/16	USA	27,776	Trading
JADS Corporation (HK) Ltd.	2008/01/18	Hong Kong	327	Trading
AVC International (SAMOA) Co., Ltd.	2008/07/25	Samoa	10,157	Trading
AVC Precision, Co.,Ltd.	2008/08/19	Dongguan, China	734,140	Manufacturing, machining and trading of computers and components of electronic related products
Beijing AVC Technology Research Center Co.,Ltd.	2007/08/22	Beijing, China	44,350	Development and maintenance of electronic products
AVC International Co., Ltd. -SAMOA	2009/12/09	Samoa	32,120	Trading
Hong Ye Investment Co.,LTD	2011/06/09	Taiwan	60,000	Investment
Asia Vital Components (Chengdu) Co.,Ltd.	2011/01/25	Chengdu, China	1,055,897	Manufacturing and trading of computers and their peripheral parts
D-Max Technology Co., Ltd.	2001/07/24	Taiwan	285,000	Manufacturing and trading of components of electronic related products
Wuchida International Co., Ltd	2008/09/26	Samoa	132,004	Investment
D-Max International Co., Limited.	2008/10/17	Hong Kong	132,004	Investment
(Jiashan) D-MAX Electronics Co.,Ltd.	2007/03/05	Jiashan, China	132,004	Manufacturing and trading of electronic equipment and photographic equipment
AVC OPTICS CORP.	2013/02/27	Cayman Islands	3,128,775	Investment
AVC Optics (Wuhan) Corp.	2013/06/13	Wuhan, China	3,128,775	Manufacturing and trading of computer peripheral products and computer cooling fans
Fositek Corp.	2001/06/11	Taiwan	685,539	Manufacturing of components of electronic related products and trading of computer and its peripherals

Name of company	Date of incorporation	Address	Paid-in capital	Type of business
MARKETHILL INVESTMENTS LIMITED	2003/02/05	Samoa	949,097	Investment
SHENZHEN FOSITEK TELECOM CO., LTD.	2011/09/15	Shenzhen, China	846,331	Production and sales of various types of skid rails, spindle and metal stamping molds
Wuhan Asia Vital Components Co.,Ltd.	2015/08/17	Wuhan, China	2,498	Trading
AVC Europe Technology GmbH	2018/10/4	German	9,050	Trading
AVC TECH. (VIETNAM) CO., LTD.	2020/10/22	VIETNAM	3,028,417	Manufacturing of components of electronic related products and trading of computers and its peripherals
FOSITEK (VIET NAM) COMPANY LIMITED	2023/09/28	VIETNAM	303,355	Sales and manufacture of hinge
DONGGUAN FOSITEK TELECOM CO., LTD.	2024/1/17	Dongguan, China	220,476	Sales and manufacture of hinge
FOSITEK AMERICA, INC.	2023/8/28	USA	14,078	Sales of hinge
AVC DEVELOPMENT CO., LTD.	2025/7/23	VIETNAM	617,120	Dormitory management and operations

6.1.3 Companies presumed to have a Relationship of Control and Subordination: None.

6.1.4 Industries covered by Affiliates' Business Operation: Computer and peripheral equipment industry.

6.1. 5 Affiliates' Directors and Executives Names and Shareholdings

Dec. 31, 2025

Name of company	Title	Name of representative	Juristic person represented	Shares owned	
				Capital contribution / share	Percentage
AVC International Co., Ltd. - B.V.I.	Director	Shen, Ching Hang	ASIA VITAL COMPONENTS CO., LTD	16	100.00%
Chihung International Ltd.	Director	Shen, Ching Hang	ASIA VITAL COMPONENTS CO., LTD	32,770	100.00%
Rayney International Limited	Director	Shen, Ching Hang	ASIA VITAL COMPONENTS CO., LTD	2,400	100.00%
	Director	Chen, Yi Cheng			
MERIT TRADING CORPORATION	Director	Shen, Ching Hang	ASIA VITAL COMPONENTS CO., LTD	892	100.00%
AVC AMERICA INC.	Director	Huang, Chiu Mao	ASIA VITAL COMPONENTS CO., LTD	41	100.00%
	Director	Huang, Sung Hung			
	Director	Tu, Shih Tso			
AVC INTERNATIONAL (SAMOA)CO., LTD.	Director	Shen, Ching Hang	ASIA VITAL COMPONENTS CO., LTD	300	100.00%
JADS CORPORATION (HK) LTD.	Director	Shen, Ching Hang	ASIA VITAL COMPONENTS CO., LTD	10	100.00%
AVC International Co., Ltd. - SAMOA	Director	Shen, Ching Hang	ASIA VITAL COMPONENTS CO., LTD	1,000	100.00%
HUNG YE INVESTMENT CO., LTD.	Chairman	Chen,Yi Cheng	ASIA VITAL COMPONENTS CO., LTD	6,000	100.00%
	Supervisor	Kuo, Hui Ying			
D-MAX TECHNOLOGY CO., LTD.	Chairman	Shen, Ching Hang	ASIA VITAL COMPONENTS CO., LTD	28,500	100.00%
FOSITEK CORP.	Chairman	Huang, Chiu Mao	Xianyan Investment Co., Ltd	62	0.09%
	Director	Shen, Ching Hang	Zing He Investment Co., Ltd	1,750	2.55%
	Director	Chen, Yi Cheng	ASIA VITAL COMPONENTS CO., LTD	11,567	16.87%
	Director	Hsu, An-Tsu	--	343 (Note 1)	0.50%
	Director	Lee, Wang-Rui	--	60 (Note 2)	0.09%

Name of company	Title	Name of representative	Juristic person represented	Shares owned	
				Capital contribution / share	Percentage
	Director	Chung, Chia Ying	--	--	--
	Independent Director	Wang, Tien Hao	--	--	--
	Independent Director	Wu, Meng Lung	--	--	--
	Independent Director	Tien, Ying Chien	--	--	--
ASIA VITAL COMPONENTS (SHEN ZHEN) CO., LTD.	Director	Chiang, Jui Wen	AVC International Co., Ltd. - B.V.I.	--	100.00%
MACE TECH CORP.	Director	Shen, Ching Hang	AVC International Co., Ltd. - B.V.I.	11,068	100.00%
ASIA VITAL COMPONENTS (CHENGDU) CO., LTD.	Director	Chen, Yen Liang	AVC International Co., Ltd. - B.V.I.	--	100.00%
AVC OPTICS CORP.	Director	Shen, Ching Hang	AVC International Co., Ltd. - B.V.I.	100,000	100.00%
ASIA VITAL COMPONENTS (DONGGUAN) CO., LTD.	Director	Chen, Yen Liang	MACE TECH CORP.	--	100.00%
AVC OPTICS (WUHAN) CORP.	Director	Chen, Yen Liang	AVC OPTICS CORP.	--	100.00%
ASIA VITAL COMPONENTS (CHINA) CO., LTD.	Director	Chiang, Jui Wen	Chihung International Ltd.	--	100.00%
Beijing AVC Technology Research Center Co., Ltd	Director	Huang, Chang Mou	ASIA VITAL COMPONENTS (CHINA) CO., LTD.	--	100.00%
AVC Precision, Co., Ltd	Director	Chen, Yen Liang	ASIA VITAL COMPONENTS (DONGGUAN) CO., LTD.	--	100.00%
WUCHIDA INTERNATIONAL CO., LTD.	Director	Shen, Ching Hang	D-MAX TECHNOLOGY CO., LTD.	4,000	100.00%
D-MAX INTERNATIONAL CO., LIMITED	Director	Shen, Ching Hang	WUCHIDA INTERNATIONAL CO., LTD.	4,000	100.00%
(JIASHAN)D-MAX ELECTRONICS CO., LTD.	Director	Chen, Yen Liang	D-MAX INTERNATIONAL CO., LIMITED	--	100.00%
MARKETHILL INVESTMENTS LIMITED	Director	Huang, Chiu Mao	FOSITEK CORP.	33,200	100.00%
SHENZHEN FOSITEK TELECOM CO., LTD.	Director	Chang, Ming Hui	MARKETHILL INVESTMENTS LIMITED	--	100.00%
Wuhan Asia Vital Coponents Co., Ltd.	Director	Chen, Yen Liang	AVC OPTICS (WUHAN) CORP.	--	100.00%

Name of company	Title	Name of representative	Juristic person represented	Shares owned	
				Capital contribution / share	Percentage
AVC Europe Technology GmbH	Director	Huang, Chang Mou	ASIA VITAL COMPONENTS CO., LTD	250	100.00%
	Director	Lin, Shu Hua			
AVC TECH. (VIETNAM) CO., LTD.	Chairman	Cheng, Ching Hsiang	ASIA VITAL COMPONENTS CO., LTD	--	100.00%
FOSITEK (VIET NAM) COMPANY LIMITED	Chairman	Yao, Hsu Hung	FOSITEK CORP.	--	100.00%
DONGGUAN FOSITEK TELECOM CP., LTD.	Director	Chang, Ming Hui	SHENZHEN FOSITEK TELECOM CO., LTD.	--	100.00%
FOSITEK AMERICA, INC.	Director	Huang, Chang Mou	FOSITEK CORP.	--	100.00%
AVC DEVELOPMENT CO., LTD.	Chairman	Cheng, Ching Hsiang	ASIA VITAL COMPONENTS CO., LTD	--	100.00%

Note 1: Including 168 thousand shares held in trust.

Note 2: Including 40 thousand shares held in trust.

6.1.6 Affiliates' Operating Highlights

Dec. 31, 2025/Currency: NT\$ thousand

Name of company	Capital	Total assets	Total liabilities	Net Equities	Operating revenues	Operating income	Current net income	Earnings per share
							(After tax)	(NTD) (After tax)
AVC INTERNATIONAL CO., LTD.	5,147,294	61,298,105	41,402,879	19,895,226	78,250,434	5,881,481	3,786,915	229,788.92
CHIHUNG INTERNATIONAL LTD.	1,040,647	14,392,869	6,320,203	8,072,666	13,944,355	835,695	808,776	24.68
RAYNEY INTERNATIONAL LTD.	78,950	246,112	0	246,112	0	0	86,307	35.96
ASIA VITAL COMPONENTS (SHEN ZHEN) CO., LTD.	642,719	24,606,978	16,683,896	7,923,082	30,570,575	2,686,911	1,802,683	NA
MACE TECH. CORP.	319,776	22,542,467	16,473,245	6,069,222	38,107,653	2,134,798	1,416,147	127.95
ASIA VITAL COMPONENTS (DONGGUAN) CO.,LTD.	514,105	22,390,621	16,626,345	5,764,276	38,107,653	2,136,060	1,417,379	NA
MERIT TRADING CORPORATION	29,088	85,342	3,143	82,199	0	-1	0	0.00
ASIA VITAL COMPONENTS (CHINA) CO., LTD.	879,291	14,103,931	6,320,203	7,783,728	13,992,127	843,396	820,273	NA
AVC AMERICA INC	27,776	833,802	547,344	286,458	3,259,092	36,215	26,288	638.41
JADS CORPORATION (HK) LTD.	327	2,267,062	2,236,917	30,145	3,156,033	-1,262	156	15.63
AVC INTERNATIONAL (SAMOA)CO., LTD.	10,157	266,768	254,475	12,293	4,330	-2,967	63	0.21
AVC Precision, Co., Ltd	734,140	6,033,314	4,338,132	1,695,182	8,157,033	477,861	342,613	NA
Beijing AVC Technology Research Center Co., Ltd	44,350	214,432	60,597	153,835	147,895	1,015	2,414	NA
AVC INTERNATIONAL CO., LTD.-SAMOA	32,120	36,899	660	36,239	0	-975	122	0.12
HUNG YE INVESTMENT CO., LTD.	60,000	5,447	0	5,447	0	-12	26	0.00
ASIA VITAL COMPONENTS (CHENGDU) CO., LTD.	1,055,897	2,960,218	838,775	2,121,443	1,649,822	81,915	59,415	NA
D-MAX TECHNOLOGY CO., LTD.	285,000	1,160,416	719,497	440,919	1,632,043	131,438	106,587	3.74
WUCHIDA INTERNATIONAL CO., LTD.	132,004	1,063,212	662,955	400,257	1,632,043	131,835	113,612	28.40
D-MAX INTERNATIONAL CO., LTD.	132,004	1,059,510	536,832	522,678	1,639,046	133,306	112,202	28.05
(JIASHAN)D-MAX ELECTRONICS CO.,LTD.	132,004	1,059,112	536,832	522,280	1,639,046	133,306	113,217	NA
AVC OPTICS CORP.	3,128,775	11,312,618	7,536,360	3,776,258	8,677,095	1,021,401	529,332	5.29
AVC OPTICS (WUHAN) CORP.	3,128,775	11,312,606	7,536,360	3,776,246	8,677,095	1,021,401	529,332	NA
FOSITEK CORP.	685,539	14,677,626	7,485,029	7,192,597	12,413,930	2,524,445	2,125,300	31.00
MARKETHILL INVESTMENTS LIMITED	949,097	12,230,754	5,958,003	6,272,751	11,118,267	2,170,480	1,888,171	56.87
SHENZHEN FOSITEK TELECOM CO.,LTD.	846,331	12,199,622	5,958,004	6,241,618	11,118,267	2,201,215	1,912,849	NA
Wuhan Asia Vital Coponents Co., Ltd	2,498	2,944	545	2,399	0	-596	-102	NA
AVC Europe Technology GmbH	9,050	9,867	200	9,667	900	43	28	0.11

Name of company	Capital	Total assets	Total liabilities	Net Equities	Operating revenues	Operating income	Current net income (After tax)	Earnings per share (NTD) (After tax)
AVC TECH. (VIETNAM) CO., LTD.	3,028,417	28,186,816	23,315,645	4,871,171	32,395,171	1,608,330	1,398,967	NA
FOSITEK (VIET NAM) COMPANY LIMITED	303,355	995,454	379,858	615,596	958,806	214,827	215,338	NA
DONGGUAN FOSITE; TELECOM CP., LTD	220,476	217,532	330	217,202	0	-38	919	NA
FOSITEK AMERICA, INC.	14,078	14,791	623	14,168	0	-1,301	-1,307	NA
AVC DEVELOPMENT CO., LTD.	617,120	637,854	16,651	621,203	0	-1	26,578	NA

6.1.7 Consolidated Financial Statements and Affiliation Report

Please refer to the Company's consolidated financial reports on the Market Observation Post System (MOPS).

MOPS Link: <https://mops.twse.com.tw>

6.2 Other Special Disclosures

6.2.1 Private Placement of Securities during the Most Recent Fiscal Year and up to the Publication Date of the Annual Report: None.

6.2.2 Matters with a Significant Impact on Shareholders' Equity or Securities Prices as Defined in Article 36, Paragraph 3, Second Subsection of the Securities and Exchange Act during the Most Recent Fiscal Year and up to the Publication date of the Annual Report: None.

6.2.3 Other Necessary Supplementary Information: None.