Stock Code: 3479

Avalue Technology Incorporation

2025 ANNUAL REPORT

Publication Date: April 11, 2026

Website for Checking This Annual Report:

https://mops.twse.com.tw

and https://www.avalue.com.tw

I. Names, titles, Telephones, and Emails of Spokesperson and Deputy Spokesperson:

Spokesperson: Hsu Chung-Heng	Tel.: (02) 8226-2345
Title: Chief Financial Officer	Email: henry_hsu@avalue.com
Name of Deputy Spokesperson: Chen, Wan-Ning	Tel.: (02) 8226-2345
Title: Senior Manager of Marketing and Planning Department	Email: linda_chen@avalue.com

II. Addresses and Telephones of Headquarter, Branches and Plant:

	Address	Telephone
Headquarter	7/F, No. 228 Liancheng Road, Zhonghe District, New Taipei City	(02)8226-2345
Plant	7/F, No. 87 and 7/F, No. 95 Lide Street, Zhonghe District, New Taipei City	(02)8226-2345
Eversun Electronic Co., Ltd	No. 6, E. 10th St., K.E.P.Z., Qianzhen Dist., Kaohsiung City, Taiwan (R.O.C.)	(07)815-2243

III. Name, Address, Website and Telephone of Stock Transfer Agent:

Name: Taishin Securities Co., Ltd., Stock Affairs Department	Website: www.tssco.com.tw
Address: B1, No. 96, Section 1, Jianguo North Road, Taipei City	Tel.: (02) 2504-8125

IV. Names of the CPAs Audited the Financial Statements for the Most Recent Year, and the Name, Address, Website and Telephone of the CPAs' Firm:

Names of the CPAs: Wang, I-Wen, Hsin, Yu-Ting

Name of CPAs' Firm: KPMG Taiwan	Website: www.kpmg.com.tw
Address: 68/F, No. 7, Section 5, Xinyi Road, Taipei City	Tel.: (02) 8101-6666

V. Name of the Trading Venue Where Overseas Securities are Listed and Traded and the Method for Checking the Information on Such Overseas Securities: None.

VI. Company Website: www.avalue.com.tw

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Chapter 1 Report to The Shareholders

To shareholders:

In 2025, with the support of shareholders and the efforts of all employees, Avalue Technology Incorporation achieved consolidated business revenue of NT$8.48097 billion, grow 11.55% from the previous year, and consolidated net profit after tax of NT$540.85 million for the year, with a surplus of NT$6.45 per share. The following is a report to shareholders on the business results for the year 2025 and the business plan for the year 2026.

2025 Business Results

1. Financial Structure Analysis
   By the end of 2025, the paid-in capital of the Company was NT$726.3 million, and the equity was NT$3.98482 billion, accounting for 50.69% of the total assets of NT$7.86099 billion. The debt ratio was 49.31%. The financial structure and solvency of the company were still stable.
2. Profitability Analysis:

Return on Assets	7.86%
Return on Equity	13.84%
Ratio of net profit before tax to paid-in capital	105.96%
Net profit ratio	6.37%
Earnings per share	NT$6.45

2026 Business Plan

In 2026, Avalue will focus on the core themes of “high-end integration, industry deepening, and sustainability enhancement,” continuing to strengthen its core business while expanding into six key application areas: smart healthcare, industrial automation, smart transportation, smart retail, smart energy, and defense. Amid the rapidly growing global demand for AI and cybersecurity, Avalue will further enhance its capabilities in high-performance computing (HPC), agentic AI servers, and Edge AI integration, advancing toward the high-end AI application market.

Avalue will continue its transformation from a hardware supplier into a “high value-added total solution provider,” centering on turnkey solutions by integrating capabilities in hardware and software design, system validation, and global supply chain management to enhance technological barriers and market competitiveness. At the same time, guided by ESG and SDGs principles, Avalue will integrate cybersecurity and sustainable governance to build a solid foundation for long-term and stable growth.

In response to future trends, Avalue Technology Incorporation has formulated seven key operational strategies

1. Focusing on six key application areas
   Building on its existing five key application areas—smart healthcare, industrial automation, smart transportation, smart retail, and smart energy—Avalue will expand into the defense sector. This initiative aims to deepen its presence in vertical markets and strengthen project integration capabilities, thereby increasing industry penetration and the proportion of long-term projects, while enhancing a high-margin application portfolio.
2. Promote high-end HPC and Agentic AI servers
   Continue to develop high-performance computing (HPC) and Agentic AI server solutions by integrating international chip platforms such as Intel and NVIDIA, while expanding into generative AI, autonomous decision-making systems, and intelligent inference applications, targeting high-end AI applications and mission-critical markets.
3. Strengthen Turnkey Solution and System Integration Capabilities
   Enhance end-to-end integrated design capabilities—from motherboard development, system design, and mechanical integration to software optimization—providing customers with comprehensive AI application solutions. This approach increases project added value and technological barriers, enabling the Company to move away from price-driven competition.
4. Build a Core Edge AI Platform to Drive Intelligent Applications
   Positioning Edge AI as a key driver of future industrial intelligence, the Company integrates edge hardware, AI inference acceleration technologies, and application validation mechanisms. This approach enhances low-latency and high-reliability performance for mission-critical applications, while enabling the development of AIoT solutions that are rapidly deployable and easily scalable.
5. Upgrade Operational Scale and Global Resource Integration
   With ESG as the core, the Company aims to respond to the growth of its operational scale by initiating the construction of the Acting Avalue corporate headquarters building. This project will integrate the Group's R&D, operations, and management resources, optimize cross-departmental collaboration efficiency and global operational management capabilities, and lay a solid foundation for growth over the next five to ten years.
6. Next-Generation Cybersecurity Ecosystem
   Form strategic alliances with multiple global industry leaders to jointly enhance product design and compliance capabilities in line with the CRA 2027 next-generation cybersecurity regulations, thereby improving product security levels and strengthening competitive advantages in the European market.
7. Deepening Corporate Sustainability Development

With ESG as the core governance framework, the Company promotes energy conservation and carbon reduction, green design, and supply chain carbon management. Through high-performance and low-power product design, it assists customers in achieving their sustainability goals while creating a win-win outcome for both business and the environment.

Deepening the Healthcare Industry and Establishing a Second Growth Curve

The healthcare sector remains Avalue's core long-term growth driver. Building on the specialized division structure of its Medical Business Unit, the Company integrates Edge AI and high-end AI server technologies to advance applications in intelligent diagnostics, medical imaging computing, and clinical decision support. Through the adoption of AI predictive models and high-performance computing platforms, the Company enhances the value and accuracy of data in healthcare settings, strengthens its differentiated advantages in the medical and healthcare markets, and continues to build a second growth curve.

Looking Ahead, Advancing Toward High-End Integration and Sustainable Growth

Avalue's future growth will be driven by a dual-engine strategy of "deepening high-end AI applications" and "vertical industry specialization." By advancing seven key operational strategies in parallel, the Company aims to accelerate the growth of high value-added projects and enhance the overall quality of its product portfolio and profitability. Avalue will continue to strengthen global supply chain resilience and regionalized manufacturing deployment to respond to geopolitical shifts and market dynamics. At the same time, through digitalized management and enhanced cybersecurity, the Company will build a more resilient operational foundation. Guided by professional management and sustainable governance principles, Avalue will collaborate with global partners to drive innovation in smart technologies and move toward a new milestone of high-end integration and sustainable development.

Finally, I wish all of you a good health and a good luck!

Avalue Technology Incorporation

Chairman: Liu, Li-Chi

Chapter 2　Corporate Governance Report

I　Information on the Company's directors, supervisors, president, vice president, assistant vice president, and the supervisors of all the Company's divisions and branch units:

(I) Directors and supervisors:

1. Information on directors and supervisors:

April 11, 2026

Title	Nationality/Place of Registration	Name	Gender Age	Date of election to current term	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Chairman	R.O.C.	Liu, Li-Chi	Female 61 - 70 years old	2023.06.27	3	2000.07.14	2,476,427	3.43%	1,782,427	2.45%	1,437	0.00%	-	-	**Academic Experience and Professional Qualifications** Enterprise Research Institute of National Chengchi University's Enterprise Class Master, Macau University of Science and Technology **Work Experience** Executive vice president, AAEON Technology Inc.	Note 1	-	-	-	-
Director	R.O.C.	Chang, Chia-Che	Male 51 - 60 years old	2023.06.27	3	2000.07.14	973,894	1.35%	523,894	0.72%	21,626	0.03%	866,587	1.19%	**Academic Experience and Professional Qualifications** Institute of electronics of KU Leuven **Work Experience** Vice president, Advanixs Corporation Product manager, AAEON Technology Inc.	Note 2	-	-	-	-
Director	R.O.C.	Compal Electronics, Inc.	-	2023.06.27	3	2015.06.11	14,924,070	20.69%	14,924,070	20.55%	-	-	-	-	-	-	-	-	-	-
	R.O.C.	Representative: Mao, Xin-Kung	Male 51 - 60 years old	2023.06.27	3	2015.06.11	-	-	-	-	-	-	-	-	**Academic Experience and Professional Qualifications** Master of Business Management, Lincoln University Master, Osaka University **Work Experience** Vice chairman of Poindus Systems Corp.	Vice president, Compal Electronics, Inc. Director, Rui Xing Investment Co., Ltd. Chairman, Chia Dah Knitting Co., Ltd. Director representative concurrently serve as Vice Chairman, Poindus Systems Corp. Director representative of the following companies: Unicom Global, Inc. Compalead Electronics B.V. Mexcom Electronics, LLC Mexcom Technologies, LLC Varlink Limited	-	-	-	-
Director	R.O.C.	Tseng, Chien-Chung	Male 61 - 70 years old	2023.06.27	3	2017.06.13	25,000	0.03%	25,000	0.03%	-	-	-	-	**Academic Experience and Professional Qualifications** Graduate from Department of Economics, Fu Jen Catholic University **Work Experience** Special assistance of the chairman, Advantech Co., Ltd. Investment manager, Nan Shan Life	Director, Wen Bai Wan Investment Co., Ltd Consultant, Boxin Asset Management Co.,Ltd. Director representative concurrently serve as chairman, Champ Vision Display Inc.	-	-	-	-

Title	Nationality/Place of Registration	Name	Gender Age	Date of election to current term	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
															Insurance Company, Ltd.					
Director	R.O.C.	Wang, Wei	Male 61 - 70 years old	2023.06.27	3	2017.06.13	-	-	-	-	-	-	-	-	**Academic Experience and Professional Qualifications** Doctor, University of Colorado **Work Experience** Chairman, Crystalvue Medical Corporation	Director, Crystalvue Medical Corporation Independent Director, PlayNitride Inc. Director, Koge Micro Tech Co.,Ltd.	-	-	-	-
Director	R.O.C.	Lien, Liang-Kuang	Male 61 - 70 years old	2023.06.27	3	2011.06.09	103,088	0.14%	144,088	0.20%	30,000	0.04%	-	-	**Academic Experience and Professional Qualifications** Enterprise Research Institute of National Chengchi University's Enterprise Class Graduate from Department of Electronics of National United University **Work Experience** Assistant Vice President, R&D Department, Advanixs Corporation Senior Manager, R&D Department, Micro-Star International Co., Ltd. Technical Director, Acer Inc., AO Department	Vice president, R&D Department, the Company	-	-	-	-
Independent Director	R.O.C.	Ku, Chi-Jan	Male 51 - 60 years old	2023.06.27	3	2014.06.11	-	-	-	-	-	-	-	-	**Academic Experience and Professional Qualifications** MBA, DePaul University **Work Experience** Senior assistant manager, NWInG Business Group/CONN Product Group/Market Analysis, Hon Hai Precision Industry Co., Ltd. Vice president, Taiwan Development Institute, and president, International CEO Academy Taipei Branch Director of Strategy, Haier Open Innovation Center in Taiwan	Convener of the meeting of Company's Audit Committee and the member of the Company's Remuneration Committee Chairman, Cheng Xi International Management Consultant Co., Ltd Director, Jing-Jan Retail Business Company Limited Director, Xcel Next Ventures Inc. Supervisor, Taiwan Accelerator Inc.	-	-	-	-
Independent Director	R.O.C.	Wu, Sen-Tien	Male 51 - 60 years old	2023.06.27	3	2023.06.27	-	-	-	-	-	-	-	-	**Academic Experience and Professional Qualifications** Graduate from the Department of Banking, National Chengchi University. **Work Experience** Director / Chief Strategy Officer, Apex International Co., Ltd Independent Director, Poindus Systems Corp.	Member of the Company's Remuneration Committee and Audit Committee. Vice President, Apex International Co., Ltd. Director / Member of the Nomination Committee, Liying Environmental Protection Technology Co.	-	-	-	-
Independent Director	R.O.C.	Liu, Chun-Lin	Male 61 - 70 years old	2023.06.27	3	2014.06.11	-	-	-	-	-	-	-	-	**Academic Experience and Professional Qualifications** Graduate from Department of Law, Soochow University **Work Experience** Director, Xin Wei International Law Firm	Convener of the meeting of Company's Remuneration Committee and the member of the Company's Audit Committee Director, Xin Wei International Law Firm Chairman, Chi-Sheng Investment CO., LTD.	-	-	-	-

Note 1: Director representative concurrently serves as chairman of the following companies: Avalue Technology Inc.(USA), BCM Technology Inc., Avalue Technology (Shanghai) Inc., Eversun Electronic Co., Ltd.
Director representative of the following companies: Avalue Japan Inc., Avalue Healthcare Inc., Champ Vision Display Inc.
The legal representative concurrently serves as director for the following companies: Avalue Japan Inc., Avalue Healthcare Inc.

Note 2: The Company's President. Chairman of Wisebase Ltd. Director representative concurrently serves as chairman of the following companies: Avalue Technology Inc. (SAMOA), Avalue Healthcare Inc., Avalue Japan Inc.
Director representative of the following companies: Avalue Technology Inc. (USA), Avalue Technology (Shanghai) Inc., Civue Optotech Inc., Eversun Electronic Co., Ltd., Bytec Healthcare Limited, Goomedi Laboratories, Ltd., Champ Vision Display Inc.

2. Major Shareholders of Corporate Shareholders:

March 31, 2026

Name of Corporate Shareholder	Major Shareholders of Corporate Shareholders
Compal Electronics, Inc.	Taishin International Bank Co., Ltd., as custodian of the segregated account of the Taiwan ESG Sustainable High Dividend ETF Securities Investment Trust Fund under the Cathay High Dividend Taiwan Equity Fund A(4.45%)、Taipei Fubon Commercial Bank Co., Ltd., as custodian of the segregated account of the Fuh Hwa Taiwan Technology High Dividend ETF Securities Investment Trust Fund(3.70%)、Kinpo Electronics, Inc.(3.44%)、Yuanta/P-shares Taiwan Dividend Plus ETF segregated account(3.26%)、Labor Pension Fund (The New Fund)(2.51%)、Taiwan Cooperative Bank(1.31%)、HSBC Bank (Taiwan) Limited, as custodian of the investment account of the Pzena Emerging Markets Value Fund(1.29%)、J.P. Morgan Chase Bank, N.A., Taipei Branch, as custodian of the Robeco Capital Growth Funds investment account(1.05%)、Standard Chartered Bank (Taiwan) Limited, Business Division, as custodian of the City of New York Group Trust investment account(0.92%)、JPMorgan Chase Bank, N.A., as custodian of the investment account of the APG Retirement Fund(0.91%)

3. Major Shareholder of Major Corporate Shareholders of Corporate Shareholders:

March 27, 2026

Name of Corporate Shareholder	Major Shareholder of Major Corporate Shareholders
Kinpo Electronics, Inc.	Compal Electronics, Inc. (8.24%), Panpal Technology Corp. (4.61%)、GEBO Limited (2.66%)、Ho Bao Investment Co., Ltd. (1.99%)、Ruey Shinn Co., Ltd. (1.86%)、Custodial Account for the Yuanta Taiwan Value High Dividend ETF Securities Investment Trust Fund, entrusted to and held by Hua Nan Commercial Bank (1.48%)、Li-Chu Tsai (1.44%)、UBS Taipei Branch is subject to Li Chu Tsai trust property account (1.33%)、Sheng-Hsiung Hsu (0.91%)、UBS Taipei Branch is subject to Sheng-Hsiung Hsu trust property account (0.90%)
Panpal Technology Corp.	Compal Electronics, Inc. (100%)
GEBO Limited	Li-Chu Tsai (95.39%), Chieh-Li Hsu (1.77%), Chun-Chi Hsu (1.42%), Yung-Hsu Hsu (1.42%)
Ho Bao Investment Co., Ltd.	Chieh-Li Hsu (45.76%), Li-Chu Tsai (20.06%), Chun-Chi Hsu (17.09%), Yung-Hsu Hsu (17.09%)
Ruey Shinn Co., Ltd.	Hsin Chung Chen (33.34%), Hsin Tso Chen (33.33%), Hsin Yu Chen (33.33%)

4. Information on the Professional Qualifications of Directors and Supervisors and the Independence of Independent Directors:

Qualifications / Name and Title	Professional Qualifications and Experience	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
Liu, Li-Chi Chairman	**Academic Experience and Professional Qualifications** Enterprise Research Institute of National Chengchi University's Enterprise Class Master, Macau University of Science and Technology **Work Experience** Executive vice president, AAEON Technology Inc. No condition specified in Article 30 of the Company Act occurs to him (Note 1).	Number of shares held by her (or by nominees) or her spouse and minor child(ren) and shareholding ratio as of April 11, 2026 : 1,783,864 shares and 2.45% Compliance with other independence criteria (Note 2): (1)(4)(5)(9)(10)(11)(12)	0
Chang, Chia-Che Director	**Academic Experience and Professional Qualifications** Institute of electronics of KU Leuven **Work Experience** Vice president, Advanixs Corporation Product manager, AAEON Technology Inc. No condition specified in Article 30 of the Company Act occurs to him (Note 1).	Number of shares held by him (or by nominees) or his spouse and minor child(ren) and shareholding ratio as of April 11, 2026 : 1,412,107 shares and 1.94% Compliance with other independence criteria (Note 2): (5)(9)(10)(11)(12)	0
Compal Electronics, Inc. Representative: Mao, Xin-Kung Director	**Academic Experience and Professional Qualifications** Master of Business Management, Lincoln University Master, Osaka University **Work Experience** Compal Electronics Europe, President No condition specified in Article 30 of the Company Act occurs to him (Note 1).	Number of shares held by him (or by nominees) or his spouse and minor child(ren) and shareholding ratio as of April 11, 2026 : 14,924,070 shares and 20.55% Compliance with other independence criteria (Note 2): (1)(3)(4)(6)(7)(9)(10)(11)	0
Tseng, Chien-Chung Director	**Academic Experience and Professional Qualifications** Graduate from Department of Economics, Fu Jen Catholic University **Work Experience** Special assistance of the chairman, Advantech Co., Ltd. Investment manager, Nan Shan Life Insurance Company, Ltd. No condition specified in Article 30 of the Company Act occurs to him (Note 1).	Number of shares held by him (or by nominees) or his spouse and minor child(ren) and shareholding ratio as of April 11, 2026 : 25,000 shares and 0.03% Compliance with other independence criteria (Note 2): (1)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12)	0
Wang, Wei Director	**Academic Experience and Professional Qualifications** Doctor, University of Colorado **Work Experience** Chairman, Crystalvue Medical Corporation No condition specified in Article 30 of the Company Act occurs to him (Note 1).	He (or his nominees) or his spouse and minor child(ren) hold(s) no shares in the company as of April 11, 2026 Compliance with other independence criteria (Note 2): (1)(3)(4)(5)(6)(7)(8) (9)(10)(11)(12)	1
Lien, Liang-Kuang Director	**Academic Experience and Professional Qualifications** Enterprise Research Institute of National Chengchi University's Enterprise Class Graduate from Department of Electronics of National United University **Work Experience** Assistant Vice President, R&D Department, Advanixs Corporation Senior Manager, R&D Department, Micro-Star International Co., Ltd. Technical director, AO Department, Technical Director, Acer No condition specified in Article 30 of the Company Act occurs to him (Note 1).	Number of shares held by him (or by nominees) or his spouse and minor child(ren) and shareholding ratio as of April 11, 2026 : 174,088 shares and 0.24% Compliance with other independence criteria (Note 2): (3)(5)(6)(7)(8)(9)(10)(11)(12)	0

Qualifications / Name and Title	Professional Qualifications and Experience	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
Ku, Chi-Jan Independent Director	**Academic Experience and Professional Qualifications** MBA, DePaul University **Work Experience** Senior assistant manager, NWInG Business Group / CONN Product Group / Market Analysis, Hon Hai Precision Industry Co., Ltd. Vice president, Taiwan Development Institute, and president, International CEO Academy Taipei Branch Director of Strategy, Haier Open Innovation Center in Taiwan No condition specified in Article 30 of the Company Act occurs to him (Note 1).	He (or his nominees) or his spouse and minor child(ren) hold(s) no shares in the Company as of April 11, 2026 There is no amount of remuneration obtained by him for providing business, legal, financial, accounting and other services to the Company or its affiliates in the most recent 2 years. Compliance with other independence criteria (Note 2): (1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12)	0
Wu, Sen-Tien Independent Director	**Academic Experience and Professional Qualifications** Graduate from the Department of Banking, National Chengchi University. **Work Experience** Director / Chief Strategy Officer, Apex International Co., Ltd No condition specified in Article 30 of the Company Act occurs to him (Note 1).	He (or his nominees) or his spouse and minor child(ren) hold(s) no shares in the company as of April 11, 2026 There is no amount of remuneration obtained by him for providing business, legal, financial, accounting and other services to the Company or its affiliates in the most recent 2 years. Compliance with other independence criteria (Note 2): (1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12)	0
Liu, Chun-Lin Independent Director	**Academic Experience and Professional Qualifications** Graduate from Department of Law, Soochow University **Work Experience** Director, Xin Wei International Law Firm No condition specified in Article 30 of the Company Act occurs to him (Note 1).	He (or his nominees) or his spouse and minor child(ren) hold(s) no shares in the company as of April 11, 2026 There is no amount of remuneration obtained by him for providing business, legal, financial, accounting and other services to the Company or its affiliates in the most recent 2 years. Compliance with other independence criteria (Note 2): (1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12)	0

Note 1: A person shall not act as a managerial officer and, if he/she is serving as a managerial officer, he/she shall be removed from such office, if he/she:

1. has committed any crime specified in the Organized Crime Prevention Act, and has been convicted of a crime, and the sentence has not yet been executed or the execution thereof has not been completed, or it is less than five years after completion of the execution, expiration of suspended sentence, or pardon.
2. has committed the crime of fraud, breach of trust, or embezzlement and has been sentenced to a fixed-term imprisonment of more than one year, and the sentence has not yet been executed or the execution thereof has not been completed, or it is less than two years after completion of the execution, expiration of suspended sentence, or pardon.
3. has committed any crime specified in the Anti-corruption Act, and has been convicted of a crime, and the sentence has not yet been executed or the execution thereof has not been completed, or it is less two five years after completion of the execution, expiration of suspended sentence, or pardon.
4. is announced as bankrupt or starts liquidation as per the judgment made by court, and his/her rights are not recovered.
5. is rejected from using notes for trading and the time period for such rejection does not expire.
6. has no capacity for conduct or his/her capacity for conduct is restricted.
7. is subject to assisted declaration which has not been revoked.

Note 2: Does a director or a supervisor meet the following conditions in the two years prior to their appointment and during their tenure:

(1) He/she is not an employee of the Company or any of its affiliates.
(2) He/she is not a director or supervisor of the company or any of its affiliates. The same does not apply, however, in case where the person is an independent director of the company, its parent company or any subsidiary, as appointed in accordance with the laws of Taiwan or with the laws of the country of the parent company or subsidiary.
(3) He/she is not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or is ranked in the top 10 in shareholdings.
(4) He/she is not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officer in the preceding (1) subparagraph, or of any of the persons in the preceding (2) and (3) subparagraphs.
(5) He/she is not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the Company, or that ranks among the top 5 in shareholdings, or that designates its representative to serve as a director or supervisor of the Company under Paragraph 1 or 2, Article 27 of the Company Act (except for an independent director appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent).
(6) He/she is not a director, supervisor or employee of a company controlled by the same person who has shares over half of the Company's director seats or voting rights (except for an independent director appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent).

(7) He/she is not a director, supervisor, or employee of another company or institution who, or whose spouse, is a chairman, president, or person holding an equivalent position of the Company (except for an independent director appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent).
(8) He/she is not a director, supervisor, managerial officer, or shareholder holding 5% or more of the shares of a specified company or institution that has a financial or business relationship with the Company (except for a specific company or institution holding more than 20% but less than 50% of the total issued shares of the Company and concurrently serving as an independent director, as appointed in accordance with the Act or the laws and regulations of the local country, at the Company and its parent or subsidiary or a subsidiary of the same parent).
(9) He/she is not a professional individual, sole proprietorship, partnership, owner of a company or institution, partner, director, supervisor, managerial officer or spouse thereof that provides auditing service for the Company or any of its affiliates, or provides commercial, legal, financial, or accounting service with cumulative remuneration less than NT$500,000 in the past two years. However, this does not apply in cases where members of the Remuneration Committee, the Review Committee for Public Tender Offer or the Special Committee for Mergers and Acquisitions perform their functions in accordance with the Securities and Exchange Act or the Business Mergers and Acquisitions Act.
(10) He/she is not a spouse or a relative within the second degree of kinship to any other director of the Company.
(11) No circumstance specified in Article 30 of the Company Act occurred/occurs to him/her.
(12) He/she is not a governmental or judicial person or a representative thereof as defined in Article 27 of the Company Act.

5. Diversity and Independence of Board of Directors:

(1) Diversity of the Board of Directors: The Company has formulated the policies for diversification of its Board of Directors' members and it discloses such policies on its website and MOPS. Pursuant to Article 20 of the Company's Corporate Governance Best Practice Principles, members of the Board of Directors shall generally possess the knowledge, skills, and qualities necessary to perform their duties. To achieve the desired objectives of corporate governance, the Board of Directors as a whole should possess the following competencies: business judgment capability, accounting and financial analysis capability, operational management capability, crisis management capability, industry knowledge, international market perspective, leadership, and decision-making capability. Directors are nominated through a rigorous selection process that not only diversified backgrounds, professional abilities and experience are considered, but also great importance was attached to the gender equality of the Board of Directors' members and the reputation of individual directors concerning ethical conduct and leadership. At present, there is one female director among the members of the Company's Board of Directors, which is in line with the management goal for corporate governance that there shall be at least one female director in the Board of Directors, and the nine members of the Company's Board of Directors have diversified backgrounds, including different industrial and financial, accounting and academic and other professional backgrounds and rich experience in operating company, and they generally have the knowledge, skills and quality required for performance of their duties to give play to the functions of business decision-making, leadership and supervision, and they continue to receive continued education to improve their professionalism every year legally.

(2) Independence of the Board of Directors: There are nine members of the Company's Board of Directors, including three independent directors, accounting for one-third of all directors, and there are no directors who are spouse or relatives within the second degree of kinship, so the Company's Board of Directors is independent.

Implementation status of the policies for the diversity of the Board of Directors' members is as follows:

Core Items of Diversity / Name and Title	Gender	Age	Nationality	A Concurrent Employee of the Company	Professional Qualifications and Experience			Professional Knowledge and Talent			
					An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Related to the Business Needs in a Public or Private Junior College, College or University	Professional and Technical Personnel Required for the Company's Business	Work Experience Required for the Company's Business	Decision-Making	Business Administration	Industrial Knowledge	Accounting and Legal Affairs
Liu, Li-Chi Chairman	Female	61 - 70 years old	R.O.C.				V	V	V	V	
Chang, Chia-Che Director	Male	51 - 60 years old	R.O.C.	V			V	V	V	V	
Compal Electronics, Inc. Representative: Mao, Xin-Kung Director	Male	51 - 60 years old	R.O.C.				V	V	V	V	
Tseng, Chien-Chung Director	Male	61 - 70 years old	R.O.C.				V		V	V	V
Wang, Wei Director	Male	61 - 70 years old	R.O.C.				V	V	V	V	
Lien, Liang-Kuang Director	Male	61 - 70 years old	R.O.C.	V			V		V	V	
Ku, Chi-Jan Independent Director	Male	51 - 60 years old	R.O.C.				V		V	V	V
Wu, Sen-Tien Independent Director	Male	51 - 60 years old	R.O.C.				V	V	V	V	V
Liu, Chun-Lin Independent Director	Male	61 - 70 years old	R.O.C.				V		V	V	V

(II) Information on the Company's president, vice president, assistant vice president, and the supervisors of all the Company's divisions and branch units:

April 11, 2026

Title	Nationality	Name	Gender	Date of appointment to position	Shares held		Shareholding of spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
President	R.O.C.	Chang, Chia-Che	Male	2008.07.01	523,894	0.72%	21,626	0.03%	866,587	1.19%	Institute of electronics of KU Leuven Vice president, Advanixs Corporation Product manager, Aaeon Technology Inc.	Note 1	-	-	-	-
Vice President	R.O.C.	Lien, Liang-Kuang	Male	2009.12.14	144,088	0.20%	30,000	0.04%	-	-	Enterprise Research Institute of National Chengchi University's Enterprise Class Graduate from Department of Electronics of National United University Assistant Vice President, R&D Department, Advanixs Corporation Senior Manager, R&D Department, Micro-Star International Co., Ltd. Technical director, AO Department, Technical Director, Acer	None	-	-	-	-
Vice President	R.O.C.	Kang, Yu-Min	Male	2020.04.01	415,799	0.57%	35,684	0.05%	-	-	Graduated from the Department of Electronic and Computer Engineering, National Taiwan University of Science and Technology Assistant manager, Engineering Department, King Design Industrial Co., Ltd. Senior software engineer, R&D Department, Aaeon Technology Inc.	Director representative, Avalue Technology Inc. (USA)	-	-	-	-
Vice President	R.O.C.	Yang, Chao-Chin	Male	2021.04.01	88,000	0.12%	-	-	-	-	MBA, University of Illinois Vice president, Business Department, Aplex Technology Inc. Vice president, IEI Technology USA Corporation	None	-	-	-	-
Vice President	R.O.C.	Wu, Lo-Lung	Male	2023.05.08	-	-	-	-	-	-	MBA, National Chiao Tung University Department of Management Science Graduate from Department of Information and Computer Engineering, Chung Yuan Christian University Vice President, R&D Center, DFI Inc. Vice President, R&D Center, NEXCOM International Co., Ltd.	None	-	-	-	-
Vice President	R.O.C.	Liu, Chang-Chun	Male	2025.03.01	114,431	0.16%	-	-	-	-	Institute of Computer Science, Texas State University Assistant Vice President, Product Department, the Company	None	-	-	-	-
Chief Financial Officer	R.O.C.	Hsu, Chung-Heng	Male	2023.09.05	10,000	0.01%	1,000	0.00%	-	-	MBA, Boston University Assistant Vice President, China Development Industrial Bank Research Supervisor, Taiwan Securities Co.,	Supervisor, Champ Vision Display Inc. Director representative, Eversun Electronic Co., Ltd.	-	-	-	-

Title	Nationality	Name	Gender	Date of appointment to position	Shares held		Shareholding of spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
											Ltd. Hong Kong Branch Senior Investment Manager, Crimson Asia Capital Holdings, Ltd.					
Assistant Vice President	R.O.C.	Chen, Lung-Ching	Male	2021.07.01	-	-	-	-	-	-	EMBA, National Taiwan University Ph.D., Department of Materials Science and Engineering, The Ohio State University Assistant vice president, Operation Division, VIVOTEK INC. Director, Product Quality Development Division, AVer Information Senior manager, Design Verification Department, AVerMedia Technologies, Inc.	None	-	-	-	-
Assistant Vice President	R.O.C.	Hung, Wei-Cheng	Male	2023.03.31	67,000	0.09%	5,000	0.01%	-	-	Graduated from the Department of Electronic Engineering, National Yunlin University of Science and Technology Manager, R&D Department, the Company Assistant manager, R&D Department, ADVANIXS CORPORATION Senior engineer, R&D Department, AAEON Technology Inc.	None	-	-	-	-
Assistant Vice President	R.O.C.	Chien, Wei-Hung	Male	2024.02.19	-	-	-	-	-	-	MBA, NTUT Department of Industrial Engineering Department of Mechanical Engineering, China University of Science and Technology Director, Productive Department of AVer Information Inc. Director, Productive Department of AVerMedia Technologies, Inc.	None	-	-	-	-
Assistant Vice President	R.O.C.	Li, Mu-Hua	Female	2024.04.11	3,000	0.00%	-	-	-	-	Graduate from Department of Japanese, Fu Jen Catholic University Senior Manager of the Sales Department Assistant Project Manager of the Sales Department, Advanix Corporation Director of the Sales Department, IEI Integration Corp.	Supervisor representative, Avalue Japan Inc.	-	-	-	-
Assistant Vice President	R.O.C.	Tseng, Pao-Hui	Female	2026.03.02	-	-	-	-	-	-	Master of Science in Epidemiology and Preventive Medicine (Biostatistics), National Taiwan University Senior Director, DFI Inc. Senior Manager, Adlink Technology Inc.	None	-	-	-	-
Accounting Manager	R.O.C.	Yang, Hsiao-Ching	Female	2014.03.20	30,000	0.04%	-	-	-	-	Graduated from Department of Accounting, Tamkang University Assistant manager, Finance Department, the Company	Director representative, Goomedi Laboratories, Ltd.	-	-	-	-

Note 1: Chairman of Wisebase Ltd. Director representative concurrently serves as chairman of the following companies: Avalue Technology Inc. (SAMOA), Avalue Healthcare Inc., Avalue Japan Inc.
Director representative of the following companies: Avalue Technology Inc. (USA), Avalue Technology (Shanghai) Inc., Civue Optotech Inc., Eversun Electronic Co., Ltd., Bytec Healthcare Limited, Goomedi Laboratories, Ltd., Champ Vision Display Inc.

II Remuneration paid during the most recent fiscal year to directors, supervisors, the president, and vice president:

(I) Remuneration Paid to each individual director:

Unit: NT$ thousand

Title	Name	Remuneration Paid to Directors								Sum of A+B+C+D and ratio to net income		Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F+G and ratio to net income		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		Base compensation (A)		Retirement pay and pension (B)		Director profit-sharing compensation (C)		Expenses and perquisites (D)				Salary, rewards, and special disbursements (E)		Retirement pay and pension (F)		Employee profit-sharing compensation (G)						
																The Company		All consolidated entities				
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	Cash Amount	Amount in stock	Amount in cash	Amount in stock	The Company	All consolidated entities	
Director	Liu, Li-Chi Chang, Chia-Che Representative, Compal Electronics, Inc. Mao, Hsin-Kung Tseng, Chien-Chung Wang, Wei Lien, Liang-Kuang	240	240	-	-	8,292	8,292	-	-	8,532 2%	8,532 2%	17,385	17,385	-	-	1,800	-	1,800	-	27,717 6%	27,717 6%	None
Independent Director	Ku, Chi-Jan Wu, Sen-Tien Liu, Chun-Lin	1,080	1,080	-	-	3,553	3,553	166	166	4,799 1%	4,799 1%	-	-	-	-	-	-	-	-	4,799 1%	4,799 1%	None

1. Please specify the policies, systems, standards and structure for payment of remuneration to independent directors, and specify their correlation with the amount of remuneration based on their job responsibilities, risks, working time and other factors:
   Subject to the Company's Rules for Management on Directors' and Managerial Officers' Remuneration, independent directors shall perform business based on their duties, participate in corporate governance, and receive fixed remuneration each month. The amount of such remuneration shall be evaluated and suggested by the Remuneration Committee, and shall be approved by the Board of Directors, and the same shall apply to any adjustment to such remuneration. In addition, it is also specified in the Articles of Incorporation that the Company shall authorize the Board of Directors to determine directors' remuneration based on the level of their participation in, and the value of their contribution to, the Company's operation, and the usual remuneration level in the industry. If the Company makes profits in a year, no more than 2% shall be withdrawn from such profits as directors' remuneration.
2. In addition to the disclosure made in the above table, remuneration received by the Company's directors for providing services (such as, serving as non-employee consultants for parent company or all companies in the Financial Statements or the Company's vested companies) in the most recent year: NT$0

Note 1: The Company determined that its directors' remuneration is NT$11,845 thousand and employees' remuneration is NT$44,422 thousand for 2025 as resolved by its Board of Directors on March 12, 2026.

Remuneration Range Table

Ranges of Remuneration Paid to each of the Company's Directors	Names of Director			
	Sum of A+B+C+D		Sum of A+B+C+D+E+F+G	
	The Company	All consolidated entities	The Company	All consolidated entities
Less than NT$1,000,000	-	-	-	-
NT$1,000,000 (inclusive) - NT$2,000,000 (exclusive)	Chang, Chia-Che, Compal Electronics, Inc., Tseng, Chien-Chung, Wang, Wei, Lien, Liang-Kuang, Ku, Chi-Jan, Wu, Sen-Tien, Liu, Chun-Lin	Chang, Chia-Che, Compal Electronics, Inc., Tseng, Chien-Chung, Wang, Wei, Lien, Liang-Kuang, Ku, Chi-Jan, Wu, Sen-Tien, Liu, Chun-Lin	Compal Electronics, Inc., Tseng, Chien-Chung, Wang, Wei, Ku, Chi-Jan, Wu, Sen-Tien, Liu, Chun-Lin	Compal Electronics, Inc., Tseng, Chien-Chung, Wang, Wei, Ku, Chi-Jan, Wu, Sen-Tien, Liu, Chun-Lin
NT$2,000,000 (inclusive) - NT$3,500,000 (exclusive)	Liu, Li-Chi	Liu, Li-Chi	-	-
NT$3,500,000 (inclusive) - NT$5,000,000 (exclusive)	-	-	-	-
NT$5,000,000 (inclusive) - NT$10,000,000 (exclusive)	-	-	Chang, Chia-Che, Lien, Liang-Kuang	Chang, Chia-Che, Lien, Liang-Kuang
NT$10,000,000 (inclusive) - NT$15,000,000 (exclusive)	-	-	Liu, Li-Chi,	Liu, Li-Chi,
NT$15,000,000 (inclusive) - NT$30,000,000 (exclusive)	-	-	-	-
NT$30,000,000 (inclusive) - NT$50,000,000 (exclusive)	-	-	-	-
NT$50,000,000 (inclusive) - NT$100,000,000 (exclusive)	-	-	-	-
Over NT$100,000,000	-	-	-	-
Total	9 persons in total	9 persons in total	9 persons in total	9 persons in total

(II) Remuneration to Supervisors: N/A.

(III) Remuneration to President and Vice President:

Unit: NT$ thousand

Title	Name	Salary (A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
								The Company		All consolidated entities				
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	Amount in cash	Amount in stock	Amount in cash	Amount in stock	The Company	All consolidated entities	
President	Chang, Chia-Che	18,084	18,084	-	-	7,242	7,242	7,340	-	7,340	-	32,666 7%	32,666 7%	None
Vice President	Lien, Liang-Kuang													
Vice President	Kang, Yu-Min													
Vice President	Yang, Chao-Chin													
Vice President	Wu, Lo-Lung													
Vice Presiden	Liu, Chang-Chun													
Chief Financial Officer	Hsu, Chung-Heng													

Note 1: The Company determined that its employees' remuneration for 2025 is NT$44,422 thousand as resolved by its Board of Directors on March 12, 2026.

Note 2: Mr. Liu, Chang-Chun was promoted to Vice President on March 1, 2025.

Remuneration Range Table

Ranges of remuneration paid to each of the Company's president and vice president	Names of President and Vice President	
	The Company	All consolidated entities
Less than NT$1,000,000	-	-
NT$1,000,000 (inclusive) - NT$2,000,000 (exclusive)	-	-
NT$2,000,000 (inclusive) - NT$3,500,000 (exclusive)	Liu, Chang-Chun	Liu, Chang-Chun
NT$3,500,000 (inclusive) - NT$5,000,000 (exclusive)	Lien, Liang-Kuang, Kang, Yu-Min, Wu, Lo-Lung, Hsu, Chung-Heng	Lien, Liang-Kuang, Kang, Yu-Min, Wu, Lo-Lung, Hsu, Chung-Heng
NT$5,000,000 (inclusive) - NT$10,000,000 (exclusive)	Chang, Chia-Che, Yang, Chao-Chin	Chang, Chia-Che, Yang, Chao-Chin
NT$10,000,000 (inclusive)~NT$15,000,000 (exclusive)	-	-
NT$15,000,000 (inclusive)-NT$30,000,000 (exclusive)	-	-
NT$30,000,000 (inclusive)-NT$50,000,000 (exclusive)	-	-
NT$50,000,000 (inclusive)-NT$100,000,000 (exclusive)	-	-
Over NT$100,000,000	-	-
Total	7 persons in total	7 persons in total

(IV) Names and Distributions of Employee Profit-Sharing Compensation to Managerial Officers:

Unit: NT$ thousand

	Title	Name	Amount in stock	Amount in cash	Total	As a % of net profit
Managerial officers	President	Chang, Chia-Che	-	10,190	10,190	2%
	Vice President	Lien, Liang-Kuang				
	Vice President	Kang, Yu-Min				
	Vice President	Yang, Chao-Chin				
	Vice President	Wu, Lo-Lung				
	Vice President	Liu, Chang-Chun				
	Chief Financial Officer	Hsu, Chung-Heng				
	Assistant Vice President	Chen, Lung-Ching				
	Assistant Vice President	Hung, Wei-Cheng				
	Assistant Vice President	Chien, Wei-Hung				
	Assistant Vice President	Li, Mu-Hua				
	Assistant Vice President	Tseng, Pao-Hui				
	Accounting Manager	Yang, Hsiao-Ching				

Note 1: The Company determined that its employees' remuneration for 2025 is NT$44,422 thousand as resolved by its Board of Directors on March 12, 2026.

Note 2: Ms. Tseng, Pao-Hui took office on March 2, 2026.

(V) Analysis on the Ratio of the Total Remuneration Paid to the Company's Directors, Supervisors, Presidents and Vice Presidents by the Company and All Companies in Consolidated Financial Statements in the Most Recent Two Years to the After-tax Net Profits Specified in the Parent Company Only or Individual Financial Statements, and Description of the Correlation of Remuneration Payment Policies, Standards and Combination, and Procedures for Determining Remuneration with Operating Performance and Future Risks:

Item \ Year	Ratio to net income			
	2024		2025	
	The Company	All consolidated entities	The Company	All consolidated entities
Director	6%	6%	7%	7%
Presidents and Vice Presidents	6%	6%	7%	7%

The Company's remuneration policy is based on its actual annual profitability and the allocation ratios stipulated in its Articles of Incorporation for employee and director compensation. As for the General Manager and Deputy General Manager, remuneration is determined at varying levels according to their positions, responsibilities, performance, and contributions to the Company's operations. The remuneration policy is therefore considered reasonable.

The company's policy on directors' remuneration is primarily based on the "Regulations for the Management of Remuneration of Directors and Managers" and the "Board Performance Evaluation Measures." According to Article 16 of the Company's Articles of Incorporation, directors' compensation is determined by the Board of Directors based on the level of participation and the value of contributions made by each director to the company's operations, as well as prevailing industry standards. Furthermore, if the company records a profit in a given year, up to 2% of the annual profit may be allocated as directors' compensation, in accordance with Article 19 of the Articles of Incorporation. Each year, the company compiles the results of the board performance evaluation, as stipulated in the "Board Performance Evaluation Measures," and submits them to the Board of Directors for review and assessment. These results are appropriately linked to the annual remuneration of the directors.

The remuneration of the General Manager and Deputy General Manager is closely tied to their operational performance and is determined based on their contributions to the overall operations of the company, with reference to industry standards. According to the "Salary Management Regulations," various allowances, subsidies, and bonuses are clearly specified. In addition, if the company records a profit for the year, 1% to 20% of the annual profit shall be allocated as employee compensation, in accordance with Article 19 of the Company's Articles of Incorporation. The results of the performance evaluations, conducted in accordance with the "Performance Appraisal Regulations," serve as a reference for determining the bonuses of the General Manager and Deputy General Manager. The distribution of related bonuses is also adjusted based on the company's annual operating performance, financial condition, and overall business situation.

The Company determines the remuneration of directors, the General Manager, and Deputy General Manager based on the evaluation results conducted in accordance with the "Board Performance Evaluation Measures" and the "Performance Appraisal Regulations," which are linked to the Company's operational performance indicators. These proposals are submitted to the Board of Directors for review and approval. In 2025, the self-evaluation results of the Board of Directors, its members, and each functional committee showed performance significantly exceeding standards. The reasonableness of related performance assessments and remuneration has been reviewed and evaluated by both the Compensation Committee and the Board of Directors. In addition to considering individual performance, the Company also considers overall business performance, development trends, and adjusts according to actual operational conditions and relevant regulations. The 2025 remuneration standards for directors, the General Manager, and Deputy General Manager were deliberated by the Compensation Committee and subsequently approved by the Board of Directors. The Company discloses remuneration payments annually in its annual report in accordance with legal requirements and reports the distribution of directors' and employees' compensation at the shareholders' meeting. Therefore, the potential future risk is limited.

III The state of the Company's implementation of corporate governance:

(I) The state of operations of the Board of Directors:

The Board of Directors held 7 (A) meetings in the most recent year, with the attendance by the directors and supervisors was as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) (B/A)	Remarks
Chairman	Liu, Li-Chi	7	0	100%	-
Director	Chang, Chia-Che	6	1	86%	-
Director	Representative, Compal Electronics, Inc. Mao, Hsin-Kung	7	0	100%	-
Director	Tseng, Chien-Chung	7	0	100%	-
Director	Wang, Wei	7	0	100%	-
Director	Lien, Liang-Kuang	7	0	100%	-
Independent Director	Ku, Chi-Jan	7	0	100%	-
Independent Director	Wu, Sen-Tien	7	0	100%	-
Independent Director	Liu, Chun-Lin	7	0	100%	-

Other information required to be disclosed:

I. In case of any following circumstances occurred concerning the operation of the Board of Directors, the date and number of the Board of Directors' meeting, contents of proposals, all independent directors' opinions and the Company's response to such opinions shall be specified:

(I) Matters specified in Article 14-3 of the Securities and Exchange Act:
The Company has established an Audit Committee, so the matters specified in Article 14-3 of the Securities and Exchange Act are not applicable.

(II) In addition to the aforementioned, any recorded or written Board of Directors' resolutions to which independent directors have objections or qualified opinions: None.

II. Regarding avoidance of directors from voting on proposals due to conflicts of interest, the names of the directors, contents of proposals, reasons for avoidance, and participation in voting shall be specified:
The proposal for adjustment to the salary of managerial officers for 2025 was reviewed by the Company's Remuneration Committee. Director Lien, Liang-Kuang abstained from voting due to a conflict of interest. Director Chang, Chia-Che authorized Chairman Liu, Li-Chi to attend the meeting on their behalf. The remaining attending directors approved the proposal as presented.

III. A TWSE/TPEx listed company shall disclose the frequency, period, scope, method, contents and other information of the self-evaluation made by its Board of Directors:

The Company approved, by its Board of Directors' resolution on December 17, 2020, the Rules for Evaluation on the Board of Director' Performance.

Evaluation Cycle	Evaluation Period	Scope of Evaluation	Method of Evaluation	Evaluation Content
Once a year	From January 1, 2025 to December 31, 2025	The Board of Directors, individual directors, and functional committees (including Remuneration Committee and Audit Committee)	Self-evaluation by the Board of Directors or functional committees (including Remuneration Committee and Audit Committee), and self-evaluation by the Board of Directors' members or other appropriate method	The Board of Directors' performance is evaluated based on the following five items: 1. Level of participation in the Company's operation 2. Improvement of the Board of Directors' decision-making quality 3. Composition and structure of the Board of Directors 4. Election of and continuing education for directors 5. Internal control Individual director's performance is evaluated based on the following six items: 1. Director's awareness of the Company's goals and tasks 2. Director's awareness of their duties 3. Level of participation in the Company's operation 4. Management on and communication about internal relations 5. Professional and continuing for directors 6. Internal control The performance of functional committees (including Remuneration Committee and Audit Committee) is evaluated based on the following five items: 1. Level of participation in the Company's operation 2. Functional committee's awareness of their duties 3. Improvement of the decision-making quality of functional committees 4. Composition of functional committees, and election and appointment of their members 5. Internal control

IV. Goals for Improving the Board of Directors' Functions (such as Establishment of an Audit Committee, and Improvement of Information Transparency) and Implementation Status Thereof in the Current Year and the Most Recent Year:

1. The Company established a Remuneration Committee on November 18, 2011. Directors were fully re-elected and 3 independent directors were elected at 2020 annual Shareholders' Meeting. All independent directors serve as Remuneration Committee's members to evaluate the Company's policies and systems for payment of salary and remuneration to its directors and managerial officers and make proposals to the Board of Directors, so as to assist the Board of Directors in performance of its duties.
2. The Company fully re-elected directors and elected 3 independent directors at the annual Shareholders' Meeting on June 12, 2020, and established an Audit Committee in place of supervisors. The Company established the Audit Committee, which is composed of all independent directors, in accordance with Article 14-4 of the Securities and Exchange Act. The Audit Committee or its members is responsible for exercising the functions and powers of supervisors as specified in the Company Act, the Securities and Exchange Act, and other laws and regulations.
3. The Company establishes performance goals to improve the operational efficiency of the Board of Directors, in order to implement corporate governance and improve the functions of the Company's Board of Directors. The Company has formulated the Rules for Evaluation on the Board of Director's Performance on December 17, 2020 for compliance with such Rules, and has reported the results of evaluation on the performance of the Board of Directors, individual directors and functional committees in 2025 at the Board of Directors' meeting on March 12, 2026.

The Company also has formulated the Rules of Procedure of the Board of Directors. The Company will improve the necessary functions of the Board of Directors as appropriate depending on its corporate governance needs, and it regularly and irregularly discloses the attendance and continuing education of directors and supervisors on MOPS for investor's reference, so as to make relevant information transparent and available in a real time.

(II) The state of operations of the audit committee or the state of participation in Board meetings by the supervisors:

1. Operation of the Audit Committee:
The Audit Committee held 6 (A) meetings in the most recent year, with the attendance by independent directors as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) (B/A)	Remarks
Independent Director	Ku, Chi-Jan	6	0	100%	-
Independent Director	Wu, Sen-Tien	6	0	100%	-
Independent Director	Liu, Chun-Lin	6	0	100%	-

Other information required to be disclosed:

I. If any of the following circumstances exists, specify the audit committee meeting date, meeting session number, content of the motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee:

(I) Matters specified in Article 14-5 of the Securities and Exchange Act

Audit Committees' Meeting Date (Period)	Contents of Proposals	Independent Director's Objections and Qualified Opinions or Contents of Their Significant Suggestions	Audit Committee' Resolutions, and the Company's Response to the Audit Committee' Opinions
2025.03.11 The 11th meeting of the 2nd Committee	(1) Proposal for approval on the Company's 2024 Business Report. (2) Proposal for approval on the Company's 2024 parent company only financial statements and consolidated financial statements. (3) Proposal for approval on the Company's distribution of earnings for 2024. (4) Proposal for approval on issuance of 2024 Statement on Internal Control System. (5) Proposal for approval on changing the Company's certified public accountant responsible for auditing and attesting the financial reports, effective from the first quarter of fiscal year 2025. (6) Proposal for approval on evaluation on the independence and competence of the Company's CPAs. (7) Proposal for approval on payment of annual remuneration by the Company to KPMG Taiwan.	None	The members of the Audit Committee unanimously approved all the resolutions, and the Board of Directors approved all such resolutions recommended by the Audit Committee.
2025.05.13 The 12th meeting of the 2nd Committee	(1) Proposal for approval on the Company's 2025 Q1 consolidated financial statements.	None	The members of the Audit Committee unanimously approved all the resolutions, and the Board of Directors approved all such resolutions recommended by the Audit Committee.
2025.06.10 The 13th meeting of the 2nd Committee	(1) Proposal for approval on the investment in an industrial display company.	None	The members of the Audit Committee unanimously approved all the resolutions, and the Board of Directors approved all such resolutions recommended by the Audit Committee.
2025.08.12 The 14th meeting of the 2nd Committee	(1) Proposal for approval on the Company's 2025 Q2 consolidated financial statements.	None	The members of the Audit Committee unanimously approved all the resolutions, and the Board of Directors approved all such resolutions recommended by the Audit Committee.
2025.11.13 The 15th meeting of the 2nd Committee	(1) Proposal for approval on the Company's 2025 Q3 consolidated financial statements. (2) Proposal for approval on engaging others to build operational headquarters on own land. (3) Proposal for approval on proceeding with the acquisition and donation of land.	None	The members of the Audit Committee unanimously approved all the resolutions, and the Board of Directors approved all such resolutions recommended by the Audit Committee.
2025.12.18 The 16th meeting of the 2nd Committee	(1) Proposal for approval on the revised internal control system of the Company. (2) Proposal for approval on amending the general provisions of the Company's policy on the pre-approval of non-assurance services provided by the certified public accounting firm. (3) Proposal for approval on supplemental agreement to the Company's land acquisition donation project.	None	The members of the Audit Committee unanimously approved all the resolutions, and the Board of Directors approved all such resolutions recommended by the Audit Committee.

(II) In addition to the matters referred to above, any matter that was not approved by the audit committee but was approved by a two-thirds or greater majority resolution of the board of directors: None.

II. Implementation of recusals of independent directors with respect to any motions with which they may have a conflict of interest: specify the independent director's name, the content of the motion, the cause for recusal, and whether and how the independent director voted.: None.

III. Communication between the independent directors and the chief internal audit officer and the CPAs that serve as external auditor (including any significant matters communicated about with respect to the state of the company's finances and business and the method(s) and outcomes of the communication.):

(I) Communication between the independent directors and the chief internal audit officer

1. Periodic

(1) Audit reports shall be submitted monthly via email to all independent directors for their review. The contents include the status of the Company's audit plan implementation, audit findings, and the progress of improvements regarding identified deficiencies or irregularities. If there are any questions or instructions, independent directors may contact or notify the Internal Audit Department via email or other means of communication.

(2) A summary report of audit activities shall be presented to the Audit Committee on a quarterly basis, and closed-door sessions may be held when necessary.

2. Non-periodic：Both parties may communicate via email, meetings, or telephone in the ordinary course of business. In the event that any material violation of law is discovered, the independent directors shall be notified in accordance with applicable laws and regulations.

(II) The Company's CPAs regularly communicate with and report to independent directors on the review or inspection results of the financial statements.

(III) Communication Status in Current Year：

Meeting Date	Attendees	Communication matters	Outcome of communication
Meeting of the Audit Committees on Mar. 11, 2025	Ku, Chi-Jan, Independent Director Wu, Sen-Tien, Independent Director Liu, Chun-Lin, Independent Director Yu, Hui-Wen, the chief internal audit officer Wang, I-Wen, the CPA	Reported on the audit plan and audit results for the period from the fourth quarter of 2024 to the first quarter of 2025. Reported on the audit results of the 2024 annual financial statements.	Approved as proposed without objection.
Meeting of the Audit Committees on May 13, 2025	Ku, Chi-Jan, Independent Director Wu, Sen-Tien, Independent Director Liu, Chun-Lin, Independent Director Chi-Yi Li, acting the chief internal audit officer Wang, I-Wen, the CPA	Reported on the audit plan and audit results for the period from the first quarter of 2025 to the second quarter of 2025. Reported on the review results of the financial statements for the first quarter of 2025.	Approved as proposed without objection.
Meeting of the Audit Committees on Aug. 12, 2025	Ku, Chi-Jan, Independent Director Wu, Sen-Tien, Independent Director Liu, Chun-Lin, Independent Director Yu, Hui-Wen, the chief internal audit officer Wang, I-Wen, the CPA	Reported on the audit plan and audit results for the second quarter of 2025. Reported on the review results of the financial statements for the second quarter of 2025.	Approved as proposed without objection.
Meeting of the Audit Committees on Nov. 13, 2025	Ku, Chi-Jan, Independent Director Wu, Sen-Tien, Independent Director Liu, Chun-Lin, Independent Director Yu, Hui-Wen, the chief internal audit officer Wang, I-Wen, the CPA	Reported on the audit plan and audit results for the third quarter of 2025. Reported on the review results of the financial statements for the third quarter of 2025.	Approved as proposed without objection.

IV. Annual major tasks for the Company's Audit Committee and its performance status:

(I) Annual major tasks:

The Company's Audit Committee shall have the following powers and duties:

1. Formulation of or amendment to the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
2. Reviewing on the effectiveness of the internal control system.
3. Formulation of or amendment to the procedures for dealing with significant financial and business activities, such acquisition or disposal of assets, engaging in derivatives trading, lending funds to others, providing endorsements or guarantees for others, in accordance with Article 36-1 of the Act.
4. Handling matters involving directors' personal interest.
5. Handling material asset or derivative trading.
6. Handling material loans to others or provision of endorsements/guarantees to others.
7. Raising, issuance or private placement of equity securities.
8. Engagement, dismissal or remuneration of CPAs.
9. Appointment and dismissal of financial, accounting or internal audit supervisors.
10. The financial statements signed or sealed by the chairman, managerial officers, and accounting supervisor, and Q2 financial statements that must be audited by CPAs.
11. Business Report and proposal for distribution of earnings or recovery of losses.
12. Handling other major matters stipulated by the Company or competent authorities.

(II) Implementation Status in Current Year：

Audit Committees' Meeting Date (Period)	Contents of Proposals	Independent Director's Objections and Qualified Opinions or Contents of Their Significant Suggestions	Audit Committee' Resolutions, and the Company's Response to the Audit Committee' Opinions
2025.03.11 The 11th meeting of the 2nd Committee	(1) Proposal for approval on the Company's 2024 Business Report. (2) Proposal for approval on the Company's 2024 parent company only financial statements and consolidated financial statements. (3) Proposal for approval on the Company's distribution of earnings for 2024. (4) Proposal for approval on issuance of 2024 Statement on Internal Control System. (5) Proposal for approval on changing the Company's certified public accountant responsible for auditing and attesting the financial reports, effective from the first quarter of fiscal year 2025. (6) Proposal for approval on evaluation on the independence and competence of the Company's CPAs. (7) Proposal for approval on payment of annual remuneration by the Company to KPMG Taiwan.	None	The members of the Audit Committee unanimously approved all the resolutions, and the Board of Directors approved all such resolutions recommended by the Audit Committee.
2025.05.13 The 12th meeting of the 2nd Committee	(1) Proposal for approval on the Company's 2025 Q1 consolidated financial statements.	None	The members of the Audit Committee unanimously approved all the resolutions, and the Board of Directors approved all such resolutions recommended by the Audit Committee.
2025.06.10 The 13th meeting of the 2nd Committee	(1) Proposal for approval on the investment in an industrial display company.	None	The members of the Audit Committee unanimously approved all the resolutions, and the Board of Directors approved all such resolutions recommended by the Audit Committee.
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2025.12.18 The 16th meeting of the 2nd Committee	(1) Proposal for approval on the revised internal control system of the Company. (2) Proposal for approval on amending the general provisions of the Company's policy on the pre-approval of non-assurance services provided by the certified public accounting firm. (3) Proposal for approval on supplemental agreement to the Company's land acquisition donation project.	None	The members of the Audit Committee unanimously approved all the resolutions, and the Board of Directors approved all such resolutions recommended by the Audit Committee.

2. Participation by Supervisors in the Board of Directors' Operation: N/A.

(III) The state of the company's implementation of corporate governance, any deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such deviation:

Evaluation Item	Operation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
I. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?	✓		The Company has established corporate governance best-practice principles in accordance with to the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and disclosed such principles in the corporate governance section on its website.	It complies with the provisions of the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.
II. Shareholding Structure and Shareholders' Rights				
(I) Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	✓		(I) The Company has established spokesperson and deputy spokesperson system, and discloses contact email box for investors on the investor section on its website, and discloses the contact number of spokesperson on MOPS as the channel for dealing with shareholders' suggestions, doubts and disputes, so as to ensure shareholders' rights and interests.	It complies with the provisions of the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.
(II) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	✓		(II) The Company entrusts a professional stock affairs agency to deal with daily stock-related affairs, and it has dedicated person who is responsible for regularly disclosing any pledge of and increase or decrease in the shares in the Company by the shareholders with over 10% shareholding, or any other important issues which may cause changes in shares, and grasping the list of the actual major shareholders at any time, and keeping close contact with major shareholders.	
(III) Has the Company built and implemented a risk management	✓		(III) The management responsibilities and authorities between the Company and its affiliates are clearly defined, with each entity	

Evaluation Item	Operation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
system and a firewall between the Company and its affiliates? (IV) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	 ✓		operating independently. In compliance with legal requirements, an internal control system and related management procedures have been established to ensure the proper execution of these responsibilities and to prevent any irregular trading activities. (IV) The Company has formulated the Rules for Handling Significant Internal Information and Prevention of Insider Trading to prohibit its internal persons from trading securities by taking advantage of the information undisclosed in the market.	
III. Composition and responsibilities of the Board of Directors (I) Have a diversity policy and specific management objectives been adopted for the Board and have they been fully implemented? (II) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee? (III) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance	 ✓ ✓ ✓		 (I) The members of the Company's Board of Directors generally have the knowledge, skills and quality required for performance of their duties to give play to the functions of business decision-making, leadership and supervision, and they continue to receive continued education to improve their professionalism every year legally. Please refer to Chapter 3 Corporate Governance Report I. (I) 5. Diversity and Independence of Board of Directors in this Annual Report (on page 9). (II) The Company has established Remuneration Committee and Audit Committee at present in accordance with laws, and will establish other functional committees in the future depending on actual operation needs in accordance with laws and regulations. (III) The Company approved, by the resolution at the Board of Directors on December 17, 2020, formulation of the Rules for Evaluation on the Board of Director' Performance, specifying the evaluation covering the overall Board of Directors, individual directors and functional committees (including Remuneration Committee and Audit Committee). The evaluation methods include self-evaluation by the Board of Directors or its members or functional committees (including	 It complies with the provisions of the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.

Evaluation Item	Operation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?			Remuneration Committee and Audit Committee), or other appropriate methods. The evaluation results are collected and submitted to the Board of Directors for review, and appropriately connected with the payment of directors' remuneration. Please refer to Chapter 3 Corporate Governance Report, III. Implementation Status of Corporate Governance, (I) Operation Status of Board of Directors, "Other matters required to be recorded" (on page 18), subparagraph III in this Annual Report for the period, scope, method and contents of the evaluation on the performance of the Board of Directors, individual directors and functional committees (including Remuneration Committee and Audit Committee) in 2025. The evaluation results and direction for continued improvement have been reported on the Board of Directors' meeting on March 12, 2026. The evaluation results in this year was between 4.9 to 5.0 points, which is good.	
(IV) Does the Company regularly evaluate its external auditors' independence?	✓		(IV) The Company's Board of Directors evaluates the independence of CPAs at least once a year based on the CPA Independence and Competency Evaluation Form formulated in accordance with Article 47 of the Law of the People's Republic of China on Certified Public Accountants and the Professional Ethics for Certified Public Accountants 10. As for the evaluation, it shall be reviewed that whether the CPAs are the Company's directors, supervisor or shareholders, or whether they receive salary from the Company, so as to confirm that they are not the Company's stakeholders, and the evaluation results are submitted to the Board of Directors for discussion. The Company has completed the evaluation on CPAs' independence and competence for 2025 by referring to the Statement on CPAs' Independence and Audit Quality Indicators (AQIs) issued by the Audit Committee on March 11, 2025.	
IV. Does the TWSE/TPEx listed	✓		The Company has designated the Accounting Department to also oversee	It complies with the

Evaluation Item	Operation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing Board meetings and annual general meetings of shareholders as required by law, and compiling minutes of Board meetings and annual general meetings)?			matters related to corporate governance. This arrangement was approved by the Board of Directors on June 27, 2023, with the establishment of the position of Corporate Governance Officer. Yang, Hsiao-Ching, the Company's Accounting Supervisor, was appointed to this role. Key responsibilities include organizing Board of Directors and shareholders' meetings in compliance with legal requirements, preparing meeting minutes, assisting directors with onboarding and ongoing training, providing information necessary for directors to fulfill their duties, ensuring legal and regulatory compliance, reporting to the Board on the qualifications of independent directors during nomination, election, and tenure, and managing matters related to changes in directors. The implementation of business operations for 2025 is as follows: (1) Support the Board of Directors in fulfilling their duties by providing essential information and facilitating their professional development. (2) Assist with the procedural matters and legal compliance of the Board of Directors' meetings. (3) The Board of Directors will assist in planning and drafting the meeting agenda in advance, notify all directors at least seven days prior to the meeting, and provide sufficient materials to ensure a clear understanding of the matters to be discussed. Meeting minutes will be prepared and distributed to each director within twenty days after the meeting. (4) Assist with amending the Articles of Association and handling registration updates following the re-election of the Board of Directors. (5) Facilitate effective communication among independent directors, the certified public accountant, and the head of internal audit. （6）Report on the Status of Directors and Key Officers' Liability Insurance.	provisions of the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.

Evaluation Item	Operation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
V. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	✓		The Company arranges, including, the CEO office, spokesperson and deputy spokesperson to communicate with stakeholders depending on different situations, and it has published the contact information of the spokesperson and all relevant business units on its website, and it also has established special section for stakeholders, so as to properly respond to the related issues, including corporate social responsibility, that the stakeholders are concerned.	It complies with the provisions of the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.
VI. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?	✓		The Company entrusts a professional stock affairs agency to deal with daily stock related affairs.	It complies with the provisions of the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.
VII. Information Disclosure (I) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status? (II) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information	✓ ✓		(I) The Company has established a website to disclose its various financial, business and corporate governance information. (II) The Company has designated dedicated person to be responsible for collection and disclosure of the Company's information, and it implements the spokesperson system in accordance with regulations, and discloses relevant information on its website.	It complies with the provisions of the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.

Evaluation Item	Operation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
collection and disclosure, appointing spokespersons, webcasting investors conference etc.)? (III) Does the Company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?		✓	(III) The Company publishes Q1, Q2 and Q3 and annual financial statements and the operating status of various months within the stipulated time period in accordance with regulations.	
VIII. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors	✓		1. Employee' rights and implementation status of employee care: Please refer to "Labor Relations" in this Annual Report (pages 107-112). 2. Relations with investors and suppliers, and stakeholders' rights: Please refer to the "Implementation Status of Sustainable Development" in this Annual Report (pages 33-52). 3. Directors' continuing education in 2025 is summarized as follows:	It complies with the provisions of the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.

and supervisors)?

Persons Received Continuing Education	Education Provider	Course Name	Class
Chang, Chia-Che, Liu, Chun-Lin, Liu, Li-Chi, Lien, Liang-Kuang, Wu Sen-Tien, Ku, Chi-Jan, Tseng, Chien-Chung, Mao, Hsin-Kung (Representative of Compal Electronics, Inc.)	Securities and Futures Institute	Economic Outlook for the United States and China, and Taiwan's Industrial Prospects under "Trump 2.0"	3 hours
Liu, Chun-Lin, Liu, Li-Chi, Lien, Liang-Kuang, Wu Sen-Tien, Ku, Chi-Jan, Tseng, Chien-Chung	Securities and Futures Institute	The Explosion of Space Technology: B5G and 6G Low Earth Orbit Satellite Technologies and Development Trends	3 hours
Mao, Hsin-Kung (Representative of Compal Electronics, Inc.)	Importers and Exporters Association of Taipei	Outlook on Global Economic Trends in 2025 and Pathways for Taiwan's Industrial Transformation	3 hours
Wu Sen-Tien	Taiwan Stock Exchange	Cathay Sustainable Finance and Climate Change Summit 2025	3 hours
Wu Sen-Tien, Wang, Wei	Taipei Exchange	Investor Relations Communication Session	3 hours
Wu Sen-Tien	Taiwan Corporate Governance Association	Cybersecurity Governance and Management Amid Geopolitical Dynamics	3 hours
Wang, Wei	Securities and Futures Institute	2025 Legal Compliance Briefing on Insider Equity Transactions	3 hours
Chang, Chia-Che	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3 hours

4. Risk management policies and implementation status of risks

Evaluation Item	Operation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
			measurement standards: Please refer to “Risks” (on pages 117-125) in this Annual Report. 5. Implementation Status of Customer Policies: The Company actively fosters strong relationships with clients and maintains effective communication channels. Dedicated personnel are assigned to understand and address client concerns, provide timely technical support, and regularly visit clients to assess their needs, all with the goal of continuously enhancing customer satisfaction. 6. The Company has purchased liability insurance for directors.	

IX. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement:

1. In order to facilitate shareholders to exercise their voting rights to implement shareholder activism and improve corporate governance, the Company has completed the revision to the Articles of Incorporation on June 12, 2020. The Company has established seven to ten directors, including at least three independent directors, with tenure of three years. Candidate nomination system is adopted for election of directors. For election of directors, the standards and procedures for nomination and examination are specified on MOPS.
2. The Company has disclosed the connection between the evaluation on director’s performance and their remuneration in the directors’ remuneration payment policies as specified in the Company’s Articles of Incorporation, which has been approved by the Shareholders’ Meeting. It is stipulated that the Board of Directors is authorized to determine the remuneration of the Company’s directors based on the degree of their participation and value of their contribution to the Company operation by referring to the general remuneration level in the industry. If the Company makes profits in a year, no more than 2% shall be withdrawn from such profits as directors’ remuneration. The Company establishes performance goals to improve the operational efficiency of the Board of Directors, in order to implement corporate governance and improve the functions of the Company's Board of Directors. The Company has approved formulation of the Rules for Evaluation on the Board of Director’ Performance by the Board of Director’s resolution on December 17, 2020. The scope of performance evaluation covers the Board of Directors, individual directors and functional committees. The evaluation methods include self-evaluation by the Board of Directors or its members or functional committees, or other appropriate methods. The evaluation results are collected and submitted to the Board of Directors for review, and appropriately connected with the payment of directors’ remuneration. The results of the evaluation on the Board of Directors’ performance in 2025 have been reported to the Board of Directors on March 12, 2026.
3. The Company has disclosed other important information which may facilitate a better understanding of the implementation status of sustainable

Evaluation Item	Operation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
development. Please refer to pages 33-52 of this annual report. 4. The Company fully re-elected directors and elected 3 independent directors at the annual Shareholders' Meeting on June 12, 2020, and established an Audit Committee in place of supervisors. The Company established the Audit Committee, which is composed of all independent directors, in accordance with Article 14-4 of the Securities and Exchange Act. The Audit Committee or its members is responsible for exercising the functions and powers of supervisors as specified in the Company Act, the Securities and Exchange Act, and other laws and regulations.				

(IV) Composition and Operation Status of the Remuneration Committee or Nomination Committee:

1. Information on Remuneration Committee Members:

Qualifications / Name and Capacity	Professional qualifications and experience	Independence analysis	Number of other public companies at which the person concurrently serves as remuneration committee member
Liu, Chun-Lin Independent Director	The Company's Remuneration Committee is composed of all of the three independent directors. Please refer to Chapter 3 Corporate Governance Report II. (I) 1. Information on directors and supervisors (on pages 4-5) in this Annual Report for the professional qualifications and experience of the Remuneration Committee's members.	The Remuneration Committee's all members meet the following conditions: 1. They comply with Article 14-6 of the Securities and Exchange Act and the related provisions of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange. 2. They (or by their nominees) and their spouse and minor children hold no shares in the Company. 3. There is no amount of remuneration obtained by him for providing business, legal, financial, accounting and other services to the Company or its affiliates in the most recent 2 years.	0
Ku, Chi-Jan Independent Director			0
Wu, Sen-Tien Independent Director			0

Note: No following condition occurred or occurred in the two years before he/she was elected and during his/her tenure.

(1) He/she was an employee of the Company or any of its affiliates.
(2) He/she was a director or supervisor of the Company or any of its affiliates.
(3) He/she was a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or is ranked in the top 10 in shareholdings.
(4) He/she was a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officer in the preceding (1) subparagraph, or of any of the persons in the preceding (2) and (3) sub-paragraphs.
(5) He/she was a director, supervisor, or employee of an corporate shareholder that directly holds 5% or more of the total number of issued shares of the Company, or that ranks among the top 5 in shareholdings, or that designates its representative to serve as a director or supervisor of the Company under Article 27 of the Company Act.
(6) He/she was a director, supervisor or employee of a company controlled by the same person who has shares over half of the Company's director seats or voting rights.
(7) He/she was a director, supervisor, or employee of another company or institution who, or whose spouse, is a chairman, president, or person holding an equivalent position of the Company.
(8) He/she was a director, supervisor, managerial officer, or shareholder holding 5% or more shares of a specific company or institution which has a financial or business relationship with the Company.
(9) He/she was a professional individual, sole proprietorship, partnership, owner of a company or institution, partner, director, supervisor, managerial officer or spouse thereof that provides auditing service for the Company or any of its affiliates, or provides commercial, legal, financial, or accounting service with cumulative remuneration less than NT$500,000 in the past two years, except for the persons who serve as the members of the Company's Remuneration.

2. Operation of the Remuneration Committee:

(1) The Company's remuneration committee has a total of 3 members.

(2) The tenure of the current members is from June 27, 2023 to June 26, 2026. The number of remuneration committee meetings held in the most recent fiscal year was: 2 (A). The attendance by the members was as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) (B/A)	Remarks
Convenor	Liu, Chun-Lin	2	0	100%	-
Committee Member	Ku, Chi-Jan	2	0	100%	-
Committee Member	Wu, Sen-Tien	2	0	100%	-

Other information required to be disclosed:

I. If the Board of Directors does not accept, or amends, any recommendation of the remuneration committee, specify the board meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the board of directors, and the measures taken by the Company with respect to the opinions given by of the remuneration committee (e.g., if the salary/compensation approved by the board is higher than the recommendation of the remuneration committee, specify the difference(s) and the reasons): None.

II. With respect to any matter for resolution by the remuneration committee, if there is any dissenting or qualified opinion of a committee member that is on record or stated in writing, specify the remuneration committee meeting date, meeting session number, content of the motion, the opinions of all members, and the measures taken by the Company with respect to the members' opinion: None.

III. Annual major tasks for the Company's Remuneration Committee and its performance status:

(I) Annual major tasks:

The Company's Remuneration Committee shall have the following powers and duties:

1. Regularly review the Articles of Incorporation and propose suggestions for amendment.
2. Establish and regularly review the annual and long-term performance goals for the Company's directors and managerial officers and the policies, systems, standards, and structure for their remuneration.
3. Regularly evaluates the achievement of the performance goals of the Company's directors and managerial officers, and determine the contents related to and the amount of their individual salary and remuneration.

(II)Implementation Status in Current Year:

Remuneration Committee	Contents of Proposals and Subsequent Handling	Resolutions	The Company's Response to the Remuneration Committee's Opinions
The 1st meeting in 2025 2025.03.11	(1) Review of the proposal on the directors' remuneration and employees' remuneration of 2024. (2) Review of the proposal on the annual adjustment to the salary of the Company's managerial officers for 2025.	The members of the Remuneration Committee unanimously approved the proposals.	The proposals have been submitted to the Board of Directors and were approved as proposed with the consent of all directors present.
The 2nd meeting in 2025 2025.12.18	(1) Review of the proposal on the year-end bonus to the Company's managerial officers for 2025. (2) Review of the remuneration proposal of the appointment of the Assistant Vice President of the Product Division at the company.	The members of the Remuneration Committee unanimously approved the proposals.	The proposals have been submitted to the Board of Directors and were approved as proposed with the consent of all directors present.

3. Information on Members and the Operation of the Nominations Committee: N/A.

(V) The state of the Company's promotion of sustainable development, any deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such deviation:

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
I. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the Board of Directors authorized senior management to handle related matters under the supervision of the Board?	✓		To uphold corporate social responsibility and align with the latest trends in sustainable development and regulatory requirements, the Company designates the Board of Directors as the highest decision-making body for sustainability matters. The Board is responsible for reviewing, guiding, and overseeing the strategies and policies related to sustainable development. To strengthen sustainable governance, the Company established the "Sustainable Development Committee" in 2023 as a functional committee to drive sustainable development. The committee is chaired by the Chairman of the Board and includes senior executives from various fields. It is responsible for formulating medium- to long-term sustainable development plans and integrating resources from different departments to ensure the effective implementation of sustainable strategies in daily operations. The "Sustainable Development Committee" is chaired by the Chairman of the Board or a director appointed by the Chairman. It establishes a concurrent promoting unit, the "Management Department," which is responsible for the planning, execution, and supervision of policies related to sustainable development. Additionally, a "Sustainability Office" is established to consolidate the sustainable development achievements of various working groups. The Sustainable Development Committee has formed several working teams dedicated to areas such as environmental sustainability, social responsibility, corporate governance, integrity management, and risk management. The Chairperson appoints the leaders of each team, who are responsible for driving and executing the relevant policies.	It complies with the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies.

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			The Sustainable Development Committee identifies ESG issues relevant to the Company's operations through a materiality analysis. It assesses risks and opportunities across various areas, including climate change, energy management, supply chain resilience, employee well-being, information security, and corporate governance. Through stakeholder communication channels, we ensure that key issues are incorporated into the corporate decision-making process. We also regularly update assessment results to account for changes in the external environment and operational conditions. The Sustainable Development Committee meets at least twice a year, with the Sustainable Office providing the Board of Directors with updates on the progress of sustainable development initiatives, outcomes, and future plans. The Board of Directors receives regular reports from the Sustainable Development Committee, covering ESG-related updates, risk assessment results, and sustainability performance metrics. The Board also reviews and oversees the strategies proposed by management. The Board of Directors will regularly review the implementation of strategies and, if necessary, request the management team to make adjustments to ensure that sustainable development policies align with the company's long-term vision.	
II. Does the Company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	✓		This disclosure presents the sustainable performance of the Company at the main locations from January to December of 2025. The risk assessment boundary primarily focuses on the Company, including our existing locations in Taiwan, mainland China, and Japan. Subsidiary companies AUS and BCM are included in the scope based on their relevance to our core business operations and the level of impact on significant issues. The Sustainable Development Committee analyzes the sustainability report based on the principles of significance. They also communicate with internal and external stakeholders and evaluate significant ESG issues by	It complies with the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies.

<table>
<tr><td rowspan="2">Item</td><td colspan="3">Implementation Status</td><td rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons</td></tr>
<tr><td>Yes</td><td>No</td><td>Summary Description</td></tr>
<tr><td></td><td></td><td></td><td>reviewing domestic and international research reports, literature, and integrating evaluation data from various departments and subsidiaries. Based on this evaluation, they establish effective policies for risk management, including identification, measurement, evaluation, supervision, and control. They also develop concrete action plans to mitigate the impact of relevant risks.
After assessing the risks, the following risk management policies or strategies have been established:
<table>
<tr><th>Material Issues</th><th>Risk Evaluation Item</th><th>Specify details</th></tr>
<tr><td>Environment</td><td>Environmental Impact and Management</td><td>1. The Company has obtained ISO 14001:2015 Environmental Management System certification for its Liancheng Office, Lide Factory, and Lide Office, and regularly completes surveillance audits and certification renewals.
2. The Company has successfully completed the greenhouse gas inventory for the parent company and obtained ISO 14046-1 certification.
3. The Company conducts regular inventories of greenhouse gas emissions in accordance with ISO 14064-1 to assess the impacts faced by its operations.</td></tr>
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Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
					In light of the carbon inventory results, we have implemented continuous carbon reduction measures to effectively address the risks associated with Scope 1 emissions and Scope 2 indirect greenhouse gas emissions resulting from electricity consumption. 4. The Annual Internal Audit Plan will prioritize the Company's compliance with relevant environmental regulations and ensure that all operational processes meet the necessary requirements.	
			Society	Occupational Safety	1. The Company has obtained ISO 45001:2018 Occupational Health and Safety Management System certification for its Liancheng Office, Lide Factory, and Lide Office, and regularly completes surveillance audits and certification renewals. 2. Regular fire safety and occupational safety and health training are conducted to improve employees' emergency	

Item	Implementation Status					Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description			
					response skills and self-safety management. This proactive approach helps prevent incidents that could lead to injury or illness, such as exposure to organic solvents, accidents, or fires.	
				Product Safety	The Company's products are in compliance with all government regulations and adhere to the EU RoHS directive, guaranteeing that they are free from any hazardous substances. In order to maintain the quality of our customer service, we have implemented a dedicated customer service hotline and communication website. Additionally, we conduct annual customer satisfaction surveys to enhance our collaboration with customers.	
			Corporate Governance	Compliance with Social and Economic Legal Regulations	We ensure compliance with relevant laws and regulations by establishing a governance structure and implementing internal control mechanisms for all personnel and operations within the Company.	
				Enhancing	The Company provides directors	

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	

	Director Functions	with up-to-date regulations, institutional developments, and policies pertaining to their professional growth. Each year, we conduct training sessions on topics that are relevant to the responsibilities of directors. All directors have successfully completed their training in compliance with the regulations in 2025.
	Stakeholder Communication	1. In order to prevent misunderstandings and mitigate potential operational or legal risks that may arise from differing perspectives between stakeholders and the Company, the company conducts an annual analysis of key stakeholders and the issues that are of concern to them. This information is then disclosed in the sustainability report. 2. Establish multiple communication channels, engage in proactive communication, and minimize conflicts and

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			misunderstandings. Create an investor mailbox that will be managed by the spokesperson and be responsible for handling responses.	
III. Environmental Issues (I) Has the Company set an environmental management system designed to industry characteristics?	✓		(I) The Company has established an Environmental Management System in accordance with ISO 14001:2015 at its Liancheng Office, Lide Factory, and Lide Office, and has continuously passed third-party verification (SGS). In addition, in line with ISO 14064-1, the Company conducts annual greenhouse gas inventories for the parent company, tracks emission reduction performance, and discloses the results in its Sustainability Report and on the Company's website. To ensure compliance with international environmental management standards and to continuously enhance environmental protection measures, the Company has established a comprehensive environmental management system and adopts the PDCA approach for ongoing improvement of environmental performance. The environmental management initiatives promoted in 2025 primarily include the following aspects: 1. Implement energy conservation practices, such as turning off lights and computers when leaving the office, to reduce energy waste. 2. Conduct regular assessments of contract capacity, air conditioning zones, and lighting circuits to optimize energy usage and enhance overall efficiency. 3. Sign a maintenance contract for equipment to ensure optimal performance and reduce energy consumption.	It complies with the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies.

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			To ensure the effective implementation of the management system, the Company's 2025 ISO 14001:2015 Environmental Management System SGS external audit identified no major nonconformities. In addition, to enhance employees' environmental awareness and participation, four environmental education videos were introduced in 2025 for employees to view, including: "Decarbonization for a Cleaner Future, Green Living in Daily Life", "Environmental Hormones", "Let's Cherish Food Together", and "Eco-Friendly Innovation: Turning Waste into Gold? Promoting Environmental Protection and the Circular Economy." In compliance with relevant environmental regulations, the Company has implemented an Environmental Management System at its Liancheng Office, Lide Factory, and Lide Office, and has obtained ISO 14001:2015 certification issued by SGS, which is valid from May 16, 2024 to May 16, 2027.	
(II) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	✓		(II) In recent years, climate change and environment related hazardous substances in products have become the important issues concerning corporate social responsibility. The Company also lists the above-mentioned items as the important parts for management on a green supply chain. By taking management on environment-related substances as an example, the Company specifies various environmental protection policies (such as RoHS 2.0) its internal management rules, and controls risks through supply chain green information management platform. The Company selects and uses product materials fully in compliance with RoHS 2.0 green environmental-protection standards and the following environmental-protection norms. ■ The Company complies with the requirements relating to the	

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			substances restricted for environmental-protection as specified in 2011/65/EU Directive on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (RoHS Directive). ■ The Company strictly restricts the sale and use of perfluorooctanesulfonic acid (PFOS) in compliance with EU Dangerous Substances Directive (76/769/EEC), 006/122/EC Directive. ■ The Company complies with the requirements on any substance set forth on REACH (1907/2006/EC) Substances of Very High Concern (SVHC) list.	
(III) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	✓		(III) The assessment of climate change-related risks and opportunities, along with the Company's corresponding response measures, is outlined in the "Climate-Related Information" section of this annual report (pages 53-59).	
(IV) Did the Company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	✓		(IV) In 2025, the Company engaged SGS Taiwan Ltd. again to conduct the ISO 14064-1:2018 Greenhouse Gas Inventory Third-Party Verification. The verification involved measuring greenhouse gas emissions and waste weight, and using this information, reduction targets were set. Explanation of the Company's policies and measures for energy conservation, carbon reduction, and greenhouse gas reduction is as follows: 1. Implement energy conservation practices, such as turning off lights and computers when leaving the office, to reduce energy waste. 2. Conduct regular assessments of contract capacity, air conditioning	

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			zones, and lighting circuits to optimize energy usage and enhance overall efficiency. 3. Sign a maintenance contract for equipment to ensure optimal performance and reduce energy consumption.	
IV. Social Issues (I) Has the Company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	✓		(I) To fulfill its corporate social responsibility and safeguard the fundamental human rights of all employees, customers, and stakeholders, the Company respects and supports internationally recognized human rights standards and principles, including the *Universal Declaration of Human Rights*, the *United Nations Global Compact*, and the *International Labour Organization's Declaration on Fundamental Principles and Rights at Work*. The Company also complies with the laws and regulations of the jurisdictions in which it operates, and has formulated its human rights policy in accordance with the *United Nations Guiding Principles on Business and Human Rights*. 1. Respect for and Protection of Human Rights: The Company is committed to respecting and protecting the fundamental human rights of all individuals. Discrimination or harassment of any kind will not be tolerated on the basis of race, gender, religion, nationality, disability, sexual orientation, age, or any other status. 2. Labor Rights: The Company ensures that employees work in a fair and safe environment and are entitled to wages, benefits, occupational safety, and health protections. It actively engages with employees to ensure that their interests are properly safeguarded. 3. Prohibition of Child Labor: To ensure compliance with corporate social responsibility and ethical standards, the Company adheres to the legally prescribed minimum employment age and explicitly	It complies with the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies.

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			prohibits the employment of child labor. 4. Training and Development: The Company provides professional development training programs, time, and subsidies to help employees achieve their career goals. 5. Environmental Protection: The Company is committed to respecting the environment and promoting sustainable development in its operations. It takes measures to reduce negative environmental impacts, including lowering greenhouse gas emissions, conserving energy, and seeking sustainable solutions. 6. Social Engagement: The Company actively participates in community affairs and is dedicated to supporting social welfare and public interest initiatives. It encourages employees to engage in volunteer services and charitable activities to give back to society. 7. Supply Chain Responsibility: The Company requires all partners in its supply chain to adhere to human rights standards and ensure that their business activities comply with ethical and legal requirements. It strives to build long-term partnerships and jointly promote human rights and social responsibility. 8. Transparency and Accountability: The Company regularly discloses information related to ESG and human rights to ensure transparency of its policies and practices, and establishes effective supervision and monitoring mechanisms. The Company has established a human rights policy and implemented a human rights due diligence process, coordinated by the Administrative Department, integrating human resources, occupational health and safety, and supply chain management mechanisms to regularly identify and assess human rights risks. The human rights due diligence process includes both internal and	

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			supply chain risk management, and applies a risk matrix (likelihood × severity of impact) for classification, serving as the basis for subsequent improvement, mitigation, and resource allocation. The relevant processes and implementation status have been publicly disclosed. The scope of the Company's human rights policy and due diligence covers all employees, as well as suppliers and business partners, and is implemented through internal and external communication and training. In 2025, the Company conducted identification and assessment of human rights issues among employees. Based on the evaluation, the material (high-risk) human rights issues identified include wages and working hours, as well as health and safety. The high-risk human rights issues are, in order, health and safety, followed by wages and working hours. 1. Health and Safety (1) Remedial Measures: Strengthen traffic safety awareness and training to prevent the recurrence of occupational accidents occurring during commuting. (2) Mitigation Measures: Promote employee health management programs by employing a nurse and contracting physicians to provide health consultations and care, and by conducting regular health examinations and training. 2. Wages and Working Hours (1) Remedial Measures: Improve deficiencies in overtime pay application processes within production units. (2) Mitigation Measures: Regularly review attendance records; management units provide timely reminders and allow	

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			supplementary applications for overtime pay to safeguard employees’ rights. In addition, through the establishment of systems and implementation of training (such as sexual harassment prevention awareness and occupational health and safety management systems), the Company continues to strengthen human rights risk management and protection mechanisms.	
(II) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	✓		(II) The Company complies with the Labor Standards Act and has established regulations on salary administration, performance evaluation, and corporate policies. It has also established an Employee Welfare Committee in accordance with the law to provide diverse employee benefits. Employee compensation reflects both individual performance and the Company’s overall operating results. Article 19 of the Company’s Articles of Incorporation stipulates that if the Company generates profits in a given year, it shall allocate between 1% and 20% of such profits as employee compensation, thereby implementing the principle of sharing operating results. The Company's governance and operational management policy focuses on achieving operational results through departmental objectives and individual employee performance evaluations for the current year. The performance evaluation criteria include both quantitative objectives and competency-based behavior indicators at the Company, departmental, and individual levels. These evaluations are closely aligned with corporate governance, overall operations, and sustainable development, incorporating key indicators related to quality, occupational safety, and environmental protection. In the future, we will assess the implementation of the OKR (Objectives and Key Results) system to ensure alignment between the Company's	

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			overarching objectives and the goals of employees at all levels. This initiative seeks to enhance employee engagement with the Company's objectives, thereby facilitating mutual growth.	
(III) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	✓		(III) The company remains committed to ensuring the safety and well-being of its employees. An overview of the Company's education policy and its implementation for employees is as follows: 1. The Company has always prioritized the safety and health of employees. Every six months, it commissions external parties to conduct one working environment monitoring at the Liancheng Office, Lide Factory, and Lide Office, and conduct annual employee health check-ups. Furthermore, we carefully identify hazards and conduct risk assessments before implementing any relevant project work in our departments. We actively contribute to the development of specific measures and actions to ensure the maintenance of employee work safety. 2. The Company has implemented four comprehensive plans to safeguard employees' health, including maternal health protection and prevention, prevention of hazards caused by human activities, prevention of diseases resulting from excessive workloads, and prevention of unauthorized infringement on job responsibilities. These plans are available on the company's intranet for easy access, and their contents are regularly reviewed and updated to align with actual requirements. 3. The Company complies with regulations by engaging physicians who specialize in occupational health services to provide on-site health services. Since April 2022, we have employed a full-time staff member, an Occupational Health Service Nurse, to handle employee health consultations and manage various health-related	

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			tasks. 4. Ensure regular provision of general occupational safety and health training, as well as training for personnel handling hazardous chemicals to employees , including first aid training and on-the-job training. This will help establish and enhance their awareness of occupational safety and health, as well as promote job safety. 5. The Company adheres to occupational safety and health regulations, has implemented a comprehensive occupational safety and health management system at its Liancheng Office, Lide Factory, and Lide Office, and has obtained the ISO 45001:2018 certification from SGS. This certification is valid from May 16, 2024 to May 16, 2027. 6. There were no major occupational accidents in the Company in 2025. We will continue to improve the promotion of workplace safety and related knowledge to ensure the well-being of our employees and maintain a zero-accident record. 7. To address emergencies like fires, we have established a self-defense firefighting unit. This unit comprises a notification team, a fire extinguishing team, an evacuation guidance team, a safety protection team, and a medical assistance team. Furthermore, self-defense firefighting drill exercises are conducted regularly every six months to ensure that, under the premise of personal safety, personnel can rapidly assess situations based on simulated fire scenarios, take effective self-defense firefighting actions, and fully perform initial emergency response functions, including early warning, timely fire suppression, and effective evacuation guidance.	
(IV) Has the Company established effective career development training programs for employees?	✓		(IV) The Company places great importance on talent development and sustainable organizational growth, and is dedicated to offering comprehensive job training to supervisors and colleagues at all levels.	

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			This includes training for new employees, professional advancement, management, as well as specialized courses in information security and occupational safety. In addition, it established an online training platform for our colleagues to engage in continuous learning, personal growth, and rapid acquisition of new knowledge using a variety of learning methods. Moreover, the Company places significant importance on corporate ethics and proactively implements relevant training programs to develop the core competencies of our employees. During 2025, a total of 139 career training sessions were conducted, with a participation of 2,549 individuals and a combined duration of 4,922 hours. Furthermore, an annual assessment of training needs was conducted to identify the specific requirements. Our managers and colleagues work together to discuss and establish individual competency development plans on an annual basis. We help employees tailor the best development path through regular reviews and feedback. Simultaneously, we are implementing a professional system to gradually establish a comprehensive training framework that ensures on-the-job training programs effectively facilitate the transfer of skills and reduce the risk of organizational knowledge loss.	
(V) Does the Company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection	✓		(V) The Company consistently upholds the principles of integrity and pragmatism in its operations, and places great importance on protecting customer rights and fulfilling product responsibility. The implementation details regarding various aspects of products and services are as follows: 1. Compliance with laws, regulations, and international standards (1) The Company strictly complies with significant domestic and international policies and legal developments, and has designated	

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
and grievance policies?			personnel responsible for periodically collecting, evaluating, and consulting on relevant laws to ensure full compliance in business operations. (2) In terms of information and cybersecurity, in addition to establishing existing network and computer security protection systems, the Company actively responds to the latest international regulations, such as the EU Cyber Resilience Act (CRA), and implements cybersecurity controls throughout the product lifecycle. 2. Customer health and safety (1) For vertical markets highly related to life safety, such as healthcare and transportation, the Company develops bedside computers with medical-grade certification and in-vehicle computers with automotive-grade certification, ensuring that products can operate stably and safely in specialized environments. (2) Through collaboration with global Tier-one industry leaders, the Company continuously enhances its manufacturing and quality control capabilities, and implements a Total Quality Management (TQM) system to ensure that product quality meets international standards and fulfills commitments to customers. 3. Customer privacy and information security (1) The Company has established a multi-layered defense and monitoring system, including firewalls, intrusion detection systems, segmentation of critical network zones, and access authorization controls to protect customer data and operational information. (2) For highly sensitive information, the Company requires third-party service providers to strictly comply with confidentiality and cybersecurity requirements, and to sign relevant agreements to ensure the reliability and availability of data.	

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			4. Ethical marketing and product labeling The Company incorporates the NPDP (New Product Development Process) project risk assessment into its R&D process to ensure that products achieve optimal design in terms of quality at all stages, manufacturability, and required documentation and labeling. 5. Protection of customer rights, complaint channels, and complaint handling procedures (1) The Company has established a comprehensive market and technical feedback system, engaging in direct face-to-face communication with customers to discuss specifications and requirements. Customer opinions and feedback are regarded as a source of product innovation and a foundation for protecting customer rights. (2) Upholding the principle of "integrity in business operations," the Company has established contingency plans and standard operating procedures (SOPs) to ensure timely handling and recovery in the event of any issues affecting customer rights. (3) Upon acceptance of a case, a dedicated investigation task force will be formed based on the level of the parties involved to serve as the investigating unit for reported cases. The complaint channels are as follows: Email: ethical_management@avalue.com or mail to 7F., No. 228, Liancheng Rd., Zhonghe Dist., New Taipei City, 235 Taiwan (R.O.C.)	
(VI) Has the Company formulated supplier management policies requiring suppliers to comply with relevant regulations on	✓		(VI) The Company evaluates suppliers in accordance with its Supplier Management Procedures and incorporates the results into the basic criteria for qualified suppliers. It requires suppliers to establish screening criteria that ensure environmental protection, human rights,	

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?			safety, health, and sustainable development. In addition, the Company sets expectations and requirements for suppliers in areas such as environmental, health and safety (EHS) risks, prohibition of child labor, labor management, protection of fundamental labor rights, ethical standards, and integrity in business conduct. Through supplier selection and annual audits conducted in conjunction with the quality management system, the Company integrates sustainability requirements into its daily supply chain management on a cooperative basis. The implementation status is as follows: 1. Supplier Evaluation (1) All suppliers must pass the supplier evaluation process and comply with the Supplier Code of Conduct. (2) Suppliers of process-related raw materials must obtain ISO 9001 Quality Management System certification. 2. Supplier Audits In conjunction with the annual audit activities of the quality management system, the Company establishes audit teams to track and improve supplier deficiencies. Through collaboration, both parties work together to enhance quality and technical capabilities, refine processes, improve yield rates, strengthen environmental, health, and safety (EHS) performance, and commit to waste reduction.	
V. Does the Company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the Company obtain third party assurance or	✓		In 2025, the Company prepared the "2024 Avalue Sustainability Report" in accordance with the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB) standards, disclosing its non-financial information. However, the report has not yet been reviewed or verified by an independent third-party assurance provider.	It complies with the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies.

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
certification for the reports above?				

VI. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviation from the principles in the Company's operations:
The Company has established the "Sustainable Development Best Practice Principles" to guide its ESG efforts. Led by the Chairman, the Sustainable Development Committee is responsible for overall planning and supervision, with the Management Department coordinating implementation. Various task forces have been formed to actively promote and participate in sustainable development initiatives. In 2025, the Company compiled the "2024 Avalue Sustainability Report" in accordance with the Global Reporting Initiative (GRI) Standards. All activities are conducted in compliance with the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies."

VII. Other important information to facilitate better understanding of the Company's promotion of sustainable development:
The Company has assessed its operating location (New Taipei City) and the communities where its key stakeholders are located, including Taipei and New Taipei where its business sites are situated. In addition, based on considerations of corporate social responsibility and the public interest, the Company extends its focus to rural areas and ecologically sensitive regions (including Hualien, Taitung, and Kinmen), in order to address the risks and development opportunities faced by different regions in areas such as social welfare, public safety, educational resources, and biodiversity conservation. In 2025, the Company continued to promote community care and public welfare initiatives. Through charitable donations, corporate volunteer services, and educational empowerment programs, it actively responded to community needs and contributed to local development. The total amount of charitable donations for the year reached NT$1.9 million, covering regions including Taipei, New Taipei, Changhua, Nantou, Hualien, Taitung, and Kinmen. Key initiatives included: ongoing donations to fire and disaster relief units to enhance public safety; support for food banks and social welfare organizations to care for disadvantaged groups; investment in child welfare and community services; promotion of educational empowerment programs in rural areas; organization of employee blood donation drives; and support for employment and social participation of middle-aged and older women.
In addition, in response to ecological and biodiversity risks, the Company expanded its public welfare efforts into environmental conservation. Through donations to wildlife rescue, conservation, and environmental education organizations, it supported wildlife medical care, habitat protection, and marine and terrestrial ecological education, addressing challenges posed by land development and climate change.
The above community care and public welfare initiatives have demonstrated tangible results, including providing living and educational resources to 123 children in rural orphanages and 100 disadvantaged families. Through regular blood donation activities and volunteer participation, employees are encouraged to engage in social service. Relevant implementation details and outcomes have been disclosed in the Company's Sustainability Report, serving as important information for stakeholders to understand the Company's sustainable development efforts and social impact.

(VI) Climate-Related Information:

1. Implementation Status of Climate-Related Information:

Item	Implementation Status
1. The oversight and governance of climate-related risks and opportunities by the Board of Directors and management.	The Board of Directors serves as the highest supervisory body for the Company’s sustainable development and risk management. It is responsible for overseeing significant issues, including climate-related risks and opportunities, and for reviewing relevant strategies and management mechanisms. Greenhouse gas inventories, emission reduction targets, and climate management directions have all been submitted to and approved by the Board, and are incorporated into the Board’s quarterly oversight agenda. The management team, through the Sustainability Committee and its subordinate Environmental Sustainability Task Force and Risk Management Task Force, is responsible for identifying, assessing, and managing climate-related risks and opportunities. Implementation status is regularly compiled and reported to the Board to ensure that climate-related issues are integrated into the Company’s governance and operational decision-making processes.
2. Describe how the identified climate risks and opportunities impact the Company's business, strategy, and financials (short-term, medium-term, and long-term).	The Company references the TCFD framework to identify climate-related risks and opportunities based on its operational characteristics, categorizing them into short-term (within 3 years), medium-term (3–5 years), and long-term (over 5 years). Transition risks primarily arise from carbon fees, regulatory compliance, and market changes, which may increase operating costs. Physical risks include events such as high temperatures, flooding, and drought, which may affect operational stability. On the other hand, the Company also captures climate-related opportunities through the development of low-carbon products and improvements in energy efficiency.
3. The Impact of extreme weather events and transition measures on financial performance.	Extreme weather events may lead to production disruptions, logistics delays, and increased costs; however, based on current assessments, there is no material financial impact on overall operations. From a transition perspective, the trend toward a low-carbon economy may result in higher carbon-related costs. Nevertheless, through energy-saving measures and the development of low-carbon products, the Company can enhance its long-term competitiveness.
4. Clarifying how climate risk identification, assessment, and management processes are integrated into the Company’s overall risk management framework.	The Company has incorporated climate risks into its overall risk management framework, under the supervision of the Board of Directors. A Risk Management Task Force has been established under the Sustainability Committee, responsible for the identification and management of climate-related risks, which are assessed and monitored through the existing risk management processes.
5. When conducting scenario analysis to assess resilience to	The Company adopts IPCC and IEA scenarios for analysis, covering the period from 2023 to 2050, and conducts assessments based on its existing operations and value chain. The analysis indicates that the

Item	Implementation Status
climate change risks, it is crucial to clearly define the scenarios, parameters, assumptions, and analytical factors used, as well as to identify the key financial impacts associated with each scenario.	primary impacts are increased operating costs and potential supply chain risks, which have been incorporated into management decision-making as reference.
6. If transformation plans are in place to address climate-related risks, please provide a description of these plans, including the indicators and targets used to identify and manage both physical and transition risks.	The Company addresses climate-related risks through the following measures: (1) Enhancing energy efficiency (2) Promoting energy-saving equipment improvements (3) Developing low-power consumption products (4) Strengthening carbon management within the supply chain These measures are implemented by management and incorporated into the Board of Directors' oversight mechanism.
7. If internal carbon pricing is used as a planning tool, the rationale behind the determination of the price should be clearly explained.	As of now, the Company has not yet implemented an internal carbon pricing system nor established an internal carbon pricing mechanism. The Company continues to monitor developments in carbon fees and carbon markets as a basis for future evaluation.
8. If climate-related targets are set, the covered activities, scope of greenhouse gas emissions, planning timeline, and annual progress should be clearly defined. Additionally, if carbon offsets or Renewable Energy Certificates (RECs) are used to meet these targets, the source and quantity of carbon reduction credits, as well as the number of RECs, should be specified.	Based on the results of its greenhouse gas inventory, the Company has established emission reduction targets, which have been submitted to and approved by the Board of Directors. The Board oversees the implementation progress on a quarterly basis. The emission intensity for each year is as follows: Year 2022: 0.427 Year 2023: 0.408 Year 2024: 0.471 Year 2025: 0.469 (metric tons of CO_2e per million in revenue) In terms of carbon reduction implementation, the Company primarily focuses on Scope 2 (purchased electricity) as its main controllable source of emissions. Emissions decreased from 962.5032 metric tons of CO_2e in 2022 to 925.6202 in 2023, further to 860.4114 in 2024, and continued to decline to 833.8127 metric tons of CO_2e in 2025, demonstrating a continuous downward trend over four consecutive years. By 2025, cumulative emissions had been reduced by 128.6905 metric tons of CO_2e (approximately 13.37%) compared to the baseline year, indicating that energy-saving management measures have delivered tangible results.

Item	Implementation Status
	Energy-saving initiatives include: (1) Implementation of variable frequency control for chiller systems (reducing electricity consumption by 30–40%) (2) LED replacement programs (saving 30,898.56 kWh annually) The Company currently does not utilize carbon offsets or Renewable Energy Certificates (RECs), prioritizing actual emission reductions as its primary strategy.
9. Greenhouse Gas Inventory, Verification Status, Reduction Goals, Strategies, and Specific Action Plans.	Please see the detailed explanation below.

2. The Greenhouse Gas Inventory and Assurance Status of the Company for the Past Two Years:

(1) Greenhouse Gas Inventory Information:

In accordance with the ISO 14064-1:2018 Greenhouse Gas Inventory standard issued by the International Organization for Standardization (ISO), the Company has established a systematic greenhouse gas inventory mechanism and has conducted annual greenhouse gas inventories at the entity level since 2022. The Administrative Department serves as the primary unit responsible for the greenhouse gas inventory, including data consolidation, quality control, and cross-departmental coordination, and incorporates the inventory results into the Company's sustainability governance and risk management framework.

Under the Company's corporate governance structure, the Sustainability Committee under the Board of Directors is primarily responsible for discussing and formulating the annual direction, strategies, and key initiatives related to climate and emission reduction. The Administrative Department and relevant units provide inventory results and management recommendations to support these efforts. In addition, the Sustainability Office reports quarterly to the Board of Directors on the progress and outcomes of greenhouse gas inventory and emission reduction management, enabling the Board to exercise oversight and make decisions when necessary.

The greenhouse gas inventory data for the most recent two years has been compiled using the operational control approach, covering Scope 1 (direct emissions), Scope 2 (energy indirect emissions), and Scope 3 (other indirect emissions; currently presented by the Company under Categories 3, 4, and 5 within its inventory boundary), as described below:

Emission Source		2024		2025	
		Emission Volume (Metric tons of CO2e)	Density (Metric tons of CO24/per million in revenue)	Emission Volume (Metric tons of CO2e)	Density (Metric tons of CO24/per million in revenue)
Scope 1	Category One (Direct Greenhouse Gas Emissions and Removals)	70.7080		70.8632	
Scope 2	Category II (Indirect Greenhouse Gas Emissions from Energy Input)	860.4114		833.8127	
Scope 3	Category III (Indirect Greenhouse Gas Emissions from Transportation)	246.0022		362.2754	
	Category IV (Indirect Greenhouse Gas Emissions from Product Use)	522.8154		856.8205	
	Category V (Indirect Greenhouse Gas Emissions related to Product Use)	1881.7027		1856.6558	
Total		3581.640	0.471	3980.4276	0.469

Supplementary Notes:

A. The Company’s consolidated revenue for 2025 amounted to NT$8,480,972 thousand (equivalent to NT$8,480.972 million). The emission intensity for 2025 is calculated as “total emissions divided by consolidated revenue (in millions),” rounded to three decimal places.

B. The 2025 data is currently based on internal inventory figures. Upon completion of external verification, the data will be adjusted in accordance with the verification results and uniformly updated and restated in the 2025 Sustainability Report - Appendix - Climate-related Information for Listed Companies to ensure consistency and traceability of disclosures.

(Minimum Requirement Disclosure) In accordance with the minimum requirements under the Sustainable Development Roadmap for listed companies, the parent company shall begin conducting inventories starting in 2026, and subsidiaries included in the consolidated financial statements shall begin in 2027. However, the Company has voluntarily implemented greenhouse gas inventories in advance since 2022 and conducts them annually to enhance data quality and governance transparency.

(2) Greenhouse Gas Assurance

The Company adopts third-party verification to ensure the reliability and consistency of its greenhouse gas disclosures. The verification body is SGS Taiwan Ltd., and the verification standard applied is ISO 14064-3:2006 (in conformity with ISO 14064-1:2018). This process has been incorporated into the Company's routine operations, and verification statements are obtained annually.

For 2024: Third-party verification has been completed and a verification statement has been obtained. The assurance opinion provided reasonable assurance for Categories 1 and 2, and limited assurance for Categories 3 to 6.

For 2025: Verification with SGS is scheduled for May 2026. Upon completion, a verification statement will be obtained, and the 2025 disclosed data will be updated in accordance with the verification results. Any additions or corrections will be reflected in the 2025 Sustainability Report - Appendix - Climate-related Information for Listed Companies to ensure consistency in external disclosures.

(Minimum Requirement Disclosure) According to the minimum requirements of the Sustainable Development Roadmap for listed companies, the parent company is required to begin assurance from 2028, and subsidiaries included in consolidated financial statements from 2029. However, the Company has proactively implemented third-party verification in advance and on a regular basis to strengthen governance oversight and enhance the credibility of disclosed information.

(3) Greenhouse Gas Reduction Goals, Strategies, and Specific Action Plans.

A. Baseline Year, Emissions Data, and Reduction Targets:

The Company has designated 2022 as the baseline year for greenhouse gas reduction, with emissions as follows: Category 1: 57.9795 metric tons of CO_2e; Category 2: 962.5032 metric tons of CO_2e; Category 3: 182.4335 metric tons of CO_2e; Category 4: 321.3312 metric tons of CO_2e; Category 5 (Taiwan-based investment subsidiaries): 1,838.2075 metric tons of CO_2e, totaling 3,362.455 metric tons of CO_2e.

The Company has set its 2030 greenhouse gas reduction targets based on a "self-assessed alignment with science-based reduction pathways" approach (not externally validated by SBTi, but following consistent methodologies and tracked through annual inventories and third-party verification), as follows:

a. Scope 1 and Scope 2 absolute emissions: Using 2022 as the baseline year, reduce emissions by 33.6% by 2030 (equivalent to an annual linear reduction rate of approximately 4.2%), with a 2030 target of approximately 677.6 metric tons of CO_2e.

b. Scope 3 (Categories 3, 4, and 5) absolute emissions: Using 2022 as the baseline year, reduce emissions by 33.6% by 2030 (equivalent to an annual linear reduction rate of approximately 4.2%), with a 2030 target of approximately 1,555.5 metric tons of CO_2e.

Governance and Tracking Mechanism:

The Administrative Department (responsible for inventory management) compiles inventory and management data and submits them to the Sustainability Committee for discussion and formulation of annual implementation direction, strategies, and key initiatives. The Sustainability Office reports quarterly to the Board of Directors, in accordance with corporate governance procedures, on progress and results in advancing reduction targets, enabling the Board to exercise oversight and make decisions when necessary.

For 2025, the currently available internal inventory data are: Scope 1 emissions of 70.8632 metric tons of CO_2e and Scope 2 emissions of 833.8127 metric tons of CO_2e. Upon completion of external verification for 2025, the Company will update its official disclosed data in accordance with the verification results and will supplement or revise information on Scope 3 (Categories 3, 4, and 5), as well as total emissions and emission intensity, in the 2025 Sustainability Report - Appendix - Climate-related Information for Listed Companies, to ensure consistency and traceability of disclosures.

B. Greenhouse Gas Reduction Strategies and Specific Action Plans:

a. Enhancing Information Transparency and Institutionalizing Management: The Company conducts annual greenhouse gas inventories and third-party verification on a regular basis, disclosing emissions data and management outcomes to improve transparency and traceability.

b. Equipment Upgrades and Energy Efficiency Improvements (primarily Scope 2): By replacing outdated equipment and implementing energy-saving improvements, the Company reduces electricity-related emissions and enhances operational efficiency.

c. Low-Carbon R&D and Product Design: The Company continuously develops low-carbon products and energy-efficient designs to reduce product energy consumption and related indirect emission risks, while also enhancing product competitiveness.

d. Circular Economy and Scope 3 Management: The Company is progressively introducing recycled and low-carbon raw materials. For Scope 3 (Categories 3, 4, and 5), it promotes procurement mix optimization and alternative material evaluations, collects carbon data from key raw materials and suppliers and improves data quality, and collaborates with key suppliers to implement carbon reduction measures (such as improving process energy efficiency, increasing the use of renewable energy, and enhancing logistics efficiency). Improvement results are regularly reviewed based on annual inventory and verification outcomes.

Supplementary Note:

The increase in Scope 3 (Categories 3, 4, and 5) emissions in 2025 is primarily attributable to the estimation method for “purchased products/raw materials,” which is based on the top ten procurement items by annual purchase value. In 2025, these top ten items mainly consisted of hardware raw materials such as CPUs and motherboards, whereas in 2022–2023, they were more concentrated on software and licensing items. This shift in procurement composition led to higher estimated emissions.

Going forward, the Company will maintain a consistent methodology for tracking, while promoting the collection of carbon data across the supply chain and implementing emission reduction measures to improve Scope 3 emission performance.

(VII) Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons:

Evaluation Item	Operation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
I. Establishment of ethical corporate management policies and programs				
(I) Does the Company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethic policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	✓		(I) The Company has formulated the Chinese and English version of "Code of Ethical Conduct for Directors and Managerial Officers" and "Procedures for Ethical Management and Guidelines for Conduct", which have been approved by the Board of Directors, and it publishes them on MOPS and its website to regulate its directors, managerial officers, employees, assignees or those with actual control to actively implement the concept of ethical management in the principle of integrity.	It complies with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.
(II) Whether the Company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than	✓		(II) The "Procedures for Ethical Management and Guidelines for Conduct" formulated by the Company covers the measures for preventing the business activities with high risks of unethical behaviors within the business scope as specified in Paragraph 2 in Article 7 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx-Listed Companies.	

Evaluation Item	Operation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies? (III) Does the Company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?	✓		(III) The “Procedures for Ethical Management and Guidelines for Conduct” specify the relevant rules for preventing any unethical behaviors, and the Company has formulated the Chinese and English version of the “Regulations on Handling Reports of Illegal, Unethical or Dishonest Conduct”.	
II. Ethical Management Practice (I) Does the Company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?	✓		(I) The Procurement Department serves as the primary point of contact for promoting integrity management principles to suppliers. As part of this commitment, the Integrity Commitment Letter is a mandatory component of every procurement contract, ensuring that suppliers are aware of and adhere to the company’s relevant principles and regulations. The Company expects and assists counter-parties to recognize and jointly follow ethical management. At present, the Company specifies, in the contract signed by it with counter-parties, the terms and conditions concerning ethical management depending on situation. In case of any unethical behavior detected during transaction course, the Company may terminate the trading or cancel related contract. Regarding integrity provisions, the Company’s procurement	It complies with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.

Evaluation Item	Operation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			department explicitly stipulates the following note at the end of its Purchase Order documents: "9. Integrity Commitment: The Seller (including but not limited to subsidiaries, affiliates, etc.) agrees to comply with the Company's integrity and ethical business conduct policies, and undertakes not to offer money or any form of improper benefit to request or obtain any form of advantage from the Company or its group personnel, including but not limited to obtaining or retaining business, designating or transferring business to others, or securing any other improper benefits. If the Seller becomes aware of any conduct that may violate the RBA Code of Conduct, it may report such matters through the Company's official website under 'Corporate Governance / Integrity Management / Whistleblowing Mechanism.' "	
(II) Has the Company set up a dedicated unit to promote ethical corporate management under the Board of Directors, and does it regularly (at least once a year) report to the Board of Directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?	✓		(II) The Company's Auditing Division is a part-time unit that is responsible for promoting corporate ethical management, and reports the relevant operation status to the Board of Directors once a year, and ensures, under the supervision of the Board of Directors, that the Company's operation comply with legal requirements and the Ethical Corporate Management Best-Practice Principles.	
(III) Has the Company established policies to prevent conflict of interests, provided appropriate	✓		(III) Relevant terms and provisions on prevention of conflicts of interest are specified in the "Code of Ethical Conduct for Directors and Managerial Officers" and "Procedures for Ethical Management and	

Evaluation Item	Operation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
communication and complaint channels, and properly implemented such policies?			Guidelines for Conduct”. In case of any related doubts, the Company’s internal persons may express or entrusts their supervisors to express opinions, and external persons may express opinions in writing or through email box or the company’s public channel.	
(IV) Does the Company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?	✓		(IV) The Company has formulated an effective accounting system and internal control system to implement ethical management. The supervisors of various units are responsible for ensuring that the first-line operations comply with relevant rules, and other auditors will audit thereon. Externally speaking, KPMG Taiwan regularly audits financial statements and internal control system to assist the Board of Directors and management to provide a reasonable and appropriate guarantee to achieve operating results and efficiency, reliability of financial statements, compliance with relevant laws and regulations, and other goals.	
(V) Does the Company provide internal and external ethical corporate management training programs on a regular basis?	✓		(V) The Company's relevant rules have been published in the corporate governance section on its official website and the portal management method document section on its internal website, and all employees can fully obtain the electronic files of relevant operating rules. After a new employee reports for duty, the Administrative Department will issue a notification in accordance with the onboarding training framework, allowing employees to access and review electronic documents within the system. The internal and external places where rule documents are placed are also specified in the contents of each education and training, so as to keep relevant information open and transparent to staff.	

Evaluation Item	Operation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			Ethical management education and training have been included in the education and training courses for new employees, which are provided by the Administration Department. The training is also recorded in the employee training logs and is currently conducted by the Audit Division, supplemented with current news topics. The Company also provides education and training on other public meeting occasions, online, or by email, so that employees are informed of and understand the spirit and principles of corporate ethical management. ● In 2025, four sessions of new employee training were conducted, with a total of 59 new colleagues successfully completing the in-person training on ethical management for total 39.33 hours. ● In 2025, five online sessions on ethical management education were conducted for all employees. ● In 2025, one company-wide online annual training and assessment were conducted for all employees, with a total of 350 participants completing the program, achieving a completion rate of 96%.	

Evaluation Item	Operation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
III. Implementation of Complaint Procedures				
(I) Has the Company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistle-blowers?	✓		(I) The Board of Directors of the Company has approved the formulation of the ”Regulations on Handling Reports of Illegal, Unethical or Dishonest Conduct", and it publishes these Rules on its website and internal website. Also, public channels for reporting via email and postal mailing addresses are disclosed. Internal employees, external customers, suppliers, etc. can express their opinions and report any unethical behavior through various whistle-blowing channels. 1. The Company’s integrity management unit (concurrently served by the Internal Audit Office) is the unit responsible for receiving and handling whistleblowing cases. Once a case is received, a specialized investigation team is formed based on the hierarchy of the individuals involved to handle the investigation. 2. Information of report channel is as follows: Email: ethical_management@avalue.com or mail to 7F., No. 228, Liancheng Rd., Zhonghe Dist., New Taipei City, 235 Taiwan (R.O.C.) 3. Reporting Case Handling Unit: Ethical Corporate Management Unit (Auditing Division)	It complies with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.
(II) Has the Company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a	✓		(II) The Company has formulated the "Regulations on Handling Reports of Illegal, Unethical or Dishonest Conduct,” specifying the standard procedures for accepting whistle-blowing and making investigation, the measures that shall be taken immediately after completion of investigation, and relevant confidentiality principles. 1. Principles of Acceptance (1) The whistleblower should provide their real name	

Evaluation Item	Operation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
confidential manner?			(anonymous reporting is also permitted) and contact information such as address, telephone number, and email. Anonymous reports must provide the same level of specific evidence as named reports. (2) The name of the reported person (respondent) or other information sufficient to identify the respondent. (3) A description of the facts along with concrete evidence to support investigation. If any of the following circumstances exist, the reported case may not be accepted. However, it should still be recorded in the register of reported cases for reference: (1) The informant did not provide the necessary information as required. (2) This falls outside the purview of the Company's Ethical Management and Guidelines and Codes of Ethical Conduct. (3) The Company has verified or concluded the reported matters involving the same party. 2. Investigation Procedures (including deadlines for processing) (1) Upon receiving a complaint from the whistleblower, the receiving unit will generate a written or electronic receipt. This receipt will be based on the contact information provided by the whistleblower and will indicate the date and time of the complaint. It will then be delivered to the whistleblower either by registered mail or email. If the whistleblower fails to provide relevant information, this provision is not applicable. (2) During the reporting and investigation of a complaint case, individuals who have a direct or collateral blood relationship,	

Evaluation Item	Operation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			a third-degree relative by marriage, or any other person who may potentially influence the handling of the case should be recused. The whistleblower or the accused (party in question) also has the right to request the recusal of the personnel involved. (3) The project investigation team must submit the investigation result report within six months from the day of its establishment. However, if the case is complex or there are other factors that prevent completion within the specified period, an extension may be granted upon approval. (4) After the investigation results are approved up to the original reporting level, except for cases where the respondent is an independent director which shall be directly reported to the competent authority, all other cases shall be reported to the Board of Directors, including the details of the whistleblowing case, the handling measures, and the subsequent review and improvement actions. (5) The investigation results should be communicated to the whistleblower within 30 days of reporting to the Board of Directors. This communication should be done by the receiving unit through written or email notification, providing information about the handling of the case. 3. Confidentiality Principles (1) The verification of whistleblowing cases shall be conducted, as required by the circumstances, through telephone, written communication, or in-person interviews. Records of case acceptance, investigation processes, investigation results, and	

Evaluation Item	Operation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			any audio or video materials generated during the investigation shall be retained for five years, with access strictly restricted. If any litigation related to the reported matter arises before the retention period expires, the relevant data shall be preserved until the conclusion of such litigation. (2) The Company shall ensure confidentiality and protection of the whistleblower's identity and the content of the report, and verification shall be conducted through independent channels. Personnel involved in the investigation of whistleblowing cases shall not disclose such information without authorization, in order to prevent the whistleblower from being subject to unfair treatment, retaliation, or threats. (3) Personnel of the receiving unit who, without justifiable reason, fail to process a case; supervisors of the respondent who were aware of the reported matter prior to receiving the report but failed to take action or report it; or personnel involved in the investigation who fail to strictly maintain confidentiality regarding the whistleblower's identity and the reported content, shall be subject to disciplinary actions in accordance with the Company's relevant regulations. 4. Number of reported cases accepted in 2025: 0 cases.	
(III) Has the Company adopted proper measures to protect whistle-blowers from retaliation for filing complaints?	✓		(III) The Company's "Guidelines for Handling Reports of Illegal, Unethical, or Dishonest Conduct" stipulate the following: 1. The Company shall maintain confidentiality and provide protection for the identity of the whistleblower and the content of the report, and verification shall be conducted through independent channels. Personnel involved in the investigation of whistleblowing cases	

Evaluation Item	Operation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			shall not disclose such information without authorization to prevent the whistleblower from being subject to unfair treatment, retaliation, or threats. 2. If the whistleblower is an employee of the Company or its subsidiaries, the Company guarantees that, provided the report is not false or supported by fabricated evidence, the employee will not be subject to dismissal, termination, demotion, salary reduction, or any other improper treatment as a result of making the report. However, if a report is made with knowledge that it is false or based on fabricated evidence, the case will be submitted to the Personnel Evaluation Committee for review in accordance with the Company's internal disciplinary regulations. Where deemed a serious violation, the individual may be subject to the most severe disciplinary action, including termination, and shall bear the relevant legal responsibilities.	
IV. Strengthening Information Disclosure Does the Company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?	✓		The Company has developed a corporate website available in Chinese, English, and Japanese, and has published the relevant ethical management codes on the Market Observation Post System (MOPS) as well as the Company's intranet portal.	It complies with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.
V. If the Company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviations between the principles and their implementation: The Company has formulated the "Code of Ethical Conduct for Directors and Managerial Officers" and "Procedures for Ethical Management and Guidelines for Conduct". The Company's Board of Directors, managerial officers and staff must comply with the Code and related regulations.				

Evaluation Item	Operation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
Members of the Board of Directors and executives at the associate vice president level and above have signed the "Statement of Compliance with the Integrity Management Policy for Directors and Managerial Officers." In addition, the Company also complies with the Company Act, the Securities and Exchange Act, the Business Entity Accounting Law, relevant rules and regulations of TWSE/TPEx or other laws and regulations related to business conduct, so as to implement the basic principles of ethical and responsible management, and duly implement the same in internal management and external commercial activities.				
VI. Other important information to facilitate a better understanding of the status of operation of the Company's ethical corporate management policies: (e.g., the Company's reviewing and amending of its ethical corporate management best practice principles) None.				

(VIII) Other important information sufficient to enhance understanding of the Company's corporate governance practices: The Company has formulated the Rules for Handling Significant Internal Information and Prevention of Insider Trading, and informed staff, managerial officers and directors thereof to prevent them from making insider trading.

(IX) The section on the state of implementation of the Company's internal control system:

1. A Statement on Internal Control: The declaration has been published on the information disclosure website designated by the Financial Supervisory Commission.
The query index path：MOPS > TPEx Listed Company > Corporate Governance > Rules / Internal Control > Internal Control Statements
The query URL：https://mops.twse.com.tw/mops/#/web/t06sg20
2. If any CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report shall be disclosed: None.

(X) Material resolutions of a shareholders meeting or a Board of Directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.:

1. Shareholders' Meeting date, matters approved by the resolution of shareholders present, and their implementation status are as follows:

Name of Meeting	Meeting Date	Matters Approved by the Resolution of Shareholders Present, and Their Implementation Status
2025 Annual Shareholders' Meeting	2025.06.10	(1) Proposal for approval on 2024 Business Report and Financial Statements. Implementation status: It was approved by resolution.
		(2) Proposal for approval on distribution of earnings of 2024. Implementation status: July 10, 2025 was determined as distribution base date, and July 31, 2025 was determined as payment date (NT$5.2 of cash dividend per share to be distributed).
		(3) Proposal for approval on amending the Company's Articles of Incorporation. Implementation status: Approved for registration by the Ministry of Economic Affairs on July 8, 2025.

2. Board of Directors' meeting and important resolutions are as follows:

Name of Meeting	Meeting Date	Remarks
The 1st Board of Directors' meeting in 2025	2025.03.11	(1) Proposal for approval on the directors' remuneration and employees' remuneration of 2024.
		(2) Proposal for approval on the annual adjustment to the salary of the Company's managerial officers for 2025.
		(3) Proposal for approval on the Company's 2024 Business Report.
		(4) Proposal for approval on the Company's 2024 parent company only financial statements and consolidated financial statements.
		(5) Proposal for approval on the Company's distribution of earnings for 2024.
		(6) Proposal for approval on issuance of 2024 Statement on Internal Control System.
		(7) Proposal for approval on changing the Company's certified public accountant responsible for auditing and attesting the financial reports, effective from the first quarter of fiscal year 2025.
		(8) Proposal for approval on evaluation on the independence and competence of the Company's CPAs.
		(9) Proposal for approval on payment of annual remuneration by the Company to KPMG Taiwan.
		(10) Proposal for approval on the definition of the scope of the Company's entry-level employees.
		(11) Proposal for approval on amending the Company's Articles of Incorporation.
		(12) Proposal for approval on the matters related to holding the Company's

Name of Meeting	Meeting Date	Remarks
		2025 annual Shareholders' Meeting.
		(13) Proposal for Approval on the dismissal of the spokesperson and deputy spokesperson, and the appointment of a new spokesperson and deputy spokesperson.
		(14) Proposal for approval on application with bank for loan amount.
The 2nd Board of Directors' meeting in 2025	2025.05.13	(1) Proposal for approval on the Company's 2025 Q1 consolidated financial statements.
		(2) Proposal for approval on application with bank for loan amount.
The 3rd Board of Directors' meeting in 2025	2025.06.10	(1) Proposal for approval on the investment in an industrial display company.
The 4th Board of Directors' meeting in 2025	2025.08.12	(1) Proposal for approval on the Company's 2025 Q2 consolidated financial statements.
		(2) Proposal for approval on issuing a letter of undertaking for a medium-term loan facility for machinery and equipment with Mega International Commercial Bank.
		(3) Proposal for approval on application with bank for loan amount.
		(4) Proposal for approval on the Company's 2024 Sustainability Report.
The 5th Board of Directors' meeting in 2025	2025.09.25	(1) Proposal for approval on application with bank for loan amount.
The 6th Board of Directors' meeting in 2025	2025.11.13	(1) Proposal for approval on the Company's 2025 Q3 consolidated financial statements.
		(2) Proposal for approval on engaging others to build operational headquarters on own land.
		(3) Proposal for approval on proceeding with the acquisition and donation of land.
The 7th Board of Directors' meeting in 2025	2025.12.18	(1) Proposal for approval on the Company's 2026 audit plan.
		(2) Proposal for approval on the 2025 year-end bonuses for managerial officers as reviewed by the Company's Compensation Committee.
		(3) Proposal for approval on the appointment of the Assistant Vice President of the Product Division at the company.
		(4) Proposal for approval on the revised internal control system of the Company.
		(5) Proposal for approval on amending the general provisions of the Company's policy on the pre-approval of non-assurance services provided by the certified public accounting firm.
		(6) Proposal for approval on supplemental agreement to the Company's land acquisition donation project.
		(7) Proposal for approval on opening bank accounts.
The 1th Board of Directors' meeting in 2026	2026.02.03	(1) Proposal for approval on formulation of 2026 business plan (2026 financial budget) for the Company.
The 2st Board of Directors' meeting in 2026	2026.03.12	(1) Proposal for approval on the directors' remuneration and employees' remuneration of 2025.
		(2) Proposal for approval on the annual adjustment to the salary of the Company's managerial officers for 2026.
		(3) Proposal for approval on the Company's 2025 Business Report.
		(4) Proposal for approval on the Company's 2025 parent company only financial statements and consolidated financial statements.
		(5) Proposal for approval on the Company's distribution of earnings for 2025.
		(6) Proposal for approval on issuance of 2025 Statement on Internal Control System.
		(7) Proposal for approval on change to the CPAs auditing the Company's financial statements from 2026 Q1.
		(8) Proposal for approval on evaluation on the independence and competence of the Company's CPAs.
		(9) Proposal for approval on payment of annual remuneration by the Company to KPMG Taiwan.
		(10) Proposal for approval on the comprehensive re-election of the Board

Name of Meeting	Meeting Date	Remarks
		of Directors. (11) Proposal for approval on lifting non-compete restrictions for the Company’s newly appointed directors and their representatives. (12) Proposal for approval on the matters related to holding the Company's 2026 annual Shareholders’ Meeting. (13) Proposal for approval on amending certain provisions of the Company’s *Sustainable Development Best Practice Principles*. (14) Proposal for approval on application with bank for loan amount.

(XI) Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the Board of Directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof.: None.

IV Information on CPA (External Auditor) Professional Fees:

Unit of amount: NT$ thousands

Name of accounting firm	Name of CPAs	Period covered by the CPA audit	Audit fees	Non-audit fees (Note)	Total	Remarks
KPMG Taiwan	Wang, I-Wen Hsin, Yu-Ting	2025.01.01-2025.12.31	3,790	1,060	4,850	-

Note: Non-audit fees mainly are tax verification fees.

(I) If the Company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: None.

(II) Audit Fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed: None.

V Information on replacement of certified public accountant:

In accordance with the internal rotation policy at KPMG Taiwan, the CPA's responsible for verifying the Company's financial reports has been changed starting from the first quarter of 2025. The CPAs were Wang, I-Wen and Hsin, Yu-Ting, replacing the previous auditors, Wang Yi-wen and Chu, Yao-Chun. In addition, the CPA's responsible for verifying the Company's financial reports will be changed starting from the first quarter of 2026. The CPAs will be Wang, Hsin, Yu-Ting and Liu, Chen-Hsing, replacing the previous auditors, Wang Yi-wen and Hsin, Yu-Ting.

VI The Company's chairperson, president, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held, shall be disclosed: None.

VII Any transfer of equity interests and pledge of equity interests by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

(I) Changes in the shareholdings of directors, supervisors, managers, and major shareholders have been disclosed on the information reporting website designated by the Financial Supervisory Commission.

1. The query index path for transfer of equity interests ：MOPS > Equity changes / Securities issuance > Equity Transfer Information Inquiry > Post-Reporting Form for Insider Shareholding Changes
   The query URL for transfer of equity interests：
   https://mops.twse.com.tw/mops/#/web/query6_1
2. The query index path for pledge of equity interests ：MOPS > Equity changes / Securities issuance > Insider Share Pledging and Release of Pledge > Announcement of Insider Share Pledging and Release of Pledge
   The query URL for pledge of equity interests：
   https://mopsov.twse.com.tw/mops/web/STAMAK03_1

(II) Information on the counterparty in any such transfer of equity interests is a related party: None.

(III) Information on the counterparty in any such pledge of equity interests is a related party: None.

VIII Relationship information, if among the Company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another:

April 11, 2026

NAME	SHAREHOLDING		SHAREHOLDING OF SPOUSE AND MINOR CHILDREN		TOTAL SHAREHOLDING BY NOMINEE ARRANGEMENTS		SPECIFY THE NAME OF THE ENTITY OR PERSON AND THEIR RELATIONSHIP TO ANY OF THE OTHER TOP 10 SHAREHOLDERS WITH WHICH THE PERSON IS A RELATED PARTY OR HAS A RELATIONSHIP OF SPOUSE OR RELATIVE WITHIN THE 2ND DEGREE		REMARKS
	Shares	%	Shares	%	Shares	%	Name of entity or individual	Relationship	
Compal Electronics, Inc.	14,924,070	20.55%	-	-	-	-	-	-	-
Jui-Tsung Chen	-	-	-	-	-	-	-	-	Note 2
Hefeng United Co., Ltd	3,100,000	4.27%	Note 1	Note 1	Note 1	Note 1	-	-	-
Su, Hui-Zhen	-	-	-	-	-	-	-	-	Note 3
Lin, Kao-Huang	3,000,000	4.13%	Note 1	Note 1	Note 1	Note 1	-	-	-
Liu, Li-Chi	1,782,427	2.45%	1,437	0.00%	-	-	-	-	-
Yuxuan Investment Co., Ltd.	1,688,222	2.32%	Note 1	Note 1	Note 1	Note 1	-	-	-
Chang, Hsin-I	-	-	-	-	-	-	-	-	Note 4
Wisebase Ltd..	866,587	1.19%	-	-	-	-	-	-	-
Chang, Chia-Che	523,894	0.72%	21,626	0.03%	-	-	-	-	Note 5
Bank of Kaohsiung Co., Ltd.	843,000	1.16%	-	-	-	-	-	-	-
Kang, Hsin-Min	783,000	1.08%	Note 1	Note 1	Note 1	Note 1	-	-	-
Chen, Chien-Ta	608,000	0.84%	Note 1	Note 1	Note 1	Note 1	-	-	-
Chang, Chi-Che	601,000	0.83%	Note 1	Note 1	Note 1	Note 1	-	-	-

Note 1 : Relevant information cannot be obtained since they are not the Company's internal persons.
Note 2 : Responsible Person of Compal Electronics, Inc.
Note 3 : Responsible Person of Ho Feng United Co., Ltd.
Note 4 : Responsible Person of Yuxuan Investment Co., Ltd.
Note 5 : Responsible Person of Wisebase Ltd.

IX The total number of shares and total equity stake held in any single enterprise by the Company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the company:

December 31, 2025

Investee enterprise (Note)	Investment by the Company		Investment by the Directors, Supervisors, Managerial Officers and Directly or Indirectly Controlled Entities of the Company		Total investment	
	Shares (thousand shares)	Shareholding ratio	Shares (thousand shares)	Shareholding ratio	Shares (thousand shares)	Shareholding ratio
Avalue Technology Inc.(SAMOA)	2,983	100%	-	-	2,983	100%
Avalue Technology Inc.(USA)	3,350	100%	-	-	3,350	100%
BCM Technology Inc.	300	82%	-	-	300	82%
Avalue Japan Inc.	2	100%	-	-	2	100%
Eversun Electronic Co., Ltd.	10,836	60%	-	-	10,836	60%
Avalue Healthcare Inc.	5,492	100%	-	-	5,492	100%
Bytec Healthcare Limited	1	65%	-	-	1	65%
Champ Vision Display Inc.	9,180	51%	-	-	9,180	51%
Goomedi Laboratories, Ltd.	3,279	26%	-	-	3,279	26%
Immense Oak Technologies Inc.	10,000	33%	-	-	10,000	33%

Note: This refers to investee enterprises in which the Company makes long-term investment calculated according to the equity method.

Chapter 3 Information on Capital Raising Activities

I Capital and Shares:

(I) Sources of Capital:

Year/Month	Issue price	Authorized Capital		Paid- in Capital		Remarks		
		Shares	Amount (NT$)	Shares	Amount (NT$)	Sources of Capital	Capital paid in by assets other than cash	Other
2024.03	35.79	120,000,000	1,200,000,000	72,500,164	725,001,640	7,000 shares converted form employee warrants	None	Note 1
2024.04	35.79	120,000,000	1,200,000,000	72,630,164	726,301,640	130,000 shares converted form employee warrants	None	

Note 1: It was approved by the JSSZ No. 11330127920 document issued by the Ministry of Economic Affairs on July 29, 2024.

Type of stock	Authorized Capital (number of shares)			Remarks
	Outstanding shares	Unissued Shares	Total	
Registered Ordinary Shares	72,630,164	47,369,836	120,000,000	Listed stocks

(II) List of Major Shareholders

April 11, 2026

Shares / Names of Major Shareholders (Note)	Shareholding (shares)	Shareholding Ratio
Compal Electronics, Inc.	14,924,070	20.55%
Hefeng United Co., Ltd	3,100,000	4.27%
Lin, Kao-Huang	3,000,000	4.13%
Liu, Li-Chi	1,782,427	2.45%
Yuxuan Investment Co., Ltd.	1,688,222	2.32%
Wisebase Ltd..	866,587	1.19%
Bank of Kaohsiung Co., Ltd.	843,000	1.16%
Kang, Hsin-Min	783,000	1.08%
Chen, Chien-Ta	608,000	0.84%
Chang, Chi-Che	601,000	0.83%

Note: Top 10 shareholders in terms of their shareholding ratio.

(III) Company's dividend policy and implementation thereof:

1. Dividend policy adopted in the Company's articles of incorporation

   If the Company reports a surplus in the final accounts for the year, the Company shall use the profit for the following purposes listed in the following order:

   (1) Withdraw taxes.
   (2) Make up for losses from prior years.
   (3) Set aside 10 percent of the remaining profit for legal reserve; however, the foregoing shall not apply if the legal reserve has reached the Company's total paid-in capital.
   (4) Set aside or reverse a special reserve in accordance with the law.
   (5) Add the remaining profit to the accumulated unappropriated earnings. The Board of Directors shall propose a shareholder dividend and bonus distribution plan and submit it to the shareholders' meeting for resolution before distribution.

   If the earnings appropriation plan in the preceding paragraph includes the appropriation of earnings in the form of cash dividends, the Board of Directors shall be authorized to distribute them upon a special resolution and report it to the shareholders' meeting.

   If the Company distributes cash from its legal reserve (only when the reserve exceeds 25 percent of its paid-in capital) and all or part of its capital reserve in accordance with the Company Act, the Board of Directors shall be authorized to distribute it upon a special resolution and report it to the shareholders' meeting.

   As the Company is currently in the stage of operational growth, the Company needs to fund its operational growth and meet its investment needs with retained earnings. Therefore, the Company has adopted a residual dividend policy at the present stage.

   In view of the needs of business expansion and industrial growth, the Company's future dividend policy shall be determined based on its future capital expenditure budget for which capital needs are measured, while earnings shall be appropriated in the form of cash dividends or stock dividends, provided that cash dividends shall be no less than 50 percent of the total dividends to be distributed.

2. Cash dividend distributions proposed at the Board of Directors' meeting on March 12, 2025:

Item	Amount (NT$ thousand)
Cash dividends (distribute NT$4.6 per share)	334,099

   If the number of outstanding shares is affected by changes in the share capital of the Company, and thus the ratio of dividends to shareholders shall be amended, the chairman shall be authorized to deal with it fully.

(IV) Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting: N/A.

(V) Profit-sharing compensation of employees, directors, and supervisors:

1. Amount or range of employees', directors' and supervisors' remuneration as set forth in the Articles of Incorporation:
   Subject to the Articles of Incorporation, if the Company makes profits in a year, it shall withdraw 1% to 20% from such profits as employees' remuneration and no more than 2% as directors' remuneration. If the Company continues to record an accumulated loss, the profit shall first be used to make up for such loss.
   From the total amount of employee remuneration referred to in the preceding paragraph, 5% to 25% shall be allocated for distribution to entry-level employees. Employee remuneration may be distributed in the form of stock or cash to employees, including those at the Company's controlled and subordinate companies who meet certain conditions. Matters related to the distribution of employee remuneration and director remuneration shall be governed by the relevant laws and regulations, and shall be decided upon by the Board of Directors.
2. The basis for estimating the amount of employees', directors' and supervisors' remuneration, for calculating the number of shares to be distributed as employees' remuneration, and the accounting treatment of any differences between actually distributed amount and the estimated amount, for current period:
   (1) The basis for estimating the amount of employees', directors' and supervisors' remuneration, and for calculating the number of shares to be distributed as employees' remuneration, for current period: The employees' and directors' remuneration for 2025 is estimated to be NT$44,422 thousand and NT$11,845 thousand separately. The said remuneration is estimated by deducting the amount of employees' and directors' remuneration to be distributed from before-tax net profits.
   (2) Accounting treatment of any differences between actually distributed amount and the estimated amount: It shall be treated as the changes in accounting estimates, and recognized as profit or loss for the next year.
3. Distribution of remuneration approved by the Board of Directors:
   (1) Amount of employees' remuneration and directors' and supervisors' remuneration distributed in cash or by stock: In the event of any discrepancies between the estimated annual expenses and the actual expenses, it is necessary to disclose the differences, reasons, and actions taken: The Company resolved, at its Board of Directors' meeting on March 12, 2026, to distribute NT$44,422 thousand of employees' remuneration in cash, and NT$11,845 thousand of directors' remuneration, and no employees' remuneration is distributed by stocks. The amount

of employee and director remuneration to be distributed under the resolution is the same as the estimated amount for the Company's fiscal year 2025.

(2) The amount of employee compensation distributed in stock, its proportion to the after-tax net profit for the current period or individual financial report, and the total amount of employee compensation are as follows: On March 12, 2026, the Company's Board of Directors resolved to distribute employee compensation for the fiscal year 2025 in cash. As a result, the proportion of employee compensation allocated in stock relative to the total after-tax net profit and total employee compensation for the current period is 0%.

4. The actual distribution of compensation for employees, directors, and supervisors in the previous fiscal year, including the number of shares distributed, amounts, and share prices, should be provided in detail. Additionally, any discrepancies between the distribution and the recognized compensation for employees, directors, and supervisors should be clearly outlined, specifying the amount of the discrepancies, their causes, and the measures taken to address them.

(1) Distribution of Employee and Director Compensation for 2024: In 2024, the total cash compensation for employees amounted to NT$47,311 thousand, while the cash compensation for directors totaled NT$12,616 thousand. These amounts are consistent with the proposed distribution approved by the Board of Directors on March 11, 2025.

(2) Any discrepancies between the aforementioned amounts and the recognized compensation for employees, directors, and supervisors should be clearly stated, including the difference, reasons, and handling circumstances: Not applicable.

(VI) Status of a company repurchasing its own shares: None.

II Information on the Company's issuance of corporate bonds:

<table>
<tr><td colspan="2">Type of corporate bonds</td><td>Domestic Third Unsecured Corporate Bonds</td></tr>
<tr><td colspan="2">Issue date</td><td>2024.01.22</td></tr>
<tr><td colspan="2">Par value</td><td>NT$100,000</td></tr>
<tr><td colspan="2">Place of issue and trading</td><td>Not applicable</td></tr>
<tr><td colspan="2">Issue price</td><td>Issued at 109.53% of the par value.</td></tr>
<tr><td colspan="2">Total amount</td><td>The total par value issued is NT$650,000,000.
The total amount issued is actually NT$711,916,740.</td></tr>
<tr><td colspan="2">Coupon rate</td><td>0%</td></tr>
<tr><td colspan="2">Maturity</td><td>Maturity Date: January 22, 2027</td></tr>
<tr><td colspan="2">Guarantor</td><td>Not applicable</td></tr>
<tr><td colspan="2">Trustee</td><td>Taishin International Bank</td></tr>
<tr><td colspan="2">Underwriter</td><td>KGI Securities Co. Ltd.</td></tr>
<tr><td colspan="2">Attesting lawyer</td><td>Handsome Attorneys-at-Law</td></tr>
<tr><td colspan="2">Attesting CPA</td><td>KPMG Taiwan</td></tr>
<tr><td colspan="2">Redemption method</td><td>The Company will repay the convertible corporate bonds in cash, at their face value, in a lump sum upon maturity, unless the holders choose to convert them into common shares of the Company as per Article 10 of these regulations, or the Company decides to redeem them in advance as per Article 18 of these regulations, or the Company opts to repurchase and cancel them through securities dealers. Payment will be made within 10 business days following the due date, including the 10th business day.</td></tr>
<tr><td colspan="2">Unredeemed balance</td><td>NT$650,000,000</td></tr>
<tr><td colspan="2">Conditions for redemption or early redemption</td><td>From the day following the full three months after the issuance of the convertible corporate bonds (April 23, 2024) until forty days prior to the end of the issuance period (December 13, 2026), if the closing price of the Company's common stock on the Over-the-Counter Securities Exchange exceeds the conversion price by 30% or more for thirty consecutive business days, or if the outstanding balance of the convertible corporate bonds falls below 10% of the original total face value, the Company has the option to redeem the outstanding convertible corporate bonds in cash at their bond par value.</td></tr>
<tr><td colspan="2">Restrictive covenants</td><td>No</td></tr>
<tr><td colspan="2">Name of rating agency, date and result of rating</td><td>Not applicable</td></tr>
<tr><td rowspan="2">Other rights attaching to the preferred shares</td><td>The monetary amount of common shares, global depositary receipts, or other securities already converted, exchanged, or subscribed up to the annual report publication date</td><td>None</td></tr>
<tr><td>Issuance and Conversion (Exchange, or Subscription) Rules</td><td>None</td></tr>
<tr><td colspan="2">The possible dilution of shareholding and influence on shareholder equity caused by the issuance and conversion, exchange, or subscription rules and the terms of issuance.</td><td>The conversion of corporate bonds does not dilute the Company's equity until the creditors exercise their conversion rights. During the convertible period, creditors have the option to convert at a more favorable time, which defers the impact on equity dilution and therefore does not significantly affect the interests of the shareholders. Regarding the impact on existing shareholders' equity, although the conversion of corporate bonds will initially increase the Company's debt, once the convertible bonds are converted into common stock, it will not only reduce the debt but also increase shareholders' equity. This will ultimately lead to an increase in the net value per share, ensuring the protection of existing shareholders' equity in the long run.</td></tr>
<tr><td colspan="2">Name of custodian institution for exchanged subject matter</td><td>Not applicable</td></tr>
</table>

Type of corporate bonds		Domestic Third Unsecured Corporate Bonds	
Item / Year		2025	2026 As of March 31st
Market price of convertible bonds	Highest	-	-
	Lowest	-	-
	Average	-	-
Conversion price		109.3	109.3
Issue date and conversion price at issuance		Issued on January 22, 2024. Conversion price at the time of issuance was NT$121.50.	
Method for performance of conversion obligations		Issuance of new shares	

III Information on preferred shares: None.

IV Information on global depository receipts: None.

V The section on employee share subscription warrants: None.

VI Issuance of New Restricted Employee Shares: None.

VII The section on issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: None.

VIII The section on implementation of the Company's capital allocation plans: As of the quarter immediately before the publication date of the Annual Report, securities issued or privately placed have been successfully executed, and the benefits of each plan have also been realized.

Chapter 4 Overview of Operations

I The overview of business operations:

(I) Scope of business:

1. The Company's major lines of business:
   (1) Manufacturing of computers and their peripheral devices
   (2) Manufacturing of wired communication equipment and apparatus
   (3) Manufacturing of wireless communication equipment and apparatus
   (4) Manufacturing of electronic components
   (5) Manufacturing of general instruments
   (6) Installation of computer devices
   (7) Telecommunications engineering
   (8) Wholesale of computers and clerical machinery equipment
   (9) Wholesale of telecommunication apparatus
   (10) Wholesale of precision instruments
   (11) Wholesale of information-related software
   (12) Wholesale of electronic materials
   (13) Retail of computers and clerical machinery equipment
   (14) Retail of precision instruments
   (15) Retail of telecommunication apparatus
   (16) Retail of information-related software
   (17) Retail of electronic materials
   (18) International trade
   (19) Information-related software services
   (20) Design of products
   (21) Import of controlled Telecom radio-frequency devices
   (22) Manufacturing of medical devices
   (23) Wholesale of medical devices
   (24) Retail of medical devices
2. The relative weight of each business:

Unit: NT$ thousand

Fiscal year / Main Products	2024		2025	
	Amount	%	Amount	%
Embedded computer	2,968,707	39.05	3,738,738	44.08
Industrial computer	4,212,096	55.40	3,925,574	46.29
Other	422,117	5.55	816,660	9.63
Total	7,602,920	100.00	8,480,972	100.00

3. Company's current products (services)
   (1) Embedded computers: including embedded single-board computers, System On Module computers, industrial-grade motherboards, ARM-based single boards and

systems, industrial-grade fanless computers, rack-mounted system computers, industrial-grade All-in-one touch computers and displays.

(2) Industrial computers: medical certified bedside computers, point of sale (POS), and automotive regulatory certified in-vehicle computers.

(3) Intelligent Solutions: This includes smart checkout systems incorporating edge or cloud-based image recognition and machine learning functions, ultra-low-power electronic paper solutions utilizing wireless communication, and edge computing as well as on-premises generative artificial intelligence (Edge GenAI) solutions.

(4) We offer OEM/ODM design and manufacturing services, which involve integrating firmware, application software, and cloud services to provide customers with a comprehensive solution.

4. Company's new products (services) planned to be developed

(1) Smart medical image computing, streaming medical, medical care, rehabilitation fitness systems, medical displays and Edge Computing AI System.

(2) High-performance computing server platforms and solutions that integrate AI, image processing, and data distributed services.

(3) Medical, industrial AI and machine vision inspection integration platform.

(4) Relevant equipment and solutions for integration of edge computing, industrial IoT, 5G smart manufacturing, and automation.

(5) Cloud smart retail-related and OT-oriented system, equipment and solutions.

(6) Highly-integrated communication points for human-machine interface, conference systems and low-power display and electronic signage systems.

(7) Real-time active warning and field application solutions for integrated high-precision-positioning and-tracking IoT.

(8) Perception and diagnosis platforms for intelligent remote network in industrial IoT industry.

(9) Gateway and platform for conversion of communication protocols for remote monitoring and cloud devices.

(10) Intelligent transportation and vehicle innovative application systems and solutions.

(11) Smart energy-saving detection and monitoring systems and cloud platforms with a green design.

(12) Edge computing and on-premises generative artificial intelligence solutions that support localized deployment of small language models (SLMs) and retrieval-augmented generation (RAG), ensuring data privacy and low-latency responses.

(13) Comprehensive range of ARM products and software services.

(II) An overview of the industry:

1. Current status and development of the industry:

Embedded computers were mainly used for factory automation, manufacturing process control, monitoring and testing, etc. in its initial development stage. Till now, with the popularization of personal computers and PCs, the trend of integration with 3C industries (information, communication and consumer electronic products), the pursuit of human for quality of life, and a small number of but diversified applications of embedded computers, they are widely used in various industrial automation equipment and processes. In recent years, with the rise of the concept of “Sovereign AI,” the demand for data privacy by enterprises and governments has reached its peak, driving the transition of embedded computers from purely hardware platforms to AI cores with high-performance on-premises inference capabilities, as well as highlighting the importance of local manufacturing. Including the information market integrating computer and telecommunication and the automation systems for various industries and life, which promotes human life to enter a full information era, and will make human enter an era of technology services with Total Solution Application in the future.

The emergence and development of the Internet and 5G mobile communication, the emergence of AI, big data-based computing, cloud and edge computing, as well as the rising awareness of environmental protection at the same time and accelerated development of green economy bring many new opportunities for application of embedded computers. In particular, in recent years, generative AI has rapidly shifted from large-scale cloud deployment to the edge, giving rise to new demands such as dedicated on-premises small language model (SLM) servers and real-time intelligent medical imaging diagnostics systems, such as KIOSK, human machine interface (HMI), vehicle computer (IVC), Point of Car (POC), High Performance Computing, Edge-Computing, and high-energy-saving display platforms, such as large ePaper devices, etc. According to Acumen Research and Consulting (ARC), a research firm, the global market value of electronic paper displays is expected to reach US$11.6 billion by 2032, with a compound annual growth rate of 17.1%. The concept of low-carbon, energy-saving, and environmentally friendly electronic paper embodies the characteristics of being lightweight and thin, similar to traditional paper. It consumes extremely low power, remains visible even under strong light, and offers dual stability. This concept fully aligns with the sustainable development principles of low-carbon, environmentally friendly, and energy-saving in the European and American markets. The healthcare sector holds great promise for the future development of electronic paper. It is anticipated that electronic paper bedside cards will become standard equipment in major hospitals. In line with the net-zero emissions target, the development of industrial computers is progressing toward designs that emphasize low power consumption and high performance. Through the use of advanced heat dissipation technology and innovative power management solutions, we help the manufacturing industry enhance energy efficiency and reduce carbon emissions. In line with the growing trend of ESG investment, industrial computer manufacturers are encouraged to adopt green manufacturing processes and implement sustainable supply chain management practices. In recent years, the automation of industry and daily life has become increasingly widespread. Following Industry 4.0, the Industrial Metaverse has emerged as a new application direction. Industrial computers must integrate AR/VR technology to support applications such as Digital Twin, thereby facilitating smart manufacturing through the convergence of virtual and physical elements. This has driven the growth in demand for high-performance graphics cards, sensors, and other components. In addition to the manufacturing industry, embedded computers are widely used in various aspects of daily life, including education, entertainment, healthcare, finance, and business, as part of any automated product that can improve human life functions. Various computer automation controllers and terminal computing computers required to be applied in financial industry, telecommunications and network industry, and event public environment fall in the application fields of embedded computers.

As the demand for networking in industrial control systems grows, information security has become a critical concern for industrial computers. Technologies such as hardware encryption, secure boot, and trusted computing are increasingly becoming standard features, creating new business opportunities for industrial-grade information security software services. The rapid deployment of 5G private networks in smart factories has driven the integration of 5G communication modules into industrial computers to meet the demands of ultra-reliable low-latency communication (URLLC). This trend has led to the development of new product lines, including industrial-grade networking equipment and edge computing servers.

It is worth noting that in recent years, the global semiconductor market has entered a new cycle. Affected by capacity being diverted to AI servers, significant shortages and sharp price increases have been observed in memory (DRAM) and flash storage (SSD). This has required industrial computer manufacturers to enhance product design resilience—for example, by adopting modular memory designs to address supply fluctuations—and to shift supply chain management from a “just-in-time (JIT)” approach to “strategic inventory reserves,” in order to ensure stable order fulfillment and profit margins.

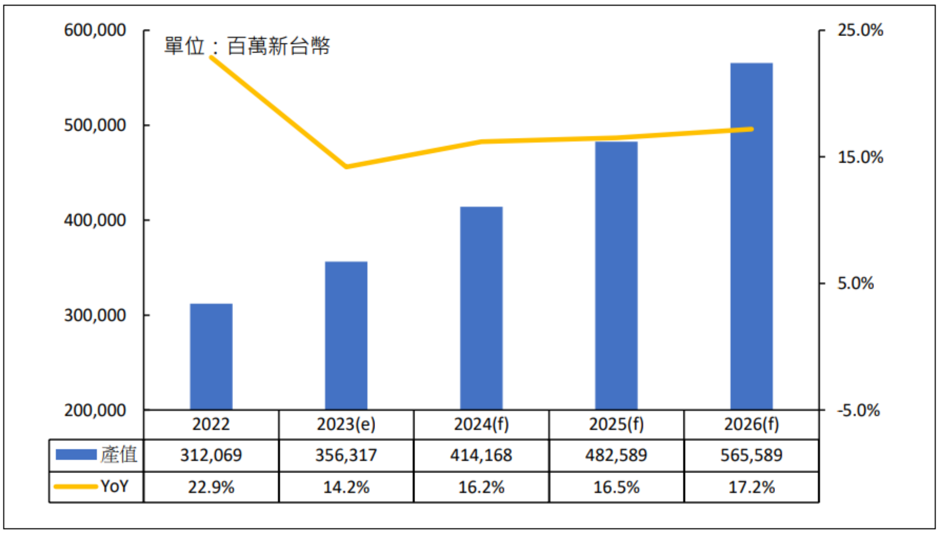
For example, automatic teller machine (ATM) systems in banks, point-of-sales (POS) for commercial automation, ordering machine, automatic ticket vending machine and cassette control machine in mass rapid transit and control systems, automatic vending machine, automated voice and image surveillance systems for intelligent buildings, automation management control systems for parking lots, karaoke machine in KTVs, information display systems on highways, various electronic and digital signages, public information guidance systems, traffic monitoring systems, national defense and navigation systems, medical devices (such as blood analyzers, skin quality testing instruments, nucleic acid PCR test, vision test and general nursing and monitoring systems, etc.), AI computing and processing hosts or digital fitness equipment, remote medical care, electronic information boards and other products that are common in daily life fall in the scope of application of embedded computers. Embedded computers cover a wide range of application, and there is a quite large room for their future development.

Most of the companies in Taiwan operate with its own brands and by means of OEMs, among which most of them operate with their own brands. Although there is a high gross profit from operation with own brands, the sales volume is low as compared with OEMs. In the post-PC era, the development trend of diversified applications of computers is conducive to the vertical and horizontal expansion of existing technologies by industrial computer manufacturers to increase other business opportunities. In response to geopolitical factors and the trend of supply chain reshoring, industrial computer manufacturers are accelerating the establishment of regional production bases. In addition to Mainland China, expansion into emerging markets such as Southeast Asia and India is accelerating. This trend is also driving increased demand for localized production and services in advanced countries like Japan and the United States.

The recent emergence of industrial IoT will dominate the trend and development of the entire technology industry in the next 10 years. As one of the basic structures of IoT, industrial computers will play a pivotal role in IoT market due to its diversified flexibility. However, the overall ecological operation of and demands for IoT are more complex than those of industrial computers in the past, therefore, opportunities will be grasped, by launching products that can meet the demands for IoT in various industries, to occupy a place in the IoT market in the next 10 years.

In order to stimulate domestic demand in the United States, the Biden administration has introduced a series of infrastructure bills known as 'The Infrastructure Investment and Jobs Act' in 2022. The total funding amounts to US$1.2 trillion and covers the construction and modernization of roads, bridges, and airport infrastructure, as well as the development of smart technologies. It also includes upgrades to public transportation, such as the Amtrak railway, and the establishment of electric vehicle charging stations. These areas present opportunities for industrial computer companies to participate in the fields of computation, storage, communication, and information security. In 2023, the European Union passed a series of laws aimed at relaxing government funding for key industries. These laws allow for national investment in renewable energy, carbon reduction in manufacturing, batteries, solar panels, wind turbines, and emerging energy businesses. Additionally, they create opportunities for industrial computer manufacturers in areas such as sensing systems, control systems, and management platforms. However, while the recovery of mainland China has been slower in 2022, some major factories have already resumed normal operations in the first quarter of 2023. Due to serious issues such as declining birth rates and structural labor shortages, there is a shortage of technical talent and skilled workers in mainland China. It is anticipated that manufacturers in mainland China will be compelled to expedite the adoption of industrial automation and intelligent production technologies. Given this context, industrial computer vendors can anticipate a continued increase in regional revenue in mainland China, surpassing pre-pandemic levels. It is anticipated that the estimated annual growth rate of Taiwan's industrial computer output value will rebound to 16.2% in 2024 and further increase to 17.2% in 2026.

Taiwan Industrial Computer Industry Output, 2022-2026



Source: Market Intelligence & Consulting Institute (MIC), compiled in July 2023

Major industrial computer companies are increasingly focusing on key areas such as ESG net zero emissions, emerging AIoT industrial cloud platforms, industrial IoT, and high-value integrated software and hardware products to enhance operating gross profit margins. Additionally, in response to the growing prominence of IIoT and AIoT, these companies have also begun developing edge computing products, including applications for smart vehicles. In recent years, Tier 1 companies have been pursuing two main strategies. Firstly, they have been developing and improving subscription services through platform system construction. Secondly, they are expanding their product ecosystem by integrating the Internet of Things (IoT) into the edge, on-premises, and vehicles.

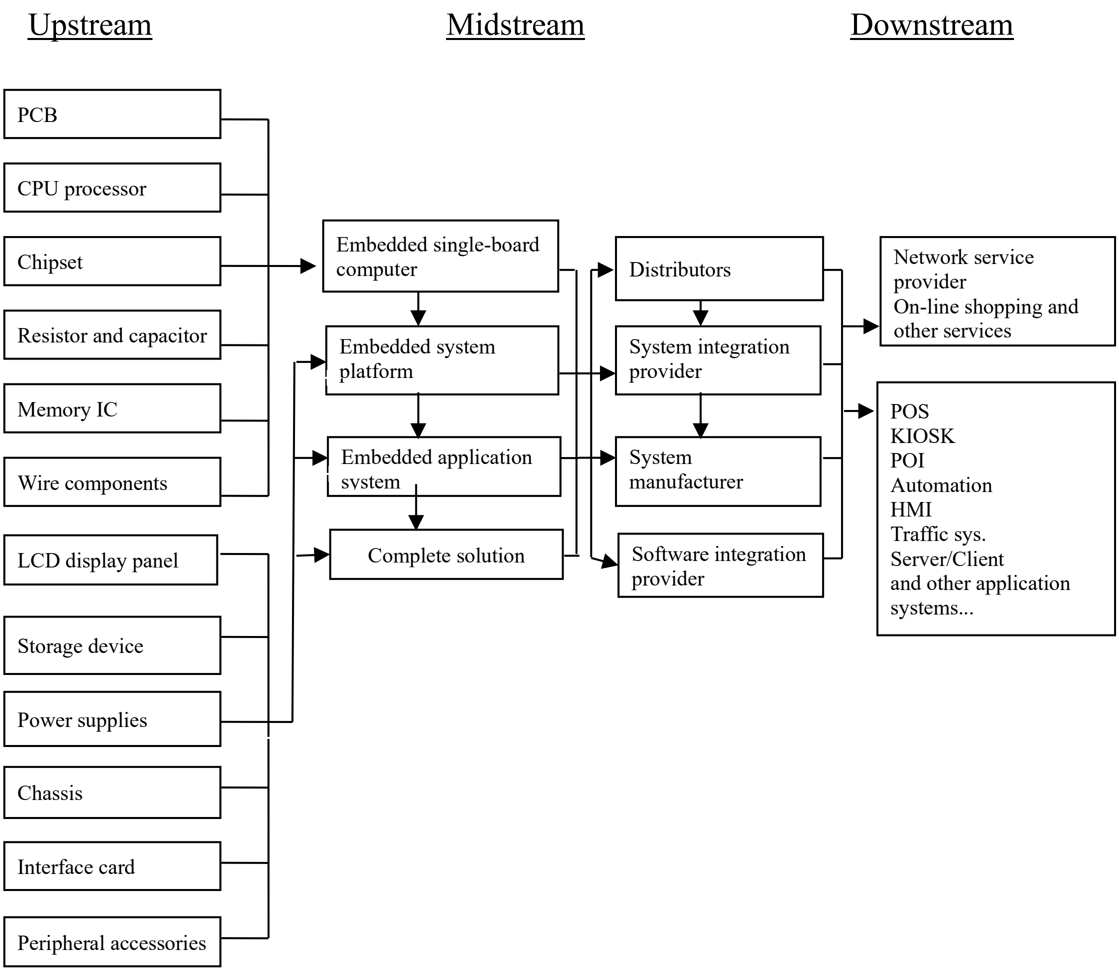
Industrial computer vendors witnessed significant growth in 2022, driven by performance bonuses following the pandemic. Despite the challenges posed by global inflation in 2023, the ongoing wave of consumer retail replacements (such as Kiosk machines, tablets, and restocking robots) and the growth in entertainment gaming (including slot machines and gaming consoles), coupled with deferred orders, are still driving significant orders and profits for businesses. However, it can also be observed that from 2023 to 2030, smart vehicles and intelligent transportation will be the key areas of rapid development for industrial computer companies, based on the mergers and acquisitions, research and development collaborations, and product line layout of Tier 1 companies. From a demand perspective, the European Commission announced in 2022 that it will ban the sale of new internal combustion engine vehicles in Europe by 2035. This policy has been agreed upon by major European car manufacturers. Additionally, the European Union is obligated to construct 6.8 million public charging stations by 2030 in order to achieve a 55% reduction in carbon emissions from fuel vehicles. In 2023, mainland China will introduce the largest-ever electric vehicle purchase tax exemption policy. This policy will not only stimulate private car replacement but also accelerate research, development, and construction investment in smart vehicle systems and intelligent transportation by industry players and local governments. As a result, it will drive up the output value of industrial computer manufacturers. The shift from gasoline vehicles to electric vehicles is driving a transformation in the automotive industry. This transformation includes the integration of Advanced Driver Assistance Systems (ADAS) inside the cabin, in-car communication and cybersecurity devices, visual and computing equipment, road infrastructure such as track control systems and sensor systems, and the deployment of electric vehicle charging stations by major manufacturers. These developments present significant business opportunities for industrial computer companies.

The emergence of ChatGPT by the end of 2022 has ignited a new wave of AI excitement. At present, generative AI has entered the stage of "vertical industry specialization." Due to ongoing concerns over data security and bandwidth costs associated with cloud services, this has created significant opportunities for edge AI servers equipped with strong on-premises inference capabilities and the ability to integrate high-bandwidth memory and large-capacity industrial-grade SSDs. Furthermore, the opening of OpenAI's Application Programming Interface (API) is gradually facilitating the adoption of generative AI in the enterprise sector, moving away from its previous focus on consumers. Nevertheless, the adoption of cloud-based generative AI in the corporate sector remains restricted due to concerns surrounding data privacy, the inability to leverage corporate data for pre-training, and the security of data transmission. Given this, both domestic and international businesses have been actively exploring AI solutions for enterprises to enhance the accessibility of AI applications at the local and edge levels. This allows companies to train and apply machine learning models in a more real-time, privacy-focused, and flexible manner. In addition, domestic industrial computer manufacturers have taken proactive steps to deploy edge AI servers and peripheral devices, allowing AI to be used in closed environments like healthcare and manufacturing for enterprise applications. As a result, the increasing computational demand for edge-integrated AI also brings forth new development opportunities for industrial computers.

Looking ahead, in addition to steady growth in applications such as smart transportation and smart energy, the integration trend of edge AI and on-premises generative AI (Edge GenAI) has become fully evident. Domestic companies have begun developing AI product lines, which include customized edge AI hardware, intelligent AI image systems for edge applications, edge AI smart poles, and portable external AI acceleration cards. These product categories are fueling the proliferation of AI solutions across various industries. It is expected that industrial computer companies will continue to experience overall business growth due to the added value of AI applications.

2. The links between the upstream, midstream, and downstream segments of the industry supply chain:

   The Company provides a small number of but diversified computer system platforms and additional software services with embedded computer motherboards, industrial application systems and complete solutions to meet the demands of different industrial customers for customized systems. If the Company's main single-board computers, system platforms, and similar competitive computer products are in midstream industry, related components, materials, equipment, processing, verification and other product service providers fall in the upstream, and distributors, system integration providers, application system manufacturers and software integration providers, etc. fall in the downstream. The Company may further cooperate with various terminal application integration providers through the industries in the downstream to provide various information, automated and convenient computer systems for people in their life. The chart of correlation between upstream, midstream and downstream in the Industry is as follows:



3. The development trends for the Company's products:

Manufacturers do not obtain the same OEM or ODM orders for industrial computers as that in general personal consumer computer (notebook computer) industry from its cooperative large international companies during the course of development of industrial computers in Taiwan towards international market to establish global operation and management capabilities; However, the competition in industrial computer market does not slow down due to such situation. On the contrary, the competition in global industry becomes increasingly fierce due to self-created brands, including shorter delivery time and higher degree of customization. Product innovation, quality and speed as well as supply chain resilience amid the current volatility in global memory and storage components, are all critical factors for achieving competitive success.

Pure hardware manufacturers will face more intense competition in prices due to globalization and more investment in the industry, therefore, the biggest challenges in industrial computer industry are not caused by the threshold of technologies, but the methods for quick integration and development of the computer systems with compatible software and hardware and stable system that meet customer’s demands and can be supplied for a long term, and then the increasingly fierce competition in prices. It will be the first choice to improve the competitiveness of pure hardware products by reducing costs and keeping a stable quality.

Emergence of IoT and AI brings many applications, and business models are thus different from that in the past. Therefore, what needs to be provided is not only pure hardware, but also the overall solutions containing software, cloud services, big data integration and AI. Differentiation between manufacturers and customers is becoming more and more ambiguous, which provides a great growth potential.

4. The competition for the Company's products:

The Company's phased development are the continuous investment in the organic business, more focus on key sectors: Smart Healthcare, Smart Manufacturing, Intelligent Transportation, Smart Retail, and Smart Energy.

In response to these trends, the key areas of competition in IoT/AI-related technologies include:

(1) Maturation of high-performance computing (HPC) solutions: Meeting the demands for big data processing and real-time model training.

(2) Deployment of diverse AI architectures: Driving edge computing based on multiple architectures such as NVIDIA, Intel, and ARM, particularly with integrated NPU technologies optimized for on-premises generative AI (Edge GenAI).

(3) Advancements in machine vision: Integrating 3D sensing and AI interpretation for applications in high-precision medical imaging and automated inspection in smart manufacturing.

(4) Upgrading along the value chain: By integrating small language models (SLMs) with domain-specific knowledge, the Company can move beyond hardware price competition and create differentiated value advantages. Amid component shortages, leveraging stable supply strategies and highly durable industrial-grade storage solutions further strengthens customer loyalty.

(III) An overview of the Company's technologies and its research and development work:

1. Research and development expenditures during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

Unit: NT$ thousand

Year / Item	2025	2026 As of March 31st
R&D expenses	304,998	92,903
Ratio to Net Revenue	4%	4%

2. Technologies or products successfully developed during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

The Company attaches great importance to R&D team, and it will also committed to improvement of the energy of its R&D team in the near future, so as to keep closing to the trend in the market and accelerate the development of products. The Company has obtained 16 patents at home and abroad. The technologies or products successfully developed by the Company in 2025 are as follows:

(1) High-performance computing server systems for industrial and smart medical imaging applications, integrating AI, image processing, distributed data services, and comprehensive field application solutions.

(2) The integration of smart manufacturing, industrial synchronous networks, in-vehicle real-time networks, and IoT expandable modular rugged industrial computer and edge computing system.

(3) Smart rugged integrated mobile multi-functional expandable AIO, and cloud smart retail and service system.

(4) Medical tablet/AIO PC, nursing trolley that integrate IoT and medical care systems, bedside card, and battery system.

(5) ARM Based embedded single-board, Edge AI system, SOM motherboard and touch panel computer system.

(6) Medical-grade AI computing platform, advanced displays, and interactive electronic and e-paper billboards that are seamlessly integrated with AI cloud applications.

(7) OT-oriented system equipment, semi-rugged tablet and related products for hand-held applications.

(8) Open-frame touch human-machine interface system along with its integrated remote monitoring solution and application platform.

(9) Table-side services, AI object detection and electronic labeling systems and ePaper display system integrating smart retail.

(10) Innovative AI application systems and smart traffic cloud monitoring and display solutions for road safety.

(IV) The Company's long- and short-term business development plans:

1. Short-term Plans

(1) Marketing strategies

A. In terms of regional markets, strengthen interaction and cooperation with distributors, sponsor and support the dealers from various places to participate in exhibitions as well as advertising and marketing activities, so as to enhance the development and in-depth development in regional markets.

B. Establish professional distribution partners for vertical markets, select professional software system integration providers or system manufacturers to act as its distribution partners, such as various IoT intelligence and industry 4.0 solutions and industries, etc.; develop IoT market-oriented business organizations and marketing channels to develop new markets.

C. Focus strategy: Invest resources and energy to conduct various promotions in and by using key international exhibitions, professional media, public relations activities and strategic alliances. In response to the recent Edge AI trend, the Company is strengthening the brand identity of its “AI-Ready” product portfolio.

D. Establish a networked customer development and database information system.

E. Improve integrated technical services and business; increase customer's dependence by using highly integrated services and know how, so as to increase the added value and profits of products.

F. Actively strive for significant OEM/ODM in various vertical markets by virtue of the advantages in modular design and R&D to create performance, brand reputation and image.

G. Actively make alliances and strive to cooperate with internationally renowned manufacturers such as Intel, Nvidia , and Microsoft, and jointly participate in promotion activities to improve its brand visibility and expand business.

H. Provide the branches and distribution partners in various regions with more intensive and complete technical training, and improve technical service and after-sales maintenance efficiency and ability by utilizing localized technical resources, so as to improve customer's satisfaction.

I. Actively develop new products that use the latest technologies in the market, so as to establish its leading position in the market and improve its image of excellent ability to develop products. In particular, for edge inference requirements, the Company develops rugged computers equipped with built-in NPUs and high-efficiency thermal management capabilities.

(2) Manufacturing, R&D and Product Development

A. Actively introduce R&D, manufacturing, quality engineering and other technical talents, and strengthen the cooperation and division of labor between teams and organizations, so as to improve the efficiency and quality of product development and integration services.

B. Establish IoT-related R&D and sales teams to provide customers with IoT-related solutions, and develop vertical markets in medical, retail, industrial automation, smart transportation and cities fields.

C. Actively make strategic alliances with IoT-related manufacturers to provide customers with complete solutions.

D. Continue to make investment in vertical markets, such as medical, retail, industrial automation, automotive, smart transportation and other specific professional fields, to obtain professional knowledge, in order to improve the differences of products. Introduce on-premises generative AI (Edge GenAI) capabilities to address requirements for data privacy and real-time decision-making in deployment environments.

E. Establish a global supply chain from upstream and downstream to improve its ability to procure key components, so as to improve the competitiveness of products. For key components such as memory and SSDs, the Company establishes "strategic inventory reserves" and actively seeks secondary sources of supply to enhance procurement resilience for critical components.

F. Actively make technical alliances with key component suppliers to strive for technical resources and improve the competitiveness and added value of products.

G. Establish a transparent supply chain communication mechanism, and in response to recent price fluctuations in components, develop flexible pricing strategies and cost pass-through arrangements to ensure order profitability.

(3) Operation Management

A. Actively develop seed talents for various departments and international manager talents, provide the opportunities for receiving professional training and overseas field training, and improve market insight and industrial acumen.

B. Strengthen the management on the operation of global organizations to improve overall efficiency and productivity.

C. Strengthen contact with customers and industries, and improve the abilities for evaluating markets and planning for products.

D. Implement total quality control (TQM) system, comply with quality standards, and following the commitment made to customers.

E. Strengthen management on information devices and knowledge to improve information-related efficiency.

F. Establish a predictive digital supply chain management platform capable of real-time tracking of material market conditions and delivery lead-time risks.

2. Long-term Plans

(1) Marketing strategies

A. Make strategic alliance with ODM customers or overseas manufacturers, and continue to develop towards high-end system integration market.

B. Improve the professional positioning of its brand, and become a leading manufacturer for R&D and manufacturing of, and integrated services for, embedded systems.

C. Strive for OEM/ODM orders from major world-class manufacturers.

D. Carefully select specific vertical fields, understand the specific environment and demands in these fields in an in-depth way, and make strategic alliance with system integration providers to jointly develop commercial solutions and markets.

E. Establish the image of a technology leader in the market.

(2) Manufacturing, R&D and Product Development

A. Develop key industries, such as industrial automation, AI, digital medical solutions and related services.

B. Actively develop technical teams for system planning, application and integration to provide customers with higher-level of system solutions.

C. Establish a key technology R&D center, and actively introduce technical cooperation with forward-looking technology manufacturers or units, in order to develop technical strength further and develop niche products with more technical characteristics.

D. Actively develop major customers and distribution channels globally to expand sales scale.

E. Improve manufacturing management mechanism, improve the mode of integrating the manufacturers in upstream and downstream, strengthen establishment of information flow, and improve the efficiency of management on economic scale and safety inventory.

F. In response to global geopolitical trends, the Company is evaluating the establishment of regional rapid assembly and logistics centers in North America or other regions in Europe, in order to serve high-end customers locally and reduce transportation risks.

(3) Operation Management

A. Establish an international team, and flexibly use international talents to establish a highly efficient international division of labor.

B. Establish a logistics center and improve communication and coordination mechanism to integrate global resources effectively.

C. Control quality comprehensively, continue to take customer's satisfaction as a policy, and pursue excellent quality standards.

D. Plan for global logistics and distribution network and inventory strategies, and improve delivery speed and reduce inventories and transportation costs by effectively utilizing the method of summarizing warehouse's demands, delay differentiation and Taiwan Direct Ship (TDS) in the concept of sharing risks.

E. Practice ESG-based sustainability management by incorporating low-carbon manufacturing processes and recyclable components into long-term procurement standards, ensuring compliance with international supply chain regulations.

II An analysis of the market as well as the production and marketing situation:

(I) Market Analysis:

1. The geographic areas where the main products (services) of the company are provided (supplied):

Unit: NT$ thousand

Region \ Year		2024		2025	
		Amount	%	Amount	%
Domestic Sale		460,725	6.07	458,701	5.41
Overseas Sale	Asia	1,564,145	20.57	1,901,752	22.42
	America	3,948,964	51.94	4,064,694	47.93
	Europe	1,221,380	16.06	1,710,330	20.17
	Other	407,706	5.36	345,495	4.07
Total		7,602,920	100.00	8,480,972	100.00

2. Market share:

The Company is a professional industrial computer manufacturer that integrates R&D, design, manufacturing and marketing channels It mainly provides embedded series of products (including embedded single-board computers, embedded system platforms and embedded application systems), and the core technologies that it researches and develops covers RISC and X86 motherboards, application touch computers, BIOS technologies and system mechanism design ability, etc. In recent years, it is required to follow future trend due to the trend of IoT and the wider range of application of industrial computer industry, in addition to expansion of the application in vertical integration field. The Company is the largest cooperative partner of the global first brand manufacturer of the medical server products designed and manufactured by the Company, in addition to the stable growth in the Company's original industrial, medical, retail, and gaming fields. We have collaborated with the original manufacturer of electronic paper to develop large-sized ePaper signages that are in line with energy-saving, free-of-light pollution and other environmental protection concepts. Our product line has expanded from black and white electronic billboards to include four-color and full-color models. We are pleased to announce the official launch of our new handheld models in the United States. These products are primarily used for medical signage. As the effectiveness of smart healthcare initiatives becomes increasingly apparent and medical institutions prioritize sustainable development and corporate social responsibility, our performance contribution has been steadily growing year by year. As the retail industry recovers, the company has adopted a distinctive approach to AI-powered new retail. By leveraging AI intelligent recognition, they aim to enhance product selection and checkout processes, making them faster and more accurate than traditional retail methods. In 2023, we ventured into the realm of smart video surveillance, offering highly reliable video and audio capabilities along with stringent security access management. We have successfully implemented this technology in both smart homes and commercial office buildings, establishing our dominance in the IoT smart home industry. With the implementation of robust strategies in various fields and the advancement of new industries, the company's future growth is inevitable.

3. Supply conditions and growth potential for the market in the future:

In response to the trend of AI and 5G, the demands for processing of big data emerges, and high-speed computing solution (HPC) becomes a key item concerning the demands for the development of the new generation. Demand for “low-latency on-premises inference” has significantly outpaced that of cloud computing, and the global edge server market is expected to see its compound annual growth rate (CAGR) increase to over 20% during 2026–2030. However, the market has faced major challenges in recent years: due to the strong demand from AI data centers for HBM and high-capacity enterprisegrade SSDs, there have been severe shortages and sharp price increases in industrial-grade memory and SSDs worldwide.

The Company has addressed these challenges by implementing strategic advance procurement and approved component mechanisms, ensuring stable supply even during periods of component shortages. This has become a key competitive advantage that differentiates the Company. The investigation firm, DIGITIMES Research, pointed out that, with global increase in the driving-factors for the demands for cloud data center, there is an increase in the demands for edge servers. In addition, Intel’s (INTC-US), Chilwee’s (AMD-US) and other company’s CPU platforms emerge. Therefore, it is expected that the global shipment of servers will grow with a compound growth rate (CAGR) reaching 6.1% during the period from 2022 to 2027. The benefits it brings are:

(1) Completion of computing in a quickly and correct way to improve production efficiency.
(2) Flexible computing for allocation of resources and dynamic balance expansion ability.
(3) Calculation of resources by automated system for making management and schedule for job, so as to maximize utilization of system.
(4) Real-time monitoring on system performance and automatic notification of events to keep track of system’s maintenance status and information.

The Company's first HPC-based medical server was manufactured in trial in 2022, and the Company will conduct mass manufacturing for such servers for 5 to 10 years from 2023. Therefore, the Company will actively cooperate with various chip manufacturers (such as NVIDIA) to develop data and accelerate processing solutions to improve the computing performance of the servers.

The Company has developed ePaper with a concept that is low-carbon, energy-saving, and environmentally friendly. It has achieved this by combining vertical integration with upstream industries to develop large-sized ePaper displays and information walls. E-paper is as light and thin as paper, has a ultra-low power consumption, is visible under strong light, and has bi-stable functions, and is fully in line with the sustainable development concept of low-carbon, environmental-protection and energy-saving in European and American markets. From black and white electronic billboards to four-color and color models, and advancing to handheld new models, officially launched nationwide in the United States.

The Company applies its previous experience in large-scale medical imaging computing projects in medial manufacturing and research, it also integrates the application scope in different fields, such as engineering and design: analysis on massive videos of smart cities, AI self-driving car learning, 3D collision simulation, defense and military applications, and other fields. Following the server project of major medical manufacturers mentioned above, these HPC servers have been selected by major overseas manufacturers in high-end image scanning field, and growth is expected to be promising over the next five years.

According to MGI's prediction, IoT will generate US$3.9-11.1 trillion of value in total among the nine major fields every year by 2025. Industrial IoT, also known as IIoT (Industrial IoT), is one of the core technologies in the fourth industrial revolution. The Company began with industrial computers and has since transformed from the manufacturing industry to become an IIoT (Industrial Internet of Things) company. With the rapid advancement of Industry 4.0, the company intends to invest in EtherCAT, a control automation technology, to standardize the diverse equipment and systems needed for smart factories and achieve seamless technical integration. This will facilitate collaboration among manufacturers, system integrators, and end users, who can now work together using a shared language on an open architecture. To address the growth of IoT, we have invested in the MCU product line with Graphic User Interface (GUI). As a result, we have developed graphic-controlled microcontrollers that can be extensively utilized in low-power, lightweight computing IoT applications. The Company will create an industrial chain of IoT for mart manufacturing, including sensing components, edge computing, communication, industry diagnosis platforms and solutions, cloud service operation from the bottom to the top, and will make cross-industry alliances and create new business modes.

According to the results of the research made by McKinsey & Company, it is expected that AI will make contribution to the growth of global GDP and will bring US$13 trillion of output value in the next 10 years. And it is pointed out in the search of McKinsey & Company that the enterprise solutions for which AI is adopted can increase profits by an average of seven percentage, which will make existing smart solutions even more powerful. The Company began to develop the integration of artificial intelligence (AI) and Machine Vision from 2020. Smart traffic was introduced in Taoyuan and Taipei during the period from 2020 to 2021. Laws are enforced by technical means as assisted by AI, and AI signal changes at smart intersections to solve the traffic jam at intersection ; AI identification and cognitive services are used to assist the further development of smart intersections in urban development. In terms of smart retail, AI is introduced into three bakery chain stores in Japan, and fees are settled by automatic identification for self-service in retail stores, which save the time for training novice and solve the problem of staffing. In addition, in terms of driving forces in machine learning market, the integration of AI and machine vision widely replaces the quality inspection by human eyes in industrial automation field. Automatic optical inspection machine is used for rapid and accurate positioning of products on production lines, and for detection of quality defects, and for other work. Integration of AI and machine vision may create a fully new customers’ experience and value, in addition to increase in the driving factors for application. The Company developed computing technologies with partners jointly in the early stage. It will master key technologies to connect and integrate our various smart solutions, with a hope to benefit from the new wave of technologies.

In recent times, following President Trump's inauguration, a comprehensive transformation strategy has been actively implemented to strengthen market competitiveness in response to the policy changes introduced by his administration. Regarding the layout of our manufacturing bases, in addition to our headquarters in Taiwan, we have accelerated the establishment and collaboration of additional production facilities to align with the Buy American policy and reduce geopolitical risks. In terms of technological development, we will continue to invest in R&D resources and work closely with Taiwan’s IC design and semiconductor manufacturers to enhance our proprietary technologies and drive innovative solutions.

In response to business opportunities arising from U.S. infrastructure development, we have strategically expanded product lines related to smart transportation and smart cities, while progressively strengthening our information security certifications and local service capabilities. The Company is concurrently building a flexible supply chain management system and developing international talent to effectively adapt to the rapid changes in the global market. As part of its brand strategy, Avalue Technology continues to reinforce the quality assurance associated with Made in Taiwan while actively expanding local manufacturing in the United States, thereby enhancing overall brand value. Furthermore, the Company is committed to sustainable development in line with ESG principles by adopting green processes and effective supply chain management, thereby laying a solid foundation for long-term competitiveness.

4. Competitive niche:

(1) Break through and innovation

The Company's R&D team is committed to a quick, quality and highly-integrated development of products, and the company constantly makes break through and creates added value to achieve its self-expectation as an Innovation Provider; The Company constantly makes researches on the demands in the market, launches highly-integrated products, and summarizes modular design, so as to meet the small amount of diversified demands in the system market, and it creates leading and competitive value by virtue of its R&D speed. In recent years, the Company has further integrated AI computing power into embedded architectures, leveraging hardware accelerators and lightweight model optimization to create leading competitive advantages in edge inference through rapid R&D.

(2) Win-win product strategy

In terms of standard products, the Company provides highly-integrated and modularized product design for application in the systems with a high growth and popularized application by using modularized rapid integration and services; Company provides a large number of ODM design and manufacturing services for various application systems with large differences to satisfy the needs of customers for creation of system difference in a quick way. Company improves system upgrade and comprehensive ability, and continues to make innovation by using structured design, and shortens the process for launching products, so as to create a win-win advantage for the Company and customers in the competition. The Company also evaluates the risks of New Product Development Process (NPDP) project to ensure that the quality, manufacturability, timeliness, and necessary documents of new products in each development process can achieve the requirements of the optimized design and manufacturing process to create win-win advantages for the Company and customers in competition.

(3) Rich experience in industrial application

The Company’s team converts customers’ demands into specific specifications and standards, and communicates with customers and establishes cooperative relationships to solve various problems in project process, such as many special fields, for example, it is necessary to consider the required certification standards for peripheral interfaces and various applications for measurement, automation, machine, control motors, etc.

(4) Innovation and change, ability to design good and stable system in a quick way

The Company's many standard products are highly integrated and can meet customer’s demands for diversified applications; in addition, the Company can develop, in a quick way, the computer system with compatible software and hardware and a stable system that can be supplied for a long term.

(5) Ability to integrate software technologies

Different from personal computers, there are at least 5 or 6 types of operating systems for embedded system. The Company's Software Department is good at providing different operating system options for different applications, as well as various BIOS settings, driver supply updates, and other technical supports.

(6) Product manufacturing and quality control ability

The Company improves product manufacturing and quality control ability by making cooperation with customers of Tier-one major international manufacturers in various industries around the world to ensure that the products can run stably in the clients for a long time no matter under what environment. In an environment of unstable supply and demand for key components, the Company has strengthened its supply chain quality tracking system to ensure that even alternative materials meet stringent industrial-grade standards.

(7) Technology and business strategies and alliance

With its strong R&D capabilities and business performance, the Company has been able to establish close collaboration and strategic alliances with many key component suppliers. In addition to maintaining its Intel IOTG Titanium partnership, it has further strengthened strategic alliances with NVIDIA, AMD, and leading high-bandwidth memory manufacturers, thereby securing allocation priority for critical computing chips and storage components and transforming this advantage into a competitive edge in business development.

(8) Diligent and enthusiastic company culture

“Stability and Innovation, Diligence and Enthusiasm, Enjoying Work and Enjoying Life” are the visions for life formulated by the Company's employees. Since its establishment, the top management has consistently upheld a people-oriented management philosophy. In 2026, it fully launched the “AI Transformation Talent Development Program” to inspire employees to actively learn generative AI technologies and to cultivate a new generation of internationally competitive talent with technological acumen and strong teamwork. The Company aims to provide a positive and autonomous working environment, fostering team cohesion, as well as a passion for learning and innovation, so that employees can fully utilize their strengths and share in the profits generated. Specific strategies include employee stock ownership and profit-sharing schemes, employee health check-ups, and education and training programs.

(9) Good language skills and international outlook

The Company discusses revisions to specifications or new design, or the latest market and application information by direct face-to-face communication with overseas dealers; Customer’s information and opinions are usually the best sources for making innovation for products; A good system for reporting market and technical information is the key to grasp the latest application trend abroad, engineering technologies, and other advantages for competition. In addition, the Company trains and develops regional professional distribution channels and international business talents for a long term; The Company dispatches its outstanding front-line persons to the market in the front line, so as to understand local target market and provide timely services, and the Company trains employees for them to obtain international outlook and decision-making ability.

(10) ESG Corporate Sustainable Development

The company not only pursues profit growth but also strives to achieve the vision of sustainable development. It actively responds to the goals of the United Nations SDGs and incorporates them into various operational activities of the company. For example, it adopts principles of green design and manufacturing, implements measures to inventory and reduce greenhouse gases, and demonstrates the company's sense of responsibility towards stakeholders, the environment, and society. Additionally, we have established comprehensive processes and mechanisms to propel the Company towards net-zero carbon emissions. We have showcased the company's unwavering dedication and determination across various aspects. We are fully committed to the concept of sustainable business and, with a global outlook, we are actively cultivating the Company's competitive edge.

5. Positive and negative factors for future development, the Company's response to such factors:

(1) Positive factors

A. Mature industrial environment, and advantages of rapid flexibility

There are a complete industry as well as complete and mature manufacturing ability established in Taiwan in the upstream, midstream and downstream in global information industry system for a long time. Taiwan has overseas manufacturing bases all over the world, and keeps long-term strategic partnerships with international manufacturers, which enable the industrial computer manufactures in Taiwan have the R&D, design and manufacturing talents and resources to respond to customers' demands.

B. Advantages in manufacturing and costs

Based on the intensive and mature information industry in Taiwan, general components may be obtained at low prices locally and quickly. The Company has further optimized its production processes by introducing AI-enabled automated production lines. This not only maintains pricing competitiveness but also enhances product margins through "on-premises AI value-added solutions." As a result, Taiwanese manufacturers have a stronger competitive advantage in pricing standardized and ODM products compared to their European and American counterparts.

C. China–United States trade war

Geopolitical and regional resilience advantage. Benefiting from the continued escalation of the U.S.-China trade conflict and the "America First 2.0" policy momentum, Taiwan-made products featuring "Non-China" manufacturing and cybersecurity certifications have become a preferred choice in global supply chains. The Company's proactive deployment of localized assembly services and robust cybersecurity-oriented design will further increase its market share in critical infrastructure markets in the Americas and Europe. In addition, as the impact of order reallocation driven by the intensifying U.S.-China trade tensions continues to expand, Taiwan's manufacturing advantages provide a viable alternative to China-made products, while simultaneously strengthening the Company' s market share in the Americas.

(2) Negative factors

A. Changes in the supply and prices of and demands for key components increase procurement, inventory, delivery and other operational risks. In recent years, due to production capacity being diverted to global AI servers, there have been severe shortages and sharp price increases in memory (DRAM) and flash storage (SSD).

<u>Measures in response thereto:</u>

(A) The Company keeps a good cooperative relationship with original suppliers, and diversifies the sources for supply of goods appropriately to avoid increase in operational risks caused by concentrated purchase from a small number of manufacturers. In response to recent price surges, the Company has adopted "strategic buffer inventories" and allocation contracts to secure production capacity, while moderately diversifying supply sources to mitigate the risk of shortages of any single component.

(B) The Company closely monitors the estimated supply and demands concerning business orders, and improves inventory turnover and reduces cost risks by effectively collecting the information on warehousing demands.

B. The Company highly depends on overseas sale, and its profits are easy to be impacted by any changes in exchange rate.

<u>Measures in response thereto:</u>

(A) For overseas sale, the Company makes quotation mainly in US dollars. Exchange rate risks are avoided by pre-selling the sales revenue denominated in US dollars based on the trend of exchange rate, in addition to natural hedging.

(B) The Company manages foreign exchange in a cautious and conservative way. The dedicated persons from Finance Department sells the balance of foreign currency under favorable conditions based on the trend of exchange rate according to the daily balance of foreign currency and monthly fund forecast table.

C. Global inflation, tariff policies, and geopolitics may result in possible decrease in demands and restrictions on import and export.

<u>Measures in response thereto:</u>

(A) The Company adopts a good mechanism for management on orders and inventories to quickly adjust inventories in response to dynamic changes in business environment.

(B) The Company adopts a decentralized regional supply chain and shipment mode in response to geopolitical conflicts.

(C) The Company deeply focuses on the development in industrial field and uses new operating modes.

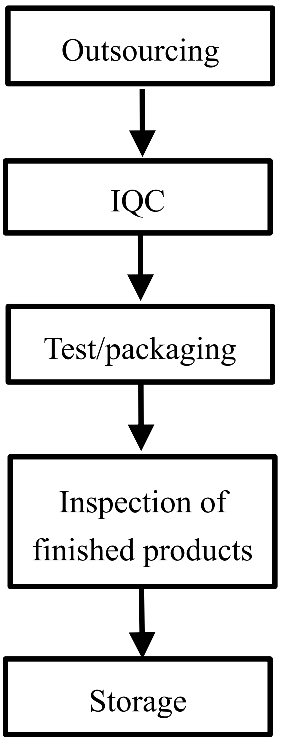
(D) The Company introduces new management modes to improve its operating efficiency.

(II) Usage and manufacturing processes for the Company's main products:

1. Usage for main products:

Main products	Important Use
Embedded computer	including embedded single-board computers, System On Module computers, industrial-grade motherboards, ARM-based single boards and systems, industrial-grade fanless computers, rack-mounted system computers, industrial-grade All-in-one touch computers and displays. Embedded computers are mainly used as motherboards or control unit in various industries to provide high-performance, high-quality and low-power-consumption solutions to facilitate customers' product integration.
Industrial computers	The Company provides complete and reliable solutions tailored for medical, retail, transportation and manufacturing industries, such as medical-grade bedside computers in hospitals, point-of-sale (POS) system, and automotive-grade computers, etc.,
Intelligent solutions	The Company provides smart solutions for application in IoT & AI-related industries, including smart checkout systems that use cloud-based identification and machine learning functions, and ePaper solutions that use wireless transmission with a ultra-low power consumption The Company intends to provides new system solutions for various industries to mitigate labor shortage that industries are facing at present.
OEM/ODM design and manufacturing services:	The Company not only provides the above-mentioned standard products, but also specializes in customized services, covering design from single board to system, in various industries. It also delivers integration services of firmware, application software and /or cloud technology to formulate complete solutions for customers.

2. Manufacturing processes for the Company's main products:



(III) Supply situation for the Company's major raw materials:

Name of Raw Materials	Supply Situation
CPU	Tight supply / Price increases
Integrated circuit	Good
Memory	Tight supply / Price increases
Flash	Tight supply / Price increases
PCB	Tight supply / Price increases

The Company purchases materials from well-known domestic manufacturers at present. They have established long-term and stable cooperations with the Company. Therefore, there is a good supply situation of main raw materials.

(IV) Information on Major Suppliers and Customers:

1. A list of any suppliers accounting for 10 percent or more of the Company's total procurement amount in either of the 2 most recent fiscal years, the amounts bought from each, the percentage of total procurement accounted for by each, and an explanation of the reason for increases or decreases in the above figures:

Unit: NT$ thousand

	2024				2025			
Item	Name	Amount	Percentage of Net purchases Annual Net Purchases	Relationship with the Issuer	Name	Amount	Percentage of Net purchases Annual Net Purchases	Relationship with the Issuer
1	A01 manufacturer	2,603,032	50.11	None	A01 manufacturer	2,253,424	34.38	None
	Other	2,591,917	49.89	-	Other	4,300,883	65.62	-
	Net purchases	5,194,949	100.00	-	Net purchases	6,554,307	100.00	-

Reason for increase or decrease: There is no significant changes to the Company’s major suppliers in the most recent two years.

2. A list of any clients accounting for 10 percent or more of the Company's total sales amount in either of the 2 most recent fiscal years, the amounts sold to each, the percentage of total sales accounted for by each, and an explanation of the reason for increases or decreases in the above figures.:

Unit: NT$ thousand

	2024				2025			
Item	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer
1	B01 customer	1,415,066	18.61	None	B01 customer	1,167,079	13.76	None
	Other	6,187,854	81.39	-	Other	7,313,893	86.24	-
	Net sales	7,602,920	100.00	-	Net sales	8,480,972	100.00	-

Reason for increase or decrease: There is no significant changes to the Company’s major customers in the most recent two years.

III The number of employees employed for the 2 most recent fiscal years, and during the current fiscal year up to the date of publication of the annual report, their average years of service, average age, and education levels:

Year		2024	2025	2026 As of March 31st
Number of Employees	Administrative personnel	96	111	129
	Business and marketing	134	175	161
	Technical support	555	662	663
	Total	785	948	953
Average Age		42.03	42.79	43.23
Average Years of Service		8.99	9.04	9.22
Education distribution percentage (%)	phD	0%	0%	0%
	Master's degree	10%	12%	12%
	College	60%	60%	61%
	Senior high school	28%	26%	25%
	Below senior high school	2%	2%	2%

IV Disbursements for environmental protection:

(I) Any losses suffered by the Company due to environmental pollution in the most recent year and as of the publication date of the Annual Report (including any compensation paid and any violation of environmental protection laws or regulations found in environmental inspection. Punishment date, punishment document number, the articles and contents of laws violated, and contents of the punishment shall be specified), and estimated amount that may occur currently and in the future, and measures in response thereto. If it cannot be estimated reasonably, the fact that it cannot be estimated reasonably shall be explained: The Company falls in industrial computer manufacturing industry, and it main processes is general assembly and test, so it is in a pollution-free industry.

V Labor Relations:

(I) Employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests:

1. Employees’ benefit plans, continuing education, training, and retirement systems and the status of their implementation status:
   (1) The Company purchases labor insurance and national health insurance for its employees from the date of their registration date for employment, and pays maternity, injury, medical treatment, disability and death related benefits and pension in accordance with relevant laws and regulations.

(2) The Company issues various work allowances and year-end bonuses by considering its annual operating status, employee's personal performance at work, seniority, employment ratio and other items. The company has established an employee stock ownership plan to implement the employee stock trust. According to the allocation rules, a proportional amount of the public reward fund will be contributed each month based on the actual salary contribution amount of employees who have joined the program. The contributed stock funds will be invested in the company's shares under the name of the employee stock ownership plan. This is aimed at attracting and retaining the talent needed by the company, encouraging employees' long-term commitment, enhancing employees' sense of belonging and loyalty to the company, and ultimately creating benefits for both the company and its shareholders.

(3) If the Company makes profits in a year, it shall withdraw 1% to 20% from such profits as employees' remuneration.

(4) The Company has established an Employee Benefit Committee in accordance with laws, and it withdraws employee benefits on a monthly basis, and deals with employee benefit affairs, such as marriage and funeral gifts and medical allowances, and it irregular provides employees with travel, dinners, etc.; The Company's Employee Benefit Committee is responsible for keeping and using employee's benefit funds. The organizational charter of the Employee Benefit Committee shall be formulated separately, and reported to competent authority in accordance with regulations. The organizational charter of the Employee Welfare Committee will be formulated separately and submitted to the competent authority in accordance with the regulations.

(5) The company offers a benefits system that exceeds the statutory standards. Starting from 2025, in addition to the legal holidays specified under the Labor Standards Act, employees will be granted a half-day birthday leave. This allows employees to enjoy half a day off during their birthday month, enhancing employee satisfaction and welfare protection.

(6) The Company places great importance on employee capability development and talent cultivation. To enhance quality awareness, professional skills, and overall organizational effectiveness, it has established a comprehensive employee continuing education and training system. This system applies to all employees and is designed to support career development while strengthening the Company's competitiveness.

The Company's education and training policies are approved and supervised by the General Manager, while the administrative unit is responsible for the overall planning and execution of the annual training programs. It also oversees the consolidation, documentation, and tracking of training outcomes to ensure the effective operation of the training system.

The Company determines training needs annually based on job descriptions and professional requirements for each position, in alignment with organizational development goals and employees’ individual development needs. After discussions between department supervisors and employees, the training needs are consolidated into an annual training plan, which is implemented upon approval.

The training programs cover new employee orientation, general training, and professional training. Upon onboarding, new employees are required to receive training on company systems, management regulations, and relevant quality and environmental management systems, as well as job-specific pre-employment training as needed. General training programs are designed according to different job levels and professional categories, while professional training is conducted based on departmental and individual job requirements to enhance expertise and technical depth.

After completing training, the Company evaluates learning effectiveness through course feedback and training record management, and retains training outcomes for future reference. External training is also shared internally through knowledge-sharing sessions or feedback mechanisms to promote knowledge transfer and organizational learning. In addition, when employees undergo job changes, training and qualification records are updated accordingly to ensure proper alignment between personnel and job responsibilities.

Through systematic training planning and continuous review, the Company strives to build a learning-oriented and growth-driven organizational culture, serving as a key foundation for sustainable operations and long-term development.

2. Retirement system and its implementation status:

(1) Old system: Employees who registered for work before June 30, 2005 may choose the old system or the new system by themselves. The Company has formulated employee retirement rules in accordance with the Labor Standards Act, and employees shall retire in accordance with the regulations. The Company withdraws 2% of the total salary to be paid as pension reserve every month, and deposits it in the special account for employees' pension opened in the Bank of Taiwan.

(2) New system: It is applicable to the employees who registered for work after July 1, 2005 (new system shall be adopted for such employees), and for the employees who registered for work before July 1st who choose to adopt the new system. The Company withdraws 6% of the total salary as pension every month and pays it to the Labor Insurance Bureau. Employees also may withdraw 0%~6% from their salary and pays it into their personal special pension account based on their personal intention. Such amount shall be withheld and paid by the Company for employees from their salary on a monthly basis.

3. Agreements between Employer and Employee and Measures for Safeguarding Employees' Rights and Interests:

There is always a harmonious relationship between the Company and its employees. The Company makes coordination and communication with its staff, and also holds regular employer-employee meeting to ensure that the Company and its staff can reach consensus, so that various tasks can be promoted smoothly. Therefore, there is a harmonious relationship between the Company and its employees up to now, and there is no significant pending dispute or litigation or employer-employee relation problem that needs to be coordinated.

4. Protective measures for the work environment and the personal safety and health of employees:
   (1) Access control and security: The Company has a strict access control monitoring system in work during the day and night, has security guards in the foyer on the 1st floor of the building to provide guard service and filter persons entering and leaving the building 24 hours a day, signs contract with security Company to establish guards at night and on holidays to maintain the security in office, and has three line of protection through the security company and police security.
   (2) Maintenance of and inspection on various devices: The Company entrusts a professional company to inspect public safety every two years in accordance with the Regulations for Inspecting and Reporting Buildings Public Security, entrusts a professional Company to maintain fire protection devices and make report every year in accordance with the Firefighting Act, maintains and repairs HV and LV electrical devices, elevators, air-conditioners, water dispensers, fire-fighting devices and other equipment on a regular basis every year or quarter in accordance with relevant regulations.
   (3) Disaster preventive measures and response:
      A. In order to protect staff safety and health, the Company has established a Safety and Health Center to promote safety and health. There is one Class-A Occupational Safety and Health Supervisor, two Class-B Occupational Safety and Health Supervisors, and one Occupational Safety and Health Administrator, all of whom have been registered with the Labor Inspection Office of the New Taipei City Government.
      B. Each year, we collaborate with the building management committee to invite fire safety authorities to conduct training sessions and practical fire drills.
      C. The Company has formulated the Emergency Response and Management Procedures, Safety and Health Rules, Fire Protection Plan, Hazard Notification Plan, and other disaster prevention rules, rescue precautions, as well as accident and occupational disaster reporting procedures, specifying the responsibilities that the persons of the Company's various units shall assume in response to any significant incidents before and after such incidents and the contents of tasks.
   (4) Employee Health:

A. The Company provides complimentary annual health check-ups for all employees, exceeding current regulatory requirements. After employees complete their health examinations, the Company arranges for a designated on-site physician to offer health consultations. This allows staff to fully understand their results and take appropriate preventive measures and follow-up actions. If employees choose not to participate in the health examination, the Company's occupational safety and health management unit will investigate the reasons for non-participation. The unit will continue to monitor whether the employee completes the health examination within the regulatory timeframe. If necessary, participation will be made mandatory. The Company will analyze employee health examination reports, identifying health risks related to brain and cardiovascular conditions, as well as potential human factor hazards. Additionally, the Company will proactively monitor employee health, offering health consultations and educational services.

To prevent obesity and chronic diseases such as hypertension, diabetes, and hyperlipidemia, the company implements various specific measures every year. It encourages employees to develop exercise habits and promotes a spirit of physical activity. In 2025, the Company carried out four health promotion activities, including a weight loss program (with a weight loss competition), healthy walking, office hula hoop exercises, and stair-climbing challenges. In collaboration with local sports centers, the Company also offered various on-site courses such as therapeutic yoga, Zumba, strength training, Pilates, and combat aerobics. Employees were provided with diverse options and could freely register for participation. Under the guidance of professional instructors, these programs aim to help employees perform correct movements, control training intensity, and learn proper fitness knowledge and techniques, thereby effectively achieving health and fitness goals.

(5) ISO 45001 Occupational Health and Safety Management System:

The Company has implemented the ISO 45001 Occupational Health and Safety Management System at its Liancheng Office, Lide Factory, and Lide Office to strengthen hazard identification and risk assessment. Through comprehensive preventive measures, the Company aims to more effectively safeguard the health and safety of all employees.

(II) Any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future 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: None.

VI Cyber security management

(I) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management, etc.:

1. The cyber security risk management framework:

   (1)The Company has implemented the ISO/IEC 27001 Information Security Management System (ISMS) and established an "Information Security Management Committee," supervised by the General Manager, responsible for planning, implementing, and continuously improving the information security management system.

   (2) In 2024, the Company completed the transition certification to ISO/IEC 27001:2022, with the certificate valid from June 13, 2024 to June 11, 2026, aligning with the latest international security standards.

   (3) In 2026, the Company plans to expand the scope of the ISO/IEC 27001 certification to include the software development department, and to introduce the IEC 62443-4-1 secure product development lifecycle standard to further strengthen product information security.

   (4) The Internal Audit Office conducts annual information security audits as part of the internal control system (information cycle) to assess the effectiveness of the Company's internal controls over information operations.

   (5) To enhance threat intelligence sharing and improve response speed to cybersecurity incidents, the Company joined the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC) as a member in 2022.

2. Cyber security policies:

   The Company has established an Electronic Media Management Policy and, with reference to government regulations and the Information Security Management Guidelines for listed companies, continuously collects and analyzes the latest information security regulations and guidelines. Based on these, it formulates or revises relevant management policies and regularly reviews the required information security operations to ensure compliance with its information security policies.

   The guiding principles of the information security policy include:

   A. Establishing information security management standards that comply with regulatory requirements and customer needs.

   B. Promoting organization-wide awareness to foster a shared responsibility for information security.

   C. Protecting the confidentiality, integrity, and availability of both Company and customer information.

D. Providing a secure production environment to ensure the sustainability of business operations.

The Company follows the PDCA (Plan-Do-Check-Act) cycle to continuously improve the effectiveness of its information security management.

3. Concrete management programs:

Item	Contents of Management
Improving Network Security	● Control network access through firewalls and regularly review rule configurations, including periodic inspection of firewall rules. ● Deploy Intrusion Prevention Systems (IPS) to block abnormal incoming connections. ● Implement SIEM (Security Information and Event Management) for security event monitoring and alerting. ● Adopt Multi-Factor Authentication (MFA) to enhance identity verification.
Computer Endpoint Protection	● Regularly update antivirus software. ● Implement Endpoint Detection and Response (EDR) services to detect and respond to cybersecurity threats.
Data access control	● Access to information is controlled based on the functions of persons and departments. ● Revoke access permissions immediately upon employee departure.
Data security protection	● The data on hard drives of decommissioned computers is destroyed by professional service providers in accordance with established procedures.
System Vulnerability Patch	● Updates are made for system regularly. ● Conduct regular vulnerability scanning and remediation.
Ensuring of continued operation	● Regularly perform backups and restoration drills for critical systems. ● Plan offsite backups for key systems to enhance resilience.
Personnel Information Security Awareness	● Conduct regular information security awareness campaigns and training to strengthen employees' cybersecurity awareness. ● Perform periodic social engineering exercises to enhance awareness of email security and protection.

4. Investments in resources for cyber security management:

The Company invested NT$5 million in information security-related software and hardware in total in 2024, and it continues to make increase in the information security-related budget to improve information security protection ability. In addition, the Company has established a dedicated organization, Information Security and Cyber Management Section, which is responsible for planning for the Company's information security, introduction of technologies and related audit matters, so as to maintain and continuously improve information security.

(1) Information Security Budget and Staffing

- In 2025, approximately NT$6 million was invested in information security-related hardware and software.
- A dedicated "Information Security and Network Management Section" has been established, responsible for the Company's information security planning, technology implementation, and related audit activities.

(2) Information Security Audits and Vulnerability Management

- The Internal Audit Office conducts annual information security audits in accordance with the Internal Control System — Information Cycle.
- Regular vulnerability scanning and remediation are performed.
- KPI: Vulnerability remediation completion rate ≥ 90%.

(3) Endpoint and Server Security Management

- Implementation of endpoint security technologies such as antivirus software and EDR (Endpoint Detection and Response).

(4) Network Security and Incident Monitoring

- Real-time monitoring is conducted through firewalls, IPS (Intrusion Prevention Systems), and SIEM (Security Information and Event Management).

(5) Business Continuity (BCP/DR) Management

- Regular backup and restoration drills are conducted.
- KPI: Backup success rate ≥ 99%; restoration drills success rate at 100%.

(6) Information Security Training and Social Engineering Protection

- Annual training sessions and phishing simulation exercises are conducted.
- KPI: Training completion rate 94%; phishing click rate ≤ 10%, with at least two exercises conducted annually.

(7) Information Security Management Standards

- Annual external certification under ISO 27001 is maintained.

(II) Any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date 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: None.

VII Important Contracts:

Nature of contract	Parties	Beginning and end dates of contract	Major content	Restrictive covenants
Technology Licensing Contract	American Megatrends Inc.	2024.01.29~2029.01.28	Licensing of the patents of the source codes of the motherboards and related BIOS programs of industrial computers	None

Chapter 5 Review and Analysis of The Company's Financial Position and Financial Performance, and A Listing of Risks

I Financial Position:

Unit: NT$ thousand

Item \ Year	2025	2024	Differences	
			Amount	%
Current assets	5,107,035	4,315,776	791,259	18.33
Property, Plant and Equipment	2,103,856	1,905,327	198,529	10.42
Intangible assets	230,915	59,387	171,528	288.83
Other assets	419,185	415,333	3,852	0.93
Total assets	7,860,991	6,695,823	1,165,168	17.40
Current liabilities	2,271,422	2,119,289	152,133	7.18
Non-current liabilities	1,604,748	748,871	855,877	114.29
Total liabilities	3,876,170	2,868,160	1,008,010	35.14
Share capital	726,302	726,302	-	-
Capital surplus	1,160,190	1,164,130	(3,940)	(0.34)
Retained earnings	1,526,840	1,434,355	92,485	6.45
Other equity	(32,147)	60,918	(93,065)	(152.77)
Treasury shares	(1,535)	(1,535)	-	-
Non-controlling interests	605,171	443,493	161,678	36.46
Total equity	3,984,821	3,827,663	157,158	4.11

Major reasons for any significant changes in assets, liabilities, and equity in the most recent two years (if the change reaches 20% by comparing that of current period and previous period, and the amount of change reach NT$10 million) and their impacts, and future plans in response thereto shall be specified if the impacts are significant:

1. Increase in Intangible Assets: Mainly attributable to the acquisition of subsidiary Champ Vision Display Inc. in 2025, resulting in an increase in goodwill, patents, and customer relationships.
2. Increase in Non-Current Liabilities: Mainly due to land payments in 2025 originally being short-term borrowings, which were reclassified as long-term loans upon obtaining the building permit.
3. Decrease in Other Equity: Primarily due to a reduction in foreign currency translation differences from the financial statements of overseas operating entities in 2025.
4. Increase in Non-Controlling Interests: Mainly due to the acquisition of a 51% equity interest in subsidiary Champ Vision Display Inc. in 2025.

II Financial Performance:

Unit: NT$ thousand

Item \ Year	2025	2024	Amount Increase or Decrease	Percentage of Change (%)
Operating revenue	8,480,972	7,602,920	878,052	11.55
Operating costs	6,294,894	5,628,211	666,683	11.85
Gross profit	2,186,078	1,974,709	211,369	10.70
Operating expenses	1,478,190	1,267,794	210,396	16.60
Operating profit	707,888	706,915	973	0.14
Non-operating income and expenses	61,760	105,288	(43,528)	(41.34)
Profit before income tax	769,648	812,203	(42,555)	(5.24)
Income tax expense	228,796	234,377	(5,581)	(2.38)
Net income (loss) for the period	540,852	577,826	(36,974)	(6.40)
Other comprehensive income (loss) for the period (net of Income Tax)	(102,001)	111,098	(213,099)	(191.81)
Total comprehensive income or loss for the period	438,851	688,924	(250,073)	(36.30)

1. Major reasons for significant changes (if the change reaches 20% by comparing that of current period and previous period, and the amount of change reach NT$10 million) in operating revenue, net operating profit, and before-tax net profit in the most recent two years:
   Operating revenue increased in 2025, driving growth in operating profit; however, expanded foreign exchange losses resulted in a decline in profit before tax compared to the previous period.
2. Expected sales volume and its basis, and possible impacts on the Company's future finance and business, and plans in response thereto:
   The Company expects, based on the industrial environment and future supply and demand situation in the market, by considering R&D plans, business development, current order status, improvement of the production capacity of outsourced manufacturers, and other related information as the bases for evaluation, that the sales of its various main products will be maintained and it is optimistic in terms of such sales in 2026.

III Cash Flows:

(I) Describe and analyze any cash flow changes during the most recent fiscal year

Unit: NT$ thousand

Opening Cash Balance	Annual Net Cash Flows from Operating Activities	Annual Cash Inflow (Outflow)	Cash Balance	Remedial Measures for Cash Inadequacy	
				Investment Plan	Financial Plan
903,956	575,209	(11,187)	1,467,978	-	-

1. Net cash inflow from operating activities was NT$575,209 thousand mainly due to the profit in 2025.
2. Net cash inflow from investing and financing activities amounted to NT$33,474 thousand, primarily due to a net increase in short-term and long-term borrowings, disposal of foreign money market funds, acquisition of fixed assets, and payment of cash dividends.

(II) Describe corrective measures to be taken in response to illiquidity: N/A.

(III) A liquidity analysis for the coming year:

Unit: NT$ thousand

Opening Cash Balance	Annual Net Cash Flows from Operating Activities	Annual Cash Inflow (Outflow)	Cash Balance	Remedial Measures for Cash Inadequacy	
				Investment Plan	Financial Plan
1,467,978	393,147	(146,304)	1,714,821	-	-

1. Net cash inflow from operating activities amounted to NT$393,147 thousand, mainly due to projected profits for the upcoming year and an increase in inventory.
2. Net cash outflow from investing and financing activities will be NT$146,304 thousand mainly due to the net amount of new fixed assets, payment of cash dividends and repayment of short-term borrowings.

IV The annual report shall describe the effect upon financial operations of any major capital expenditures during the most recent fiscal year:

For the Company’s long-term development, the Board of Directors approved in November 2025 the construction of a corporate headquarters through a build-on-owned-land arrangement. A construction contract has been signed, with a total contract value of NT$1,463,800 thousand. It is expected that approximately 80% of the funding will be sourced from bank loans. The overall long-term funding plan has been evaluated and coordinated by the finance department and approved by the Board of Directors, and it is not expected to have a significant impact on the Company’s overall cash flow or financial operations.

V Describe the company's reinvestment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year:

The company applies the equity method for its investments in subsidiaries and affiliates, primarily focusing on long-term holdings based on business needs. In 2025, the recognized income from equity investments amounted to NT$3,562 thousand. Moving forward, the company will continue to adhere to the principle of long-term strategic investment and will conduct ongoing, prudent evaluations.

VI Risks:

(I) The effect upon the Company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate during the most recent fiscal year and as they stood on the date of publication of the annual report, and response measures to be taken in the future:

Unit: NT$ thousand

Item	Amount in 2025	Ratio to Net Revenue	Ratio to Before-tax Net Profit
Interest Income (Expenditure)	22,454	0.26%	2.92%
Net Exchange Gain (Loss)	(14,882)	(0.18%)	1.93%

1. Interest rate:

   The Company operates mainly by using its own funds, thus there is a very small ratio of interest expenses occurred due to loan to net operating revenue. The ratio of interest expenses to net operating revenue in 2025 was 0.47%, thus, there are limited impacts of interest rate on the Company's profits. However, based on a prudent and conservative approach, the Company regularly evaluates money market interest rates and financial information.

2. Exchange rate:

   The Company's products are mainly sold to America, Europe, Asia and other overseas markets. The Company makes overseas trading mainly in USD, and its revenue from overseas trading accounts for 90%, and the Company holds net amount in USD after the amount for purchase of materials in USD is deducted, so there are certain impacts of exchange rate changes on the Company's profits. The Company takes the following measures against the exchange risks arising from holding foreign currency:

   (1) Finance Department keeps in touch with financial institutions and collects exchange rate information in a real time based on the development of international political and economic situations, so as to fully grasp the trend of changes in exchange rate.

   (2) Finance Department maintains a proper amount of foreign currency based on the future trend of exchange rate, and purchases and sells foreign currency as appropriate as judged by it, so as to reduce any impacts of exchange rate changes on the Company's profits.

   (3) Conduct hedging against exchange rate changes by offsetting purchase and sales items.

   (4) Cautiously make hedging transactions with the financial institutions with a good credit in a stable way in advance, such as signing forward foreign exchange contracts, to avoid the risks of exchange rate changes.

3. Inflation:

   There is a trend of slight inflation in the overall economic environment as impacted by the increase in the prices of raw materials in the recent years, but there are no significant impacts on the Company due to inflation up to now. The Company also pays attention to fluctuation in the prices in raw material market at any time, and it keeps a good interactive relationship with suppliers and customers. The Company may avoid significant impacts on the Company due to inflation if it can adjust sales prices based on any changes in costs.

(II) The Company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby during the most recent fiscal year and as they stood on the date of publication of the annual report; and response measures to be taken in the future:

1. Company’s risk policies and risk management structure
   As for the Company’s financial risk management policies, the Company identifies and analyzes any financial risks that it faces, evaluates the impacts of financial risks, and implements relevant policies to avoid financial risks. The Company regularly reviews its financial risk management policies to reflect any changes in market conditions and the Company operation. The Company is committed to developing a disciplined and constructive control environment through training, management guidelines, operating procedures and other internal control, so that all employees understand their roles and obligations. The Company does not trade financial instruments (including derivative financial instruments) for any speculative purposes. Internal auditors provide assistance in supervision. Such persons regularly and additionally reviews financial risk management and control status and procedures, and report the results of the review to the Board of Directors.
2. The Company makes investment as evaluated carefully according to the Procedures for Acquisition or Disposal of Assets and the provisions concerning approval authority, and it has not engaged in high-risk or high-leverage investment.
3. The Company has formulated the Rules for Lending Funds to Others, which involves lending funds to other parties through the Company's subsidiary, in accordance with its own internal guidelines.
4. The Company has formulated the Rules for Offering Endorsement or Guarantee. The Company has not offered any endorsement or guarantee in the most recent year and as of the publication date of the Annual Report.
5. In terms of trading of derivatives, the Company trades derivatives, for the purpose of avoiding the risks of fluctuation in exchange rate arising from business operation, according to the Procedures for Engaging in Transactions of Derivative Products.

(III) Research and development work to be carried out in the future, and further expenditures expected for research and development work:

1. Research and development work to be carried out in the future
   In addition to industrial computers, tablets, embedded platforms, chassis and other products, the Company expands its products to the solutions in HPC and vertical application fields in recent years, and continues to integrate AI edge computing, industrial IoT software and hardware modules, strengthens its connection with software and AI open source community, and makes cooperation with international platforms and major manufacturers to strengthen the energy for cloud platform computing and IoT services and produce commercial value in vertical application industry after collecting

and processing data, and takes industrial data-driven intelligent analysis, cooperation in innovation ecosystem, and prioritize the development of industry application solutions as its primary goals for development. The Company will attach importance to the R&D of the following in 2026:

(1) The strategy of globalization transformation and regional localization integrates AI, edge AI computing, data storage and processing, AIoT, environmental sensing technology, cloud computing, key 5G/6G technologies, and smart display. It connects intelligent innovations in hardware devices and collaborates with key technology manufacturers in both software and hardware, both locally and internationally. This approach aims to transform traditional industries into intelligent ones, while developing added value in various sectors such as smart healthcare, smart factories, smart retail, smart energy, and smart transportation. The goal is to form ecosystem cooperation and create smart solutions for these industries.

Complete HPC product line and solutions, develop high-performance computing server platforms and solutions for application in specific industry in response to AI model training, machine learning, data analysis, image processing, precision medicine, deep learning and processing of a great number of industrial data. And establish a data stream and a service framework that can be arranged to the front-end edge computing platform. A comprehensive high-performance 5G edge server solution featuring a CU-DU separation architecture, enabling easy virtualization and integration with cloud-native environments. Equipped with Time-Sync hardware to provide high-precision time synchronization, meeting microsecond-level synchronization requirements. When combined with industry-specific AI modules, it delivers optimal solutions for intelligent analytics and integrated resource management systems.

Continuously strengthening the framework for artificial intelligence model training and deployment services, and developing an integrated Edge AI computing platform encompassing CPU, GPU, NPU, and ASIC architectures based on application characteristics. By integrating and optimizing intelligent algorithms across various industries, the Company establishes effective inference engines and, together with relevant graphical software tools, delivers comprehensive AI solutions tailored to different industries. Develop generative AI servers centered on SLMs and LLMs to provide enterprises with practical solutions for implementing generative AI. Enhance the platform for remote deployment to edge AI computing, enabling data processing tasks such as image analysis, video streaming, predictive analytics, and customer service. This advancement will support AI-powered recognition and cognitive services, driving progress in medical imaging diagnostics, healthcare, industrial AOI, and innovative intelligent transportation applications.

(2) Integrating advanced technologies such as machinery, heat dissipation, automation, robotics, AIoT, industrial Ethernet control, real-time networking, machine vision inspection, data digitization, and AI to deliver innovative, value-added products that meet customer demands while optimizing solutions and improving efficiency. At the same time, optimize intelligent analysis, predictive maintenance, and high-precision positioning and tracking systems to build IT/OT-oriented designs tailored to industry needs, with complete modularization, providing solutions for smart manufacturing, intelligent transportation, energy, and automation-related equipment.

(3) Develop and gradually implement green manufacturing and sustainable development solutions. ESG and energy-saving requirements.

2. Further expenditures expected for research and development work: accounting for 4% of annual turnover more or less.

(IV) Effect on the Company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response:

The Company's finance and business were not significantly affected by any major changes in domestic and overseas policies and laws. The Company will consult relevant professional persons to take measures in response as appropriate in the future, in addition to irregular collection of and evaluation on any impacts on the Company's finance and business of significant changes in domestic and overseas policies and laws.

(V) Effect on the Company's financial operations of developments in science and technology (including cyber security risks) as well as industrial change, and measures to be taken in response:

The Company has established a network and computer security protection system in line with current situation to control the Company's operation, manufacturing, accounting and other important business functions, but it cannot guarantee that its computer system can completely avoid any network attacks from any third-party paralyzed system, or any illegal intrusion into the internal network system which disrupts operation and damages goodwill. The Company will do its best to ensure the appropriateness and effectiveness of the security protection system, but it cannot guarantee that it will be free from any ever-changing network security threats and impacts. In the event of any serious cyber attacks, the system may lose important data, and production line may not operate normally. The following describes the actions taken against common risks that may be suffered:

1. Internal person’s insufficient awareness of information security: Since internal information security may be impacted arising from downloading of or suffering from malicious programs by internal employees, the Company irregularly issues internal announcement on information security concerning current high-risk information security attack methods and security protection to strengthen staff awareness of information security.

2. Threats from computer viruses: The website browsed in the Company, e-mails containing malicious programs, removable storage media, downloading of malicious program, etc. may be the sources of computer viruses, therefore, the Company has established multi-level of defense and detection systems, and fully installed internationally renowned anti-virus systems in its computer and equipment, and it conducts monitoring and protection by adopting central control to reduce the risks of being infected and attacked by malicious programs.
3. Attacks from on-line hackers: The Company has established necessary protection measures, including cutting of important network segment and authorized control over access, firewall and intrusion detection mechanism, and it regularly or irregularly detects any vulnerability, protects application and performs information security vulnerability reporting mechanism and repair work for the websites that provide connection services to the external, with a view to minimize any vulnerability and the probability of being attacked. For any malicious cyber attacks, the Company will also collect relevant acts and impacts to safeguard its rights as necessary.
4. Backup mechanism: The Company has made plan for necessary backup and restoration drills for important services and data. In case of unavoidable damage to or destruction of system or database or interruption of operation, recovery may be carried out according to relevant plan SOP.

In addition, the Company needs to share highly sensitive and confidential information with some of the third-party vendors engaged by it, so that they can provide related services. The Company requires third-party service providers to comply with confidentiality and information security regulations, but it cannot guarantee that each third-party service provider will perform or strictly comply with these obligations. If the Company or its any service provider cannot deal with any difficult technical problems caused by cyber attacks in a timely manner, or cannot ensure the reliability and availability of the data of the Company (and of the Company's customers or other third parties), or cannot control the computer systems of the Company or its service providers, it may seriously damage the Company's commitment to customers and other stakeholders, and the Company's operating results, financial status, prospects and reputation may also suffer material adverse effects.

Most industrial computer manufacturers are developing towards their own brands, but competition does not slow down. On the contrary, global competition in the industry becomes increasingly fierce due to their own brands, and the industry develops from technology niches and application market niches in the past to business strategy niches. It is expected that there will be a situation that IPC manufacturers will compete with professional electronic EMS or even major PC manufacturers for orders. The Company will collect the information on customer’s demands and market trends by taking advantage of global distribution network and OEM/ODM projects to provide customers with the products with the specifications required by them in a quick way. In terms of financial operation, the Company strengthens management on cash flow based on the characteristics of the industry to diversify operational risks.

In recent years, back-end server has grown rapidly and has been applied in more diversified ways, as a result, front-end terminal has developed significantly. Under this situation, front-end terminal does not require high-speed computing ability, but only require basic man-machine interface and gateway for mutual transmission of information. In view of this, the Company has focused on development of various Panel PC and HMI human-machine interface products in recent years, such as medical and nursing systems, fingerprint identification and check-in devices, and image identification advertising billboards. And the Company has launched a brand-new RISC embedded computer module with high scalability to integrate the latest micro-controller and embedded software development technologies based on ARM, XScale and Cortex technologies, and provide customers with, including, SoM, SBC and tablet (PPC), and low-cost embedded system solutions to greatly expand the application range of industrial computers. RISC architecture product has a smaller size. The products with a mini size has lighter, thinner and space-saving characteristics and are suitable for use in Internet surfing mobile devices, and can achieve a high performance with the minimum power consumption, and are also in line with the characteristics and application of front-end terminals, and they are widely applied in industrial automation, measurement and test, medical equipment, remote monitoring, point-of-sale devices, mobile devices and electronic signage, etc. In terms of software and hardware integration, the Company cooperates with a wide range of technical partners by virtue of the advantages in the industrial environment to assist in the development of BootLoader in NOR, Linux, and Windows Embedded CE, and other various real-time operating systems.

Under this trend, the Company continues to expand its human-machine interface market by virtue of its rich R&D experience in the past based on end-customer’s experience in application and products. Up to now, the Company has achieved specific growth concerning its performance and has a large number of loyal customers.

Except for the above-mentioned industrial changes that have no material adverse impacts on the Company's finance and business, there is no impact of changes in technologies and other industrial changes on the Company's finance and business. In addition, the Company usually pays close attention to the industrial status and relevant new technologies in its industry, so as to respond to any changes in technologies or industry at any time, and make appropriate operational adjustment, thus, it is expected that the impacts can be reduced effectively.

(VI) Effect on the Company's crisis management of changes in the company's corporate image, and measures to be taken in response:

The Company takes becoming a model Company in terms of corporate governance as its management goal, and the Company always complies with relevant laws and regulations, attaches great importance to staff ethics and management on disciplines, and requires supervisors to conduct the same as an example. There is no any poor corporate image occurred so far. "Integrity, pragmatism and seeking truth based on facts" are the bases for the Company's management. The Company fulfills its corporate social responsibilities, and establishes a corporate image of first-class corporate governance, while pursuing the Company's operating growth and profits and maximized rights and interests of shareholders, so that customers, employees and investment shareholders can trust that the enterprise can move forward.

(VII) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken:

In July 2025, the Company acquired a 51% equity stake in Champ Vision Display Inc., becoming its largest shareholder and obtaining substantial control. Champ Vision Display Inc. focuses on the industrial display sector and is one of the few specialized display manufacturers with integrated capabilities in optics, mechanical design, and electronic control. Its products are widely used across various application fields, including healthcare, industrial, retail, transportation, and entertainment, and it maintains long-term partnerships with several international clients.

Through this acquisition, the Company expects to achieve complementary product lines, strengthen channel deployment, promote technology integration, enhance customized solution capabilities, and share customer resources, thereby further expanding the overall value of its total solutions. Following the completion of the acquisition, the Company will leverage its existing group resources to support Champ Vision Display Inc.'s continued development in areas such as operational management, business expansion, and technological integration, with the aim of improving overall operational efficiency and addressing post-merger integration challenges.

(VIII) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken:

For long-term development considerations, the Company's Board of Directors approved in November 2025 the construction of a corporate headquarters through a build-on-owned-land arrangement. A construction contract has been signed with a total contract value of NT$1,463,800 thousand. The Company will regularly review project progress and budget execution to ensure overall operational and financial stability.

(IX) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken:

1. Purchase of goods:
   The Company is facing a situation where it makes most of its purchases from its largest supplier. This is mainly because of the annual growth in the performance of the Americas region, which has led to an increase in the amount of transactions with this supplier. In addition to maintaining long-term cooperation with the supplier, the Company also

intends to diversify its sources of supply in order to gradually mitigate the risk associated with concentrated procurement.

The main raw materials of the Company's products may be divided into semiconductor ICs, PCBs, liquid crystal boards, power supplies and IPC products. Due to the wide variety of raw materials and a long-term good cooperative relation with domestic suppliers that the Company has established, there is a good supply status, and there is no shortage or interruption of supply, and there is no risks of concentrated purchase.

2. Sales of goods:

The Company sells products mainly through its overseas subsidiaries, regional distributors and system integration providers and to general direct customers. The Company sells products to major international companies in the United States, Europe and Asia, and it has stable and diversified customer resources. In addition to keeping good relationships with existing customers, the Company is committed to developing new customers, so there is no risk of excessive concentrated sale.

(X) Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken: None.

(XI) Effect upon and risk to Company associated with any change in governance personnel or top management, and mitigation measures being or to be taken: None.

(XII) Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that: (1) involve the company and/or any company director, any company supervisor, the president, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the Company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report: None.

(XIII) Other important risks, and mitigation measures being or to be taken: None.

VII Other Important Matters:

(I) Intellectual Property Management Plan

To strengthen its industry leadership and safeguard its hard-earned advanced technological achievements, the Company has formulated an intellectual property (IP) strategy aligned with its business objectives and R&D resources. It has established an operational model that leverages intellectual property rights to create corporate value. This not only protects the

Company's freedom to operate but also enhances its competitive advantages and can be used as a means to support profitability.

1. Patent Management
   R&D units are responsible for technology development, and external patent firms are engaged periodically to assist with patent portfolio planning and applications. The Company has also established an R&D patent incentive program to continuously encourage employees to submit invention applications. These patents are primarily applied to IPC products.

2. Trade Secret Management
   The Company stipulates the following in its Employee Code of Conduct and Employee Undertaking Agreement:

   (1) Employees must keep the Company's confidential information strictly confidential, regardless of whether it relates to their job responsibilities, and this obligation continues after termination of employment.

   (2) Employees must comply with applicable intellectual property laws and regulations. If infringement of others' intellectual property rights results in claims or damages against the Company, the employee shall bear the relevant liability for compensation.

   (3) All information obtained during employment, whether disclosed in written or oral form, is considered confidential and must not be disclosed to any unauthorized third party. After leaving the Company, employees remain subject to a three-year confidentiality obligation regarding such information.

3. Implementation Status

   (1) The Company plans to report on intellectual property-related matters to the Board of Directors at least once annually.

   (2) IP portfolio and achievements: As of the end of 2025, the Company has filed a total of 16 patent applications, including 9 approved invention patents and 7 approved utility model patents.

Chapter 6　Other Items Deserving Special Mention

I　Information Related to the Company's Affiliates: The declaration has been published on the information disclosure website designated by the Financial Supervisory Commission.

The query index path：MOPS > TPEx Listed Company > Electronic Document Download > Related Party Three-Document Form Section

The query URL：
https://mopsov.twse.com.tw/mops/web/t57sb01_q10

II　Where the Company has carried out a private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

III　Other matters that require additional description: None.

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

Avalue Technology Incorporation

Chairman: Liu, Li-Chi