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**APAQ Technology Co.,
Ltd.**

2025 Annual Report

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Available at:

Market Observation Post System: <http://mops.twse.com.tw>

Company Website: <http://www.apaq.com.tw>

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Name of CPAs who Audited the Financial Statements for the Most Recent Year, and the Name, Address and Telephone Number of the CPAs' Accounting Firm

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Office: KPMG Taiwan

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Name of the Stock Exchange Where the Company's Securities Are Traded Offshore and Methods of Searching Information of the Offshore Marketable Securities

N/A

Company Website: www.apaq.com.tw

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Chapter 1 Letter to Shareholders

I. Business Plan, Future Company Development Strategies, Impacts from External Competition, Legal Environment, and Overall Business Environment this Year

Based on the analysis of the external competitive environment, regulatory environment, and overall business environment, this year focuses on AI Servers, AI PCs, Power, and the Automotive market as the primary growth drivers. In response to the growing market demand, the Company has outlined the summary of the business plan for this year and the future development strategy as follows:

- (1) In line with the automated assembly target for server & VGA motherboards, promote the application of V-Chip to replace DIP, and expand V-Chip production capacity.
- (2) Aggressively expand market share of high-end chip capacitors (CAP) in servers, notebooks, VGA and Switch and expand production capacity.
- (3) Accelerate the development of hybrids in the automotive market, strengthen the adoption of Hybrid solutions in server and power applications, and expand production capacity.
- (4) Expand SMLC production capacity, aggressively drive adoption in server, notebook (NB), power, and SSD applications to accelerate the replacement of polymer tantalum solid capacitors (POSCAP).
- (5) Increase market penetration by implementing AI server applications in high-end V-Chip, CAP, and hybrid fields.
- (6) Expand DIP market share in the high-end power market.

Overall, it is expected that the Company's sales volume for the current year will continue to grow, leading to further expansion of revenue and profits.

II. 2025 Operating Outcome

1. Analysis of the outcome of the business plan, the financial revenue and expenditures, and profitability

Unit: NT\$ thousand

Item	2025	2024	Growth rate
Net operating revenue	4,474,668	3,495,668	28.01%
Gross profit	1,550,838	1,045,244	48.37%
Operating profit	830,555	525,745	57.98%
Net profit for the period attributable to:			
Owners of parent company	648,680	534,394	21.39%
Non-controlling equity	(26,656)	(22,579)	(Note)
Total	622,024	511,815	21.53%

Note: The Company participated in a cash capital increase on February 15, 2024, acquiring a 22% equity stake in AiPAQ Technology Co., Ltd. As a result, the Company's ownership in AiPAQ increased from 30% to 52%, gaining control over the company, and AiPAQ thus became a subsidiary of the Company from the date of acquisition.

2. Implementation status of budget: Not applicable.

III. Research and Development

Last year, the development of new-generation CAP, V-chip, and Hybrid products effectively increased market share across server, motherboard (MB), VGA, and notebook (NB) applications, driving overall shipment volume, revenue, and gross profit margin to record highs.

This year, APAQ will continue to develop new products for application in the high-end market:

- (1) High Reliability Products (CAP/Vchip/Hybrid for AI Server/AI PC/EV)
- (2) Small Size & Thinner Products (CAP 1H, SMLC B-size for NB/SSD)
- (3) Thinner Products (Vchip for NB)
- (4) High Ripple & Low ESR Products (Hybrid for AI Server/EV)

IV. Vision of continuous growth

Thanks to the full support of all shareholders, the team has been able to complete the building of production capacity and the development of various new products steadfastly and continuously in the past year, laying a solid foundation for the company's sustainable development. As the Company enters a phase of rapid growth, we sincerely request the continued support and affirmation of our shareholders.

Sincere wishes for

Happiness and health!

General Manager Lin Shi-Dong



Chapter 2 Corporate Governance Report

I. Information on the Company's Directors, Supervisors, General Managers, Vice General Managers, Associate Managers, and the Supervisors of All the Company's Divisions and Branch Units

1. Information on directors (I)

On March 31, 2026, unit: shares

Title	Nationality/ place of registration	Name	Gender Age	Date elected	Term	Date First Elected	Shareholding When Elected		Number of shares held currently		Spouse & minor children shareholding		Shareholding by nominees		Experience (Education)	Other position(s) concurrently held at the Company or other companies	Executives or Directors who are Spouses or within the Second Degree of Kinship		
							Shares	Percentage of Shareholding (%) (Note 1)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)			Title	Name	Relationship
Chairman	R.O.C.	Cheng Duen-Jen	Male 60 - 69 years old	2023.06.12	Three years	2005.12.23	3,117,358	3.50	3,170,358	3.45	413,573	0.45	0	0	Ph.D. in Material Science, National Cheng Kung University, Principal researcher of Industrial Technology Research Institute Material Laboratories, CYNTEC Co., Ltd. Senior R&D Manager INPAQ Technology Co., Ltd. Chairman and CEO	CTO of the Company Director of INPAQ Technology Co., Ltd., Director of Biopitk Technology, Inc., Representative of the Juristic-person Supervisor of IMAT Corporation Representative of the Juristic-person Director of Lianda Intelligent Corporation Representative of the Juristic-person Director of Greenliant Technology Co., Ltd. Director of Chin Chia Wang Financial Management Co., Ltd., Director of Chenggong Innovation Management Consulting Co., Ltd., Representative of the Juristic-person Director of Beike Star Venture Capital Co., Ltd. Representative of the Juristic-person Director of Phoenix II Innovation & Venture Capital Co., Ltd. Representative of the Juristic-person Director of Phoenix IV Innovation & Venture Capital Co., Ltd. Representative of the Juristic-person Director of Phoenix VI Innovation & Venture Capital Co., Ltd. Director of Syntec Technology Co., Ltd. Chairman of I-SEE Vision Technology Inc Representative of the Juristic-person Chairman of SHOBIDO TAIWAN CO., LTD Chairman of K KINGDOM INC. Representative of the Juristic-person Chairman of AiPAQ Technology Co., Ltd. Representative of the Juristic-person Chairman of Sunrise Innovation Capital Co. Representative of APAQ Investment Limited, APAQ Electronic (Wuxi) Co., Ltd., and APAQ Electronic (Hubei) Co., Ltd.	None	None	None
Director	R.O.C.	Hua-Cheng Venture Capital Corp.	N/A	2023.06.12	Three years	2009.06.26	10,668,012	11.99	10,668,012	11.61	0	0	0	0	N/A	N/A	None	None	None

Title	Nationality/ place of registration	Name	Gender Age	Date elected	Term	Date First Elected	Shareholding When Elected		Number of shares held currently		Spouse & minor children shareholding		Shareholding by nominees		Experience (Education)	Other position(s) concurrently held at the Company or other companies	Executives or Directors who are Spouses or within the Second Degree of Kinship		
							Shares	Percentage of Shareholding (%) (Note 1)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)			Title	Name	Relationship
	R.O.C.	Legal Representative: Hsu Hsien- Yueh	Male 60 - 69 years old	2023.06.12	Three years	2014.08.07	0	0	0	0	0	0	0	0	National Taiwan University and Fudan University EMBA Director & Co- CEO of ASUS Computer Inc	Representative of the Juristic-person Chairman of UPI Semiconductor Corp. Director & Co-CEO of ASUS Computer Inc. Representative of the Juristic-person Director of AAEON Technology Co., Ltd. Representative of the Juristic-person Director of Hua-Cheng Venture Capital Corp. Representative of the Juristic-person Director of ASUS COMPUTER INTERNATIONAL	None	None	None
Director	R.O.C.	Lin Ching- Feng	Male 60 - 69 years old	2023.06.12	Three years	2009.06.26	1,002,000	1.13	1,042,000	1.13	0	0	0	0	Ph.D. in Chemistry, Iowa State University Executive Vice General Manager of Yonggang Technology Co., Ltd. Executive Vice General Manager of Liton Technology Corp., Ltd.,	CEO of the Company R&D Chief of the Company Director and General Manager of APAQ Electronic (Wuxi) Co., Ltd. General Manager of APAQ Electronic (Hubei) Co., Ltd.	None	None	None
Director	R.O.C.	Hsieh Ming- Yen	Male 50 - 59 years old	2023.06.12	Three years	2023.06.12	0	0	0	0	0	0	0	0	Master of Business Administration at the University of West Pacific, United States Department of Mechanical Engineering, Ming Hsin Engineering College CEO of TAI- TECH ADVANCED ELECTRONICS CO., LTD. General Manager of TAI-TECH ADVANCED ELECTRONICS CO., LTD. Chairman of TAI- TECH ADVANCED ELECTRONICS CO., LTD. Executive Vice General Manager of Tai-tech Advanced Electronics Co.	Chairman of TAI-TECH ADVANCED ELECTRONICS CO., LTD. Chairman of TAIPAQ Electronics (Sihong) Co. Ltd. Director of TAIPAQ Electronics (ShenZhen) Co., Ltd. Chairman & General Manager of Tai-tech Advanced Electronics (Kunshan) Co. Chairman of Fixed Rock Holding Limited Chairman of North Star International Limited Chairman of Best Bliss Investments Limited Director of Superworld Holdings (S) Pte. Ltd. Chairman of Northwest Investment Corporation Director of AiPAQ Technology Co., Ltd. Chairman of HSIEH HENGTE Investment Co., Ltd. Chairman of Yizhi Investment Co., Ltd. Chairman of Youqi Investment Co., Ltd. Chairman of TECHWORLD ELECTRONICS SINGAPORE PTE. LTD Chairman of TECHWORLD ELECTRONICS (M) SDN. BHD. Director of I-SEE Vision Technology Inc. Director of AZ Venture Investment II Limited.	None	None	None

Title	Nationality/ place of registration	Name	Gender Age	Date elected	Term	Date First Elected	Shareholding When Elected		Number of shares held currently		Spouse & minor children shareholding		Shareholding by nominees		Experience (Education)	Other position(s) concurrently held at the Company or other companies	Executives or Directors who are Spouses or within the Second Degree of Kinship		
							Shares	Percentage of Shareholding (%) (Note 1)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)			Title	Name	Relationship
Independent Director	R.O.C.	Liu Jonq-Min	Male 70 - 79 years old	2023.06.12	Three years	2020.06.17	0	0	0	0	0	0	0	0	Lungmen Executive Program (GE, Crotonville) Stanford Executive Program, Stanford University, Graduate School of Business, MS and Ph.D. in Chemistry, Columbia University, USA, BS in Chemistry, NTHU President of Industrial Technology Research Institute Chairman of Industrial Technology Investment Corporation	Independent Director of Swancor Holding Co., Ltd. Independent Director of Andros Pharmaceuticals Co., Ltd. Independent Director of NAN YA PLASTICS CORPORATION Chairman of Muston Innovation Technologies Co., Ltd	None	None	None
Independent Director	R.O.C.	Wu Yung-Tsai	Male 60 - 69 years old	2023.06.12	Three years	2023.06.12	0	0	0	0	0	0	0	0	National Taiwan University of Science and Technology, Master of Business Administration General Manager of Inventec Corporation	Senior Consultant of Inventec Corporation Chairman of Shanghai Yingxianda Co., Ltd. Executive Director and General Manager of INVENTEC (SHANGHAI) CORPORATION. Executive Director of INVENTEC GROUP (BEIJING) ELECTRONICS TECHNOLOGY CO.,LTD. Executive Director of INVENTEC TECHNOLOGY CORP. Independent Director of AURAS Technology Co., Ltd.	None	None	None
Independent Director	R.O.C.	Zhu De-Xiang	Male 60 - 69 years old	2023.06.12	Three years	2023.06.12	0	0	0	0	0	0	0	0	Tai-Shan Vocational High School / Department of Mechanical Engineering Chairman of LOTES CO., LTD	Chairman of LOTES CO., LTD Chairman of Garmin Ltd. Chairman of Deyi Precise Electronics (Suzhou) Co., Ltd. Chairman of Guangzhou Panyu Deyi Precise Electronic Industrial Co., Ltd. Chairman of Lintes Technology Co., Ltd. Chairman of Dechuang Investment Co., Ltd.	None	None	None

Note 1:Shareholding ratio is calculated as per 88,953,514 shares issued when he was elected.

Note 2: When the Chairman of the Company and the General Manager or equivalent position (the top executive) are the same person, spouses, or first-degree relatives, the reasons, rationale, necessity, and corresponding measures should be explained (such as increasing the number of independent director seats, with a majority of directors not concurrently serving as employees or executives, etc.): No such situation.

Table 1: If any of the Directors or Supervisors is an institutional shareholder's representative, the institutional shareholder's name and the names and shareholding ratios of its top 10 shareholders shall be noted.

March 31, 2026

Name of Institutional Shareholder	Major shareholders of institutional shareholder	Shareholding %
Hua-Cheng Venture Capital Corp.	ASUSTek Computer Inc.	100%

Table 2: If any of the top 10 shareholders in Table 1 is an institutional shareholder, the name of the institutional shareholder and the names and shareholding ratios of its top 10 shareholders should be noted.

March 31, 2026

Institutional shareholder	Major shareholders of institutional shareholder	Shareholding %
ASUSTek Computer Inc.	Capital Tip Customized Taiwan Select High Dividend ETF	5.36%
	Yuanta/P-shares Taiwan Dividend Plus ETF	4.71%
	Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF	4.27%
	Jonney Shih	4.05%
	Cathay United Bank in Custody for Infinity No. 1 Company Investment Account	2.78%
	ASUS's Certificate of Depository with CitiBank(Taiwan)	2.63%
	Fuh Hwa Taiwan Technology Dividend Highlight ETF	1.85%
	Yuanta/P-shares Taiwan Top 50 ETF	1.76%
	Nan Shan Life Insurance Co., Ltd.	1.59%
	New Labor Pension Fund	1.49%

2. Information on Directors (II)

Disclosure of information on the professional qualifications of directors and the independence of independent directors:

Name	Professional qualifications and experience	Criteria of Independence	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
Chairman Cheng Duen-Jen	For the main education and work experience, please refer to I. 1. Information on Directors (I), with more than five years of work experience required for commercial and corporate businesses, and without any of the circumstances specified in Article 30 of the Company Act.	In addition to serving as the Company's Chief Technology Officer, he is an employee of the Company, a director of a Company-affiliated enterprise, and holds more than 1% of the total issued shares of the Company, ranking among the top ten shareholders. The remaining meet the independence criteria listed in Paragraph 1 of Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission.	0
Director Hua-Cheng Venture Corp. Legal Representative: Hsu Hsien-Yueh	For the main education and work experience, please refer to I. 1. Information on Directors (I), with more than five years of work experience required for commercial and corporate businesses, and without any of the circumstances specified in Article 30 of the Company Act.	A director of a corporate shareholder who has been appointed as a director on behalf of the Company in accordance with Paragraph 1 or 2 of Article 27 of the Company Act. The remaining meet the independence criteria listed in Paragraph 1 of Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission.	0
Director Lin Ching-Feng	For the main education and work experience, please refer to I. 1. Information on Directors (I), with more than five years of work experience required for commercial and corporate businesses, and without any of the circumstances specified in Article 30 of the Company Act.	In addition to serving as the CEO, an employee of the Company, and holding more than 1% of the total issued shares of the Company, he is also a director of a Company-affiliated enterprise. The remaining meet the independence criteria listed in Paragraph 1 of Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission.	0
Director Hsieh Ming-Yen	For the main education and work experience, please refer to I. 1. Information on Directors (I), with more than five years of work experience required for commercial and corporate businesses, and without any of the circumstances specified in Article 30 of the Company Act.	Director of a Company-affiliated enterprise. The remaining meet the independence criteria listed in Paragraph 1 of Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission.	0

Independent Director, Members of the Audit Committee Liu Jonq-Min	For the main education and work experience, please refer to I. 1. Information on Directors (I), with more than five years of work experience required for commercial and corporate businesses, and without any of the circumstances specified in Article 30 of the Company Act.	During the two years before and during their tenure, the independent directors met the qualification requirements set forth by the Financial Supervisory Commission's "Regulations Governing the Appointment of Independent Directors of Publicly Issued Companies and Matters to be Complied with" and Article 14-2 of the Securities and Exchange Act. Furthermore, the independent directors have been granted the power to fully participate in decision-making and express their opinions in accordance with Article 14-3 of the Securities and Exchange Act, and they have exercised their independent duties accordingly.	3
Independent Director, Members of the Audit Committee Wu Yung-Tsai	For the main education and work experience, please refer to I. 1. Information on Directors (I), with more than five years of work experience required for commercial and corporate businesses and experience in supervising the financial management of a public company, and without any of the circumstances specified in Article 30 of the Company Act.	During the two years before and during their tenure, the independent directors met the qualification requirements set forth by the Financial Supervisory Commission's "Regulations Governing the Appointment of Independent Directors of Publicly Issued Companies and Matters to be Complied with" and Article 14-2 of the Securities and Exchange Act. Furthermore, the independent directors have been granted the power to fully participate in decision-making and express their opinions in accordance with Article 14-3 of the Securities and Exchange Act, and they have exercised their independent duties accordingly.	1
Independent Director, Members of the Audit Committee Zhu De-Xiang	For the main education and work experience, please refer to I. 1. Information on Directors (I), with more than five years of work experience required for commercial and corporate businesses and experience in supervising the financial management of a public company, and without any of the circumstances specified in Article 30 of the Company Act.	During the two years before and during their tenure, the independent directors met the qualification requirements set forth by the Financial Supervisory Commission's "Regulations Governing the Appointment of Independent Directors of Publicly Issued Companies and Matters to be Complied with" and Article 14-2 of the Securities and Exchange Act. Furthermore, the independent directors have been granted the power to fully participate in decision-making and express their opinions in accordance with Article 14-3 of the Securities and Exchange Act, and they have exercised their independent duties accordingly.	0

Diversity of Board of Directors and Independence:

- (I) The policy, objectives, and achievements of board diversification: The board structure of the Company should be determined based on the scale of the Company's business development and the shareholding situation of its major shareholders, taking into account the practical operational needs. The composition of the Board of Directors should take into account diversity and formulate appropriate diversity policies based on its own operations, business model, and development needs. This should include, but not be limited to, the following two major aspects: 1. Basic conditions and values: gender, age, nationality, and culture, etc. 2. Professional Knowledge and Skills: Professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience. Each board member shall have the necessary knowledge, skill, and experience to perform their duties. In order to achieve the ideal goals of corporate governance, the Board of Directors should generally have operational judgment ability, accounting and financial analysis ability, business management ability, crisis management ability, knowledge of the industry, an international market perspective, leadership, and decision-making ability. For the future development of the Company, we take professional background as its diversity goal, and the number of directors who meet the professional background of marketing or technology should reach more than 25% and who meet the professional background of finance should reach more than 25%.

The Company's diversification policy and implementation are as follows: At present, there are 7 board members, all of whom have professional knowledge and skills, and the talents of individual directors belong to professional fields of industrial operation, technology research and development, marketing management, and other professional fields. We have achieved diversification goals and possessed all the abilities required to perform their duties. However, the number of female directors has not reached one-third, as no female candidates were nominated at the time of the current board's nomination in 2023. For the 2026 board election, female candidates have been encouraged to be nominated in order to enhance gender diversity on the Board of Directors.

Diversified Core Name of Director	Basic composition								Professional knowledge and skills				
	Nationality	Gender	Have employee status	Age			Seniority of Independent Director		Law	Accounting	Industry	Finance	Marketing or Technology
				50 - 59 years old	60 - 69 years old	70 - 79 years old	Below 3 years	4 - 6 years					
Chairman Cheng Duen-Jen	R.O.C.	Male	✓		✓					✓	✓	✓	✓
Director Hua-Cheng Venture Capital Corp. Legal Representative: Hsu Hsien-Yueh	R.O.C.	Male		-	✓					✓	✓	✓	✓
Director Lin Ching-Feng	R.O.C.	Male	✓		✓					✓	✓	✓	✓
Director Hsieh Ming-Yen	R.O.C.	Male		✓						✓	✓	✓	✓
Independent Director Liu Jonq-Min	R.O.C.	Male				✓		✓			✓		✓
Independent Director Wu Yung-Tsai	R.O.C.	Male			✓		✓			✓	✓	✓	✓
Independent Director Zhu De-Xiang	R.O.C.	Male			✓		✓			✓	✓	✓	✓

(II) Independence of the Board of Directors: The current Board of Directors of the Company consists of 7 directors, including 3 independent directors (42.86% of the total). Mr. Liu Jonq-Ming has served as an independent director for 6 years, Mr. Wu Yung-Tsai and Mr. Zhu De-Xiang have served as independent directors for 3 year. All independent directors have not served more than 3 consecutive terms. Furthermore, there are no spousal or immediate family relationships within the Board of Directors, as defined in Article 26-3, item 3 and 26-4 of the Securities Exchange Act. The Board of Directors of the Company demonstrates independence.

3. General Manager, Vice General Managers, Assistant Managers and Managers of Departments and Branches:

March 31, 2026, unit: shares

Title	Nationality	Name	Gender	Date taking office	Shareholding		Spouse & minor shareholding		Shareholding by nominees		Experience (Education)	Other position concurrently held at other companies	Managers who are spouses or within the second degree of kinship		
					Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)			Title	Name	Relationship
CEO & CRO	R.O.C.	Lin Ching-Feng	Male	2016.01.01	1,042,000	1.13	0	0	0	0	Ph.D. in Chemistry, Iowa State University Executive Vice General Manager of Yonggang Technology Co., Ltd. Executive Vice General Manager of Liton Technology Corp.	Director and General Manager of APAQ Electronic (Wuxi) Co., Ltd. General Manager of APAQ Electronic (Hubei) Co., Ltd.	None	None	None
General Manager	R.O.C.	Lin Shi-Dong	Male	2013.08.14	460,990	0.50	422	0	0	0	MS in Machinery, Chung Cheng Institute of Technology Vice Chairman of Quality Promotion Committee of Chung-Shan Institute of Science & Technology Head of QA Div. of Inpaq Technology Co., Ltd. General Manager of INPAQ Technology (China) Co., Ltd.	Chairman of IPU Semiconductor Co., Ltd. Director of APAQ Electronic (Wuxi) Co., Ltd.	None	None	None

Title	Nationality	Name	Gender	Date taking office	Shareholding		Spouse & minor shareholding		Shareholding by nominees		Experience (Education)	Other position concurrently held at other companies	Managers who are spouses or within the second degree of kinship		
					Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)			Title	Name	Relationship
Vice General Manager of Sales & Marketing Division	R.O.C.	Lin Han-Yuan	Male	2011.11.08	128,163	0.14	210,562	0.23	0	0	MS in Chemical Engineering, National Cheng Kung University IEK Industrial Analyst at the Industrial Technology Research Institute Junior Fellow of the Industrial Technology Research Institute, Biomedical Technology and Device Research Laboratories	None	None	None	None
Director of Quality Assurance Center	R.O.C.	Chen Ming-Zung	Male	2011.11.08	9,805	0.01	0	0	0	0	MS, NTHU Institute of Materials Senior Engineer of UMC Junior Fellow of the Industrial Technology Research Institute Material and Chemical Research Laboratories	None	None	None	None

Title	Nationality	Name	Gender	Date taking office	Shareholding		Spouse & minor shareholding		Shareholding by nominees		Experience (Education)	Other position concurrently held at other companies	Managers who are spouses or within the second degree of kinship		
					Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)			Title	Name	Relationship
Head of New Products Division	R.O.C.	Chien Ming-Ku	Male	2018.02.27	44,000	0.05	3,000	0	0	0	BS and MS in Materials Science and Engineering, NTHU Junior Fellow of the Industrial Technology Research Institute Material and Chemical Research Laboratories Project Manager in the General Manager's Office of Hitech Energy Co., Ltd.	None	None	None	None
Head of Finance Division	R.O.C.	Li Pei-Ling	Female	2012.10.01	104,696	0.11	0	0	0	0	PCCU Accounting Department Associate Manager of the Auditing Department, KPMG Taiwan Associate Manager of the Office of Administration, INPAQ Technology (Suzhou) Co., Ltd. Accounting Manager of INPAQ Technology Co., Ltd.	Independent Director of JTRON TECHNOLOGY CORP. Director of APAQ Electronic (Thailand) Co., Ltd.	None	None	None

Title	Nationality	Name	Gender	Date taking office	Shareholding		Spouse & minor shareholding		Shareholding by nominees		Experience (Education)	Other position concurrently held at other companies	Managers who are spouses or within the second degree of kinship		
					Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)			Title	Name	Relationship
Manager of Auditing Office	R.O.C.	Kuo Shao-Yug	Female	2012.10.01	6,000	0.01	0	0	0	0	Feng Chia University Accounting Department Europtronic Electronics Co., Ltd., of the Europtronic Group Senior Manager Manager of the Finance Department, APAQ Electronic (Wuxi) Co., Ltd. Project Manager in the General Manager's Office, APAQ Technology Co., Ltd.	None	None	None	None

Note: Is the General Manager or equivalent position (highest executive) is the same person as the Chairman of the Board, a spouse, or a first-degree relative? If so, the Company shall disclose relevant information regarding the reasons, rationale, necessity, and corresponding measures (such as increasing the number of independent director seats, with a majority of directors not concurrently serving as employees or executives, etc.): No such situation.

II. Remuneration Paid to Directors (including Independent Directors), Supervisors, General Manager, and Vice General Managers in the Most Recent Year

1. Remuneration for General Directors (Including Independent Directors)

2025 Unit: NT\$ thousand

Title	Name	Remuneration Paid to Directors								Ratio of total remuneration (A+B+C+D) to net income (%)		Relevant Remuneration Received by Directors who are also Employees								Ratio of total remuneration (A+B+C+D+E+F+G) to after-tax net income (%)		Compensation paid to Directors from an invested company other than the Company's subsidiary or parent company
		Remuneration (A)		Severance pay and pension (B)		Director Remuneration (C) (Note 1)		Business Execution Expenses (D)				Salary, Bonus and Special Allowance (E)		Severance pay and pension (F)		Employee Compensation (G) (Note 2)						
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company		Companies in the consolidated financial statements		The Company	Companies in the consolidated financial statements	
																Cash amount	Stock amount	Cash amount	Stock amount			
Chairman and CTO	Cheng Duen-Jen	0	0	0	0	12,095	12,095	160	160	12,255/1.89%	12,255/1.89%	32,904	34,704	108	108	12,455	0	12,455	0	57,722/8.90%	59,522/9.18%	None
Director	Hua-Cheng Venture Capital Corp.																					
Juristic-person Director Representative	Hsu Hsien-Yueh																					
Director, CEO & CRO	Lin Ching-Feng																					
Director	Hsieh Ming-Yen																					
Independent Director	Liu Jonq-Min	0	0	0	0	8,709	8,709	174	174	8,883/1.37%	8,883/1.37%	0	0	0	0	0	0	0	0	8,883/1.37%	8,883/1.37%	None
Independent Director	Wu Yung-Tsai																					
Independent Director	Zhu De-Xiang																					

Note 1: The estimated amount of director remuneration is calculated in accordance with the Company's director remuneration regulations and has not yet been approved by the Board of Directors.

Note 2: This is an estimated amount calculated based on the actual distribution ratio in 2024 and has not yet been approved by the Board of Directors.

The policy, system, standards, and structure for the payment of remuneration to independent directors shall be based on the responsibilities, risks, and time commitment involved, and shall specify the relationship between these factors and the amount of remuneration to be paid. In accordance with Article 27 of the Company's Articles of Incorporation, if the Company is profitable for the year, the Board of Directors shall allocate no more than three percent as director remuneration. According to the performance evaluation method of the Board of Directors of the Company, the Compensation and Remuneration Committee will consider the overall performance of the Board of Directors, the Company's operating performance, the Company's future operations and risk appetite, formulate distribution recommendations, and submit them to the Board of Directors for resolution. Then, according to the degree of participation of individual directors and the value of their contribution to the Company's operations, the distribution is made according to the weights given and the weighted results. After considering the responsibilities, risks, and investment time of the independent directors, the remuneration distribution weights are added by 0.2, and no other director compensations are drawn.

In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non-employee consultant to the parent company /any consolidated entities / invested enterprises): None.

Range of Remuneration

Ranges of remuneration paid to each of the Company's directors	Name of Director			
	Total Amount of Remuneration (A+B+C+D)		Total Amount of Remuneration (A+B+C+D+E+F+G)	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Less than NT\$1,000,000	Hsu Hsien-Yueh	Hsu Hsien-Yueh	Hsu Hsien-Yueh	Hsu Hsien-Yueh
NT\$1,000,000 (inclusive) - NT\$2,000,000 (exclusive)				
NT\$2,000,000 (inclusive) - NT\$3,500,000 (exclusive)	Lin Ching-Feng, Hua-Cheng Venture Capital Corp., Hsieh Ming-Yen, Liu Jonq-Min, Wu Yung-Tsai, Zhu De-Xiang	Lin Ching-Feng, Hua-Cheng Venture Capital Corp., Hsieh Ming-Yen, Liu Jonq-Min, Wu Yung-Tsai, Zhu De-Xiang	Hua-Cheng Venture Capital Corp., Hsieh Ming-Yen, Liu Jonq-Min, Wu Yung-Tsai, Zhu, De-Xiang	Hua-Cheng Venture Capital Corp., Hsieh Ming-Yen, Liu Jonq-Min, Wu Yung-Tsai, Zhu, De-Xiang
NT\$3,500,000 (inclusive) - NT\$5,000,000 (exclusive)	Cheng Duen-Jen	Cheng Duen-Jen	-	-
NT\$5,000,000 (inclusive) - NT\$10,000,000 (exclusive)	-	-	-	-
NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive)	-	-	-	-
NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive)	-	-	Cheng Duen-Jen, Lin Ching-Feng	Cheng Duen-Jen, Lin Ching-Feng
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	8 people (1 juristic person)	8 people (1 juristic person)	8 people (1 juristic person)	8 people (1 juristic person)

2. Remuneration of General Manager and Vice General Manager

2025 Unit: NT\$ thousand

Title	Name	Salary (A)		Severance pay and pension (B)		Bonus and Allowance (C)		Employee's compensation (D) (Note)				Ratio of total remuneration (A+B+C+D) to net income (%)		Compensation paid to Directors from an invested company other than the Company's subsidiary or parent company
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company		Companies in the consolidated financial statements		The Company	Companies in the consolidated financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
CEO & CRO	Lin Ching-Feng	5,310	7,230	324	324	40,254	40,254	15,444	0	15,444	0	61,332/ 9.45%	63,252/ 9.75%	None
General Manager	Lin Shi-Dong													
Vice General Manager of Sales & Marketing Division	Lin Han-Yuan													

Note: This is an estimated amount calculated based on the actual distribution ratio in 2024 and has not yet been approved by the Board of Directors.

Range of Remuneration

Range of Remuneration Paid to the General Manager and Vice General Manager	Name of General Manager or Vice General Manager	
	The Company	Companies in the consolidated financial statements
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)	-	-
NT\$3,500,000 (inclusive) - NT\$5,000,000 (exclusive)	-	-
NT\$5,000,000 (inclusive) - NT\$10,000,000 (exclusive)	-	-
NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive)	-	-
NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive)	Lin Ching-Feng, Lin Shi-Dong, Lin Han-Yuan	Lin Ching-Feng, Lin Shi-Dong, Lin Han-Yuan
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	3 persons	3 persons

3. Amount of Employee Bonus Paid to Managerial Officers and Their Names

2025 Unit: NT\$ thousand

	Title	Name	Stock amount	Cash amount	Total	Ratio of total amount to NIAT (%)
Managerial officer	CEO & CRO	Lin Ching-Feng	0	27,650	27,650	4.26
	General Manager	Lin Shi-Dong				
	Vice General Manager of Sales & Marketing Division	Lin Han-Yuan				
	CTO	Cheng Duen-Jen				
	Director of Quality Assurance Center	Chen Ming-Zung				
	Head of New Products Division	Chien Ming-Ku				
	Head of Finance Division	Li Pei-Ling				

Note: This is an estimated amount calculated based on the actual distribution ratio in 2024 and has not yet been approved by the Board of Directors.

4. The ratio of total compensation paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to Directors, Supervisors, General Managers and Vice General Managers of the Company, to the net income, and the policies, standards, and portfolios for the payment of remuneration, the procedures for determining compensation, and the correlation with risks and business performance:

- (1) Analysis on proportion of compensation paid to Directors, Supervisors, General Managers and Vice General Managers by the Company and all companies in the consolidated financial statements to net income after tax in the two most recent years

Year	Ratio of total remuneration to NIAT (%)			
	2024		2025	
	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements
Director	7.63%	7.97%	10.27%	10.55%
General Managers and Vice General Managers	6.12%	6.48%	9.45%	9.75%

Note: After the election of the directors of Company was held in the 2020 annual shareholders' meeting, the Audit Committee was established to replace the Supervisors.

- (2) Policies, standards, and portfolios of compensation payments; procedures for determining remuneration and correlation of remuneration with business performance and future risks

The proportion of remuneration distributed to the Directors and managers of the Company is in accordance with Article 27 of Articles of Incorporation and the Board of Directors has resolved to set aside no less than 8% of the profit for the year as employee's compensation, and no more than 3% as Directors remuneration. To regularly assess the remuneration of Directors and managers, personal performance and engagement in the Company's operations shall be considered for allocating Director and manager remunerations. Other factors to be considered when calculating reasonable remunerations include: any negative impact resulting in the Company's loss caused by the Director or managers, internal mismanagement, goal achievement rate, profit rate, operational performance, degree of contribution. Evaluation shall be carried out on the Director and manager remuneration system depending on the actual operating status and relevant regulations

III. Implementation of Corporate Governance

(I) Board of Directors

The Board of Directors held 4 (A) meetings in the most recent year, and the attendance of the Directors are as follows:

Title	Name	Actual Attendance (Presence) in Person (B)	Attendance by Proxy	Percentage of Actual Attendance (Presence) in Person (%) [B/A]	Remarks
Chairman	Cheng Duen-Jen	4	0	100%	
Director	Hua-Cheng Venture Capital Corp. Representative: Hsu Hsien-Yueh	4	0	100%	
Director	Lin Ching-Feng	4	0	100%	
Director	Hsieh Ming-Yen	4	0	100%	
Independent Director	Liu Jonq-Min	4	0	100%	
Independent Director	Wu Yung-Tsai	4	0	100%	
Independent Director	Zhu De-Xiang	4	0	100%	

Other matters:

I. Where the proceedings of the Board meeting include one of the following circumstances, describe the date, session, topics discussed, opinions of every independent director, and the responses from the Company:

(I) Items listed in Article 14-3 of the Securities and Exchange Act.

Meeting date/session	Proposals	The independent directors' objections, reservations or major proposals, and the Audit Committee's Resolution Result	The Company's handling of independent directors' opinions	Resolution Situation
2025.02.26 The 8th session of the 8th Board of Directors	1. Discussion on the amendment of the Company's Internal Control System.. 2. Discussion on Matters Related to the Issuance of Restricted Employee Stock. 3. Discussion Proposal on the Allocation of Employees and Number of Shares for the Issuance of Restricted Employee Shares.	All independent directors had no objections, reservations or major proposals, and the resolution of the Audit Committee was passed.	N/A	Resolution passed
2025.05.07 The 9th session of the 8th Board of Directors	1. Discussion on the Distribution of Directors' Remuneration and Employee Bonuses for Managers 2024 for 2. Discussion on the capital increase of APAQ Electronic (Wuxi) Co., Ltd. .			
2025.08.06 The 10th session of the 8th Board of Directors	1. Discussion on capital lending to the subsidiaries APAQ Electronic (Wuxi) Co., Ltd., (APAQ Wuxi), APAQ Electronic (Hubei) Co., Ltd., (APAQ Hubei), and AiPAQ Technology Co., Ltd. (AiPAQ Technology). 2. Discussion on endorsement and guarantee for the subsidiaries APAQ Electronic (Wuxi) Co., Ltd., (APAQ Wuxi), APAQ Electronic (Hubei) Co., Ltd., (APAQ Hubei), and AiPAQ Technology Co., Ltd. (AiPAQ Technology).			
2025. 11.05 The 11th session of the 8th Board of Directors	1. Discussion on remuneration of the CPAs for their services to the Company in 2025 2. Discussion on amendment of the Company's system of internal control. 3. Discussion Proposal on Capital Loans to Subsidiary APAQ Technology (Thailand) Co., Ltd. (APAQ Thailand) 4. Discussion Proposal on the Company's Provision of Endorsement and Guarantee for Subsidiary APAQ Technology (Thailand) Co., Ltd. (APAQ Thailand) 5. Discussion Proposal on Participation in the Initiation and Establishment of Phoenix VII Innovation & Venture Capital Co., Ltd. (Phoenix VII)			

(II) Other resolutions of the Board, which the independent director(s) voiced objection or reservation that are documented or issued through a written statement in addition to the above: None.

II. Recusal of Directors due to conflict of interests (the name of the Directors, the content of the proposals, reasons for recusal, and participation in voting shall be stated):

Director's Name	Agenda Item	Reason for Required Recusal Due to Conflict of Interest	Participation in Deliberation and Voting
Cheng Duen-Jen	Discussion proposal on the allocation of employees and number of shares for the issuance of restricted employee shares	As concurrently serving as an employee of the Company, and with a second-degree relative by blood serving as Special Assistant to the Management Division and Manager of the Information Department, the director is an interested party in this proposal	Proactively recused himself from the discussion and resolution regarding the allocation of shares to himself and his second-degree relatives by blood. After the chairperson solicited opinions from the directors present, the proposal was approved without objection. °
Lin Ching-Feng	Discussion proposal on the allocation of employees and number of shares for the issuance of restricted employee shares	As concurrently serving as an employee of the Company, and with a second-degree relative by blood serving as Special Assistant to the Management Division and Manager of the Information Department, the director is an interested party in this proposal	Proactively recused himself from the discussion and resolution regarding the allocation of shares to himself and his second-degree relatives by blood. After the chairperson solicited opinions from the directors present, the proposal was approved without objection. °
Cheng Duen-Jen	Discussion proposal on the distribution of directors' remuneration and managerial employees' bonuses for fiscal year 2024	As concurrently serving as an employee of the Company, the director is an interested party in this proposal	Proactively recused himself from the discussion and resolution concerning the portion of his own remuneration. After the chairperson solicited opinions from the directors present, the proposal was approved without objection.
Lin Ching-Feng	Discussion proposal on the distribution of directors' remuneration and managerial employees' bonuses for fiscal year 2024	As concurrently serving as an employee of the Company, the director is an interested party in this proposal	Proactively recused himself from the discussion and resolution concerning the portion of his own remuneration. After the chairperson solicited opinions from the directors present, the proposal was approved without objection.

III. The evaluation cycle, period, scope, method, and content of the Board of Directors' self-evaluation:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation contents
Executed once every year. (Performance evaluation conducted by external professional organizations every three years)	2025.1.1~2025.12.31	Entire Board of Directors	Self-evaluation by the directors and External Facility	Level of participation in company operations, the quality of board decision-making, the composition and structure of the board of directors, the selection and continuing education of directors, and internal control.
		Board members	Self-evaluation by the directors and External Facility	Mastery of company goals and mission, awareness of director duties, level of participation in company operations, management and communication of internal relationships, professional development and continuous education of directors, and internal control.
		Functional Committees	Self-evaluation by the members and External Facility	Level of participation in company operations, awareness of the responsibilities of functional committees, quality of decision-making by functional committees, composition and member selection of functional committees, and internal control.

IV. The goals of strengthening the functions of the Board of Directors in the current and recent years (such as establishing an audit committee and enhancing information transparency) and the evaluation of their implementation: With the objective of strengthening the Board of Directors' supervisory function and enhancing management effectiveness, the Company has established an Audit Committee and a Compensation Committee in accordance with the requirements of the competent authorities, and further established a Nomination Committee and a Sustainable Development Committee in 2025.

(II) Composition and Operation of the Audit Committee:

1. Information on Members of the Audit Committee

Position	Name	Major Experience	Professional Qualifications and Experience
Convener, Independent Director	Liu Jonq-Min	President, Industrial Technology Research Institute (ITRI)	Please refer to pages 7-10 for disclosure of directors' professional qualifications and experience.
Independent Director	Wu Yung-Tsai	General Manager, Inventec Corporation	
Independent Director	Zhu De-Xiang	Chairman, LOTES CO., LTD.	

2. Summary of the Audit Committee's Key Work Items for the Year

Evaluating the effectiveness of the internal control system; reviewing material capital loans, endorsements and guarantees, and asset transactions; reviewing the reasonableness of the remuneration of the CPA; evaluating the independence of the CPA; reviewing financial reports; and reviewing and assessing the internal control system and related policies and procedures.

3. A total of 4 meetings of the Audit Committee were held in the most recent year.

The attendance of independent directors as follows:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Percentage of Actual Attendance (Presence) in Person (%) (B/A)	Remarks
Independent Director	Liu Jonq-Min	4	0	100%	
Independent Director	Wu Yung-Tsai	4	0	100%	
Independent Director	Zhu De-Xiang	4	0	100%	

Other matters:

I. With regard to the implementation of the Audit Committee, if any of the following circumstances occurs, the dates and terms of the audit committee meeting, the contents of motions, the independent directors' objections, reservations or major proposals, all Audit Committee resolutions, and the Company's handling of such resolutions shall be specified.

(I) Items listed in Article 14-5 of the Securities and Exchange Act and the full content of all proposals.

Meeting date/session	Proposals	The independent directors' objections, reservations or major proposals, and the Audit Committee's resolutions	The Company's handling of Audit Committee' opinions
2025.02.26 The 7th Session of the 2nd Audit Committee	Items listed in Article 14-5 of the Securities and Exchange Act: 1. Discussion on the 2024 Business Report and financial statements. 2. Discussion on the Company's distribution of the retained earnings for 2024. 3. Discussion on the Company's system of internal control. 4. Discussion Proposal on Amendments to the Company's Internal Control System. 5. Discussion Proposal on Matters Related to the	Three independent directors had no objections, reservations or major proposals, and the resolution of the Audit Committee was passed.	The proposal was submitted to the Board of Directors for deliberation and was approved

	Issuance of Restricted Employee Shares. 6. Discussion Proposal on the Allocation of Restricted Employee Shares to Non-Manual Employees and the Number of Shares Granted. Other Matters: 7. Discussion Proposal on the Amendment to the Company's "General Principles and Methods for the Pre-Approval Policy of Non-Assurance Services."		with the consent of all directors present.
2025.05.07 The 8th Session of the 2nd Audit Committee	Items listed in Article 14-5 of the Securities and Exchange Act: 1. Discussion on the capital increase of APAQ Technology (Wuxi) Co., Ltd. (Apaq Wuxi). Other Matters: 2. Discussion Proposal on Q1 2025 Consolidated Financial Statements 3. Discussion Proposal on the Assessment of the Independence and Suitability of the Company's Certified Public Accountants.		
2025.08.06 The 9th Session of the 2nd Audit Committee	Items listed in Article 14-5 of the Securities and Exchange Act: 1. Discussion on capital lending to the subsidiaries APAQ Wuxi, APAQ Hubei and AiPAQ Technology. 2. Discussion on endorsement and guarantee for the subsidiaries APAQ Wuxi, APAQ Hubei and AiPAQ Technology. Other Matters: 3. Discussion Proposal on Q2 2025 Consolidated Financial Statements		
2025.11.05 The 10th Session of the 2nd Audit Committee	Items listed in Article 14-5 of the Securities and Exchange Act: 1. Discussion on remuneration of the CPAs for their services to the Company in 2025. 2. Discussion on amendment of the Company's system of internal control. 3. Discussion Proposal on Capital Loans to Subsidiary APAQ Technology (Thailand) Co., Ltd. (APAQ Thailand) 4. Discussion Proposal on the Company's Provision of Endorsements and Guarantees for Subsidiary APAQ Technology (Thailand) Co., Ltd. (APAQ Thailand) 5. Discussion Proposal on Participation in the Initiation and Establishment of Phoenix VII Innovation & Venture Capital Co., Ltd. (Phoenix VII) Other Matters: 6. Discussion Proposal on Q3 2025 Consolidated Financial Statements		
(II) Other matters not approved by the Audit Committee but approved by two-thirds or more of all directors: None. II. Regarding recusals of independent directors from voting due to conflicts of interest, the names of the independent directors, contents of motions, reasons for recusals, and results of voting shall be specified: None. III. Communication between the independent directors, chief internal auditor, and CPAs (including the key items, methods, and results of audit of finances and operations): 1. Independent directors of the Company may investigate the corporate business and financial status at any time, ask the Board of Directors or managers for reports, and even contact with accountants when necessary; heads of internal audit should submit audit report to independent directors regularly. 2. According to internal audit system and discussion rules of the Board of Directors of the Company, the audit head would report internal auditing business to directors and supervisors on Audit Committee meetings and Board meetings regularly. Also, when material violation or major			

damages to the Company appears, report shall be made and submitted immediately, and independent directors shall be notified.

3. The Company would discuss the internal auditing report and improvement situation of internal control deficiencies together with investigated institutions on the settlement meeting for improvement measures. Also, auditing reports and tracking reports that are submitted for approval quarterly would be regularly submitted to the independent directors for review.
4. The Independent Directors hold at least one regular meeting per year with the external auditor. CPA reports to the Independent Directors on the Company's financial condition, the financial status of its domestic and overseas subsidiaries, and overall operational performance. The parties engage in thorough discussions regarding whether there are any material adjusting entries or whether amendments to laws and regulations have any impact on accounting treatments. Meetings may be convened at any time should any material irregularities arise.
5. In addition to receiving monthly internal audit reports, the Independent Directors are regularly briefed by the head of internal audit at Audit Committee meetings. The head of internal audit reports on the execution and effectiveness of audit activities, ensuring full and effective communication. Open and effective communication channels are also maintained at all times through telephone and email communications.

Summary of Communications Between Independent Directors and the Internal Audit Officer:

Date	Communication Matters	Communication Result
2025.02.26	Internal Audit Implementation Results Report for the 4th Quarter of 2024	The Independent Directors raised no objections to the report on the results of the audit activities.
2025.05.07	Internal Audit Implementation Results Report for the 1st Quarter of 2025	The Independent Directors raised no objections to the report on the results of the audit activities.
2025.08.06	Internal Audit Implementation Results Report for the 2nd Quarter of 2025	The Independent Directors raised no objections to the report on the results of the audit activities.
2025.11.05	Internal Audit Implementation Results Report for the 3rd Quarter of 2025	The Independent Directors raised no objections to the report on the results of the audit activities.

Summary of Communications Between Independent Directors and the CPA

Date	Key Communications
2025.02.26	► The external auditor presented and explained the Company's financial statements for fiscal year 2024. ► The external auditor engaged in discussions and communications with the meeting participants, including the Independent Directors, regarding the questions raised. ► Updates on Significant Accounting Standards or Interpretations, Securities and Exchange Regulations, and Tax Laws and Regulations.

IV. Results of the Audit Committee Performance Evaluation for the Most Recent Year:

In accordance with the Board Performance Evaluation Policy established by the Company's Board of Directors, an external performance evaluation of the Audit Committee for fiscal year 2025 was conducted in early 2026. The evaluation methods included self-assessments by committee members and an assessment by an external professional institution. The evaluation covered level of participation in company operations, awareness of the responsibilities, quality of decision-making, composition and member selection, internal control. The results of the evaluation indicated that the Audit Committee demonstrated good overall performance. The performance evaluation results for fiscal year 2025 are scheduled to be reported to the Board of Directors on April 16, 2026, while the performance evaluation results for fiscal year 2024 were already reported to the Board of Directors on February 26, 2025.

**(III) Corporate Governance Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for
TWSE/TPEX Listed Companies and Reasons Thereof**

Evaluation item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
I. Does the Company establish and disclose its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	V		The Company has established Corporate Governance Best-Practice Principles which aims at protecting the shareholders' equities, enhancing functions of the Board of Directors, full implementation of the functions of the Audit Committee, respecting stakeholders' equities, and improving information transparency. Please refer to the Company's official website for the Corporate Governance Best-Practice Principles.	No material difference
II. Shareholding structure & shareholders' equities				
(I) Has the Company established internal operating procedures to deal with shareholders' suggestions, doubts, disputes and litigations, and does the Company implement the procedures in accordance with the procedure?	V		(I) The Company has formulated regulations on operation of shareholders' business committee, which is processed by professional agencies. At the same time, relevant matters are handled by dedicated personnel.	No material difference
(II) Does the Company possess a list of its major shareholders with controlling power as well as the ultimate owners of those major shareholders?	V		(II) The Company possesses a list of shareholdersto get on hand its major shareholders with substantial controlling power and the list of ultimate controllers.	No material difference
(III) Has the Company established, and does it execute, a risk management and firewall system within its affiliated companies?	V		(III) Reinvestment of the Company is processed according to Regulations on Related Party Transaction, Internal Control System, Internal Auditing System, Procedures on the Supervision and Management of Subsidiaries, and relevant regulations.	No material difference
(IV) Has the Company established internal rules against insiders using undisclosed information to trade with?	V		(IV) The Company has formulated Corporate Governance Best-Practice Principles, Regulations on Prevention from Insider Trading and advocated relevant matters to insider personnel.	No material difference
III. Composition and responsibilities of the Board of Directors				
(I) Has the Board of Directors formulated diversified policies and specific management objectives and implemented them?	V		(I) The Company has established a diversity policy within its Corporate Governance Best Practice Principles, which is disclosed on the Company's website. For details regarding the diversity policy, specific management targets, and implementation status, please refer to page 9 amd 10, 'Board Diversity and Independence Disclosure.' The members of the Company's	No material difference

Evaluation item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
(II) In addition to the legally-required Remuneration Committee and Audit Committee, has the Company voluntarily established other functional committees?	V		(II) The Company has set up a Remuneration Committee and an Audit Committee and additionally, established a Sustainability Development Committee and a Nomination Committee in November 2025..	No material difference
(III) Has the Company formulated the performance evaluation methods for the Board of Directors, conduct performance evaluations annually and regularly, and report the results of the performance evaluations to the Board of Directors, and use them as a reference for individual directors' remuneration and nomination and renewal?	V		(III) The Company has formulated the performance evaluation method of the Board of Directors, and regularly selects the evaluation method according to the evaluation method to conduct performance evaluation every year. Relevant methods can be found on the Company's website.	No material difference
(IV) Does the Company regularly implement assessments on the independence of CPA?	V		(IV) CPAs entrusted by the Company are not directors, supervisors, managers, employees or shareholders of the Company or its affiliates, who are confirmed as non-stakeholders, conforming to the regulation of independent judgement by authorities (please refer to Note 2 for Evaluation Table of CPAs' Independence). The Company conducts an annual evaluation of the independence and suitability of the auditors. After obtaining the independence statement issued by the auditors, the Board of Directors evaluates the auditors. The evaluation was completed at the Board meetings on May 7, 2025 and April 25, 2024 respectively.	No material difference
IV. Has the Company appointed competent and appropriate number of personnel responsible for corporate governance matters, and delegated the Company's corporate governance supervisors to be in charge of such matters (including but not limited to providing information for directors and supervisors to perform their functions, handling matters related to Board meetings and shareholders' meetings according	V		The Company has established an appropriate principal of corporate governance who has over three years of experience as financial managers in the public companies, pursuant to the Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers, to protect shareholder interests and strengthen the functions of the Board of Directors. The main responsibilities of the corporate governance supervisor are to handle matters related to the Board of Directors and shareholders' meeting according to	No material difference

Evaluation item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
to the law, handling company registration and changes to company registration, and producing minutes of the Board meetings and shareholders' meetings)?			law, make minutes of the Board meetings and shareholders' meeting, assist directors and supervisors in taking up their posts and continuing education, provide data necessary for directors and supervisors to carry out their business, and assist directors and supervisors in complying with laws and regulations. Business operations in 2025 are as follows: 1. Providing the necessary data for each director to perform his/her duties. 2. Providing the latest legal developments related to each director's operation of the Company to assist directors in complying with the laws and regulations. 3. Developing and planning an appropriate corporate system and organizational structure to promote Board independence, corporate transparency and compliance with laws and regulations. 4. Consulting opinions of all directors before the board meeting to plan and draw up the agenda, and notifying all directors at least 7 days in priority to attend the meeting and providing sufficient meeting data to facilitate the directors to understand the contents of relevant proposals. The minutes of the Board meetings were completed within 20 days after the meeting. 5. Registering dates for shareholders' meetings every year in accordance with the deadline prescribed in regulations; producing and filing meeting notices, proceedings manual, and meeting minutes within the statutory period. 6. Improving the information related to corporate governance according to the evaluation guidelines of the corporate governance evaluation system. The principal of corporate governance of the Company has studied 12 hours in 2025, which is consistent with the training hours stipulated by law.	
V. Has the Company established a communication channel with stakeholders (including but not limited to shareholders, employees, customers, and suppliers)? Has a stakeholders' section been established on the Company's website? Are major Corporate Social Responsibility (CSR) topics that the stakeholders are concerned with addressed appropriately by the Company?	V		The Company has established a special section for related parties on the Company's website, and all related parties can communicate with each other through the channels disclosed on the website when necessary.	No material difference

Evaluation item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
VI. Has the Company appointed a professional shareholder service agency to deal with shareholder affairs?	V		The agency of the Company's stock affairs is Stock Affairs Department, Grand Fortune Securities Co., Ltd.	No material difference
VII. Information disclosure				
(I) Has the Company established a website to disclose information on financial operations and corporate governance?	V		(I) The Company has established a website to disclose information on financial operations and corporate governance.	No material difference
(II) Does the Company have other information disclosure channels (e.g., setting up an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, and webcasting investor conferences)?	V		(II) 1. The Company has established a spokesperson system in accordance with regulations. Spokesmen and acting spokesmen are fully responsible for external communication and establish internal major information processing procedures. 2. The content of the Company website includes information such as products, company profiles, company's financial business, corporate governance, corporate social responsibility, and law-speaking meeting, etc. It also has an English website and has special personnel to update relevant data on a regular basis.	No material difference
(III) Does the Company publish and report its annual financial statements within two months after the end of a fiscal year, and publish and report its financial statements for the first, second and third quarters as well as its operating status for each month before the specified deadline?		V	(III) The Company announced its quarterly financial reports and monthly operating status for 2025 ahead of the stipulated deadlines, enabling investors to access comprehensive information promptly. However, the financial statements for fiscal year 2025 were not publicly announced and filed within two months after the end of the fiscal year.	The annual financial statements were announced ahead of the prescribed deadline on March 13, 2026. Going forward, the Company will assess its operational timetable with the aim of announcing and filing the annual financial statements within two months after the end of each fiscal year.
VIII. Is there any other important information to facilitate a better understanding of the Company's corporate	V		(I) The situation of employee rights and employee care: The Company has established work rules that comply with relevant labor laws and publicly	No material difference

Evaluation item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, stakeholder rights, directors' and supervisors' training records, implementation of risk management policies and risk evaluation measures, implementation of customer policies, and participation in liability insurance by directors and supervisors)?			discloses them. At the same time, an internal website is set up for company information dissemination, communication of colleagues' opinions, and enhancing employee loyalty and cohesion to the organization. In addition, the Company has established a welfare committee, which is responsible for all staff welfare matters. (II) Investor relations, supplier relations, stakeholder rights: Based on the concept of coexistence and common prosperity, the Company has maintained a long-term and good interactive and cooperative relationship with investors, suppliers and various stakeholders, and has provided effective communication channels and information transmission to maintain long-term cooperation and economic operation mode as its development direction. (III) The situation of director's further education: detailed as in note 3. (IV) Execution of Risk Management Policies and Risk Measurement Standards: The Company has established various risk management policies and conducted various risk management and assessment in accordance with regulations. (V) Implementation of Customer Policies: The Company maintains a stable and good relationship with its customers in order to make profits. (VI) The Company's situation regarding the purchase of directors' liability insurance: The company purchases directors' liability insurance for its directors every year, with an insurance amount of US\$5 million.	
IX. Describe improvements made according to the corporate governance assessment in the latest fiscal year by the Corporate Governance Center of the Taiwan Stock Exchange Corporation (TWSE), and provide priority improvements and measures to be taken for improvements that have yet to be carried out. The Company filed its Sustainability Report in August 2025. The Company will strengthen the disclosure of relevant information on the Company's website and Sustainability Report to comply with the regulations of corporate governance. For other matters that the Company has not improved, the Company will seek to gradually improve and implement them based on the planning of the Company.				

Note 1: Regardless of whether the operations column was filled in yes or no, the Company shall state an appropriate explanation in the summary column.

Note 2:

Evaluation items for CPA independence	Evaluation results	Meet independence criteria
Not a person who holds regular jobs at APAQ Technology Co., Ltd. and its subsidiaries, receives fixed salary, or serves as a director or supervisor.	Yes	Yes
Not having served as a director, supervisor, executive, or employee with significant influence on certification cases of APAQ Technology Co., Ltd. and its subsidiaries, and not having left the position for less than two years.	Yes	Yes
Not a principal or manager of APAQ Technology Co., Ltd. and its subsidiaries who are spouse, lineal relative, lineal affinity, or collateral consanguinity within the second degree of kinship thereof.	Yes	Yes
The person or his/her spouse, minor children have no relationship of investment or sharing financial interests with APAQ Technology Co., Ltd. and its subsidiaries.	Yes	Yes
The person or his/her spouse, minor children have no capital loan with APAQ Technology Co., Ltd. and its subsidiaries.	Yes	Yes
Executive management consulting or other certification businesses do not affect independence.	Yes	Yes
Complying with the competent authority's regulations governing the rotation of accountants, conducting accounting affairs on behalf of other parties, or any other regulations that may affect the independence.	Yes	Yes

Note 3: Continuing education of Directors and Supervisors:

Title	Name	Organizer	Course title	Hours of courses
Chairman	Cheng, Duen-Jen	R.O.C. Securities and Futures Institute	AI Development and Information Security Risks	2
		R.O.C. Securities and Futures Institute	Fraud Scheme Analysis and AML Regulatory Case Studies (Including Insider Trading Awareness)	2
		R.O.C. Securities and Futures Institute	Ethical Business Practices, Employee Fraud Prevention, and Whistleblowing Mechanisms (Including Gender Equality)	2
Director	Hsu, Hsien-Yueh	Taiwan Corporate Governance Association	Trump 2.0: Corporate Risk Response Strategies for Global Tax Reform and Supply Chain Restructuring	3
		Taiwan Corporate Governance Association	U.S. Trade and Economic Policies and the Implications of Stablecoins	3
Director	Lin, Ching-Feng	Accounting Research and Development Foundation	Key Internal Control and Internal Audit Considerations for Sustainability Information Management: Practical Case Studies	6
Director	Hsieh, Ming-Yen	R.O.C. Securities and Futures Institute	Strategic Transformation Required After Corporate Listing	3
		R.O.C. Securities and Futures Institute	Managing Diversified External Impacts to Create Positive Corporate Value	3
Independent Director	Liu, Jonq-Min	R.O.C. Securities and Futures Institute	Sustainability Strategies Based on Core Capabilities: How Companies Build Long-Term Resilience and Competitive Advantage Through ESG	3
		R.O.C. Securities and Futures Institute	Corporate Governance and Securities Regulations	3
Independent Director	Wu, Yung-Tsai	Taiwan Corporate Governance Association	The Role of the Board of Directors in Shaping Corporate Strategy Amid Global Environmental Transformation	6
Independent Director	Zhu, De-Xiang	Taiwan Corporate Governance Association	Key Technologies and Business Opportunities Driving SpaceX and Starlink's Global Leadership	3
		Taiwan Corporate Governance Association	Trends and Challenges in System-in-Package (SiP) Technologies	3

(IV) When the Company has a compensation committee, its composition and implementation status shall be disclosed:

1. Information on members of the Remuneration Committee

Identity	Qualifications	Professional Qualification and Experience	Independence Criteria	Number of other public companies where the individual concurrently serves as remuneration committee member
	Name			
Convener, Independent Director	Liu Jonq-Min	President of the Industrial Technology Research Institute (ITRI)	Served as Independence Directors, which satisfies the criteria of independence. Please refer to pages 7-10 for disclosure of director's professional qualifications, experience, and independence.	3
Independent Director	Wu Yung-Tsai	General Manager of Inventec Corporation		1
Independent Director	Zhu De-Xiang	Chairman of LOTES CO., LTD.		0

2. Summary of the Remuneration Committee's Key Work Items for the Year:

Evaluating the extent to which directors' and senior managers' performance objectives have been achieved and determining the content and amounts of their remuneration.

3. Operation of the Remuneration Committee

- (1) The Company's Remuneration Committee composes of 3 members.
 - (2) The term of office for this committee is from June 12, 2023 to June 11, 2026.
- The Remuneration Committee met twice (A) in the most recent fiscal year.

The attendance and resolutions are as follows:

Title	Name	Actual Attendance in Person (B)	Attendance by Proxy	Percentage of Actual Attendance (Presence) in Person (%) (B/A)	Remarks
Convener	Liu, Jonq-Min	2	0	100%	
Committee Member	Wu, Yung-Tsai	2	0	100%	
Committee Member	Zhu, De-Xiang	2	0	100%	

Contents of Agenda Items of the Remuneration Committee Meetings:

Date	Proposals	Resolution	Company's Handling of the Remuneration Committee's Opinions
2025.02.26	1. Discussion on the appropriation of employee compensation and directors' remuneration for fiscal year 2024. 2. Discussion on the issuance of restricted employee vested shares to managerial personnel and the number of shares to be granted.	The three members raised no objections, expressed no reservations, and made no material recommendations. The proposal was approved by the Remuneration Committee.	Submitted to the Board of Directors for deliberation and approved unanimously by all directors present.
2025.05.07	Discussion on the distribution of directors' remuneration and managerial employee compensation for fiscal year 2024.		

Other matters:

- I. If the Board of Directors refuses to adopt or amend a recommendation of the Remuneration Committee, the date of the meeting, session, content of the motion, resolution by the Board of Directors, and the Company's response to the Remuneration Committee's opinion (e.g., if the remuneration passed by the Board of Directors exceeds the recommendation of the Remuneration Committee, the circumstances and cause for the difference shall be specified) shall be specified: 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. Results of the Remuneration Committee Performance Evaluation for the Most Recent Year:
In accordance with the Board Performance Evaluation Policy established by the Company's Board of Directors, an external performance evaluation of the Remuneration Committee for fiscal year 2025 was conducted in early 2026. The evaluation methods included self-assessments by committee members and an evaluation by an external professional institution. The evaluation covered level of participation ,awareness of the responsibilities, quality of decision-making , composition and member selection, internal control. The results of the evaluation indicated that the Remuneration Committee demonstrated good overall performance. The performance evaluation results for fiscal year 2025 are scheduled to be reported to the Board of Directors on April 16, 2026, while the performance evaluation results for fiscal year 2024 were already reported to the Board of Directors on February 26, 2025.

(V) When the Company has a Nomination Committee, its composition, duties, and implementation status shall be disclosed:

(1) Qualifications and Responsibilities of Nomination Committee Members

The Company established the Nomination Committee in November 2025. The Committee is composed of five directors, including three Independent Directors, and is convened and chaired by Independent Director Mr. Liu, Jonq-Min.

The responsibilities of the Nomination Committee are, under the authorization of the Board of Directors and with the duty of care of a prudent administrator, to faithfully perform the following functions and submit its recommendations to the Board of Directors for deliberation:

1. To establish standards for the professional knowledge, skills, experience, diversity of background (including gender), and independence required of members of the Board of Directors and senior executives, and to identify, review, and nominate candidates for directors and senior executives accordingly.
2. To establish and develop the organizational structure of the Board of Directors and its committees; conduct performance evaluations of the Board, its committees, individual directors, and senior executives; and assess the independence of independent directors.
3. To formulate and periodically review directors' continuing education plans, as well as succession plans for directors and senior executives.

(2) Professional Qualifications and Experience of Nomination Committee Members

Identity	Qualifications	Professional Qualification and Experience
	Name	
Convener, Conference Chair, Independent Director	Liu Jonq-Min	President of the Industrial Technology Research Institute (ITRI)
Independent Director	Wu Yung-Tsai	General Manager of Inventec Corporation
Independent Director	Zhu De-Xiang	Chairman of LOTES CO., LTD.
Director	Cheng Duen-Jen	Principal Researcher, Materials and Chemical Research Laboratories, Industrial Technology Research Institute (ITRI); Senior R&D Manager, CYNTEC CO., LTD.
Director	Hsieh Ming-Yen	Chairman, TAI-TECH ADVANCED ELECTRONICS CO., LTD.

(3) Information on the Operations of the Nomination Committee

- A. The Nomination Committee of the Company is composed of three members.
- B. Term of the current committee members: From November 5, 2025 to June 11, 2026.
- C. The Nomination Committee was established in November 2025. As of the publication deadline of the annual report for fiscal year 2025, no meetings of the Committee had been conducted.

(VI) Implementation Status of Sustainable Development and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof

Promoted projects	Status of execution			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
I. Does the Company establish a governance framework for sustainable development and set up an exclusively (or concurrently) dedicated unit to implement sustainable development and have management appointed by the Board of Directors to be in charge of corporate social responsibility and to report the implementation status to the Board of Directors? 1. Describe the Company's governance structure to promote sustainable development. 2. Describe the implementation of each organization of the Company, including but not limited to: (1) The name, the setting time and the board authorization of the full-time (part-time) units to promote sustainable development. (2) Composition of the staff members of the unit promoting sustainability, the state of its operation, and the status of implementation in the current year (e.g., its work plan and the tasks it is charged with). (3) The frequency of reporting to the Board of Directors by the promotion unit (at least once a year) or the date of reporting to the Board of Directors in the current year. 3. Describe the Board of Directors' oversight of sustainable development, including but not limited to formulating management guidelines and concrete promotional plans	V		The Company has formulated a Corporate Social Responsibility Best Practice Principles, and has assigned the Finance Department as the part-time division for promoting corporate social responsibility, and cooperated with the heads of various departments to promote the Company's sustainable development plan. In response to the environmental, social and corporate governance aspects covered by sustainable development, the responsible department collects stakeholders' concerns on environmental protection, occupational safety, supply chain management, labor rights, operational performance, and corporate governance, respects stakeholders' rights and interests, and sets up a special area for stakeholders on the Company's website. The Company reports its stakeholder communication to the Board of Directors once a year. The Board of Directors supervises and evaluates the likelihood of success of these strategies according to the Company's report. The Company must also regularly review the progress of the strategy and urge the management team to make adjustments when necessary. The 2024 Sustainability Report was completed in 2025 and approved by the Board of Directors on August 6, 2025. The Company's Board of Directors approved the establishment of the Sustainable Development Committee on November 5, 2025.	No material difference

Promoted projects	Status of execution			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof									
	Yes	No	Description										
II. Does the Company conduct risk assessments on environmental, social, and corporate governance issues related to the Company’s operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies? 1. Describe the boundary of the risk assessment (scope of subsidiaries covered). In addition, the risk assessment boundary in this item should be the same as the boundary of subsequent environmental and social issues in this table. If there is any difference, the boundary should be described in each issue. 2. Describe the risk assessment standards, processes, results and risk management policies or strategies for identifying major issues related to the environment, society and corporate governance.	V		This disclosure covers the performance of the period from January 2025 to December 2025. The risk assessment boundary is mainly based on the Company, and the subsidiaries are also included in the scope. Based on the principle of materiality of corporate social responsibility, the Company conducted relevant risk assessments on material issues. It also formulated relevant risk management policies or strategies pursuant to the risks assessed, as follows: <table><tr><th>Material Issue</th><th>Assessment item</th><th>Policy or strategy</th></tr><tr><td>Corporate Governance</td><td>Socioeconomic status and legal compliance</td><td>We ensure all the personnel and their operation in line with the relevant laws and regulations by establishing and implementing the mechanism of corporate governance and internal control system.</td></tr><tr><td>Corporate Governance</td><td>Stakeholder Communication</td><td>1. To avoid misunderstandings and potential operational or legal risks arising from conflicting interests between stakeholders and the merged company, the merged company will conduct an annual analysis of key stakeholders and the material issues of concern to them. 2. Establish multiple communication channels, encourage active interaction, and avoid confrontation and misunderstanding. Set up an investor mailbox, which is handled and responded to by the spokesperson.</td></tr></table>	Material Issue	Assessment item	Policy or strategy	Corporate Governance	Socioeconomic status and legal compliance	We ensure all the personnel and their operation in line with the relevant laws and regulations by establishing and implementing the mechanism of corporate governance and internal control system.	Corporate Governance	Stakeholder Communication	1. To avoid misunderstandings and potential operational or legal risks arising from conflicting interests between stakeholders and the merged company, the merged company will conduct an annual analysis of key stakeholders and the material issues of concern to them. 2. Establish multiple communication channels, encourage active interaction, and avoid confrontation and misunderstanding. Set up an investor mailbox, which is handled and responded to by the spokesperson.	No material difference
Material Issue	Assessment item	Policy or strategy											
Corporate Governance	Socioeconomic status and legal compliance	We ensure all the personnel and their operation in line with the relevant laws and regulations by establishing and implementing the mechanism of corporate governance and internal control system.											
Corporate Governance	Stakeholder Communication	1. To avoid misunderstandings and potential operational or legal risks arising from conflicting interests between stakeholders and the merged company, the merged company will conduct an annual analysis of key stakeholders and the material issues of concern to them. 2. Establish multiple communication channels, encourage active interaction, and avoid confrontation and misunderstanding. Set up an investor mailbox, which is handled and responded to by the spokesperson.											

Promoted projects	Status of execution			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
III. Environmental Issues (I) Does the Company establish a suitable environmental management system based on its industrial characteristics? 1. Describe how to implement an effective environmental management system and the regulations on which it is based. 2. Describe the relevant international verification standards passed by the Company (which should be valid as of the date of publication of the annual report) and the scope they cover.	V	V	(I) Taking into account industry characteristics and the Company's operational needs, the Company has established a comprehensive environmental management system and has obtained ISO 14001 certification (valid through November 15, 2028) and QC 080000 certification (valid through March 29, 2028).	No material difference
(II) Is the Company committed to improving the efficiency of utilizing energy and using recycled materials with low impacts on the environment? Describe the Company's policies to improve energy efficiency and use renewable materials, including but not limited to base year data, promotion measures, targets and achievements.	V		(II) The Company actively promotes various energy reduction measures, selects equipment with high energy efficiency and energy-saving design, and reduces energy consumption of enterprises and products to optimize energy use efficiency. The raw materials used by the Company comply with EU RoHS, REACH and halogen-free specifications, and the Company has set up a cleaner production working group to reduce pollution in the manufacturing process and reduce the impact on the environment. In green manufacturing, the Company reduces unnecessary waste of resources, seeks the waste reduction and reuse technology development; In the upstream and downstream of the value chain, it makes joint efforts to recycle and share packaging materials; In addition, in terms of products, it makes efforts to test the use of recycled materials with low impact on environmental load, so as to maximize the circular economic benefits.	No material difference

Promoted projects	Status of execution			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof									
	Yes	No	Description										
(III) Has the Company assessed the present and future potential risks and opportunities of climate change for the entity, and taken measures to respond to related issues? Describe how the Company assessed the present and future potential risks and opportunities of climate change for the entity, the assessment results, and the related measures taken.	V		(III) The Company has assessed the impact of climate change, and the evaluation results and response measures are as follows: <table><tr><th>Risk category</th><th>Risk factor</th><th>Countermeasures</th></tr><tr><td>Energy risk</td><td> - Government energy policy - Unstable water and electricity supply </td><td> - When replacing related equipment, cooperate with government subsidy to reduce the overall cost, and reduce energy consumption and demand. - Promote energy conservation and carbon reduction, and reduce water and electricity consumption. </td></tr><tr><td>Climate risk</td><td> - Total greenhouse gas control </td><td>Participate in external carbon emission calculation and evaluation course as the initial plan for countermeasures to reduce carbon emissions in the future.</td></tr></table>	Risk category	Risk factor	Countermeasures	Energy risk	- Government energy policy - Unstable water and electricity supply	- When replacing related equipment, cooperate with government subsidy to reduce the overall cost, and reduce energy consumption and demand. - Promote energy conservation and carbon reduction, and reduce water and electricity consumption.	Climate risk	Total greenhouse gas control	Participate in external carbon emission calculation and evaluation course as the initial plan for countermeasures to reduce carbon emissions in the future.	No material difference
Risk category	Risk factor	Countermeasures											
Energy risk	- Government energy policy - Unstable water and electricity supply	- When replacing related equipment, cooperate with government subsidy to reduce the overall cost, and reduce energy consumption and demand. - Promote energy conservation and carbon reduction, and reduce water and electricity consumption.											
Climate risk	Total greenhouse gas control	Participate in external carbon emission calculation and evaluation course as the initial plan for countermeasures to reduce carbon emissions in the future.											
(IV) Has the Company calculated its GHG emissions, water consumption and total waste weight in the past two years, and formulated policies for energy conservation, reductions of carbon, GHG and water consumption, or other waste management? 1. State the statistical data, intensity (e.g., per unit of product, service, or turnover) and scope of coverage (e.g., all factories and subsidiaries) for the following items in the last two years: (1) Greenhouse gases: including carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, nitrogen trifluoride and others announced by the competent central authorities, distinguishing between direct emissions (domain 1, i.e., emissions directly from sources owned or controlled by the Company), emissions from indirect energy choices (domain 2, i.e., indirect	V		(IV) For the Company’s greenhouse gas inventory results, assurance status, and reduction policies, please refer to Section III, Corporate Governance Operations, item (VII) Climate-Related Information of Listed and OTC Companies. According to the self-examination results, the main production places, the water consumption and waste weight of the Company in the past two years are as follows: <table><tr><th>Year</th><th>2024</th><th>2025</th></tr><tr><td>Water consumption</td><td>28,446 thousand tons</td><td>26.16 thousand tons</td></tr><tr><td>Total weight of waste</td><td>488.73 tons</td><td>475.76 tons</td></tr></table>	Year	2024	2025	Water consumption	28,446 thousand tons	26.16 thousand tons	Total weight of waste	488.73 tons	475.76 tons	No material difference
Year	2024	2025											
Water consumption	28,446 thousand tons	26.16 thousand tons											
Total weight of waste	488.73 tons	475.76 tons											

Promoted projects	Status of execution			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
greenhouse gas emissions from electricity, heat, or steam) and other indirect emissions (domain 3, i.e., emissions from company activities that are not indirect energy emissions, but originate from sources owned or controlled by other companies); (2) Water consumption; (3) Waste: The total weight of hazardous waste and non-hazardous waste. In the case of non-manufacturing industry, distinguishing is not required, only the total weight of wastes needs to be disclosed, and the statistical method should be explained according to the characteristics of the industry. 2. Describe the policies for greenhouse gas reduction, water use reduction or other waste management, including but not limited to base year data, reduction targets, promotion measures and achievements. 3. Describe the verification status of information (which should be valid as of the date of publication of the annual report) and its coverage.	V V V V			
IV. Social Issues (I) Has the Company formulated management policies and procedures following relevant regulations and international human rights treaties? Describe the policies and specific management plans for the protection of human rights (such as human rights assessment, human rights risk mitigation measures, relevant education and training, etc.), and the relevant laws and regulations and	V		(I) 1. In order to abide by the labor human rights and to achieve full management, the Company observes the International Human Rights Law, the International Covenants of Human Rights and the local laws and regulations of the region where it is located, and is governed by the Occupational Safety and Health Law of Taiwan and the Labor Health Protection Rules. Treating and respecting current colleagues with dignity. The Company's Human Rights Management Policy	No material difference

Promoted projects	Status of execution			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
international human rights conventions on which they are based.			applies to all managerial personnel and employees (i.e., individuals employed by the Company to perform work in exchange for salary or other remuneration), and is committed to eliminating all forms of human rights violations. - The Company is committed to ensuring that the working environment of the supply chain is safe, the employees are respected and dignified, and the operation promotes environmental protection and observes ethics. To fulfill this commitment, our important subsidiary, the direction of RBA (Responsible Business Alliance), is moving forward and establishing systematic documentation. - To mitigate human rights risks, the Company actively undertakes specific improvement plans to create a quality working environment. In order to prevent human factors, overwork, maternity, and violence, we focus on prevention and promotion, providing relevant courses to mitigate human rights risks. - Specific practices of human rights protection: - Adopt “Zero Accidents” as its management objective and is committed to providing a safe and healthy working environment for all employees. - Prevent workplace violence, make a written statement in advance, and provide a complaint line. - Conduct risk assessment to avoid potential illegal infringement risks. - Doctors and nurses are stationed on site every month for colleagues' consultation, and the second complaint management is established. - Risk statistical assessment, aggregation and adjustment are conducted annually.	

Promoted projects	Status of execution			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
(II) Does the Company formulate and implement reasonable employee benefits measures (including compensation, days-off, and other benefits, etc.), and appropriately link the operating performance or results to employee compensation? 1. The employee welfare measures that should be described include but are not limited to employee salary/compensation, workplace diversity and equality (including but not limited to the proportion of female employees and senior managers), leave, allowances, gift money, and subsidies, etc. 2. Describe the policies regarding how business performance or results are reflected in employee compensation and their implementation.	V		Human rights management initiatives are systematically and effectively implemented by the Administrative Department, with regular reviews of the implementation of human rights practices. (II). 1. The Company has formulated employee working rules and relevant personnel management rules, which cover the basic salary, working hours, vacations, pension benefits, labor and health insurance benefits, occupational disaster compensation, etc. for the employees employed by the company, which all conform to relevant provisions of the labor standards law. A staff welfare committee has been established and operates through representatives elected by employees to administer various employee welfare matters. Employee Welfare Programs: In addition to Labor Insurance and National Health Insurance, employees are also entitled to free group insurance, overseas business travel accident insurance, year-end bonuses, and other benefits. The Company further provides free health examinations to employees on an annual basis. Employee Retirement System and Implementation: To ensure that employees can work with peace of mind during their employment and maintain financial security after retirement, the Company's employee retirement system is implemented in accordance with the Labor Pension Act and relevant regulations. All domestic employees of the Company are covered under the new labor pension system, under which the Company contributes 6% of each employee's monthly salary to an individual pension account maintained by the Bureau of Labor Insurance. Any voluntary additional contributions made by employees are also deposited into the same individual pension account.	No material difference

Promoted projects	Status of execution			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
(III) Does the Company provide a healthy and safe work environment, and does it organize health and safety training for its employees on a regular basis? 1. Describe the measures for employees' safe and healthy work environment, the employee education policy and their implementation. 2. Describe the relevant verifications obtained by the Company (which should be valid as of the date of publication of the annual report) and its coverage. 3. Describe the number of occupational accidents, the number of employees involved and the ratio to the total number of	V		2. According to the Company's Articles of Incorporation, if the Company generates profits in a given year, no less than 8% of such profits shall be appropriated as employee compensation. Of this amount, no less than 10% shall be allocated as compensation to be distributed to grassroots employees. The Board of Directors shall resolve whether such compensation is to be distributed in the form of shares or cash. Eligible recipients include employees of subsidiaries who meet certain qualifying criteria. The Company's remuneration policy is based on personal ability, contribution to the Company and performance, which is positively correlated to operating performance. (III) To provide employees with a safe and healthy working environment, the Company is equipped with fire protection facilities, emergency exits, and 24-hour security services to safeguard workplace safety. In addition, fire drills and employee health examinations are conducted on a regular basis (at least once a year) to further ensure the safety and well-being of employees. The Company has implemented the content of the Occupational Safety and Health Protection Regulations in Taiwan, establishing a comprehensive system for preventing hazards related to human factors, overwork, maternity, and violence. Medical professionals are hired to conduct regular interviews to ensure the safety and health of employees in the workplace, preventing them from being subjected to	No material difference

Promoted projects	Status of execution			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
employees in the current year, and the related improvement measures. 4. Describe the number of fire incidents during the year, the number of casualties (fatalities and injuries) and the ratio of casualties to the total number of employees, as well as the relevant improvement measures implemented in response to fire incidents.	V		unlawful harm while performing their duties. As a result, the Company achieved a zero occupational and zero fire accident rate in the 2025 fiscal year. In the 2025 fiscal year, a total of 103 questionnaires were completed for the Occupational Safety and Health Protection Regulations under the Labor Standards Act. The medical staff conducted the implementation 48 times, with a total of 124 participants. Our subsidiary has obtained ISO 45001 certification. (Certification Validity Period: May 9, 2023 to April 28, 2026).	No material difference
(IV) Has the Company established effective career development and training plans for its employees? Describe the aspects (such as newcomer training, ongoing professional training, manager training, etc.) and scope (such as: managers at all levels, colleagues, etc.) of the training programs and the status of their implementation.	V		(IV) The Company plans complete functional training for supervisors and colleagues at all levels, including newcomer training, professional advanced training and executive training, etc., to help colleagues continue to learn and grow through diversified learning methods and cultivate their key abilities. The total number of career training hours in 2025 was 15,475.5 hours.	

Promoted projects	Status of execution			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
(V) Has the Company complied with relevant laws and regulations and international standards for its products and services respecting customer health and safety, customer privacy, marketing, and labeling, and formulated relevant consumer protection policies and grievance procedures? Describe the regulations and international standards that each matter follows, and explain the name, content and complaint procedures of the policy to protect the rights and interests of consumers or customers.	V		(V) The Company has formulated Procedures of Customer Service Control and Quality Policies and Quality Goals to ensure that products and services satisfy customer requirements.	No material difference
(VI) Does the Company formulate a supplier management policy that requires suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights? And, how well are those policies implemented? 1. Describe the supplier management policy and relevant regulations to be followed, and their contents should have positive and specific requirements for suppliers in environmental protection, occupational safety and health or labor rights (e.g.: relevant verification should be passed). 2. Describe the implementation of supplier management policies and relevant regulations (e.g.: the implementation of supplier self-assessment, coaching or education, performance evaluation, etc.).	V		(VI) The Company has formulated a Supplier Control Procedure to enable suppliers to continuously and timely provide products that meet the Company's quality/environmental protection requirements and HSF requirements for hazardous substance exemption, including products that are produced by suppliers under requirements of social responsibility. New suppliers and significant suppliers were evaluated every year pursuant to the Measures for Evaluation and Management of Suppliers.	No material difference

Promoted projects	Status of execution			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
V. Does the Company refer to internationally-used standards or guidelines for the preparation of reports such as sustainability reports to disclose non-financial information? Are the reports certified or assured by a third-party accreditation body? 1. Describe the international preparation standards or guidelines referenced and the report prepared that discloses non-financial information. 2. For the reports that have obtained certification or assurance, describe the name of the certification or assurance verifier, the verification items or scope, and the standards they follow.	V	V	The statistical data disclosed in the Company's Sustainability Report for fiscal year 2024 are derived from the Company's own data compilation and surveys. The report is prepared in accordance with internationally recognized indicators, namely the Sustainability Reporting Standards (GRI Standards) issued by the Global Reporting Initiative (GRI), as well as Taiwan's Regulations Governing the Preparation and Filing of Sustainability Reports by Listed Companies. KPMG Taiwan issued a limited assurance report on specific assurance subject matter information in accordance with Assurance Standards No. 3000 issued by the Accounting Research and Development Foundation of the Republic of China, covering specific assurance subjects, including total energy consumption, the proportion of local residents employed in senior management positions, and the percentages of male and female members of governance bodies and employees. The sustainability report for fiscal year 2025 is expected to be completed in August 2026..	No material difference.
VI. If a company has its own sustainability guidelines in accordance with the 'Practical Guidelines for Sustainable Development of Listed and OTC Companies,' please describe the differences between its operation and the established guidelines. Our company has established the 'Code of Corporate Social Responsibility' and has been implementing it in accordance with its provisions, with no significant differences.				
VII. Other important information for understanding the implementation of sustainable development: 1. Promotion of Workplace Diversity and Gender Equality Policy: The Company has long been concerned about creating a friendly workplace environment for employees. As of 2025, female employees accounted for 48% of the total workforce, and the proportion of women in management positions was 42%. In terms of policies, the Company has established internal regulations such as the 'Employee Handbook,' 'Work Rules,' 'Prevention and Control Measures for Workplace Sexual Harassment,' 'Employment Procedures,' and 'Employee Accommodation Subsidy Procedures.' These regulations clearly declare the protection of employee rights in terms of age, working hours, attendance, and gender, ensuring that colleagues receive proper care. Regular on-site visits by the Company nurse are arranged once a week to provide employee consultations. Our Company is committed to creating a gender-friendly work environment, providing a diverse and inclusive workplace where women can fully utilize their strengths.				

2. Intellectual Property Plan:

Intellectual Property (IP) Management Policy

To enhance patent R&D capabilities and strengthen patent portfolio deployment, thereby increasing the Company's product value and profitability while reducing the risk of intellectual property infringement.

Intellectual Property Management Objectives

- a. IP Management Objective for FY 2025: Apply for at least 7 patents.
- b. IP Management Objective for FY 2026: Apply for at least 7 patents.

Implementation Methods

- Patents are managed through stages including research and development, patent proposal, patent review and approval, promotion and utilization, and benefit evaluation. Incentive bonuses are awarded to patent proposers, and patent proposals are incorporated into employee performance evaluations to encourage active patent innovation.
- Professional patent law firms are engaged to assist in reviewing and preparing patent application documents in order to improve patent approval success rates.
- Patent portfolio deployment is coordinated with technology R&D projects. During the R&D process, patent searches related to relevant technologies are commissioned to patent law firms to reduce the Company's risk of intellectual property infringement.

Implementation Status

- (1) Since 2026, the Company has actively promoted its Intellectual Property Management Plan. Major implementation highlights in recent years include:
 - In 2016, the Company established a Patent Incentive Program to encourage employees to engage in work-related inventions and creative works.
 - In 2020, the Company enhanced its Intellectual Property Management Plan and formulated the Intellectual Property Rights Management Regulations.
- (2) Implementation status for 2024 and 2025 is as follows:

Fiscal Year	2024		2025	
	Target	Actual	Target	Actual
Total number of patent applications	6	12	7	8
Total number of patents granted		5		5

- (3) Intellectual Property Portfolio and Achievements as of December 31, 2025:

As of December 31, 2025, the number of valid patents is as follows: 70 invention patents and 8 utility model patents, totaling 78 patents.
- (4) The Company reports the implementation status of its intellectual property management plan to the Board of Directors on an annual basis. The execution status for 2025 was reported to the Board of Directors on March 4, 2026.

(VII) Climate-related Information of Listed and OTC Companies

Item	Status of execution
1. Describe the Board's and management's supervision and governance of climate-related risks and opportunities.	The Company has assigned the Finance Department as the part-time division for promoting corporate social responsibility, and cooperated with the heads of various departments to promote the Company's sustainable development plan. The climate-related risks and opportunities are expected to be reported to the Board annually.
2. Describe how the identified climate risks and opportunities affect the business, strategy and finances of the organization (in the short, medium and long term).	As of the publication date of the Annual Report, the Company has not yet completed the identification of climate risks and opportunities, so it is not applicable.
3. Describe the financial impact of extreme climate events and transformation actions.	As of the publication date of the Annual Report, assessment of the financial impact of the extreme weather event and the transformation actions, so it is not applicable..
4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.	As of the publication date of the Annual Report, the Company has not yet completed the climate risk identification, assessment and management processes, so it is not applicable.
5. If using scenario analysis to assess resilience to climate change risks, the context, parameters, assumptions, analysis factors, and major financial impacts shall be explained.	As of the publication date of the Annual Report, the Company has not yet utilized scenario analysis to assess resilience to climate change risks, so it is not applicable.
6. If the transition plan for managing climate-related risks has been developed, the content of the plan, as well as the indicators and objectives used to identify and manage physical risks and transition risks, shall be explained.	As of the publication date of the Annual Report, the Company has not yet completed the transition plan for managing climate-related risks, so it is not applicable..
7. If using internal carbon pricing as a planning tool, the basis for price determination shall be explained.	The Company adopts an internal carbon shadow price as an important tool for evaluating carbon emission costs. By incorporating carbon costs into daily business decision-making, the Company is able to more effectively assess the impact of various investment and operational activities on carbon emissions, and to guide resources toward solutions with greater emission reduction effectiveness. In 2025, the Company set its internal carbon price (ICP) at NTD 300 per metric ton, referencing the rate announced by Taiwan's Ministry of Environment at the 6th Carbon Fee Rate Review Committee meeting. To respond to market fluctuations and regulatory changes, the Company will review and adjust the shadow price every two to three years to better reflect actual carbon costs, thereby effectively managing financial and operational risks in its long-term decarbonization planning and strategic deployment. In addition, the shadow pricing mechanism helps enhance awareness of carbon reduction responsibilities across all business units and promotes

Item	Status of execution
	the Company's continuous progress toward a low-carbon transition.
8. If climate-related goals are set, the activities covered, scope of GHG emissions, planning schedule, annual progress, and other information shall be explained. If carbon offsetting or renewable energy certificates (RECs) are used to achieve the goals, the source and quantity of carbon offsetting or the quantity of RECs shall be explained.	Please refer to Item 9, Sections 1–2 for information on greenhouse gas reduction targets, strategies, and specific action plans.
9. Greenhouse gas inventories and its assurance status as well as reduction targets, strategies and specific action plans. (Disclosed separately in Sections 1-1 and 1-2)	Please refer to the details below.

1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent Two Years

1—1—1Greenhouse Gas Inventory Information

This section discloses the Company's greenhouse gas (GHG) emissions for the most recent two years, including total emissions (tons of CO ₂ e), emission intensity (tons of CO ₂ e per NT\$100 million in revenue), and the scope of data coverage.					
According to the Sustainability Development Roadmap for TWSE- and TPEx-listed Companies, the minimum required scope of disclosure is as follows:					
1. The parent company (standalone entity) shall commence GHG inventory activities starting with data from 2025.					
2. Subsidiaries included in consolidated financial statements shall commence GHG inventory activities starting with data from 2026.					
The consolidated group has established a greenhouse gas inventory mechanism in accordance with ISO 14064-1: Greenhouse Gases – Part 1 issued by the International Organization for Standardization (ISO). Since 2020, the Company has conducted annual GHG inventories for its major production sites. Starting from 2024, the Company has conducted annual GHG inventories covering the entire Company to comprehensively understand GHG usage and emissions and to verify the effectiveness of emission reduction actions.					
In addition, the greenhouse gas inventory data for the most recent two years include greenhouse gas emissions from the Company and its major production sites. The details are as follows:					
		2024		2025	
		Emissions (tCO ₂ e)	Intensity (tCO ₂ e / NT\$100 million revenue)	Emissions (tCO ₂ e)	Intensity (tCO ₂ e / NT\$100 million revenue)
The Company (Note 1)	Scope 1	24.52	0.27	46.58	0.33
	Scope 2	780.17		1,227.54	
	Subtotal	804.69		1,274.12	
Subsidiaries in Consolidated Financial Statements (limited to major production sites)	Scope 1	390.49		Note2	
	Scope 2	18,465.44		Note2	
	Subtotal	18,855.93		Note2	
Total		19,660.62		Note2	
Note 1: For fiscal year 2024, the Company's inventory scope covered the Company's operational sites located at 4F., No. 2 and No. 6, Kedong 3rd Road, Zhunan Township, Miaoli County, and No. 38-2, Keyi Road, Zhunan Township, Miaoli County. Upon a re-examination of the organizational operational boundaries and the identification of emission sources, the Company's operational sites at 2F., No. 2 and 3F., No. 6, Kedong 3rd Road, Zhunan Township, Miaoli County, together with the Company's Taipei office and employee dormitory, were also determined to fall within the inventory scope and to have a material impact on overall emissions. Accordingly, these locations have been included in the inventory scope starting from fiscal year 2025.					
Note 2: : As of the date of publication of this annual report, the greenhouse gas inventories for subsidiaries have not yet been completed. Complete information will be disclosed in the Sustainability Report.					

1—1—2 Greenhouse Gas Assurance Information

This section describes the assurance status for the most recent two years as of the date of publication of the annual report, including the scope of assurance, assurance provider, assurance standards, and assurance opinions.

According to the Sustainability Development Roadmap for TWSE- and TPEX-listed Companies, the minimum required assurance scope is as follows:

1. The parent company (standalone entity) shall commence assurance activities starting from 2027.
2. Subsidiaries included in consolidated financial statements shall commence assurance activities starting from 2028.

The assurance status of the Company's greenhouse gas inventories for the most recent two years is as follows:

Assurance Scope		2024 Emissions (tCO ₂ e)	2025 Emissions (tCO ₂ e)
The Company	Scope 1 Direct GHG emissions	24.52	46.58
	Scope 2 Indirect GHG emissions	780.17	1,227.54
	Total	804.69	1,274.12
	Percentage of inventory disclosed in Section 1-1-1	100%	100%
Assurance Provider		ARES International Certification Co., Ltd.	ARES International Certification Co., Ltd.
Assurance Standard		ISO 14064—3:2019	ISO 14064—3:2019
Assurance Conclusion		Reasonable assurance level	Reasonable assurance level

Note: As of the date of publication of this annual report, assurance for subsidiaries included in the consolidated financial statements has not yet been completed. Complete assurance information will be disclosed in the Sustainability Report.

1—2 Greenhouse Gas Emission Reduction Targets, Strategies, and Action Plans

This section describes the baseline year, baseline data, emission reduction targets, strategies, specific action plans, and progress toward achieving the reduction targets.

Greenhouse Gas Reduction Baseline Year and Targets

To formulate greenhouse gas reduction strategies, has re-examined its organizational operational boundaries and the identification of emission sources and has therefore re-established fiscal year 2025 as its stand-alone base year. Taking into account the nature of the Company's business operations, the Company has set a greenhouse gas reduction target of a 1% decrease in emissions for fiscal year 2026. The Company will progressively accumulate emission reduction results through enhancing energy efficiency, promoting employee participation, and introducing renewable energy, thereby establishing a long-term sustainable development pathway.

Greenhouse Gas Reduction Strategies and Specific Action Plans

In line with global trends toward energy efficiency, the Company continues to implement energy-saving and carbon reduction measures. Through equipment replacement and management improvement initiatives, the Company enhances energy efficiency to achieve its energy conservation and emission reduction objectives.

In 2025, the Company replaced one piece of environmentally friendly and sustainable equipment related to energy-saving and green energy—a variable-frequency air compressor.

(VIII) Ethical Corporate Management Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof

Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
I. Establishment of Ethical Corporate Management policies and programs				
(I) Does the Company formulate its ethical corporate management policies that have been approved by the Board of Directors? Has the Company declared its ethical corporate management policies and procedures in its guidelines and external documents, and does the Board of Directors and management work proactively to implement their commitment to those management policies?	V		(I) As the basis for implementing ethical corporate management in practice, the Company has formulated Principles of Ethical Corporate Management and adheres to the Company Act, the Securities and Exchange Act, the Business Accounting Act, relevant policies for TWSE/TPEX listed companies and other laws pursuant to business conduct.	No material difference
(II) Does the Company establish an assessment mechanism for unethical risks, according to which it analyzes and assesses operating activities with high potential unethical risks? Does the mechanism include any precautionary measures against all the conducts As stated in Article 7, Paragraph 2 of the Ethical Corporate Management for TWSE/TPEX Listed Companies?	V		(II) The Company's Board of Directors has formulated an Ethical Corporate Management Best Practice Principles on January 29, 2014, and has positively enhanced the implementation according to Code of Credit Management for TWSE/TPEX Listed Companies.	No material difference
(III) Has the Company established policies to prevent unethical conduct, with clear statements regarding relevant procedures, conduct guidelines, punishments for violation, and rules for appeal, and does the Company implement them accordingly, and regularly review and correct such measures?	V		(III) The Company has formulated a code of ethical conduct to enable its employees, management, and stakeholders to better understand and follow the Company's ethical standards.	No material difference

Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
II. Fulfillment of Ethical Corporate Management				
(I) Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	V		(I) Before conducting commercial transactions, the Company will conduct credit investigation to avoid dealing with illegal or dishonest persons.	No material difference
(II) Has the Company established an exclusively (or concurrently) dedicated unit under the Board to implement ethical corporate management, and report to the Board on a regular basis (at least annually) about the ethical corporate management policies, precautionary measures against unethical conducts, as well as the implementation and supervision thereof?	V		(II) The Finance Department has been deployed as a concurrent unit to boost corporate integrity management and assist the Board of Directors and the management in formulating and supervising the implementation of ethical corporate management policies, precautionary measures against unethical conducts. These efforts ensured the implementation of ethical corporate management policies. The implementation status is reported to the Board of Directors on an annual basis. The implementation status for 2024 was reported to the Board of Directors on May 7, 2025.	No material difference
(III) Has the Company established policies to prevent conflicts of interest, provided proper channels of appeal, and enforced these policies and channels accordingly?	V		(III) The Board of Directors has formulated rules of procedure. If a director has conflicts of interest in various proposals, he/she should be recused from discussion and resolution.	No material difference
(IV) Has the Company established effective accounting systems and internal control systems to implement ethical corporate management and had its internal audit unit, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans and audit the compliance with the prevention programs accordingly or entrusted a CPA to conduct the audit?	V		(IV) In accordance with the accounting system and internal control system, the Company's auditors regularly check its compliance.	No material difference
(V) Does the Company regularly hold internal and external training on ethical corporate management?	V		(V) The Company regularly holds internal and external training and training in ethical corporate management. In 2025, under the theme of "Upholding Ethical Values and Promoting Corporate Sustainable Development," the Company conducted an approximately one-hour training and awareness session for employees. A total of 15 employees participated in the program.	No material difference

Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
III. Status of enforcing whistle-blowing systems in the Company				
(I) Has the Company established a concrete whistle-blowing and rewarding system, and set up accessible methods for whistle-blowers, and designate appropriate and dedicated personnel to investigate the accused?	V		(I) The Company has set up a reporting system and exclusive reporting channels. Whistle-blowers can report through the Company's website, and dedicated personnel will be assigned to handle the reporting matters.	No material difference
(II) Has the Company established standard operating procedures for the reported matters, the measures to be taken after investigation is completed, and the relevant confidential mechanism?	V		(II) According to provisions of the Company's reporting system, reporting matters shall be handled in accordance with the system and relevant contents shall be kept strictly confidential.	No material difference
(III) Does the Company take any measures to protect whistle-blowers so that they are safe from mishandling?	V		(III) The Company takes measures for protecting whistle-blowers from improper actions due to whistle-blowing.	No material difference
IV. Enhancement of Information Disclosure Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company's website and MOPS?	V		The Company has formulated an 'Ethical Corporate Management Best Practice Principle' and has disclosed it on MOPS and Company's website.	No material difference
V. If a Company has its own integrity operating guidelines based on the "Integrity Operating Guidelines for Listed and Over-the-Counter Companies," please explain the differences between its operations and the guidelines: the Company has established the "Integrity Operating Procedures and Code of Conduct," which is implemented according to its provisions, with no significant differences.				
VI. Other important information for understanding the Company's integrity operation: the Company has established the 'Integrity Operation Procedures and Code of Conduct'. Please refer to the Market Observation Post System or our Company's website for relevant information.				

(IX) Other important information that can promote the understanding of the Company's corporate governance status shall be disclosed: None

(X) Implementation of the internal control system

1. Statement of Internal Control System:

**APAQ Technology Co., Ltd.
Statement of Internal Control System**

Date: March 4, 2026

Based on the findings of a self-assessment, the Company states the following about its internal control system in 2025:

- I. The Company acknowledges that the establishment, implementation, and maintenance of an internal control system is the responsibility of the Board of Directors and managers, and the Company has established an internal control system. The internal control system is designed to provide reasonable assurance for the effectiveness and efficiency of the operations (including profitability, performance, and protection of assets), reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations.
- II. The internal control system has innate limitations. No matter how robust and effective the internal control system, it can only provide reasonable assurance of the achievement of the foregoing three goals; in addition, the effectiveness of the internal control system may vary due to changes in the environment and conditions. However, the internal control system of the Company has self-monitoring mechanisms in place, and the Company will take corrective action against any defects identified.
- III. The Company uses the assessment items specified in the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations") to determine whether the design and implementation of the internal control system are effective. The internal control system determination items adopted in the 'Processing Guidelines' are divided into five components according to the process of management control: 1. Control Environment, 2. Risk Assessment, 3. Control Activities, 4. Information and Communication, and 5. Monitoring Activities. Each constituent element includes a certain number of items. For more information on such items, refer to the Regulations.
- IV. The Company has already adopted the Regulations to evaluate the effectiveness of its internal control system design and operating effectiveness.
- V. Based on the assessment results, the Company believes that its internal control system (including the supervision and management of subsidiaries) as of December 31, 2025, is effective in understanding the effectiveness and efficiency of operations, achieving the objectives of reporting reliability, timeliness, transparency, and compliance with relevant regulations and laws.
- VI. This statement will constitute the main content of the Company's annual report and the prospectus and will be disclosed to the public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This statement was approved by the Board of Directors of our company on March 4, 2026. Out of the 7 directors present, there were no objections and all agreed to the content of this statement. This statement is hereby declared.

APAQ Technology Co., Ltd.

Chairman: Cheng, Duen-Jen



signature

CEO: Lin, Ching-Feng

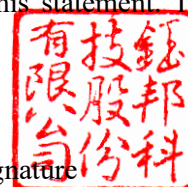


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General Manager: Lin, Shi-Dong



signature



2. For those who are entrusted with the task of reviewing internal control systems, they should disclose the auditor's review report: none.

(XI) Major Decisions of Board Meetings in the most recent year as of the publication date of the Annual Report:

Meeting	Date Convened	Major resolution
Board of Directors	2025.02.26	(1) Approved the fund allocation for the remuneration of the Company's directors, supervisors, and employees in 2024. (2) Approved the 2024 Business Report and financial statements. (3) Approved the Company's distribution of the retained earnings for 2024. (4) Approved concerning matters related to the issuance of restricted employee vested shares. (5) Approved matters concerning the dates, times, places and agenda for the 2025 regular shareholders' meetings. (6) Approved the acceptance of shareholders' motions for the 2025 regular shareholders' meetings.
Board of Directors	2025.05.7	(1) Approved the Company's first quarter consolidated financial statements for 2025. (2) Approved the capital increase of APAQ (Wuxi).
Board of Directors	2025.08.06	(1) Approved the consolidated financial statements for the second quarter of 2025. (2) Approval of the capital lending to the subsidiaries APAQ Wuxi, APAQ Hubei and AiPAQ Technology. (3) Approval of the endorsement and guarantee for the subsidiaries APAQ Wuxi, APAQ Hubei and AiPAQ Technology. (4) Approved the release of the Company's managerial personnel from non-compete restrictions. (5) Approved proposal for the Company to resolve to repurchase and cancel restricted employee vested shares.
Board of Directors	2025.11.05	(1) Approved the consolidated financial statements for the third quarter of 2025. (2) Approved proposal for the Company to resolve to repurchase and cancel restricted employee vested shares. (3) Approved proposal for the Company to resolve the appointment of members of the Sustainability Committee. (4) Approved proposal for the Company to resolve the appointment of members of the Nomination Committee.
Board of Directors	2026.03.04	(1) Approved the fund allocation for the remuneration of the Company's directors, supervisors, and employees in 2025. (2) Approved the 2025 Business Report and financial statements. (3) Approved the Company's distribution of the retained earnings for 2025. (4) Approved proposal for the Company to resolve to repurchase and cancel restricted employee vested shares. (5) Approved matters concerning the dates, times, places and agenda for the 2026 regular shareholders' meetings. (6) Approved the acceptance of shareholders' motions and nominations for the 2026 regular shareholders' meetings.

Matters and implementation of resolutions of shareholders' meeting in 2025:

Meeting	Date Convened	Major resolution	Status of execution
Regular Shareholders' Meeting	2025.05.26	(1) Approved the 2024 Annual Business Report and financial statements. (2) Approved the distribution of the retained earnings for 2024. (3) Approved the revocation of the non-compete covenant for the directors.	The resolution was approved upon a vote. The resolution was approved upon a vote, and the Chairman set the base date for ex-dividend on June 29, 2025, and the cash dividend pay-out date on July 15, 2025. The resolution was approved upon a vote.

(XII) In the recent annual and year-end reports, directors have expressed different opinions on important resolutions passed by the board and have provided records or written statements. The main content is as follows: There is no such situation.

IV. Information Regarding Audit Fees

(I) Information Regarding Audit Fee

Unit: NT\$ thousand

CPA firm	CPAs	Audit Period	Audit Fees	Non-audit fee	Total	Remarks
KPMG Taiwan	Wu Chun-Yuan	2025.01.01~ 2025.12.31	3,160	0	3,160	
	Chen Cheng-Hsueh					
	Wu Chun-Yuan	Period of taxation declaration and certification :2025 fiscal year	0	440	440	NT\$440 for taxation declaration and certification

(II) Where the Company changed the accounting firm and the audit fees paid for the year of change was less than that of the prior year, the amount of audit fees before and after the change and reasons shall be disclosed: None.

(III) Where accounting fee paid for the current year was more than 10% less than that of the previous year, the sum, proportion, and cause of the reduction shall be disclosed: None.

V. Change of Accountant Information: There is no such situation.

VI. The Chairman, General Manager, and managers responsible for finance or accounting of the Company, who have served in the past year at a certified public accountant firm or its affiliated enterprises, should disclose their names, titles, and the duration of their employment at the certified public accountant firm or its affiliated enterprises: There is no such situation.

VII. The Status Involving Share Transfers and Changes in Equity Pledges of the Directors, Supervisors, Managerial Officers, and Shareholders who Hold More Than 10% of Shares, from the Past Year up to the Publication Date of the Annual Report:

(I) Change in Equity Interests by Directors, Managerial Officers, and Major Shareholders

Unit: Shares

Title	Name	2025		As of March 31, 2026	
		Shareholdin g increase (decrease)	Pledged share increase (decrease)	Shareholdin g increase (decrease)	Pledged share increase (decrease)
Chairman	Cheng Duen-Jen	0	0	53,000	0
Director and CEO	Lin Ching-Feng	0	0	40,000	0
Director and major shareholder	Hua-Cheng Venture Capital Corp.	0	0	0	0
	Legal Representative: Hsu Hsien-Yueh	0	0	0	0
Director	Hsieh Ming-Yen	0	0	0	0
Independent Director	Liu Jonq-Min	0	0	0	0
Independent Director	Wu Yung-Tsai	0	0	0	0
Independent Director	Zhu De-Xiang	0	0	0	0
Major shareholder	TAI-TECH ADVANCED ELECTRONICS CO., LTD.	0	0	0	0
General Manager	Lin Shi-Dong	0	0	40,000	0
Vice General Manager of Sales & Marketing Division	Lin Han-Yuan	0	0	40,000	0
Director of Quality Assurance Center	Chen Ming-Zung	2000	0	6,767	0
Head of New Products Division	Chien Ming-Ku	0	0	24,000	0
Head of Finance Division	Li Pei-Ling	(6,000)	0	40,000	0

(II) Counterparty of equity transfer is a related party: Not applicable

(III) Counterparty of equity pledge is a related party: Not Applicable

VIII. Information on The Top 10 Shareholders of the Company Who Are Identified As Related Parties, Spouse or Relative Within The Second Degree Of Kinship:

On March 31, 2026, unit: shares

Name	Shareholding of shareholder		Spouse & minor shareholding		Total shareholding by nominees		If the top 10 shareholders have relations, or relations of spouse, or relatives within the second degree of kinship, indicate their names and relationships		Remarks
	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Name of entity (or individual)	Relationship	
TAI-TECH ADVANCED ELECTRONICS CO., LTD.	25,000,000	27.19	N/A	N/A	0	0	None	None	
TAI-TECH ADVANCED ELECTRONICS CO., LTD. Representative: Hsieh Ming-Yen	0	0	0	0	0	0	None	None	
Hua-Cheng Venture Capital Corp.	10,668,012	11.61	N/A	N/A	0	0	Hua-Min Investments Co., Ltd	They are both subsidiaries of ASUSTek Computer Inc.	
Huacheng Venture Capital Co., Ltd. Representative: Jonney Shih	0	0	0	0	0	0	Hua-Min Investments Co., Ltd	Chairman of the Company	
Allianz Taiwan Technology Fund – Dedicated Account	4,789,000	5.21	0	0	0	0	None	None	
Special property account of APAQ TECHNOLOGY CO., LTD. in custody of Taipei Fubon Commercial Bank	3,392,302	3.69	0	0	0	0	None	None	
Hua-Min Investments Co., Ltd	3,210,015	3.49	N/A	N/A	0	0	Hua-Cheng Venture Capital Corp.	They are both subsidiaries of ASUSTek Computer Inc.	
Hua-Min Investments Co., Ltd Representative: Jonney Shih	0	0	0	0	0	0	Hua-Cheng Venture Capital Corp.	Chairman of the Company	
Cheng, Duen-Jen	3,170,358	3.45	413,573	0.45	0	0	Cheng Chao-Kai,	Relative within the second degree of kinship	

Name	Shareholding of shareholder		Spouse & minor shareholding		Total shareholding by nominees		If the top 10 shareholders have relations, or relations of spouse, or relatives within the second degree of kinship, indicate their names and relationships		Remarks
	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Name of entity (or individual)	Relationship	
Custody Trust Account of Restricted Stock Trust Property with Voting Rights and Dividend Distribution Rights for Employees of Gold Circuit Electronics Ltd., held in trust by Taipei Fubon Commercial Bank	2,353,000	2.56	0	0	0	0	None	None	
Fu Kai Investment Management and Consulting Co., Ltd.	2,058,000	2.24	N/A	N/A	0	0	None	None	
Fu Kai Investment Management and Consulting Co., Ltd. Representative: Cheng Chao-kai	248,307	0.49	0	0	0	0	Cheng, Duen-Jen	Relative within the second degree of kinship	
TAIFLEX Scientific Co., Ltd.	1,709,000	1.86	N/A	N/A	0	0	None	None	
TAIFLEX Scientific Co., Ltd. Representative: Sun Da-wen	0	0	0	0	0	0	None	None	
Wang Fu-Tai	1,602,000	1.74	0	0	0	0	None	None	

IX. Shares held by the Company, its Directors, managers, and businesses directly or indirectly controlled by the Company as a result of investment, and the ratio of consolidated shares held:

On December 31, 2025 unit: Unless otherwise specified, the figures are stated in thousand shares

Investee business (Note 1)	Investment by the Company		Investment by Directors/Managerial Officers and Companies Directly or Indirectly Controlled by the Company		Total Ownership	
	Shares	Shareholdin g %	Shares	Shareholding %	Shares	Shareholding %
APAQ Investments Limited	47,892	100.00%	0	0.00%	47,892	100.00%
APAQ Electronic (Wuxi) Co., Ltd.	Note 2	100.00%	Note 2	0.00%	Note 2	100.00%
APAQ Electronic (Hubei) Co., Ltd.	Note 2	100.00%	Note 2	0.00%	Note 2	100.00%
Shenzhen Gather Electronics Science Co., Ltd.	Note 2	35.00%	Note 2	0.00%	Note 2	35.00%
AiPAQ Technology Co., Ltd.	11,440	52.00%	820	3.73%	12,260	55.73%
APAQ Electronic (Thailand) Co., Ltd.	19,999,998 shares	99.99%	1 share	0,00%	19,999,999 shares	99.99%

Note 1: Invested by the Company using the equity method

Note 2: The Company is a limited company with no share issued.

Chapter 3 Funding Status

I. Capital and Shares

(I) Sources of capital

On March 31, 2026; Unit: shares; NT\$

Year/Month	Issue Price	Authorized capital		Paid-up share capital		Remarks		
		Shares		Shares		Sources of capital	Capital increase by assets other than cash	Others
2005.12	10	60,000,000	600,000,000	500,000	5,000,000	Establishment	None	Approved by the Ministry of Economic Affairs Letter No. Economic-Central-09433433750 issued on December 27, 2005
2006.6	10	60,000,000	600,000,000	3,000,000	30,000,000	Capital increase by cash	None	Approved by the Ministry of Economic Affairs Letter No. Economic-Central-09532265240 issued on June 2, 2006
2006.6	12	60,000,000	600,000,000	19,021,000	190,210,000	Capital increase by cash	None	Approved by the Ministry of Economic Affairs Letter No. Economic-Central-09532262450 issued on June 2, 2006
2007.1	13	60,000,000	600,000,000	20,521,000	205,210,000	Capital increase	Technology price NT\$15,000,000	Approved by the Ministry of Economic Affairs Letter No. Economic-Central-09631521190 issued on January 5, 2007
2007.10	10	60,000,000	600,000,000	30,521,000	305,210,000	Capital increase by cash	None	Approved by the Ministry of Economic Affairs Letter No. Economic-Central-09632914170 issued on October 22, 2007
2008.10	10	60,000,000	600,000,000	48,521,000	485,210,000	Capital increase by cash	None	Approved by the Ministry of Economic Affairs Letter No. Economic-Central-09733285520 issued on October 20, 2008
2009.11	15	60,000,000	600,000,000	58,521,000	585,210,000	Capital increase by cash	None	Approved by the Ministry of Economic Affairs Letter No. Economic-Central-09801265660 issued on November 20, 2009
2011.10	10	60,000,000	600,000,000	58,970,875	589,708,750	Recapitalization of retained earnings	Dividend and bonus NT\$4,498,750	Approved by the Ministry of Economic Affairs Letter No. Economic-Central-10001230920 issued on October 7, 2011
2012.11	10	100,000,000	1,000,000,000	63,290,126	632,901,260	Recapitalization of retained earnings	Dividend and bonus NT\$43,192,510	Approved by the Ministry of Economic Affairs Letter No. Economic-Commerce-10101219470 issued on November 8, 2012
2014.2	10	100,000,000	1,000,000,000	65,070,126	650,701,260	Issue of new shares by conversion of employee stock options	None	Approved by the Ministry of Economic Affairs Letter No. Economic-Commerce-10301021450 issued on February 10, 2014
2014.2	10	100,000,000	1,000,000,000	66,290,126	662,901,260	Issue of new shares by conversion of employee stock options	None	Approved by the Ministry of Economic Affairs Letter No. Economic-Commerce-10301022910 issued on February 11, 2014
2014.12	32	100,000,000	1,000,000,000	73,190,126	731,901,260	Capital increase by cash	None	Approved by the Ministry of Economic Affairs Letter No. Economic-Commerce-10301268970 issued on December 30, 2014
2018.03	10	150,000,000	1,500,000,000	76,094,700	760,947,000	Issue of new shares by conversion of convertible bond	None	Approved by the Ministry of Economic Affairs Letter No. Hsinchu-Commerce-1070006900 issue on March 6, 2018
2018.05	10	150,000,000	1,500,000,000	86,104,150	861,041,500	Issue of new shares by conversion of	None	Approved by the Ministry of Economic Affairs Letter No.

Year/Month	Issue Price	Authorized capital		Paid-up share capital		Remarks		
		Shares		Shares		Sources of capital	Capital increase by assets other than cash	Others
						convertible bond and capital increase by cash		Hsinchu-Commerce-1070015421 issued on May 28, 2018
2018.09	10	200,000,000	2,000,000,000	86,493,651	864,936,510	Issue of new shares by conversion of convertible bond	None	Approved by the Ministry of Economic Affairs Letter No. Hsinchu-Commerce-1070026345 issued on September 10, 2018
2018.12	10	200,000,000	2,000,000,000	84,441,912	844,419,120	Cancellation of treasury stock and issue of new shares by conversion of convertible bond	None	Approved by the Ministry of Economic Affairs Letter No. Hsinchu-Commerce-1070036633 issued on December 12, 2018
2020.04	10	200,000,000	2,000,000,000	84,524,751	845,247,510	Issue of new shares by conversion of convertible bond	None	Approved by the Ministry of Economic Affairs Letter No. Hsinchu-Commerce-1090010329 issued on April 16, 2020
2021.05	10	200,000,000	2,000,000,000	88,953,514	889,535,140	Issue of new shares by conversion of convertible bond	None	Approved by Official Letter Chin-Chu-Shang No. 1100014851 issued on May 28, 2021
2025.03	10	200,000,000	2,000,000,000	91,953,514	919,535,140	Issuance of restricted stock awards	None	Approved by Official Letter Chin-Chu-Shang No. 1140010738 issued on April 11, 2025
2025.08	10	200,000,000	200,000,000	91,933,514	919,335,140	Capital reduction through the repurchase and cancellation of restricted employee vested shares.	None	Approved by Official Letter Chin-Chu-Shang No. 1140026741 issued on August 25, 2025
2025.11	10	200,000,000	200,000,000	91,918,514	919,185,140	Capital reduction through the repurchase and cancellation of restricted employee vested shares.	None	Approved by Official Letter Chin-Chu-Shang No. 1140036697 issued on November 25, 2025
2026.03	10	200,000,000	200,000,000	91,898,514	918,985,140	Capital reduction through the repurchase and cancellation of restricted employee vested shares.	None	Approved by Official Letter Chin-Chu-Shang No. 1150007878 issued on March 20, 2026

Share type	Authorized capital			Remarks
	Issued shares	Unissued shares	Total	
Ordinary shares	91,898,514 (Note)	108,101,486	200,000,000	Public shares

Note: This includes 1,000,000 treasury shares , 2,353,000 shares of restricted employee shares that have not yet been vested, and 12,500 restricted employee shares repurchased and pending cancellation..

(II) List of major shareholders

Name, number of shares held, and shareholding percentage of shareholders who hold more than 5% of the shares or the 10 largest shareholders:

March 31, 2026, unit: shares

Name of Major Shareholder	Shares	No. of Shares Held	Shareholding ratio (%) (Note)
TAI-TECH ADVANCED ELECTRONICS CO., LTD.		25,000,000	27.20
Hua-Cheng Venture Capital Corp.		10,668,012	11.60
Allianz Taiwan Technology Fund – Dedicated Account		4,789,000	5.21
Special property account of APAQ TECHNOLOGY CO., LTD. in custody of Taipei Fubon Commercial Bank		3,392,302	3.69
Hua-Min Investments Co., Ltd		3,210,015	3.49

Cheng, Duen-Jen	3,170,358	3.45
Custody Trust Account of Restricted Stock Trust Property with Voting Rights and Dividend Distribution Rights for Employees of Gold Circuit Electronics Ltd., held in trust by Taipei Fubon Commercial Bank	2,353,000	2.56
Fu Kai Investment Management and Consulting Co., Ltd.	2,058,000	2.24
TAIFLEX Scientific Co., Ltd.	1,709,000	1.86
Wang Fu-Tai	1,602,000	1.74

(III) The Company's dividend policy and implementation status:

1. Dividend Policy

According to the Articles of Incorporation of the Company, the industry is changeable, capital-intensive, and technology-intensive. The corporate life cycle is in a stable growth of operation. It is necessary to adopt the residual dividend policy at this stage in order to retain surplus funds to meet the needs of operation growth and investment. The distribution of shareholder dividends, in cash or stock forms, shall not be lower than 10% of the distributable surplus for the year. The cash dividends shall be no lower than 10% of the total.

2. Dividend distribution proposal of the year

On March 4, 2026, the Board of Directors of our company approved the proposal to be submitted to the shareholders' general meeting on May 29, 2026 for resolution: a cash dividend of NT\$381,773,759, with a cash distribution of NT\$4.2 per share.

3. Explanation for the expected dividend policy to undergo significant changes:

None.

(IV) The impact of the proposed free stock distribution on the Company's business performance and earnings per share: not applicable, as there have been no instances of free stock distribution.

(V) Compensation of employees, Directors and Supervisors:

1. According to the Company's Articles of Incorporation, if the Company generates profits in a given year, no less than 8% of such profits shall be appropriated as employee compensation. Of this amount, no less than 10% shall be allocated for distribution to non-managerial employees. The Board of Directors shall resolve whether such compensation is distributed in the form of shares or cash, and the recipients may include employees of subsidiaries that meet certain eligibility criteria. The Company may appropriate no more than 3% of the above profit as Directors' remuneration upon approval of the Board of Directors. The distribution plan for the remuneration to employees and directors shall be reported at the shareholders' meeting.

However, in case of the accumulated losses, certain profits shall first be reserved to cover them, and then reserve remuneration to employees and directors in accordance with the proportion mentioned in the preceding paragraph.

2. The basis for estimating the amount of employee and director remunerations, for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

In 2025, the Company made a profit of NT\$832,149,197. Based on the Company's articles of association and considering the overall operational structure and industry distribution level, the distribution ratio is determined. It is proposed to distribute employee remuneration in the amount of NT\$70,732,680 and director remuneration

in the amount of NT\$20,803,731. If the employee remuneration is to be distributed in the form of stocks, the number of shares to be distributed will be calculated based on the closing price of ordinary shares on the day before the Board of Directors' resolution. There is no difference with the estimated amount of the recognized expenses in the year.

3. Information on any approval by the Board of Directors of distribution of remuneration:

- (1) The amount of employee compensation and director remuneration distributed in cash or stock, if different from the estimated amount of expenses for the year, should disclose the difference, reasons, and treatment: the Company, by resolution of the Board of Directors on March 4, 2026, has determined that there is no difference from the estimated amount.

Allocation items	Estimated amount	Distributed amount
Remuneration of employees	NT\$70,732,680	NT\$70,732,680
Director Remuneration	NT\$20,803,731	NT\$20,803,731
Total allocation	NT\$91,536,411	NT\$91,536,411

- (2) The proportion of employee compensation distributed in stock and its total amount as a percentage of the current period's individual or separate financial report's after-tax net income and total employee compensation: the Company, after the Board of Directors' resolution on March 4, 2026, decided to distribute all employee compensation in cash, so it is not applicable.

4. If there is any discrepancy between the actual amount of remuneration distributed to employees and Directors (including the number and total amount of shares distributed, as well as share price) and the recognized amount of remuneration of employees and Directors in the previous fiscal year, the amount, causes and treatment of such discrepancies should be stated: the Company approved the resolution of the Board of Directors on February 26, 2025, and submitted the following report to the shareholders' meeting on May 26, 2025. There is no difference with the proposed allotment approved by the original Board of Directors.

Allocation items	Resolved amount	Remarks
Remuneration of employees	NT\$56,791,260	Cash
Remuneration of directors	NT\$16,703,312	Cash
Total allocation	NT\$73,494,572	

(VI) Redemption of the Company's Own Shares

1. Redemption of the Company's own shares (redeemed):

March 31, 2026

Times of redemption	The 3rd time
Purpose of redemption	Transferred shares to employees
Period of redemption	From August 10, 2022 to October 7, 2022
Price range of redemption	NT\$27.93 to NT\$63.48 per share
Type and quantity of shares redeemed	1,000,000 ordinary shares
Amount of shares redeemed	NT\$40,373,628
The quantity redeemed as a percentage of the planned quantity (%)	100
Number of shares that have been canceled and transferred	0
Cumulative number of shares held in the Company	1,000,000 shares
Cumulative number of shares held in the Company to the total issued shares (%)	1.09

2. Redemption of Company Share (under redemption): None.

II. Handling Status of Corporate Bond: None.

III. Handling Status of Preferred Shares: None.

IV. Handling Status of Global Depository Shares: None.

V. Handling Status of Employee Stock Options: None.

VI. Handling Status of New Restricted Employee Shares:

(I) Handling Status of New Restricted Employee Shares:

March 31, 2026

Types of Restricted Stock Awards	1st Restricted Stock Awards
Effective date of declaration and total number of shares	On June 20, 2023 / 3,000,000 shares.
Date of Issuance:	March 25, 2025
The number of shares of restricted stock awards issued.	3,000,000 shares
The number of shares of restricted stock awards remaining to be issued	0 shares
Issue Price	NT\$0 (issued without charge)
Ratio of the number of shares of restricted stock awards issued to the total number of issued shares	3.26%
Vesting conditions for restricted stock awards	- After the issuance of new restricted employee shares (i.e., the base date of capital increase), any employee remains in office whose personal performance met the target set by the company in the year prior to the expiration, is eligible for the new shares under the following vesting conditions respectively: 1 year from the allotment date: 20% of the allotted shares. 2 years from the allotment date: 20% of the allotted shares. 3 year from the allotment date: 20% of the allotted shares. 4 year from the allotment date: 20% of the allotted shares. 5 years from the allotment date: 20% of the allotted shares. - The aforementioned "personal performance" refers to the annual assessment of B+ or above. - After the allotment of restricted stock awards, in case of gross negligence such as violation of labor contract, work rules or company regulations, the employee shall be deemed to have not satisfied the vesting conditions.
Restricted rights of the restricted stock awards	- Employees shall not sell, pledge, transfer, sell, pledge, transfer, donate, set up, or otherwise dispose of the restricted stock awards, except by way of inheritance, until the vesting conditions have been satisfied after the new shares have been allocated to them. - In addition to the aforementioned restrictions, employees who are allocated the restricted stock awards under the regulation shall have the same rights as the ordinary shares already issued by the Company, including but not limited to: dividends, bonuses, rights to receive capital surplus, and rights to subscribe

Types of Restricted Stock Awards	1st Restricted Stock Awards
	to cash capital increases, until the vesting conditions for obtaining such rights are met. The relevant operations shall be carried out in accordance with the trust/custody agreement. 3. The rights of attendance, proposal, speech, voting, and other matters related to shareholders' rights at shareholders' meetings are the same as those of the ordinary shares issued by the Company, and are governed by the trust/custody agreement, until the vesting conditions have been satisfied after the new shares have been allocated to them. 4. During the vesting period, if the Company carries out cash reduction, reduction of capital to offset losses, or any other capital reduction that is not mandated by law, the restricted stock awards shall be cancelled in proportion to the reduction of capital. If it is a cash reduction, the cash to be refunded must be delivered to the trustee/custodian and can only be delivered to employees after the vesting conditions are met. However, if the conditions are not met, the Company will recover the cash.
Custody of restricted stock awards	Delivery into trust
Handling of employees who have not fulfilled the vesting conditions after allotment or subscription of new shares	1. If an employee is absent from work on the vesting date or fails to fulfill the vesting conditions after he/she has been granted the restricted stock awards, the Company will reclaim the restricted stock awards for which he/she fails to fulfill the vesting conditions without any compensation and will cancel the awards. 2. During the vested period, if an employee voluntarily resigns, is terminated, or is laid off, the Company will retrieve and cancel the unvested shares without any compensation.
The number of shares of restricted stock awards repossessed or acquired	67,500 shares
The number of shares of restricted stock awards released from restrictions	579,500 shares
The number of shares of restricted stock awards unreleased from restrictions	2,353,000 shares
Percentage of shares of restricted stock awards unreleased from restrictions, relative to the total issued shares (%) (Note)	2.56%
Impact on Shareholders' equity	The dilution of earnings per share for the Company is still limited, therefore it has no significant impact on Shareholders' equity.

Note: The total number of issued shares refers to the number of shares as stated in the change registration records filed with the Ministry of Economic Affairs.

(II) Name and acquisition status of managers who obtained restricted stock awards and the top ten employees by number of shares obtained:

March 31, 2026

	Title	Name	Amount of restricted stock awards obtained (shares)	Ratio of the number of shares of restricted stock awards obtained to the total number of issued shares (Note)	Restricted Stock Awards Released from Restrictions				Restricted Stock Awards Unreleased from Restrictions			
					Number of shares released from restrictions	Issue Price	Issuance Amount	Percentage of shares of released from restrictions relative to the total issued shares (Note)	Number of shares unreleased from restrictions	Issue Price	Issuance Amount	Percentage of shares of unreleased from restrictions relative to the total issued shares (Note)
Managerial officer	CEO & CRO	Lin Ching-Feng	1,247,767	1.37%	243,767	0	0	0.27%	1,004,000	0	0	1.09%
	General Manager	Lin Shi-Dong										
	Vice General Manager of Sales & Marketing Division	Lin Han-Yuan										
	CTO	Cheng Duen-Jen										
	Director of Quality Assurance Center	Chen Ming-Zung										
	Head of New Products Division	Chien Ming-Ku										
	Head of Finance Division	Li Pei-Ling										
Employee	Special Assistant	Fu-Jen Cheng	1,180,000	1.28%	235,000	0	0	0.25%	1,945,000	0	0	1.03%
	Special Assistant	Kao Liang-Min										
	Department Head	Liang Ming-Tsung										
	Department Head	Chiang Hsiu-Ching										
	Deputy Department Head	Huang Chun-Chia										
	Manager	Chao-Kai Cheng										
	Manager	Lin Chieh										
	Manager	Lan Shang-Che										
	Assistant Manager	Su Chung-Jui										
	Engineer	Yu-Chieh Cheng										

Note: The total number of issued shares refers to the number of shares as stated in the change registration records filed with the Ministry of Economic Affairs.

VII. Handling Status of Issuance of new shares in connection with the merger or acquisition of other companies: None.

VIII. Implementation of Capital Utilization Plans: None.

Chapter 4 Operational Highlights

I. Company Business

(I) Business Scope

1. Business Scope

(1) The Company's business

- A. CC01080 Electronic Parts and Components Manufacturing
- B. CC01110 Computers and Peripheral Equipment Manufacturing
- C. E603050 Automatic Control Equipment Engineering
- D. F401010 International Trade
- E. I501010 Product Designing

Research, development, manufacturing, and sales for the following products:

Aluminum Solid Capacitor, Aluminum Liquid Electrolytic Capacitor and General Electronic Components

(2) Operational Proportion of major products

Unit: NT\$ thousand

Products \ Year	2024		2025	
	Net operating revenue	Proportion (%)	Net operating revenue	Proportion (%)
Coiled conductive polymer solid state capacitors	2,447,329	70.01	3,044,856	68.05
Chip-type conductive polymer solid state capacitors	1,048,339	29.99	1,429,812	31.95
Total	3,495,668	100.00	4,474,668	100.00

(3) Current Commodities (Services) of the Company

- A. Coiled conductive polymer solid state capacitors
- B. Chip-type conductive polymer solid state capacitors

(4) New Products (Services) Planned to Be Developed

- A. Coiled capacitors with high voltage and high reliability (for industrial power supply and server)
- B. Large-capacity chip capacitors (used in high-performance graphics cards and servers) and miniaturized chip capacitors (used in high-end laptops)

2. Industry Overview

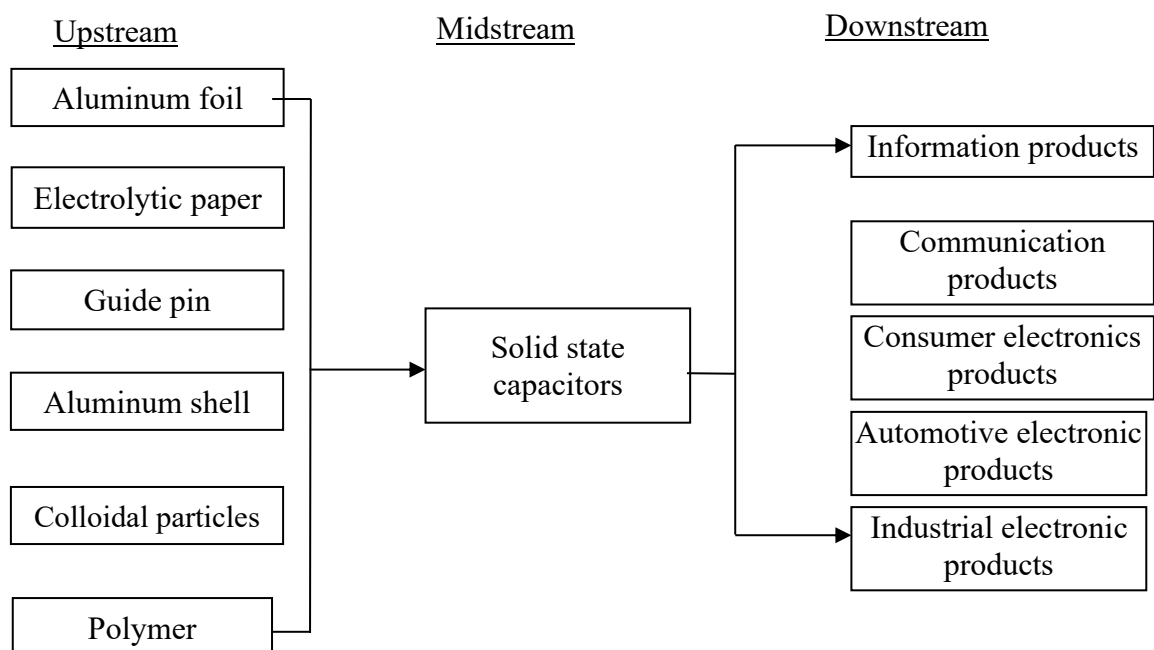
(1) Industry Status and Development

Our company primarily focuses on the research, development, and sales of solid capacitors. The rise of solid capacitors mainly addresses the issue of traditional aluminum electrolytic capacitors bursting under high heat. Solid capacitors also have a long lifespan and are suitable for high-frequency environments. In downstream applications such as advanced mainboards, notebook computers, industrial computers, servers, VGA cards, game consoles, miniaturized adapters, chargers, etc., solid-state capacitors will gradually replace traditional liquid aluminum electrolytic capacitors with improving efficiency and quality.

According to IEK of Industrial Technology Research Institute, the scale of global solid-state capacitor market is under slow expansion. With the price of traditional aluminum electrolysis capacitors close to the price of solid-state capacitors and increased permeability, the solid-state capacitor industry has a predictable prospect.

(2) The Relevance of Upstream, Midstream and Downstream Industry

The main upstream raw materials of solid-state capacitors are aluminum foil, electrolytic paper, guide pins, aluminum shells, colloidal particles, and polymers, while the downstream users are information products, communication products, consumer electronic products, automotive electronic products, and industrial electronic products.



(3) Development trends and competitive situations of Industry

Solid-state capacitor manufacturers are mainly in Japan, Taiwan, South Korea, and Mainland China. Originally Japanese manufacturers were the industry leaders, but in recent years they have been caught up by Taiwanese manufacturers. Japanese manufacturers have gradually ceded the market due to insufficient price competitiveness.

Solid state capacitors are mainly used in PC-related products. Looking ahead, the market is expected to grow steadily due to increasing demand for gaming PCs, high-end graphics cards, and AI PCs. In addition, the expansion of the cloud and Internet markets, as well as the demand for servers, AI servers and high-speed computing, will continue to drive the gradual growth of the solid-state capacitor market.

3. Technology and Research & Development

(1) Technical Level of The Company's Business and R&D Development

The Company continues to develop solid-state capacitor products, including solid-state capacitors with high voltage (>35V), capacitors with high reliability and resistance to environmental climate. In addition, the Company has cooperated with ITRI, academic fields and major international factories to enhance the Company's R&D capability and the development and application of new technologies.

(2) The annual expenses on R&D invested in the past five years and technologies or products successfully developed

A. The annual expenses on R&D invested in the past five years

Unit: NT\$ thousand

Item \ Year	2021	2022	2023	2024	2025
R&D expenses	90,959	88,446	105,514	150,125	166,325
Net operating revenue	2,822,408	2,488,694	2,934,913	3,495,668	4,474,668
Percentage Accounting for Net Revenue (%)	3.22	3.55	3.59	4.29	3.72

B. Research and Development Achievements:

Year	Name or Project of Product and Technology
2010	1. Coiled solid capacitors: 25V Specification 2. V Chip Solid Capacitor: 6ϕ Size AVEA Series 3. Chip Type Solid State Capacitor: 2.5V 100uF ACAS Series
2011	1. Wound Type Solid State Capacitor: High Reliability AR5K Series 2. V Chip solid capacitor: Low Impedance AVEC Series (10mΩ) 3. Chip-type solid-state capacitor: 2V 220uF ACAS series
2012	1. Coiled solid capacitors: solid capacitor with high voltage (35V, 50V) 2. Chip-type solid-state capacitor: M size ACAM series 3. Chip-type solid-state capacitor: 2V 330uF ACAS series
2013	1. Coiled solid capacitors: solid capacitor with high voltage (63V) 2. V Chip solid capacitor: solid capacitor with low back (4.5mm high) 3. V Chip solid capacitor: solid capacitor with high voltage (25V and 6 mm high)
2014	1. V Chip solid capacitor: solid capacitor with high voltage and low back (4.5mm high and 25V) 2. Chip-type solid-state capacitor: 2V 470uF ACAH series
2015	1. AREP series of solid capacitor dedicated for coiled power supply 2. Low Impedance Chip Type Solid State Capacitor: ESR=4.5mΩ
2016	1. ARHA series of coiled solid capacitor with high voltage (25V~100V) 2. hrs series of chip-type solid capacitor with high reliability in 125°C and 1k
2017	ARHT series of coiled solid capacitor with high reliability (125°C 2k hrs)
2018	Development of high voltage (above 16V) chip-type solid capacitors
2021	V Chip solid capacitor: solid capacitor with low back (4mm high)
2022	1. Low Impedance Chip Type Solid State Capacitor: ESR=3mΩ 2. Industrial/Automotive Hybrid Capacitor AVMC/AVQC Series 25~80V (125°C 4k hrs)
2023	1. High-capacity chip-type solid capacitor: 560uF 2. Low total height chip-type capacitor (1.4mm) 3. Industrial/Automotive Hybrid Capacitor AVME/AVQE Series 25~35v(135°C 4k hrs)
2024	1. High-temperature, long-life chip-type solid-state capacitors (AI applications): 125°C, 3000 hours & 5500 hours. 2. Low-profile high-capacitance chip capacitors (1.0mm-Height) 3. High-voltage, high-capacity chip-type solid-state capacitor (16V100-1.9H)

Year	Name or Project of Product and Technology
	4. SMLC B-Size products 5. SSD using SMLC product: 35V, 100y 6. Hybrid capacitors for automotive/industrial use, AVQE/AVME Series, 50-80V (135°C, 4,000 hours)
2025	1. Automotive Hybrid 30G anti-vibration/ 125°C & 135°C 4000hrs(0608~1016) products 2. Automotive / Industrial Hybrid 125°C 4000hrs high-capacity series 25v~80v all sizes products 3. Automotive / Industrial Hybrid 125°C&135°C 4000hrs 16v all sizes products 4. SMLC D-size products: 25V 100-2.8H & 1.9H 5. Wound power capacitor product line for the power market: rated for 105°C / 5,000 hrs to 125°C / 2,000 hrs products 6. Capacitor technology for 125°C / 5,500 hrs products 7. low Profile 1.0Height low ESR completed mass production configuration 8. Low ESL/high-capacity product achieving the foundational technology configuration, enabling products with capacitance up to 680uf-1.9 Height.

4. Long-term and Short-term Business Development Plan

(1) Short-term development plan

A. Marketing Strategy

- a. Strengthen product development and after-sales service to consolidate existing customers.
- b. Promote the development and in-depth cultivation of regional markets.
- c. Lock in the new application market, actively collect market information and develop new customers.
- d. Regularly visit to customers to strengthen the cooperative relationship between the two parties.

B. Production, R&D, and product development direction

- a. Improve capacity utilization and reduce costs.
- b. Actively introduce and cultivate R&D and project management talents to extend the technical field and accelerate the product development speed.
- c. Develop products close to customers and market demands.

C. Operation management policy

- a. Stabilize the source of raw materials and Strengthen supply chain management
- b. Enhance quality control system, continuously improve product quality, and strengthen customer service.
- c. Make good use of information management system to improve the Company's operating performance.

(2) Long-term development plan

A. Marketing Strategy

- a. Consolidate current major customers and expand cooperation in product lines.
- b. Establish strategic partnership.

B. Production, R&D, and product development direction

- a. Integrate process management to improve production performance and yield.
- b. Continue to develop talents and upgrade technology in R&D.
- c. Expand product applications and lead the development of new products and services

C. Operation management policy

- a. Vertically integrate technology and manufacturing capabilities to provide customers with all-round services.
- b. Further expand the enterprise territory through capital market financing.

II. Overview of Marketing and Production & Sales

1. Market Analysis

(1) Main product sales area

Geographic Distribution \ Year	2024		2025	
	Amount	%	Amount	%
Taiwan	1,218,434	34.86	1,615,041	36.09
Asia	1,967,517	56.28	2,330,078	52.07
Other	309,717	8.86	529,549	11.84
Total	3,495,668	100.00	4,474,668	100.00

Note: The above is classified according to the geographical locations of the transaction customers' registered locations..

(2) Market share

The Company and its subsidiaries are mainly engaged in the research, development, design, manufacturing, and sales of solid-state capacitors. At present, its main competitors include more than 10 manufacturers such as Chemicon, Nichicon, Panasonic, Elite and OC Con. The Company has gradually expanded its production capacity and market share. Currently, it has been the largest supplier of coiled solid-state capacitors in the world with a leading position in the solid-state capacitor industry.

(3) Future market demand and supply status and growth

The future growth of the global personal computer (PC) and server market is expected to come from the growth of AI applications, cloud and networking applications, including AI PCs, servers, AI servers, express computing, automotive and net communication products, etc.

Solid-state capacitors have the characteristics of long life, small volume, and high-temperature resistance. In the long run, the application of solid-state capacitors will greatly increase the permeability as the price gradually approaches the traditional aluminum electrolytic capacitors, which will be the driving force for market growth in the next few years. Due to uncompetitive production costs, Japanese manufacturers have gradually given up the mid-to-high-end market and turned to compete in the automotive market. As the production capacity and specifications of our chip capacitors continue to increase, the continuous growth of the server and HPC & AI markets has driven the use of solid capacitors, which provides opportunities for the Company to continue to expand its market share.

- (4) Competitive niche
- Experienced management team
 - Long-term management of customer relationship
 - Accumulated manufacturing experience and internal management
- (5) Favorable Factors and Unfavorable Factors of the Development Prospect and Countermeasures
- Favorable factors
 - It is not easy for competitors to gain access to customers in DT, NB, and Server factories.
 - Outstanding R&D and project management teams continuously develop and manufacture products with excellent quality to meet customer requirements.
 - Unfavorable factors
 - Prices of raw materials has risen.

Countermeasures:

In addition to maintaining good interaction and close contacts with suppliers to ensure the stability of the existing supply, the Company is also actively developing new material formulas and alternative raw materials to reduce its dependence on high-priced raw materials.

- Development of domestic and foreign competitors

Countermeasures:

Strengthen R&D capacity and production capacity, develop differentiated products, establish partnerships with customers, increase market share of products, and expand distance and competitiveness with competitors.

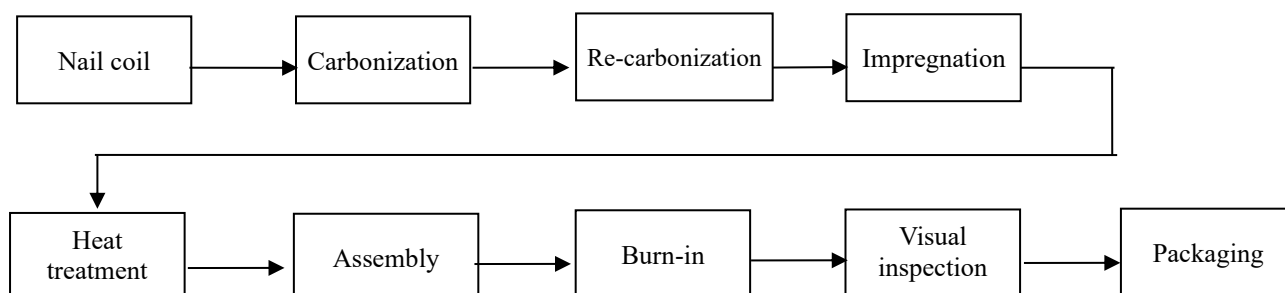
2. Major applications and production process of the main products

(1) Usage of main products

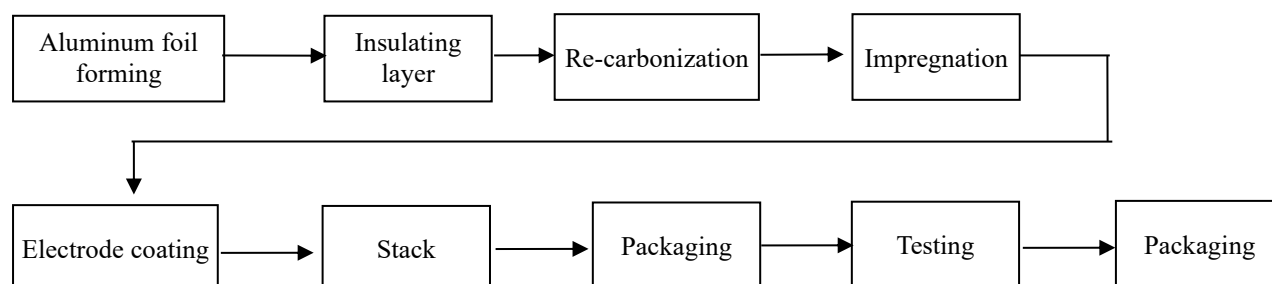
Major products	Important use
Coiled conductive polymer solid state capacitors	Power regulation applications for MB, VGA, NB, Server, and HPC.
Chip-type conductive polymer solid state capacitors	Power regulation applications for MB, VGA, NB, Server, and HPC.

(2) Manufacturing processes of main products

A. Coiled conductive polymer solid state capacitors



B. Chip-type conductive polymer solid state capacitors



3. Supply Status of Main Materials

Name of raw materials	State of supply
Aluminum foil	Stable and sound
Electrolytic paper	Stable and sound
Guide pin	Stable and sound
Colloidal particles	Stable and sound
Aluminum shell	Stable and sound
Polymer monomer	Stable and sound
Polymer oxidizing agent (ferrite)	Stable and sound
Carbon colloids	Stable and sound
Silver colloids	Stable and sound
Packaging colloids	Stable and sound
Lead frame	Stable and sound

4. List of Major Customers of Import and Sales

- (1) Names of suppliers that accounted for more than 10% of the total purchase amount in any of the last two years, their purchase amounts and ratios, and the reasons for the increase or decrease.

Unit: NT\$ thousand

Item	2024				2025			
	Name	Amount	Proportion to net purchases of goods for the entire year (%)	Relationship with the Issuer	Name	Amount	Proportion to net purchases of goods for the entire year (%)	Relationship with the Issuer
1	Capchem Technology Co., Ltd.	101,931	7.66%	None	Capchem Technology Co., Ltd.	187,255	10.72%	None
2	Others	227,914	92.34%	None	Others	1,559,059	89.28%	None
	Net Purchase	1,329,845	100.00%		Net Purchase	1,746,314	100.00%	

Explanation of Increase or Decrease Variations: No significant changes in the past two years.

- (2) Names of clients that accounted for more than 10% of the total sales amount in any of the last two years, their sales amounts and ratios, and the reasons for the increase or decrease.

Unit: NT\$ thousand

Item	2024				2025			
	Name	Amount	Proportion to net sales of goods for the entire year (%)	Relationship with the Issuer	Name	Amount	Proportion to net sales of goods for the entire year (%)	Relationship with the Issuer
1	ASUS	413,231	11.82%	None	ASUS	538,483	12.03%	None
2	Key Source	266,276	7.62%	None	Key Source	502,847	11.24%	None
3	Gigabyte	364,173	10.42%	None	Gigabyte	403,064	9.01%	None
4	Others	2,718,264	77.66%		Others	3,030,274	67.72%	
	Net Sales	3,495,668	100.00%		Net Sales	4,474,668	100.00%	

Explanation of Increase or Decrease Variations: The changes in sales amounts and proportions were mainly attributable to fluctuations in customer product demand. .

III. Number of employees employed during the most recent two years and up to the date of publication of the annual report, their average years of service, average age, and education levels.

Year		2024	2025	As of March 31, 2026
Number of employees	R&D Department	67	86	87
	Business and Administrative Department	169	224	245
	Direct Personnel	283	545	619
	Total	519	855	951
Average age		31.9	30.4	31.4
Average year of services		3.2	3.1	3.0
Academic distribution ratio	Ph.D.	1%	1%	1%
	Master	5%	3%	3%
	Junior College	36%	30%	27%
	High school	40%	53%	54%
	Below high school	18%	13%	15%

IV. Information on Environmental Protection Expenditure

- Recent year and up to the date of annual report publication: losses incurred due to environmental pollution (including compensation and violations of environmental protection regulations as determined by environmental protection inspections, which should specify the date of disposition, disposition number, violated regulatory articles, content of the violations, and content of the disposition): Subsidiary APAQ Wuxi was penalized for exceeding the discharge standards for water pollutants and for commencing production without completing the required environmental protection facilities. This action violated Article 10 of the Law of the People's Republic of China on Prevention and Control of Water Pollution and Articles 15, 17(1), and 19(1) of the State Council's Regulations on the Administration of Construction Project Environmental Protection. On December 31, 2024, the Company was fined RMB 473,000, with the administrative penalty decision number Xi-Huan-Fa-Jue [2024] No. 56.
- If it is impossible to reasonably estimate the estimated amount and the corresponding measures that may occur at present and in the future, it shall explain the facts that it cannot

reasonably estimate: The total capital expenditures and expenses incurred for improvements to wastewater pipeline facilities and for obtaining a wastewater discharge permit amounted to RMB 1.9 million.

V. Labor Relations

1. Various employee benefits of the Company, further education, training, retirement system and its implementation status, as well as the agreements between the employees and various employee rights protection measures:

- (1) Employee benefits:

- A. The Company provides the following benefits: in addition to labor insurance and national health insurance, employees also enjoy free group insurance, overseas business travel accident insurance , and year-end bonuses. Additionally, free health check-ups are provided annually.
 - B. Employee Welfare Committee: the Company has established an Employee Welfare Committee in accordance with the Employee Welfare Act to coordinate various employee welfare initiatives, promote the establishment of associations, and provide financial assistance. Annual budget and welfare plan are prepared. In addition to various subsidies for the marriage, funeral, illness and childbirth of employees, there are birthday and annual festival gifts, and various travel activities are not regularly conducted to provide physical and mental relaxation for employees and strengthen the friendship among employees.

- (2) Education and training

The Company has established employee education and training procedures to help new employees adapt to the working environment, improve their working skills and abilities, and cooperate with training related to employee career development planning to meet future needs.

- (3) Employee retirement plan and implementation status:

In order to enable the employees of the Company to work at ease and maintain their life after retirement, the retirement of employees is handled in accordance with the Labor Pension Regulations and relevant regulations. All domestic employees of the Company are appropriate for the new system of retirement from work. 6% of the personal salary is deposited into the special account for the personal pension of the labor insurance bureau. If the employee makes voluntary contribution, the amount of the contribution is also deposited into the same account.

(4) Labor-capital agreement and protection of employee's equities

The Company adheres to the concept of "integration of labor and capital", focuses on rational and humanized management, establishes smooth communication channels, maintains good relations between labor and capital, jointly creates productivity, shares profits, and establishes stable and harmonious labor-capital relations. All systems of the Company refer to labor-related laws and regulations such as the Labor Standards Act. Regular labor-management meetings are held to discuss and negotiate labor-related issues and promote a harmonious relationship between labor and management. Therefore, no major labor disputes occur in the most recent year and up to the date of publication of the annual report.

2. In the most recent fiscal year and up until the date of printing of the annual report, the Company has incurred losses due to labor disputes (including violations of labor standards as determined by labor inspections, which should include the date of disciplinary action, the reference number of the disciplinary action, the specific legal provisions violated, the nature of the violations, and the details of the disciplinary action). The estimated amount of these losses and the corresponding measures to address them should be disclosed. If it is not possible to reasonably estimate these losses, the reasons for the inability to do so should be explained. However, in the most recent fiscal year and up until the date of printing of the annual report, the Company has not incurred any losses due to labor disputes. the Company maintains a good labor-management relationship with smooth communication between both parties, and the likelihood of future labor disputes is extremely low. Therefore, there are no estimated future losses.

VI. Cybersecurity management:

1. Information Security Risk Management Framework, Information Security Policies, Specific Management Programs, and Resources Invested in Information Security Management:

- The Company's information security management team, led by the head of the information department, regularly assesses information security risks. Through the information security team, they develop operational management measures for information security maintenance, establish an information security operating model, and conduct comprehensive information security management in terms of security maintenance, governance, risk, employee awareness, and promotion.



資通安全管理小組	Cyber security management group
總經理	General Manager
資安主管	Information Director
台灣資安主管	Taiwan Information Director
風險管理單位	Risk Management Unit
公司治理主管	Director of Corporate Governance
資安管理單位(TW)	Information Security Management Unit (TW)
台灣資訊人員	Taiwanese IT Professionals
資安管理單位(WX)	Information Security Management Unit (WX)
無錫資訊人員	Wuxi IT Professionals
各部門配合代表	Various departments cooperate with representatives
各單位主管	Managers of each department

- The main focus of the information security strategy is on compliance with regulations, security governance, and internal control. From systems to process management, from personnel to organization, the overall security protection capability is enhanced. In view of current security trends such as DDoS (Distributed Denial of Service) attacks, ransomware, social engineering attacks, and phishing websites, the Company exchanges information with international security vendors annually to update protection information and detect and block threats such as DDoS in a timely manner.

In addition to the network hardware structure, The Company's internal "Information Security Management Measures" has also been formulated. Starting from the dimension of implementation, the Company also works on process management, security awareness and information publicization so as to effectively reduce the Company's internal and external cybersecurity risks from the aspects of software, hardware, and implementation.

- To ensure information security and proper management, the Company has implemented the following preventive measures in accordance with its Information Security Management Policies and Information Processing Cycle Internal Control System:

Item	Planning and Preventive Measures
Procurement of information security software and hardware	NDR traffic monitoring and SOC analysis; EDR endpoint protection; off-site NAS backup
Firewall protection against external virus intrusions	Rolling adjustments to firewall policies and virus signature updates; EDR endpoint protection; NDR monitoring for abnormal traffic
Internal files – antivirus software	Antivirus software installation with regular virus signature updates and software vulnerability patches; Windows Update
Information environment security management	Regular data backups for all systems and data verification
Email, file servers, ERP systems	Access rights configuration and review for all systems; system backups, disaster response mechanisms, and backup data verification
Segregation of functions and responsibilities of the information processing department	Access control and authorization settings for information security

The resources invested by the Company in cybersecurity management are as follows:

- (1) Total number of personnel: There are 13 employees in cybersecurity related units.
 - (2) Installation of endpoint protection for critical server nodes.
 - (3) Update of firewalls at each plant.
 - (4) Data backup frequency: offsite backups with a fixed monthly cycle and no alterations; equipment inspection: 12 times per year; disaster recovery drill: 1 time per year.
 - (5) Management Unit Meetings: 26 times per year.
2. In the most recent fiscal year and up to the date of printing of the annual report, any losses suffered due to significant information security incidents, potential impacts, and corresponding measures, if unable to be reasonably estimated, should be disclosed as such: the Company did not incur any losses in the most recent fiscal year due to significant information security incidents.

VII. Important Contract:

Nature of the Contract	Party Involved	Contract Start and End Dates	Main Content	Restrictive Covenants
Long-term Loan Agreement	Mega International Commercial Bank	2021.9.10 ~ 2026.9.10	The credit loan limit is NT\$500 million.	Final utilization period: 24 months from the date of first utilization; no new borrowing is permitted beyond this period.
Long-term Loan Agreement	Chang Hwa Bank	2022.01.27 ~ 2027.01.27	The credit loan limit is NT\$500 million, and the total amount used in conjunction with the short-term comprehensive limit does not exceed NT\$600 million.	For any disbursement exceeding NT\$200 million, deposit performance must be reviewed in advance.. The average balance of foreign currency current and fixed-term deposits held overseas for three months must exceed 100 million, or the final sales cash flow must exceed 200 million before funds can be utilized. Conditions will be reviewed every three months after the loan is granted, and if not met, the interest rate will increase by 0.125%.
Long-term Loan Agreement	E. Sun Bank	2025.06.17 ~ 2027.06.17	Dividend project allocation is NT\$200 million.	The funds in this case are limited to the cash dividend distribution for the year 2024, limited to be remitted to the stock agency institution's cash dividend account.

Chapter 5 Review, Analysis and Risk Management of Financial Status and Performance

I. Comparative Analysis Sheet of Financial Status (Consolidated)

Unit: NT\$ thousand

Item \ Year	2025		2024		Difference	
	Amount	%	Amount	%	Amount	%
Current assets	4,694,950	54	4,065,297	59	629,653	15
Real property, plant, and equipment	1,898,972	21	1,437,947	21	461,025	32
Intangible assets	82,775	1	76,115	1	6,660	9
Other assets	2,015,730	24	1,278,987	19	736,743	58
Total asset value	8,692,427	100	6,858,346	100	1,834,081	27
Current liabilities	3,651,425	42	2,613,430	38	1,037,995	40
Non-current liabilities	145,496	2	206,156	3	(60,660)	(29)
Total liabilities	3,796,921	44	2,819,586	41	977,335	35
Share capital	919,185	10	889,535	13	29,650	3
Capital surplus	1,107,002	13	768,527	11	338,475	44
Retained earnings	2,037,661	23	1,704,124	25	333,537	20
Other equities	775,995	9	598,662	9	177,333	30
Treasury stock	(40,374)	0	(40,374)	(1)	0	0
Equity attributable to owners of the parent Company	4,799,469	55	3,920,474	57	878,995	22
Non-controlling equity (Note)	96,037	1	118,286	2	(22,249)	(19)
Total shareholder equity	4,895,506	56	4,038,760	59	856,746	21

Note: On February 15, 2024, the Company increased its capital by cash to acquire a 22% equity stake in AiPAQ Technology, raising its shareholding from 30% to 52%, thereby gaining control over the company. Consequently, AiPAQ Technology has become a subsidiary of the Company as of the acquisition date.

- I. Analysis of changes in percentage (for the change of more than 20% between the previous and current periods, the amount of change reached NT\$10 million):
- Property, plant and equipment: The increase was mainly attributable to the subsidiary's purchase of machinery and equipment in response to capacity expansion..
 - Other Assets: The increase is mainly due to new acquisitions of marketable securities during the current period and an increase in the fair value of marketable securities.
 - Current liabilities: The increase was mainly attributable to an increase in short-term borrowings during the period and the increase in accounts payable..
 - Non-current liabilities: Mainly related to the repayment of long-term loans for the current period.
 - Capital surplus: The increase was attributable to the issuance of restricted employee vested shares during the period.
 - Retained earnings: Mainly due to the increase in net profit for the current period.
 - Other equity: Mainly due to the increase in gains from investments in equity instruments measured at fair value through other comprehensive income for the current period.
- II. These changes herein did not significantly impact the Company.

II. Financial Performance

(I) Comparative Analysis Sheet of Financial Performance In the Most Recent Two Years (Consolidated)

Unit: NT\$ thousand

Item \ Year	2025		2024		Increase (decrease)	
	Amount	%	Amount	%	Amount	%
Net operating revenue	4,474,668	100	3,495,668	100	979,000	28
Operating costs	2,923,830	65	2,450,424	70	473,406	19
Gross profit	1,550,838	35	1,045,244	30	505,594	48
Operating expenses	720,283	17	519,499	15	200,784	39
Operating profit	830,555	18	525,745	15	304,810	58
Non-operating income and net expenses	(12,203)	0	157,251	5	(169,454)	(108)
Profit before income tax	818,352	18	682,996	20	135,356	20
Income tax expenses	196,328	4	171,181	5	25,147	15
Net profit in this period	622,024	14	511,815	15	110,209	22

- I. Analysis of changes in percentage (for the change of more than 20% between the previous and current periods, the amount of change reached NT\$10 million):
1. Net operating revenue: Benefiting from strong growth in demand for capacitors used in AI servers, notebook computers, and automotive electronics applications, order volumes increased during the period. In addition, the Group's continued capacity expansion contributed to higher consolidated revenue compared to the previous year.
 2. Gross profit and operating profit: primarily due to development of new-generation Capacitor, V-chip, and Hybrid products, which effectively enhanced the Company's market share in server, motherboard (MB), VGA, and notebook (NB) applications. This, in turn, drove record-high levels of overall shipment volume, revenue, and gross margin during the period.
 3. Operating Expenses: The increase in revenue and business scale led to a corresponding increase in operating expenses.
 4. Net non-operating income and expenses: Mainly due to the depreciation of the US dollar in 2025, resulting in an increase in foreign exchange losses.
 5. Pre-tax net profit and net profit for the current period: The increase in pre-tax net profit and net profit for the current period is attributed to the analysis of the aforementioned reasons.
- II. Expected sales volume and its basis, possible impact on the Company's future financial operations and response plans:
- In 2026, APAQ Technology will continue to develop a series of products such as high-reliability products, high ripple and low ESR coiled (solid-state/hybrid/liquid) capacitors with small size and thinness, and stacked solid-state capacitors, to meet the needs of high-end markets such as AI Server, AI Power, EV and NB.

III. Cash flow

(I) Analysis and explanation of change in cash flow in the most recent year

Unit: NT\$ thousand

Year Item	2025	2024	Increase (decrease) amount
Net cash flow from operating activities	803,566	663,233	140,333
Net cash flow from investment activities	(881,694)	(462,199)	(419,495)
Net cash flow from financing activities	313,994	201,183	112,811

Analysis of increase and decrease:

- (1) Operating activities: This was mainly due to the increase in the Company's operating profit, leading to an increase in net cash inflow from operating activities in 2025.
- (2) Investing activities: This was mainly due to the increase in financial assets measured at fair value through other comprehensive income and the increase in purchases of fixed assets during 2025.
- (3) Fundraising activity: Mainly due to the decrease in repayment of short-term borrowings in 2025.

(II) Improvement plan for insufficient cash liquidity: There is no such situation.

(III) Cash liquidity analysis for the following year

Unit: NT\$ thousand

Opening cash balance (A)	Annual net cash flow from operating activities (B)	Annual cash outflow (C)	Estimated cash balance (Inadequacy) (A)+(B)-(C)	Remedial Measures for Cash Inadequacy	
				Investment Plan	Financing plan
1,760,348	888,995	619,067	2,030,276	N/A	N/A
Cash liquidity analysis for the following year:					
(1) Business Activities: Due to operational profitability, the business activities generated net cash inflows.					
(2) Investment Activities: Purchase of capital assets generates net cash outflow in investment activities.					
(3) Fundraising Activities: Repayment of loan and distribution of cash dividends generate net cash outflow in financing activities.					

IV. No significant impact of annual capital expenditures on financial operations recently: None

V. Investment policy in the most recent year, the main reason for its profit or loss, the improvement plan and the investment plan for the coming year.

- (1) According to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies formulated by the competent authority, the Company has formulated Procedures for Acquisition or Disposal of Assets as the basis of our investment to master related business and financial status; in addition, the Company has formulated management measures for subsidiaries in internal control system to improve supervision and management of the Company to be invested, for which it establishes relevant specifications on information disclosure, finance, business, goods on hand and financial management. Also, the Company carries out audit regularly and builds relevant business risk mechanism, ensuring to maximize our investment business.
- (2) In 2025, the Company recognized an equity method investment income of NT\$284,171 thousand from its subsidiary, APAQ Investments Limited. The main reason for the profit was the strong performance of the invested entity, APAQ Technology (Wuxi) Co., Ltd.
- (3) In 2025, the Company recognized an equity method investment income of NT\$240,758 thousand from its subsidiary, APAQ Technology (Wuxi) Co., Ltd., mainly due to strong core business performance.
- (4) In 2025, the Company recognized an equity method investment gain of NT\$3,875 thousand in its associated company, Shenzhen Gather Electronics Science Co., Ltd., such profit mainly due to operating income from the Company's core business.
- (5) In 2025, the Company recognized an equity method investment income of NT\$63,668 thousand from its subsidiary, APAQ Technology (Hubei) Co., Ltd., mainly due to strong core business performance.
- (6) In 2025, the Company recognized an investment loss of NT\$28,876 thousand in its subsidiary, AiPAQ Technology Co., Ltd., mainly due to insufficient revenue to achieve economies of scale and high amortization expenses. The improvement plan aims to increase sales and revenue while reducing unit costs.
- (7) In 2025, the Company recognized an equity method investment loss of NT\$1,046 thousand from its subsidiary, APAQ Technology (Thailand) Co., Ltd., mainly due to the fact that the subsidiary was established in fiscal year 2025 and has not yet commenced formal operations, remaining in the preparation stage. The losses incurred were primarily due to personnel and administrative expenses. The improvement plan includes: Through cost control and the acceleration of operational planning, the Company expects to improve its loss position after formal operations commence..
- (8) All the investments of the Company are long-term strategic investment. We master the operation and financial status of the business invested as well as carry out prudential assessment of the investment plan.
- (9) The investment policy of the Company and the investment plan for the next year are focused on the business related to what the Company has operated.

VI. Matters of risk in the past year up to the date of publication of this annual report shall be analyzed and addressed as follows:

1. The impact of inflation or fluctuation in the interest or foreign exchange rate on the Company's gains or losses and the response thereto

- (1) Impact of fluctuation in exchange on the Company's operating revenue and profitability and concrete measures adopted by the Company against exchange rate fluctuation

Transactions with the Company's major customers are primarily denominated in U.S. dollars; therefore, the exchange rate fluctuation has certain influence on operating revenue. As the valuation of transactions from the Company to its major suppliers is in US dollars, which nets out each other and brings the exchange rate fluctuation into the effect of hedging to some extent, thus having limited influence on profitability. The US dollars depreciation in 2025. Exchange gain or loss in the most recent year are as follows:

Unit: NT\$ thousand		
Year/Item	2025	2024
Exchange gain (loss)	(43,544)	111,487
Net operating revenue	4,474,668	3,495,668
Percentage of exchange gain (loss) accounting for revenue	(0.97)%	3.19%

Concrete measures adopted by the Company against exchange rate fluctuation are as follows:

- (a) Opening a foreign currency deposit account and keeping in close touch with major correspondent banks to collect relevant information to exchange rate fluctuation at any time and to be in good control of exchange rate, then knowing the lowest time point to purchase foreign exchange and the best time point of exchange settlement.
 - (b) Reserving appropriate foreign currency deposit assets for hedging of natural exchange for payment and liability of corresponding foreign currency, actively learning hedging instrument of foreign currency and carrying out hedging properly to reduce the influence of exchange risk on the Company's profitability.
 - (2) The fluctuation in interest rate still has limited influence on the Company due to low rate of interest income and expense accounting for net amount of turnover, although the interest rate has increased.
 - (3) Influence of inflation in the most recent two years on the Company: None.
2. The policies for, and main reasons for gains or losses in, high-risk, high-leveraged investments, loans to others, endorsements/guarantees, and transactions involving derivative products and the response thereto:
 - (1) Currently, the Company does not engage in any high-risks or highly leveraged investments.

(2) Endorsement or guarantee provided to others:

December 31, 2025 Unit: NT\$ thousand

No.	Name of endorsement/ guarantee provider	Endorsement/ guarantee counterparty		Limit on endorsement/ guarantee amount provided to each guaranteed party	Maximum balance for the period	Balance at end of the period	Actual amount drawn down	Amount of endorsement/ guarantee collateralized by properties	Ratio of accumulated endorsement/ guarantee to net equity per latest financial statements	Maximum endorsement/ guarantee amount allowable	Guarantee provided by parent company to a subsidiary	Guarantee provided by a subsidiary to parent company	Guarantee provided to subsidiaries in Mainland China
		Name	Relationship										
0	The Company	APAQ Wuxi	Subsidiary	4,799,469	166,025	157,150	0	0	3.27%	4,799,469	Y	N	Y
0	The Company	APAQ Hubei	Subsidiary	4,799,469	166,025	157,150	0	0	3.27%	4,799,469	Y	N	Y
0	The Company	APAQ Thailand	Subsidiary	4,799,469	62,860	62,860	0	0	1.31%	4,799,469	Y	N	N
0	The Company	AiPAQ Technology CO., LTD	Subsidiary	4,799,469	100,000	100,000	0	0	2.08%	4,799,469	Y	N	N

Note 1: The amount of endorsement/guarantee for a single entity is limited to the amount of the Company's most recent consolidated financial statements audited by the CPA attributable to the parent company's owner's equity.

Note 2: The total amount of endorsements/guarantees to external parties shall be limited to the amount of equity attributable to the owners of the parent company in the balance sheet of the Company's consolidated financial statements as audited (reviewed) by the CPAs in the most recent period.

- (3) The Company's Endorsement Guarantee Policy: The total amount of the Company's endorsements/guarantees to external parties shall be limited to the total shareholder equity of the parent company as specified in the balance sheet of the Company's consolidated financial statements audited and certified by a CPA for the most recent year. The amount of the Company's endorsements/guarantees for a single enterprise shall be limited to the total shareholder equity of the parent company as specified in the balance sheet of the Company's consolidated financial statements audited and certified by a CPA for the most recent year. In addition to the aforementioned restrictions, where the Company provides endorsement/guarantee based on a transaction relationship, the amount of the respective endorsement/guarantee shall not exceed the total value of the underlying transactions between the parties. The total value of the underlying transaction refers to the greater of the sales or purchase value between the parties.
- (4) Company's Policy on Loans to Others: The total amount of the Company's loans to others shall be limited to 40 percent of the total shareholder equity of the parent company as specified in the balance sheet of the Company's consolidated financial statements audited and certified by a CPA for the most recent year. The amount of the Company's loan to an individual company or business with which the Company has business relationship shall be limited to the total value of the underlying transactions between the parties. The total value of the underlying transaction refers to the greater of the sales or purchase value between the parties. Where the Company by necessity provides a short-term loan to any company or business, the amount shall be limited to 40 percent of the total shareholder equity of the parent company as specified in the balance sheet of the Company's consolidated financial statements audited and certified by a CPA for the most recent year. The loans between the Company and an overseas company of which the Company directly or indirectly holds 100% of the shares with voting right shall not be subject to the aforementioned restriction. The Company's outstanding loans to others are as follows:

December 31, 2025 Unit: NT\$ thousand

No.	Financing company	Financing counterparty	Financial statement account	Related party	Maximum balance for the period	Balance at end of the period	Actual amount drawn down	Interest rate range	Nature of financing	Transaction amount	Reason for short-term financing	Loss allowance	Collateral		Financing limits for each borrowing company	Financing company's total financing amount limits
													Name	Amount		
0	The Company	APAQ Wuxi	Other receivables - related parties	Yes	166,025	157,150	0	NA	Business transaction	2,756,089	Business needs of subsidiary	0	None	0	479,946	1,919,787
0	The Company	APAQ Hubei	Other receivables - related parties	Yes	166,025	157,150	0	NA	Short-term financing facility	0	Business needs of subsidiary	0	None	0	479,946	1,919,787
0	The Company	APAQ Thailand	Other receivables - related parties	Yes	62,860	62,860	0	NA	Short-term financing facility	0	Business needs of subsidiary	0	None	0	479,946	1,919,787
0	The Company	AiPAQ Technology CO., LTD	Other receivables - related parties	Yes	100,000	100,000	42,000	2.1%	Short-term financing facility	0	Business needs of subsidiary	0	None	0	479,946	1,919,787

Note 1: The amount of the Company's loan to an individual company or business with which the Company has a business relationship shall be limited to the total value of the underlying transactions between the parties.

Note 2: The amount of the Company's loans to any single enterprise shall be limited to 10 percent of the total shareholder equity of the parent company as specified in the balance sheet of the Company's consolidated financial statements audited and certified by a CPA for the most recent year. The aggregate amount of the Company's loans to others shall be limited to 40 percent of the total shareholder equity of the parent company as specified in the balance sheet of the Company's consolidated financial statements audited and certified by a CPA for the most recent year.

(5) Policy on derivatives trading, main reasons for profit or loss and future countermeasures: Not applicable.

3. Future R&D plans and estimated expenses

The Company will continue to develop new products targeting high-end market applications, including:

- High-reliability products (CAP / Vchip / Hybrid for AI Servers, AI PCs, and EVs)
- Miniaturized and slim products (CAP 1H, SMLC B-size for notebooks and SSDs)
- Slim products (Vchip for notebooks)
- High ripple current & low ESR products (Hybrid solutions for AI Servers and EVs).

The expenditure in R&D in 2026 is expected to continue to increase to about 4% of revenue

4. The impact of changes in major domestic/overseas policies and regulations on the Company's finance and business, and the response thereto:

The Company operates in accordance with the relevant laws and regulations of this and other countries in which it does business, and the personnel involved also closely observe and reflect the changes in laws and regulations as they take place for management decision-making. Therefore, the Company stays informed of and can formulate timely responses to important changes in domestic and foreign policies.

5. Effect on the Financial Operations of Developments in Science and Technology (Including Cybersecurity Risks) and Industrial Change, and Measures to Be Taken in Response:

The Company continues to invest a great amount of resources in developing new technologies and timely and adequately assesses the industrial trend and changes. The Company will continue to adjust its business strategies while observing the trends in future technology.

In response to cybersecurity risks, the Company has established an information security management team to comprehensively improve cybersecurity protection capabilities.

During the past year up to the date of publication of this annual report, there has not been any instance where changes in technology (including the cybersecurity risks) and

industries have significantly impacted the Company's finance or business.

6. The impact of any shift in corporate image during the past year on the Company's risk management, and the response thereto:

The Company operates business on principles of reliability and accountability and maintains a positive corporate image. During the past year up to the date of publication of this annual report, there has not been any instance where a shift in corporate image has significantly impacted the Company's risk management.

7. The projected benefits and potential risks in mergers and acquisitions, and the response thereto:

The Company did not engage in any mergers or acquisitions during the current period.

8. The projected benefits and potential risks in plant expansion, and the response thereto:

In response to the need for capacity expansion and production integration, the Company expects to expand its production scale and increase revenue. A potential risk is that revenue growth may fall short of expectations. Countermeasures: The Company will actively develop new-generation CAP, Vchip, and Hybrid products to effectively enhance market share in applications such as servers, motherboards (MB), graphics cards (VGA), and notebooks (NB).

9. Risks in centralization of purchase or sales channels and the response thereto:

- (1) Purchasing: The Company's main raw materials are aluminum foil, electrolytic paper, guide pin, colloidal particle and aluminum case, in which the cathode side of the aluminum foil is mainly supplied by Chinese manufacturers at current, consistent with the characteristics of centralization of procurement on the supply side. In order to reduce the risks associated with centralized procurement, the Company is actively seeking to use alternative materials from more diversified sources in the production of new products while building and maintaining good cooperative relationships with the domestic and foreign suppliers to ensure we do not have to worry about shortage of supply.

- (2) Sales: The Company mainly sells to PC system manufacturers in the Asian-Pacific region and maintains intimate and positive business relationships with the clients. Besides faithfully maintaining the loyal clientele, the Company also strives to develop new products and new clients so to reduce the risks associated with centralization of sales.

10. The risks of mass transfer or exchange of shares by the directors, supervisors, or shareholders of more than ten percent of the Company's shares, their impact on the Company, and the response thereto: Not applicable
11. The risk of change in management right, its impact on the Company, and the response thereto: Not applicable.
12. Litigation and non-litigation events: Not applicable.
13. Other important risks and responses thereto: Not applicable.

VII. Other matters: None

Chapter 6 Special Disclosure

I. Relevant Data of Affiliated Companies:

Please visit the Market Observation Post System (<https://mops.twse.com.tw>), search for the Company, then click on "Electronic Books" and "Three Statements of Affiliates" under that section (website: https://mopsov.twse.com.tw/mops/web/t57sb01_q10).

II. Securities issued by private placement in the past year up to the date of publication of this annual report: Not applicable.

III. Other Necessary Supplemental Information: None.

IV. Any Event Which Has a Material Impact on the Company's Shareholders' Rights and Interests or Securities Prices as Specified in Article 36 of the Securities and Exchange Act, Paragraph 3, Subparagraph 2:

Recently, all matters that have a significant impact on shareholder equity or securities prices as defined in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act have been announced in accordance with regulations on the Public Information Observation Station. The website of the Public Information Observation Station is:
<http://mops.twse.com.tw/>

Date	Item
2025/01/10	Announcement of the Company on behalf of its subsidiary, APAQ Wuxi, about the receipt of an administrative penalty decision from the Wuxi Bureau of Ecological Environment.
2025/02/18	Announcement of the expected date for the Board of Directors' approval of the Company's consolidated financial report for 2024 being February 26, 2025.
2025/02/26	Announcement of the approval of the 2024 consolidated financial statements upon resolution of the Company's Board of Directors
2025/02/26	Announcement of convening regular shareholders' meeting upon resolution of the Company's Board of Directors
2025/02/26	Announcement of the Board of Directors' resolution on the record date for the capital increase of restricted stock awards
2025/02/26	Announcement of dividend distribution upon resolution of the Company's Board of Directors
2025/04/29	Announcement of the expected date for the Board of Directors' approval of the Company's consolidated financial report for the first quarter of 2025, May 7, 2025.
2025/05/07	Announcement that the Company's consolidated financial statements for the first quarter of 2025 were approved by the Board of Directors.
2025/05/07	Announcement of the Board of Directors' resolution to increase investment in APAQ Wuxi in Mainland China.
2025/05/07	Announcement on behalf of a major subsidiary, APAQ Investments Limited, that the Board of Directors resolved to increase capital through the issuance of new shares.
2025/05/07	Announcement on behalf of a major subsidiary, APAQ Wuxi, that the Board of Directors resolved to increase capital.
2025/05/26	Announcement of the key resolutions adopted at the Company's shareholders' meeting.
2025/05/26	Announcement that the Company's 2025 Annual General Shareholders' Meeting approved the release of directors from non-compete restrictions.
2025/06/06	Announcement of the record date for dividend distribution.
2025/06/06	Announcement of the adjustment to the cash dividend payout ratio.
2025/07/29	Announcement of the expected date for the Board of Directors' approval of the Company's consolidated financial report for the second quarter of 2025 being August 6, 2025.
2025/08/06	Announcement that the Company's consolidated financial statements for the second quarter of 2025 were approved by the Board of Directors.
2025/08/06	Announcement of the Board of Directors' resolution to release managers from non-compete restrictions.
2025/08/06	Compliance of the amount of additional loan to the wholly owned subsidiary (APAQ Wuxi) with

Date	Item
	the standards set forth in the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, Article 22, Paragraph 1, Subparagraph 3.
2025/08/06	Compliance of the amount of additional loan to the wholly owned subsidiary (APAQ Hubei) with the standards set forth in the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, Article 22, Paragraph 1, Subparagraph 3.
2025/08/06	Compliance of the amount of additional loan to the 52% owned subsidiary (AiPAQ Technology) with the standards set forth in the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, Article 22, Paragraph 1, Subparagraph 3.
2025/08/06	Compliance of the endorsement/guarantee for the wholly owned subsidiary (APAQ Wuxi) with the standards set forth in the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, Article 25, Paragraph 1, Subparagraphs 3 and 4.
2025/08/06	Compliance of the endorsement/guarantee for the wholly owned subsidiary (APAQ Hubei) with the standards set forth in the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, Article 25, Paragraph 1, Subparagraph 4.
2025/08/06	Compliance of the endorsement/guarantee for the 52% owned subsidiary (AiPAQ Technology) with the standards set forth in the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, Article 25, Paragraph 1, Subparagraph 4.
2025/08/08	Announcement of the Board of Directors' resolution to conduct capital reduction through the repurchase and cancellation of restricted shares for employees.
2025/08/25	Announcement of material financial and business information due to the Company's securities reaching the disclosure criteria for attention-worthy trading information on the centralized securities exchange market, for investors' reference.
2025/08/26	Announcement that the Company was invited to participate in an investor conference hosted by Fubon Securities.
2025/08/26	Announcement that the Company has completed the registration of the change in paid-in capital following the repurchase and cancellation of restricted shares for employees.
2025/10/28	Announcement of the expected date for the Board of Directors' approval of the Company's consolidated financial report for the third quarter of 2025 being November 5, 2025.
2025/11/05	Announcement that the Company's consolidated financial statements for the third quarter of 2025 were approved by the Board of Directors.
2025/11/05	Announcement of the Board of Directors' resolution to conduct capital reduction through the repurchase and cancellation of restricted shares for employees.
2025/11/05	Announcement of the Board of Directors' resolution to appoint members of the Nomination Committee.
2025/11/05	Announcement of the Board of Directors' resolution to appoint members of the Sustainability Development Committee.
2025/11/26	Announcement that the Company has completed the registration of the change in paid-in capital following the repurchase and cancellation of restricted shares for employees.
2025/12/16	Announcement that the Company was invited to participate in an investor conference hosted by Grand Fortune Securities Co., Ltd.
2025/12/19	Clarification regarding relevant media coverage published in the Economic Daily News report on December 18, 2025.
2026/02/24	Announcement of the expected date for the Board of Directors' approval of the Company's consolidated financial report for the 2025 being March 4, 2026.
2026/03/04	Announcement that the Company's consolidated financial statements for fiscal year 2025 were approved by the Board of Directors.
2026/03/04	Announcement of the Board of Directors' resolution to conduct capital reduction through the repurchase and cancellation of restricted shares for employees.
2026/03/04	Announcement of the Board of Directors' resolution to convene the Annual General Shareholders' Meeting.
2026/03/04	Announcement of the Board of Directors' resolution on dividend distribution.
2026/3/23	Announcement of the Completion of Capital Reduction Registration Resulting from the Recall and Cancellation of Restricted Employee Shares and the Change in Paid-in Capital

APAQ Technology Co., Ltd.



Person in charge: Cheng, Duen-Jen



General Manager: Lin, Shi-Dong



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