

Stock Code: 4939

MOPS: <http://mops.twse.com.tw>
Website of the Company: <http://www.aemg.com.tw>

Asia Electronic Material Co., Ltd.

2025 Annual Report

Publication Date: April 20, 2026

Information declaration website designated by the competent authority:
<http://newmops.twse.com.tw>

I. Spokesperson

Spokesperson: Cheng Wan-Yu
Title: Manager, Finance Section
Tel.: (03)656-9308
E-mail: monica.cheng@aemg.com.tw
Acting Spokesperson: Wang Chien-Chao
Title: Assistant Vice President
Tel.: (03)656-9308
E-mail: magi@aemg.com.tw

II. Address and Tel. of headquarters, branch and plant

Address of headquarters and plant: 6F-7, No. 3, Huanke 1st Rd., Zhubei City, Hsinchu County
Tel.: (03)656-9308
Branch: None.

III. Stock transfer agency

Name: Stock Affairs Department, Grand Fortune Securities Co., Ltd.
Address: 6F, No.6, Zhongxiao W. Rd., Zhongzhen Dist., Taipei City, Taiwan (R.O.C.)
Website: <http://www.gfortune.com.tw>
Tel.: (02)2371-1658

IV. Annual financial report for the most recent year

CPAs: Chen Kuo-Shuai and Lin Cheng-Wei
CPA's firm: Ernst & Young
Address: 9F, No.333, Sec. 1, Keelung Rd., Taipei City, Taiwan (R.O.C.)
Website: <http://www.ey.com/tw>
Tel.: (02)2757-8888

V. Name of any exchanges where the Company's securities are traded offshore and the method by which to access information on said offshore securities

None

VI. Corporate website

<http://www.aemg.com.tw/>

Table of Contents

ONE. LETTER TO SHAREHOLDERS	1
II. CORPORATE GOVERNANCE REPORT	4
I. INFORMATION ON DIRECTORS, SUPERVISORS, GENERAL MANAGERS, DEPUTY GENERAL MANAGERS, SENIOR MANAGERS, AND HEADS OF DEPARTMENTS AND BRANCHES	4
II. CORPORATE GOVERNANCE IMPLEMENTATION	20
III. INFORMATION ON CPA FEES	62
IV. INFORMATION ON REPLACEMENT OF CPAs: NONE.	62
V. THE COMPANY'S CHAIRMAN, GENERAL MANAGER, OR MANAGER RESPONSIBLE FOR FINANCIAL OR ACCOUNTING AFFAIRS, WHO HAS WORKED IN THE FIRM TO WHICH THE CPA BELONGS OR ITS AFFILIATED COMPANIES WITHIN THE PAST YEAR.....	62
VI. TRANSFER OF EQUITY AND CHANGES IN EQUITY PLEDGES OF DIRECTORS, MANAGERS, AND SHAREHOLDERS WITH A SHAREHOLDING OF 10% AND ABOVE IN THE MOST RECENT YEAR AND UP TO THE DATE OF PUBLICATION OF THE ANNUAL REPORT	62
VII. INFORMATION ON THE RELATIONSHIPS AMONG THE TOP TEN SHAREHOLDERS IN TERMS OF SHAREHOLDING RATIO	63
VIII. THE NUMBER OF SHARES HELD BY THE COMPANY, ITS DIRECTORS, SUPERVISORS, MANAGERS AND THE COMPANIES DIRECTLY OR INDIRECTLY CONTROLLED BY THE COMPANY IN THE SAME REINVESTED COMPANY, AND CALCULATE THE COMBINED SHAREHOLDING RATIO	64
III. FUNDRAISING STATUS.....	65
I. CAPITAL AND SHARES	65
II. CORPORATE BONDS	69
III. PREFERRED SHARES	69
IV. GLOBAL DEPOSITORY RECEIPTS	69
V. EMPLOYEE STOCK WARRANTS	69
VI. NEW RESTRICTED EMPLOYEE SHARES:.....	69
VII. MERGERS OR RECEIPT OF NEW SHARES ISSUED BY OTHER COMPANIES	69
VIII. IMPLEMENTATION OF CAPITAL UTILIZATION PLANS	69
FIVE. OPERATIONAL OVERVIEW	70
I. SCOPE OF BUSINESS	70
II. OVERVIEW OF THE MARKET, PRODUCTION, AND SALES	79
III. NUMBER OF EMPLOYEES IN THE MOST RECENT TWO YEARS AND UP TO THE PUBLICATION DATE OF THE ANNUAL REPORT	86
IV. INFORMATION ON ENVIRONMENTAL PROTECTION EXPENDITURE.....	86
V. LABOR-CAPITAL RELATIONS	87
VI. CYBERSECURITY MANAGEMENT	88
VII. IMPORTANT CONTRACTS	89
V. REVIEW AND ANALYSIS OF THE FINANCIAL CONDITION AND FINANCIAL PERFORMANCE AND RISK ISSUES.....	90
I. ANALYSIS OF FINANCIAL CONDITION	90
II. FINANCIAL PERFORMANCE:	92
III. ANALYSIS OF CASH FLOWS	93
IV. EFFECT OF MAJOR CAPITAL EXPENDITURES ON FINANCE AND BUSINESS IN THE MOST RECENT YEAR	94
V. INVESTMENT POLICY FOR THE MOST RECENT YEAR, THE MAIN REASONS FOR PROFIT OR LOSS, IMPROVEMENT PLAN, AND INVESTMENT PLANS FOR THE FOLLOWING YEAR	95
VI. RISK ANALYSIS	95
VII. OTHER IMPORTANT MATTERS	101
VI. SPECIAL MATTERS TO BE RECORDED	102
I. INFORMATION ON AFFILIATES	102
II. PRIVATE PLACEMENT OF SECURITIES IN THE MOST RECENT YEAR AND UP TO THE PUBLICATION	

DATE OF THE ANNUAL REPORT	106
III. HOLDING OR DISPOSAL OF THE COMPANY'S SHARES BY ITS SUBSIDIARIES IN THE MOST RECENT YEAR AND UP TO THE PUBLICATION DATE OF THE ANNUAL REPORT	106
IV. OTHER MATTERS THAT REQUIRE ADDITIONAL EXPLANATION	106
V. ANY EVENT THAT HAS A SIGNIFICANT IMPACT ON SHAREHOLDERS' EQUITY OR SECURITIES PRICES AS DEFINED IN SUBPARAGRAPH 2, PARAGRAPH 3, ARTICLE 36 OF THE SECURITIES AND EXCHANGE ACT THAT OCCURRED IN THE MOST RECENT YEAR AND UP TO THE DATE OF PUBLICATION OF THE ANNUAL REPORT SHALL BE CLEARLY STATED.	106

One. Letter to Shareholders

The 2025 Business Report of Asia Electronic Material Co., Ltd.

Dear Shareholders:

I. Operating results in 2025:

(I) Implementation achievement of business plan

Unit: NT\$000'

	2025	2024	YoY growth rate
Consolidated operating income	1,417,550	1,541,704	-8.05%
Net operating profit	(14,266)	35,112	-140.63%
Net profit after tax	(42,340)	19,084	-321.86%
Earnings per share after tax	(0.43)	0.19	-326.32%

In 2025, affected by a slowdown in end-market demand and intensified industry competition, revenue decreased compared to the previous year, and profitability came under pressure. In response to market changes, the Company has continued to adjust its product mix and implement cost control measures, strengthening its operating fundamentals and laying the groundwork for future recovery.

(II) Budget implementation

The Company did not disclose its financial forecast for 2025.

(III) Analysis of profitability

	2025	2024
Return on assets	(0.67%)	1.46%
Return on equity	(2.92%)	1.24%
Profit margin	(2.99%)	1.24%

(IV) R&D status

In recent years, the development trends of electronic materials have been primarily driven by advancements in artificial intelligence (AI), energy storage applications, high-performance electronic devices, 5G communications, electric vehicles, and sustainable development. The Company has been deeply engaged in this field for many years, continuously developing and expanding the sales of new products to increase its operational competitiveness. Currently, the Company focuses its R&D on fluorine-based substrates, self-developed PI cover lays, conductive adhesives, and electromagnetic shielding films (self-developed PI-type EMI). Among these, sales of electromagnetic shielding film materials are steadily increasing, contributing to the Company's revenue growth. In the future, we will continue to develop and improve high-priced and high gross-profit products, such as high-frequency materials, ultra-thin bending-resistant materials, ion-resistant migration materials, self-made substrate materials, automotive materials, and energy storage materials, etc., to create unique products, enhance the Company's competitiveness among peers, and gain a leading position in the industry. Furthermore, with increasingly stringent environmental regulations and technological breakthroughs, future electronic materials will become greener, more sustainable, and safer. In developing new products, the Company emphasizes compliance with environmental regulations starting from the selection of raw materials, thereby promoting the industry's development toward low-pollution and high-efficiency solutions. In addition to the development of the above-mentioned new products, the process focuses on improving production yield and efficiency, so as to reduce product costs and increase gross profit margin to facilitate the acquisition of orders.

II. Business plan for 2026:

(I) Management Policy

Looking ahead to 2026, the Company's business and resource allocation will focus primarily on the AI and energy storage application markets.

In the AI field, as demand for high-computing-power servers and data centers continues to grow, the Company will actively expand into applications of low-loss and high-reliability materials. In the energy storage field, driven by global net-zero carbon emission policies and the expansion of demand for energy storage systems and electric vehicles, the Company will strengthen the development of application materials for power batteries and energy storage flexible printed circuits to increase its market share.

At the same time, the Company will continue to collaborate with U.S. customers to develop new products, expand into international markets, and promote high value-added products such as conductive adhesives, EMI, and anti-ion migration cover lays, thereby broadening its customer base and expanding product sales scale. In addition, the Company's new plant in Dongtai, Jiangsu has officially commenced mass production and supply to the market, enhancing the Group's overall capacity allocation flexibility and supply stability.

(II) Estimated sales volume and its basis

Based on past experiences and the status of market supply and demand, it is expected that the sales volume will achieve remarkable growth along with greater applications in 2026.

(III) Important production and marketing policy

1. The Company connects end customers and understands the requirements of customers to provide comprehensive products and services.
2. Optimize supply chain collaboration to improve delivery lead times and quality stability.

III. Future development strategies of the Company:

(I) Business status:

AI and energy storage are the Company's key market promotion focuses this year. As AI intelligence continues to evolve at a rapid pace, the SoC industry and high-computing-power server market have increasing design demands for ultra-low-loss and low dielectric constant materials. The Company is actively expanding into domestic and overseas markets to broaden its customer base and application scope. At the same time, it is developing PTFE and engaging in cross-industry collaboration (PCB) to enter the server market, focusing on U.S. customers and international markets with early deployment strategies. In conjunction with the development of low-loss and high-reliability materials, the Company continues to promote its products to end customers and FPC manufacturers, while advancing high-specification applications in semiconductors and displays through joint development of new materials, thereby securing a leading position within the industry.

For conductive adhesives and EMI, mass production is ongoing, and they have entered the terminal resource pool. Currently, the mainstream products in the market are from Japanese brands; however, the Company's materials have the opportunity to replace Japanese imported materials this year. PI-type EMI products are differentiated products that have been successfully adopted in medical applications. This year, the focus is on expanding into the electronic component modularization market, such as mobile phone CCD modules.

(II) R&D:

1. The Company attaches attention to the R&D of products of novelty and high gross profits; our products are divided into four categories: high-frequency materials (high-frequency covering film/high-frequency pure glue/high-frequency substrate/fluorine-based substrate), conductive materials (conductive glue/electromagnetic masking film), covering film materials (self-made PI covering film/anti-ion migration covering film/high-Tg covering film/special specification stiffeners and composite film), substrate materials (2L/ultra-thin copper foil substrate), focusing on the development of novel projects, effectively utilizing R&D resources, improving product gross profit and increasing product uniqueness, and expanding product sales.
2. By combining our technical capacity and supplier management, we implement local procurement for chemical raw materials to minimize the costs of raw materials and improve the gross profits of products, and in turn, improve the competitive strength and profitability of products.
3. New product development emphasizes compliance with environmental regulations to promote sustainable industrial development of the industry.

IV. Impact of external competitive environment, regulatory environment, and overall business environment:

In recent years, the global economy has been affected by geopolitical risks, changes in trade policies, and the restructuring of industrial supply chains. Environmental protection and occupational safety regulations have continued to become more stringent, and corporate operations are facing higher management requirements and cost pressures.

To strengthen risk management, the Company:

1. Increase the proportion of local procurement of key chemical raw materials
2. Optimize inventory and procurement strategies
3. Diversify supply risk
4. Establish a dedicated occupational safety management team to implement environmental protection and occupational safety systems

Looking ahead, flexible printed circuit applications will continue to be primarily driven by the smartphone market, with high-end models driving demand for specification upgrades. The Company will continue to deepen its technologies in self-developed PI and EMI products, expand into specialized application fields such as automotive, energy storage, medical, and aerospace, optimize its product structure and market positioning, and enhance long-term profitability and operational stability.

Chairman: Lee Chien-Hui Manager: Lee Chien-Hui Accountant Manager: Cheng Wan-Yu

II. Corporate Governance Report

I. Information on directors, supervisors, general managers, deputy general managers, senior managers, and heads of departments and branches

(I) Data on President, Vice Presidents, Assistant Vice Presidents, and directors of departments and branches.

March 22, 2026

Title	Nationality	Name	Gender	Date elected	Shareholding		Shares held by spouse and minors		Shares held in the name of other persons		Major career achievements (academic background)	Concurrent duties in other companies	Other managers who are spouse or blood relatives within the second degree of kinship			Remarks
					Number of shares (share)	Shareholding (%)	Number of shares (share)	Shareholding (%)	Number of shares (share)	Shareholding (%)			Title	Name	Relationship	
President	Taiwan	Lee Chien-Hui	Male	2003.06	4,751,153	4.84	8,219	0.01	7,503,800	7.64	Ph.D., Department of Chemical Engineering, Chung Yuan Christian University Researcher, ITRI MCL Adjunct Associate Professor, Department of Chemical Engineering, Chung Yuan Christian University President, TAIFLEX Scientific Director, FLEXIUM Interconnect Inc. Vice president, Hongren Electronics, Grace T.H.W. Group	Director, Kunshan Aplus Tec. Corporation Director, Asia Electronic Material Holding (Samoa) Co., Ltd. Director, Besttrade Co., Ltd. Director, Ammon Tec. Investment Corp. Director, Aplus Tec. Corporation (Dongtai)	None	None	None	Note 1
Vice President	Taiwan	Hsu Ming-Hua	Male	2016.02	643,180	0.65	35,901	0.04	0	0	Department of Chemical Engineering, Chung Yuan Christian University Manager, Business Section, TAIFLEX Scientific Assistant vice president, Business Section, Grace Electron Corp.	Legal representative, director, and manager, Kunshan Aplus Tec. Corporation Legal representative, director, and president, Aplus Tec. Corporation (Dongtai)	None	None	None	-
Special assistant of the Chairman	Taiwan	Tseng Chi-Min	Male	2018.12	222,000	0.22	0	0	0	0	Department of Engineering, Ming Chi Institute of Technology Senior specialist, Nan Ya Plastics Corporation, FPG Vice president, Grace Electron Corp. Marketing director, Peng Nuo Hui Li Electronic Material (Xiamen) Co., Ltd.	Special assistant of chairman, Kunshan Aplus Tec. Corporation Director, Aplus Tec. Corporation (Dongtai)	None	None	None	-
Assistant Vice President and Head of information security	Taiwan	Wang Chien-Chao	Male	2007.03	0	0	0	0	0	0	Institute of Industrial Engineering, National Chiao Tung University Assistant manager, Management Department, TAIFLEX Scientific	Director and chief safety inspector of the Occupational Safety Office, Kunshan Aplus Tec. Corporation	None	None	None	-

Title	Nationality	Name	Gender	Date elected	Shareholding		Shares held by spouse and minors		Shares held in the name of other persons		Major career achievements (academic background)	Concurrent duties in other companies	Other managers who are spouse or blood relatives within the second degree of kinship			Remarks
					Number of shares (share)	Shareholding (%)	Number of shares (share)	Shareholding (%)	Number of shares (share)	Shareholding (%)			Title	Name	Relationship	
Assistant Vice President, R&D Section	Taiwan	Lin Chih-Ming	Male	2016.02	205,964	0.21	0	0	0	0	Department of Chemical Engineering, National Taiwan University of Science and Technology R&D engineer, ThinFlex Corporation	Assistant vice president, R&D Section, Kunshan Aplus Tec. Corporation Supervisor, Aplus Tec. Corporation (Dongtai)	None	None	None	-
Manager, Finance Section and Head of corporate governance	Taiwan	Cheng Wan-Yu	Female	2007.09	152,262	0.16	0	0	0	0	MBA (Accounting), Institute of Management, Yuan Ze University Assistant manager of audit, KPMG Taiwan Audit specialist, Sinonar Corp.	None	None	None	None	-

Note 1: In the event that the Chairman and President or a position of the same level (top-level manager) are the same person, or a spouse or a relative within the first degree of kinship, the reasons, rationality, necessity, and countermeasures (i.e., adding the number of Independent Directors, having more than half of the Directors not concurrently being the employees or managers, and other methods), and relevant information shall be disclosed.

The Chairman of the Company holding the position of President concurrently is to improve our operating efficiency and decision execution. However, to reinforce the independence of the Board, the Company has been actively training appropriate internal candidates and has otherwise appointed Ming Hua, vice president of Taiwan Certificate, as the corporate representative and president of Kunshan Aplus Tec. Corporation. In addition, the Chairman frequently communicates with Directors in terms of the recent operation status, plans, and policies of the Company to realize corporate governance. At the 2021 annual shareholders' meeting, the number of Independent Directors increased from two to four, improving the Board's functions and enhancing its supervisory function. Currently, the Company has the following substantial measures:

1. The current Independent Directors have expertise in the field of electronic parts and the components industry and are able to effectively exercise their supervisory duties.
2. The Company makes arrangements for Directors to participate in professional Director programs organized by SFI and other external institutions each year to improve the operating functions of the Board.
3. Independent Directors in all functional committees may carry out comprehensive discussions and propose recommendations for the Board's reference to realize corporate governance.
4. More than half of the Board members are not concurrently employees or managers.

(II) Information on directors

March 22, 2026 Unit: Share

Title	Nationality or place of registration	Name	Gender/age	Date elected	Term of office	Date initially elected	Shareholding when elected		Number of shares at present		Shares held by spouse and minors at present		Shares held in the name of other persons		Major career achievements (academic background)	Concurrent positions at the Company or other companies	Spouse or relatives within the second degree of kinship who are other managers, Directors, or supervisors of the Company			Remarks
							Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding			Title	Name	Relationship	
Chairman	Taiwan	Lee Chien-Hui	Male 60-70	2024.5.24	3	2003.6.27	4,751,153	4.84	4,751,153	4.84	8,219	0.01	7,503,800	7.64	Ph.D., Department of Chemical Engineering, Chung Yuan Christian University Researcher, ITRI MCL Adjunct Associate Professor, Department of Chemical Engineering, Chung Yuan Christian University President, TAIFLEX Scientific Director, FLEXIUM Interconnect Inc. Vice president, Hongren Electronics, Grace T.H.W. Group	Director, Kunshan Aplus Tec. Corporation Director, Aplus Tec. Corporation (Dongtai) Director, Asia Electronic Material Holding (Samoa) Co., Ltd. Director, Besttrade Co., Ltd. Director, Ammon Tec. Investment Corp.	Director representative	Huang Song-Zhen	Spouse	Note 1
Director	Taiwan	Bo Chun Investment Co., Ltd. Representative: Huang Song-Zhen	Not applicable	2024.5.24	3	2015.5.28	2,860,080	2.91	2,860,080	2.91	0	0	0	0	-	-	None	None	None	None
Director representative	Taiwan	Huang Song-Zhen	Female 50-60	2024.5.24	-	2015.5.28	0	0	8,219	0.01	4,751,153	4.84	0	0	Master, Institute of Chemical Engineering, Chung Yuan Christian University	None	Director	Lee Chien-Hui	Spouse	None
Director	Taiwan	Tsai Sen	Male 60-70	2024.5.24	3	2021.7.23	467,251	0.48	467,251	0.48	104,633	0.11	0	0	Supervisor, Asia Electronic Material Co., Ltd.	None	None	None	None	None
Director	Taiwan	Representative of E INK HOLDINGS INC.: Chan Ning-Wei (Note 2)	Not applicable	2024.5.24	3	2024.5.24	9,765,000	9.94	-	-	0	0	0	0	-	Director, YuanHan Materials Inc. Director, NEW FIELD E-PAPER CO., LTD. Director, Linfiny Corporation Director, Integrated Solutions Technology, Inc.	None	None	None	(Note 2)

Title	Nationality or place of registration	Name	Gender/age	Date elected	Term of office	Date initially elected	Shareholding when elected		Number of shares at present		Shares held by spouse and minors at present		Shares held in the name of other persons		Major career achievements (academic background)	Concurrent positions at the Company or other companies	Spouse or relatives within the second degree of kinship who are other managers, Directors, or supervisors of the Company			Remarks
							Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding			Title	Name	Relationship	
Director representative	Taiwan	Chan Ning-Wei (Note 2)	Male 50-60	2024.5.24	-	2024.5.24	0	0	0	0	0	0	0	0	Bachelor in Department of Chemistry, National Cheng Kung University Master in Department of Chemistry, National Tsing Hua University Ph.D. in Department of Chemistry, National Tsing Hua University Assistant Vice President, SiPix Technology, Inc. Senior Director of FPL Development Department, E INK HOLDINGS INC. Director, YuanHan Materials Inc.	Senior Assistant Vice President of Central R&D Department, E INK HOLDINGS INC. President, YuanHan Materials Inc.	None	None	None	(Note 2)
Director	Taiwan	KMO International Trading Inc. representative: Lin Wei-Hong	Not applicable	2024.5.24	3	2024.5.24	256,000	0.26	256,000	0.26	0	0	0	0	-	-	None	None	None	None
Director representative	Taiwan	Lin Wei-Hong	Male 60-70	2024.5.24	3	2024.5.24	309,766	0.32	264,766	0.27	0	0	0	0	Master, National Taiwan Institute of Technology Passed the Senior Examination for Certified Public Accountants CPA, KPMG	Principal and CPA of Gao Fu Accounting Firm (高輔會計師事務所) Independent Director, Celxpert Energy Corporation	None	None	None	None
Independent Director	Taiwan	Hsu Ke-Ying	Male 70-80	2024.5.24	3	2010.6.29	0	0	0	0	0	0	0	0	Ph.D. in Chemical Engineering, National Tsing Hua University Associate Professor, Department of Chemical Engineering, Chung Yuan Christian University Professor, Department of Chemical Engineering, Chung Yuan Christian University	None	None	None	None	None
Independent Director	Taiwan	Chu Nien-Tzu	Male 60-70	2024.5.24	3	2021.7.23	0	0	0	0	0	0	0	0	EMBA, National Central University CEO, International Industry-academia Alliance, Center for Academia and Industry Collaboration, National Central University Vice president, Department of Startup Business, DuPont Taiwan	Adjunct Lecturer of Department of Statistics, Tamkang University	None	None	None	None

Title	Nationality or place of registration	Name	Gender/age	Date elected	Term of office	Date initially elected	Shareholding when elected		Number of shares at present		Shares held by spouse and minors at present		Shares held in the name of other persons		Major career achievements (academic background)	Concurrent positions at the Company or other companies	Spouse or relatives within the second degree of kinship who are other managers, Directors, or supervisors of the Company			Remarks
							Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding			Title	Name	Relationship	
Independent Director	Taiwan	Li Chun-Ching	Male 60-70	2024.5.24	3	2021.7.23	0	0	0	0	0	0	0	0	MBA, Syracuse University (the U.S.) Bachelor in Public Finance, National Chengchi University Vice president, E.SUN Securities, Co., Ltd. Assistant vice president, MasterLink Securities Corporation Senior analyst, Taiwan Ratings	Chairman, Acute Technology Inc.	None	None	None	None
Independent Director	Taiwan	Hu Han-Liang (Note 3)	Male 50-60	2024.5.24	3	2024.5.24	0	0	-	-	-	-	-	-	Master of Executive MBA Program in Accounting and Management Decision-making, National Taiwan University Passed the Examination for Certified Public Accountants Independent Director, Hermes Microvision, Inc. Director, United Way of Taiwan Supervisor, World Vision International Director, Social Welfare Foundation of Wisdom	CPA Partner, C.J.S. CPAS & CO. Director, KYE Systems Corp. Director, GODEX INTERNATIONAL CO., LTD. Director, Scientech Corporation Director, Algotek, Inc. Director, Basecom Telecommunication Co., Ltd. Supervisor, Orient Pharma Co., Ltd. Independent Director, Episil-Precision Inc. Independent Director, Promate Solutions Corporation Independent Director, KKCompany Technologies	None	None	None	Note 3

Note 1: In the event that the Chairman and President or a position of the same level (top-level manager) are the same person, or a spouse or a relative within the first degree of kinship, the reasons, rationality, necessity, and countermeasures (i.e., adding the number of Independent Directors, having more than half of the Directors not concurrently being the employees or managers, and other methods), and relevant information shall be disclosed. The Chairman of the Company holding the position of President concurrently is to improve our operating efficiency and decision execution. However, to reinforce the independence of the Board, the Company has been actively training appropriate internal candidates and has otherwise appointed Ming Hua, vice president of Taiwan Certificate (台灣許可證), as the corporate representative and president of Kunshan Aplus Tec. Corporation. In addition, the Chairman frequently communicates with Directors in terms of the recent operation status, plans, and policies of the Company to realize corporate governance. At the 2021 annual shareholders' meeting, the number of Independent Directors increased from two to four, improving the Board's functions and enhancing its supervisory function. Currently, the Company has the following substantial measures:

1. The current Independent Directors have expertise in the field of electronic parts and the components industry and are able to effectively exercise their supervisory duties.
2. The Company makes arrangements for Directors to participate in professional Director programs organized by SFI and other external institutions each year to improve the operating functions of the Board.
3. Independent Directors in all functional committees may carry out comprehensive discussions and propose recommendations for the Board's reference to realize corporate governance.
4. More than half of the Board members are not concurrently employees or managers.

Note 2: E Ink Holdings Inc. resigned as a corporate director on January 23, 2026, and Director Ning-Wei Chan was dismissed from the position of director on January 23, 2026; therefore, the number of shares was not disclosed.

Note 3: Independent Director Han-Liang Hu resigned from the positions of Independent Director and member of the Audit Committee effective February 13, 2026; therefore, the number of shares was not disclosed.

(III) Disclosure of directors' professional qualifications and independent directors' independence information:

Name	Criteria	Professional qualifications and experience (Note 1)	Independence (Note 2)	Number of other public companies where the individual concurrently serves as an independent director
Chairman - Lee Chien-Hui		Researcher, ITRI MCL Adjunct Associate Professor, Department of Chemical Engineering, Chung Yuan Christian University President, TAIFLEX Scientific Director, FLEXIUM Interconnect Inc. Vice president, Hongren Electronics, Grace T.H.W. Group	-	None
Director - E INK HOLDINGS INC. Representative: Chan Ning-Wei (Note 3)		Bachelor in Department of Chemistry, National Cheng Kung University Master in Department of Chemistry, National Tsing Hua University PhD. in Department of Chemistry, National Tsing Hua University Assistant Vice President, SiPix Technology, Inc. Senior Director of FPL Development Department, E INK HOLDINGS INC. Director, YuanHan Materials Inc.	-	None
Director - Bo Chun Investment Co., Ltd. Representative: Huang Song-Zhen		Master, Institute of Chemical Engineering, Chung Yuan Christian University	-	None
Director - Tsai Sen		Supervisor, Asia Electronic Material Co., Ltd.	-	None
Director - KMO International Trading Inc. Representative: Lin Wei-Hong		Master, National Taiwan Institute of Technology Passed the Senior Examination for Certified Public Accountants CPA, KPMG Researcher, Technology Consultation Division, Executive Yuan Tax agent, Taxation Administration, Ministry of Finance Consultant, Federation of China Youth Entrepreneurs	-	1
Independent Director - Hsu Ke-Ying (member of the Audit Committee)		Professor, Department of Chemical Engineering, Chung Yuan Christian University	1. The person, spouse, or relatives within the second degree of kinship is not a Director, supervisor, or employee of the Company or its affiliates. 2. No share of the Company is held by the person, spouse, or relatives within the second degree of kinship. 3. The person is not a Director, supervisor, or employee with a special relationship with the Company. 4. The person has not received any compensation for providing business, legal affairs, financial, or accounting services to the Company or its affiliates. 5. No circumstances under Article 30 of the Company Act apply	None

Name	Criteria	Professional qualifications and experience (Note 1)	Independence (Note 2)	Number of other public companies where the individual concurrently serves as an independent director
Independent Director - Chu Nien-Tzu (member of the Audit Committee)		CEO, International Industry-academia Alliance, Center for Academia and Industry Collaboration, National Central University Vice president, Department of Startup Business, DuPont Taiwan	<ol style="list-style-type: none"> 1. The person, spouse, or relatives within the second degree of kinship is not a Director, supervisor, or employee of the Company or its affiliates. 2. No share of the Company is held by the person, spouse, or relatives within the second degree of kinship. 3. The person is not a Director, supervisor, or employee with a special relationship with the Company. 4. The person has not received any compensation for providing business, legal affairs, financial, or accounting services to the Company or its affiliates. 5. No circumstances under Article 30 of the Company Act apply 	None
Independent Director - Li Chun-Ching (member of the Audit Committee)		MBA, Syracuse University (the U.S.) Bachelor in Public Finance, National Chengchi University Vice president, E.SUN Securities, Co., Ltd. Assistant vice president, MasterLink Securities Corporation Senior analyst, Taiwan Ratings	<ol style="list-style-type: none"> 1. The person, spouse, or relatives within the second degree of kinship is not a Director, supervisor, or employee of the Company or its affiliates. 2. No share of the Company is held by the person, spouse, or relatives within the second degree of kinship. 3. The person is not a Director, supervisor, or employee with a special relationship with the Company. 4. The person has not received any compensation for providing business, legal affairs, financial, or accounting services to the Company or its affiliates. 5. No circumstances under Article 30 of the Company Act apply 	None
Independent Director - Hu Han-Liang (member of the Audit Committee) (Note 4)		Master of Executive MBA Program in Accounting and Management Decision-making, National Taiwan University Passed the Examination for Certified Public Accountants Independent Director, Hermes Microvision, Inc. Director, United Way of Taiwan Supervisor, World Vision International Director, Social Welfare Foundation of Wisdom	<ol style="list-style-type: none"> 1. The person, spouse, or relatives within the second degree of kinship is not a Director, supervisor, or employee of the Company or its affiliates. 2. No share of the Company is held by the person, spouse, or relatives within the second degree of kinship. 3. The person is not a Director, supervisor, or employee with a special relationship with the Company. 4. The person has not received any compensation for providing business, legal affairs, financial, or accounting services to the Company or its affiliates. 5. No circumstances under Article 30 of the Company Act apply 	3

Note 1: Professional qualification and experience: Specify the professional qualification and experience of individual Directors. For members of the Audit Committee who possess accounting or financial expertise, describe their background in accounting or finance and work experience. Please otherwise describe whether there are any circumstances specified in subparagraphs of Article 30 of the Company Act exist.

Note 2: Specify if Independent Directors meet the criteria for independence, including but not limited to whether the individual and spouse or relatives within the second degree of kinship thereof are Directors, supervisors, or employees of the Company or its affiliates, the number of the Company's shares held by the individual or spouse or relatives within the second degree of kinship thereof (or in the name of others) and percentage, whether the individual is a director, supervisor, or employee of a company with specific relations with the Company (refer to subparagraphs 5 to 8, paragraph 1, Article 3 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange), and the amount of remuneration received for providing business, legal, financial, accounting, or other services to the Company or its affiliates in the most recent two years.

Note 3: E Ink Holdings Inc. resigned as the institutional director on January 23, 2026. Director Ning-Wei Chan was discharged from the position of director on January 23, 2026.

Note 4: Independent Director Han-Liang Hu resigned from the positions of Independent Director and member of the Audit Committee effective February 13, 2026.

(IV) Board diversity and independence:

1. The Company has established a policy on the diversity of the composition of the Board of Directors in the “Corporate Governance Best Practice Principles”. Based on the scale of business development and the shareholding of major shareholders of the Company, taking into account the practical operating requirements, the Company has elected nine directors (including four independent directors) through stringent selection and nomination procedures. Among the directors, one is concurrently a manager, four independent directors, one female director and three external directors in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies. Circumstances specified in paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act do not exist. The backgrounds of Directors include industrial expertise, financial background, and the academic profession. One of the directors of the company is married, and the proportion of female directors is less than one third of the total number of directors. This is mainly due to the consideration of professional background and plan to improve the diversity of directors.
2. All directors are of Taiwanese nationality, with one female director and two male directors aged 50-60, five aged 60-70, and one aged 70-80. One of the independent directors has a term of office of more than 9 years because he has professional knowledge in the field and is familiar with relevant laws and corporate governance and can provide significant professional assistance to the Company.
3. Professional knowledge and skills: A professional background (such as law, accounting, industry, finance, marketing or technology), professional skills, and industry experience, etc.

The diversification policy of the board members and the implementation status are as follows:

Core item of diversification	Basic composition									Industry/academic experience				Professional skills			
	Nationality	Gender	Concurrently an employee of the Company	Age (year-old)			Term of office and seniority of Independent Director			Finance	Investment	Information and electronics	Material science	Laws	Accounting and finance	Business management	Risk management
				50-60	60-70	70-80	Less than three years	3-9 years	Over nine years								
Name																	
Chairman - Lee Chien-Hui	Taiwan	Male	V		V						V	V	V			V	V
Director - Bo Chun Investment Co., Ltd. Representative: Huang Song-Chen	Taiwan	Female		V							V		V			V	V
Director - E Ink Holdings Inc. (Note 1) Representative: Chan Ning-Wei	Taiwan	Male		V								V	V			V	V
Director - Tsai Sen	Taiwan	Male			V							V				V	V
Director - KMO International Trading Inc. Representative: Lin Wei-Hong	Taiwan	Male			V					V	V				V	V	V
Independent Director - Hsu Ke-Ying	Taiwan	Male				V			V			V	V			V	V
Independent Director - Chu Nien-Tzu	Taiwan	Male			V			V				V	V			V	V
Independent Director - Li Chun-Ching	Taiwan	Male			V			V		V	V			V	V	V	V
Independent Director - Hu Han-Liang (Note 2)	Taiwan	Male		V				V		V	V			V	V	V	V

(Note 1) E Ink Holdings Inc. resigned as the institutional director on January 23, 2026. Director Ning-Wei Chan was discharged from the position of director on January 23, 2026.

(Note 2) Independent Director Han-Liang Hu resigned from the positions of Independent Director and member of the Audit Committee effective February 13, 2026.

(V) Major shareholders of legal person shareholders

Major shareholder of a legal person shareholder

March 22, 2026

Name of legal person shareholder	Major shareholder of a legal person shareholder
E INK HOLDINGS INC.	YFY Inc. (11.66%); He Shou-Chuan (7.03%)
Ji Jian Duan Investment Co., Ltd.	Tsai Wen-Hua (33.33%), Tsai Wen-Li (16.67%)
Bo Chun Investment Co., Ltd.	Lee Chien-Hui (72.38%) and Huang Song-Zhen (27.57%)
Sheng Bo Investment Co., Ltd.	Lee Chien-Hui (51.87%)

If the major shareholder is a legal person, the major shareholder

March 22, 2026

Name of legal person	Major shareholder of the legal person
YFY Inc.	He Shou-Chuan (8.08%)

(VI) Remuneration of directors, general managers and deputy general managers

1. Remuneration of directors and independent directors

Unit: NT\$000' December 31, 2025

Title	Name	Remuneration of Directors								Sum of A, B, C, and D as a % of the net profit after tax (Note 10)		Remuneration received for serving as an employee concurrently								Sum of A, B, C, D, E, F, and G as a % of the net profit after tax (Note 10)		Remuneration from investees other than subsidiaries or from the parent company (Note 11)
		Compensation (A) (Note 2)		Severance and pension (B)		Remuneration to Directors (C) (Note 3)		Business execution expenses (D) (Note 4)				Salary, bonus, and special allowance (E) (Note 5)		Severance and pension (F)		Employee remuneration (G) (Note 6)						
		The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company		All companies in the financial statements (Note 7)		The Company	All companies in the financial statements	
Chairman	Lee Chien-Hui																					
Director	Representative of E INK HOLDINGS INC.: Chan Ning-Wei																					
Director	Representative of Bo Chun Investment Co., Ltd.: Huang Song-Zhen	0	0	0	0	0	0	240	240	(0.57%)	(0.57%)	3779	4,867	0	0	0	0	0	0	(9.49)%	(12.06)%	0
Director	Tsai Sen																					
Director	KMO International Trading Inc. Representative: Lin Wei-Hong																					
Independent Director	Hsu Ke-Ying																					
Independent Director	Chu Nien-Tzu																					
Independent Director	Li Chun-Ching	1,680	1,680	0	0	0	0	184	184	(4.40)	(4.40%)	0	0	0	0	0	0	0	0	(4.40)%	(4.40)%	0
Independent Director	Hu Han-Liang																					

1. Please describe the policy, system, standards, and structure of the remuneration of Independent Directors and describe the linkage of duties and risks assumed, time invested, and other factors that affect the amount of remuneration:
The Company complies with the requirements under Article 5 of its “Regulations for Standards and Specifications for the Distribution of Remuneration of Directors.” According to paragraph 1 of the Article, the fixed traffic allowance of an Independent Director each month shall be NT\$20,000. Furthermore, according to paragraph 2 of the Article, the remuneration of Directors is calculated based on the performance and level of contributions of the Directors.

2. Except as disclosed in the above table, the remuneration received by the Company’s Directors for providing services to all companies in the financial statements (such as serving as a consultant in a non-employee capacity) in the most recent year: None.

* Information related to Directors (general Directors who are not Independent Directors) and Independent Directors shall be set out separately.

Table of Remuneration Ranges

Range of remuneration paid to the Company's Directors	Name of Director			
	Sum of A+B+C+D		Sum of A+B+C+D+E+F+G	
	The Company (Note 8)	All companies in the financial statements (Note 9) H	The Company (Note 8)	All companies in the financial statements (Note 9) I
Below NT\$1,000,000	Lee Chien-Hui, Hsu Ke-Ying, Chu Nien-Tzu, Li Chun-Ching, Bo Chun Investment Co., Ltd., KMO International Trading Inc., Tsai Sen, Hu Han-Liang, E Ink Holdings Inc. representative: Chan Ning-Wei	Lee Chien-Hui, Hsu Ke-Ying, Chu Nien-Tzu, Li Chun-Ching, Bo Chun Investment Co., Ltd., KMO International Trading Inc., Tsai Sen, Hu Han-Liang, E Ink Holdings Inc. representative: Chan Ning-Wei	Hsu Ke-Ying, Chu Nien-Tzu, Li Chun-Ching, Bo Chun Investment Co., Ltd., KMO International Trading Inc., Tsai Sen, Hu Han-Liang, E Ink Holdings Inc. representative: Chan Ning-Wei	Hsu Ke-Ying, Chu Nien-Tzu, Li Chun-Ching, Bo Chun Investment Co., Ltd., KMO International Trading Inc., Tsai Sen, Hu Han-Liang, E Ink Holdings Inc. representative: Chan Ning-Wei
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)			Lee Chien-Hui	Lee Chien-Hui
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)				
NT\$30,000,000 (inclusive)–NT\$50,000,000 (exclusive)				
NT\$50,000,000 (inclusive)–NT\$100,000,000 (exclusive)				
Over NT\$100,000,000				
Total	9	9	9	9

Note 1: Name of the Directors shall be set out separately (for corporate shareholders, the name and representative of corporate shareholders shall be set out separately), and the amount of payments may be disclosed in aggregate. If a Director is concurrently the President or a Vice President, please complete the table and table (3) below.

Note 2: Refer to the compensation of Directors in the most recent year (including salaries, duty allowance, severance payment, bonuses, and incentives of Directors).

Note 3: Refer to the intended amount of distribution of remuneration of Directors approved as a resolution by the Board before the shareholders' meeting for the proposal for earning distribution in the most recent year.

Note 4: Refer to relevant business execution expenses of Directors in the most recent year (including traffic allowance, special allowance, allowances, dormitory, company car, and the provision of other benefits in kind). If houses, vehicles, and other transport or expenses exclusive to an individual are provided, the nature and costs of the assets provided, actual rental or rental calculated based on the fair market price, fuel costs, and other payments shall be disclosed. If a driver is appointed, please describe relevant compensation paid by the Company to the driver; however, such compensation is not included in the remuneration.

Note 5: Refer to salaries, duty allowance, severance payment, bonuses, incentives, traffic allowance, special allowance, allowances, dormitory, company car, and benefits in kind received by Directors who are concurrently employees (including the concurrent position of President, Vice Presidents, other managers, and employees) in the most recent year. If houses, vehicles, and other transport or expenses exclusive to an individual are provided, the nature and costs of the assets provided, actual rental or rental calculated based on the fair market price, fuel costs, and other payments shall be disclosed. If a driver is appointed, please describe relevant compensation paid by the Company to the driver; however, such compensation is not included in the remuneration. Furthermore, salary expenses (including the acquisition of employee stock warrants, restricted stock awards, and subscription of shares under capital increases in cash) recognized according to IFRS 2 (share-based payment) shall also be included in the remuneration.

Note 6: For employee bonuses (including stock bonuses and cash bonuses) received by Directors who are concurrently employees (including the concurrent position of President, Vice Presidents, other managers, and employees) in the most recent year, the intended amount of distribution of remuneration of employees approved as a resolution by the Board before the shareholders' meeting for the proposal for earning distribution in the most recent year shall be disclosed. If the amount cannot be estimated, calculate the intended amount of distribution for the year based on the actual distribution amount and ratio of the preceding year and otherwise complete Schedule 6.

Note 7: The sum of remunerations paid by all companies (including the Company) in the financial statements to the Directors of the Company shall be disclosed.

Note 8: For the sum of remunerations paid by the Company to the Directors, the name of the Directors shall be disclosed in the range where they belong.

Note 9: For the sum of remunerations paid by all companies (including the Company) in the financial statements to the Directors of the Company, the name of the Directors shall be disclosed in the range where they belong.

Note 10: Net profit after tax refers to the profit after tax for the most recent year.

Note 11: a. Please specify "Yes" or "No" in terms of whether the Directors of the Company receive relevant remunerations from investees other than subsidiaries.

b. If "Yes," the Company may opt to voluntarily specify the amount of remuneration received and combine the remuneration received by Directors of the Company from investees other than subsidiaries into column I and column J of the Table of Remuneration Ranges and rename the columns "All investees."

c. Remuneration refers to the compensation, remuneration (including remuneration of employees, Directors and supervisors), business execution expenses, and other relevant remunerations received by Directors of the Company in the nature of Directors, supervisors, or managers of investees other than subsidiaries.

* The content of remuneration disclosed in the table is different from the concept of the Income Tax Act; therefore, the purpose of the table is for information disclosures only instead of taxation.

(2) Remuneration of general managers and deputy general managers

Unit: NT\$000'

December 31, 2025

Title	Name	Salary (A) (Note 2)		Severance and pension (B)		Bonus and special allowance (C) (Note 3)		Remuneration of employees (D) (Note 4)				Sum of A, B, C, and D as a % of the net profit after tax (Note 8)		Remuneration from investees other than subsidiaries or from the parent company (Note 9)
		The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company		All companies in the financial statements (Note 5)		The Company	All companies in the financial statements (Note 5)	
								Cash amount	Stock amount	Cash Amount	Stock amount			
President	Lee Chien- Hui	6,290	8,790	195	195	1,310	1,310	0	0	0	0	(18.41)%	(24.32)%	None
Vice President	Hsu Ming- Hua													
Special assistant of the Chairman	Tseng Chi- Min													

Table of Remuneration Ranges

December 31, 2025

Range of remuneration paid to the Company's President and Vice Presidents	Name of President and Vice President	
	The Company (Note 6)	All companies in the financial statements (Note 7)
Below NT\$1,000,000		
NT\$1,000,000 (inclusive)–NT\$2,000,000 (exclusive)		
NT\$2,000,000 (inclusive)–NT\$3,500,000 (exclusive)	Tseng Chi-Min and Hsu Ming-Hua	Tseng Chi-Min
NT\$3,500,000 (inclusive)–NT\$5,000,000 (exclusive)	Lee Chien-Hui	Hsu Ming-Hua, Lee Chien-Hui
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)		
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	3

*Regardless of titles, any positions equivalent to President or Vice President shall be disclosed.

Note 1: Name of the President and Vice Presidents shall be set out separately, and the amount of payments may be disclosed in aggregate. If a Director is concurrently the President or a Vice President, please complete the table and table (1) above.

Note 2: Refer to salaries, duty allowance, and severance payment of the President and Vice Presidents for the most recent year.

Note 3: Refer to bonuses, incentives, traffic allowance, special allowance, allowances, dormitory, company car, and benefits in kind of President and Vice Presidents for the most recent year. If houses, vehicles, and other transport or expenses exclusive to an individual are provided, the nature and costs of the assets provided, actual rental or rental calculated based on the fair market price, fuel costs, and other payments shall be disclosed. If a driver is appointed, please describe relevant compensation paid by the Company to the driver; however, such compensation is not included in the remuneration.

Note 4: Refer to the intended amount of distribution of remuneration of employees (including stock and cash) to the President and Vice Presidents of the Company approved as a resolution by the Board in the most recent year. If the amount cannot be estimated, calculate the intended amount of distribution for the year based on the actual distribution amount and ratio of the preceding year and otherwise complete Schedule 6. Net profit after tax refers to the profit after tax for the most recent year. For companies that adopted the IFRSs, the net profit after tax refers to the net profit after tax on the individual or separate financial statements for the most recent year.

Note 5: The sum of remunerations paid by all companies (including the Company) in the financial statements to the President and Vice Presidents of the Company shall be disclosed.

Note 6: For the sum of remunerations paid by the Company to the President and Vice Presidents, the name of the President and Vice Presidents shall be disclosed in the range where they belong.

Note 7: For the sum of remunerations paid by all companies (including the Company) in the financial statements to the President and Vice Presidents of the Company, the name of the President and Vice Presidents shall be disclosed in the range where they belong.

Note 8: Net profit after tax refers to the profit after tax for the most recent year. For companies that adopted the IFRSs, the net profit after tax refers to the net profit after tax on the individual or separate financial statements for the most recent year.

Note 9: a. Please specify relevant remunerations received by the President and Vice Presidents of the Company from investees other than subsidiaries.

b. If there is any amount of remuneration received by the President and Vice Presidents of the Company from investees other than subsidiaries, combine the remuneration received by the President and Vice Presidents of the Company from investees other than subsidiaries into column E of the Table of Remuneration Ranges, and renamed the columns "All investees."

c. Remuneration refers to the compensation, remuneration, employee bonuses, business execution expenses, and other relevant remunerations received by the President and Vice Presidents of the Company in the nature of Directors, supervisors, or managers of investees other than subsidiaries.

* The content of remuneration disclosed in the table is different from the concept of the Income Tax Act; therefore, the purpose of the table is for information disclosures only instead of taxation.

(3) Names of managers who distribute employee remuneration and the distribution status

Unit: NT\$000' December 31, 2025

	Title (Note 1)	Name (Note 1)	Stock amount	Cash amount	Total	Total as a percentage of net profit after tax (%)
Manager	President	Lee Chien-Hui	0	0	0	0%
	Vice President	Hsu Ming-Hua				
	Special assistant of the Chairman	Tseng Chi-Min				
	Assistant Vice President	Lin Chih-Ming				
	Assistant Vice President	Wang Chien-Chao				
	Chief of Finance and Accounting	Cheng Wan-Yu				

Article 32 of the Articles of Incorporation: If the Company records profits for the year, it shall appropriate no less than 10% as the remuneration of employees and no more than 5% as the remuneration of Directors. However, if the Company has accumulated losses, it shall preserve the amount for compensation in advance.

Employee remuneration under the preceding paragraph shall, based on the actual total allocated amount, allocate no less than 3% as remuneration for entry-level employees. The distribution targets of stocks or cash as remuneration of employees as stipulated in Paragraph 1, include employees of controlled or subordinate subsidiaries fulfilling certain conditions.

Remuneration procedure: Performance and business operations are reviewed periodically to see if they have met the standards. Approval by the Remuneration Committee and the Board of Directors will be made with reference to not only the overall operational performance of the Company, but also individual performance attainment and contribution to the Company. Remuneration will be considered as appropriate.

(4) Compare and describe the analysis of the ratio of total remuneration to net profit after tax, as paid by the Company and by all companies in the consolidated financial statements during the most recent years to the Directors, President, and Vice Presidents of the Company, and describe the remuneration policies, standards, and packages, the procedures for determining remunerations, and its linkage to business performance and future risks

A. Analysis of the total remuneration paid to the Company's Directors, supervisors, the President, and Vice Presidents by the Company and all companies in the consolidated statements as a percentage of the net profit after tax for the most recent two years

Unit: NT\$000'

	2024	2025
Total remuneration of Directors	2,256	2,104
Ratio of the total remuneration of Directors to net profit after tax (%)	11.82%	(4.97)%
Total remuneration of President and Vice Presidents	11,248	10,295
Ratio of the total remuneration of President and Vice Presidents to net profit after tax (%)	58.93%	(24.32)%

Note: 1. The Company's net profit after tax for 2025 and 2024 was NT\$(42,340) thousand and NT\$19,084 thousand, respectively. The ratio of directors' remuneration paid by the Company to net profit after tax for 2025 and 2024 was (4.97)% and 11.82%, respectively, mainly due to the loss incurred in 2025.

The ratio of total remuneration for the General Manager and Deputy General Manager to the Company's net profit after tax for 2025 and 2024 was (24.32)% and 58.93%, respectively, mainly due to no employees' compensation being distributed as a result of the loss incurred in 2025.

B. The remuneration policies, standards, and packages, the procedures for determining remunerations, and its linkage to business performance and future risks Article 32:

If the Company records profits for the year, it shall appropriate no less than 10% as the remuneration of employees and no more than 5% as the remuneration of Directors. However, if the Company has accumulated losses, it shall preserve the amount for compensation in advance. Employee remuneration under the preceding paragraph shall, based on the actual total allocated amount, allocate no less than 3% as remuneration for entry-level employees. The distribution targets of stocks or cash as remuneration of employees as stipulated in Paragraph 1, include employees of controlled or subordinate subsidiaries fulfilling certain conditions.

The remuneration paid by the Company to the general manager and deputy general manager includes salary, bonuses, employee dividends and long-term retention incentives. The salary is determined by the Remuneration Committee based on the position held, scope of responsibilities and contribution to the company's operating objectives, and is reviewed with reference to the Company's annual operating performance, future risks and the usual standards for similar positions in the industry.

Bonuses are mainly linked to the performance evaluation items of managers, including financial indicators (such as company revenue, pre-tax net profit achievement rate) and ESG sustainability-related indicators (such as climate change response, product development, number of patents). The annual profit is allocated as a weighted percentage, linked to the performance evaluation of the management team and sent to the Remuneration Committee and the Board of Directors for approval.

- a. Remuneration to directors: paid in accordance with the Company's Articles of Incorporation. The Remuneration Committee assesses their participation in the Company's operations and their contribution to the Company's operations and links the reasonableness and fairness of the performance risk to the remuneration. Suggestions shall be made after consultation at the general level of the same trade, and shall be submitted to the shareholders' meeting for approval, which will make payment according to the resolution of the shareholders' meeting.
- b. Remuneration to the President and Vice Presidents: The remuneration to the President and Vice Presidents is determined in reference to the industry standard salary levels of peer companies, the scope of responsibility and authority of the position, and the contribution to the Company's operating goals. The procedure of determining remuneration, approval by the Remuneration Committee and the Board of Directors will be made with reference to not only the overall operational performance of the Company, but also individual performance attainment and contribution to the Company. Remuneration will be considered as appropriate.
- c. All individual remunerations paid by the Company have been carefully evaluated and reviewed and resolved by the Remuneration Committee and the Board of Directors. Therefore, the remuneration policy does not involve significant uncertainties in the future.

II. Corporate governance implementation

(I) Operation of the Board

The Board of Directors held 6 meetings in the most recent year (A), and the attendance of directors was as follows:

Title	Name	Number of attendance (presence) in person (B)	Number of attendance by proxy	Attendance (presence) rate (%) (B/A)	Remarks
Chairman	Lee Chien-Hui	6	0	100.00	
Director	E Ink Holdings Inc. Representative: Chan Ning-Wei	6	0	100.00	Resigned as director on 2026.1.23
Director	Bo Chun Investment Co., Ltd. Representative: Huang Song-Zhen	6	0	100.00	
Director	Tsai Sen	6	0	100.00	
Director	KMO International Trading Inc. Representative: Lin Wei-Hong	6	0	100.00	
Independent Director	Hsu Ke-Ying	6	0	100.00	
Independent Director	Chu Nien-Tzu	6	0	100.00	
Independent Director	Li Chun-Ching	5	1	83.33	
Independent Director	Hu Han-Liang	6	0	100.00	Resigned as Independent Director on 2026.2.13

Note 1: For corporate Directors, the name of corporate shareholders and their representatives shall be disclosed.

Note 2: (1) If any Director/supervisor resigns before the end of the year, the resignation date shall be specified in the column of remarks, and the attendance (presence) rate (%) shall be calculated based on the number of Board meetings and the number of attendance (presence) during its term of office.

(2) If any Director/supervisor is re-elected before the end of the year, the new and former Directors/supervisors shall be specified, and the status of the former, newly elected, or re-appointed Director/supervisor and the re-election date shall be specified in the column of remarks. The attendance (presence) rate (%) shall be calculated based on the number of Board meetings and the number of attendance (presence) during its term of office.

Other matters to be recorded:

- I. If the operations of the Board are under any of the circumstances below, the date of the Board meeting, the session, the content of the proposal, all Independent Directors' opinions, and the Company's response to said opinions shall be specified:
 - (1) Matters specified in Article 14-3 of the Securities and Exchange Act: Not applicable, as the Company set up the Audit Committee.
 - (2) Any objections or qualified opinions raised by an Independent Director against a Board resolution with records or written statements other than the abovementioned matters: None.
- II. For the execution status regarding the recusal of Directors for proposals of conflict of interests, describe the name of the Director, the content of proposals, the reason for the recusal, and voting status:
 Name of Director: Lee Chien-Hui
 Content of proposal:
 The proposal for the distribution of year-end bonuses of managers in 2024 was reviewed and discussed on January 22, 2025.

Proposal for the distribution of 2023 employee compensation for the Company's managerial officers and 2024 directors' remuneration and employee compensation for the managerial officers on February 26, 2025

Reason for the recusal for conflict of interests and voting status: Approved by all attending Directors (During the procedures: Director Lee Chien-Hui was concurrently a manager of the Company and a stakeholder of the proposal; he voluntarily recused himself from the discussion and resolution).

III. Implementation of the Board self-evaluation:

In accordance with the requirements of the OTC Center and the Company's Regulations Governing Performance Evaluation of the Board of Directors, the Company shall regularly complete the annual Board of Directors performance evaluation each year and report the performance evaluation results in Q1 of the following year. In 2025, the evaluation was conducted by means of internal self-evaluation, and was submitted to and reported at the 6th meeting of the 8th Term Board of Directors of the Company on February 25, 2026 and approved. The relevant evaluation results are as follows:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content	Evaluation results
Execute once a year	January 1, 2025 to December 31, 2025	(I) Overall board performance evaluation	Internal Performance Evaluation Self-Assessment Questionnaire for the Board of Directors	<ol style="list-style-type: none"> 1. Participation in the operation of the Company 2. Improvement of the quality of the Board's decision-making 3. Composition and structure of the Board 4. Election and continuing education of the Directors 5. Internal control 	The average score was 4.83 (out of a total of 5 points). The evaluation results showed that the overall operation of the Company's board of directors was sound and in line with the spirit of corporate governance.
Execute once a year	January 1, 2025 to December 31, 2025	(II) Performance evaluation of individual Board members	Internal Performance Evaluation Self-Assessment Questionnaire for the Board of Directors	<ol style="list-style-type: none"> 1. Alignment of the goals and missions of the Company 2. Awareness of the duties of Directors 3. Participation in the operation of the Company 4. Management of internal relationships and communication 5. Election and continuing education of the Directors 6. Internal control 	The average score was 4.90 (out of 5 points). The evaluation results showed that the directors of the Company had positive comments on the efficiency and effectiveness of the operation of various assessment indicators.
		(III) Performance evaluation of Audit Committee		<ol style="list-style-type: none"> 1. Participation in the operation of the Company 2. Awareness of the duties of functional committees 3. Improvement of the quality of the functional committees' decision-making 4. Composition and structure of functional committees 5. Internal control 	The average score was 4.97 (out of 5 points). The evaluation results showed that the Company's Audit Committee had positive comments on the efficiency and effectiveness of the operation of various assessment indicators.
		(IV) Performance evaluation of the Remuneration Committee-		<ol style="list-style-type: none"> 1. Participation in the operation of the Company 2. Awareness of the duties of functional committees 3. Improvement of the quality of the functional committees' decision-making 4. Composition and structure of functional committees 	The average score was 4.90 (out of 5 points). The evaluation results showed that the Company's Remuneration Committee had a positive evaluation of the efficiency and effectiveness of the operation of various assessment indicators.

Note 1. The performance evaluation method of the Board of Directors of the Company was approved by the Board of Directors on February 5, 2021.

The goals for strengthening the functions of the Board of Directors in the current year and the most recent year (e.g. establishing an audit committee, improving information transparency, etc.) and the evaluation of their implementation.

- (1) The Company held a shareholders' meeting on July 23, 2021, increasing the number of independent directors to four and establishing an audit committee to replace supervisors.

The Board of the Company has approved the "Code of Ethical Conduct", "Code of Integrity Management", "Code of Sustainable Development Practice", "Code of Corporate Governance Practice", "Integrity Management Operating Procedures and Behavior Guide", "Code of Sustainable Development Practice", and "Standard Procedures for Handling Board Requests" at the Board of Directors to strengthen the functions of the Board of Directors and enhance information transparency.

- (2) The Company has established the "Rules of Procedure for Board of Directors Meetings" in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" for compliance, and disclosed the attendance of directors at the Board of Directors on the MOPS, and disclosed the important resolutions of the Board of Directors and the election of independent directors on the Company's website, in order to emphasize the performance of corporate governance and strengthen corporate governance.
- (3) The Company approved the "Regulations for Performance Evaluation of the Board of Directors" on February 5, 2021, and conducts an internal performance evaluation of the Board of Directors at least once a year. The evaluation results were reported to the Board of Directors on February 25, 2026. An external institution may be engaged to execute the evaluation every three years based on the requirements. The Company will make an objective judgment of the effectiveness of the Board of Directors, improve its deficiencies, and thereby enhance the level of corporate governance.
- (4) The Company has established the "Remuneration Committee". The Remuneration Committee is responsible for regularly evaluating and establishing the remuneration of Directors and managers and regularly examining the performance evaluation, remuneration policy, system, standards, and structure of Directors and managers. Please refer to this annual report for details of the operation of the Remuneration Committee.
- (5) On August 7, 2024, the Board of Directors of the Company, in order to practice the Company's corporate social responsibility, actively promote and strengthen the Company's sustainable management and corporate social responsibility-related corporate governance functions, followed the Company's "Corporate Social Responsibility Code of Practice" and "Corporate Governance Code of Practice", and established the "Sustainable Development Committee Organization Charter" and appointed members of the Sustainability Development Committee.

(II) Operation of the Audit Committee:

The summary of annual work focuses and the operation of the year of the Audit Committee are described as follows:

1. The Audit Committee of the Company comprises four Independent Directors, and the Audit Committee is responsible for monitoring the appropriate presentation of the Company's financial statements, selection (dismissal) and independence and performance evaluation of CPAs, effective implementation of internal control, compliance with laws, regulations, and rules, and the control of existing or potential risks of the Company. The main functions and power are set out as follows:
 - (1) Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
 - (2) Assessment of the effectiveness of the internal control system.
 - (3) Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, the extension of monetary loans to others, or endorsements or guarantees for others.
 - (4) A matter bearing on the personal interest of a director.
 - (5) A transaction involving material assets or derivatives trading.
 - (6) A material monetary loan, endorsement, or provision of guarantees.
 - (7) The offering, issuance, or private placement of any equity-type securities.
 - (8) The appointment, dismissal or remuneration of CPAs.
 - (9) The appointment or dismissal of a financial, accounting, or internal auditing officer.
 - (10) Annual financial reports and interim financial reports.
 - (11) Any other material matter so determined by the Company or the competent authority.

Audit Committee members and their experience

Name	Education	Experience	Current employment
Hsu Ke-Ying	Institute of Chemical Engineering, National Tsing Hua University	Associate Professor, Department of Chemical Engineering, Chung Yuan Christian University Adjunct Professor, Department of Chemical Engineering, Chung Yuan Christian University	Independent Director, Asia Electronic Material Co., Ltd.
Chu Nien-Tzu	EMBA, National Central University Bachelor's degree, Department of Chemical Engineering and Materials Engineering, Tunghai University	CEO, International Industry-academia Alliance, Center for Academia and Industry Collaboration, National Central University Vice president, Department of Startup Business, DuPont Taiwan	Adjunct Lecturer of Department of Statistics, Tamkang University Independent Director, Asia Electronic Material Co., Ltd.
Li Chun-Ching	MBA, Syracuse University (the U.S.) Bachelor in Public Finance, National Chengchi University	Vice president, E.SUN Securities, Co., Ltd. Assistant vice president, MasterLink Securities Corporation Senior analyst, Taiwan Ratings	Chairman, Acute Technology Inc. Independent Director, Asia Electronic Material Co., Ltd.
Hu Han-Liang (Resigned on 2026.2.13)	Master of Executive MBA Program in Accounting and Management Decision-making, National Taiwan University Passed the Examination for Certified Public Accountants	Independent Director, Hermes Microvision, Inc. Director, United Way of Taiwan Supervisor, World Vision International Director, Social Welfare Foundation of Wisdom	CPA Partner, C.J.S. CPAS & CO. Director, KYE Systems Corp. Director, GODEX INTERNATIONAL CO., LTD. Director, Scientech Corporation Director, AlgolTek, Inc. Director, Basecom Telecommunication Co., Ltd. Supervisor, Orient Pharma Co., Ltd. Independent Director, Episil-Precision Inc. Independent Director, Promate Solutions Corporation Independent Director, KKCompany Technologies

Five Audit Committee meetings (A) were held in the most recent year, and the attendance (presence) of Independence Directors is as follows:

Title	Name	Attendance in person (B)	Number of attendance by proxy	Attendance rate (%) (B/A) (Notes 1 and 2)	Remarks
Independent Director	Hsu Ke-Ying	5	0	100.00	
Independent Director	Chu Nien-Tzu	5	0	100.00	
Independent Director	Li Chun-Ching	5	0	100.00	
Independent Director	Hu Han-Liang	5	0	100.00	Resigned on 2026.2.13

Other matters to be recorded:

I. If any of the following circumstances occurs to the operations of the Audit Committee, the date of the Audit Committee meeting, session, content of proposals, opposing opinions or qualified opinions of Independent Directors, or the content of material recommendations, resolutions of the Audit Committee, and the Company's response to the opinions of the Audit Committee shall be specified.

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

Meeting date/number of meeting	Content of proposal	Resolution result of the Audit Committee	The Company's response to the opinions
2025.2.26/ 2nd term 3rd meeting	Review and discussion of the 2024 business report, individual financial statements, and consolidated financial statements of the Company	Approved as proposed with no dissenting opinion	Not applicable
	Proposal for loans to others and endorsement/guarantee provided to subsidiaries of the Company for 2024	Approved as proposed with no dissenting opinion	Not applicable
	Proposal for the Company's "effectiveness evaluation for the internal control system" in 2024.	Approved as proposed with no dissenting opinion	Not applicable
	Define the scope of grassroots employees in the Company's "Articles of Incorporation" and proposal to revise the Company's internal control system - salary cycle	Approved as proposed with no dissenting opinion	Not applicable
	Proposal for the Company's 2024 earnings distribution	Approved as proposed with no dissenting opinion	Not applicable
	Proposal for the independence evaluation and appointment of CPAs of the Company.	Approved as proposed with no dissenting opinion	Not applicable
	Proposal to reconfirm the Company's "General Policy on Pre-approval of Non-assurance Services"	Approved as proposed with no dissenting opinion	Not applicable
2025.5.7/ 2nd term 4th meeting	Review of the Company's first quarter consolidated financial statements for 2025	Approved as proposed with no dissenting opinion	Not applicable
	Proposal for loans to others and endorsement/guarantee provided to subsidiaries of the Company in the first quarter of 2025	Approved as proposed with no dissenting opinion	Not applicable
2025.8.7/ 2nd term 5th meeting	Review of the Company's consolidated financial statements for the second quarter of 2025	Approved as proposed with no dissenting opinion	Not applicable
	Proposal for loans to others and endorsement/guarantee provided to subsidiaries of the Company in the second quarter of 2025	Approved as proposed with no dissenting opinion	Not applicable
2025.9.26/ 2nd term 6th meeting	The Company plans to enter into a technical cooperation project with Company A	This proposal was disapproved by more than half of all attending committee members present	Not applicable
2025.11.7/ 2nd term 7th meeting	Review of the Company's third quarter consolidated financial statements for 2025	Approved as proposed with no dissenting opinion	Not applicable
	Proposal for loans to others and endorsement/guarantee provided to subsidiaries of the Company in the third quarter of 2025	Approved as proposed with no dissenting opinion	Not applicable

(II) Any other proposals not approved by the Audit Committee that were approved by two-thirds of all Directors other than the abovementioned matters: None.

II. For the execution status regarding the recusal of Independent Directors for proposals of conflict of interests, describe the name of the Independent Director, content of the proposals, reason for the recusal for conflict of interests, and voting status: None

III. Communication between the Independent Directors and chief auditor and CPAs (e.g., material matters, methods, and results of communication regarding the Company's financial and business status).

Summary of communication between independent directors and internal auditors:

Chief internal auditor's attendance and date of meetings	Item of communication	Results of the Company's response	Opinion and recommendation of Independent Directors
2025.02.26 Audit Committee	1. Internal audit performance from October 2024 to December 2024. 2. Assessment of the effectiveness of the internal control system in 2024. 3. The 2024 "Statement of the Internal Control System"	Reported to the Audit Committee and submitted to the Board for reporting.	None.
2025.05.07 Audit Committee	Internal audit performance from January to March 2025.	Reported to the Audit Committee and submitted to the Board for reporting.	None.
2025.08.07 Audit Committee	Internal audit performance from April to June 2025.	Reported to the Audit Committee and submitted to the Board for reporting.	None.
2025.11.07 Audit Committee	Internal audit performance from July to September 2025.	Reported to the Audit Committee and submitted to the Board for reporting.	None.

Summary of previous communications between independent directors and accountants

Meeting and date of presence of CPAs	Item of communication	Results of the Company's response	Opinion and recommendation of Independent Directors
2025.02.26 Audit Committee and Board of Directors	1. Appointment and independence and competency evaluation of CPAs for 2024. 2. Description of the 2024 individual and consolidated financial statements. 3. Proposal for the Company's "effectiveness evaluation for the internal control system" in 2024	The CPAs presented at the Board meeting for reporting, discussion and communication with Independent Directors; after passing the review and discussion, the Board has approved the resolution.	None
2025.08.07 Audit Committee and Board of Directors	Description of the consolidated financial statements the second quarter of 2025.	The CPAs presented at the Board meeting for reporting, discussion and communication with Independent Directors; after passing the review and discussion, the Board has approved the resolution.	None
2025.11.07 Audit Committee and Board of Directors	Description of the consolidated financial statements for the third quarter of 2025	The CPAs presented at the Board meeting for reporting, discussion and communication with Independent Directors; after passing the review and discussion, the Board has approved the resolution.	None

(III) Implementation of corporate governance and the differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor

Evaluation item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
I. Has the Company formulated and disclosed its corporate governance best practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies"?	V		The Board of the Company has resolved to establish the Corporate Governance Best Practice Principles on 8 March 2011; the Principles were prepared in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies." The Principles were modified and disclosed on MOPS and the Company's website (www.aemg.com.tw) on 23 March 2020.	No material difference
II. The Company's equity structure and shareholder equity				
(I) Has the Company established internal operating procedures to handle shareholder recommendations, concerns, disputes and litigations and implemented them in accordance with the procedures?	V		(I) The Company has a spokesperson system in place to receive shareholders' recommendations or clarify their concerns at all times; staff of all functions from relevant business management departments also spare no effort in gaining in-depth knowledge of shareholders' recommendations and concerns and carry out the examination.	No material difference
(II) Does the Company have a list of the major shareholders who actually control the Company and those who ultimately have control over the major shareholders?	V		(II) The Company has engaged a professional stock affairs agency to be in charge of shareholders' affairs.	
(III) Has the Company established and implemented risk control and firewall mechanisms between its affiliates?	V		(III) Business transactions between the Company and affiliates are in compliance with the internal control system and relevant laws and regulations. We implement the necessary control system to prevent non-regular transactions.	
(IV) Has the Company established internal regulations to prevent insiders from trading securities using undisclosed information on the market?	V		(IV) Apart from complying with the requirements under the Securities and Exchange Act, employees, managers, and Directors of the Company shall also comply with the "Code of Ethical Conduct," "Procedures for Material Internal Information," and "Procedures for Ethical Management and Guidelines for Conduct," which state that relevant personnel	

Evaluation item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
			shall not engage in insider trading by using undisclosed information it acknowledged or leak such information to others to prevent others from using such undisclosed information to engage in insider trading.	
<p>III. Composition and responsibilities of the Board of Directors</p> <p>(I) Has the Board formulated a diversification policy and substantial management target and made implementations?</p> <p>(II) In addition to the Remuneration Committee and the Audit Committee established in accordance with the law, has the Company voluntarily set up other</p>	V		<p>1. The Company has stated the Board composition diversification policy in the “Corporate Governance Best Practice Principles.” Based on the scale of business development and the shareholding of major shareholders of the Company, taking into account the practical operating requirements, the Company has elected nine Directors (including four Independent Directors) through stringent selection and nomination procedures. Among the Directors, one is concurrently a manager, four are Independent Directors, one is female, and three are external Directors, which complies with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies. Circumstances specified in paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act do not exist. The backgrounds of Directors include industrial expertise, financial background, and the academic profession.</p> <p>2. Professional knowledge and skills: Industry-academia experience (finance, investment, information and electronics, material science), professional skills (law, accounting and finance, operations management, and risk management)</p> <p>3. Implementation of diversity of the board members: Please refer to pages 14 and 15 of the annual report</p> <p>(II) Apart from the Remuneration Committee and Audit Committee, the Company has its Sustainable Development Committee in place at present.</p>	No material difference

Evaluation item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
<p>functional committees?</p> <p>(III) Has the Company established its Regulations for Performance Evaluation of the Board and the evaluation methods and conducted regular performance evaluations each year? Has the Company reported the results to the Board as the reference for individual Directors' remuneration and nomination for re-appointment?</p> <p>(IV) Has the Company regularly evaluated the independence of CPAs?</p>		V	<p>(III) The Company has established its “Regulations for Performance Evaluation of the Board of Directors” on February 5 2021; the self-evaluation for the performance of the Board of Directors for 2025 was completed on February 25 2026, and the evaluation results (see pages 25-26 for details) were reported at the board meeting.</p> <p>(IV) The Company regularly evaluates the independence of CPAs with reference to the Audit Quality Indicators (AQIs) and reports the evaluation results to the Board of Directors. The Company conducted an evaluation on February 25, 2026 regarding whether, for 2025, the CPAs had any material financial interest relationship with the Company, whether any of their relatives within the fourth degree of kinship served as a director or managerial officer of the Company or held a position having a direct and material impact on the audit work, whether there were any circumstances of monetary lending and borrowing with the Company, and whether they were involved in the management functions for formulating the Company's decision-making, etc. The appointed CPAs all complied with independence requirements, and the Company also obtained the CPAs' independence declaration. The above evaluation results were reported at the meeting of the Board of Directors held on February 25 of the same year.</p>	
IV. Has the Company allocated an appropriate number of qualified persons and appointed a chief of corporate governance in charge of corporate governance affairs (including but not limited to furnishing information	V		The Company has a corporate governance supervisor and appropriate governance personnel responsible for corporate governance related matters. The main responsibilities are as follows: 1. Discuss and formulate appropriate corporate systems and	No material difference

Evaluation item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
required for business execution by Directors and supervisors, assisting Directors and supervisors to comply with laws, handling matters relating to Board meetings and shareholders' meetings according to laws, and preparing minutes of Board meetings and shareholders' meetings)?			<p>organization structure to facilitate the independence of the Board, the transparency and legal compliance of the Company, and the implementation of internal audit and internal control.</p> <p>2. Inquire about Directors' opinions before the Board meeting to plan for and formulate the agenda and notify all Directors of attendance and provide sufficient meeting materials at least seven days before the meeting for the Directors to gain a better understanding of the content of relevant proposals. If the content of proposals is related to stakeholders, and recusals shall be made appropriately, provide advance notice to the counterparties.</p> <p>3. Register the date of the shareholders' meeting within the prescribed period, prepare and declare the meeting notice, meeting handbook, and meeting minutes within the prescribed period, and perform alteration registration after any amendments to the Articles of the re-election of Directors or supervisors according to laws and regulations each year.</p> <p>4. Except for performance evaluation (i.e., attendance) of individual Directors, perform internal performance evaluation of the overall operation each year.</p> <p>5. The annual board meeting is scheduled at the beginning of the year and notified to directors via email with a reminder that trading of the Company's shares is prohibited within 30 days (annual report)/15 days (quarterly report) of the financial report announcement.</p> <p>6. In 2025, the corporate governance director took 12 hours of courses related to corporate governance.</p>	
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), set	V		The Company has a stakeholder section on its website and has a spokesperson system in place to serve as the communication channel for external shareholders and stakeholders; the Company also has	No material difference

Evaluation item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
up a section for stakeholders on its corporate website, and responded appropriately to important corporate social responsibility issues that are of concern to stakeholders?			dedicated personnel and a mailbox in place to handle relevant issues. If stakeholders consider it necessary, they may communicate with Directors, supervisors, and relevant directors at any time.	
VI. Has the company appointed a professional stock affairs agency to handle matters for shareholder meetings?	V		The Company has engaged the Stock Affairs Department, Grand Fortune Securities Co., Ltd., for our shareholders' affairs.	No material difference
VII. Information disclosure (I) Has the Company set up a website to disclose finance and business, and corporate governance information? (II) Has the Company adopted other means of information disclosure (such as setting up an English website, appointing dedicated personnel responsible for the collection and disclosure of the Company's information, implementing a spokesperson system, and posting the course of its investor conference on its website)? (III) Has the Company published and declared its annual financial statements within two months from the end of the fiscal year and published and declared its Q1, Q2 and Q3 financial statements along with the monthly business performance statements before the prescribed deadline?	V V V		(I) The Company has set up its website (http://www.aemg.com.tw/), and information on the finance, business, and corporate governance of the Company are disclosed on MOPS according to the requirements. (II) The Company has a spokesperson system in place and regularly announces relevant information about the Company on its corporate website and MOPS for shareholders, stakeholders, and the competent authority to gain knowledge on the overview of the Company at all times. (III) The Company has published its 2025 financial report on February 25, 2026, and the quarterly reports and monthly operating statements are announced in advance within the prescribed period.	No material difference
VIII. Does the Company have other important information to facilitate a better understanding of the Company's implementation of corporate governance (including but not limited to employees' interest, employee care, investor relations, supplier relations, stakeholder rights,	V		(I) The Company has established its Employee Benefits Committee to promote different subsidy activities and ensure the interest of employees. (II) Apart from protecting shareholders' interests, the Company also duly cares for employees' interests and implements relevant	No material difference

Evaluation item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
continuing education of Directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, the Company's purchase of liability insurance for Directors and supervisors)?			<p>requirements under the Labor Standard Act. In the future, the Company will consider participating in education foundations or charities when opportunities arise. Meanwhile, the Company adheres to the principle of integrity for transactions with customers and suppliers.</p> <p>(III) To implement the corporate governance system, the Company proactively informs directors of opportunities for further study whenever corporate governance information becomes available. The Company's directors of the 8th Term consist of a total of nine members. Please refer to the Market Observation Post System for details of each director's further study in 2025.</p> <p>(IV) The Company has established various internal rules and regulations and performed various risk management and evaluations.</p> <p>(V) The Company purchased directors' liability insurance for all directors for the insurance period from 2025/10/1 to 2026/9/30, with a coverage amount of US\$2 million. And reported the coverage and rates to the Board of Directors on 2025/11/07.</p>	
IX. Please explain improvements that have been made as well as priorities to improve the results of the Corporate Governance Evaluation issued by the Taiwan Stock Exchange Corporate Governance Center.	V		Improvements made by the Company based on the evaluation results: None	No material difference

(IV) If a company has established a remuneration committee, it should disclose its composition, responsibilities and operations:

1. Information on members of the Remuneration Committee

March 22, 2026

Title (Note 1)	Name	Criteria	Professional qualifications and experience (Note 2)	Independence (Note 3)	Number of other public companies where the individual serves as a member of the remuneration committee concurrently
Independent Director (convener)	Hsu Ke-Ying		Ph.D. in Chemical Engineering, National Tsing Hua University Associate Professor, Department of Chemical Engineering, Chung Yuan Christian University Professor, Department of Chemical Engineering, Chung Yuan Christian University	1. The person, spouse, or relatives within the second degree of kinship is not a Director, supervisor, or employee of the Company or its affiliates. 2. No share of the Company is held by the person, spouse, or relatives within the second degree of kinship (or in the name of others). 3. The person is not a Director, supervisor, or employee with a special relationship with the Company. 4. The person has not received any compensation for providing business, legal affairs, finance, or accounting services to the Company or its affiliates for the most recent two years.	None
Independent Director	Chu Nien-Tzu		EMBA, National Central University CEO, International Industry-academia Alliance, Center for Academia and Industry Collaboration, National Central University Vice president, Department of Startup Business, DuPont Taiwan Independent director, LCY Technology Corp.	1. The person, spouse, or relatives within the second degree of kinship is not a Director, supervisor, or employee of the Company or its affiliates. 2. No share of the Company is held by the person, spouse, or relatives within the second degree of kinship (or in the name of others). 3. The person is not a Director, supervisor, or employee with a special relationship with the Company. 4. The person has not received any compensation for providing business, legal affairs, finance, or accounting services to the Company or its affiliates for the most recent two years.	None
Independent Director	Li Chun-Ching		MBA, Syracuse University (the U.S.) Bachelor in Public Finance, National Chengchi University Vice president, E.SUN Securities, Co., Ltd. Assistant vice president, MasterLink Securities Corporation Senior analyst, Taiwan Ratings	1. The person, spouse, or relatives within the second degree of kinship is not a Director, supervisor, or employee of the Company or its affiliates. 2. No share of the Company is held by the person, spouse, or relatives within the second degree of kinship (or in the name of others). 3. The person is not a Director, supervisor, or employee with a special relationship with the Company. 4. The person has not received any compensation for providing business, legal affairs, finance, or accounting services to the Company or its affiliates for the most recent two years.	None

Note 1: Please specify in the form the years of professional service, professional qualifications and experience, and independence of the members of the Remuneration Committee. If they are independent directors, please refer to "Information on directors and supervisors (1)" in Appendix 1 on pages 8-9. Please fill in "Independent director" or "Others" in the Title column (please indicate "Convener" if applicable).

Note 2: Professional qualifications and experience: Specify the professional qualifications and experience of individual members of the Remuneration Committee.

Note 3: Compliance with the independence: Specify whether the members of the Remuneration Committee meet the independence requirements, including but not limited to whether the member, his/her spouse, or relatives within the second degree of kinship serve as directors, supervisors, or employees of the Company or its affiliated companies; the number and proportion of company shares held by the member, his/her spouse, or relatives within the second degree of kinship (or using the names of others); whether the member serves as a director, supervisor, or employee of a company with a specific relationship with the Company (refer to Article 6, Paragraph 1, Items 5 to 8 of the Regulations Governing the Appointment and Exercise of Powers of Remuneration Committee of TWSE/TPEx Listed Companies); and the amount of remuneration received for providing business, legal, financial, accounting, and other services to the Company or its affiliated companies in the past two years.

2. Information on the operation of the Remuneration Committee

- (1) There are three members in the Remuneration Committee of the Company.
- (2) The term of office of the current committee members is from May 24, 2024 to May 23, 2027. In the most recent fiscal year (2025), the Remuneration Committee held two meetings (A). The qualifications and attendance of the committee members are as follows:

Title	Name	Professional qualifications and experience	Actual attendance (B)	Number of attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Convener Independent Director	Hsu Ke-Ying	Lecturer qualification of college or university	2	0	100.00	
Independent Director	Chu Nien-Tzu	Experience in business, legal affairs, finance, accounting corporate affairs	2	0	100.00	
Independent Director	Li Chun-Ching	Experience in business, legal affairs, finance, accounting corporate affairs	2	0	100.00	

Other matters to be recorded:

- I. If the Board does not adopt or amend the recommendations from the Remuneration Committee, the date, session, content of proposals, resolution of the Board, and the Company's response to the recommendations of the Remuneration Committee shall be specified (if the remuneration approved by the Board is more favorable than the recommendation of the Remuneration Committee, the differences and reasons shall be specified): None.
- II. For any objections or qualified opinions raised by a member of the Remuneration Committee against a resolution with records or written statements, the date of the Remuneration Committee meeting, session, content of the proposals, opinions of all members, and the Company's response to the opinions of members shall be described: None.
- III. Proposals and resolution of Remuneration Committee meetings and the Company's response to the members' opinions in the most recent year:

Remuneration Committee	Content of proposal and resolution
1st meeting of the 6th term January 22, 2025	Proposal 1: Review of the proposal for the distribution of year-end bonuses to the Company's managerial officers for 2024
	Members' opinion: No opposing or qualified opinion Resolution: Unanimously approved by all attending members
2nd meeting of the 6th Term February 26, 2025	Proposal 1: Proposal for the distribution of remuneration to employees and directors for 2024
	Proposal 2: Review of the proposal for the distribution of remuneration to the Company's directors for 2024
	Proposal 3: Review of the proposal for the distribution of remuneration to employees for 2023 and 2024
	Members' opinion: No opposing or qualified opinion Resolution: Unanimously approved by all attending members

IV. Assurance scope

1. Establish and regularly review the policy, system, standards and structure for performance evaluation and remuneration of directors and managers
2. Regularly evaluate and determine the remuneration of directors and managers

Note: (1) If any member of the Remuneration Committee resigns before the end of the year, the resignation date shall be specified in the column of remarks, and the attendance rate (%) shall be calculated based on the number of Remuneration Committee meetings and the number of attendance during its term of office.

(2) If any member of the Remuneration Committee is re-elected before the end of the year, the new and former Remuneration Committee members shall be specified, and the status of former, newly elected, or re-appointed Directors/supervisors and the re-election date shall be specified in the column of remarks. The attendance rate (%) shall be calculated based on the number of Remuneration meetings and the number of attendance during its term of office.

(V) Composition, responsibilities and operation of the Sustainable Development Committee:

1. Qualifications and responsibilities of members of the Company's sustainable development committee:

The Company has established the Sustainable Development Committee since August 2024, and it is in accordance with the Company's "Sustainable Development Committee Organizational Charter". The committee should perform its duties as a good administrator, faithfully perform the following duties, and be accountable to the Board of Directors. The committee's duties should include the following matters:

- (1) Formulate sustainable development policies.
- (2) Formulation of the annual plan and strategic direction for sustainable development.
- (3) The implementation of sustainable development and the tracking and review of results, and report to the Board of Directors.
- (4) Other matters that the committee may be directed to handle as decided by the Board of Directors.

2. Professional qualifications and experience of members of the Sustainability Committee and their operation status:

- (1) There are three members in the Sustainability Committee of the Company.
- (2) The term of office of this committee is from August 7, 2024 to May 23, 2027. In the most recent year, the Sustainability Committee held 1 meetings. The professional qualifications and experience of the committee members, attendance and discussion items are as follows:

Title	Name	Professional qualifications and experience	Actual attendance	Number of attendance by proxy	Attendance (presence) rate (%) (B/A)	Remarks
Convener	Lee Chien-Hu	Information Electronics/Material Science/Operations and Risk Management	1	0	100.00	
Independent Director	Chu Nien-Tzu	Work experience required for the Company's business; governance in sustainable development, risk management, information security, and natural affairs	1	0	100.00	
Vice President	Hsu Ming-Hu	Business management and marketing	1	0	100.00	

Sustainable Development Committee	Content of proposal and resolution
1st meeting of the 1st Term August 6, 2025	Proposal 1: Review of the Company's 2024 Sustainability Report Members' opinion: No opposing or qualified opinion Resolution: Unanimously approved by all attending members

3. Implementation of promoting sustainable development and the differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons

(1) Sustainable development

Promotion item	Implementation (Note 1)			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
I. Has the Company established a governance framework for promoting sustainable development and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	V		<ol style="list-style-type: none"> 1. The Company has established its Sustainability Development Committee under the Board of Directors to establish a governance structure to promote sustainable development and place it on the Company's website. 2. On August 7, 2024, the Board of Directors of the Company approved that deputy general manager Hsu Ming-Hua would serve as the chairman of the sustainable development committee, and adopted the organizational charter of the sustainable development committee, appointing Chu Nien-Tzu, Lee Chien-Hui and Hsu Ming-Hua as the first members of the sustainable development committee of the Company, responsible for promoting sustainable development related matters and reporting to the Board of Directors from time to time. 	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with no difference
II. Has the Company conducted risk assessments on environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle and formulated relevant risk management policies and strategies? (Note 2)	V		<ol style="list-style-type: none"> 1. The Company does not have a manufacturing center in Taiwan. The reinvested subsidiaries in Mainland China regularly review the risks of the entire plant to ensure compliance with relevant laws and regulations. 2. By referring to the requirements of "Classification of Employee Injury Accidents in Enterprises" (GB6441-1986) and "Classification and Codes of Dangerous and Harmful Factors in the Production Process" (GB/T13861-2022), safety risks existing in production technique, original and supplement materials, equipment and facilities, operating environment, personnel behavior and management system of the production and management 	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with no difference

Promotion item	Implementation (Note 1)			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
			<p>process are comprehensively and systematically identified.</p> <p>3. Based on the likelihood of safety incidents occurring in the course of production and operation and the severity of their consequences, safety risks are divided into four categories: major safety risk, greater safety risk, general safety risk, and low safety risk.</p> <p>4. Formulate a safety risk identification and control system, clarify the division of responsibilities for graded management and control, and the measures for reward and punishment under the responsibility system. Hierarchical management and control are implemented according to different safety risk levels, and safety risk management and control responsibilities are allocated to the enterprise, workshop, team, and position one by one. Based on the characteristics of safety risks, we formulate control measures one by one in terms of engineering technology, safety management, training and education, personal protection, and emergency response.</p>	
<p>III. Environmental issues</p> <p>(I) Has the Company set up an appropriate environmental management system based on the characteristics of its industry?</p>	V		<p>The Company does not have a manufacturing center in Taiwan , and the implementation status of the reinvested subsidiaries in Mainland China is as follows:</p> <p>1. Have dedicated departments and personnel in place for handling affairs related to air pollution control, water pollution control, and waste clearing in accordance with environmental protection laws and regulations.</p> <p>2. The Company is a professional FCCL material manufacturer. Since its establishment, it has been committed to improving the product environment in pursuit of the sustainable operations of the Company, and has successively obtained certifications for ISO14001 (Environmental Management System, Kunshan: 2024/7/2-2027/7/2; Dongtai: 2025/12/5-2029/1/5) and QC080000</p>	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with no difference

Promotion item	Implementation (Note 1)			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
			(Hazardous Substance Process Management System, Kunshan: 2025/6/10-2028/6/9; Dongtai: 2023/10/25-2026/10/24). For risks related to the environment, environmental protection, employee safety, customers, and suppliers in the operating activities, the Company is able to effectively control and make responses in time.	
(II) Is the Company committed to improving energy efficiency and to the use of renewable materials with low environmental impact?	V		The Company is committed to the research of halogen-free and phosphorus-free products for environmental protection.	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with no difference
(III) Has the Company evaluated the potential risks and opportunities of climate change to the Company at present and in the future and taken relevant countermeasures?	V		The Company does not have a manufacturing center in Taiwan , and the implementation status of the reinvested subsidiaries in Mainland China is as follows: The Company is a professional manufacturer of FCCL materials. Since its inception, the Company has been committed to improving the product environment for the Company's sustainable operation, and has formulated the "Risk and Opportunity Control Program" to systematically manage various risk factors, and establish contingency plans to ensure the effective implementation of the Company's business strategies in order to achieve business goals. The Company has passed the certifications of ISO14001 (Environmental Management System, Kunshan: July 2, 2024 - July 2, 2027, Dongtai: December 5, 2025 - January 5, 2029 and QC080000 (Hazardous Substance Process Management System, Kunshan: July 2, 2022 - July 1, 2025, Dongtai: June 10, 2025 - June 9, 2028). For risks related to the environment, environmental protection, employee safety, customers, and suppliers in the operating activities, the Company is able to effectively control and make responses in time. 1. Air pollutant processing: Dispose of waste gas generated from the production through active carbon disposal	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with no difference

Promotion item	Implementation (Note 1)			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
			<p>equipment and RTO to reduce the VOCs emission. Each year, the Company detects and controls the waste gas emission concentration to achieve emission of compliance; the Company reduces nitrogen emissions by adopting renovated designs of low-nitrogen combusting for the furnace.</p> <p>2. Waste disposal: The Company controls the waste generation volume by establishing management targets each year and engages compliant contractors recognized by the Department of Environmental Protection for making disposals in compliance with the laws each year.</p>	
(IV) Has the Company made statistics on GHG emissions, water consumption, and the total weight of waste for the most recent two years and formulated policies for GHG emissions reduction, water consumption reduction, or other waste management?	V		<p>The subsidiary in Mainland China invested by the Company has established an “Energy-saving and Carbon Dioxide Reduction Team” to regularly prepare statistics of water consumption and the total weight of waste and formulate relevant energy-saving targets each year; the implementation is as follows:</p> <p>1. The annual targets of the Emission and Waste Reduction Team of the Company are as follows:</p> <p>(1) Waste gas emission target:</p> <p>(a) To allow the emission volume to comply with the “Emission Standards of Air Pollutants” of Jiangsu, China,”</p> <p>(b) the management policy is as follows:</p> <p>i. Pass the annual inspection of the pollutant discharge permission each year.</p> <p>ii. Set up pollutant discharge outlets according to the law.</p> <p>iii. Avoid the leakage of supplies or effectively collect and dispose of the leaked supplies.</p> <p>iv. All departments shall perform daily</p>	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with no difference

Promotion item	Implementation (Note 1)			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
			<p>maintenance, repair, and record archiving for future reference regarding their production and environmental protection equipment and pipelines.</p> <p>v. Added an exhaust outlet for the NMP solvent recovery equipment and commissioned a qualified vendor to conduct testing</p> <p>(2) Sewage emission target:</p> <p>(a) PH value: 6-9</p> <p>(b) Suspended solids: 400mg/L</p> <p>(c) BOD5: 300mg/L</p> <p>(d) COD: 500mg/L</p> <p>(e) Animal/vegetable oil: 100mg/L</p> <p>(f) Ammonia nitrogen: 45mg/L</p> <p>(g) Total phosphorus: 8mg/L</p> <p>(h) Total nitrogen: 70mg/L</p> <p>(3) Noise emission target:</p> <p>(a) Daytime \leq 65dB</p> <p>(b) Nighttime \leq 55dB</p> <p>(4) Waste target:</p> <p>(a) According to the requirements under the “Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste,” the Company carries out the waste classification declaration for weight registration via the “Hazardous Waste Dynamic Management System of Jiangsu Province.” In general, our compliant contractors make disposals in compliance with the laws each month;</p> <p>(b) the management policy is as follows:</p> <p>i. Set up signs to identify hazardous waste.</p>	

Promotion item	Implementation (Note 1)			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
			<ul style="list-style-type: none"> ii. Declare and register the volume of hazardous waste according to the national requirements. iii. Classify and separate the storage of different types of solid wastes and ban mixing hazardous waste with non-hazardous waste for storage, transportation, or disposal. iv. All departments shall keep the account and records regarding the storage of the hazardous waste generated faithfully and perform storage according to the requirement. v. Complete the transfer form according to the national requirements. vi. Engage departments with compliant qualifications to dispose of hazardous waste. vii. Formulate hazardous waste accident prevention measures and emergency management plans. viii. Formulate hazardous waste management plans. ix. Establish a responsibility system for hazardous waste x. Organize training related to hazardous waste for relevant personnel of the Company. 	

Promotion item	Implementation (Note 1)			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor												
	Yes	No	Brief description													
			<p>2. Water consumption:</p> <table border="1"> <thead> <tr> <th>Plant area</th> <th>2024</th> <th>2025</th> <th>Application</th> </tr> </thead> <tbody> <tr> <td>Kunshan</td> <td>17,272 tons</td> <td>22,288 tons</td> <td>Water for production, domestic and fire-fighting uses</td> </tr> <tr> <td>Dongtai</td> <td>6,643 tons</td> <td>7,855 tons</td> <td>Water for production, domestic and fire-fighting uses</td> </tr> </tbody> </table> <p>3. Waste management: The waste generated by the production activities of Kunshan Aplus and Dongtai Aplus can be divided into two categories: general industrial solid waste and hazardous waste. Hazardous waste disposal is handled in accordance with relevant laws and regulations, and qualified contractors are commissioned to dispose of the waste for treatment. Kunshan Aplus and Dongtai Aplus have established environmental goals to control outsourcing of disposal to reduce the volume of outsourced disposal. This not only reduces operating costs, but also reduces the impact on the environment. The implementation is as follows:</p>	Plant area	2024	2025	Application	Kunshan	17,272 tons	22,288 tons	Water for production, domestic and fire-fighting uses	Dongtai	6,643 tons	7,855 tons	Water for production, domestic and fire-fighting uses	
Plant area	2024	2025	Application													
Kunshan	17,272 tons	22,288 tons	Water for production, domestic and fire-fighting uses													
Dongtai	6,643 tons	7,855 tons	Water for production, domestic and fire-fighting uses													

Promotion item	Implementation (Note 1)			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor																																																										
	Yes	No	Brief description																																																											
			<p>Kunshan Aplus:</p> <table border="1"> <thead> <tr> <th>Projects</th> <th>Disposal method</th> <th>Waste name</th> <th>2024 (tons)</th> <th>2025 (tons)</th> </tr> </thead> <tbody> <tr> <td rowspan="5">Hazardous waste</td> <td rowspan="4">Incineration</td> <td>Waste solvent</td> <td>34.4</td> <td>35.1</td> </tr> <tr> <td>Cotton cloth containing waste solvent, PE bag, empty reagent barrel</td> <td>18.1</td> <td>16.6</td> </tr> <tr> <td>Waste activated carbon</td> <td>0.9</td> <td>1.9</td> </tr> <tr> <td>Waste oil</td> <td>3.4</td> <td>0.04</td> </tr> <tr> <td>Physical and chemical treatment</td> <td>Copper waste liquid</td> <td>5.5</td> <td>2.9</td> </tr> <tr> <td rowspan="2">General industrial solid waste</td> <td rowspan="2">Sorting, recycling or incineration</td> <td>Waste scraps, defective products</td> <td>155.39</td> <td>112.2</td> </tr> <tr> <td>Waste packaging</td> <td>7</td> <td>10.932</td> </tr> </tbody> </table> <p>Dongtai Aplus:</p> <table border="1"> <thead> <tr> <th>Projects</th> <th>Disposal method</th> <th>Waste name</th> <th>2024 (tons)</th> <th>2025 (tons)</th> </tr> </thead> <tbody> <tr> <td rowspan="4">Hazardous waste</td> <td rowspan="4">Incineration</td> <td>Waste plastic</td> <td>10.917</td> <td>2.016</td> </tr> <tr> <td>Waste gloves, rags</td> <td>/</td> <td>4.7882</td> </tr> <tr> <td>Waste activated carbon</td> <td>0.94</td> <td>0.318</td> </tr> <tr> <td>Waste packaging barrels</td> <td>1.876</td> <td>1.58</td> </tr> <tr> <td rowspan="2">General industrial solid waste</td> <td rowspan="2">Sorting, recycling or incineration</td> <td>Waste scraps, defective products</td> <td>55.68</td> <td>123.22</td> </tr> <tr> <td>Waste packaging bags</td> <td>6</td> <td>22.31</td> </tr> </tbody> </table> <p>4. In the past two years, the Company has completed the verification of greenhouse gas inventory partner organizations according to ISO14064-1:2018 standards and obtained the verification certificate. The relevant information is disclosed as follows: Asia Electronic: Total greenhouse gas emissions in 2024 and 2025 were 93.7268 (category 1-4) and 86.584 t CO₂e (category 1-4), respectively. Kunshan: Total greenhouse gas emissions in 2024 and 2025 were 7,025.16 (category 1-3) and 6,471.678 t CO₂e (category 1-4), respectively. Dongtai: Total greenhouse gas emissions in 2024 and</p>	Projects	Disposal method	Waste name	2024 (tons)	2025 (tons)	Hazardous waste	Incineration	Waste solvent	34.4	35.1	Cotton cloth containing waste solvent, PE bag, empty reagent barrel	18.1	16.6	Waste activated carbon	0.9	1.9	Waste oil	3.4	0.04	Physical and chemical treatment	Copper waste liquid	5.5	2.9	General industrial solid waste	Sorting, recycling or incineration	Waste scraps, defective products	155.39	112.2	Waste packaging	7	10.932	Projects	Disposal method	Waste name	2024 (tons)	2025 (tons)	Hazardous waste	Incineration	Waste plastic	10.917	2.016	Waste gloves, rags	/	4.7882	Waste activated carbon	0.94	0.318	Waste packaging barrels	1.876	1.58	General industrial solid waste	Sorting, recycling or incineration	Waste scraps, defective products	55.68	123.22	Waste packaging bags	6	22.31	
Projects	Disposal method	Waste name	2024 (tons)	2025 (tons)																																																										
Hazardous waste	Incineration	Waste solvent	34.4	35.1																																																										
		Cotton cloth containing waste solvent, PE bag, empty reagent barrel	18.1	16.6																																																										
		Waste activated carbon	0.9	1.9																																																										
		Waste oil	3.4	0.04																																																										
	Physical and chemical treatment	Copper waste liquid	5.5	2.9																																																										
General industrial solid waste	Sorting, recycling or incineration	Waste scraps, defective products	155.39	112.2																																																										
		Waste packaging	7	10.932																																																										
Projects	Disposal method	Waste name	2024 (tons)	2025 (tons)																																																										
Hazardous waste	Incineration	Waste plastic	10.917	2.016																																																										
		Waste gloves, rags	/	4.7882																																																										
		Waste activated carbon	0.94	0.318																																																										
		Waste packaging barrels	1.876	1.58																																																										
General industrial solid waste	Sorting, recycling or incineration	Waste scraps, defective products	55.68	123.22																																																										
		Waste packaging bags	6	22.31																																																										

Promotion item	Implementation (Note 1)			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
			2025 were 3,136.86 (category 1-3) and 5,373.039 t CO2e (category 1-4), respectively.	
IV. Social issues (I) Has the Company formulated relevant management policies and procedures in accordance with relevant regulations as well as the International Bill of Human Rights?	V		<p>1. The Company protects employees' legal interests and appropriate retirement pensions according to labor regulations. The Company has established its Employee Benefits Committee to handle matters of benefits, such as company trips and birthday parties. The Company regularly convenes labor-capital conferences each quarter to establish a channel of mutual communication to understand the opinions of both parties, and in turn, achieve the status of general success.</p> <p>2. The Company recruits talent based on merit, and fulfills its international human rights conventions by establishing the "Employee Recruitment Management Regulations" to protect and respect human rights, including any discrimination and differential treatment in the recruitment, selection, and employment process.</p> <p>3. The Company has established its "Regulations for Reward and Punishment of Employees" and "Working Rules" and specified relevant reward and punishment systems.</p> <p>In addition, the implementation of the subsidiary in China is as follows: In accordance with Chinese labor laws and regulations and with reference to internationally recognized human rights standards such as the "United Nations Universal Declaration of Human Rights", "United Nations Global Compact", "United Nations Guiding Principles on Business and Human Rights", and "United Nations International Labor Organization", we have established a "Human Resources Control Procedure" and "Employee Handbook" and published them in the Company's internal BPM system. The Company's</p>	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with no difference

Promotion item	Implementation (Note 1)			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
			<p>labor and capital rights and obligations complies with labor laws and regulations, and respects the basic provisions of international labor standards, such as freedom of association and collective bargaining, prohibition of forced labor, prohibition of child labor, etc., and eliminates various employment discrimination such as gender, sexual orientation, race, age, marriage, religion, political party, etc., and to ensure that human resource utilization policies are properly managed.</p> <p>Employees are trained on the "Employee Handbook" upon joining the Company to ensure that human resources policies are properly managed.</p> <p>In the 2025 annual onboarding training "Employee Handbook", the Company carried out 10 rounds of education and training on human rights-related policies, with a total of 28 people completing the training, and a total training time of 112 hours.</p>	
(II) Has the Company established and implemented reasonable employee welfare measures (including remuneration, vacation, and other benefits) and appropriately reflected the business performance or results in employees' remuneration?	V		<p>1. Employee benefits measures, continuing education, and training:</p> <p>Employee benefits measures of the Company include regular health exams, Chinese New Year gifts, company trips, birthday gifts, subsidies for marriage, funerals, and celebrations, performance bonuses, employee remuneration, labor insurance, health insurance, and group insurance; we also offer opportunities for employees to participate in various training, seminars, and continuing education so as to improve the horizons of employees and facilitate their work efficiency. The Company appropriates the remuneration of employees according to the Articles of Incorporation. When recording profits, the Company reflects its business performance and achievements in</p>	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with no difference

Promotion item	Implementation (Note 1)			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
			<p>the remuneration of employees, bonuses subject to its policy, and employee remuneration.</p> <p>2. The Company has implemented the management of the rest, vacation and regular leave in accordance with the government's labor regulations.</p> <p>3. Realization of diversity and equality in the workplace: The Company upholds the principle of gender equality and equal pay for equal work, and there is no gender difference. In 2025, female employees of the Group accounted for 32%, and female employees at managerial level and above accounted for 39%.</p>	
(III) Does the Company provide employees with a safe and healthy working environment and regularly organize safety and health education for employees?	V		<p>The Company does not have a manufacturing center in Taiwan, and its implementation status is as follows:</p> <ol style="list-style-type: none"> 1. Has an access monitoring system in place. 2. Execute contracts with a security company to maintain the safety of the administrative office in a factory during nighttime and weekends. 3. Engage external parties to perform fire safety inspections each year according to the regulatory requirements. 4. Carry out regular maintenance and inspection of equipment in the working environment. Organize health inspections for employees according to the requirements of the Occupational Safety and Health Act. Smoking is banned at all business venues according to the requirements, and environmental cleaning and sanitizing are performed regularly. 5. In June 2025, the old office was affected by a fire next door, and the head office was relocated to 6F.-7, No. 3, Huanke 1st Rd., Zhubei City, Hsinchu County (Chang-Yih Hi-Tech Industrial Park). 6. There were no occupational hazard cases for employees in 2025 for the Company in Taiwan. 	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with no difference

Promotion item	Implementation (Note 1)			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
			<p>The implementation of the Company's reinvestment in the subsidiaries in Mainland China is as follows:</p> <ol style="list-style-type: none"> 1. Establish a safety risk management and control list, and formulate and implement control measures, including engineering and technical measures, management measures, training and education measures, and personal protection measures. 2. Medical examinations are conducted every July for employees involved in occupational hazard positions. Kunshan and Dongtai plants have completed occupational health examinations. 3. In August each year, Kunshan and Dongtai plants conduct annual hazard testing for occupational disease hazard positions. 4. In 2025, the Kunshan plant of the subsidiary reported one employee occupational accident (not within the scope of major occupational accident reporting) and one injured person. 	
(IV) Has the Company established an effective career development training program for employees?	V		<p>In response to the long-term development of the Company and the improvement in employee quality, the Company has established its Regulations for Educational Training and organized professional programs for different departments and training and license courses for knowledge required for work. Relevant courses cover new recruit orientation, core functions, management functions, and professional functions. Through diversified education and training channels, orientation training, on-the-job training, and various internal and external trainings are used to enhance employees' learning effectiveness. The total number of education and training hours for Asia Electronic's employees in 2025 was 62 hours. The total number of education and training hours for the Group's employees in 2025 was 4,015 hours.</p>	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with no difference

Promotion item	Implementation (Note 1)			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
(V) Has the Company complied with relevant regulations and international standards with regard to customer health and safety, customer privacy, marketing, and labeling of products and services, and established relevant policies to protect the interests of consumers or customers and formulated complaint procedures?	V		The Company is committed to the R&D of halogen-free and phosphorus-free products in the hope of aligning ourselves with the requirements under RoHS and the standards under REACH of the EU; we also collect international protection regulations, and requirements of our major customers to grasp the latest control trends worldwide and of our customers to satisfy customers' requirements. Furthermore, the Company maintains favorable communication channels with customers and provides transparent and effective procedures for handling customer complaints regarding our products and services; we fully communicate with customers in time and understand customers' requirements to facilitate the effects of interactions with customers.	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with no difference
(VI) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights? What is the status of their implementation?	V		The Company has established relevant evaluation and management methods. Before establishing business relations with any supplier, the Company evaluates the legitimacy, ethical corporate management policy, and whether it has any record of unethical conduct, and obtains the cooperating commitments of the suppliers in terms of environmental protection, occupational safety and health, and labor human rights. The Company performs reviews and evaluations of suppliers in terms of environmental protection, occupational safety and health, or labor human rights and regularly carries out evaluations and consultation to ensure the suppliers are in compliance with regulations and the Company's requirements.	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with no difference
V. Has the Company referred to international reporting standards or guidelines in its preparation of the sustainability report and other reports which disclose the Company's non-financial information? Has the Company obtained the assurance or certification of a		V	The Company's 2024 Sustainability Report has been completed and was approved by the Sustainable Development Committee on August 6, 2025, and by the Board of Directors on August 7, 2025, and was announced and posted on the Company's website in accordance with regulations. In addition, the 2025 Sustainability Report is being prepared,	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with no difference

Promotion item	Implementation (Note 1)			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
certifying institution for the reports above?			and if completed, it will be announced in accordance with regulations.	
VI. If the Company has established its own Sustainable Development Best Practice Principles based on the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” please describe any differences from the Principles in the Company’s operations: No material difference				
VII. Other important information to facilitate a better understanding of the Company’s promotion of sustainable development: The Company is committed to the R&D of halogen-free and low-carbon materials for environmental protection. At present, all products of sale are halogen-free.				

Note 1: If “Yes” is chosen for the implementation, please describe the material policies, strategies, and measures adopted and the implementation; If “No” is chosen, please explain the reason and describe the plan to material policies, strategies, and measures.

Note 2: For Companies that have prepared their corporate social responsibility reports, they may mark the page for reference in the corporate social responsibility report for the implementation instead.

Note 3: The materiality principle refers to environmental, social, and corporate governance issues that have material impacts on the investors and other stakeholders of the Company.

(2) Climate-related information

(A) Implementation of climate-related information

Item	Implementation																				
1. Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management.	1. As the supreme governance body of sustainable development, the Board has established the Sustainable Development Committee to review the risks and opportunities related to climate change on a regular basis.																				
2. Describe how the identified climate risks and opportunities affect the Company's business, strategy and finance (short-, medium-, and long-term).	<p>2. Companies need to identify potential climate risks, including the impact of extreme climate events on the company's business and assets, such as changes in policies, technological progress or market demand.</p> <table border="1" data-bbox="1182 432 2033 1018"> <thead> <tr> <th data-bbox="1182 432 1285 456">Term</th> <th data-bbox="1285 432 1420 456">Risks</th> <th data-bbox="1420 432 1581 456">Opportunity</th> <th data-bbox="1581 432 1711 456">Impacts</th> <th data-bbox="1711 432 2033 456">Countermeasures</th> </tr> </thead> <tbody> <tr> <td data-bbox="1182 456 1285 651">Short-term</td> <td data-bbox="1285 456 1420 651">Production interruption</td> <td data-bbox="1420 456 1581 651">Dual-site production to reduce the impact of extreme climate in a single area</td> <td data-bbox="1581 456 1711 651">Disruption to the supply chain and the Company's operations</td> <td data-bbox="1711 456 2033 651">The management needs to formulate strategies to deal with climate change, such as upgrading the production process to reduce carbon emissions; from the financial perspective, the climate risk may lead to a decline in asset value, and higher insurance premiums need to be paid to cover climate-related risks.</td> </tr> <tr> <td data-bbox="1182 651 1285 868">Medium-term</td> <td data-bbox="1285 651 1420 868">Changes in market structure and consumer behavior</td> <td data-bbox="1420 651 1581 868">Development and promotion of green products</td> <td data-bbox="1581 651 1711 868">Decline in sales revenue of non-green or low-carbon products</td> <td data-bbox="1711 651 2033 868">The Company needs to review the Company's business model and value chain, and take into account possible climate changes, adjust products to meet market demand, invest in R&D and innovation projects, and develop low-carbon, recyclable products or services. For the financial aspects, planning for additional capital investment is needed.</td> </tr> <tr> <td data-bbox="1182 868 1285 1018">Long-term</td> <td data-bbox="1285 868 1420 1018">Cost of responding to carbon reduction policies and regulations</td> <td data-bbox="1420 868 1581 1018">Use renewable energy and energy-saving equipment to improve energy efficiency</td> <td data-bbox="1581 868 1711 1018">Additional cost of carbon reduction due to tightened regulations</td> <td data-bbox="1711 868 2033 1018">Continue to monitor the trend of international carbon tax and carbon reduction laws and regulations</td> </tr> </tbody> </table>	Term	Risks	Opportunity	Impacts	Countermeasures	Short-term	Production interruption	Dual-site production to reduce the impact of extreme climate in a single area	Disruption to the supply chain and the Company's operations	The management needs to formulate strategies to deal with climate change, such as upgrading the production process to reduce carbon emissions; from the financial perspective, the climate risk may lead to a decline in asset value, and higher insurance premiums need to be paid to cover climate-related risks.	Medium-term	Changes in market structure and consumer behavior	Development and promotion of green products	Decline in sales revenue of non-green or low-carbon products	The Company needs to review the Company's business model and value chain, and take into account possible climate changes, adjust products to meet market demand, invest in R&D and innovation projects, and develop low-carbon, recyclable products or services. For the financial aspects, planning for additional capital investment is needed.	Long-term	Cost of responding to carbon reduction policies and regulations	Use renewable energy and energy-saving equipment to improve energy efficiency	Additional cost of carbon reduction due to tightened regulations	Continue to monitor the trend of international carbon tax and carbon reduction laws and regulations
Term	Risks	Opportunity	Impacts	Countermeasures																	
Short-term	Production interruption	Dual-site production to reduce the impact of extreme climate in a single area	Disruption to the supply chain and the Company's operations	The management needs to formulate strategies to deal with climate change, such as upgrading the production process to reduce carbon emissions; from the financial perspective, the climate risk may lead to a decline in asset value, and higher insurance premiums need to be paid to cover climate-related risks.																	
Medium-term	Changes in market structure and consumer behavior	Development and promotion of green products	Decline in sales revenue of non-green or low-carbon products	The Company needs to review the Company's business model and value chain, and take into account possible climate changes, adjust products to meet market demand, invest in R&D and innovation projects, and develop low-carbon, recyclable products or services. For the financial aspects, planning for additional capital investment is needed.																	
Long-term	Cost of responding to carbon reduction policies and regulations	Use renewable energy and energy-saving equipment to improve energy efficiency	Additional cost of carbon reduction due to tightened regulations	Continue to monitor the trend of international carbon tax and carbon reduction laws and regulations																	

Item	Implementation
3. Describe the financial impact of extreme climate events and transformation actions.	3. Extreme climate events may have direct and indirect impacts on the Company's operations and finance. The direct impact includes production interruption, facility damage, supply chain interruption, etc., which will all lead to a decrease in the Company's profit. Indirect effects include increased insurance expenses, increased cost of capital, and decreased share price, which will all have a negative impact on the financial position. To cope with climate change, the Company will transform its energy and economic structure. This includes investing in renewable energy, improving energy efficiency, and developing low-carbon technologies. These transformation actions require a large amount of capital investment, but they also bring new business opportunities. By participating in these types of actions, we can also obtain new sources of income and improve financial performance.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	4. The identification, assessment and management of climate risks can be integrated into the overall risk management system through the following steps. i. Risk identification: Based on the characteristics of the Company's business, the risk identification of climate risks and opportunities is carried out every year. ii. Risk assessment: Work with the risk management department to integrate the overall risk assessment. iii. Risk management: Treat climate change as a strategic business risk and incorporate its identification, measurement and management into the Company's overall risk procedures. iv. Risk report: Use scenario analysis to evaluate the resilience in the face of climate change risks, and explain the scenarios, parameters, assumptions, analysis factors, and main financial impacts.
5. If using scenario analysis to evaluate the resilience in the face of climate change risks, explain the scenarios, parameters, assumptions, analysis factors, and main financial impacts.	5. The Company has not used scenario analysis to evaluate the resilience in the face of climate change risks.
6. If there is a transformation plan in place to manage climate-related risks, specify the content of the plan, and the indicators and targets used to identify and manage physical risks and transformation risks.	6. The Company currently does not have a clear transformation plan for responding to and managing climate-related risks.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.	7. The Company has not yet used internal carbon pricing as a planning tool.

Item	Implementation
8. If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning period, and the progress of each year should be explained; if using carbon offsets or renewable energy certificates (RECs) to achieve the goals, the source and quantity of carbon reduction credits or quantity of Renewable Energy Certificates (RECs) needs to be stated.	8. The subsidiary in Mainland China invested by the Company has established an "Energy-saving and Carbon Dioxide Reduction Team" to regularly prepare statistics of water consumption and the total weight of waste and formulate relevant energy-saving targets each year. Please refer to pages 44-46 for related targets.
9. Greenhouse gas inventory and assurance, and reduction goals, strategies, and concrete action plans.	9. The Company has established the "Greenhouse Gas Information Control Program" and set up a greenhouse gas (referred to as "GHG") inventory task force to develop a GHG inventory and prepare a GHG inventory report. Based on the considerations of strategy, business, stakeholder needs, risks and opportunities, the greenhouse gas reduction target is set in accordance with the "Management Plan and Target Achievement Control Procedure", which is included in the daily statistical management of the Engineering Affairs Department. Please refer to (2) for the explanation on greenhouse gas inventory and assurance.

(B) GHG inventory and assurance in the last 2 years

a. Greenhouse Gas Inventory Information

Describe the greenhouse gas emission volume (metric tons CO₂e), intensity (metric tons CO₂e/NTD million), and data coverage for the most recent two years.

Greenhouse gas emission statistics for the most recent two years									
Year	Plant area (Note)	Unit	Category 1	Category 2	Category 3	Category 4	Total	Turnover (NTD million)	Emission intensity
2024	Parent/subsidiary	Metric tons CO ₂ e	2,722.39	6,155.18	1,365.10	13.11	10,255.78	1,541.70	6.65
2025	Parent/subsidiary	Metric tons CO ₂ e	2,913.04	4,417.36	522.34	4,078.50	11,931.24	1,417.55	8.42

Note: Subsidiaries including Kunshan Aplus and Dongtai Aplus

Note 1: Direct emissions (scope 1, i.e. directly from emission sources owned or controlled by the Company), indirect energy emissions (scope 2, i.e. indirect greenhouse gas emissions from imported electricity, heat or steam) and Other indirect emissions (scope 3: emissions generated from corporate activities that are not indirect emissions from energy sources but come from sources owned or controlled by other companies).

Note 2: The data coverage of direct emissions and indirect energy emissions shall be handled in accordance with the schedule specified in Article 10, Paragraph 2 of the guidelines. Other indirect emissions information may be disclosed voluntarily.

Note 3: Greenhouse gas inventory standard: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 4: The intensity of greenhouse gas emissions can be calculated per unit of product/service or turnover, but at least the data calculated in terms of turnover (NTD million) shall be stated.

b. Greenhouse Gas Assurance Information

Describe the status of assurance in the last 2 years up to the date of publication of the annual report, including the scope of assurance, institutions of assurance, criteria of assurance, and opinions of assurance.					
Year	Plant area	Assurance range	Assurance institutions	Assurance criteria	Assurance opinion
2024	Kunshan	Category 1 Category 2 Category 3	SGS	ISO 14064-1:2018	<p>1. Currently, purchased electricity and natural gas combustion account for 46% and 17% of the most significant carbon emissions, respectively. It is recommended that factories conduct energy audits, improve energy efficiency, and modernize to reduce energy consumption per unit of product.</p> <p>2. Currently, Kunshan Aplus has adopted solar PV. It is recommended to promote distributed solar PV. The investment can be made by itself or through BOT. The electricity generated can be used by itself and the remainder can be connected to the internet.</p>
	Dongtai	Category 1 Category 2 Category 3	SGS	ISO 14064-1:2018	<p>1. Currently, purchased electricity and natural gas combustion account for 36% and 16% of the most significant carbon emissions, respectively. It is recommended that factories conduct energy audits, improve energy efficiency, and modernize to reduce energy consumption per unit of product.</p> <p>2. Currently, Dongtai Aplus has adopted solar PV. It is recommended to promote distributed solar PV. The investment can be made by itself or through BOT. The electricity generated can be used by itself and the remainder can be connected to the internet.</p> <p>3. At present, Dongtai Aplus does not purchase green power. It is recommended to purchase green power directly or purchase green certificates. The direct purchase of green power can be traded through the provincial electric power trading centers. The direct transaction of green power in Jiangsu Province has been carried out on a regular basis, and the purchase of REC can be made for those issued in China or overseas, such as, GEC (China's REC), I-Rec (International Green Certificate issued by a Dutch registration authority).</p>
2025	Asia Electronic Material	Category 1 Category 2 Category 3	Anderson International Standard Certification Co., Ltd.	ISO 14064-1:2018	Currently, carbon emissions mainly come from purchased electricity. The Company can take emission reduction actions through the following means: control the efficiency of electricity usage and conserve electricity.

	Kunshan	Category 1 Category 2 Category 3 Category 4	Suzhou Andtrust International Certification Co., Ltd.	ISO 14064-1:2018	<ol style="list-style-type: none"> 1. Currently, carbon emissions mainly come from purchased electricity and natural gas combustion. They can be reduced by controlling the efficiency of electricity use, conserving electricity, and conducting energy audits to lower energy consumption per unit of product. 2. Currently, Kunshan Aplus has adopted solar PV. It is recommended to promote distributed solar PV. The investment can be made by itself or through BOT. The electricity generated can be used by itself and the remainder can be connected to the internet.
	Dongtai	Category 1 Category 2 Category 3 Category 4	Suzhou Andtrust International Certification Co., Ltd.	ISO 14064-1:2018	<ol style="list-style-type: none"> 1. Currently, carbon emissions mainly come from purchased electricity and natural gas combustion. They can be reduced by controlling the efficiency of electricity use, conserving electricity, and conducting energy audits to lower energy consumption per unit of product. 2. Currently, Dongtai Aplus has adopted solar PV. It is recommended to promote distributed solar PV. The investment can be made by itself or through BOT. The electricity generated can be used by itself and the remainder can be connected to the internet. 3. At present, Dongtai Aplus does not purchase green power. It is recommended to purchase green power directly or purchase green certificates. The direct purchase of green power can be traded through the provincial electric power trading centers. The direct transaction of green power in Jiangsu Province has been carried out on a regular basis, and the purchase of REC can be made for those issued in China or overseas, such as, GEC (China's REC), I-Rec (International Green Certificate issued by a Dutch registration authority).

Note 1: The process shall be conducted in accordance with the schedule specified in Article 10, paragraph 2 of the guidelines. If the company has not obtained the full assurance opinion of greenhouse gas by the date of publication of the annual report, it is necessary to indicate "full assurance information will be disclosed in the sustainability report." If the Company does not prepare a sustainability report, it should be noted that "complete assurance information will be disclosed on the Market Observation Post System" and complete assurance information must be disclosed in the next annual report.

Note 2: The assurance institutions shall comply with the relevant requirements of Taiwan Stock Exchange Corporation and the Taipei Exchange of the Republic of China on the relevant regulations for the assurance institutions for sustainability reports.

Note 3: Please refer to the Best Practice Reference Examples on the website of the Corporate Governance Center of Taiwan Stock Exchange for the disclosure content.

(C) GHG Reduction Targets, Strategies and Specific Action Plans

Describe the greenhouse gas reduction base year and data, reduction goals, strategies, and concrete action plans and achievement of the reduction goals.				
Striving to achieve the emission reduction target, the Company continues to invest in various energy-saving measures, which are detailed as follows:				
1. Asia Power Group's photovoltaic power generation:				
Projects	Company	Photovoltaic power consumption (10,000 kwh)	Carbon reduction (metric tons CO2e)	Remarks
Photovoltaic power generation	Kunshan Aplus	24.36	142.63	data between 2024.1 - 2024.12
	Dongtai Aplus	81.87	479.40	
Photovoltaic power generation	Kunshan Aplus	26.17	143.94	data between 2025.1 - 2025.12
	Dongtai Aplus	102.62	564.41	
Note: Source of data on converted carbon reduction: verification unit of partners				
2. Other energy-saving projects:				
Company	Projects	Energy saving and efficiency		
Kunshan Aplus	Replacing oil with natural gas	In 2015, the boiler fuel was changed from heavy oil to natural gas to reduce exhaust gas emissions and environmental pollution.		
	Introduced steam	Introduce energy steam in 2018 to reduce electricity consumption.		
	Condensed Water Recovery	9,000 tons of condensed water recycled and reused.		
	Boiler low nitrogen retrofit	Reduce nitrogen oxides emissions by about 1 ton (0.5 ton/year) from 2022 to 2023.		
	Air compressor heat recovery	Air compressor heat recovery in 2023 reduced diesel fuel by 7.89 tons and CO2e by 23.6 tons.		
	Green certification	The purchase of green certificates totaling 2,000 MWh in 2025 is equivalent to reducing carbon dioxide equivalent emissions by 915 tons.		

Note 1: It shall be processed in accordance with the schedule prescribed in Article 10, paragraph 2 of the guidelines.

Note 2: The base year should be the year that the inspection is completed based on the boundaries of the consolidated financial statements. For example, pursuant to Article 10, Paragraph 2 of the Guidelines, companies with capital over NTD 10 billion should complete the 2024 consolidated financial statements in 2025.

Therefore, the base year is 2024. If the Company has completed the carbon inventory of the consolidated financial statements ahead of schedule, the earlier year can be used as the base year, and the data of the base year can be calculated by a single year or the average of several years.

Note 3: Please refer to the Best Practice Reference Examples on the website of the Corporate Governance Center of Taiwan Stock Exchange for the disclosure content.

(VI) Implementation of ethical corporate management and differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons:

Evaluation item	Implementation			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons for the differences
	Yes	No	Brief description	
<p>I. Formulation of ethical corporate management policies and plans</p> <p>(I) Does the Company have an ethical corporate management policy approved by its Board, and rules and publicly available documents addressing its policy and measures of ethical corporate management, and commitment regarding active implementation of such policy from the Board and the senior management?</p> <p>(II) Has the Company established a risk assessment mechanism against unethical conduct, analyzed and assessed on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and established prevention programs accordingly which at least cover the prevention measures against the conducts listed in paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”?</p> <p>(III) Has the Company clearly specified operating procedures, guidelines for conduct, and a violation punishment and complaint system in the unethical conduct prevention plan and duly implemented them? Does the Company regularly review and revise said plan?</p>	V		<p>(I) To healthily develop the Company’s business philosophy of incorruptibility, transparency, and responsibility based on ethics and integrity, the Board has approved and established the “Ethical Corporate Management Best Practice Principles,” stating ethical corporate management policies and plans, to establish a favorable business operating model and creates the corporate culture of ethical corporate management. We hope and require that our members, including the Board and the senior management, will actively implement the policies of ethical corporate management. For details of the Principles, please refer to the website of the Company (http://www.aemg.com.tw) and MOPS.</p> <p>(II) The "Asia Electronic Material Co., Ltd. Sustainable Development Best-Practice Principles" discloses anti-bribery and corruption, and avoidance of unfair competition.</p> <p>(III) The “Asia Electronic Material Co., Ltd. Code of Ethical Conduct” and “Asia Electronic Material Co., Ltd. Procedures for Ethical Management and Guidelines for Conduct” have explicitly prohibited the provision or acceptance of bribery, provision of illegal political donations, provision or acceptance of unjust benefits, unjust transactions with third parties, violation of confidentiality, transactions violating the Fair Trade Act, and unauthorized disclosure of material insider information, and have stated that the charitable donations or sponsorships shall comply with the requirements under Article 10 “Procedures for charitable donations or sponsorships” of the “Asia Electronic Material Co., Ltd. Procedures for Ethical Management and Guidelines</p>	No material difference

Evaluation item	Implementation			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons for the differences
	Yes	No	Brief description	
			<p>for Conduct.”</p> <p>(IV) The Company shall establish a risk assessment mechanism to prevent unethical conduct, analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly.</p> <p>(V) The Company has clearly defined operating procedures, guidelines, punishment for violations and a complaint system in the program to prevent dishonest conduct. For details, please refer to the Company's website (http://www.aemg.com.tw);</p> <p>(VI) The "Asia Electronic Material Co., Ltd. Code of Ethical Conduct" is a standard operating procedures and guidelines regulating the ethical behavior of all stakeholders of the Company, and to serve as a commitment to the implementation of ethical corporate management policy.</p> <p>(VII) The "Regulations Governing the Whistle-blowing System" for employees and relevant whistle-blowers to report any behavior that is illegal or in violating of the Code of Conduct or Ethical Corporate Management Best Practice Principles, in order to ensure the legitimate rights and interests of the whistle-blower and related parties.</p> <p>(VIII) Disciplinary measures for violation of the "Employee Rewards and Punishments Regulations".</p>	
<p>II. Implementation of ethical corporate management</p> <p>(I) Does the Company assess the ethics records of whom it has business relationships and include business conduct and ethics-</p>	V		<p>(I) The “Asia Electronic Material Co., Ltd. Procedures for Ethical Management and Guidelines for Conduct” stipulate that the Company shall evaluate the legitimacy, ethical corporate</p>	No material difference

Evaluation item	Implementation			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons for the differences
	Yes	No	Brief description	
<p>related clauses in the business contracts?</p> <p>(II) Has the Company set up a dedicated department that is subordinated to the Board to promote ethical corporate management, and does it regularly (at least once a year) report to the Board on its ethical corporate management policy and unethical conduct prevention program and monitor their implementation?</p> <p>(III) Does the Company establish policies to prevent conflict of interests, provide appropriate communication and complaint channels, and implement such policies properly?</p> <p>(IV) Has the Company established effective accounting and internal control systems in place for the implementation of ethical corporate management? Has the internal audit department formulated relevant audit plans based on the assessment results of unethical conduct risk to perform audits on compliance with the unethical conduct prevention program or engage CPAs to perform such audits?</p> <p>(V) Does the Company provide internal and external educational training in ethical corporate management on a regular basis?</p>	<p>V</p> <p>V</p> <p>V</p> <p>V</p>		<p>management policy, and whether a supplier has any record of unethical conduct before establishing business relations with others to ensure the fair and transparent business operations of the supplier and that it will not require, provide, or accept bribery.</p> <p>(II) In the "Asia Electronic Material Co., Ltd. Corporate Social Responsibility Declaration", it expressly states that the supply chain of the Company (and its affiliated companies) complies with local regulatory requirements in terms of labor rights, health and safety, environment, ethics, and management systems. Based on the principle of due diligence, the Company's supply chain is required to comply with relevant regulations in order to establish a sustainable supply chain management mechanism.</p> <p>(III) To optimize our ethical corporate management, the Management Department is responsible for the formulation and promotion of the ethical corporate management policies, the Audit Department is responsible for monitoring the implementation, and it reports once a year to the Board regarding the ethical corporate management policies, the plan to prevent dishonest behavior, and the status of supervision and implementation. It has reported to the Board regarding the ethical corporate management status of the Company in 2025 on February 25, 2026.</p> <p>(IV) A mailbox for whistleblowing has been set up on the Company's website (http://www.aemg.com.tw).</p> <p>(V) The Company has established the "regulations for Whistleblowing System," which specifies the processing and handling procedures for reports of illegal conduct.</p> <p>(VI) The financial report of the Company is prepared according to</p>	

Evaluation item	Implementation			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons for the differences
	Yes	No	Brief description	
			<p>the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRSs, IAS, interpretations, and interpretative bulletins recognized by the FSC. The Company determines the effectiveness of the design and implementation of its internal control system based on the determination of effectiveness under the Regulations Governing Establishment of Internal Control Systems by Public Companies. The internal audit department adopts relevant measures based on the materiality of the evaluation results of unethical conduct risks, such as formulating relevant audit plans. The content of an audit plan shall include the audit target, scope, item, and frequency, and compliance with the preventive plan shall be audited accordingly. The Company may engage CPAs to perform the audit, and experts may be engaged for assistance when necessary.</p> <p>(VII) In 2025, the Company held internal education and training related to the issue of ethical management (including analysis of the current status of corporate ethical management, interpretation of ethical management laws and policies, discussion of ethical management strategies and methods, and sharing of ethical management practice cases, etc).The training sessions were attended by 176 people for a total training time of 176 hours.</p>	

Evaluation item	Implementation			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons for the differences
	Yes	No	Brief description	
<p>III. Implementation of the Company's whistleblowing system</p> <p>(I) Does the Company establish specific whistleblowing and reward procedures, set up conveniently accessible whistleblowing channels, and designate responsible individuals to handle the complaints received?</p> <p>(II) Has the Company established its standard operating procedures for investigating the complaints received, subsequent measures to be adopted, and the related confidentiality system after the investigation?</p> <p>(III) Has the Company adopted proper measures to protect whistleblowers from inappropriate disposals due to whistleblowing?</p>	V		The Company has established its Regulations for Whistleblowing System and rewards, set up appropriate whistleblowing channels, kept the identity of whistleblowers and the reported content confidential, and provided rewards, accordingly. The Company has established operating procedures for accepting whistleblowing cases, and relevant confidentiality systems are adopted after the completion of investigations. The Company protects whistleblowers from unjust treatment or threats.	No material difference
<p>IV. Enhance information disclosure</p> <p>(I) Has the Company disclosed the content and implementation results of its Ethical Corporate Management Best Practice Principles on its website and MOPS?</p>	V		The Company's "Ethical Corporate Management Best Practice Principles," "Code of Ethical Conduct," "Procedures for Ethical Management and Guidelines for Conduct," and "Corporate Social Responsibility Declaration" are published on the Company's website (http://www.aemg.com.tw) for employees to access at all times. In addition, the "Ethical Corporate Management Best Practice Principles" and "Code of Ethical Conduct" are published on MOPS.	No material difference
<p>V. If the Company has adopted its own Ethical Corporate Management Best Practice Principles based on the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies," please describe any differences from the principles in the Company's operations: Institutions subordinated to the Company engage in business activities based on the principles of fairness, honesty, credibility, and transparency. To implement our ethical corporate management policies and actively prevent unethical conduct, the Company has established the Principles according to the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" to specify matters of notice for staff of the Company when executing businesses.</p>				
<p>VI. Other important information to facilitate a better understanding of the Company's implementation of ethical corporate management (i.e., the examination and modification to the Ethical Corporate Management Best Practice Principles established by the Company):</p> <p>(I) The Company adheres to ethical corporate management in terms of business transactions of companies we engage in business with and promotes to such companies our determination of ethical corporate management.</p> <p>(II) The Company has established its "Procedures for Ethical Management and Guidelines for Conduct" on 20 March 2020.</p>				

(VII) Other important information to facilitate a better understanding of the Company’s implementation of corporate governance shall also be disclosed:

1. Apart from making disclosures on the corporate governance section of MOPS, does the Company disclose real-time information related to corporate governance to investors based on the materiality: None.

(VIII) Implementation status of the internal control system

1. Statement of Internal Control: Please refer to page 110.

2. For those who appointed CPAs to review the internal control system, the CPAs’ review report shall be disclosed: None.

(IX) Important resolutions of the shareholders' meeting and the Board of Directors in the most recent year and up to the date of publication of the annual report

1. Material resolution of the shareholders’ meeting

Meeting date	Material resolution
May 22, 2025	<ol style="list-style-type: none"> 1. Approved and ratified the 2024 business report and financial statements. 2. Resolution to approve and ratify the proposal for 2024 earnings distribution. 3. Proposal for the amendment to the Company’s “Articles of Incorporation.”

2. Material resolution of the Board meeting

date	Material resolution
2025.1.22	<ol style="list-style-type: none"> 1. Proposal for the application of bank credit loan limits 2. Proposal to add the sixth production line at Aplus Technology Corporation (Dongtai) 3. Review and discussion of the proposal for the distribution of year-end bonuses of managers for 2024.
2025.2.26	<ol style="list-style-type: none"> 1. Proposal for the application of bank credit loan limits 2. Proposal for the distribution of remuneration of employees and directors for 2024 3. Review and discussion of the 2024 business report, individual financial statements, and consolidated financial statements of the Company 4. Proposal for loans to others and endorsement/guarantee provided to subsidiaries of the Company for 2024 5. Proposal for the issuance of the 2024 “Statement of the Internal Control System” 6. Proposal for the Company’s 2024 earnings distribution 7. Proposal for the distribution of the remuneration of managers for 2023 and the distribution of the remuneration of directors and managers for 2024 8. Proposal for the independence evaluation and appointment of CPAs of the Company. 9. Proposal to reconfirm the Company’s “General Policy on Pre-approval of Non-assurance Services” 10. Proposal for the amendment to the Company’s “Articles of Incorporation” 11. Define the scope of grassroots employees in the Company’s “Articles of Incorporation” and proposal to revise the Company’s internal control system - salary cycle 12. Proposal for deciding the convening date, time, venue, contents and shareholder proposals of the Company’s 2025 annual shareholders’ meeting
2024.5.7	<ol style="list-style-type: none"> 1. Proposal for the application of bank credit loan limits 2. Review and discussion of the Company’s first quarter consolidated financial statements for 2025 3. Proposal for loans to others and endorsement/guarantee provided to subsidiaries of the Company in Q1 2025
2025.8.7	<ol style="list-style-type: none"> 1. Proposal for the application of bank credit loan limits 2. Review and discussion of the Company’s consolidated financial statements for the second quarter of 2025 3. Proposal for loans to others and endorsement/guarantee provided to subsidiaries of the Company in the second quarter of 2025. 4. Change of business address of the Company 5. Review of the Company’s 2024 Sustainability Report
2025.11.7	<ol style="list-style-type: none"> 1. Review and discussion of the Company’s third quarter consolidated financial statements for 2025. 2. Proposal for loans to others and endorsement/guarantee provided to subsidiaries of the Company in the third quarter of 2025. 3. Formulation of the Company’s 2026 audit plan 4. Proposal for approval of the limit of loans to others provided by Kunshan Aplus Tec. Corporation, an investee of the Company.
2025.12.30	<ol style="list-style-type: none"> 1. Review and discussion of the Company’s consolidated budgets for 2026.

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

III. Information on CPA fees

Unit: NT\$000'

Name of CPA's firm	Name of CPA	Audit period	Audit fees	Non-audit fees	Total	Remarks
Ernst & Young	Chen Kuo-Shuai	2025.01.01-2025.12.31	4,673	893	5,566	
	Cheng-Wei Lin					

- (I) When the non-audit fees paid to the certifying CPAs, the accounting firm to which the certifying CPAs belong, and its related enterprises amount to one-quarter or more of the audit fees, the amounts of audit and non-audit fees and the content of non-audit services shall be disclosed: In 2025, the non-audit fees were NT\$600 thousand for the sustainability report, NT\$230 thousand for the greenhouse gas assurance report, and NT\$63 thousand for business registration.
- (II) When the Company changes its CPA's firm and the audit fees paid for the year in which such change took place are lower than those for the preceding year, the amount of the audit fees before and after the change and the reasons shall be disclosed: Not applicable.
- (III) When the audit fees paid for the current year are lower than those for the preceding year by 15% or more, the reduction in the amount of audit fees, reduction percentage, and reasons shall be disclosed: Not applicable.

IV. Information on replacement of CPAs: None.

V. The Company's chairman, general manager, or manager responsible for financial or accounting affairs, who has worked in the firm to which the CPA belongs or its affiliated companies within the past year

None.

VI. Transfer of equity and changes in equity pledges of directors, managers, and shareholders with a shareholding of 10% and above in the most recent year and up to the date of publication of the annual report

(1) Changes in equity

Unit: share

Title	Name	2025		As of March 22, 2026	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged
Chairman (Concurrently serves as general manager)	Lee Chien-Hui	0	0	0	0
Director (Major shareholder) (Note 1)	E Ink Holdings Inc.	846,000	0	-	-
Corporate representative of Director (Note 1)	Representative of E INK HOLDINGS INC.: Chan Ning-Wei	0	0	0	0
Director	Bo Chun Investment Co., Ltd.	0	0	0	0
Corporate representative of Director	Representative of Bo Chun Investment Co., Ltd.: Huang Song-Zhen	0	0	0	0
Director	Tsai Sen	0	0	0	0
Director	KMO International Trading Inc.	0	0	0	0
Corporate representative of Director	KMO International Trading Inc. Representative: Lin Wei-Hong	(45,000)	(100,000)	0	0
Independent Director	Hsu Ke-Ying	0	0	0	0
Independent Director	Chu Nien-Tzu	0	0	0	0
Independent Director	Li Chun-Ching	0	0	0	0
Independent director (Note 2)	Hu Han-Liang	0	0	-	-
Vice President	Hsu Ming-Hua	18,000	300,000	0	0
Special assistant of	Tseng Chi-Min	(113,000)	0	(36,000)	0

Title	Name	2025		As of March 22, 2026	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged
the Chairman					
Assistant Vice President	Wang Chien-Chao	(8,888)	0	0	0
Assistant Vice President	Lin Chih-Ming	0	0	0	0
Chief of Finance and Accounting	Cheng Wan-Yu	0	0	0	0

Note 1: E Ink Holdings Inc. director and its representative resigned as director on 2026.1.23, and deregistration of 10% major shareholder was filed on 2026.1.27; therefore, its shareholding is not disclosed

Note 2: Independent Director Han-Liang Hu resigned on 2026.2.13; therefore, his shareholding is not disclosed

(2) Information on equity transfer: Directors, supervisors, managers, and major shareholders have not performed any equity transfer to related parties.

(3) Information on equity pledge:

Name	Reason for changes in pledge	Date of change	Transaction counterparty	Relationship between transaction counterparty and Directors, supervisors, managers, and shareholders with a shareholding of 10% and above	Number of shares	Shareholding	Pledge ratio	Loans on pledge
Hsu Ming-Hua	Pledge creation	2025.02	Cathay United Bank	None	300,000	0.63%	48.77%	2,500,000

VII. Information on the relationships among the top ten shareholders in terms of shareholding ratio

March 22, 2026 Unit: Share/%

Name	Shares held in own name		Shares held by spouse and minors		Total shareholding by nominee arrangement		Information on the relations among the top 10 shareholders if anyone is a related party, a spouse, or a relative within the second degree of kinship of another and their names.		Remarks
	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding	Name (or full name)	Relationship	
Sheng Bo Investment Co., Ltd.	7,503,800	7.64	0	0	0	0	None	None	None
Sheng Bo Investment Co., Ltd. Representative: Lee Chien-Hui	4,751,153	4.84	8,219	0.01	0	0	Lee Chien-Hui	The responsible person	None
Lee Chien-Hui	4,751,153	4.84	8,219	0.01	7,503,800	7.64	Sheng Bo Investment Co., Ltd.	The representative is the shareholder itself	None
							Li Kuang-Nan	Relative within the first degree of kinship	
							Bo Chun Investment Co., Ltd.	The representative is a relative within the second degree of kinship	
Bo Chun Investment Co., Ltd.	2,860,080	2.91	0	0	0	0	None	None	None
Bo Chun Investment Co., Ltd. Representative: Huang Tsung-Ta	738,154	0.75	0	0	0	0	Lee Chien-Hui	A relative within the second degree of kinship of the representative	

Name	Shares held in own name		Shares held by spouse and minors		Total shareholding by nominee arrangement		Information on the relations among the top 10 shareholders if anyone is a related party, a spouse, or a relative within the second degree of kinship of another and their names.		Remarks
	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding	Name (or full name)	Relationship	
E INK HOLDINGS INC.	1,353,000	1.38	-	-	-	-	None	None	None
E INK HOLDINGS INC. Representative: Li Cheng-Hao	0	0	0	0	0	0	None	None	None
Li Kuang-Nan	824,433	0.84	0	0	0	0	Lee Chien-Hui	A relative within the first degree of kinship of the representative	None
Huang Tsung-Ta	738,154	0.75	0	0	0	0	Lee Chien-Hui	A relative within the second degree of kinship of the representative	None
Hsu Ming-Hua	643,180	0.65	35,901	0.04	0	0	None	None	None
Witty Corporation	597,572	0.61	0	0	0	0	None	None	None
Lee Shu-hui	588,825	0.60	0	0	0	0	Lee Chien-Hui	A relative within the second degree of kinship of the representative	None
							Li Kuang-Nan	Relative within the first degree of kinship	

VIII. The number of shares held by the Company, its directors, supervisors, managers and the companies directly or indirectly controlled by the Company in the same reinvested company, and calculate the combined shareholding ratio

Consolidated shareholding

Unit: thousand shares; March 22, 2026

Investee	Investments of the Company		Investment of Directors, supervisors, managers, or any companies controlled either directly or indirectly by the Company		Consolidated investments	
	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding
Asia Electronic Material Holding(Samoa) Co., Ltd.	21,265	100.00%	0	0%	21,265	100.00%
Besttrade Co., Ltd.	2,950	100.00%	0	0%	2,950	100.00%
Ammon Tec. Investment Corp. (Note)	21,260	100.00%	0	0%	21,260	100.00%
Kunshan Aplus Tec. Corporation (Note)	0	100.00%	0	0%	0	100.00%
Aplus Tec. Corporation (Dongtai) (Note)	0	100.00%	0	0%	0	100.00%

Note: Companies indirectly invested via a third country

III. Fundraising Status

I. Capital and shares

(I) Source of share capital

1. Changes in share capital as of the publication date of the annual report

Unit:

NT\$000'/1,000 shares

Year/month	Issue price	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Capital increased by assets other than cash	Others
2003/7	10	100	1,000	100	1,000	Capital increase in cash		Fu-Jian-Shang-Zi No.09212504110 dated 7 July 2003
2003/8	10	12,000	120,000	3,549	35,490	Cash increase 34,490		Fu-Jian-Shang-Zi No.09213942800 dated 5 August 2003
2003/10	10	22,000	220,000	15,070	150,700	Cash increase 65,210	Technology contribution for shares 50,000	Fu-Jian-Shang-Zi No.09222390300 dated 8 October 2003
2003/12	10	22,000	220,000	22,000	220,000	Cash increase 69,300		Fu-Jian-Shang-Zi No.09226687500 dated 11 December 2003
2004/2	10	38,000	380,000	28,500	285,000	Cash increase 65,000		Fu-Jian-Shang-Zi No.09301171000 dated 12 December 2004
2004/5	20	50,000	500,000	32,500	325,000	Cash increase 40,000		Fu-Jian-Shang-Zi No.09310804200 3 May 2004
2004/6	25	50,000	500,000	36,075	360,750	Cash increase 35,750		Fu-Jian-Shang-Zi No.09312384500 17 June 2004
2005/9	15	50,000	500,000	41,000	410,000	Cash increase 49,250		Fu-Jian-Shang-Zi No.09417850200 8 September 2005
2006/5	16	50,000	500,000	44,000	440,000	Cash increase 30,000		Fu-Jian-Shang-Zi No.09575970310 5 May 2006
2006/12	16	50,000	500,000	50,000	500,000	Cash increase 60,000		Jing-Shou-Shang-Zi No.09501274400 dated 12 December 2006
2007/10	18	70,000	700,000	53,000	530,000	Cash increase 30,000		Jing-Shou-Shang-Zi No.09601248230 dated 12 October 2007
2008/7	10	70,000	700,000	54,500	545,000	Capital increase from retained earnings 15,000		Jing-Shou-Shang-Zi No.09701182700 dated 24 July 2008
2010/9	10	100,000	1,000,000	58,079	580,790	Capital increase from retained earnings 35,790		Jing-Shou-Shang-Zi No.09901206220 dated 14 September 2010
2011/7	10	100,000	1,000,000	65,226	652,259	Capital increase from retained earnings 71,469		Jing-Shou-Shang-Zi No.10001165840 dated 25 July 2011
2011/9	17.1	100,000	1,000,000	71,926	719,259	Cash increase 67,000		Jing-Shou-Shang-Zi No.10001223690 dated 26 September 2011
2012/7	10	150,000	1,500,000	84,009	840,095	Capital increase from retained earnings 120,836		Jing-Shou-Shang-Zi No.10101127570 dated 12 July 2012
2013/1	17.76	150,000	1,500,000	84,020	840,204	Employee stock warrants 194		Jing-Shou-Shang-Zi No.10201005150 dated 10 January 2013
2013/8	10	150,000	1,500,000	86,961	869,611	Capital increase from retained earnings 2,941		Jing-Shou-Shang-Zi No.10201178120 dated 29 August 2013
2014/8	10	150,000	1,500,000	89,569	895,699	Capital increase from retained earnings 2,608		Jing-Shou-Shang-Zi No.10301161800 dated 5 August 2014
2014/11	10	150,000	1,500,000	97,321	973,219	Employee stock warrants 190.6 Conversion of corporate bonds 7,074.5		Jing-Shou-Shang-Zi No.10301241980 dated 25 November 2014

Unit: NT\$000'/1,000 shares

Year/month	Issuance price	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Capital increased by assets other than cash	Others
2015/3	10	150,000	1,500,000	98,075	980,751	Employee stock warrants 14.625 Conversion of corporate bonds 738.6		Jing-Shou-Shang-Zi No.10401038070 dated 9 March 2015
2015/4	10	150,000	1,500,000	98,200	982,009	Employee stock warrants 125.725		Jing-Shou-Shang-Zi No.10401076150 dated 28 April 2015

2. Share category

Unit: Share

Share category	Authorized capital			Remarks
	Number of issued shares	Number of unissued shares	Total	
Ordinary shares listed on TPEX	98,200,868	51,799,132	150,000,000	-

(II) List of major shareholders

List of major shareholders

(shareholders holding 5% of total shares or above or with the top 10 equity ratio)

March 22, 2026

Name of major shareholder	Current shareholding	Shareholding (%)
Sheng Bo Investment Co., Ltd.	7,503,800	7.64
Lee Chien-Hui	4,751,153	4.84
Bo Chun Investment Co., Ltd.	2,860,080	2.91
E INK HOLDINGS INC.	1,353,000	1.38
Citibank Custody Barclays Capital SBL/PB Investment Account	887,000	0.90
Li Kuang-Nan	824,433	0.84
Huang Tsung-Ta	738,154	0.75
Hsu Ming-Hua	643,180	0.65
Witty Corporation	597,572	0.61
Lee Shu-hui	588,825	0.60

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

1. Dividend policy stated in the Articles of Incorporation

Article 31: The distribution of dividends and bonuses shall be based on the ratio of shareholding of shareholders. When the Company has no surplus, it may not distribute dividends or bonuses.

Article 32: If the Company records profits for the year, it shall appropriate no less than 10% as the remuneration of employees and no more than 5% as the remuneration of Directors. However, if the Company has accumulated losses, it shall preserve the amount for compensation in advance.

Employee remuneration under the preceding paragraph shall, based on the actual total allocated amount, allocate no less than 3% as remuneration for entry-level employees. The distribution targets of stocks or cash as remuneration of employees as stipulated in Paragraph 1, include employees of controlled or subordinate subsidiaries fulfilling certain conditions.

If the Company has earnings from the final account of the year, it shall pay taxes and compensate prior losses and then appropriate 10% as the statutory surplus reserve; however, when the statutory surplus reserve has reached the Company's paid-in capital, such appropriations are exempted. After appropriation or reversal of special surplus reserve according to laws and regulations, the remaining balance shall be combined with the undistributed earnings at the beginning of the same period; after preserving partial earnings discretionally, the Board shall prepare a proposal for earning distribution and submit it to the shareholders' meeting for the resolution of distributing shareholders' bonuses.

Article 33: Under the environment of increasing competition, the Company has adopted a dividend balance policy for the purpose of sustainable operation, taking into account long-term financial planning and capital needs. With equal considerations given to shareholder's interest and other factors, the Company appropriates 10% to 90% of earnings available for distribution as shareholders' dividends, in which the cash dividend payment ratio shall not be less than 10% of the total profit distribution dividends of the current year.

2. Intended dividend distribution of the year:

The Board of Directors approved the earnings distribution proposal on February 25, 2026, with a distribution of NT\$0.25 per share and shareholders' cash dividends of NT\$24,550,217.

(IV) The impact of the proposed free allotment of shares on the Company's operating performance and earnings per share this year is as follows:

The Company had no stock grant in 2025; therefore, it is not applicable.

(V) Remuneration of employees and directors

1. Percentage or scope of remuneration of employees, directors, and supervisors stipulated in the Articles of Incorporation

Article 28: The remuneration of the Company's Directors shall be proposed by the Remuneration Committee according to the "Regulations for Remuneration Distribution of Directors." The Board is authorized to determine and distribute such remunerations based on the level of participation in the Company's operations, the value of their contributions, and the general standards within the industry.

Directors of the Company may claim traffic allowances based on actual circumstances.

Article 32: If the Company records profits for the year, it shall appropriate no less than 10% as the remuneration of employees and no more than 5% as the remuneration of Directors. However, if the Company has accumulated losses, it shall preserve the amount for compensation in advance.

Employee remuneration under the preceding paragraph shall, based on the actual total allocated amount, allocate no less than 3% as remuneration for entry-level employees. The distribution targets of stocks or cash as remuneration of employees as stipulated in Paragraph 1, include employees of controlled or subordinate subsidiaries fulfilling certain conditions.

If the Company has earnings from the final account of the year, it shall pay taxes and compensate prior losses and then appropriate 10% as the statutory surplus reserve; however,

when the statutory surplus reserve has reached the Company's paid-in capital, such appropriations are exempted. After appropriation or reversal of special surplus reserve according to laws and regulations, the remaining balance shall be combined with the undistributed earnings at the beginning of the same period; after preserving partial earnings discretionally, the Board shall prepare a proposal for earning distribution and submit it to the shareholders' meeting for the resolution of distributing shareholders' bonuses.

2. Basis for estimation of the remuneration of employees and remuneration of Directors during the period, basis for the calculation of the number of shares for stock bonuses for distribution, and the accounting treatment if the distribution amount is different from the estimated amount:

The Company's net loss after tax for 2025 was NT\$42,339,825, and no remuneration was distributed to employees or directors.

3. The proposal for earnings distribution has been approved by the Board of Directors but not yet resolved by the shareholders' meeting:

The content of the proposal for earnings distribution approved by the Board of Directors on February 25, 2026 is as follows

The net loss after tax for 2025 was NT\$42,339,825, plus distributable earnings at the beginning of the period of NT\$143,562,999, for total distributable earnings of NT\$101,223,174, proposed to be distributed in accordance with the Company Act and the Articles of Incorporation, with shareholders' cash dividends of NT\$24,550,217, NT\$0.25 per share

4. Information on the actual distribution of employee, Director, and supervisor remunerations in the preceding year:

The actual amounts distributed by the Company for employee remuneration and director remuneration for 2024 were NT\$2,746 thousand and NT\$960 thousand, respectively, with no material difference from the amounts recognized as expenses in the 2024 financial report.

(VI) Circumstances in which the company repurchased its own shares: None.

II. Corporate bonds

Not applicable.

III. Preferred shares

Not applicable.

IV. Global depository receipts

Not applicable.

V. Employee stock warrants

- (I) Status of employee stock option certificates that have not yet expired: None
- (II) Names, acquisition and subscription conditions of managers who have obtained employee stock option certificates as of the publication date of the annual report and the top ten employees who have obtained stock option certificates and can subscribe for shares with a subscription amount of NT\$30 million or more: None

VI. New restricted employee shares:

Not applicable.

VII. Mergers or receipt of new shares issued by other companies

Not applicable.

VIII. Implementation of capital utilization plans

- (I) Content of plan
As of the quarter preceding the publication date of the annual report, if any prior issuance or private offering has not been completed or has been completed, but the effects of the plan are not fully exerted: None.
- (II) Implementation
Regarding the use of the plans in the preceding subparagraph, analyze, on an item-by-item basis, the implementation and the comparison with the initially estimated effects as of the quarter preceding the publication date of the annual report: None.

Five. Operational overview

I. Scope of business

1. Scope of business

(1) Major content of the scope of business

- A. CC01080 Manufacture of Electronic Parts and Components
- B. F119010 Wholesale of Electronic Materials
- C. F219010 Retail Sale of Electronic Materials
- D. F113010 Wholesale of Machinery
- E. I501010 Product Designing
- F. IZ99990 Other Industrial and Commercial Services (R&D of FPC and automated tape-on-reel)
- G. F601010 Intellectual Property Rights
- H. I199990 Other Consulting Service (consultant of PCB production technologies)

(2) Business proportion of major products

Unit: NT\$000'; %

Product name	Year	2024		2025	
		Operating amount	Business proportion	Operating amount	Business proportion
Protective film		1,387,867	90.02%	1,268,052	89.45%
FCCL		92,368	5.99%	79,223	5.59%
Others		61,469	3.99%	70,275	4.96%
Total		1,541,704	100.00%	1,417,550	100.00%

(3) Current products (services) of the Company

The Company primarily engages in the research, development, manufacture, and sales of flexible copper clad laminate (FCCL), cover lay (CL), stiffener, bonding sheet, conductive materials, EMI shielding film, and high-frequency and high-speed materials.

(4) New products (services) to be developed

The R&D direction of the Company focuses on the core technologies of “precision coating” and “high-performance adhesive” and carries out diversified product research and development and application expansion. Product research and development mainly revolves around three main directions: thin and colored FPC, high frequency and high speed, and functionalization. For example, thin, low CTE, low-gloss, black, white, and transparent coverlay films developed in cooperation with PI suppliers; high-frequency electromagnetic shielding materials, conductive adhesive materials, in-house PI-type coverlay films, high Tg coverlay films, low-dielectric FPC base materials required for high-speed transmission, high-frequency coverlay films, high-frequency adhesives, and heat dissipation base materials for LED automotive and lighting applications required by end system application customers. Through the above R&D directions, the Company aims to provide comprehensive support for the FPC industry in China, improve the industry supply chain in China, and gradually realize the localization substitution of imported materials, thereby enhancing the Company's revenue and profits. The major development direction is as follows:

R&D item	Description of applications
High-frequency materials	<p>Entering into the 5G era, and the popularity of cloud computing and the development of functional integration products are gaining momentum. Against this backdrop, it is an inevitable trend for communication electronic products to move towards high-quality, high-speed transmission. In the field of portable and wearable electronics and automotive electronics, the market demand for FPC that can achieve lightweight and thin assembly is increasing. At the same time, the transmission speed and quality of the FPC are also required to be higher. For instance, the wireless communication antenna and wiring for smartphones, tablets, and wearable electronic products will be required to expand its bandwidth and speed up transmission.</p> <p>Based on this, major U.S. end system manufacturers have already begun to adopt FPC materials with low dielectric constant and low dielectric loss in their designs. In terms of wearable devices, to achieve a stronger integration of functions and to meet the growing demand for service function transmission, the bandwidth is also increasing. Looking at the automotive application field, due to the long certification cycle, strict requirements on material properties, products that are not easily replaced and large profit margins, as the process of automotive electronics accelerates, the signal connection between the vehicle body and external devices and the needs related to autonomous driving and safe driving are becoming increasingly prominent, which undoubtedly promotes the development of carrier materials required for high-frequency and high-speed transmission.</p> <p>(1) High-frequency MPI materials: In response to the demand of end application products and customers, the Company made extensions to the existing adhesive technical platform, improved the electrical characteristics of adhesive to achieve the requirement of the high-frequency applications, and used the existing FPC process technology as a design requirement to develop high-frequency covering films, Bondply, pure glue, substrates, etc. for high frequency and high speed. The fourth generation high-frequency pure adhesive, high-frequency substrate, high-frequency covering film and other products are undergoing relevant verification by multiple downstream customers, and are expected to bring another wave of revenue growth.</p> <p>(2) Fluorine series substrate: PTFE is the resin material with the lowest dielectric constant and coefficient of dielectric loss; the fluorine series substrate from which it is made shows high flexibility and low transmission consumption in mmWave and is able to realize 5G and higher versions of telecommunication. In addition, PTFE possesses outstanding flexibility and is applicable to products that are required to be installed on curves. It can be used in the wiring of data centers, antenna and wiring materials of 5G stations and end equipment, radars, and sensors. The Company has completed the development of fluorine-based substrates with low moisture absorption and low thermal expansion, and continues to invest in equipment to expand production capacity to meet the needs of end customers.</p>

EMI shielding materials	<p>Electromagnetic wave shielding film: In order to strengthen the Company's competitiveness in the market, the Company is deeply focused on this field, closely follows the market demand, and continues to increase R&D investment. After diligent efforts, we have developed a series of new electromagnetic wave shielding film materials, further consolidating and expanding our competitive advantage in this type of products. In terms of product types, in addition to traditional ink-type EMI materials, the Company's independently developed PI-type EMI materials have a variety of stacking structures and formula designs, aiming to meet the diverse needs of different customers in terms of shielding rate and cost control. For example, the Company's high dB (≥ 80dB) electromagnetic wave shielding film can not only achieve efficient shielding, but also achieve ultra-thin design while maintaining high dB (≥ 80dB) characteristics, which perfectly meets the design requirements of folding screens, AI mobile phones and other products for thinness and lightness. After years of technology development and accumulation, the Company has successfully developed ultra-thin PI-type shielding film, which has successively entered the downstream user-end verification process. This has laid a solid foundation for our company to seize the initiative in the market and lead the development of the industry in the future.</p>
Conductive adhesive materials	<p>Conductive adhesive has been a new material that is essential in the electronics industry. Conductive adhesive is an adhesive having a certain level of conductivity after being solidified or dried. It can connect multiple conductive materials to form a circuit. Conductive adhesive can be used in microelectronic assembly, including the connection of thin lead wires and the metal layer or metal chassis of printed circuit boards, electroplated substrates, or ceramic adherends, adhesion of lead wires with sockets, adhesion of components with holes passing through printed circuit boards, and hole fixing. It can also be used to replace spot welding where the welding temperature is higher than the heat resistance temperature of the oxide film formed during welding and substitute for tin and lead solders. It is mainly applied in the following areas: telephones and mobile communication systems, radios, TVs, computers, car industry, medical equipment, and solving EMC issues. In addition to having conductive adhesive that has been put into mass production for marketing, we have a series of new products developed using our own technology on an ongoing basis, e.g., eco-friendly conductive adhesive with better SAT conductivity in line with future trends.</p>
Coverlay and PI materials	<ol style="list-style-type: none"> (1) Self-produced PI coverlay: Self-produced PI has the advantages of adjustable thickness and high cost performance. The Company is committed to developing self-produced black PI coverlay. Its proprietary formula design enables black PI to maintain good mechanical properties even at an ultra-thin thickness of 3μm, withstand high step heights, and have breakdown voltage, dielectric strength, and solvent resistance all higher than outsourced PI, with high cost performance. In addition, when paired with different adhesive layers, they can meet each customer's various requirements for cost and ion migration resistance of ultra-fine circuits. (2) High-Tg cover lay: In response to customers' needs for a high Tg (90~150°C) for high heat resistance and bending resistance, The Company has previously worked with customers to develop products with a Tg of approximately 100°C, which can meet customers' needs for high flex performance. Currently, the Company continues to optimize products in response to customer needs to further improve flex resistance. (3) Ultra-thick composite films/reinforcement boards: In response to customers' needs for structural reinforcement of high-end electronic modules, the Company has developed ultra-thick composite films and reinforcement board materials. Through material structure design and process optimization, product thickness can be customized and adjusted according to customer design requirements to meet applications under different product structures and process conditions. Customer-side testing and verification have now been completed, and the products have been successfully introduced into actual product applications.

2. Industry overview

(1) Current status and development of the industry

A. FPC industry and its importance

Flexible Printed Circuit (FPC), also known as a flexible board, is a flexible circuit substrate made using polyimide (PI) film as the base material, together with rolled copper foil or electrolytic copper foil, through a photolithographic etching process. Compared with traditional rigid PCBs, FPCs have the characteristics of being lightweight, thin, bendable, and highly integrated, and can significantly reduce the size of electronic products, making them an irreplaceable interconnection solution for precision electronic devices such as smartphones, wearable devices, and electric vehicles.

Flexible Printed Circuit (FPC/flexible board) is an indispensable key component of modern electronic products and is widely used in consumer electronics, automotive electronics, medical devices, industrial automation, and other fields. In 2026, the global FPC market faces three major structural turning points: (1) the replacement cycle of AI devices and 5G is driving an explosion in demand for high-frequency, low-loss FPCs; (2) FPCs for new energy vehicle power batteries are fully replacing traditional wiring harnesses, opening up a new blue ocean with high entry barriers; and (3) the Taiwan government's "Five Major Trusted Industries" policy and PCB smart manufacturing subsidies provide financial support for the digital transformation of midstream manufacturers. However, the three core risks of Taiwan's flexible board industry remain 100% reliance on imports from Japan for upstream key materials (rolled copper foil), high customer concentration in U.S.-based Apple, and the competitive pressure of low-price capacity expansion in China.

B. Major application areas

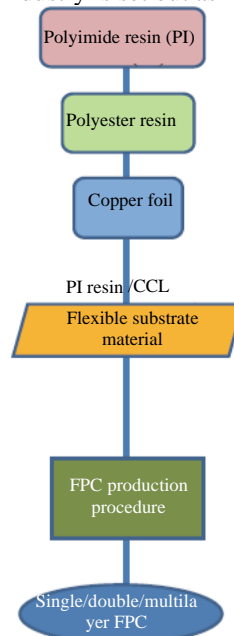
Application areas	Major uses	Growth drivers
Consumer electronics (mobile phones)	FPCB antennas, touch modules, camera modules	5G/AI replacement cycle, LCP/MPI antenna upgrades
Automotive electronics	Power battery CCS/FPC, in-vehicle sensors	Popularization of electric vehicles, FPC replacing traditional wiring harnesses
Wearable devices / AR/VR	Internal interconnection of smartwatches and AR glasses	Demand for the metaverse and health monitoring
AI servers / AI PCs	High-speed transmission FPC, thermal module interconnection	Rapid build-out of AI computing infrastructure
Medical / Industrial	Miniature medical sensors, industrial automation	High reliability requirements, small quantity and wide variety

(2) Connectivity between the upstream, midstream, and downstream of the industry

The FPC structure in Taiwan may be divided into the upstream raw material industry, the midstream FPC companies, and the downstream applications. Due to the insufficient domestic manufacturing capacity for PI film, rolled copper foil, and other upstream materials that are required by FPC, imports from Japan, Korea, and other countries are required. However, products of Taimide Technology, a domestic PI film production company, have been replacing a certain part of the imported PI films. For copper foil, electrolytic copper products from Nan Ya, Chang Chun, and LCY have been introduced to replace partial imports from Japan. However, imports from Japan are required for rolled copper foil; in particular, as end customers use rolled copper foil with high strength in the design of mobile device FPC, a rapid increase in the use of rolled copper foil was thus recorded in the past two years; as such, supplies from Japan is required due to the limited count of domestic copper foil in Taiwan. Another part of the upstream is FCCL manufacturing, including TAIFLEX, ThinFlex, Microcosm, Azotek, and the Company. Products cover all series of basic materials, cover lays, stiffeners, and bonding sheet products. At present, the quality and production capacity can replace Japan or Korea to provide abundant suppliers for the downstream FPC manufacturing requirements. In recent years, material companies in China have entered the upstream field of FPC to compete by way of low prices and large-scale production expansion, causing the crisis of price collapse of upstream materials. However, materials produced in China have quality issues and will not affect material companies in Taiwan in the short term. However, in the long run, with assistance from the red supply chain, such companies in China will invade the part of the market, which is worthy of notice for upstream material companies. Midstream FPC companies record favorable development and have been growing in recent

years, and most of them have set up plants in China, including Zhen Ding, CareerTech, FLEXIUM, ICHIA, Uniflex, and COMPEQ; Zhen Ding has become the top PCB company worldwide with Apple Inc. being its major customer. In the past, due to the development of mobile devices, the FPC industry had enjoyed great benefits arising from the significant growth in the market. However, mobile devices with mobile phones as the focus, have a concentrated major customer base, and the production capacity and order volumes have great differences based on the time of new phones released to customers. On the other hand, alongside the saturation of the mobile market, the high growth of the past no longer exists. It is hoped that the following development in the wearable device, IoT, and automotive application fields will provide drivers for a new wave of demand and continue the prosperous growth of FPC, or the development of FPC will experience a period of low times. At the same time, as China has support from its extensive domestic demand market, it has become the main player in maintaining the FPC market in the next round. Therefore, breaking through the mindset and operating model with a long-term reliance on the U.S. brands, dispersion of order sources, utilizing the comprehensive industrial supply chain and leading technologies in Taiwan, the improvement in securing orders from the self-owned mobile brands in China, and the arrangements for low-to-mid-tier mobiles in Southeast Asia and India will become the key to successful businesses for FPC companies in the future. In terms of downstream end applications, including domestic and foreign system companies, given that FPC has been developing in Taiwan for years, there are multiple foreign customers apart from domestic customers. The major customers are the U.S. companies (including Apple) and Korean companies; however, as changes in orders from Korean customers are relatively more material, the competitiveness of Korean customers dropped in recent years, and their orders returned to the Korean supply chain, orders for such parts will be decreasing. Orders from U.S. customers have the trend of over-concentration, causing crisis upon any transfer of order. Therefore, the FPC companies are considering the reduction in demand for human resources by automation at present to improve the manufacturing yield by adopting the roll-to-roll method. Meanwhile, they consider the stability of orders and risk dispersion and start to have thoughts about entering into fields of automotive, wear, IoT, and other end application products of novelty and high profits.

The diagram of the FPC industry is set out as follows:



Source: IEK, ITRI

(3) Development trends and competition of products

A. AI devices and 5G replacement cycle — surge in demand for high-frequency FPC

As 5G advances from the Sub-6GHz frequency band (3.5 GHz) to millimeter wave (above 28 GHz), the low-loss requirements for antenna materials have increased significantly. Traditional PI

films exhibit substantial loss above 10 GHz and can no longer meet demand, driving the application of MPI (modified polyimide) and LCP (liquid crystal polymer):

MPI: Sub-6GHz antennas: MPI offers performance equivalent to LCP, with better processability and lower cost, and is expected to become the mainstream choice.

LCP: millimeter wave (mmWave) antennas: With lower dielectric loss and sealing properties, LCP has become an irreplaceable material option.

AI smartphones / PCs: High-frequency low-loss FPC is widely used in the internal flexible cables of AI smartphones and high-speed transmission connections of AI PCs, driving a comprehensive upgrade of specifications.

AI servers: AI servers require a large number of high-speed FPC connection modules. Benefiting from NVIDIA and AMD's expanded computing power deployment, Taiwanese flexible board manufacturers have directly benefited.

B. Automotive electronics — blue ocean market for power battery FPC

In electric vehicles, the CCS/FPC modules required for the battery management system (BMS) of power batteries are comprehensively replacing traditional wiring harness solutions, representing the most certain structural growth opportunity for the FPC industry in recent years:

Certification barriers (key advantage): The certification cycle for automotive FPC is as long as 3~5 years (IATF 16949 certification). Early entrants have a significant first-mover advantage, forming high barriers.

Market size: Demand for FPC for electric vehicle power batteries is showing explosive growth, and FPC/CCS for energy storage batteries is also expanding rapidly driven by dual-carbon targets.

Production model transformation: Automotive electronics are characterized by small volume, high variety, and high reliability requirements, which are completely different from the mass production model of consumer electronics, requiring manufacturers to transform their business mindset.

Current status of Taiwanese manufacturers: Among Taiwanese flexible board manufacturers, Tailyn Electronics and others have actively deployed automotive FPC certification, but the overall penetration rate remains relatively low, and the window of opportunity remains open.

C. Wearable devices and AR/VR — a natural fit for thin, light, and flexible characteristics

Major smartphone manufacturers continue to increase investment in AR/VR wearable devices, and FPC, due to its thin, light, and bendable characteristics, is the optimal solution for structural integration and signal transmission in wearable devices. As the “metaverse” concept becomes commercialized, wearable device shipments are expected to enter a period of rapid growth in 2026~2028, bringing incremental demand for FPC beyond consumer electronics.

D. Energy storage industry — dual-carbon policies give rise to a new market

Under the framework of the global Paris Agreement, countries are promoting the 2050 net-zero emissions target, driving the rapid expansion of installed energy storage battery capacity. The BMS of energy storage batteries also requires a large number of FPC/CCS modules, becoming the second growth curve for FPC in the energy sector following power batteries. The Taiwan government has also listed green energy (offshore wind power and solar photovoltaic power) as one of the four major centers, and the construction of related energy storage infrastructure will drive material demand.

3. Technology and R&D overview

(1) Technological capabilities and overview of R&D

The main technology R&D focus of the Company adopts our existing core technologies, including two technical platforms of high-end adhesive and precision coating, as our basis and considers the technical and product development of the overall FPC industry for establishing our R&D strategies and policies. Taking into account the major trend of IoT in the future, wearable and automotive products will become the key to the next wave of FPC growth and

application. Therefore, the Company has opted for high-frequency, functionalization, and colorization as our main focuses for product R&D. Among them, high-frequency products mainly focus on electromagnetic wave shielding film materials and high-frequency high-speed adhesive materials. At present, both products have entered the mass production and sales stage and have successfully penetrated Taiwanese and U.S. customers. Fluorine-based substrates for high-frequency applications are also continuously being submitted to customers for validation. At present, we have successfully developed conductive FPC materials for functionalized FPC and carried out mass production and sales for applications in rear lamps of automobiles. In addition, in terms of conductive materials, mass production and sales of cost-effective general-purpose electromagnetic wave shielding films and conductive adhesive films have continued in recent years. The Company has also gradually expanded its presence among downstream customers and expects revenue to increase significantly. Moreover, for thin FPC materials, the Company has long been investing in such areas and keeping abreast of the mainstream specifications and product requirements in the market. The Company carried out a small-scale mass production for thin cover lays and is expecting to increase the volume of production during the year. In terms of color diversification, in addition to reducing the manufacturing cost of traditional yellow coverlays through cost control measures and enhancing product profitability, the use of black coverlays in the market has also increased in recent years. The Company's self-manufactured black PI coverlays, with proprietary formulation design, enable black PI to maintain good mechanical properties even at an ultra-thin thickness of 3um, withstand high step differences, and have breakdown voltage, dielectric strength, and solvent resistance all higher than purchased PI, with high cost performance. In the future, the Company will continue to expand its application and sales scope to create profits for the Company. In terms of black stiffeners, the Company's black stiffeners with patented structure have also already achieved significant volume production, and market acceptance has been affirmed, significantly helping improve the average selling price. The newly developed ultra-thick stiffener/composite film materials have also completed customer testing and validation and have been successfully introduced into actual product applications and are expected to become an important featured product of the Company.

(2) R&D personnel and their academic background (career achievements)

Unit: Person

Year		2023	2024	2025	Q1 2026
		Number of persons	Number of persons	Number of persons	Number of persons
R&D person nel	Above master	6	3	3	3
	College/university	21	20	21	20
	High school (vocational high school)	2	3	3	3
	Total	29	26	27	26

Note: The abovementioned number of persons includes subsidiaries

(3) The R&D expenses invested in the most recent year and up to the publication date of the annual report

Unit: NT\$000'

Item	Year	2025
A. R&D expenses		82,094
B. Operating income		1,417,550
A/B		5.79%

(4) Technologies or products successfully developed in the most recent five years

Year	Item	R&D results
2021	Ion migration-resistant cover lay	Developed ion-resistant migration cover lays with different resin series, and such cover lays possess favorable ion-resistant migration effects and a high price-performance ratio; currently, the Company continues to make promotions to customers.
	Self-produced black PI cover lay	Our self-produced PI has the advantages of adjustable thickness and a high price-performance ratio; our formula design also allows the black PI to maintain favorable mechanic features.
	Conductive adhesive	To improve the SAT conductivity, the Company has developed a new generation conductive adhesive with favorable conductivity for vacuum hot press SAT.
2022	Self-produced PI EMI	We use multiple stacking and formula designs to meet different customers' requirements for shielding rate and costs.
	Fluorine series substrate	Such substrate has better electrical and insertion loss performance than LCP substrates of similar specifications. We also offer multiple thickness specifications to meet customers' needs.
2023	Transparent material	Develop transparent materials with light transmittance > 90%, b value < 2, and haze < 5%, which can be used in transparent displays and foldable displays.
	Self-made PI type EMI/black cover film	Adjustment and optimization of the process parameters of the self-made black PI layer to achieve mass production to meet customer needs.
2024	Ultra-thin PI type EMI	The total thickness is 6um, the thinnest EMI product in the industry.
	Homemade TPI substrate	Proprietary TPI technology has greater market competitiveness and cost advantages.
	Ultra-thick composite film	The total thickness is 800um, the thickest composite film in the industry.
	Rapid pressing and curing covering films	The pressing time is shortened and the customer's production capacity is increased by 4 times.
2025	Self-manufactured PI-type ultra-thin black cover film	Self-manufactured black 3um PI cover film to meet customers' thinness design requirements.
	Ultra-thick stiffener	Product thickness can be customized according to customer requirements to meet the applications of different product structures and process conditions.

4. Long-term and short-term business development plans

(1) Short-term business development plan

A. Marketing strategy

- a. Focus on improving the market share of current products and concurrently support the product design development of the market and customer. Strengthen customer services, establish a healthy interactive relationship with customers, and build customers' and markets' trust in the Company, and in turn, seek higher customer satisfaction.
- b. Keep abreast of the dynamics of product design and major material use of direct customers based on the requirements of end customers and provide real-time feedback to the R&D, Production, and Quality Assurance Departments so as to improve the procurement loyalty and preference of customers.
- c. Adjust customer structure and focus on domestic and foreign listed companies as our major customers.

B. Production strategy

- a. Improve production yield and availability and improve the effective output; make use of

- production lines effectively and adopt effective production models.
 - b. Effectively shorten the production lead time and raw material delivery term and confirm the delivery term of the period and its accuracy to achieve the competitive standard required by the market and the target of reducing the inventory turnover of the Company.
 - c. Seek material suppliers with appropriate costs and quality, require suppliers to regularly carry out examinations and modifications for the selling price, and consider the target of local supply by taking into account the long-term cost reduction and dispersion of supply risks.
- C. Product development strategy
- a. Optimize current products and applications.
 - b. Improve the manufacturing quality and yield of products.
 - c. Select material products that are in line with the market based on the R&D achievement in the past years for mass production and reinforce the efficacy of transforming R&D to mass production.
- D. Business scale and finance accommodation
- Following the main goal of mitigating the risk of bad debts and controlling inventories, improving our operating income and focusing on reducing production costs, material raw material localization, and cultivation of premium Taiwanese, U.S., and Japanese customers.
- (2) Long-term business development plan
- A. Marketing strategy
- a. Disperse customer orders to avoid a single customer from accounting for an overly high ratio and improve the sales and order ratios of Chinese-invested and other customers.
 - b. Explore niche markets (automotive and wear) to avoid the effects of market fluctuation of current products on our operations.
 - c. Segregate product market and improve market share (EMI shielding film, conductive adhesive, high-speed transmission materials and self-produced basic materials).
- B. Production strategy
- a. Effectively make use of the multi-function system, reinforce production efficiency and production quality, and create a premium manufacturing environment.
 - b. Enhance the system for production and sales communication and coordination and improve production efficiency to achieve the target of real-time production and inventory avoidance.
 - c. Adopt the dual model of production by plan and production in order to improve the availability and duly perform the control for production costs and product quality.
- C. Product development strategy
- The Company will introduce advanced material technologies from foreign countries through international cooperation to develop the next generation of products and technologies to achieve the goal of product differentiation. Develop material technology capacity and cooperate with governmental policies; explore local material technologies and work with corporate research institutions; organize product R&D alliance in response to an industry association and build an integrated R&D system from upstream to downstream, allowing the Company to become a globally renowned electronic coated material supplier and realizing the product R&D efficiency. Meanwhile, the Company will fully utilize our precision coating technologies to develop products with wide applications and diversification, make arrangements for patents to protect the Company's intellectual properties and disperse operating risks.
- D. Business scale and finance accommodation
- For the development of the long-term business scale, we aim at internationalization and diverse development and utilize various financial instruments based on our business requirements to minimize financial costs and support the requirements of our operating targets.

II. Overview of the market, production, and sales

1. Market analysis

(1) Sales region of major products (services)

Unit: NT\$000'

Sales region		2024		2025	
		Sales	(%)	Sales	(%)
Domestic sales	Taiwan	60,511	3.92	59,315	4.18
Export sales	Asia	1,481,193	96.08	1,358,235	95.82
Total		1,541,704	100.00	1,417,550	100.00

(2) Market share

Based on the market survey report of JMS in Japan, the global FCCL market in 2025 was USD2.5 billion, and the Group's consolidated sales in 2025 were NTD1.42 billion (approximately USD0.045 billion). Without considering production loss of downstream customers, the Company's global market share was approximately 1.80%.

(3) Future market demand and supply and growth potential

The Company is an FPC material supplier, primarily engaging in FCCL, CL, stiffener, RMI film, conductive adhesive, and high-frequency materials.

Flexible printed circuit boards (Flexible Printed Circuit Board, FPC) are characterized by light weight, thinness, flexibility, high wiring density, and favorable space design, and are widely used in smartphones, tablet computers, wearable devices, automotive electronics, medical devices, and other electronic products. As end products develop toward light weight, miniaturization, high performance, and modularization, the importance of flexible boards in the electronics industry supply chain continues to increase. In addition to the existing consumer electronics and automotive markets, in recent years the application scope of flexible boards has also gradually expanded to emerging fields such as AI server-related modules, high-performance computing peripherals, power control modules, as well as battery management, monitoring, and connection modules for energy storage systems.

In terms of demand, smartphones remain the primary application market for flexible boards; however, affected by the slowdown in growth of the overall mature consumer electronics market, demand growth in traditional applications has been relatively stable. Future demand growth momentum is expected to come mainly from application fields such as foldable smartphones, high-end smart terminals, automotive electronics, wearable devices, medical sensing devices, and other emerging smart devices. Among these, due to increased demand for advanced driver-assistance systems, smart cockpits, electric vehicles, and various sensing modules, demand for high-reliability and high-end flexible boards in automotive electronics is expected to continue to increase; additionally, as applications of AI server-related modules, peripheral connectivity demand for high-speed computing equipment, and energy storage systems in battery management, monitoring, and control modules gradually develop, this will also help expand the application scope of flexible boards and the mid- to long-term market development potential.

In terms of supply, global flexible board production capacity is still mainly concentrated in Asia, the development of the industry chain has become mature, and there are many market competitors. However, as application fields upgrade and end customers raise their requirements for quality, reliability, delivery lead time, and technical support, market competition has gradually shifted from pure price competition to competition in technological capability, process yield, product quality, and overall supply service capability. Manufacturers with advanced process capabilities, rigid-flex board technology, automotive-grade product development capabilities, and multi-location production layout will have greater market competitive advantages.

Overall, the flexible board industry still has steady growth potential in the future; however, growth performance will vary among different application fields and product specifications. Competition in the mid- to low-end and standardized product markets is relatively intense, and price pressure is relatively high; high-end application products, on the other hand, have relatively better demand and profitability performance due to higher technical barriers, longer customer validation periods, and higher product added value. Looking ahead, as markets such as high-end consumer electronics, automotive electronics, medical electronics, AI-related equipment, and energy storage control systems continue to develop, the flexible

board industry is expected to maintain a stable development trend.

The Company will continue to pay attention to changes in end-market demand, strengthen R&D capabilities, process technology, product quality, and customer service efficiency, and prudently plan capacity allocation and product mix according to industry trends, in order to enhance overall competitiveness and capture market development opportunities.

(4) Competitive niche

A. Actively develop new markets and new customers

The Company is an FPC material supplier that has established marketing joints in the Great China Region to provide services to customers in the neighboring regions and expand the domestic and foreign markets, and in turn, create rapid growth of its performances and improve its reputation; the Company also plans for the optimum product portfolio to achieve the best profitability. In the future, we will focus on the cultivation of customers, optimize our product portfolio, replace unfavorable Chinese customers and products, and implement a profit-oriented sales philosophy.

B. Excellent new product R&D capacity

The Company is committed to the product formula research and coating manufacturing procedures of FCCL and cover lay, and other core technologies. All our products are self-developed, and we have obtained patent rights to protect our intellectual property rights. We have comprehensive product categories and have developed environmental materials and high-end niche products to enter the market, complying with the diverse FCCL applications. Currently, we have introduced high-frequency and high-speed materials (i.e., high-frequency bonding sheet, high-frequency bondply, and high-frequency cover lay); subsequently, we will develop high-frequency substrates for downstream customers to perform verification. Conductive materials (i.e., EMI shielding film and conductive resin materials with a high price-performance ratio) are under normal mass production; subsequently, we will continue to develop self-produced TPI substrate, thin materials, and other new products that comply with the requirements of the industry to expand our core competitiveness on the core technology platform of the Company.

C. Provide a strong technical service team

The Company integrates business, R&D, customer service, and other professional elites to reinforce customer services and improve our market share. Apart from providing products of high quality, we also provide technical support in time based on customers' requirements to shorten the time for customers to become familiar with the products and satisfy customers' diverse requirements. We align with customers' requirements by providing improved product performances through R&D and creating a win-win position of profitability and competitive strength. Furthermore, through domestic and international cooperation, we introduced overseas advanced materials and technologies to help the development efficiency of new products, create added value for products, and keep pace with the requirements of end applications.

D. Effectively control costs and commit to profit improvement

Actively develop crucial raw materials and seek substitutes and reinforce the principle of localized supply of raw materials in the hope of reducing costs and improving profitability. Meanwhile, we examine and integrate the existing layout for tool manufacturing and production line and cultivate the multi-function of field employees to improve the manufacturing quality and yield and minimize manufacturing costs.

E. Positive industrial outlook

Even though the growth and demand for mobile phones and other mobile devices may have reached saturation, the market growth in terms of the consumption requirements for electronic products remains positive alongside the development of the requirements for IoT, wear, and automotive devices, bringing forward positive outlook of the overall demand for FPC. FCCL and protection films are the main raw materials of FPC; with the constant launches of new FPC products, the potential of FPC materials will also increase. As mobile phones and future wearable smart devices require further thinness, more FPC designs may be required considering the space to achieve the thinness requirements of products. Therefore, the increase in the requirements of smart automotive and other wearable devices will also drive the growth of FPC development at the same time. The constant releases of new FPC products create the continual growth of markets of various electronic products. It is expected FPC will show relatively stable growth to bring about the demand for FCCL and protection films. In addition, due to the high-speed and high-frequency development of

mobile and wearable devices, new corresponding FPC materials have been introduced, and the demand for high-frequency materials, EMI shielding, conductive adhesive, and other FPC peripheral materials has been emerging; new FPC materials will provide momentum for the industry development.

From the perspective of technology application fields, the penetration rate of FPC in the AI server and energy storage markets has continued to increase. In the field of AI servers, FPC is widely used in GPU modules, high-speed connectors, and power management modules due to its high-density routing capability and excellent heat dissipation performance, and the annual demand growth rate for related products has remained above 15%. In energy storage systems, FPC is mainly used in battery management systems (BMS) and energy control units, and its high-temperature resistance and chemical corrosion resistance have increased its usage proportion in energy storage equipment year by year.

Industry-leading enterprises have consolidated their market positions through vertical integration and technological innovation. For example, some leading manufacturers have achieved full industry chain coverage from substrate production to terminal product assembly, among which the proportion of adhesiveless substrates used increased from 40% in 2022 to 55% in 2023, further enhancing product reliability and cost competitiveness. The proportion of rigid-flex PCBs in high-end applications has increased from 18% in 2021 to 25% in 2023, becoming an important segment driving industry growth.

The competitive landscape of the FPC industry is dominated by a small number of technologically leading, large-scale enterprises, whose supply chain strategies and product structures are highly aligned with downstream application requirements, particularly demonstrating strong synergies in the expansion of emerging fields such as AI servers and energy storage.

(5) Favorable and unfavorable factors for future development and countermeasures

A. Favorable factors

- a. The market demand for new products continues to emerge (AI, smart wear, IoT, automotive, 5G, wireless charging, and antenna), bringing about the overall market demand.
- b. The Company possesses favorable customization capacity with sufficient resources to provide services to downstream customers.
- c. Make arrangements in China in advance in the hope of taking over markets related to mobile phones and relevant mobile devices of Chinese brands.

B. Unfavorable factors

- a. Emergence of the local supply chain in Mainland China results in the intense industry competition

The annual growth of FPC demand brought by the mobile industry attracts the participation of new FPC competitors from Mainland China and results in increasing competition within the industry; therefore, the overall profit is compressed, and the order competition condition resulted from the red supply chain in China has emerged.

Countermeasures:

- (a) Continue to develop new products and maintain the leading position in terms of technologies within the industry.
 - (b) Make appropriate feature adjustments for FCCL based on the equipment and manufacturing procedures of downstream customers to achieve customized services. In addition, the Company also provides customer production and troubleshooting for customers, continues to improve its manufacturing and technical capacity, and produces premium products. Meanwhile, we establish long-term partnerships with customers and seek business opportunities for new products through feedback from customers and the application market.
 - (c) Explore new customer bases and focus on exploring new Taiwanese and U.S. customers. Minimize the ratio of small-scale customer ratio in China and change product portfolio, and eliminate unprofitable products and customers.
- b. Concentration of crucial upstream raw materials with minor suppliers

The major raw materials of FPC basic materials are copper foil, PI films, release papers, and chemicals. The main suppliers of PI films are from Japan, Taiwan, and Korea, and rolled copper foil and electrolytic copper foil are primarily from Japanese companies. Based on the consideration for product quality stability and raw materials designated by customers, the raw materials used by the Company are concentrated in

several foreign companies.

Countermeasures:

To ensure the market competitiveness of procurement prices and maintain abundant sources of supplies, the Company maintains healthy and long-term cooperation with existing suppliers, appropriately adjusts and disperses procurements sources to avoid over-concentration with minor suppliers, nurtures substituting suppliers and secures second sources to acquire a better room for price negotiation. Execute supply contracts with material suppliers to ensure the stable source of supplies. At the same time, establish the local supply principle of raw materials by adopting the localization of local chemicals and release materials with the combination of R&D and material strategies, which not only takes into account the costs but also reduces the inventory demand for raw materials.

- c. The increasingly stringent environmental protection regulations results in an increase in product costs

In recent years, occupational safety incidents have constantly occurred, and the standards of environmental protection regulations have become increasingly strict; therefore, the Company shall adopt more stringent measures for in-house production and raw material keeping and control, causing a further increase in the operating costs of producers.

Countermeasures:

Improve the onshore procurement ratio in China and transfer the risk of raw material inventory and management to suppliers. We set up an occupational safety team in our plant to implement environmental protection and occupational safety work in our plant.

- d. Selling price of FPC drops fast

Due to the intense competition in the electronic industry, profits are pressured; customers constantly require price reductions from upstream suppliers, together with the price reduction competition within the industry, resulting in the continuous downward adjustment of prices.

Countermeasures:

- (a) Actively explore new customers, improve the yield of products, adhere to the implementation of spending-saving strategies, and control manufacturing, operating, and R&D expenses to effectively minimize costs.
- (b) Replace products with low profits, reinforce the sales of products with high profits, and alter product portfolio to maintain overall profitability.
- (c) Continue to expand the market share of niche products (i.e., high-frequency materials, EMI shielding, conductive adhesive, and other new products of high-end FPC materials) and create product differentiation and added value to maintain the operating income and growth of the Company.

2. Important usage and production processes of main products

(1) Usage of main products

The current FPC forms and materials used are diversified; in particular, in recent years, the increasing demand for FPC arising from a certain new market requirement on a yearly basis (i.e., AI, smart wear, robots, and automotive electronics, together with the existing market (i.e., mobile phones, digital cameras, laptops, and LCD display monitors), facilitated the rapid development of FPC. Major applications for electronic products are set out as follows:



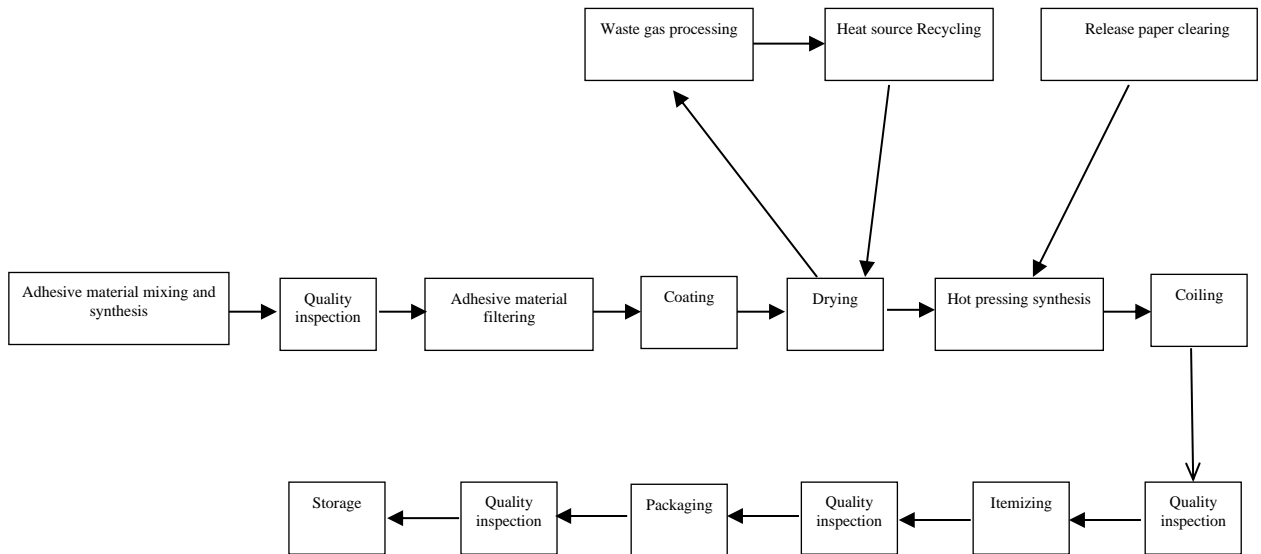
Source: 5G High-frequency FPC/Assembly, Test, Design, and Simulation Forum in 2022/11

(2) Production processes

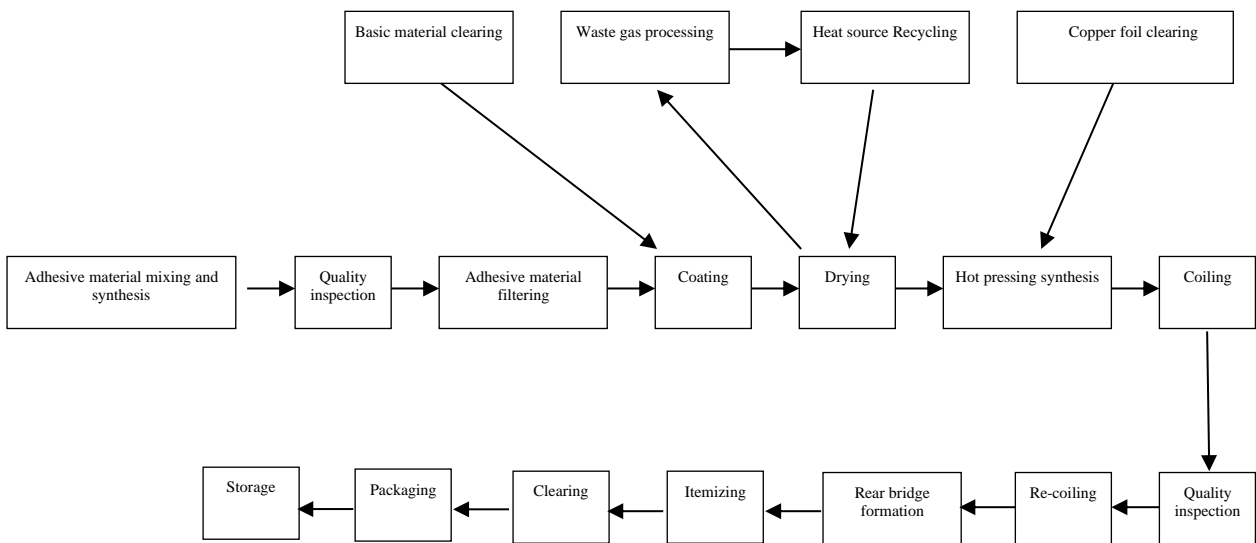
The main products of the Company are CVL and FCCL. The manufacturing procedures are as follows:

A. CVL:

Manufacturing procedures of CVL



B. FCCL:



3. Analysis of supplying sources of main raw materials

Name of main raw materials	Main source	Supplying status
PI	Japan, Taiwan, and Korea	Favorable
Copper foil	Japan and Taiwan	Favorable
Release paper	Japan	Favorable
Chemicals	Japan and Taiwan	Favorable
Bonding sheet	Japan	Favorable

Regarding the abovementioned main raw materials, the Japanese companies possess the economy of scale due to the advanced technologies, and they have nearly secured the upstream raw material markets worldwide; therefore, based on the considerations for product quality and costs, and under the effects of industry characteristics, the raw materials are majorly sourced from a few large-scale companies overseas. Based on the considerations for risks, we introduced Taiwanese and Korean companies for PI films, accounting for the highest proportion of raw materials; therefore, there would not be material lacking. For release papers and chemicals, as the development of suppliers invested by Chinese and Taiwanese enterprises is becoming mature, the Company will turn to local supplies for development for the benefit of inventory and cost control.

4. Description of material changes in the profit margin of major products or departments in the most recent two years

(1) Changes in profit margin in the most recent two years

Unit: NT\$000'

Item	Year	2024	2025
Net operating income		1,541,704	1,417,550
Gross profit		325,705	307,124
Profit margin (%)		21.13	21.67
Changes in gross profit (%)		-3.47%	-2.56%

For 2024 and 2025, the Company's net consolidated operating revenue was NT\$1,541,704 thousand and NT\$1,417,550 thousand, respectively. The decrease in 2025 as compared with the previous year was mainly due to the strategic reduction in order intake to maintain the Company's profitability and the decline in demand in the flexible printed circuit board market affected by the global economic climate. In addition, the gross profit margin in 2025 was flat as compared with 2024.

(2) For changes in profit margin reaching 20% as compared with the preceding year, the key factor causing the changes in the price and quantity shall be analyzed: Not applicable.

5. List of major customers of purchases and sales

(1) Name of customers accounting for 10% of the total purchase amount or above in any of the most recent two years and the ratio:

Unit: NT\$000'

Item	Title	2024			2025			
		Amount	As a percentage of the annual net purchase (%)	Relations with the issuer	Title	Amount	As a percentage of the annual net purchase (%)	Relations with the issuer
1	Supplier A	374,100	44.67%	None	Supplier A	402,842	57.11%	None
2	Supplier B	122,611	14.64%	None	Supplier B	133,903	18.98%	None
	Others	340,759	40.69%	None	Others	168,655	23.91%	None
	Net purchase	837,470	100.00%		Net purchase	705,400	100.00%	

Description of reason for changes:

The Company and its subsidiaries are professional manufacturers of FPC materials such as flexible copper foil substrate (FCCL), covering film (CL), stiffener and bonding sheet. The main supplier in the past two years is Manufacturer A. The combined net purchases of Manufacturer A in

2024 and 2025 accounted for 44.67% and 57.11% of the combined net purchases of the Company and its subsidiaries in those years, respectively. This was mainly due to the adjustment of material policies by the Company and its subsidiaries for cost considerations.

(2) Name of customers accounting for 10% of the total sales amount or above in any of the most recent two years and the ratio:

Unit: NT\$000'

Item	2024				2025			
	Title	Amount	As a percentage of the annual net sales (%)	Relations with the issuer	Title	Amount	As a percentage of the annual net sales (%)	Relations with the issuer
1	Client A	208,978	13.55%	None	Client A	151,843	10.71%	None
2	Client B	214,255	13.90%	None	Client B	205,896	14.52%	None
	Others	1,118,471	72.55%	None	Others	1,059,811	74.77%	None
	Net sales	1,541,704	100.00%		Net sales	1,417,550	100.00%	

III. Number of employees in the most recent two years and up to the publication date of the annual report

Unit: Person; %

Item		Year	2024	2025	March 31, 2026
Number of employees (persons)	Direct employee		107	112	110
	Indirect employee		112	102	100
	R&D personnel		26	27	26
	Total		245	241	236
Average age (year old)			36.3	37.5	38.0
Average years of service (year)			8.1	9.3	9.7
Educational background ratio (%)	Doctoral degree		0.41%	0.41%	0.42%
	Master degree		2.86%	2.90%	2.97%
	College/university		38.37%	41.08%	40.68%
	High school		51.84%	50.21%	50.42%
	Below high school		6.53%	5.39%	5.51%

Note: The abovementioned number of persons includes subsidiaries

IV. Information on environmental protection expenditure

- According to laws and regulations, if it is required to apply for a permit for installing anti-pollution facilities, or permit for pollution drainage, or to pay anti-pollution fees, or organize and set up an exclusively responsible unit/office for environmental issues, the description of the status of such applications, payment or establishment shall be made. However, the R&D Section is responsible for contacting professional waste processing companies to handle the waste generated by the Company due to R&D.
- Investment in the major anti-pollution facilities, the use purpose of such facilities and the possible effects to be produced: None.
- Describing the process undertaken by the Company on environmental pollution improvement for the most recent two years and up to the publication date of the annual report. If there had been any pollution dispute, its handling process shall also be described: The Company has no losses or punishments due to environmental pollution in the most recent two years and up to the publication date of the annual report.
- List losses that occurred to the Company due to environmental pollution and the total punishments imposed in the most recent two years and up to the publication date of the annual report and disclose the future countermeasures and potential expenditures: In the most recent two years and up to the publication date of the prospectus, the Company has no dispute related to pollution, nor punishment due to environmental pollution or compensation arising from disputes.
- Effects of the current pollution status and its improvement on the earnings, competitive

position, and capital expenditure of the Company and the estimated material capital expenditure for environmental protection in the following two years: in the most recent two years and up to the publication date of the annual report, the Company has no dispute related to pollution, nor estimated material capital expenditure for environmental protection.

V. Labor-capital relations

1. Set out the welfare measures, continuing education, training, and retirement systems of employees and their implementation, and the labor-capital agreements and measures for protecting employees' interests

(1) Employee benefit measures and the implementation

A. Employee insurance

a. All employees have participated in labor insurance and health insurance.

b. Group insurance: The Company purchases personal accident and medical insurance for employees based on their work nature with the premium borne by the Company.

B. Employee bonuses and stock options: Arrangements are made according to relevant laws and regulations as well as the Company's Articles of Incorporation and relevant regulations.

C. Regular health inspection: The Company organizes regular health inspections for all employees.

D. The Company has established the Employee Benefits Committee and organizes gatherings, trips, and other activities.

(2) Continuing education and training of employees

In response to the long-term development of the Company and the improvement in employee quality, the Company has established its Regulations for Educational Training and organized professional programs for different departments and training and license courses for knowledge required for work. In 2024, a total of 25 participants of the Company attended educational training related to corporate governance, advanced studies in finance and accounting professions, and advanced studies in auditing, with a total cost of NT\$77 thousand. The total training hours of the Group's employees reached 4,015 hours.

(3) Retirement system and its implementation

The retirement regulations of the Company complies with the requirements of the Labor Standard Act. The Company appropriates labor retirement pension allowance at the rate of 2% of the total salaries paid to the account of the Labor Retirement Pension Allowance Supervisory Committee for saving and expenses. The Company applied for the payment of retirement pension settlement for the old system with the Hsinchu County Government and the retrieval of the balance of labor retirement pension allowance on 26 October 2020 and received the approval letter from the Labor Affairs Department, Hsinchu County Government, on 5 November 2020.

The Labor Pension Act was implemented on 1 July 2005, and the defined appropriation system was adopted. After the implementation, employees may opt to apply the pension requirements related to the "Labor Standard Act" or apply the retirement pension system under the Act and maintain work seniority before the implementation of the Act.

For employees subject to the Act, the employee retirement pension borne by the Company each month shall not be less than 6% of the monthly wages of employees. The Company was established in 2003; therefore, no employee has applied for the receipt of the retirement pension as of today.

(4) Labor-capital agreements and measures for protecting employees' interests:

The Company has harmonious labor-capital relations and primarily adopts labor-capital communication and negotiation to allow both parties to achieve a consensus so as to facilitate the smooth promotion of work.

A. Monthly meeting of employees: Carry out appropriate communication, education, and policy promotion through the meeting, including the operating status, quality targets, environmental policies, establishment of environmental protection-related philosophy, public safety, fire and disaster prevention, and the establishment of other knowledge and concepts of work and life that are beneficial for the Company and employees; by doing so, cultivate the favorable tradition and offer an environment for employees and the Company to jointly learn and grow.

B. Department meeting: Carry out appropriate communication with employees, explore the root issue, and promote corporate policies through the meeting to allow employees to fully understand production technologies, safety and health, and quality control, and to

reflect their opinions in due course, and in turn, achieve a consensus.

- C. The labor-capital conference and Benefits Committee meeting: Laborers and the management may have discussions on various benefits measures to improve their relations and to provide a reference for administrative management through the meeting.
- D. The Company has its working rules in place that specify the behaviors and conduct of employees.

2. List any losses suffered by the Company in the most recent year and up to the publication date of the annual report due to labor disputes and disclose an estimate of possible expenses that could incur currently and in the future and countermeasures:

The Company had no labor disputes since its establishment. Under the circumstances that the Company continues and actively promotes and implements various employee benefit measures in the future, it is estimated that there shall be no loss arising from labor-capital disputes.

VI. Cybersecurity management

1. Describe the cybersecurity risk management structure, the cybersecurity policy, the specific management plan, and the resources invested in cybersecurity management.

(1) Cybersecurity risk management structure

To ensure the safety of the information assets of the Company, customers, and partners, in light of the information safety risk evaluation and the protection of the interest of the Company and stakeholders, the Company has established the Information Safety Committee and has a dedicated Information Safety Office in place to be in charge of the formulation of the annual information safety principles, supervise and negotiate the overall annual information safety plans and information safety inspection standards. It coordinates relevant resources, cross-department activities, information safety event management, plans for information safety education, and formulates and executes information safety audits. The Information Safety Committee convenes meetings every half-year, examines the determines the information safety and information protection policies, and implements the effectiveness of information safety management measures.

(2) Countermeasures for information security risks

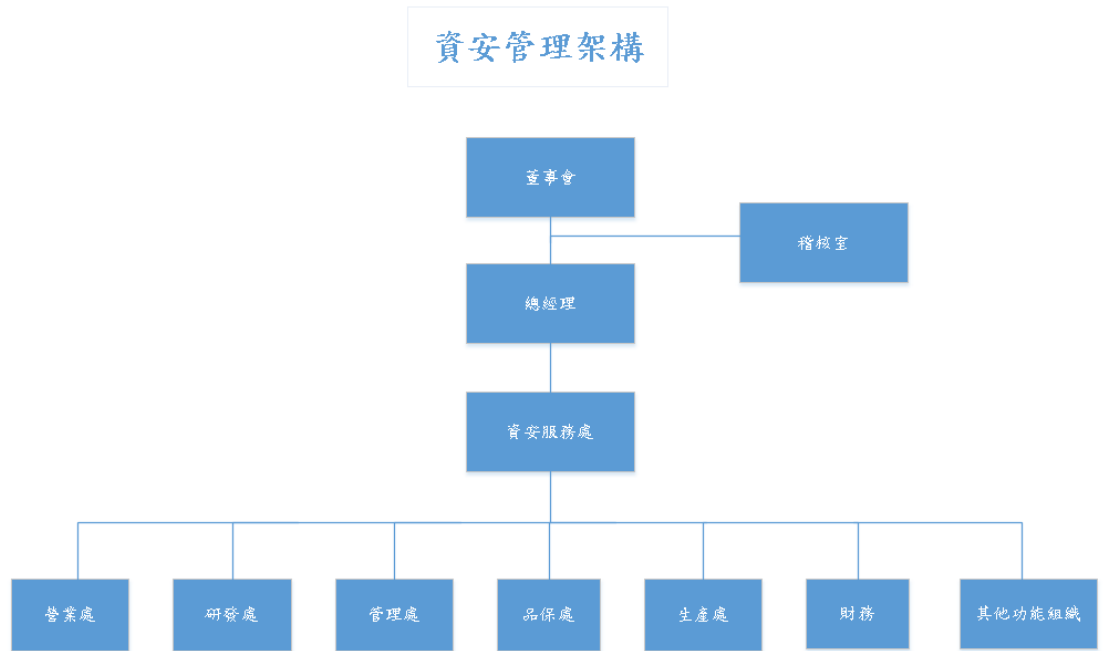
Establish information security policies and information security management regulations, information security incident reporting and response operating procedures, and formulate the regulations for trade secret management and regulations for personal data management with reference to government regulations; collect and analyze the latest regulations related to information security at all times to formulate or amend relevant management regulations; and regularly review the information security-related operations required to be carried out to ensure compliance with security policies.

The Company places great emphasis on information security risk management and data protection, has established an information security protection system with multi-layered defense-in-depth, and implemented strict control measures in all dimensions. Covering information asset classification and grading, approval of applications for external data transmission, data output controls such as mail system protection, and network anomaly investigation; strictly regulating the procedures for the entry and exit of information equipment, prohibiting the bringing in of personal storage devices and the use of personal devices for photography and video recording, strengthening entry and exit controls and access control management, and regularly reviewing the reasonableness of permissions; at the same time, routinely carrying out information security education and training for all employees, ensuring that new employees complete basic information security training on the first day of employment, regularly announcing information security regulations and major incidents to strengthen security awareness, organizing information security technical personnel to participate in external attack and defense technology courses, and continuously upgrading, purchasing new equipment, or introducing new technologies in accordance with the annual plan to strengthen physical protection and control capabilities.

In recent years, cyber attack incidents have occurred frequently, and threats such as ransomware have been particularly rampant, already causing serious damage to enterprises. The Company has conducted in-depth analysis of major domestic and foreign information security incidents, including transnational financial crime, remote control, ransomware and data leakage, and attacks on major domestic semiconductor manufacturers, and has comprehensively strengthened internal and external network attack protection and employee security awareness promotion. Strictly execute firewall policy review, host endpoint protection, network intrusion

detection, antivirus system updates, vulnerability patching for hosts and network equipment, zero-day attack protection, phishing email detection, abnormal behavior determination, and computer room management, rely on the information security operation and maintenance platform to regularly carry out system inspection and optimization, and continuously introduce new technologies to enhance the level of data protection.

In the face of the increasingly severe trend of supply chain information security risks, the Company also attaches great importance to this and regularly conducts information security audits with customers and suppliers to meet the high-standard information security requirements of both parties. The Company upholds a business philosophy of mutual benefit and win-win and seeking truth from facts, is committed to creating value for customers and shareholders, and earnestly fulfills its corporate social responsibility.



2. List any losses suffered by the Company in the most recent year and up to the publication date of the annual report due to significant cybersecurity incidents, the possible impacts therefrom, and countermeasures. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided.

In the most recent year and up to the publication date of the annual report, the Company had no material cybersecurity incident.

VII. Important contracts

None

V. Review and analysis of the financial condition and financial performance and risk issues

I. Analysis of financial condition

1. Consolidated balance sheet - Adoption of IFRSs

Unit: NT\$000'

Item	Year	2025	2024	Difference	
				Amount increased (decreased)	Percentage of change (%)
Current assets		1,591,775	1,641,967	(50,192)	-3.06%
Non-current assets		1,071,757	1,135,188	(63,431)	-5.59%
Total assets		2,663,532	2,777,155	(113,623)	-4.09%
Current liabilities		944,308	956,023	(11,715)	-1.23%
Non-current liabilities		367,283	272,496	94,787	34.78%
Total liabilities		1,311,591	1,228,519	83,072	6.76%
Share capital		982,009	982,009	0	0.00%
Capital reserve		192,899	192,899	0	0.00%
Retained earnings		217,722	309,163	(91,441)	-29.58%
Other equity		(40,689)	64,565	(105,254)	-163.02%
Total equity		1,351,941	1,548,636	(196,695)	-12.70%

For changes between the former and the latter period reaching 20% and the amount of change reaching NT\$10 million or above, the main reasons and the effects are analyzed and described as follows:

- 1.Non-current liabilities: Due to the renewal of long-term loans due within one year and transferred to non-current liabilities, non-current liabilities increased from the same period last year.
- 2.Retained earnings: A loss was incurred in the current period due to the recognition of expected credit loss in accordance with the Company's policy, resulting in a significant decrease in retained earnings compared with the same period last year.
- 3.Other equity: Due to changes in differences arising from the fair value measurement of financial assets and exchange differences arising from the translation of financial statements of foreign operations in the current period, other equity decreased compared with the same period last year.

2. Individual balance sheet - Adoption of IFRSs

Unit: NT\$000'

Item	Year	2025	2024	Difference	
				Amount increased (decreased)	Percentage of change (%)
Current assets		611,819	610,685	1,134	0.19%
Non-current assets		1,582,374	1,735,401	(153,027)	-8.82%
Total assets		2,194,193	2,346,086	(151,893)	-6.47%
Current liabilities		501,202	573,030	(71,828)	-12.53%
Non-current liabilities		341,050	224,420	116,630	51.97%
Total liabilities		842,252	797,450	44,802	5.62%
Share capital		982,009	982,009	0	0.00%
Capital reserve		192,899	192,899	0	0.00%
Retained earnings		217,722	309,163	(91,441)	-29.58%
Other equity		(40,689)	64,565	(105,254)	-163.02%
Total equity		1,351,941	1,548,636	(196,695)	-12.70%
<p>For changes between the former and the latter period reaching 20% and the amount of change reaching NT\$10 million or above, the main reasons and the effects are analyzed and described as follows:</p> <ol style="list-style-type: none"> 1. Non-current liabilities: Due to the renewal of long-term loans due within one year and transferred to non-current liabilities, non-current liabilities increased from the same period last year. 2. Retained Earnings: An investment loss for the investee subsidiary was recognized this period, resulting in a significant decrease in retained earnings compared to the same period last year. 3. Other equity: Due to changes in differences arising from the fair value measurement of financial assets and exchange differences arising from the translation of financial statements of foreign operations in the current period, other equity decreased compared with the same period last year. 					

II. Financial performance:

1. Consolidated income statement - Adoption of IFRSs

Unit: NT\$000'

Item	2025	2024	Amount increased (decreased)	Percentage of change (%)
Operating income	1,417,550	1,541,704	(124,154)	-8.05%
Operating costs	1,110,426	1,215,999	(105,573)	-8.68%
Gross profit	307,124	325,705	(18,581)	-5.70%
Operating expenses	321,390	290,593	30,797	10.60%
Operating gains (losses)	(14,266)	35,112	(49,378)	-140.63%
Non-operating income and expenses	(34,290)	(3,507)	(30,783)	877.76%
Net profit (loss) before tax	(48,556)	31,605	(80,161)	-253.63%
Income tax expenses (gains)	(6,216)	12,521	(18,737)	-149.64%
Net profit (loss) for the period	(42,340)	19,084	(61,424)	-321.86%
Other comprehensive income for the period (net amount after tax)	(105,254)	60,477	(165,731)	-274.04%
Total comprehensive income for the period	(147,594)	79,561	(227,155)	-285.51%

For changes between the former and the latter period reaching 20% and the amount of change reaching NT\$10 million or above, the main reasons and the effects are analyzed and described as follows:

1. Operating income (loss): Operating profit decreased compared with the same period last year due to the decrease in revenue and the increase in operating expenses caused by the recognition of expected credit loss.
2. Non-operating income and expenses: Primarily due to the recognition of fire loss at the Taiwan office and foreign exchange losses recognized due to exchange rate fluctuations during the period.
3. Net income (loss) before tax: During the period, due to the decrease in revenue and the recognition of expected credit impairment loss and fire loss at the Taiwan office, operating expenses and non-operating income and expenses increased as compared with the same period last year; therefore, net income (loss) before tax decreased as compared with the same period last year.
4. Net income (loss) for the period: During the period, due to the decrease in revenue and the recognition of expected credit impairment loss and fire loss at the Taiwan office, operating expenses and non-operating income and expenses increased as compared with the same period last year; therefore, net income (loss) for the period decreased as compared with the same period last year.
5. Other comprehensive income for the period (net of tax): Due to the appreciation of NTD against the USD during the period, the exchange differences arising from the translation of financial statements of foreign operations increased; furthermore, due to the recognition of unrealized valuation differences from securities held by subsidiaries under investment and measured at fair value, other comprehensive income for the period (net of tax) decreased as compared with the same period last year.
6. Total comprehensive income for the current period: Due to the decrease in other comprehensive income (net amount after tax) for the current period, the total comprehensive income for the current period decreased from the same period last year.

2. Standalone balance sheets - Adoption of IFRSs

Unit: NT\$000'

Item	2025	2024	Amount increased (decreased)	Percentage of change (%)
Operating income	935,838	913,018	22,820	2.50%
Operating costs	835,330	820,160	15,170	1.85%
Gross profit	100,508	92,858	7,650	8.24%
Unrealized losses (gains) of sales	2,120	(3,478)	5,598	-160.95%
Operating expenses	72,907	74,507	(1,600)	-2.15%
Operating gains (losses)	25,481	21,829	3,652	16.73%
Non-operating income and expenses	(72,533)	1,929	(74,462)	-3860.13%
Net profit (loss) before tax	(47,052)	23,758	(70,810)	-298.05%
Income tax expenses (gains)	(4,712)	4,674	(9,386)	-200.81%
Net profit (loss) from continuing operations	(42,340)	19,084	(61,424)	-321.86%
Other comprehensive income for the period (net amount after tax)	(105,254)	60,477	(165,731)	-274.04%
Total comprehensive income for the period	(147,594)	79,561	(227,155)	-285.51%
<p>For changes between the former and the latter period reaching 20% and the amount of change reaching NT\$10 million or above, the main reasons and the effects are analyzed and described as follows:</p> <ol style="list-style-type: none"> 1. Non-operating income and expenses: Mainly attributable to losses from investments in subsidiaries during the current period, recognition of fire loss at the Taiwan office, and recognition of foreign exchange losses due to exchange rate fluctuations. 2. Net profit (loss) before tax: Due to losses from investments in subsidiaries during the current period, it turned from profit to loss. 3. Net profit for the period from continuing operations: Due to the loss before tax during the current period, net profit for the period from continuing operations decreased compared with the same period last year. 4. Other comprehensive income for the period (net of tax): Due to the appreciation of NTD against the USD during the period, the exchange differences arising from the translation of financial statements of foreign operations increased; furthermore, due to the recognition of unrealized valuation differences from securities held by subsidiaries under investment and measured at fair value, other comprehensive income for the period (net of tax) decreased as compared with the same period last year. 5. Total comprehensive income for the current period: Due to the decrease in other comprehensive income (net amount after tax) for the current period, the total comprehensive income for the current period decreased from the same period last year. 				

3. Estimated sales volume for the following year and its basis:

Based on the current progress of customers, overview of the industry, market scale, and the growing status, it is estimated that the sales volume in the following will maintain a stable growth as compared to the preceding year, which offers a positive assistance to the Company in terms of finance in the future, which renders positive assistance to the finance of the Company.

III. Analysis of cash flows

1. Analysis and description of changes in cash flows during the most recent year:

- (1) Operating activities: Net cash inflow for the current period was NT\$76,420 thousand, an increase of NT\$26,954 thousand from the previous period, primarily due to an increase in accounts payable in 2025, resulting in net cash inflow from overall operating activities.
- (2) Investing activities: Net cash outflow for the current period was NT\$121,885 thousand, an increase of NT\$67,415 thousand from the previous period, primarily due to

cash outflows from equipment purchases in 2025.

- (3) Financing activities: Net cash outflow for the current period was NT\$5,093 thousand, a increase of NT\$129,250 thousand from the previous period, primarily due to increased short-term borrowings in the previous period, while short-term borrowings were repaid in 2025.

2. Improvement plan for insufficient liquidity: None.

3. Liquidity analysis for the following year:

- (1) Operating activities: Primarily due to the expected growth in the scale of operations and strengthened collection of receivables, cash inflows from operating activities will be NT\$2,531,640 thousand, and cash outflows for material purchases and operating expenses, etc. will be NT\$2,250,143 thousand, resulting in net cash inflow from operating activities of NT\$281,497 thousand.
- (2) Investing activities: To meet the Company's operational needs, it is estimated that the investee subsidiaries will still need to invest NT\$87,00 thousand in equipment purchases during the current period.
- (3) Financing activities: Primarily due to cash inflow from bank borrowings of NT\$28,680 thousand and distribution of cash dividends of NT\$24,550 thousand, resulting in net cash inflow from financing activities of NT\$4,130 thousand.

IV. Effect of major capital expenditures on finance and business in the most recent year

To expand the market in Mainland China and develop the local supply chain, the Board of the Company resolved to invest in a newly established electronic functional material project in Dongtai Economic Development Zone, Jiangsu, on 27 April 2018. The Company transferred the investment amount of RMB30,000 thousand, RMB20,000 thousand, and RMB20,000 thousand (totaling RMB70,000 thousand) in 2018, 2019, and 2021, respectively, by way of reinvestments from the distribution of the earnings of Kunshan Aplus Tec. Corporation via Ammon Tec. Investment Corp., a subsidiary of the Company's investee Asia Electronic Material holding (Samoa) Co., Ltd., to acquire the entire equity of Aplus Tec. Corporation (Dongtai). After the transfer of investing amount by the partnership formed by employees, Aplus Tec. Corporation (Dongtai) will be owned by Ammon Tec. Investment Corp. and the partnership formed by employees by 85% and 15%, respectively. As of the date of the financial report, the investment project is undergoing.

V. Investment policy for the most recent year, the main reasons for profit or loss, improvement plan, and investment plans for the following year

Unit: NT\$/foreign currencies 000'

Company name	Main scope of business	(Losses) gains on investees	(Losses) gains on investments recognized during the period
ASIA ELECTRONIC MATERIAL HOLDING(SAMOA) CO., LTD.	Investment	(49,306)	(49,306)
BESTTRADE CO., LTD.	Electronic material trading and import/export	(2,157)	(2,157)
AMMON TEC. INVESTMEST CORP.	Investment	(49,306)	(49,306)
Kunshan Aplus Tec. Corporation	Production of FPC base materials and protective films	(48,016)	(48,016)
Aplus Tec. Corporation (Dongtai)	Production of multilayer FPC, CCL, and development of electronic materials	(1,290)	(1,290)

Regarding the investees of the Company in the most recent year, Kunshan Aplus Tec. Corporation recorded a decrease in profit for the period compared with the same period of last year due to recognition of expected credit impairment loss; Aplus Tec. Corporation (Dongtai) incurred losses throughout the year as it has not yet reached economic scale.

The Company will continue to enhance the account collection from customers and inventory control and reduce bad debts of accounts receivable and slow-moving inventories.

VI. Risk analysis

(I) Risk factors

1. Effects of changes in the interest rate and exchange rate and inflation on the Company's profit or loss in the most recent year and up to the publication date of the annual report and future countermeasures

Unit: NT\$000'; %

Item	Year	2024	2025
Consolidated interest income (1)		2,753	1,118
Consolidated interest expense (2)		25,708	30,025
Consolidated exchange (losses) gains (3)		5,454	(4,064)
Consolidated net operating income		1,541,704	1,417,550
Consolidated net profit before tax (4)		31,605	(48,556)
Ratio of consolidated interest income to consolidated net profit before tax (%) (1)/(4)		8.71	(2.30)
Ratio of consolidated interest expense to consolidated net profit before tax (%) (2)/(4)		81.34	(61.84)
Ratio of consolidated exchange (losses) gains to consolidated net profit before tax (%) (3)/(4)		17.26	8.37

Source: Financial reports certified by CPAs.

(1) Interest rate

The ratio of consolidated interest income and consolidated interest expense to consolidated net profit before tax of the Company and its subsidiaries in 2024 was 8.71% and 81.34%, respectively, and the ratio of consolidated interest income and consolidated interest expense to consolidated net profit before tax in 2025 was (2.30)% and (61.84)%, respectively. Both the ratio of interest income to net profit before tax and the ratio of interest expense to net profit before tax in 2025 decreased compared to 2024, mainly due to the net loss before tax in 2025.

The requirement of working capital of the Company is primarily from the issuance of securities, self-owned funds, and operating profits of the Company, supplemented by bank facilities; therefore, changes in interest rate have no significant effect on the Company's profit or loss. The Company also keeps abreast of changes in the interest rate at all times and adopts necessary countermeasures to minimize the effects of changes in the interest rate on the Company's profit or loss.

(2) Exchange rate

The suppliers of purchases and customers of sales of the Company and its subsidiaries are mostly foreign suppliers and customers. In 2024 and 2025, the consolidated exchange (losses) gains were NT\$5,454 thousand and NT\$(4,064) thousand, accounting for 17.26% and 8.37% of consolidated net profit before tax, respectively. Although exchange rate fluctuations have effects on the Company's revenue and profits, the Company adopts a prudent and conservative principle in foreign currency fund management and strives to avoid the adverse effects that may be caused by exchange rate fluctuations. Financial personnel of the Company also keep close contact with banks and collect information related to exchange rates in the hope of fully grasping exchange rate trends. Apart from using foreign currency receivables to meet foreign currency payables, the business department also fully considers sales price adjustments arising from exchange rate fluctuations when making quotations to ensure profits and minimize the impact of exchange rate fluctuations on profit or loss.

(3) Inflation

The Company was not materially affected by inflation. Furthermore, transaction prices between the Company and its customers and suppliers are, in principle, flexibly adjusted subject to market development; therefore, inflation has limited effects on the Company's profit or loss.

2. Policies regarding high-risk investments, high-leverage investments, loans to others, endorsement/guarantees, and derivative transactions, main reasons for gains or losses, and countermeasures in the future

(1) Loans to others

Regarding loans of Kunshan Aplus Tec. Corporation, an investee of the Company, to Aplus Tec. Corporation (Dongtai), another investee of the Company, all procedures were performed in accordance with the "Procedures for Loans to Others" of the Company and announced and declared on MOPS.

(2) Endorsement and guarantee

The Company did not provide any endorsements or guarantees for others in 2025, and all related matters were handled in accordance with the Company's "Procedures for Endorsements and Guarantees."

(3) Derivatives

The Company has always adhered to its major business and the principle of pragmatism for its operations, and the principle of conservatism is adopted for its financial policies. The Company has not engaged in any high-risk or high-leverage investments. In addition, as of the publication date of the annual report, the Company has not engaged in any derivative transaction.

Countermeasures:

In the future, the Company will continue to focus on its major business operations. For policies of loans to others, endorsement and guarantee, and derivative transactions, the Company will comply with the requirements under its "Procedures for Loans to Others," "Procedures for Endorsements and Guarantees," and "Procedures for Derivative Transactions" and consider our financial and business requirements for such matters.

3. Future R&D plan and R&D expenses expected to be invested

(1) Future R&D plan

The research development of the Company will primarily focus on the core technologies of "precision coating" and "high-performance adhesives," and the diversified products and applications derived. The Company will primarily carry out its new product R&D based on three major aims, including thin and colorful FPC, high-frequency and high-speed FPC, and FPC functionalization. For instance, low CTE, low gloss, thin, and colorful (black, white, and transparent) coverlay films developed in cooperation with PI suppliers; and customer-oriented high-frequency electromagnetic wave shielding materials, conductive

adhesive materials, and low-dielectric FPC substrate materials for system applications are used to replace imported materials and increase the Company's revenue and profits. The major development direction is as follows:

High-density assembly and thinning of flexible boards: Continuing to develop coverlay materials with an overall coverlay thickness of less than 20um, using 9um, 7.5um, and 5um black and yellow PI films, or self-coated 3um, 5um, and 8um black PI (adjustable thickness), together with our Company's 10um, 8um, and 5um adhesives featuring high peel strength and resistance to ion migration, to meet industry needs. In addition, by adopting new structures and process methods, the substrate of laminating adhesive-less FCCL has been reduced from 25um to below 15um, and rolled copper foil below 9um is being developed to meet the trends and demands for high-density assembly and thinning of flexible boards in the future.

Colorization of flexible boards: In addition to continuing the production of the original yellow and black coverlay films, white and transparent coverlay films and FCCL, and white EMI are being developed in response to the demands of automotive applications, LED lighting, and transparent displays.

High frequency and high speed of flexible boards: Developing high-frequency FCCL, coverlay films, pure adhesive, Bondply, and FRCC based on MPI materials to satisfy the needs of end customers for high-end communication product applications, increase the convenience and versatility of materials used by customers, and lower the threshold for material adoption. With respect to the development of high-frequency EMI materials, in addition to continuing to expand the market share of existing products, ultra-thin materials with shielding effectiveness of 80dB to 100dB are also being continuously developed to meet the needs of high-end high-frequency applications. In addition, fluorine-based substrate materials exhibit high flexibility and low transmission loss in the millimeter-wave band, enabling 5G and higher-generation communications, and fluorine-based substrate products with low insertion loss, low coefficient of thermal expansion, and low hygroscopicity are also under continuous development and being submitted to customers for sampling.

Functionalization of flexible boards: While continuing the production and sales of thermally conductive flexible boards, long-term attention and planning will also be given to flexible board materials with embedded active and passive components, such as conducting research and development on printed resistors and high-dielectric capacitor materials, so as to achieve the objectives of miniaturization and enhanced electrical performance of flexible boards and provide preparatory material technology for future wearable devices. Together with the development of printing technologies, the Company intends to carry out research on printed circuit material technologies through planning or the cooperation model to set foot in the FPC industry of green manufacturing. On the other hand, we will always put customer needs first, deeply understand customer's demand for cost control and efficiency improvement, actively invest in product research and development, and strive to build high-quality products that can truly meet customers' needs for cost reduction and efficiency improvement.

R&D item	Description of applications
High-frequency materials	<p>Entering into the 5G era, and the popularity of cloud computing and the development of functional integration products are gaining momentum. Against this backdrop, it is an inevitable trend for communication electronic products to move towards high-quality, high-speed transmission. In the field of portable and wearable electronics and automotive electronics, the market demand for FPC that can achieve lightweight and thin assembly is increasing. At the same time, the transmission speed and quality of the FPC are also required to be higher. For instance, the wireless communication antenna and wiring for smartphones, tablets, and wearable electronic products will be required to expand its bandwidth and speed up transmission.</p> <p>Therefore, major terminal system manufacturers such as Apple have begun to use FPC materials with low dielectric constant and low dielectric loss in their designs. In terms of wearable devices, to</p>

R&D item	Description of applications
	<p>achieve a stronger integration of functions and to meet the growing demand for service function transmission, the bandwidth is also increasing. Looking at the automotive application field, due to the long certification cycle, strict requirements on material properties, products that are not easily replaced and large profit margins, as the process of automotive electronics accelerates, the signal connection between the vehicle body and external devices and the needs related to autonomous driving and safe driving are becoming increasingly prominent, which undoubtedly promotes the development of carrier materials required for high-frequency and high-speed transmission.</p> <p>(3) High-frequency MPI materials: In response to the demand of end application products and customers, the Company made extensions to the existing adhesive technical platform, improved the electrical characteristics of adhesive to achieve the requirement of the high-frequency applications, and used the existing FPC process technology as a design requirement to develop high-frequency covering films, Bondply, pure glue, substrates, etc. for high frequency and high speed. The fourth generation high-frequency pure adhesive, high-frequency substrate, high-frequency covering film and other products are undergoing relevant verification by multiple downstream customers, and are expected to bring another wave of revenue growth.</p> <p>(4) Fluorine series substrate: PTFE is the resin material with the lowest dielectric constant and coefficient of dielectric loss; the fluorine series substrate from which it is made shows high flexibility and low transmission consumption in mmWave and is able to realize 5G and higher versions of telecommunication. In addition, PTFE possesses outstanding flexibility and is applicable to products that are required to be installed on curves. It can be used in the wiring of data centers, antenna and wiring materials of 5G stations and end equipment, radars, and sensors. The Company has completed the development of fluorine-based substrates with low moisture absorption and low thermal expansion, and continues to invest in equipment to expand production capacity to meet the needs of end customers.</p>
EMI shielding materials	<p>Electromagnetic wave shielding film: In order to strengthen the Company's competitiveness in the market, the Company is deeply focused on this field, closely follows the market demand, and continues to increase R&D investment. After diligent efforts, we have developed a series of new electromagnetic wave shielding film materials, further consolidating and expanding our competitive advantage in this type of products. In terms of product types, in addition to traditional ink-type EMI materials, the Company's independently developed PI-type EMI materials have a variety of stacking structures and formula designs, aiming to meet the diverse needs of different customers in terms of shielding rate and cost control. For example, the Company's high dB (≥ 80dB) electromagnetic wave shielding film can not only achieve efficient shielding, but also achieve ultra-thin design while maintaining high dB (≥ 80dB) characteristics, which perfectly meets the design requirements of folding screens, AI mobile phones and other products for thinness and lightness. After years of technology development and accumulation, the Company has successfully developed ultra-thin PI-type shielding film, which has successively entered the downstream user-end verification process. This has laid a solid foundation for our company to seize the initiative in the</p>

R&D item	Description of applications
Conductive adhesive materials	<p>market and lead the development of the industry in the future.</p> <p>Conductive adhesive has been a new material that is essential in the electronics industry. Conductive adhesive is an adhesive having a certain level of conductivity after being solidified or dried. It can connect multiple conductive materials to form a circuit. Conductive adhesive can be used in microelectronic assembly, including the connection of thin lead wires and the metal layer or metal chassis of printed circuit boards, electroplated substrates, or ceramic adherends, adhesion of lead wires with sockets, adhesion of components with holes passing through printed circuit boards, and hole fixing. It can also be used to replace spot welding where the welding temperature is higher than the heat resistance temperature of the oxide film formed during welding and substitute for tin and lead solders. It is mainly applied in the following areas: telephones and mobile communication systems, radios, TVs, computers, car industry, medical equipment, and solving EMC issues. In addition to having conductive adhesive that has been put into mass production for marketing, we have a series of new products developed using our own technology on an ongoing basis, e.g., eco-friendly conductive adhesive with better SAT conductivity in line with future trends.</p>
Coverlay and PI materials	<p>(4) Self-produced PI coverlay: Self-produced PI has the advantages of adjustable thickness and high cost performance. The Company is committed to developing self-produced black PI coverlay. Its proprietary formula design enables black PI to maintain good mechanical properties even at an ultra-thin thickness of 3um, withstand high step heights, and have breakdown voltage, dielectric strength, and solvent resistance all higher than outsourced PI, with high cost performance. In addition, when paired with different adhesive layers, they can meet each customer's various requirements for cost and ion migration resistance of ultra-fine circuits.</p> <p>(5) High-Tg cover lay: In response to customers' needs for a high Tg (90~150°C) for high heat resistance and bending resistance, The Company has previously worked with customers to develop products with a Tg of approximately 100°C, which can meet customers' needs for high flex performance. Currently, the Company continues to optimize products in response to customer needs to further improve flex resistance.</p> <p>(6) Ultra-thick composite films/reinforcement boards: In response to customers' needs for structural reinforcement of high-end electronic modules, the Company has developed ultra-thick composite films and reinforcement board materials. Through material structure design and process optimization, product thickness can be customized and adjusted according to customer design requirements to meet applications under different product structures and process conditions. Customer-side testing and verification have now been completed, and the products have been successfully introduced into actual product applications.</p>

- (2) The future R&D expenses of the Company will be adjusted appropriately based on the product development progress and the estimated revenue forecasts. It is estimated that the consolidated R&D expenses in 2026 shall be approximately NT\$79,587 thousand.
4. Effect of changes in domestic and foreign policies and laws of significance on the finance and business of the Company and countermeasures
- The Company keeps abreast of the changes in domestic and foreign policies and laws of significance and evaluates their effects on the Company. As of the publication date of the annual

report, there were no effects on the Company's finance and business due to changes in domestic and foreign policies and laws of significance.

5. Effect of technological changes and industrial changes on the Company's finance and business, and countermeasures

The Company possesses multiple patents for its products. In the future, the Company will continue to increase investments in R&D and keep abreast of technological changes and industrial changes; therefore, technological changes and industrial changes have no material effects on the Company's finance and business.

6. Effect of changes in the corporate image on corporate crisis management and countermeasure

Since its establishment, the Company has been committed to maintaining a favorable corporate image and complying with regulatory specifications. As of the publication date of the annual report, there has been no circumstance that occurred that may affect our corporate image.

7. Expected benefits and possible risks related to mergers and acquisitions and countermeasures

In the most recent year and up to the publication date of the annual report, the Company has no plans for a merger or acquisition.

8. Expected benefits and possible risks related to plant expansion and countermeasures

In the most recent year and up to the publication date of the annual report, the Company has no plans for plant expansion.

9. Risks related to concentrated sales or purchases and countermeasures

- (1) Risks related to concentrated purchases

Under the effects of industry characteristics, based on the quality stability of products and raw materials designated by customers, the raw materials are majorly sourced from a few large-scale companies overseas. Based on the risk considerations, the Company made purchases from suppliers in Japan, Taiwan, and Korea for PIs, accounting for the major part of raw materials, and made purchases from Mitsui Mining & Smelting and Fukuda Metal Foil & Powder for copper foils to ensure the competitiveness of the procurement price in the market and the sufficient source of supplies. In general, the quality and term of deliveries made by suppliers in the past years have been within the normal scope, and there was no shortage in sources or material quality anomaly.

- (2) Risks related to concentrated sales

The top ten customers of sales of the Company and its subsidiaries in the most recent year account for 56.86% of the operating income for the year, and sales made to a single related customer have not exceeded 15%; therefore, there were no concentrated sales.

10. Effects of mass transfer or change in the equity held by Directors, supervisors, or major shareholders with a shareholding over 10% of the Company, risks, and countermeasures

On January 23, 2026, E Ink Holdings Incorporated, the Company's corporate director, resigned and transferred its shareholding as part of its overall planning considerations. Because the Company's Board of Directors adopts a collegiate decision-making system, each proposal is approved by all directors in accordance with the majority rule principle and is not influenced by individual directors. In addition, the Company has a stable team of professional managerial officers and a sound operational and financial structure. Therefore, the change of the corporate director and the transfer of shareholding have no material impact on the Company's operational decision-making or financial and business operations. The Company will continue to implement information transparency in accordance with regulations and ensure that the Board of Directors continues to perform its supervision and guidance functions.

11. Effects of changes in ownership of the Company, risks, and countermeasures

In the most recent year and up to the publication date of the annual report, there was no change in ownership of the Company.

12. Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that involve the Company and its Directors, supervisors, President, persons with actual responsibility for the Company, major shareholders holding a stake of greater than 10%, and subsidiaries that have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the Company's securities, disclose the facts of the dispute, the amount of money at stake in the dispute, the date of litigation commencement, the main parties involved in the dispute, and the status of the dispute as of the publication date of the annual report: None.

13. Other important risks and countermeasures:

Risk of information safety:

With respect to information system security, firewalls, anti-virus software, and spam protection mechanisms have been established, and periodic automatic system backups are performed with backup devices stored off-site, effectively reducing the risk of system interruption

and data loss caused by natural disasters and human error. To ensure the stable operation of information equipment, access control for personnel entering and leaving the information server room has been strengthened, and the air-conditioning, power, fire alarm system, and fire extinguishing equipment are regularly inspected and maintained, while an uninterruptible power supply system has been installed to ensure the stable operation of information-related systems and equipment.

VII. Other important matters

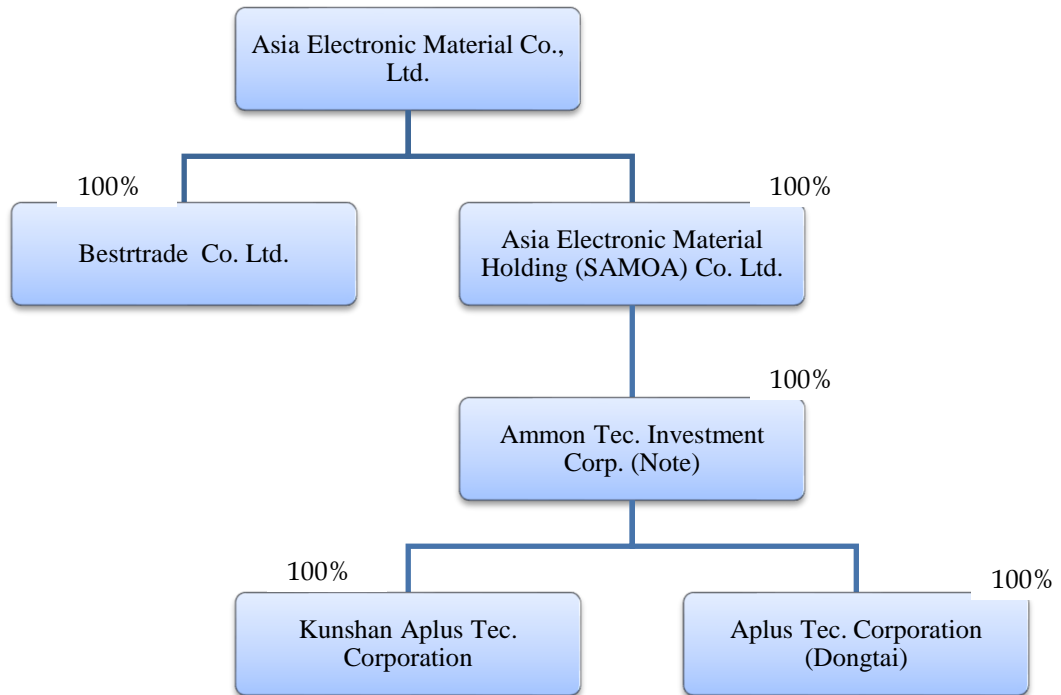
None.

VI. Special matters to be recorded

I. Information on affiliates

- (I) The 2024 consolidated business report of affiliates
1. Organizational structure of affiliates

December 31, 2025



2. Basic information on affiliates

Unit: 000'

Company name	Establishment date	Address	Paid-in capital	Main business or item produced
ASIA ELECTRONIC MATERIAL HOLDING (SAMOA) CO., LTD.	2003/8	Offshore Chambers, P.O.Box 217, Apia, Samoa	USD 18,265	Investment
BESTTRADE CO., LTD.	2003/8	Offshore Chambers, P.O.Box 217, Apia, Samoa	USD 2,950	Electronic material trading and import/export
AMMON TEC. INVESTMENT CORP.	2003/8	Akara Bldg., 24 De Castro Street, Wickhams Cay I, Road Town, Torola, British Virgin Islands	USD 18,260	Investment
Kunshan Aplus Tec. Corporation	2003/8	No.169, Middle Huangpujiang Road, Economic & Technical Development Zone, Kunshan City, Jiangsu Province	USD 18,250	Manufacturing and sales of electronic materials and parts
Aplus Tec. Corporation (Dongtai)	2018/7	No.9, 2nd Road, East District, Economic & Technical Development Zone, Dongtai City, Jiangsu Province	RMB 70,000	Production of multilayer FPC, CCL, and development of electronic materials

3. Information on the same shareholder of associates presumed to have a relationship of control or subordination: None.

4. Business sectors covered by associates, transactions and division of labor

Company name	Relation with the scope of business of other affiliates
ASIA ELECTRONIC MATERIAL HOLDING (SAMOA) CO., LTD.	Overseas investment and holding company
BESTTRADE CO., LTD.	Overseas sales company
AMMON TEC. INVESTMENT CORP.	Overseas investment and holding company
Kunshan Aplus Tec. Corporation	Manufacturing and sales base in Mainland China
Aplus Tec. Corporation (Dongtai)	Manufacturing and sales base in Mainland China

5. Data on directors and supervisors of affiliates

Unit: share

Company name	Title	Name or representative	Shareholding	
			Number of shares	Shareholding
ASIA ELECTRONIC MATERIAL HOLDING (SAMOA) CO., LTD.	Chairman	Lee Chien-Hui	-	-
BESTTRADE CO., LTD.	Chairman	Lee Chien-Hui	-	-
AMMON TEC. INVESTMENT CORP.	Chairman	Lee Chien-Hui	-	-
Kunshan Aplus Tec. Corporation	Chairman	Hsu Ming-Hua	-	-
Aplus Tec. Corporation (Dongtai)	Chairman	Hsu Ming-Hua	-	-

6. Business overview of affiliates

December 31, 2025; Unit: NTD/USD Thousands

Company name	capital	Total assets	Total liabilities	per share	Operating income	Operating gains	Profit or loss for the period (after-tax)	Earnings per share (after tax)
ASIA ELECTRONIC MATERIAL HOLDING (SAMOA) CO., LTD.	587,534	1,433,254	87	1,433,167	0	0	(49,306)	-
BESTTRADE CO., LTD.	97,471	146,567	65,993	80,574	0	(53)	(2,157)	-
AMMON TEC. INVESTMENT CORP.	USD18,260	USD45,610	USD9	USD45,601	0	0	(49,306) (USD(1,581))	-
Kunshan Aplus Tec. Corporation	USD18,250	USD68,277	USD29,177	USD39,100	USD43,433	USD(1,110)	(48,016) (USD(1,539))	-
Aplus Tec. Corporation (Dongtai)	USD10,331 (RMB70,000)	USD37,748	USD31,239	USD6,509	USD17,572	USD(492)	(1,290) (USD(41))	-

(II) Consolidated financial statements of affiliates:

Declaration

The companies that should be included in the preparation of the consolidated financial statements of related enterprises in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for 2025 (from January 1 to December 31, 2025) are the same as the companies that should be included in the preparation of the consolidated financial statements in accordance with International Financial Reporting Standard No. 10. The relevant information that should be disclosed in the consolidated financial statements of related enterprises has been disclosed in the aforementioned consolidated financial statements. Therefore, the consolidated financial statements of related enterprises will not be prepared separately.

Declared by

Company name: Asia Electronic Material Co., Ltd.

Person in charge: Lee Chien-Hui

February 25, 2026

(III) Affiliation report: Not applicable.

II. Private placement of securities in the most recent year and up to the publication date of the annual report

None.

III. Holding or disposal of the Company's shares by its subsidiaries in the most recent year and up to the publication date of the annual report

None.

IV. Other matters that require additional explanation

(I) Outstanding commitments for the listing on TPEX:

Commitments for the listing on TPEX	Status of commitments
We promise to add the following to the "Procedures for the Acquisition or Disposal of Assets". The Company shall not give up the capital increase in Asia Electronic Material Holding (Samoa) Co., Ltd. (hereinafter referred to as Asia Electronic), Besttrade Co., Ltd. and Global-One Tec. Co., Ltd. in the future years; Asia Electronic shall not give up the capital increase in Ammon Tec. Investment Corp. (hereinafter referred to as Ammon Tec.) in the future years; Ammon Tec. shall not give up the capital increase in Kunshan Aplus Technology Co., Ltd. in the future years; if the Company needs to give up the capital increase or disposal of the above-mentioned companies due to strategic alliance considerations or other reasons agreed by your center in the future, it must be approved by the special resolution of the Board of Directors of Asia Electronic Material Co., Ltd. If there is any amendment to the Procedures, the Company shall disclose it as material information on MOPS and report to the TPEX for future reference.	The shareholders' meeting approved the amendments to the "Procedures for the Acquisition or Disposals of Assets" on April 27, 2012. Furthermore, due to the implementation of the Economic Substance Act in BVI, the Company liquidated and dissolved Global-One Tec. Co., Ltd. on September 8, 2021; and the shareholders' meeting on May 17, 2022 passed a resolution to amend the relevant regulations.

V. Any event that has a significant impact on shareholders' equity or securities prices as defined in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act that occurred in the most recent year and up to the date of publication of the annual report shall be clearly stated.

None.

Asia Electronic Material Co., Ltd.
Statement of the Internal Control System

Date: February 25, 2026

The Company's internal control system in 2025, as per the results of our self-assessment, was hereby declared as follows:

- I. The Company is fully aware that the establishment, implementation, and maintenance of the internal control system are the responsibility of the Company's Board and managers, and the Company has established such a system. The system aims to provide reasonable assurance for the achievement of the objectives, namely the effectiveness and efficiency of operations (including profitability, performance, and asset security protection), the reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations.
- II. Certain limitations are inherent in all internal control systems. Regardless of the comprehensive design, an effective internal control system may only provide reasonable assurance regarding the achievement of the three intended objectives above; moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system may change accordingly. However, the Company's internal control system is equipped with a self-monitoring mechanism. Once a defect is identified, the Company will take action to rectify it.
- III. The Company judges whether the design and implementation of the internal control system are effective based on the criteria for judging the effectiveness of the internal control system set out in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (the "Regulations"). The said criteria adopted for the internal control system under the Regulations are divided into five constituent elements as per the management and control process: 1. control environment, 2. risk assessment, 3. control activities, 4. information and communication, and 5. monitoring activities. Each constituent element includes several items. For said items, please refer to the Regulations.
- IV. The Company has adopted the aforesaid judgment criteria for the internal control system to determine whether the design and implementation of the internal control system are effective.
- V. Based on the results of the assessment in the preceding paragraph, the Company is of the opinion that, as of 31 December 2025, the design and implementation of the internal control system of the Company (including the supervision and management of subsidiaries), including those relating to understanding the degree of achievement of operational effectiveness and efficiency objectives, the reliability, timeliness and transparency of reporting, and compliance with applicable regulations and relevant laws and regulations, are effective and can reasonably assure the achievement of the foregoing objectives.
- VI. The statement will form the main content of the Company's annual report and prospectus and will be made public. If the disclosed content above is false, or if there is material information concealed deliberately or otherwise, the Company will be legally liable pursuant to Articles 20, Article 32, Article 171, and Article 174 of the Securities and Exchange Act.
- VII. This statement was approved by the Board of Directors of the Company on February 25, 2026. Among the seven Directors present, none expressed any dissenting opinion, and all agreed to the content of this statement; hereby so declared.

Asia Electronic Material Co., Ltd.

Chairman: Lee Chien-Hui

President: Lee Chien-Hui

Company name: Asia Electronic Material Co., Ltd.

Chairman: Lee Chien-Hui