

Advanced International Multitech Co., Ltd.

2024 Annual Report

Printed on April 30, 2025

Website of TWSE Market Observation Post System: <https://mops.twse.com.tw>

Website of the Company: <https://www.adgroup.com.tw>

The reader is advised that the annual report have been prepared originally in Chinese.

In the event of a conflict between the translated version and the original Chinese version or difference in interpretation between the two versions, the Chinese language annual report shall prevail.

I. Name, title, contact Phone, and Email address of the Spokesperson and Acting Spokesperson

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Acting Spokesperson: Liu, Yen-Liang
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II. Address and phone number of the headquarter, branches, and factories

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III. Name, address, website and phone number of agent for stock affairs

Name: KGI Securities Stock Agency Services
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IV. Name, firm, address, website and phone number of the certified accountants of the current year

Name of certified accountants: Wang, Chun-Kai and Wu, Chien-Chih
Name of Accounting Firm: PwC Taiwan
Address: No.95, 22F, Minzu 2nd Rd., Xinxing Rd., Kaohsiung City
Phone no.: +(8867)237 3116
Website: <https://www.pwc.tw>

V. Listed overseas securities for trading: None

VI. Company website: <https://www.adgroup.com.tw>

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One. Letter to Shareholders

To the shareholders of Advanced International Multitech Co., Ltd. :

Thank you for your continued interests, support, and care to Advanced International Multitech Co., Ltd., and it is hoped that you will continue to give us more attention and support in the days to come, thank you.

Below is the report of 2024 operation results and 2025 operation plans.

I 2024 Consolidated Operation Report

(I) The execution results of the 2024 operation plans

The Company's consolidated operating revenue was 14,192,780 thousand dollars in the year of 2024, decreased by 0.75% comparing with 14,299,849 thousand dollars in the year of 2023. The consolidated net profit in the year of 2024 was 1,149,286 thousand dollars, increased by 414.07% comparing with the consolidated net profit of -365,932 thousand dollars in the year of 2023. The after-tax earnings per share in 2024 was 7.51 dollars.

(II) The 2024 budget execution status: Not available, the Company did not disclose financial forecast in the year of 2024.

(III) Financial information:

1. Financial information

Unit: NT\$1,000 ; %

Year	2024	2023	Increase/Decrease by (%)
Sales Revenue	14,192,780	14,299,849	(0.75%)
Cost of Goods Sold	11,966,699	11,990,152	(0.20%)
Gross Profits	2,226,081	2,309,697	(3.62%)
Operating Expenses	1,628,161	1,379,407	18.03%
Other Income and Expenses -Net	160,232	196,712	(18.54%)
Non-Operating Income & Expenses	734,582	(1,299,967)	156.51%
Net Income Before Tax	1,492,734	(172,965)	963.03%
Net Income After Tax	1,149,286	(365,932)	414.07%
Total Comprehensive Profit/Loss	1,271,828	(398,574)	419.09%

2. Analysis on profitability

Unit: NTD\$1 ; %

Item		Ratio in 2024
Return on Assets (%)		8.64%
Return on Equity (%)		16.31%
To Paid-in-Capital (%)	Operating income	49.03%
	Net income before tax	96.53%
Net Income Margin (%)		8.10%
Earnings Per Share (Unit: NT\$1)		7.51

(IV) R&D situation

2024 R&D results

- ① Development of bio-based (50% biomass ratio) epoxy resin formula.
- ② Development of the formula of compression shock resistant climbing rims.
- ③ Development of the TOWPREG formula to be stored in room temperature for two months.
- ④ Development of green and environmentally friendly thermoplastic continuous carbon fiber composite technology (PC/PA11/PA12).
- ⑤ Development of single bundle fiber impregnation molding technology.
- ⑥ Development of single bundle fiber spreading technology.
- ⑦ Development of Towpreg products.
- ⑧ TPUD impregnation technology and product development.
- ⑨ Development of continuous three-liquid resin mixing system technology.
- ⑩ Development of Tailored Fiber Placement (TFP) technology.
- ⑪ Development of LFT heat press technology.
- ⑫ Development of RHCM thermoplastic hybrid molding technology.
- ⑬ Development of UHMWPE composite material molding technology.
- ⑭ Development and application of recycled carbon fiber.
- ⑮ Application of graphene in ultra-lightweight carbon fiber parts.
- ⑯ Application of titanium alloy casting technology to improve fabrication quality.
- ⑰ Development of multi-axis AI vision automatic grinding for mass production.
- ⑱ Development of thermoplastic forming technology and its application in products.
- ⑲ Application of automatic lamination technology into carbon fiber pre-forming process.
- ⑳ Introduction of metal material 3D printing for rapid sample production and projected mass production.
- ㉑ Development on the recycling of thermoplastic products and the application of injection technology.
- ㉒ Development of bio-degradable thermoplastic panels.
- ㉓ Development and mass production of dyed resin forged carbon fiber.
- ㉔ Development of high strength iron-based materials.
- ㉕ Development and application of rapid extreme ultraviolet spray coating to the mass production of composite products.
- ㉖ Development of extreme ultraviolet light rapid spray transfer technology.
- ㉗ Application of brazing technology in metal products.
- ㉘ Development of new infusion technology for counterweight.
- ㉙ Aluminum alloy forging and precision machining.
- ㉚ Direct forming for thin parts.
- ㉛ Forging of counterweight structures coated with different materials and densities.
- ㉜ Composite powder metallurgy with different densities for different materials.
- ㉝ Development and application of thermoplastic polyurethane for impact resistant products.

- ③④ Development and manufacturing of pickleball rackets.
- ③⑤ Development of deep concave wheel molding technology.
- ③⑥ Development of adjustable mold technology for wheel resin injection molding.
- ③⑦ Carbon fiber laminate preform technology development.
- ③⑧ Large area pad printing technology and development of new products.
 - Large logo pattern design, pattern deformation testing, regression computing technology.
 - Independent pad printing head modular design, rotary and longitudinal axis elastic mechanism module design and rotary positioning control technology.
 - Development of large-area pad printing technology using high-precision sphere clamping mechanism.
- ③⑨ Development and application of high-performance material and products.
 - Development of highly tough and wear resistant TPU shell materials.
 - Rubber additives to improve rubber mixing efficiency.
- ④⑩ Mold processing technology and self-design ability.
 - Wind tunnel cavity mold inhouse processing technology.
 - High precision machining and measurement of die holes and ejector pins.
 - Hot runner mold base design and temperature accuracy control system.

II Summary of 2025 Operation Plan

(I) Operating strategy

In response to future situation and the development direction of the Company, four major themes are set as follows:

1. Growth in the company's main operating territory: look closely at the domestic and international dynamic situation, connect to customers' supply chain strategies, make Vietnam plant to be the largest production base, and through the expansion of core ability, technology innovation, continuous improvement, and supply chain management to enhance clients' coherence and maintain the Company's competitiveness.
2. Creation of new business opportunities: continuously develop carbon fiber rim technology and business opportunities and through internal and external cross-domain collaborative innovation, mergers and acquisitions, or business model innovation to establish corporate growth momentum for the next decade.
3. Promotion corporate's soft power: continuously focus on talent cultivation program that is equipped with management functions and leadership effectiveness, and meanwhile, through digitalized management, information technology, and artificial intelligence to enhance the corporate's collective wisdom and soft power.
4. Corporate sustainability development: corporate continuous following corporate governance 3.0 index to carry out corporate governance practices and put into practice ESG key indexes.

(II) Expected unit of sales

Based on the market's supply and demand situation and industrial environment, as well as the consideration and evaluation of the Company's capabilities and development, it is estimated that the sales volume of ball heads and golf equipment in 2025 will be about 12 million pcs, and the

one-year volume of golf balls will be around 15 million dozen.

(III) Important production and marketing strategy

- 1.Continue to strengthen the development and application technology of composite materials related products and create a competitive advantage through the strength of conveyor production concept, i.e. from innovation and design of composite materials to production and manufacturing.
- 2.Origin strategy: continue increase the production portion and importance of the production site in Vietnam based on a comprehensive consideration in the light of export tariff risks and geopolitical situation to reduce the dependence on production capacity in risk-conflict areas.
- 3.Establish partnerships with key supply chains, using better competitiveness and superior solutions to respond to customers' needs.
- 4.continue to pay attention to the sales status and market information of the client, in order to quickly synchronize or adjust the internal and external resources with the expected order status and respond to external changes with the highest efficacy.

(IV) Future development strategy

- 1.Expanding the effectiveness of intra-company integration: integrate golf related products and customer relationships of Advanced International Multitech and Launch Technologies Co., Ltd. to create value for major customers and strengthen trust and customer adhesion, so as to continue to seek growth in the golf-related industry and gain a foothold in the global supply chain.
- 2.Strengthening corporate resilience and flexible deployment: in response to future political and economic uncertainties, we must link with key customer's strategy, form alliance with supply chain partners, and strengthen corporate structure to cope with drastic changes in the current situation.
- 3.Innovation to support corporate growth territory: integrate internal and external resources, continuously invest in the research and development of composite material's raw materials, manufacturing procedures and products, and be able to continue to innovate to meet the needs from all the industries and grasp new business opportunities.
- 4.Talents cultivation to deep root corporate's soft power: cultivate talents and capabilities that the organization needs in the future, strengthen human resource development and talent cultivation plans, enhance the work value and sense of belonging; moreover, actively promote the transformation of digitalization to enhance management efficiency.
- 5.Aiming at the new corporate ESG thinking, gradually implement the goals of carbon reduction, waste reduction, and energy conservation, and establish a carbon management mechanism to respond to the trend of the times; at the same time, continue to care for vulnerable groups, fulfill corporate social responsibilities, and implement corporate governance to achieve the realm of sustainable management and create all-win situation for employees, shareholders and the general public.

(V) Effects of the external competitive environment, regulation environment, and overall operation environment

According to R&A and U.S. National Golf Foundation report, number of golf players in 2023 grew 20% compared to the number before the pandemic in 2019. And this number in the first nine months of 2024 is again about 1.7% higher than the same period in 2023, the overall golf participant population has remained stable at a certain peak, and did not decline drastically following the significant growth during the epidemic period. This also indirectly shows a new normal in participation and play in the golfing population as the epidemic ends, and the golf industry is in the midst of a boom in the United States. However, with the advent of geopolitical tension and the trend of globalization reversal, the biggest challenge will be the ability of corporate s to cope with future contingencies and growth momentum. After the 2023 major industrial accident, the Advanced International Multitech team overcame the difficulties and the low point of its operation in 2024. With a strong management team, which demonstrated its strength to overcome the adversity and rebuild Launch Technologies Co., Ltd., and regained the recognition and support of customers, is able to demonstrate Advanced International Multitech's overall corporate resilience and ability to adapt to changes. In the face of future challenges and changes, Advanced International Multitech will still adhere to the philosophy of "Sincerity, Creativity, Satisfaction" and move forward on the path of sustainable management.

Chairman : Hsi-Chien Cheng



Manager : Yi-Nan Chou



Accounting Manager : Yi-Miao Kuo



Two. Corporate Governance

I Information on the Company's directors (including independent directors), President, Vice President, Director, and the superintendents of all the Company's divisions and branch unit

(I) Information on Directors (including independent directors)

March 31, 2025

Title	Nationality or Place of Registration	Name	Gender Age	Post Beginning Date (m/d/y)	Term of Office	Date of First Elected (m/d/y)	Shareholding at Date Elected		Current Shareholding		Current Shareholding of Spouse and Minors		Shareholding under Other's Name		Education & Experiences	Other Post in the Company and other company concurrently	Spouse or relative within 2 nd degree that serves as other superintendent, director, or supervisor			Note
							Number of Shares	Stake	Number of Shares	Stake	Number of Shares	Stake	Number of Shares	Stake			Title	Name	Relationship	
Chairman	R.O.C.	Ming An Investment Co., Ltd.	Male 71~80	5/27/2024	3 years	5/10/2004	12,134,838	8.66%	12,134,838	7.82%	0	0%	0	0%	None	Corporate Director of the Company	None	None	None	None
		Representative: Cheng, Hsi-Chien				6/4/2010	1,499,636	1.07%	1,499,636	0.97%	0	0%	0	0%	Meiji University, School of Business Administration	Chairman / Advanced International Multitech Co., Ltd. Chairman / Launch Technologies Co., Ltd. Chairman / Ming An Investment Co., Ltd. Chairman / Advanced International Multitech (Vietnam) Co., Ltd. Chairman / Advanced Group International (BVI) Co., Ltd. Director / Technology On Prototyping Ultimate Co., Ltd. Chairman / Advanced Sporting Goods (Dongguan) Co., Ltd.	Vice Chairman	Liu, An-Hao	Affinity	Note
Vice Chairman	R.O.C.	Yuan Hong Investment Co. Ltd.	Male 71~80	5/27/2024	3 years	11/26/2021	2,263,415	1.61%	2,263,415	1.46%	0	0%	0	0%	None	Corporate Director of the Company	None	None	None	None
		Representative: Liu, An-Hao				7/1/1998	885,234	0.63%	919,905	0.59%	440,894	0.28%	0	0%	National Taiwan University, School of Chemical Engineering	Vice Chairman / Advanced International Multitech Co., Ltd. Director / Ming An Investment Co., Ltd. Director o/ Advanced International Multitech(Vietnam) Co., Ltd. Director / Launch Technologies Co., Ltd.	Chairman	Cheng, Hsi-Chien	Affinity	None
Director	R.O.C.	Fu Yuan Investment Co., Ltd.	Male 71~80	5/27/2024	3 years	5/31/2016	1,000,000	0.71%	1,000,000	0.64%	0	0%	0	0%	None	Corporate Director / the Company	None	None	None	None
		Representative: Lin, Jui-Chang				5/31/2016	0	0	0	0	0	0%	0	0%	SooChow University, Dept. Of Accounting	Director / the Company Director / Lunch Technologies Co., Ltd. Chairman / Taiwan Fu Hsing Industrial Co., Ltd. Director / Zhixing Precision Machinery Co, Ltd. Director / TAIFLEX Scientific Co., Ltd.	None	None	None	None
Director	R.O.C.	Tu, Hsiao-Fen	Female 51~60	5/27/2024	3 years	5/31/2016	871,840	0.62%	902,864	0.58%	0	0%	0	0%	University of Texas, MBA	A member of the board and the director of a business group of the Company	None	None	None	None

Title	Nationality or Place of Registration	Name	Gender Age	Post Beginning Date (m/d/y)	Term of Office	Date of First Elected (m/d/y)	Shareholding at Date Elected		Current Shareholding		Current Shareholding of Spouse and Minors		Shareholding under Other's Name		Education & Experiences	Other Post in the Company and other company concurrently	Spouse or relative within 2 nd degree that serves as other superintendent, director, or supervisor			Note
							Number of Shares	Stake	Number of Shares	Stake	Number of Shares	Stake	Number of Shares				Title	Name	Relationship	
Director	R.O.C.	Chou, I-Nan	Male 51~60	5/27/2024	3 years	5/25/2018	156,413	0.11%	156,413	0.1%	20,000	0.01%	0	0	Ph.D. in Mechanical Engineering, National Chiao Tung University CEO of Advanced International Multitech Co., Ltd. and Launch Technologies Co., Ltd.	CEO & Director of Advanced International Multitech Co., Ltd. CEO of Launch Technologies Co., Ltd. Director of Advanced Sporting Goods (Dongguan) Co., Ltd. Director of ADVANCED INTERNATIONAL MULTITECH (VIETNAM) CORPORATION LTD.	None	None	None	None
Independent Director	R.O.C.	Wu, Ching-Tsai	Male 71-80	5/27/2024	3 years	12/2/2002	0	0%	0	0%	0	0%	7,000	0%	Ph.D. in Accounting in City University of New York Dean of Dept. of Accountancy and Professor and head of Dept. of Accountancy and Graduate Institute of Finance; Acting Dean of Dept. of Economics in National Cheng Kung University	Supervisor of Fooyin University Distinguished Professor and Visiting Professor in Asia University	None	None	None	None
Independent Director	R.O.C.	He, Yao-Hung	Male 61~70	5/27/2024	3 years	11/26/2021	0	0%	0	0%	0	0%	0	0%	The Ohio State University, graduate study in Industrial and System Engineering Independent Director and convener of the Audit and Remuneration Committee of Leadtek Research Inc. Partner of KPMG Taiwan	Independent Director, Remuneration Committee member, Audit Committee member / Advanced International Multitech Co., Ltd. Independent Director / Tainan Enterprise (Cayman) Co., Ltd. General Manager / ETP Leadership Coach Consulting Ltd. Company Supervisor of Taiwan ITRI New Venture Association Independent Director and convener of the Audit and Remuneration Committee / Leadtek Research Inc. CEO / LEDTECH Electronics Co. CEO and director / ENERGYLED Corporation	None	None	None	None
Independent Director	R.O.C.	Chang, Hsueh-pin	Male 71~80	5/27/2024	3 years	11/26/2021	0	0%	0	0%	0	0%	0	0%	Doctoral degree Cornell University, Sibley School of Mechanical and Aerospace Engineering Chair Professor and Associate Professor in Kao Yuan University Supervisor of Metal Industries Research and Development Centre Supervisor of China Engine Corporation	Independent Director, Remuneration Committee member, Audit Committee member / Advanced International Multitech Co., Ltd. Independent Director, Remuneration Committee member, Audit Committee member / China Steel Corporation Independent Director, Convener of the Remuneration Committee, and Audit Committee member / HIWIN MIKROSYSTEM CORP. Consultant /Metal Industries Research and Development Center	None	None	None	None

Note: If the Chairman of the Company and the general manager or a person of equivalent position (top manager) are the same person, the spouse or first-degree relatives, the reason, rationality, necessity and countermeasures shall be explained: Not applicable.

Table I: Information on major shareholders of the Company's corporate shareholders

March 31, 2025

Name of Corporate Shareholders	Major shareholders of the Corporate Shareholders
Ming An Investment Co., Ltd.	Tu, Chih-Hsiung 10.16%; Cheng, Hsi-Chien 8.89%; Hsiao, Shu-Ling 5.40%; Yuan Hong Investment Co., Ltd. 16.49%; Fu, Chang-Hui 10.17%
Fu Yuan Investment Co., Ltd.	Fu Xun Investment Co., Ltd. 45.75%; Hong Cheng Investment Co., Ltd. 16.77%; Lian Guang Investment Co., Ltd. 13.66%; Sheng You Investment Co., Ltd. 10.43%; De Li International Investment Co., Ltd. 7.33%; Yuan Sheng International Investment Co., Ltd. 3.43%; Chen, Chien-Kun 2.63%.
Yuan Hong Investment Co., Ltd.	Liu, An-Hao 39.75%; Cheng, Mei-Chin 30.93%; Liu, I-Chun 11.91%; Liu, Yen-Liang 14.32%; Hsu, Shang-Wen 3.09%.

Table II: Major shareholders of the major corporate shareholders listed in Table I

March 31, 2025

Name of Corporate Shareholders	Major shareholders of the Corporate Shareholders
Fu Xun Investment Co., Ltd.	Chang, Jui-Pi 22.80%; Lin, Tzu-Hsuan 33.60%; Lin, Tzu-Yang 29.40%; Lin, Jui-Chang 14.20%
Hong Cheng Investment Co., Ltd.	Lin Yin, Li-Wen 14%; Lin, Chao-Hung 63.30%; Lin, Shao-Chien 14.80%; Lin, Shao-Chieh 7.90%
Lian Guang Investment Co. Ltd.	Lin, Wen-Hsing 21.50%; Hsu, Mei-Hui 20%; Lin, Chih-Cheng 29.50%; Lin, Chih-You 29%
Sheng You Investment Co., Ltd.	Lin, Miao-Chen 5.21%; Lin, Teng-Tsai 59.13%; Lin, Ping-Kuan 13.91%; Lin, Chih-Wei 13.91%; Lin, Chih-Ning 7.84%
De Li International Investment Co., Ltd.	Lin, Miao-Yin 21.28%; Chen, Chen-Yueh 20.21%; Chen, Ssu-Chin 29.79%; Chen, Ssu-Kai 28.72%
Yuan Sheng International Investment Co., Ltd.	Wu, Yuan-Sheng 25%; Lin, Shu-Yuan 25%; Wu, I-Hsin 25%; Wu, Shu-Hao 25%

1. Disclosure of the qualification of Directors and the Independency of Independent Directors

March 31, 2025

Qualification Name	Professional Qualification and Experiences (Note1)	Status of Independency (Note2)	Number of other public companies that the director serves concurrently as an independent director in such company
Director: Cheng, Hsi-Chien, representative of Ming An Investment Co., Ltd.	- The director has more than 20 years of working experience required by the Company's business. He graduated from School of Business Management in Meiji University. Currently, Mr. Cheng is the Company's Chairman. - The Director himself does not have any of the circumstances stated in Article 30 of the Company Act.	Not Applicable	None
Director: Liu, An-Hao, representative of Yuan Hong Investment Co., Ltd.	- The director has more than 20 years of working experience required by the Company's business. He graduated from National Taiwan University, School of Chemical Engineering. Currently, he serves as the Company's Vice Chairman and Vice President. - The Director himself does not have any of the circumstances stated in Article 30 of the Company Act.		
Director: Lin, Jui-Chang, representative of Fu Yuan Investment Co., Ltd.	- The director graduated from Soo Chow University, Dept. Of Accounting. Currently he is the Chairman of Taiwan Fu Hsing Industrial Co., Ltd., and a director in Chih Hsing Precision Machinery Co., Ltd., and Tailflex Scientific Co., Ltd. - The Director himself does not have any of the circumstances stated in Article 30 of the Company Act.		
Director: Tu, Hsiao-Fen	- The director has more than 15 years of working experience required by the Company's business. She possesses a MBA degree from University of Texas. Currently she is a director in the Company's business group. - The Director himself does not have any of the circumstances stated in Article 30 of the Company Act.		
Director: Chou, I-Nan	- The director has more than 20 years of working experience required by the Company's business and possess a Ph.D. degree in Mechanical Engineering granted by National Chiao Tung University. Currently, he is the CEO and a director in the Company. - The Director himself does not have any of the circumstances stated in Article 30 of the Company Act.	Not applicable	None

Qualification Name	Professional Qualification and Experiences (Note1)	Status of Independency (Note2)	Number of other public companies that the director serves concurrently as an independent director in such company
Independent Director: Wu, Ching-Tsai	- The director graduated from City University of New York and possesses a Ph.D. degree in Accountancy. He once served as Professor and Director of the Department of Accounting and Graduate School of Accounting, Director of the Graduate School of Finance and Economics, and Acting Chair of the Department of Economics at National Cheng Kung University. - The director concurrently is a supervisor in Fooyin University and a distinguished professor and visiting professor in Asia University. - The Director himself does not have any of the circumstances stated in Article 30 of the Company Act.	- The independent director, spouse and relative within 2nd degree (or under other's name) does not serve as a director, supervisor or employee of the Company, the Company's associates, or a company that has special relations with the Company. - The independent director himself and spouse does not hold the Company's shares, and his relative within 2nd degree (or under other's name) holds 7,000 shares of the Company (0%). - The independent director, in the latest 2 years, did not receive remunerations from the Company or from the Company's affiliates for providing commerce, legal, financial, or accounting services.	None
Independent Director: He, Yao-Hung	- The director graduated from the Ohio State University with a master's degree in industrial and system engineering, once was a partner and Executive Vice President in KPMG Taiwan, and a supervisor in Taiwan ITRI New Venture Association. - The director concurrently is an independent director of Leadtek Research Inc. and the convenor of Leadtek's Audit and Remuneration Committee, the General Manager of ETP Leadership Coach Consulting Ltd. Company, an independent director of Tainan Enterprise (Cayman) Co., Ltd., the general manager of Ledtech Electronics Corp., the general manager and also a director of Energyled Corporation. - The Director himself does not have any of the circumstances stated in Article 30 of the Company Act.	The independent director, spouse and relative within 2nd degree (or under other's name) does not hold the Company's shares and is not a director, supervisors or employee of the Company and the Company's affiliates or of enterprises with special relationship with the Company.	2
Independent Director: Chang, Hsueh-Pin	- The director holds a PhD in Mechanics and Aeronautics from Cornell University. - The director once was a full-time lecturer and vice principal in Kao Yuan University, College of Information Management, and was a consultant of Metal Industries R&D Center. - The director concurrently is an independent director and a committee member in the Audit and Remuneration Committee in China Steel Corporation, an independent director and the convenor of the Remuneration Committee, as well as an audit committee member in HIWIN MIKROSYSTEM CORP. - The Director himself does not have any of the circumstances stated in Article 30 of the Company Act.	The independent director, in the latest 2 years, did not receive remunerations from the Company or from the Company's affiliates for providing commerce, legal, financial, or accounting services.	2

Note 1: Professional qualification and experiences: state director and supervisor's professional qualification and experiences individually. If the Company has set up the Audit Committee and a committee member has expertise in accounting or finance, please provide on the member's

accounting or finance background, as well as the work experiences. In addition, please also indicate whether there is any circumstance as stated in Article 30 of the Company Law.

Note 2: For independent directors, qualifications on independency should be stated, which includes but not limit to matters in relation to whether the independent director, his/her spouse, and any of the within 2nd-degree relatives serves as a director, supervisor or employee in the Company or any of the Company's affiliated companies, whether the independent director, his/her spouse, and any of the within 2nd-degree relatives (or under different names) holds the Company's share and if any, should state the shareholding percentage, whether the independent director, his/her spouse, and any of the within 2nd-degree relatives serves as a director, supervisor, or employee in any companies that have specified relationship with the Company (please refer to Article 3-1, item 5-8, of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and remunerations received in the most two recent years in exchange for any commerce, legal, finance, and accounting services provided to the Company or its affiliated companies.

2. Diversification and Independency of the Board:

(1) Diversification of the Board

According to the relevant provisions of Article 20 of the company's "Corporate Governance Code of Practice", the composition of members should take diversity into consideration and formulate an appropriate diversity policy with respect to its own operation, business model and development needs, which should include but not limited to the following two major criteria: "basic condition and value" (such as age, gender, nationality, and culture) and "professional knowledge and skill" (professional background such as law, accounting, industry, finance, marketing or technology, professional skill and industrial experiences, etc...).

Board members should commonly process necessary knowledge, skill and qualifications that are required to perform his/her duty. In order to achieve the desired objectives of corporate governance, the Board of Directors as a whole should have the following competencies: ①Ability in operational judgement. ②Accounting and financial analytical abilities. ③Management ability. ④Crisis handling ability. ⑤Having industry related knowledge. ⑥Having visions on international market. ⑦Leadership ability. ⑧Decision-making ability.

·Disclosure on board diversification:

Core elements of diversification Name of Directors		Nationality	Gender	Whether also an employee of the Company	Age				Seniority as an independent director (years)	Professional Knowledge & Skills	Note
					41 ~ 50	51 ~ 60	61 ~ 70	71 ~ 80			
Director	Cheng, Hsi-Chien Representative of Ming An Investment Co., Ltd.	R.O.C.	M					✓	N/A	·Possess the operational judgment ability, management ability, crisis handling ability, industry knowledge, international market outlook, leadership ability, decision-making ability, risk management knowledge and ability required by the company's business. ·Graduated from Meiji University, School of Business Administration.	
Director	Liu, An-Hao Representative of Yuan Hong Investment Co., Ltd.	R.O.C.	M	✓				✓	N/A	·Possess the operational judgment ability, management ability, crisis handling ability, industry knowledge, international market outlook, leadership ability, decision-making ability, risk management knowledge and ability required by the company's business. ·Graduated from National Taiwan University, School of Chemical Engineering.	
Director	Lin, Jui-Chang Representative of Fu Yuan Investment Co., Ltd.	R.O.C.	M					✓	N/A	·Possess the operational judgment ability, management ability, crisis handling ability, industry knowledge, international market outlook, leadership ability, decision-making ability, risk management knowledge and ability required by the company's business. ·Graduated from SooChow University, Dept. Of Accounting.	
Director	Tu, Hsiao-Fen	R.O.C.	F	✓		✓			N/A	·Possess the operational judgment ability, management ability, crisis handling ability, industry knowledge, international market outlook, leadership ability, decision-making ability, risk management knowledge and ability required by the company's business. ·Graduated from the University of Texas with a master's degree in business administration.	
Director	Chou, I-Nan	R.O.C.	M	✓		✓			N/A	·Possess the operational judgment ability, accounting and financial analysis ability, operation management ability, crisis handling ability, industry knowledge, international market outlook, leadership ability, decision-making ability, risk management knowledge and ability required by the company's business. ·Graduated from National Chiao Tung University and possesses a Ph.D. in Mechanical Engineering.	
Independent Director	Wu, Ching-Tsai	R.O.C.	M					✓	Within 3 years	·Possess the operational judgment ability, accounting and financial analysis ability, management ability, crisis handling ability, industry knowledge, international market outlook, leadership ability, decision-making ability, risk management knowledge and ability required by the company's business. ·Graduated from City University of New York with a doctoral degree in Accounting.	

Core elements of diversification Name of Directors		Nationality	Gender	Whether also an employee of the Company	Age				Seniority as an independent director (years)	Professional Knowledge & Skills	Note
					41 ~ 50	51 ~ 60	61 ~ 70	71 ~ 80			
Independent Director	He, Yao-Hung	R.O.C.	M				✓		3 to 6 years	· Possess the operational judgment ability, management ability, crisis handling ability, industry knowledge, international market outlook, leadership ability, decision-making ability, risk management knowledge and ability required by the company's business. · Graduated from The Ohio University Master with a master's degree in industrial systems.	
Independent Director	Chang, Hsueh-Pin	R.O.C.	M					✓	3 to 6 years	· Possess the operational judgment ability, management ability, crisis handling ability, industry knowledge, international market outlook, leadership ability, decision-making ability, risk management knowledge and ability required by the company's business. · Holds a PhD in Mechanics and Aeronautics from Cornell University and is the deputy principal and honorary professor at Kao Yuan University.	

The Company re-elected the 9th board of directors on November 26, 2021 in accordance with the policy of diversification and set up 8 directors (including 4 independent directors). 4 independent directors account for 50% of the total number of directors, of which 3 independent directors have a tenure of less than 3 years.

Age of members of the board of directors are between 50 to 80 years old, and they are all sages in the industry and academia. Among them, three board members have obtained a doctorate degree, and one director has an CPA certificate; members of the Board possess multi-industrial complementary capabilities. Background of the directors covers industry, finance and accounting, technology and management. Board members actively attended board meetings. During the period from January 1, 2024 to May 27, 2024, the 9th board of directors truly monitored and understood the implementation of operational plans; the personal attendance rate was 100%.

The Company, on May 27th, 2024, re-elect the 10th term board of directors, 8 directors (including 3 independent directors) were elected, and the election was carried out also in line with the Company's diversification policy. 3 independent directors accounted for 37.5% of the total number of directors, of which 1 independent director was appointed for a term of less than 3 years and 2 independent directors were appointed for a term of 3 to 6 years. In addition, the Company also emphasizes gender distribution in the composition of the Board of Directors. Currently, the Company has 1 female director, accounting for 12.5% of the total members. In the future, the Company also plans to increase the number of female directors by taking gender equality into consideration, with the goal that one-third or more of the board seats will be held by each gender.

The 10th Board of Directors, aged 50~80 years old, are leaders in the industry and academia, of which 3 board members holding doctoral degrees, representing 38% of the board members with doctoral degrees, and spanning across various industry sectors with diverse and complementary characteristics, director's professional knowledge and skill backgrounds covering various aspects of industry, finance, technology and management. Board members also actively attended board meetings. In 2024, the 10th Board of Directors had 95% personal attendance rate and truly monitored and understood the implementation of operational plans.

(2) The independency of the 10th Board of Directors

3 independent directors account for 37.5% of the directors, among which 1 independent director has a tenure of less than 3 years, and 2 independent directors have tenure between 3~6 years.

Among the general directors, there are 3 directors who are employees of the Company, Mr. Cheng, Hsi-Chien, is the chairman of the board, Mr. Liu, An-hao, the vice chairman of the Company, are 2nd degree relatives, related by marriage. There are no other matters as specified in Article 26-3, Item 3 and Item 4 of the Securities and Exchange Act.

(3) Management goal of the Board and the Achievement status

Management Goal	Achievement
More than half of the independent directors shall serve no more than three consecutive terms.	Achieved. Currently there are 3 independent directors that have continuous term of office as directors for no more than 3 terms.
Director's attendance in the board meeting shall exceed 85%.	Achieved. In 2024, the participation rate was 98%.

(II) Information on the CEO, Vice General Manager, Director, and superintendents of all the company's groups and branch units

March 31, 2025

Title	Nationality	Name	Gender	Post Beginning Date (m/d/y)	Shareholding		Shareholding of Spouse and Minors		Shareholding under Other's Name		Education & Experiences	Post in other company concurrently	Manager who is a spouse or a within 2 nd degree relative			Note
					Shares	Stake(%)	Shares	Stake(%)	Shares	Stake(%)			Title	Name	Relationship	
CEO	R.O.C.	Chou, I-Nan	M	3/1/2012	156,413	0.10%	20,000	0.01%	0	0%	Doctoral degree in Mechanical Engineering, National Chiao Tung University	CEO/Launch Technologies Co., Ltd. Director/Advanced Sporting Goods (Dongguan) Co., Ltd. Director/Advanced International Multitech(Vietnam) Co., Ltd.	None	None	None	None
Vice General Manager	R.O.C.	Liu, An-Hao	M	7/1/1998	919,906	0.59%	440,894	0.28%	0	0%	National Taiwan University, School of Chemical Engineering Deputy Director of a chemical fiber factory of Tainan Spinning Co., Ltd.	Director/Ming An Investment Co., Ltd. Director/Advanced International Multitech(Vietnam) Co., Ltd. Director/Launch Technologies Co., Ltd.	Chairman	Cheng, Hsi-Chien	Affinity	None
Vice General Manager	R.O.C.	Li, Mei-Chuan	F	12/10/2007	33,475	0.02%	0	0%	0	0%	TungHai University, Dept. Of Accounting Passed the National CPA exam in 1992 CFO in Stark Technology Inc. (LITEON) CFO in Advanced International Multitech Co., Ltd.	Vice President in Launch Technologies Co., Ltd.	None	None	None	None
Vice General Manager	R.O.C.	Yang, Chih-Ming	M	1/1/2011	24,317	0.02%	0	0%	0	0%	National Cheng Kung University, Dept. Of Aeronautics and Astronautics, Structures Team Special Assistant in Taiwan Green Point Enterprise Co., Ltd. Vice President in Ariose Electronic Co., Ltd. A researcher in the Materials Lab of the ITRI	None	None	None	None	None
Vice General Manager	R.O.C.	Lu, Ying-Cheng	M	12/1/2021	84,000	0.05%	0	0%	0	0%	PhD in Electrical Engineering, University of Texas at Dallas Technical Director in Metal Industries Research and Development Centre An independent director and a committee member of the Audit Committee and Remuneration Committee in UTECHZONE Co., Ltd. An independent director and a committee member of the Audit Committee and Remuneration Committee in Ying Han Technology Co., Ltd. CEO of Launch Technologies Co., Ltd.	Director of Launch Technologies Co., Ltd.	None	None	None	None
Vice General Manager	R.O.C.	Wang, Chih-Wen	M	01/01/2016	28,651	0.02%	11,459	0.01%	0	0%	Bachelor's degree from the Dept. of Mechanical Engineering of National Chung Hsing University	Director/Advanced Sporting Goods (Dongguan) Co., Ltd.	None	Nome	None	None
Senior Director	R.O.C.	Hsueh, Hung-Jung	M	7/26/2016	20,000	0.01%	1,000	0%	0	0%	Master's degree from Dept. Of Environmental and Occupational Health, College of Medicine, National Cheng Kung University Manager of Jia Dah Chemical Industrial Co., Ltd. Deputy Director of Southern District Center of the Occupational Safety and Health Administration, Ministry of Labor	None	None	None	None	None

March 31, 2025

Title	Nationality	Name	Gender	Post Beginning Date (m/d/y)	Shareholding		Shareholding of Spouse and Minors		Shareholding under Other's Name		Education & Experiences	Post in other company concurrently	Manager who is a spouse or a within 2 nd degree relative			Note
					Shares	Stake(%)	Shares	Stake(%)	Shares	Stake(%)			Title	Name	Relationship	
Vice General President	R.O.C.	Tu, Hsiao-Fen	F	1/1/2019	902,864	0.58%	0	0%	0	0%	Master of Business Administration, University of Texas	None	None	None	None	None
Director	R.O.C.	Liu, Chih-Lung	M	1/1/2019	29,434	0.02%	5,000	0%	0	0%	Dept. Of Fiber Engineering Technology (Dept. Of Material Science and Engineering) of National Taiwan University of Science and Technology	None	None	None	None	None
Director	R.O.C.	Cheng, Feng-Yao	M	7/1/2021	1,330,151	0.86%	0	0%	0	0%	Bachelor's degree in physics in National Tsing Hua University	CEO/Advanced Sporting Goods (Dongguan) Co., Ltd. CEO/Advanced International Multitech (Vietnam) Corporation Ltd.	Chairman	Cheng, Hsi-Chien	Father-Son	None
Director	R.O.C.	Kuo, Yi-Mao	F	7/1/2021	18,057	0.01%	0	0%	0	0%	MBA in National Sun Yat-Sen University Finance Manager in Launch Technologies Co., Ltd.	None	None	None	None	None
Director	R.O.C.	Chen, Chun-Chung	M	2/1/2019	23,295	0.02%	4,115	0%	0	0%	Master of Electronic Engineering, I-Shou University Manager in Customer Service Dept. of the Welltrend Technology Corporation	CEO/Advanced International Multitech (Vietnam) Corporation Ltd	None	None	None	None

(III) If the Chairman of the Company and the General Manager or a person of equivalent position (top manager) are the same person, the spouse or first-degree relatives, the reason, rationality, necessity and countermeasures shall be explained: Not applicable.

II Remuneration paid to directors (including independent director), general manager, and vice general manager in current fiscal year (2024):

(I)Remunerations paid to general directors and independent directors

Unit: NT\$1,000

Title	Name	Remuneration paid to directors								Summation of A, B, C and D to NIAT (%)	When concurrently an employee, the remuneration received								Summation of A, B, C, D, E, F and G to NIAT (%)	Remuneration received from investments other than subsidiaries or mother company		
		Remuneration (A)		Retirement Payment (B)		Director's compensation(C)		Expense associated with business execution(D)			Salary, rewards, and special fees, etc. (E)		Retirement Payment (F)		Employee's compensation (G)							
		The Company	All companies in the consolidated report	The Company	All companies in the consolidated report	The Company	All companies in the consolidated report	The Company	All companies in the consolidated report	The Company	All companies in the consolidated report	The Company	All companies in the consolidated report	The Company	All companies in the consolidated report	The Company		All companies in the consolidated report			The Company	All companies in the consolidated report
																Cash	Stock	Cash	Stock			
Corporate Director (Chairman)	Cheng, Hsi-Chien (Representative of Ming An Investment Co., Ltd.)	8,970	9,282	0	0	6,141	6,142	410	680	Total amount of 15,521, accounting to 1.49% of NIAT	Total amount of 16,104, accounting to 1.54% of NIAT	14,388	15,280	133	133	556	0	556	0	Total amount of 30,598 accounting to 2.93% of NIAT	Total amount of 32,073, accounting to 3.08% of NIAT	None
Corporate Director	Liu, An-Hao (representative of Yuan Hong Investment Co., Ltd.)																					
Corporate Director	Lin, Jui-Chang (representative of Fu Yuan Investment Co., Ltd.)																					
Director	Chou, I-Nan																					
Director	Tu, Hsiao-Fen																					
Independent Director	Hung, Li-Jung	325	325	0	0	3,758	3,758	340	340	Total amount of 4,423, accounting to 0.42% of NIAT	Total amount of 4,423, accounting to 0.42% of NIAT	0	0	0	0	0	0	0	0	Total amount of 4,423, accounting to 0.42% of NIAT	Total amount of 4,423, accounting to 0.42% of NNIAT	None
Independent Director	Wu, Ching-Tsai																					
Independent Director	Chang, Hsueh-Pin																					
Independent Director	He, Yao-Hung																					
Independent Director	Chen, Yu-Lin																					
1.Please explain company's policy on independent director's remuneration, system, standard, and structure, and state the correlation between remuneration paid to independent directors and his work job responsibility, risk, invested time, and other related factors: The Company's remuneration policy for independent directors' remuneration policy is the same as directors' remuneration policy. Reasonable payments are given in consideration of the company's operating results and their contribution to the company's performance. The payment is also handled in accordance with the company's "Employee Remuneration and Director Remuneration Payment Measures". The payment plan should be reviewed by the Remuneration Committee and submit for approval at the Board Meeting, and the Chairman is authorized to handle the distribution. The payment plan will be reviewed at any time depending on the actual operating conditions and relevant laws and regulations. 2. Except for the above disclosure, remunerations paid to directors for providing services (such as serving as a non-employee type consultant for the parent company/all the companies listed in the financial statement/reinvested enterprises) during the most current fiscal year: None.																						

Note: The remuneration disclosed in this form is different from the concept of income stated in the Income Tax Act. Hence, this form is for information disclosure and not for taxation purpose.

Table of the Range of Remunerations

Range of remuneration paid to the Company's directors	Name of Directors			
	Total of the first 4 remunerations (A+B+C+D)		Total of the first 7 remuneration(A+B+C+D+E+F+G)	
	The Company	All companies in the consolidated report	The Company	All companies in the consolidated report
Less than\$ 1,000,000	Hung, Li-Jung; Wu, Ching-Tsai; Chen, Yu-Lin; Chou, I-Nan	Hung, Li-Jung; Wu, Ching-Tsai; Chen, Yu-Lin; Chou, I-Nan	Hung, Li-Jung; Wu, Ching-Tsai; Chen, Yu-Lin	Hung, Li-Jung; Wu, Ching-Tsai; Chen, Yu-Lin
\$1,000,000 (including)~\$2,000,000 (excluding)	Lin, Jui-Chang (representative of Fu Yuan Investment); He, Yao-Hung; Chang, Hsueh-Pin; Liu, An-Hao (representative of Yuan Hong Investment); Tu, Hsiao-Fen	Lin, Jui-Chang (representative of Fu Yuan Investment); He, Yao-Hung; Chang, Hsueh-Pin; Liu, An-Hao (representative of Yuan Hong Investment); Tu, Hsiao-Fen	Lin, Jui-Chang (representative of Fu Yuan Investment); He, Yao-Hung; Chang, Hsueh-Pin	Lin, Jui-Chang (representative of Fu Yuan Investment); He, Yao-Hung; Chang, Hsueh-Pin
\$2,000,000 (including)~\$3,500,000 (excluding)				
\$3,500,000 (including)~\$5,000,000 (excluding)			Tu, Hsiao-Fen	Tu, Hsiao-Fen
\$5,000,000 (including)~\$10,000,000 (excluding)			Liu, An-Hao (representative of Yuan Hong Investment Co., Ltd.); Chou, I-Nan	Liu, An-Hao (representative of Yuan Hong Investment Co., Ltd.); Chou, I-Nan
\$10,000,000 (including)~\$15,000,000 (excluding)	Cheng, Hsi-Chien (representative of Advanced International Multitech)	Cheng, Hsi-Chien (representative of Advanced International Multitech)	Cheng, Hsi-Chien (representative of Advanced International Multitech)	Cheng, Hsi-Chien (representative of Advanced International Multitech)
\$15,000,000 (including)~\$30,000,000 (excluding)				
\$30,000,000 (including)~\$50,000,000 (excluding)				
\$50,000,000 (including)~\$100,000,000 (excluding)				
More than 100,000,000				
Total	10 persons	10 persons	10 persons	10 persons

(II) Remunerations paid to CEO and Vice General Manager

(17) Remunerations paid to CEO and Vice General Manager														
Title	Name	Salary (A)		Retirement Payment (B)		Bonus and Special Fees (C)		Employee Compensations (D)				Summation of A, B, C, and D to NIAT (%)		Remuneration received from investments other than subsidiaries or mother company
		The Company	All companies in the consolidated report	The Company	All companies in the consolidated report	The Company	All companies in the consolidated report	The Company		All companies in the consolidated report		The Company	All companies in the consolidated report	
								Cash	Stock	Cash	Stock			
CEO	Chou, I-Nan	13,592	16,448	672	764	9,756	10,233	1,931	0	1,931	0	Total amount of 25,951, accounting to 2.49% of NIAT	Total amount of 29,376, accounting to 2.82% of NIAT	None
Vice General Manager	Liu, An-Hao													
Vice General Manager	Li, Mei-Chuan													
Vice General Manager	Yang, Chih-Ming													
Vice General Manager	Lu, Ying-Cheng													
Vice General Manager	Wang, Chih-Wen													

Note: The remuneration disclosed in this form is different from the concept of income stated in the Income Tax Act. Hence, this form is for information disclosure and not for taxation purpose.

Table of the Range of Remunerations

Range of remuneration paid to the Company's General Manager and Vice General Manager	Name of General Manager and Vice General Manager	
	The Company	All companies in the consolidated report
Less than\$ 1,000,000		
\$1,000,000 (including)~\$2,000,000 (excluding)		
\$2,000,000 (including)~\$3,500,000 (excluding)	Yang, Chih-Ming; Lu, Ying-Cheng	Yang, Chih-Ming
\$3,500,000 (including)~\$5,000,000 (excluding)	Liu, An-Hao; Li, Mei-Chuan; Wang, Chih-Wen	Liu, An-Hao; Li, Mei-Chuan; Wang, Chih-Wen; Lu, Ying-Cheng
\$5,000,000 (including)~\$10,000,000 (excluding)	Chou, I-Nan	Chou, I-Nan
\$10,000,000 (including)~\$15,000,000 (excluding)		
\$15,000,000 (including)~\$30,000,000 (excluding)		
\$30,000,000 (including)~\$50,000,000 (excluding)		
\$50,000,000 (including)~\$100,000,000 (excluding)		
More than 100,000,000		
Total	6 persons	6 persons

(III) Names of managers receiving employee's compensation and the allocation

December 31, 2024/ Unit: NT\$1,000

	Title	Name	Amount of Stock	Amount of Cash	Total	Total amount to NIAT (%)
Manager	Vice Chairman & Vice General Manager	Liu, An-Hao	0	833	833	0.08%
	CEO	Chou, I-Nan				
	Vice General Manager	Li, Mei-Chuan				
	Vice General Manager	Yang, Chih-Ming				
	Vice General Manager	Lu, Ying-Cheng				
	Financial supervisor/Accounting supervisor/Corporate Governance supervisor/Director	Kuo, Yi-Miao				
	Senior Director	Hsueh, Hung-Jung				
	Vice General Manager	Wang, Chih-Wen				
	Senior Director	Tu, Hsiao-Fen				
	Director	Liu, Chih-Jung				
	Director	Chen, Chun-Chung				
	Director	Cheng, Feng-Yao				

(IV) Analysis on the ratio of total amount of the Company and all the companies in the consolidated report paid to the Company's directors, supervisors, general manager and vice general manager to the net income after tax in the most recent two years, and explain the payment policy, standards, combinations, procedure of the payment plan, and the relationship between operational performance and future risks.

1. The following table showed the percentage of the total compensation paid to the Company's directors, general manager and vice general manager to the Company's net income after tax (NIAT) for the most recent two years:

Title \ Year	2023				2024			
	Total Remuneration Paid		% of Remuneration paid to NIAT		Total Remuneration Paid		% of Remuneration paid to NIAT	
	The Company	All companies in financial reports	The Company	All companies in financial reports	The Company	All companies in financial reports	The Company	All companies in financial reports
Directors	39,312	41,400	57%	60.03%	35,021	36,496	3.36%	3.50%
CEO and Vice General Manager	39,500	44,676	57.27%	64.78%	25,951	29,376	2.49%	2.82%

2. The policy, criteria and mix of compensation, the procedures for setting the compensation, and its relationship to operating results and future risks.
 - (1) The Company's compensation paid to directors includes remuneration, traveling expenses, director's emoluments, and business implementation expenses four major elements. In addition to the principal salary, according to the Articles of Incorporation and the Regulations Governing Employee Compensation and Directors' Remuneration, managers shall also be entitled to salary increments, performance bonuses, and employee compensation based on the grade and performance of the manager.
 - (2) Procedures for setting the compensation
Article XXIV of the Articles of Incorporation stated "The remuneration of the Directors shall be determined by the Board of Directors in accordance with each Director's

involvement in and contribution to the Company's operation and also taking into consideration the standards of the industry. As for independent directors, the Company shall set reasonable remunerations, which are different from general directors", and Article XXIX stated "The Company shall distribute employee remuneration at no less than 1% of the current year's earnings and shall distribute directors' remuneration at no more than 5% of the current year's earnings. However, if the Company still has accumulated losses, it shall make up losses first.

Employee remuneration may be paid in stock or cash, and the recipients of the stock or cash may include employees of affiliated companies who meet certain conditions. The earnings of the current year referred to in the paragraph 1 refers to the current year's pre-tax profit after deducting remunerations paid to employees and directors. The distribution of employee remuneration and director remuneration shall be made by the board of directors with the resolution of more than two-thirds of the directors present and the approval of more than half of the directors presenting in the meeting and shall report to the shareholders' meeting."

The compensation of directors is based on the extent of their participation in and contribution to the Company's operations and takes the results of the evaluation of their performance into consideration and is handled in accordance with the provisions of the Company's Articles of Incorporation and the Regulations Governing the Payment of Employees' and Directors' Remuneration.

As for managers, the compensation is determined according to the degree of participation and his/her contribution to the operation of the Company and by reference to the industry standard, and the payment of manager's bonus depends on the amount of the Company's surplus, the performance of the Company's operation and by reference to the industry standard.

The Company established Remuneration Committee on December 8, 2021. The Committee regularly reviews the policies, system, standards and structures for performance evaluation and compensation of directors and managers; and periodically evaluates and reviews the contents and amounts of directors' and managers' compensation and submits the review to the Board of Directors for resolution.

(3) Relationship to operating results and future risks

The Company periodically evaluates the remuneration of its directors and managers based on the extent of their participation in the Company's operations and their contribution to the Company's individual performance, and in accordance with the "Regulations Governing the Payment of Employee Compensation and Directors' Remuneration" adopted by the Board of Directors of the Company. Directors and managers are entitled to reasonable remuneration in the event of any moral hazard or other risky events that may adversely affect the Company's image or goodwill, mismanagement of internal control, personnel malpractice, etc., which shall be calculated by taking into account the rate of achievement of the objectives of the Directors and managers, the effectiveness of the operation, the degree of contribution of the Directors and manager, and such will be reviewed from time to time in light of actual business conditions and relevant laws and regulations.

The performance evaluation and remuneration of the Company's directors and managers are conducted with reference to their positions, the extent of their participation in the Company's operations (including the attendance rate of directors, frequency of communication, and provision of advice, etc...), their personal performance contribution (including financial indicators such as revenue and profitability achievement rate, and non-financial indicators such as legal and regulatory compliance, occurrence of ethical risk events, or other risk events causing negative impacts on the Company's image and goodwill, internal management failures, personnel malpractices, internal control compliance, ESG performance indicators, etc...), and the general level of the industry, and, moreover, considers comprehensively the amount of compensation, the method of payment, and the risks faced by the Company in the future, which are highly correlated with his/her responsibilities for the Company's operation and overall performance.

III Corporate Governance Practices

(I) The operation of the board

In 2024, 10 board meetings were held with director's (including independent directors) participation status as below:

Title	Name	Attendance in person (B)	Attendance in proxy	Actual attendance rate (%) 【B/A】	Note
Chairman	Cheng, Hsi-Chien (representative of Ming An Investment Co., Ltd.)	9	0	90%	
Director	Liu, An-Hao (representative of Yuan Hong Investment Co., Ltd.)	10	0	100%	
Director	Lin, Jui-Chang (representative of Fu Yuan Investment Co., Ltd.)	10	0	100%	
Director	Chou, I-Nan	5	0	100%	Newly elected directors during the General Shareholders' Meeting on May 27, 2024. (Should attend 5 meetings this term)
Director	Tu, Hsiao-Fen	9	0	90%	
Independent Director	Hung, Li-Jung	5	0	100%	Resignation of director position at the General Shareholders' Meeting on May 27, 2024. (Should attend 5 meetings this term)
Independent Director	Wu, Ching-Tsai	5	0	100%	Newly elected directors during the General Shareholders' Meeting on May 27, 2024. (Should attend 5 meetings this term)
Independent Director	He, Yao-Hung	10	0	100%	
Independent Director	Chang, Hsueh-Pim	10	0	100%	
Independent Director	Chen, Yu-Lin	5	0	100%	Resignation of director position at the General Shareholders' Meeting on May 27, 2024. (Should attend 5 meetings this term)

Other matters should be reported:

1.If the board meeting has any of the following situations, matters including date of the board meeting, term of the meeting, contents of the proposals, opinion expressed by all the independent directors and the Company's response to independent directors:

(1) Matters stated in Article 14-3 of the Securities and Exchange Act: In accordance with Article 14-5 of the Securities and Exchange Act, if an audit committee has been established, the provisions of Article 14-3 of the Securities and Exchange Act shall not apply. For related information, please refer to page __ of this annual report, "The Operation of the Audit Committee".

(2) In addition to the aforementioned matters, other resolutions of the board of directors that have been objected or expressed a reserve opinion by independent directors and have records or written statements: None.

2.The implementation to avoid motions with matters bearing on director's personal interests. Name of director, contents of the motion, reasons to avoid conflicts of interests, and the voting situation.

The 15th Board Meeting of the 9th Term (January 31, 2024)

Important resolutions	Directors having conflict of interest situation, the reason to avoid the situation, and the voting situation
1. To review the plan of 2023 2H managers' performance bonus. 2. To review the plan of manager's 2023 year-end bonus. 3. To review the 2024 salary adjustment plan to managers.	Director Cheng Hsi-Chien, Liu An-Hao, Tu Hsiao-Fen, Chou, I-Nan and Kuo Yi-Miao, did not participate in the discussion and voting due to the concern of conflict of interest. Hence, the independent director, Hung, Li-Jung, was appointed to be the acting chair of the meeting. Audit, Yeh, Hsiu-Chun, temporary acted in to record.
4. The Company's 2024 operation plan. 5. To open accounts, make deposits and borrowings, and to apply for or renew quotas from financial institutions in order to meet the needs of banking and loan procedures and capital adjustments. 6. Matters relating to the short-term financing contract signed by subsidiary, ADVANCED INTERNATIONAL MULTITECH (VIETNAM) CO., LTD. 7. Matters relating to the short-term financing contract signed by subsidiary, Launch Technologies Co., Ltd. 8. The Company to add an additional proxy spokesperson.	Liu, An-Hao, Vice Chairman and the representative of Yuan Hong Investment Co., Ltd.) had to leave the meeting due to another important meeting, and the following motions would not be discussed and voted on.

The 16th Board Meeting of the 9th Term (February 29, 2024)

Important resolutions	Directors having conflict of interest situation, the reason to avoid the situation, and the voting situation
1. To review the 2024 salary adjustment plan to managers	Director Cheng Hsi-Chien, Liu An-Hao, Tu Hsiao-Fen, Chou, I-Nan and Kuo Yi-Miao, did not participate in the discussion and voting due to the concern of conflict of interest. Hence, the independent director, Hung, Li-Jung, was appointed to be the acting chair of the meeting. Audit, Yeh, Hsiu-Chun, temporary acted in to record.

The 2nd Board Meeting of the 10th Term (June 13, 2024)

Important resolutions	Directors having conflict of interest situation, the reason to avoid the situation, and the voting situation
1. The appointment of the 6 th term Remuneration Committee members.	Independent directors, Wu, Ching-Tsai, Chang, Hsueh-Pin, and He, Yao-Hung, did not participate in the discussion due to the concern of conflict of interest.

The 3rd Board Meeting of the 10th Term (August 2, 2024)

Important resolutions	Directors having conflict of interest situation, the reason to avoid the situation, and the voting situation
1. The 2023 Remuneration Plan to Independent Directors.	Independent directors, He Yao-Hung and Chang Hsueh-Pin, refrained from participating in the discussion and voting due to the concern of conflict of interest.
2. The 2023 Remuneration Plan to Directors (excluding Independent Directors).	Director, Cheng Hsi-Chien, Liu An-Hao, Tu Hsiao-Fen, and Lin Jui-Chang, refrained from participating in the discussion and voting due to the concern of conflict of interest. Hence, the independent director, Wu, Ching-Tsai, was appointed to be the acting chair in the meeting.
3. The 2024 salary adjustment plan to managers	Director, Cheng Hsi-Chien, Liu An-Hao, Tu Hsiao-Fen, Chou I-Nan and manager, Kuo Yi-Miao, refrained from participating in the discussion and voting due to the concern of conflict of interest. Hence, the independent director, Wu, Ching-Tsai, was appointed to be the acting chair in the meeting.
4. The 2023 Remuneration Plan to managers and employees.	Managers, Liu An-Hao, Tu Hsiao-Fen, Chou I-Nan, and Kuo Yi-Miao, refrained from participating in the discussion and voting due to the concern of conflict of interest.
5. The proposed distribution of 2024 first half performance bonus for managers	
6. The 2024 bonus distribution to managers	

3. TWSE/TPEX listed companies shall disclose information such as the evaluation cycle and period, evaluation scope, method, and evaluation content in relation to the evaluation the board of directors itself (or peer).

Evaluation Cycle	Once per year
Evaluation Period	Evaluation of the performance of the Board of Directors for the period January 1, 2024 to December 31, 2024
Scope of the evaluation	Performance evaluation is carried out for the board of directors, individual directors, and functional committees (Remuneration Committee and Audit Committee).
Evaluation Process	Each deliberation unit of the board of directors collects and scores the implementation results based on the "Board Evaluation Form" and "Functional Committee Evaluation Form", and the board members are requested to fill out the "Director Self-Assessment Questionnaire", which are collected and scored by the deliberation unit. The scoring results are sent to report in the board of directors meeting. The evaluation process should be completed before the latest board of directors meeting in the following year.
Contents of evaluations	1. Five major aspects for evaluating the board's performance: (1) level of the participation in the Company's operation; (2) the promotion of the board meeting's decision-making quality; (3) the composition and structure of the board; (4) the election of board members and member's continuous education; (5) internal control. 2. Six major aspects for board member's self-evaluation: (1) the mastery of company goals and assignments; (2) the comprehension on director's responsibilities; (3) level of participation in the Company's operation; (4) management and communication with internal relationship; (5) director's professional and continuing education; (6) internal control. 3. Five major aspects for evaluating functional committee (Remuneration Committee and Audit Committee): (1) level of participation in the Company's operation; (2) the comprehension on the responsibilities of a functional committee; (3) the promotion of functional committee's decision-making quality; (4) the composition of a functional committee and the election of the committee members; (5) internal control.

Evaluation results on 2024 board performance:

In January 2025, the Company has completed the evaluation on the performance of the board, board members' self-assessments, and performance assessment of the functional committees. The evaluation results are good. The board of directors functions well.

Evaluation on the performance of the Board	Board member's self-assessments	Evaluation on functional committees (Audit Committee and Remuneration Committee)	
		Audit Committee	Remuneration Committee
99% achieved	99.24 achieved	100% achieved	99.25% achieved
The overall board of directors' evaluation index consists of five major aspects, with an achievement rate of 99%, all of which are executed in accordance with laws and regulations and related risks are controlled, indicating that the overall board of directors operates well and meets the needs of corporate governance.	The board members' self-assessment indicators include six major aspects, with an average score of 4.98 and an achievement rate of 99.24%, indicating that the directors have a positive and high evaluation view on the overall operation and implementation of the board.	Member of the Audit Committees in 2024 all actively participated in the discussion of all motions, and performed their duties competently and diligently in supervising the compliance with laws and regulations, risk control, and auditing matters, which were in line with the needs of corporate governance	The overall operation of the Remuneration Committee is mature, and the committee members are competent in supervising the compliance with relevant laws and regulations, risk control and fact checking.

Suggestions to the Board and functional committees:

In 2024, the Company's Board of Directors, Board members, Audit Committee and Remuneration Committee as a whole met their targets, and the Directors and the functional committees have exercised due diligence in meeting the corporate governance requirements.

The Company will continuously enhance the operation efficacy of the Board of Directors and functional committee, invite professionals from time to time to provide diversified and up-to-date education and market information in order to enhance the understanding and participation of the Directors in the operation of the Company, as so as improve the quality of decision-making and strengthen the functions of the Board and functional committees.

Remark: For the performance evaluation report of the Board of Directors, please refer to the Company's official website: <https://www.adgroup.com.tw/page/about/index.aspx?kind=271&lang=TW>

Submission dates to the board of directors for review for the past 2 years:

Year	Date of Submission and Approval by the Board Meeting
2023	January 31, 2024
2024	January 16, 2025

4. The goals of strengthening the board of directors' functions in the current year and the most recent year (such as the establishment of an audit committee, information transparency improvement, etc.) and the evaluation of the implementation:

- (1) In order to carry out corporate governance and improve the functions of the board of directors, the Remuneration Committee was established on December 08, 2011, and Audit Committee were established on November 26, 2021. The operation of the functional committees is held in accordance with the organizational regulations and terms of reference, and the suggestions are submitted to the board of directors for discussion and resolution.
- (2) The Company well discloses various operational related information, financial information, corporate governance, and sustainable development promotion and implementation information in the annual report, company website, and the Market Observation Post System to enhance information transparency.

(II) The operation of Audit Committee

The Company set up the Audit Committee on November 26, 2021 to replace the duties of the supervisors. The operation of the audit committee is to supervise the fair expression of the Company's financial statements, the appointment (dismissal) of certified accountants, as well as the evaluation on accountant's independency and performance, the effective implementation of the Company's internal control, law compliance, and the management and control of the Company's existing and potential risks. The audit committee shall also make and submit suggestions to the Board for discussion.

●The operation of Audit Committee:

- 1.The Company's audit committee has a total of 4 members, composed of all the independent directors.
- 2.Term of the office of the current committee: From May 27, 2024 to May 26, 2027. Currently (2024), the Audit Committee organized 8 meetings (A), and the participation situation of independent directors as below:

Title	Name	Attendance in person(B)	Attendance in proxy	Actual attendance rate (%) 【B/A】	Note
Independent Director	Hung, Li-Jung	4	0	100%	Dismissal after re-election at the General Shareholders' Meeting on May 27, 2024. (Should attend 4 meetings in 2024.)
Independent Director	Wu, Ching-Tsai (Convener)	4	0	100%	Newly after re-election at the General Shareholders' Meeting on May 27, 2024. (Should attend 4 meetings in 2024.)
Independent Director	He, Yao-Hung	8	0	100%	
Independent Director	Chang, Hsueh-Pin	8	0	100%	
Independent Director	Chen, Yu-Lin	4	0	100%	Dismissal after re-election at the General Shareholders' Meeting on May 27, 2024. (Should attend 4 meetings in 2024.)

Other matters shall be recorded:

- 1.Should the operation of audit committee have any of the following situation, matters including the date of the meeting, the period, content of the motion, independent director's objections, reservations, or major recommendations, the results of the Audit Committee's resolutions, and how the Company's reacts to audit committee's opinions should be recorded.
 - ①The matters set up in Article 14-5 of the Securities and Exchange Act.
 - ②In addition to aforementioned matters, any other matters that have not approved by the Audit Committee but are resolved by more than two-third of the board members: None.

13th Meeting of the 1st term of Audit Committee (February 20, 2024)

Important resolutions	Results of Audit Committee Resolutions	The Company's response to Audit Committee's suggestions
1. OEM contract signed by the Company's subsidiary, ADVANCED INTERNATIONAL MULTITECH (VIETNAM) CORPORATION LTD. 2. Factory expansion of the Company's subsidiary, ADVANCED INTERNATIONAL MULTITECH (VIETNAM) CORPORATION.	Approved by all the members in the Audit Committee	Approved by all the presenting directors

14th Meeting of the 1st term of Audit Committee (February 29, 2024)

Important resolutions	Results of Audit Committee Resolutions	The Company's response to Audit Committee's suggestions
1. The report of 2023 Business Report and Financial Reports 2. The 2023 earnings distribution proposal. 3. The proposal to distribute cash by capital surplus. 4. The 2023 "Assessment of the effectiveness of the internal control system" and the "Internal Control Statement". 5. The proposal to provide loans of USD10,000 thousand to the Company's 100% owned subsidiary, ADVANCED INTERNATIONAL MULTITECH (VIETNAM) CORPORATION LTD. 6. To amend partial articles of the Company's "Operating procedures of Loaning Funds to Others" 7. To amend partial articles of the Company's "Organizational Procedures of the Audit Committee", "Payroll Cycle", and "Production Cycle". 8. The independence and competence assessment of certified Public Accountant. 9. The appointment of Certified Public Accountant.	Approved by all the members in the Audit Committee	Approved by all the presenting directors

15th Meeting of the 1st term of the Audit Committee (April 15, 2024)

Important resolutions	Results of Audit Committee Resolutions	The Company's response to Audit Committee's suggestions
1. The proposal to conduct share swap with Launch Technologies Co., Ltd. by issuing new shares to acquire 100% of Launch Technologies Co., Ltd. and the proposal to issue new shares to increase capital. 2. To amend partial articles of the Company's "Operating Procedures of Loaning Funds to Others".	Approved by all the members in the Audit Committee	Approved by all the presenting directors

16th Meeting of the 1st term of the Audit Committee (May 9, 2024)

Important resolutions	Results of Audit Committee Resolutions	The Company's response to Audit Committee's suggestions
1. The report of the 2024 Q1 financial statements.	Approved by all the members in the Audit Committee	Approved by all the presenting directors

1st Meeting of the 2nd term of the Audit Committee (June 13, 2024)

Important resolutions	Results of Audit Committee Resolutions	The Company's response to Audit Committee's suggestions
1. The factory expansion project of the Company's subsidiary, ADVANCED INTERNATIONAL MULTITECH (VIETNAM) CORPORATION LTD. 2. Proposal of the pre-approval of the provision of non-assurance services to the Company and its subsidiaries by the certified public accountants, their firm and their firm's affiliates.	Approved by all the members in the Audit Committee	Approved by all the presenting directors

2nd Meeting of the 2nd term of the Audit Committee (August 2, 2024)

Important resolutions	Results of Audit Committee Resolutions	The Company's response to Audit Committee's suggestions
1. The proposal of 2024 Q2 financial reports. 2. The proposal to extend the term of fund of USD10,000 thousand that was loaned to subsidiary ADVANCED INTERNATIONAL MULTITECH (VIETNAM) CO., LTD. 3. Partial amendments of the Company's "Sales and Collection Cycle", "Production Cycle", "Management System and Budget Management Cycle". 4. The proposal to change the record date of the share-swap project with Launch Technologies Co., Ltd.	Approved by all the members in the Audit Committee	Approved by all the presenting directors

3rd Meeting of the 2nd term of the Audit Committee (October 8, 2024)

Important resolutions	Results of Audit Committee Resolutions	The Company's response to Audit Committee's suggestions
1. The proposal to change the record date of the share-swap project with Launch Technologies Co., Ltd.	Approved by all the members in the Audit Committee	Approved by all the presenting directors

4th Meeting of the 2nd term of the Audit Committee (November 7, 2024)

Important resolutions	Results of Audit Committee Resolutions	The Company's response to Audit Committee's suggestions
1. The 2024 Q3 financial reports. 2. The 2025 Audit Plans. 3. The proposal to amend the Company's "Internal Audit System and the Implementation Manners", and to establish and modify the Company's "Management System and Budget Management Cycle".	Approved by all the members in the Audit Committee	Approved by all the presenting directors

2. The implementation to avoid motions with matters bearing on independent director's personal interests. Name of independent director, contents of the motion, reasons to avoid conflicts of interests, and the voting situation: none.

3. The communication of independent directors with internal audit superintendents and accountants (should disclose the major matters, methods and results of communication in light of the Company's financial and business conditions, etc.) :
 (1) The certified accountants of the Company report the quarterly financial statement review or review results and other communication matters required by relevant laws and regulations in the quarterly meetings. If there are special circumstances, they will also report to the independent directors immediately.

The communications between the Company's independent directors and certified accountants are good.

Summary of communications between independent director and certified accountants:

Date (m/d/y)	Communication Matters	The Company's response
2/29/2024	(1) The accountants explained and discussed In light of 2023 mother company only and consolidated financial reports, key audit items, application of some accounting principles and the impact of newly revised laws and regulations. (2) The accountants communicated with the governance unit on the completion stage of the audit. (3) The accountants discussed and communicated on matters submitted by participants.	No opinion in the meeting
4/5/2024	(1) The Company plans to issue new shares for a share-swap project to acquire 100% equities of Launch Technologies Co., Ltd. and the proposal to issue new shares to increase capital. (2) Discussed and communicated on matters submitted by participants.	No opinion in the meeting

5/9/2024	(1) The accountants explained and discussed In light of 2024 Q1 consolidated financial reports. (2) The accountants discussed and communicated on matters submitted by participants.	No opinion in the meeting
8/2/2024	(1) The accountants explained and discussed In light of 2024 Q2 consolidated financial reports. (2) The accountants discussed and communicated on matters submitted by participants.	No opinion in the meeting
11/7/2024	(1) The accountants explained and discussed In light of 2024 Q3 consolidated financial reports. (2) The accountants communicated with the governance unit on the completion stage of the audit. (3)The accountants discussed and communicated on matters submitted by participants.	No opinion in the meeting

- (2) The internal audit superintendent of the Company regularly communicates the results of the audit report with the independent directors and makes an internal audit report in the board of directors every quarter. If there is any special situation, it will also report to the independent directors immediately.

The communications between the Company's independent directors and internal audit superintendent are good.

Summary of communications between independent director and internal audit superintendent:

Date (m/d/y)	Communication Matters	The Company's response
2/29/2024	1. Internal audit report for the period of October to December 2023. 2. Discussion and communications on matters submitted by meeting participants.	No opinion in the meeting
5/9/2024	3. Internal audit report for the period of January to March 2024. 4. Discussion and communications on matters submitted by meeting participants.	No opinion in the meeting
8/2/2024	1. Internal audit report for the period of April to June 2024. 2. Discussion and communications on matters submitted by meeting participants.	No opinion in the meeting
11/7/2024	1. Internal audit report for the period of July to September 2024. 2. Discussion and communications on matters submitted by meeting participants.	No opinion in the meeting

(III) The implementation of corporate governance and the divergence from the regulated Best-Practice Principles for TWSE/TPEX Listed Companies and the reason for such divergences

List of Assessments	Implementation Status			Divergence from the regulated Best Practices and Reasons of the Divergence
	Yes	No	Summary & Explanation	
1. Whether the company establishes and discloses corporate governance principles following the regulated “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”?	✓		The Company has set up its own “Corporate Governance Code of Practice”, which was approved by the Board on August 5, 2016, in accordance with the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”. The Code of Practice is revised according to the revision of laws and regulations and the Company's practical operation needs. The latest revision was made on August 2, 2024, and have disclosed on the Company’s website and TWSE’s Market Observation Post System.	No significant divergence
2. Share structure and stockholder’s equities				
(1) Whether the Company sets up internal work procedures to handle suggestions, questions, disputes and lawsuits with shareholders, and whether the procedures are implemented accordingly?	✓		(1) The Company has established “Corporate Governance Code of Practice”, “Rules for Ethical Management”, “Code of Ethical Conduct”, and “Procedures for Ethical Management and Guidelines for Conducts”. In addition, the Company has appointed spokesperson and acting spokesperson as external communication channel. The Company also set up a Stock Affair Section to deal with shareholder related issues.	No significant divergence
(2) Whether the company holds the information on the company’s major shareholders with controlling interests and the ultimate controlling parties that stand behind the major shareholders?	✓		(2) The Company has a list of the major shareholders who actually control the company and the ultimate controller of the major shareholders. And the changes in the stock holding status by insiders (directors, supervisors, managers, and shareholders holding more than 10% of the total shares and those within 2 nd degree relatives) are reported to TWSE’s Market Observation Post System on a monthly basis.	
(3) Whether the Company establishes and implements rules for risk management and firewall mechanism with affiliated companies?	✓		(3) The Company has established relevant controls in the Company's internal control system and has established the "Management Rules for Related Party Transactions" and “Rules Governing Financial and Business Matters between the Company and its Related Parties” in accordance with laws and regulations.	

List of Assessments	Implementation Status			Divergence from the regulated Best Practices and Reasons of the Divergence
	Yes	No	Summary & Explanation	
(4) Whether the Company establishes internal regulations to prohibit insiders from utilizing un-disclosed information to purchase/sell securities	✓		(4) The Company has established the "Operating Procedures for Handling Material Internal Information and Managing Insider Transaction" to regulate and prohibit all the employees, managers, directors of the Company management operation to prevent insider trading" to regulate all employees, managers, and directors, as well as any personnel, who knows the company's information based on occupation or control relationship, from conducting any behavior that may involve insider trading. In addition, the Company regularly carry out internal education training and propagation.	
3. Composition and Duties of the Board of Directors				
(1) Does the board of directors formulate diversity policies and related specific management objectives, and truly implement them?	✓		(1) The Company has established the "Corporate Governance Code of Practice" and has disclosed in detail on the Company's website and the TWSE's Market Observation Post System. Please refer to page 12 to 14 of this annual report for the diversity policy, specific management objectives and implementation of the board of directors.	No significant divergence
(2) Besides setting up Remuneration Committee and Audit Committee according to laws and regulations, whether the company voluntarily sets up other similar kinds of functional committee?	✓		(2) The Company set up the Remuneration Committee and Audit Committee as required by laws and regulations. And the corporate governance operations are handled by various departments according to their duties. In the future, the Company will assess to set up other functional committees, if necessary.	
(3) Whether the Company sets up Board of Director's performance evaluation rules and method, carries out the evaluations regularly each year, reports the evaluation results to the Board Meeting, and uses the results as references to evaluate each director's salary and remuneration, as well as his/her qualification as candidate to the successive post as directors?	✓		(3) The Company's board of directors passed the "Performance Evaluation Method for the Board of Directors and Functional Committees" on August 5, 2016. According to the Method, the performance evaluation of the board of directors, directors, functional committees (Remuneration Committee and Audit Committee) is conducted once a year. The evaluation results are submitted to the board of directors in the first quarter's meeting of the following year for approval and are used as a reference for individual directors' remuneration and nomination for renewal. Please refer to page 25 to page 26 of this annual report for the evaluation method and implementation status.	

List of Assessments	Implementation Status			Divergence from the regulated Best Practices and Reasons of the Divergence									
	Yes	No	Summary & Explanation										
(4) Whether the Company periodically evaluates the independence of the Company’s certified accountant?	✓		(4) The Audit Committee of the Company regularly evaluates the independence and competence of certified accountants every year, based on the "Corporate Governance Code of Practice", "Certified Accountant’s Independence and Competency Assessment Method" and reference to the standards of audit quality indicators (AQIs) and 13 AQI indicators and requires certified accountants to issue a "Statement of Independence" and "Audit Quality Indicators (AQIs)" and evaluate following the standards as mentioned in Note 1 (please refer to page 39 of this annual report). Evaluation results: Accountants, Wang Chun-Kai, Wu Chien-Chih of the PwC Taiwan, and their family members have no direct or indirect material financial interests or other matters that may affect accountant’s independence with the Company (including affiliated companies). Also, the information of AQI index is considered to confirm the auditing experience and training hours of accountants and accounting firms are superior to the average level of the industry. In addition, in the latest three years, digital audit tools will be continued to bring in to improve audit quality. <table><tr><td>Year</td><td>Reviewed and approved by the Audit Committee</td><td>Reviewed and approved by the board of directors</td></tr><tr><td>2023</td><td>February 29, 2024</td><td>February 29, 2024</td></tr><tr><td>2024</td><td>February 27, 2025</td><td>February 27, 2025</td></tr></table>	Year	Reviewed and approved by the Audit Committee	Reviewed and approved by the board of directors	2023	February 29, 2024	February 29, 2024	2024	February 27, 2025	February 27, 2025	
Year	Reviewed and approved by the Audit Committee	Reviewed and approved by the board of directors											
2023	February 29, 2024	February 29, 2024											
2024	February 27, 2025	February 27, 2025											
4. Whether the Company establishes proper and enough corporate governance personnel(s) and appoint a supervisor to be responsible specifically for corporate governance related affairs (including but not limited to provide information required for directors/supervisors to execute business issues, to assist directors and supervisors in law-compliance issues, to handle Board Meeting and Shareholders’ Meeting related affairs, to make meeting minutes of the Board of Directors’ Meeting and Shareholders’ Meeting, etc...)?	✓		Upon approval by the board on May 10, 2018, the Company has appointed Director Kuo Yi-Miao to be the Company’s corporate governance personnel to ensure shareholder’s interests and strengthen the functionality of the Board. Director Kuo also has more than five years of experience in the field of financial management in TPEx listed companies. The main responsibilities of the corporate governance superintendent are to handle matters related to the meetings of the board of directors (including independent directors) and the shareholders meeting according to the law, prepare the minutes of the board of directors and shareholders meetings, assist directors (including independent directors) and supervisors to take office and continue their education, provide directors (including independent directors) with information needed to perform their duties, and assist directors, supervisors to follow related laws etc... Execution of duties in 2024 as below: (I) Assist independent directors and general directors to perform duties, provide necessary information and arrange training for directors: 1.Notify the members of the board of directors of the latest laws and regulations related to the	No significant divergence									

List of Assessments	Implementation Status			Divergence from the regulated Best Practices and Reasons of the Divergence
	Yes	No	Summary & Explanation	
			company's business and corporate governance and provide updates regularly. 2. Review the confidentiality level of relevant information and provide company related information required by directors to maintain smooth communications between directors and business executives. 3. In accordance with the Corporate Governance Code of Practice, independent directors will assist in arranging relevant meetings when they have the needs to hold individual meetings with internal audit supervisors or certified accountants to understand the company's financial affairs. 4. Assist independent directors and general directors in formulating annual training plans and arranging courses according to the company's industrial characteristics and director's education and experience background. In 2024, each of the directors (including independent directors) of the Company spent at least six hours on further study, and the total number of hours spent on further study by the eight directors (including independent directors) totaled 66 hours. Please refer to Market Observation Post System for the related information (the Chinese website: Company > Corporate Governance > Director/Independent Director/Supervisor > Status of participating in Board Meetings and Further Study Information and the Current Position and Concurrent Position of Independent Directors (Website: https://mopsov.twse.com.tw/mops/web/t100sb07)). (II) Assist in the law compliance issues of the meeting procedure of the board of directors meeting and shareholders' meeting and the resolutions: 1. Report to the board of directors, independent directors, and supervisors in the light of the Company's corporate governance status to make sure the convention of Shareholder's Meeting and Board of Director's Meeting meet related laws and codes as stated in the Company's Corporate Governance Code of Practice. 2. Assist and remind directors of laws and regulations that should be observed when performing business or making formal resolutions. 3. After the meeting, is responsible for reviewing the release of material information on important resolutions of the board of directors, ensuring the legitimacy and correctness of the content of the material information, so as to ensure the equivalence of investor transaction information. (III) Maintain investor relations: Arrange spokespersons and acting spokespersons to communicate with major shareholders, institutional investors or general shareholders as needed, so that investors can obtain sufficient information to evaluate and determine the reasonable capital market value of the Company and ensure that shareholders' rights are well protected. (IV) Prepare the agenda of the board of directors meeting and notify the directors seven days in advance,	

List of Assessments	Implementation Status				Divergence from the regulated Best Practices and Reasons of the Divergence																	
	Yes	No	Summary & Explanation																			
			convene the meeting and provide meeting materials. If the topics involving conflict of interest, it will be reminded in advance, and the minutes of the board meeting will be completed within 20 days after the meeting. (V) Handle the pre-registration of the date of the shareholder meeting according to the law, make the notice of the meeting, manual of the meeting, and the minutes of the meeting within the statutory time limit, and handle the change in registration affairs when there is revision of the Articles of Incorporation or the reelection of directors. (VI) Corporate governance superintendent’s annual training status in 2024: <table><tr><th>Date of training (m/d/y)</th><th>Course organizer</th><th>Name of the Course</th><th>Training hour</th><th>Total training hours of the year</th></tr><tr><td rowspan="4">11/18~11/19, 2024</td><td rowspan="4">Accounting Research and Development Foundation</td><td>Corporate governance</td><td>3</td><td rowspan="4">12</td></tr><tr><td>Finance</td><td>3</td></tr><tr><td>Professional Ethics and Legal Liabilities</td><td>3</td></tr><tr><td>Accounting</td><td>3</td></tr></table>			Date of training (m/d/y)	Course organizer	Name of the Course	Training hour	Total training hours of the year	11/18~11/19, 2024	Accounting Research and Development Foundation	Corporate governance	3	12	Finance	3	Professional Ethics and Legal Liabilities	3	Accounting	3	
Date of training (m/d/y)	Course organizer	Name of the Course	Training hour	Total training hours of the year																		
11/18~11/19, 2024	Accounting Research and Development Foundation	Corporate governance	3	12																		
		Finance	3																			
		Professional Ethics and Legal Liabilities	3																			
		Accounting	3																			
5. Whether the Company establishes communication channels with interested parties (including but not limited to the Company’s shareholders, employees, customers, and suppliers), and whether the Company constructs a website specifically for interested parties on the Company’s website and properly answers all the important CSR related questions arising from interested parties?	✓		(I) The Company has the functions of spokesperson and acting spokesperson, and the Company's website has a special area for interested parties and related matters relating to the communication with stakeholders (including but not limited to shareholders, employees, customers and suppliers, etc.) (II) The Company publishes information and measures related to sustainable development in the annual report, sustainability report, company website and TWSE’s Market Observation Post System, and has planned an investor relations area on the website to announce financial information, corporate governance and other related information. By using appropriate communication manners, we are able to understand the reasonable expectations and needs of stakeholders, so that stakeholders have enough information to make a judgment and are properly responded to the important issues they are concerned about. (III) The Company regularly reports to the board of directors on the communication with interested parties and implementation status of the previous year in the first quarter of each year. The latest reporting date was January 16, 2025. (IV) For specific instructions, please refer to the interested person section of the Company's website, the link to the website: https://www.adgroup.com.tw/page/about/index.aspx?kind=275&lang=TW			No significant divergence																

List of Assessments	Implementation Status			Divergence from the regulated Best Practices and Reasons of the Divergence											
	Yes	No	Summary & Explanation												
6. Whether the Company entrusts professional stock affairs agency to handle Shareholder’s Meeting related affairs?	✓		The Company appointed KGI Securities Co., Ltd. as a professional stock affairs agency to handle matters related to shareholders' meetings and stock affairs.	No significant divergence											
7. Information disclosures															
(1) Whether the company constructs a website and discloses information in relation to the company’s financial and corporate governance?	✓		(1) The Company has constructed a website, and information regarding the financial situation and corporate governance is shown under the "Investor Relations" section on the home page. Website: https://www.adgroup.com.tw/page/about/index.aspx?kind=33&lang=TW	No significant divergence											
(2) Whether the Company adopts other methods to disclose the Company’s information (such as using English website, assigning a staff to collect and disclose the Company’s information, truly carrying out spokesman system, disclosing road show information and contents on the company’s website, etc...)?	✓		(2) The Company assigns a special person to be responsible for the collection and disclosure of company information and has set up an English website and established a spokesperson system to ensure that information that may affect the decision-making of shareholders and interested parties is disclosed in a timely and appropriate manner.												
(3) Whether the Company discloses and files the year’s financial statement with the authorities within two months of the end of accounting year, and whether the Company early discloses and files its Q1, Q2 and Q3 financial reports and monthly operational results before the regulated deadline?	✓		(3) 1.Information regarding the disclosure of financial reports: <table><tr><th>Year</th><th>Quarter</th><th>Date of Disclosure</th></tr><tr><td rowspan="4">2024</td><td>Q1</td><td>May 10, 2024</td></tr><tr><td>Q2</td><td>August 6, 2024</td></tr><tr><td>Q3</td><td>November 8, 2024</td></tr><tr><td>Q4</td><td>February 27, 2025</td></tr></table> 2. Monthly operating results are disclosed before the regulated deadline (before the 10 th day of each month).		Year	Quarter	Date of Disclosure	2024	Q1	May 10, 2024	Q2	August 6, 2024	Q3	November 8, 2024	Q4
Year	Quarter	Date of Disclosure													
2024	Q1	May 10, 2024													
	Q2	August 6, 2024													
	Q3	November 8, 2024													
	Q4	February 27, 2025													

List of Assessments	Implementation Status			Divergence from the regulated Best Practices and Reasons of the Divergence
	Yes	No	Summary & Explanation	
8. Whether the Company has other important information that might help understand the operation of corporate governance (including but not limiting to information regarding to employees' rights, the consideration for employees, investor relationship, supplier relationship, relationship with interested parties, director and supervisor's further education pursuit, risk management policy and risk measurement implementation, customer policy, insurance procured for directors and supervisors, and etc...)?	✓		(I) Employee's rights: The Company established a labor union and Employee Welfare Committee to protect the rights and interests of employees. In addition to implementing the pension system, the company also purchased group insurance for employees. The company also attaches great importance to labor-capital relations and holds labor-capital meetings every quarter to coordinate labor-capital relations. (II) Care for Employees: The Company pays great attention to the comfort and cleanliness of the working environment and also pays attention to the safety of employees at work. Access control cards, security systems and monitors are installed at all entrances and exits, and the production equipment is equipped with protective devices to ensure the personal safety of employees. In addition, employee's health examination is implemented in a regular basis. (III) Investor relation: As required by laws and regulations, the Company honestly discloses information in the TWSE's Market Observation Post System to protect the rights and interests of investors, and to publicize the contact information of spokesperson and acting spokespersons on the Company's website (Investors>Shareholder Services>Investor Contact Windows) to maintain a healthy and harmonious relationship between the Company and shareholders. (IV) Relationship with suppliers: The Company establishes partnerships with suppliers under the principle of good faith, establishes stable supply chains, implement risk assessments, and conducts irregular audits to ensure supply quality. (V) Rights of interested parties: The Company has established the "Corporate Governance Code of Practice" and maintains smooth communication channels with stakeholders in accordance with regulations and respects and safeguards their legitimate rights and interests; in addition, a "special area for interested party" is constructed on the Company's website. (VI) Training status of directors and supervisors: For related information, please visit the Market Observation Post System: Company > Corporate Governance > Director/Independent Director/Supervisor > Attendance at Board Meetings and Further Training and Current Experience and Concurrent Employment of Independent Directors. Website: https://mopsov.twse.com.tw/mops/web/t100sb07 (VII) The execution of risk management policy and risk measurement standards: The Company has formulated the "Operation Method for Risk Assessment" to carry out various risk management and assessments; please refer to the company's website: https://www.adgroup.com.tw/page/about/index.aspx?kind=107&lang=TW (VIII) The execution of customer's policies: The Company maintains stable and good relations with	No significant divergence

List of Assessments	Implementation Status			Divergence from the regulated Best Practices and Reasons of the Divergence
	Yes	No	Summary & Explanation	
			customers to create profits. (IX) Purchase of liability insurance for directors and supervisors: Liability insurance of USD 3 million is purchased with protection period starting from July 1, 2024 to July 1, 2025, and has been submitted to report to the Board on August 2, 2024.	
9. Whether the Company provides explanations on the process of improvement on the corporate governance assessment result published by the TWSE Corporate Governance Center and provides prioritized issues and measures for areas that have not been improved? As a result of the 11th Corporate Governance Evaluation, the Company was among the top 6%~20% of TPEx-listed companies, and there was no suggested improvement that needs to be prioritized as issues for improvement.				

Note 1: Please see the following table for the independence and competency assessment form adopted by Advanced International Multitech for assessing certified accountants and the associated accounting firm.

Advanced International Multitech Co., Ltd.

Independence and Competency Assessment Form for Certified Accountant and the Associated Accounting Firm

Assessing Period: 2024

Certified Accountants: Accountant Wang Chun-Kai and Accountant Wu, Chien-Chih of PwC Taiwan

Independence & Competency	Yes	No	Note
1. Certified accountant is not a director of the Company or the Company's affiliated companies.	V		
2. Certified accountant is not a shareholder of the Company or the Company's affiliated companies.	V		
3. Certified accountant is not paid in the form of salary by the Company or the Company's affiliated companies.	V		
4. Certified accountant confirms that its affiliated accounting firm has complied with the norms of relative independence.	V		
5. The joint certified public accountant of the affiliated accounting firm of the Company's certified accountant shall not serve as a director, manager of the Company, or any position that has a significant impact on the audit case within one year after resigning from the accounting firm.	V		
6. Certified accountant has not provided audit services for the Company for seven consecutive years.	V		
7. Certified accountants have complied with the regulations on the independence as stated in Bulletin No.10 of the Norm of Professional Ethics for Certified Public Accountant.	V		
8. The accounting firm has sufficient scale and resources to handle corporate audit services.	V		
9. The accounting firm is able to promptly inform the management of any significant issues and developments in risk management, corporate governance, financial accounting and related risk control.	V		

(IV)The composition and operation of the Company's Remuneration Committee, if there is set up a remuneration committee:

The Company has set up Remuneration Committee on December 08, 2011. The Committee should faithfully perform the following functions and powers with the attention of a good manager and submit suggestions to the board of directors for discussion.

- Formulate and regularly review the policies, systems, standards and structures of directors and managers' performance evaluation and remunerations.
- Regularly evaluate and determine the remuneration of directors and managers.

1. Information regarding members in the Remuneration Committee:

April 30, 2025

Requirement Title \ Name		Professional Qualification & Experiences	Status of Independence	Number of public companies that the member concurrently serves as a member in the Remuneration Committee
Independent Director	Wu, Ching-Tsai	Please refer to page 9 to Page 11 of the annual report for related information regarding the disclosure of director's professional qualification and independent director's independence status.	Please refer to page 9 to Page 11 of the annual report for related information regarding the disclosure of director's professional qualification and independent director's independence status.	None
Independent Director	He, Yao-Hung			2
Independent Director	Chang, Hsueh-Pin			2

2.The operation of the Remuneration Committee:

(1) The Company's Remuneration Committee consists of 3 members, all of whom are independent directors °

(2) Term of office of the current committee members: from June 13, 2024 to May 26,2027.

There were 3 meetings convened in the most recent year (2024). The qualification of the committee member and participation status are shown below:

Title	Name	Attendance in person (B)	Attendance by proxy	Actual attendance rate (%) (B/A)	Note
Convener	Hung, Li-Jung	2	0	100%	Dismissal after re-election by the Board of Directors on May 27, 2024. (Should attend 2 meetings in 2024.)
Convener	Wu, Ching-Tsai	1	0	100%	Newly appointed by the Board of Directors on June 13, 2024. (Should attend 1 meeting in 2024)
Committee member	Chang, Hsueh-Pin	3	0	100%	
Committee member	He, Yao-Hung	3	0	100%	

Other matters that should be recorded:

- 1.If the Board of Directors do not accept or intent to modify suggestions made by the Remuneration Committee, then date of Board of Director's Meeting, term, content of the motion, resolutions, and response to the suggestions made by the members of Remuneration Committee should also be addressed (If the remuneration proposal approved by the Board of Directors is better than the proposal suggested by the Remuneration Committee, the divergence and the reason should also be addressed): None.
- 2.For motions that are determined by the Remuneration Committee, if committee members hold objective or withholding comments and such comments are recorded or taken down as written statement, then date of the meeting of Remuneration Committee, term, content of motions, all committee members' opinions and the reactions to the suggestions should also be addressed: None.

3. For 2024 Remuneration Committee's Important Resolutions and Results, please refer to the Company's website (Chinese language) under Investor Relations > Corporate Governance > Corporate Governance Structure and Practical Operations > III. Rights and Obligations of the Remuneration Committee.

Link: <https://www.adgroup.com.tw/page/about/index.aspx?kind=104&lang=TW>

(V) The implementation of sustainable development and the discrepancies between the regulated “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the cause of such discrepancies.

List of Assessments	Implementation Status			Divergence from the regulated Best Practices and Reasons of the Divergence										
	Yes	No	Summary & Explanation											
1. Whether the Company develops and promotes a governance structure for promoting sustainable development, and sets up a unit that is exclusively (or concurrently) responsible for promoting sustainable development, and such unit should be in charged by high level management empowered by the Board of Directors and be supervised by the Board of Directors?	✓		The Company established the "CSR Promotion Group" in 2014 and issued the first "Corporate Social Responsibility Report". In 2022, the team was renamed to "ESG Promotion Group", becoming a horizontally and vertically linked cross-departmental communication platform lead by the General Manager, who shall appoint personnel of the same rank of directors (manager) in the field of industrial safety, human resource, financial and accounting to be responsible in promoting and implementing issues like “environmental protection”, “social responsibility”, and “corporate governance”, aiming at sustainable issues of concern to the company's operations and stakeholders to formulate sustainable development direction and goals, and then plan and promote the implementation of medium and long-term plans, while tracking the implementation results, and regularly (at least once a year) report the implementation results to the board of directors, in order to pursue sustainable corporate development and fulfill social responsibilities. On February 27, 2025, the 2024 promotion of sustainability development status was reported in the Board Meeting. The "ESG Promotion Team" will be supervised by the board of directors. In addition to reporting to the board of directors on the implementation of sustainable development and the achievement of goals every year, the team also reports to the board of directors on quarterly performance indicators and related data on environmental issues. The board of directors supervises the formation of goals of sustainable development and the review on implementation, and give relevant suggestions and guidance based on the content of the report. In 2024, the situation of promoting sustainability development and the tracking report of greenhouse gas inventory and verification schedule are as follows: <table><tr><th>Quarter</th><th>Date of report in the Board of Director’s Meeting</th></tr><tr><td>Q1</td><td>February 29, 2024</td></tr><tr><td>Q2</td><td>May 9, 2024</td></tr><tr><td>Q3</td><td>August 2, 2024</td></tr><tr><td>Q4</td><td>February 27, 2025</td></tr></table>	Quarter	Date of report in the Board of Director’s Meeting	Q1	February 29, 2024	Q2	May 9, 2024	Q3	August 2, 2024	Q4	February 27, 2025	No significant divergence
Quarter	Date of report in the Board of Director’s Meeting													
Q1	February 29, 2024													
Q2	May 9, 2024													
Q3	August 2, 2024													
Q4	February 27, 2025													

List of Assessments	Implementation Status			Divergence from the regulated Best Practices and Reasons of the Divergence
	Yes	No	Summary & Explanation	
2. Whether the Company carries out risk assessments in relation to topics including operational related environment, society, and corporate governance, and establishes related risk management policies or strategies based on the principle of materiality?	✓		(I) Based on the materiality principle of the sustainability report, the “ESG Promotion Team” analyzed and adopted the communication results between internal and external stakeholders to identify 11 material issues and formulated the risk management scope including operational risk, product and service process risk, environmental safety and health risk, financial risk, procurement risk, and human resources risk, etc. based on the overall business strategy, environmental, social, and corporate governance issues. Risk control and management strategies for material issues are carried out through the Company’s "Sustainable Development Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct", "Rules for Ethical Management", which are established based on the materiality principle. High level management is responsible for the planning and execution of risk management strategies resolved in the board meeting, and the coordination of cross-department interaction and communication on risk management issues. Each individual functional unit is responsible to analyze, manage, and monitor the related risks within its own unit, with the goal of following laws and regulations, promoting and implementing the Company's overall risk management, and taking the ultimate responsibility for risks management. (II) The boundary of the 2024 risk assessment is based on domestic (referring to Taiwan) operating bases, including Zhonglin Factory, Daye Factory, Kaojia Factory and Hefa Factory. Except for financial information, it does not include subsidiaries included in the consolidated financial reports. (III) Please visit the Company's website for risk management policies or strategies under Investor Relations > Corporate Governance > Execution Status of the Promotion of Sustainability Development. Link: https://www.adgroup.com.tw/page/about/index.aspx?kind=107&lang=TW Also, the 2024 Sustainability Report: 2. Corporate Governance > 2.4 Risk Management > Types of Operational Risks and the Related Management Policies, Strategies. Link: https://www.adgroup.com.tw/page/about/index.aspx?kind=146&lang=TW	No significant divergence
3. Environment related topics (1) Whether the Company establishes a proper environment management system based on the industry characteristics?	✓		1. The Company established environment management policies in accordance with Air Pollution Control Act, Water Pollution Control Act, Climate Change Response Act, and Waste Disposal Act. All our factory sites are built, implementing, maintaining, and continuously improving environmental, health, and safety management system, and establish goals and management plans to continuously improve environmental management system based on the requirement set forth in ISO14001:2015 international standard and verification through 3rd party (validity period 11/25/2024~11/21/2027).	No significant divergence

List of Assessments	Implementation Status			Divergence from the regulated Best Practices and Reasons of the Divergence									
	Yes	No	Summary & Explanation										
			2. Please refer to the Environmental Protection Expenditures (page 106 to page 112 of this annual report) for other related environment management system.										
(2) Whether the Company devotes to enhancing energy utilization efficiency and adopts the use of recyclable materials that have lower impact to the environment?	✓		The Company is committed to saving the use of various energy resources. Regular meetings, reviews and tracking are continued for making the most efficient use of various energy resources, reducing waste and carbon use. Based on the commitment of the Company’s environment safety and health policy in reducing burdens to the environment, wastes are recycled, reduced in volume, and reused. The Company plans to reduce electricity consumption by 20% of carbon emission in 2030 as compared to those in 2024. In addition, in order to increase the utilization rate of renewable energy, we have planned to build a solar power generation facility at the Hefa Factory, which is expected to be connected to the power grid in 2025 and is estimated to produce 1,296,000 kWh green power. The Company actively evaluates the proportion of green power usage in each plant to ensure that the environmental impact is minimized. Through various waste reduction and decarbonization projects, we continue to reduce environmental burden and create sustainable corporate value. The energy utilization efficiency improving projects promoted by the Company in 2024. <table><tr><th>Factory</th><th>Energy Saving Projects</th><th>Recycling Utilization Project</th></tr><tr><td>Zhonglin Plant</td><td>Reduce 781,946 KWh electricity use</td><td>Recycling utilization rate of waste titanium is about 4.8%.</td></tr><tr><td>Hefa Plant</td><td>Reduce 873,830 KWh electricity use</td><td>Recycling utilization rate of waste separation paper that is transferred to be used in downstream is about 14%.</td></tr></table> Please refer to the Environmental Protection Expenditure (page 106 to page 112 of the annual report) and Chapter 5 “Advanced International Multitech and the Environment” of the 2024 Sustainability Report for related information.	Factory	Energy Saving Projects	Recycling Utilization Project	Zhonglin Plant	Reduce 781,946 KWh electricity use	Recycling utilization rate of waste titanium is about 4.8%.	Hefa Plant	Reduce 873,830 KWh electricity use	Recycling utilization rate of waste separation paper that is transferred to be used in downstream is about 14%.	No significant divergence
Factory	Energy Saving Projects	Recycling Utilization Project											
Zhonglin Plant	Reduce 781,946 KWh electricity use	Recycling utilization rate of waste titanium is about 4.8%.											
Hefa Plant	Reduce 873,830 KWh electricity use	Recycling utilization rate of waste separation paper that is transferred to be used in downstream is about 14%.											
(3) Whether the Company assesses current and future’s potential risks and opportunities in relation to climate changes, and adopts relevant countermeasures?	✓		In response to frequent global extreme climate events and rising awareness of carbon reduction in the international community, the Company has completed the identification of climate-related risks and opportunities based on the Task Force on Climate-related Financial Disclosure (TCFD), and further formulated specific response strategies, including energy saving, carbon reduction, water saving and waste reduction, and set appropriate short-term, medium- and long-term indicators and goals. <table><tr><td>Short-term goals (1~3 year)</td><td>1.Electricity saving rate achieve 3% in 2025. 2. Complete GHG inventory investigation in 2025.</td></tr></table>	Short-term goals (1~3 year)	1.Electricity saving rate achieve 3% in 2025. 2. Complete GHG inventory investigation in 2025.	No significant divergence							
Short-term goals (1~3 year)	1.Electricity saving rate achieve 3% in 2025. 2. Complete GHG inventory investigation in 2025.												

List of Assessments	Implementation Status			Divergence from the regulated Best Practices and Reasons of the Divergence
	Yes	No	Summary & Explanation	
			3.Reduce 5% waste production in 2025. 4.1% annual reduction in water consumption from 2025 onwards. Medium and Long-term goals (3~5 year) 1. Complete 3rd party assurance on the investigation of GHG Inventory in accordance with the time frame set by Financial Supervisory Commission. 2. Carbon reduction of 20% and electricity saving of 20% in 2030. Note: The base year for above goals is 2024. For a summary of the climate risks and opportunities identified by the Company in 2024, please refer to Page 51 to Page 57 of this annual report, V-1 Climate Related Information > 1. The Execution Situation of Climate Related Information, for related analysis and its impact on the Company's finances and response strategy. For complete information disclosure, please refer to Chapter V "Advanced International Multitech and the Environment" of the Company's 2024 Sustainability Report.	
(4) Whether the Company compiles information regarding statistics in relation to the past 2 years' green gas emission, total water used, and total wastage produced, and establishes policies to reduce greenhouse gas emission, water use, and other similar kinds of wastes?	✓		Please refer to the Environmental Protection Expenditure (page 106 to page 112 of the annual report) and Chapter V "Advanced International Multitech and the Environment" of the 2024 Sustainability Report for related information.	No significant divergence
4.Social Issues (1) Whether the Company makes related management policy and procedures according to related laws and International Bill of Human Rights?	✓		Please refer to Note 1: Policy on human rights (please refer to page 58 to page 64 of this annual report) for related information.	No significant divergence
(2) Whether the Company makes and implements reasonable employee benefit manners (including salary, vacation and other benefits), and properly reflects the Company's	✓		1.Operating results are reflected in employee compensation: Article XXIX of the Company's Articles of Incorporation "The Company shall distribute employee remuneration at no less than 1% of the current year's earnings..." and a later paragraph in the same article "The earnings of the current year referred to in the paragraph 1 refers to the current year's pre-tax profit after deducting remunerations paid to employees and directors..." On February 27, 2025, the Board of Directors approved an appropriation of 3.82% of the employees'	No significant divergence

List of Assessments	Implementation Status			Divergence from the regulated Best Practices and Reasons of the Divergence										
	Yes	No	Summary & Explanation											
operation performance or achievements on remunerations paid to employees?			remuneration, amounting to NT\$49,748,920 dollars. 2.Please refer to Labor-Capital relations (please refer to page 113 to page 115 of this annual report) for information about other employee benefit measures. 3.Please refer to the Human Rights Policy (page 58 to page 64 of this annual report) for information on workplace diversity (such as gender equality and the recruit of minorities) and ratings.											
(3) Whether the Company provides a safe and healthy work environment for employees, and regularly holds employee’s’ safety and health education training?	✓		1. The Company's environmental protection and occupational safety and health policy is - "compliance with laws and regulations, hazard prevention, environmental sustainability, continuous improvement". We assign dedicated occupational safety and health personnel and convene the Occupational Safety and Health Committee meeting every quarter to review and prevent occupational safety and health issues in order to protect the life and property safety of employees, visitors and external contractors. 2.The Company has passed the audit and verification of ISO14001:2015 edition international standard (validity period: 11/25/2024~11/21/2027) and ISO450001 2018 edition international standard (validity period: 12/04/2024~09/12/2027). 3. Hold education and training for occupational safety and health and provide a safe and healthy working environment, please refer to Note 1: Human Right Policies (page 58 to 64 of this annual report). 4.Employee Health Care Activities:<table><tr><td rowspan="3">Regular</td><td>New employees</td><td>A total of 191 people participated in the health checkup at the designated hospital before joining the Company in 2024.</td></tr><tr><td>Current employees</td><td>Every year, hospitals are hired to carry out annual health checks in the factory, and a total of 1,363 people participated in 2024.</td></tr><tr><td>Medical care</td><td>Physician is recruited to station in the factory and provide services once a month.</td></tr><tr><td>Irregular</td><td colspan="2">Implement various health promotion activities (such as make money through exercises, invite visually impaired masseuses to provide employees stress-relieving massages at factory site, and blood donation activities, etc..)</td></tr></table>	Regular	New employees	A total of 191 people participated in the health checkup at the designated hospital before joining the Company in 2024.	Current employees	Every year, hospitals are hired to carry out annual health checks in the factory, and a total of 1,363 people participated in 2024.	Medical care	Physician is recruited to station in the factory and provide services once a month.	Irregular	Implement various health promotion activities (such as make money through exercises, invite visually impaired masseuses to provide employees stress-relieving massages at factory site, and blood donation activities, etc..)		No significant divergence
Regular	New employees	A total of 191 people participated in the health checkup at the designated hospital before joining the Company in 2024.												
	Current employees	Every year, hospitals are hired to carry out annual health checks in the factory, and a total of 1,363 people participated in 2024.												
	Medical care	Physician is recruited to station in the factory and provide services once a month.												
Irregular	Implement various health promotion activities (such as make money through exercises, invite visually impaired masseuses to provide employees stress-relieving massages at factory site, and blood donation activities, etc..)													

List of Assessments	Implementation Status					Divergence from the regulated Best Practices and Reasons of the Divergence																	
	Yes	No	Summary & Explanation																				
			5. The number of occupational accidents involving employees in our Taiwan plant (including Launch Tech) in fiscal 2014, the number of employees, and the ratio of employees to the total number of employees are as follows: <table><tr><td>Number of employees</td><td>Number of accidents</td><td colspan="2">Occupational accident ratio</td></tr><tr><td>1,488 persons</td><td>4 cases</td><td colspan="2">0.269%</td></tr></table> Manners for improvements: (1) Constructional improvement: Intrinsic safety design, installation of idle-proof and safety devices, safety fence, and implementation of pre-operation checkpoints. (2) Administration management: ①Formulate safety regulations and safe operation standards. ②Regularly review and revise safety standard and operating procedures and conduct education and training for employees. 6.Describe number of fires in the year, number of casualties and the ratio of the number of casualties to the total number of employees, and related improvement measures in response to fires: None in 2024.				Number of employees	Number of accidents	Occupational accident ratio		1,488 persons	4 cases	0.269%										
Number of employees	Number of accidents	Occupational accident ratio																					
1,488 persons	4 cases	0.269%																					
(4) Does the company establish an effective career development training program for employees?	✓		In order to continue to develop innovative thinking to break through adversity in a changing and ever-challenging environment, and to fully retain and cultivate outstanding talents, the Advanced International Multitech Academy (read as “Ming An Academy”) was established to plan a core training system to establish common trainings for all staff, management trainings, professional trainings and new personnel trainings. 1.Hierarchical Management Training: based on the Advanced International Multitech training system and the annual operating objectives, we provide enhancements and trainings for staff at all levels in the functions of supervisory and management or common functions, including ESG concepts, communication and leadership, laws and regulations, international situation... etc. <table><tr><td>Course Type</td><td>Name of Course</td><td>Course Hour</td><td>Number of planned participants</td><td>Participant Rate</td><td>Expenses</td></tr><tr><td rowspan="2">Hierarchical Management Training</td><td>Prevention of Occupational Wrongful Assault</td><td>4</td><td>32</td><td>97%</td><td rowspan="2">218,938</td></tr><tr><td>Workplace Safety Management (Safety and Health Guide)</td><td>3</td><td>29</td><td>100%</td></tr></table>				Course Type	Name of Course	Course Hour	Number of planned participants	Participant Rate	Expenses	Hierarchical Management Training	Prevention of Occupational Wrongful Assault	4	32	97%	218,938	Workplace Safety Management (Safety and Health Guide)	3	29	100%	No significant divergence
Course Type	Name of Course	Course Hour	Number of planned participants	Participant Rate	Expenses																		
Hierarchical Management Training	Prevention of Occupational Wrongful Assault	4	32	97%	218,938																		
	Workplace Safety Management (Safety and Health Guide)	3	29	100%																			

List of Assessments	Implementation Status							Divergence from the regulated Best Practices and Reasons of the Divergence	
	Yes	No	Summary & Explanation						
				Supervisor’s Security and Safety Awareness	6	39	100%		
				Chemical Management	3	47	100%		
				Intergenerational Management, Communication, and Leadership Skills	6	27	100%		
				Sharing of International Situation	3	43	100%		
				ESG Corporate Sustainability Workshop	25	25	100%		
			2.Employee Co-Training: Enhancement of staff’s competency development through general knowledge and professional function training according to job nature.						
			Course Type	Name of Course	Course Hour	Number of planned participants	Participant Rate	Expenses	
			General Studies Courses	Fire Management	3	143	100%	765,610	
				Execution – Energy Management	6	23	100%		
				PDCA – Effective Work Technology	7	23	95%		
				Time Management	7	21	100%		
				Workplace Communication Skills and Arts	7	27	100%		
				Creative Thinking	6	24	96%		
				The Peace Seminar	3	14	100%		
				Emotions Management	6	29	97%		
				Project Management at Mission Accomplished	7	21	95%		
			3.Newcomer Training: to assist staff to acquire the necessary job skills, work safety knowledge, work rules and regulations through systematic training for new recruits.						
			Course Type	Name of Course	Total Participants				
			Newcomer Training	Newcomer training and Industrial safety training	650				
			4.Licensing Courses: to assist colleagues in obtaining license for related work so that they can work more safety and smoothly. In 2024, a total of 175 employees were trained to obtain necessary licenses for their works and maintain the validity of their licenses.						
			Course Type	Total number of staff appointed for the course		Course expenses			
			License related courses	175		309,881			

List of Assessments	Implementation Status			Divergence from the regulated Best Practices and Reasons of the Divergence
	Yes	No	Summary & Explanation	
(5) In the light of issues including customer's safety and health in relation to the Company's products and services, customer's privacy, marketing, and labeling, whether the Company follows relevant laws and international standards, and formulate relevant policies and complaint procedures for the protection of consumer or customer rights and interests?	✓		1.Products produced by the Company are produced in accordance with the specifications set by customers. For products sold in different regions, they are also produced and marked according to the standards and specifications provided by customers to meet the requirements of relevant laws and standards (the company has ISO90001:2015 and ISO9100:2015+AS9100D quality management system). 2.The Company has established personal data protection management system and policy to manage and protect customer privacy, and to guard customer data. We set up business office with the contact information shown in the interested person area of the Company's website. From time to time, the office actively verifies and confirms the implementation of various customer policies and accepts and handles customer complaints and assists front-line sales colleagues to handle customer complaints in order to protect customers' rights and interests, as well as to maintain good communications with customers. Website: https://www.adgroup.com.tw/page/about/index.aspx?kind=275&lang=TW Dedicated line: Mr. Chen / (07) 872-1410 #1221 Mailbox: Integrity@adgroup.com.tw, or go to the following link to fill in the form →https://www.adgroup.com.tw/page/integrity/index.aspx?kind=85&lang=TW	No significant divergence
(6) Whether the Company formulates a supplier management policy, requiring suppliers to follow relevant norms on issues such as environmental protection, occupational safety and health, or labor rights, and their implementation?	✓		Supplier Management Policy: ● Emphasize suppliers' technological development capability: first select suppliers with future product innovation capability. ● Enhance cost competitiveness: counseling suppliers to enhance their cost competitiveness to face market competition. ● Strengthen quality management capabilities: require manufacturers to maintain consistent quality and compliance with relevant regulations. ● Establish a green and safe supply chain: gradual implementation of green suppliers and full implementation of contractors' construction safety requirement. ● Comprehensive environmental protection / no use of conflict minerals: international regulations compliance, no use of conflict mineral and update regulation database. ● Environmentally friendly organization and sustainable development: pay attention to suppliers' resources utilization while ensuring that they are not affected by climate change and implement waste reuse to reduce the impact on the environment. Competency Based Assessment: • Criteria:	No significant divergence

List of Assessments	Implementation Status			Divergence from the regulated Best Practices and Reasons of the Divergence												
	Yes	No	Summary & Explanation													
			(1) All suppliers are required to pass the assessment and sign the ESG Code of Conduct and related contracts. (2) Assessments are carried out in TQCDSE six facets. • On-site assessment: (1) Key suppliers are required to conduct on-site assessments. (2) Foreign suppliers are assessed with more flexibility and may be assessed through written assessment. • Risk management: (1) Risks are categorized based on supplied materials / transportation / and supply risks and are reviewed regularly. (2) Supplier audits should be carried out on high-risk suppliers to ensure stable supply. • Fault improvement and counseling tracking: (1) In compliance with audit standards. (2) Set deadline for improvement and verification. (3) Review of implementation and formulation of countermeasures. <table><tr><td rowspan="3">Supplier evaluation</td><td>All suppliers are required to pass the assessment and sign the ESG Code of Conduct and related contracts.</td></tr><tr><td>Direct/Indirect raw material suppliers shall comply with the relevant quality certificate (ex:ISO9001/ 14001).</td></tr><tr><td>Contractors should have ISO45001 certification and possess the corresponding business license.</td></tr><tr><td>Supplier audit</td><td>Set up an audit team by the relevant unit to set up and conduct supplier audits annually to ensure that the supplier’s production/quality/environmental safety and hygiene meets the standards; at the same time, improvement and tracking are carried out in light of the previous deficiencies.</td></tr><tr><td>Supplier assessment</td><td>Conduct regular supplier evaluations on the materials supplied by suppliers to ensure long-term material stability.</td></tr><tr><td rowspan="3">Supplier communication</td><td>Establish system and platforms to communicate with suppliers.</td></tr><tr><td>Regularly organize contractors’ meetings to educate and exchange information on regulatory changes.</td></tr><tr><td>Organize seminars from time to time, focusing on the future of technology, product development, workplace safety and health, employee health and other issues in order to grow with suppliers.</td></tr></table>	Supplier evaluation	All suppliers are required to pass the assessment and sign the ESG Code of Conduct and related contracts.	Direct/Indirect raw material suppliers shall comply with the relevant quality certificate (ex:ISO9001/ 14001).	Contractors should have ISO45001 certification and possess the corresponding business license.	Supplier audit	Set up an audit team by the relevant unit to set up and conduct supplier audits annually to ensure that the supplier’s production/quality/environmental safety and hygiene meets the standards; at the same time, improvement and tracking are carried out in light of the previous deficiencies.	Supplier assessment	Conduct regular supplier evaluations on the materials supplied by suppliers to ensure long-term material stability.	Supplier communication	Establish system and platforms to communicate with suppliers.	Regularly organize contractors’ meetings to educate and exchange information on regulatory changes.	Organize seminars from time to time, focusing on the future of technology, product development, workplace safety and health, employee health and other issues in order to grow with suppliers.	
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List of Assessments	Implementation Status				Divergence from the regulated Best Practices and Reasons of the Divergence														
	Yes	No	Summary & Explanation																
			2024 annual audit situation of the Company’s key suppliers <table><thead><tr><th>Year</th><th>Number of suppliers</th><th>Results</th></tr></thead><tbody><tr><td>Conduct written review based on the results of the Corporate Social Responsibility Questionnaire</td><td>8</td><td rowspan="3">Meet the Company’s requirement</td></tr><tr><td>Conduct visits and confirmation on specific issues such as production management and quality control</td><td>44</td></tr><tr><td>Conduct on-site audits based on the contents of the "Supplier Assessment Audit Form"</td><td>11</td></tr><tr><td>Note</td><td colspan="2">1.Key suppliers are defined as raw materials, molds and fixtures, outsourced processing, or other suppliers that are discussed and deemed necessary to be visited and audited. 2.The form of audit will be determined based on transaction amounts and frequency, major issues and the results of discussions between relevant units.</td></tr></tbody></table>			Year	Number of suppliers	Results	Conduct written review based on the results of the Corporate Social Responsibility Questionnaire	8	Meet the Company’s requirement	Conduct visits and confirmation on specific issues such as production management and quality control	44	Conduct on-site audits based on the contents of the "Supplier Assessment Audit Form"	11	Note	1.Key suppliers are defined as raw materials, molds and fixtures, outsourced processing, or other suppliers that are discussed and deemed necessary to be visited and audited. 2.The form of audit will be determined based on transaction amounts and frequency, major issues and the results of discussions between relevant units.		
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5.Whether the Company compiles Sustainability Report or other non-financial related reports according to the international reporting standards or guidelines? Whether the aforementioned reports have obtained verification or assurance opinion from any third-party verification units?	✓		The report adopted 2021 GRI standards (Global Reporting Initiative standards) and is disclosed with the reference of SASB (Sustainability accounting Standards Board) and climate related information for TPEx listed companies. This year’s report has been subjected to limited assurance by PwC Accounting First in accordance with ROC GAAP 3000, “Assurance Cases Involving the Examination or Review of Financial Information Other Than Historical Information” on selected indicators.			No significant divergence													
6 If the Company follows “Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies” to establish the Company’s rules specifically for sustainable development, then the Company should also state the implementation status and the discrepancies between the real practices and the rules: In line with the revision of the “Code of Practice on Sustainable Development for Listed and OTC Companies” , the Board of Directors approved the revision of the “Corporate Social Responsibility Code of Practice” to the “Code of Practice on Sustainable Development” in January 2022, and the Company has carry out operation in compliance with the self-adopted “Code of Practice on Sustainable Development” , and there is no major difference.																			
7 Other important information that might help to understand the operation of the sustainable development practices: The Company has published the 2024 Sustainability Report, which disclosed the sustainable development operation status including economic, social and environmental aspects, and disclosed it on the TWSE’s Market Observation Post System and the Company’s website.																			

(V-I) Climate related information for listed companies

1. Execution status of climate related information

Items	Execution Status														
1.Describe the Board and the Management’s supervision and governance on climate related risks and opportunities.	The Company has established an ESG Promotion Team, with the General Manager acting as the convenor, and the included Environmental Protection Promotion Team, the Social Responsibility Team, and the Corporate Governance Team under its jurisdiction. The team regularly identifies climate-related risks and opportunities, develops counter-measurement strategies and timetables to minimize impacts, plans to hold quarterly meetings to review the implementation of the team’s activities and reports to the Board of Directors on the results of the implementation of the team’s activities regularly on a quarterly basis to enhance the implementation of the Company’s overall sustainable management strategy. On the issue of climate, the “Environmental Protection Promotion Team” takes the lead, and by regularly convening relevant units to take stock of and recognize climate-related risks and operational impacts (including financial impacts), and we also take the opportunity to conduct a comprehensive stocktaking exercise and discuss appropriate and feasible counter-measures to minimize and adjust the level of impacts. The “Environmental Protection Promotion Team” regularly reviews the effectiveness of the measures implemented in conjunction with the “ESG Promotion Team” and reports them to the Board of Directors in the fourth quarter of each year, in order to maximize the positive opportunities that can be created by linking the relevant counter-measures and accelerate the progress and benefits of Advanced International Multitech’s low-carbon transformation.														
2. Describe how the identified climate risks and opportunities impact the Company's business, strategy, and finances (short-term, medium-term and long-term).	In response to the frequent occurrence of extreme climate events around the world and the internation community’s rising awareness of carbon reduction, Advanced International Multitech has followed the TCFD to complete the identification of climate-related risks and opportunities, and to further develop specific response strategies, including energy saving, carbon reduction, water saving, waste reduction, and to set appropriate short-, medium-, and long-term targets and goals. We also will continue to evaluate the feasibility of adopting more detailed indicators to review the progress and performance of Advanced International Multitech’s low-carbon transformation and disclose them to the public. Summary of climate risks is as below: <table><tr><th>Risks</th><th>Time of Impact</th><th>Degree of Impact</th><th>Potential Financial Impacts</th><th>Counter-Measures</th></tr><tr><td>Policies and Regulations</td><td>Short-Term 1-3 years</td><td>Medium</td><td>Adjustment of government energy policy, planning of carbon levy system, and disclosure and verification of energy information will increase operating costs.</td><td>Continuously follow up on government energy policy, such as carbon emissions scheduling and other ESG implementation status, and report to the Board of Directors, and continue to monitor and make improvements, introduce energy saving measures and energy management systems to optimize and reduce energy demand and plan for the use of circular economy.</td></tr></table>					Risks	Time of Impact	Degree of Impact	Potential Financial Impacts	Counter-Measures	Policies and Regulations	Short-Term 1-3 years	Medium	Adjustment of government energy policy, planning of carbon levy system, and disclosure and verification of energy information will increase operating costs.	Continuously follow up on government energy policy, such as carbon emissions scheduling and other ESG implementation status, and report to the Board of Directors, and continue to monitor and make improvements, introduce energy saving measures and energy management systems to optimize and reduce energy demand and plan for the use of circular economy.
Risks	Time of Impact	Degree of Impact	Potential Financial Impacts	Counter-Measures											
Policies and Regulations	Short-Term 1-3 years	Medium	Adjustment of government energy policy, planning of carbon levy system, and disclosure and verification of energy information will increase operating costs.	Continuously follow up on government energy policy, such as carbon emissions scheduling and other ESG implementation status, and report to the Board of Directors, and continue to monitor and make improvements, introduce energy saving measures and energy management systems to optimize and reduce energy demand and plan for the use of circular economy.											

	Risks	Time of Impact	Degree of Impact	Potential Financial Impacts	Counter-Measures
	Low Carbon Technologies R&D	Long-Term 5-10 years	High	·Research and development of decarbonized manufacturing technologies and raw material requirement. ·Technology of the utilization of recycled materials.	Technology development and application of green products and carbon fiber recycling, and promotion of process automation.
	International market restrictions	Medium-Term 3-5 years	Low	·The operational mechanisms of EU Carbon Boundary Adjustment Mechanism (CBAM). ·The operational mechanism of U.S. Clean Competition Act (CCA).	Continuously tracking and evaluating business differentiation.
	Impact on the Company's Goodwill	Long-Term 5-10 years	Low	·No low-carbon process products to meet customers' needs. ·With lower expenditures in environmental issue related costs, it is not possible to satisfy the bank's conditions for investment and financing.	Low-carbon supply chain construction and in-house energy management optimization and reduction plan, system and equipment optimization and transformation.
	Physical Risks in the Short-Term and Medium-Term	Short-Term 1-3 years	Low	Higher chance of heavy rainfall, resulting in increased operating costs due to flooding and disruption of offshore roads, staff non-attendance, and damage to plants and machinery.	·The "Emergency Response Planning and Equipment Management Procedures" have been established to strengthen the management procedures and clearly assign the authority and responsibility of each operation to effectively reduce the risk and extent of disaster damage. ·The supply chain has adopted a risk diversification strategy, with key raw materials being supplied by a number of manufacturers in different regions to avoid the impact of a single weather event.
	Long-Term Experimental Risks	Long-Term 5-10 years	High	Increased incidence of extreme weather phenomena (high temperatures, water shortages, heavy rainfall, severe typhoons) and other disasters.	Strengthen the extreme climate response strategy and dynamically adjust the mode of operation to minimize the impacts caused by the disaster.

	The weather opportunities are summarized as follows:				
	Opportunities	Time of Impact	Degree of Impact	Potential Financial Impacts	Counter-Measures
	Resource efficiency	Long-Term 5-10 years	Medium	Improve energy efficiency, such as enhanced waste recycling rate and water recycling rate both are able to reduce cost effectively.	Adoption of low energy-consuming equipment and continuous optimization of production line parameters, and promotion of waste recycling and water recycling projects.
	Sources of Energy	Long-Term 5-10 year	High	Establishment of a self-generated solar power system to effectively reduce carbon emissions and increase energy independence.	Planning for self-generated solar power system and gradually promoting it to each plant.
	Product Services and Markets	Long-Term 5-10 years	High	·Development of decarbonization process technology and recycling technology. ·Manufacturing parameter optimization technology to ensure lower energy and resource usage and ensure product quality to enhance industrial competitiveness.	·Collaboration with external organizations to optimize process technology. ·Application of carbon fiber recycling technology.
	Adjusting resilience	Short-Term 1-3 years	High	Through identification to plan in advance the possible risks and develop counter-measures to decrease expected operational loss.	Continuously promote the low-carbon transformation plan to improve the ability and flexibility to respond to climate change from the perspectives of technology, products, operations, and procurement, thereby strengthening the organization's operational resilience.
3. Describing the financial impact of extreme climate events and transition actions.	<u>Impact of Extreme Climate Events</u> The IPCC predicts that future climate change will increase the risk of extreme weather events in the operating regions. In the case of the Taiwan plant, the scenario analysis provided by TCCIP predicts that the risk of flooding and heavy rainfall will increase in the future, which may cause the Company to suffer losses in raw materials and product supply. Also, an increase in the number of days with high temperatures will lead to a significant increase in demand for electricity, which will increase the cost of electricity. <u>Financial Impact of Transformation Actions</u> Transformation initiatives will increase operating costs due to the introduction of adaptation and mitigation measure, such as policies and regulations, research and development of low-carbon technologies, international market restrictions, and the impact on the Company's goodwill, but if successful, the transformation initiatives will bring long-term profitability and sustainability to the Company.				

	The Company plans to spend approximately \$700,000 to \$1,000,000 on personnel, inventory and verification costs by gradually strengthening carbon management related mechanisms, developing carbon fiber recycling technology and introducing manufacturing processes, establishing a low-carbon supply chain, and planning for internal energy management and reduction. It is estimated that a 3% increase in electricity price will increase expenditures by \$900,000 a year, and the introduction of a digital management system is expected to increase the cost of software subscription by approximately NT\$500,000 to NT\$1,000,000 a year.
4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.	Relevant environmental protection strategies are established based on the identification of 2024 significant themes, with climate change response and the risk identification as the main axis. The ESG promotion team regularly convenes relevant units to take stock of and identify climate-related risks and impacts on operations (including financial impacts), conduct cross-disciplinary exchanges, discuss appropriate and feasible countermeasures for each department and formulate corresponding management policies and strategies for each type of risk. The management unit of each risk item proposes countermeasures according to the work under its responsibility, implements prevention or improvement, and periodically confirms the implementation status at each performance meeting and reports to the Board of Directors on a regular basis.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used should be explained.	The Company has adopted the TCFD framework strategy to conduct a comprehensive inventory of the potential financial impacts of these risks on Advanced International Multitech, which serves as the basis for the situational analysis and the development of policies and metrics and objectives. The physical risk is based on the TCCIP (Taiwan Climate Change Projections) and IPCC projections. Considering the environment in which the enterprise operates, the future operating area of Taiwan will show an increase in the number of summer days, decrease in winter days, and the shortening of the water season, which is prone to the occurrence of heavy rainfall. RCP 4.5 is used as the scenario for the Taiwan plant, the impact risk level is relatively low. RCP 8.5 is used as the simulation scenario where the maximum cumulative rainfall in 24 hours reaches 500mm, which may lead to a temporary decrease in production capacity decrease in revenues (e.g., supply chain disruption due to the unavailability of transportation, and shutdowns and production stoppages due to plant damages), and increase in operating costs as a result of the inundation of the Company's plant.
6. If there is a transformation plan to manage climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical and transformation risks.	The risks and opportunities brought about by climate change have a considerable impact on enterprise's operating, development strategies and financial planning. Currently, the current global enthusiasm for the 2050 net-zero carbon emission initiative, international carbon pricing, and carbon tariffs, and the active accompanying regulations, including "Sustainable Development Roadmap" that was released by Financial Supervisory Commission in 2022, all demonstrate an urgent needs for organizations to improve their climate resilience and execute a low-carbon transition. Therefore, Advanced International prioritizes the focus on the following four major resources saving measures as our responding countermeasures. 1. Actively improve process efficiency, adjust energy structure; 2. Implement resource recycling and reuse and accelerate the construction of a circular economy market for the carbon fiber industry; 3. Construct solar power generation and energy storage equipment; 4. Carefully monitor the use of energies. Please refer to the following disclosures in this annual report: 1. Page 106 to Page 112 (IV Expenditures on Environmental Protection>(3) Environment Management) 2. Page 46 to Page 48 ((5) The implementation of sustainable development and the discrepancies between the regulated "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the cause of such discrepancies>(3)Whether the Company provides a safe and healthy work environment for employees, and regularly holds employee's' safety and health education training?)

7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The Company does not use internal carbon pricing as a planning tool.
8. If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning schedule, annual achievement progress and other information should be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, source and quantity of offset carbon reduction credits or quantity of renewable energy certificates (RECs) should be explained.	Please refer to the following disclosures in this annual report: 1. Page 106 to Page 112 (IV Expenditures on Environmental Protection>Environment Management) 2. Page 46 to Page 48 ((5) The implementation of sustainable development and the discrepancies between the regulated “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the cause of such discrepancies>(3)Whether the Company provides a safe and healthy work environment for employees, and regularly holds employee’s safety and health education training?)
9. Information regarding greenhouse gas inventory and assurance status, and carbon reduction targets, strategies and specific action plans (additional state in 1.1 and 1.2).	Please refer to the following disclosures in this annual report: 1. Page 106 to Page 112 (IV Expenditures on Environmental Protection>Environment Management) 2. Page 46 to Page 48 ((5) The implementation of sustainable development and the discrepancies between the regulated “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the cause of such discrepancies>(3)Whether the Company provides a safe and healthy work environment for employees, and regularly holds employee’s safety and health education training?)

Note: The above relevant information is disclosed both in "Advanced International Multitech and the Environment" and "Schedule 2 to Article 4-1 of the Operating Methods for Climate Information Disclosure" in the 2024 Advanced International Multitech Sustainability Report Chapter 5.

The Company's GHG inventory and assurance status in the most recent two years

1.1 Information regarding Greenhouse Gas Inventory Investigation

Describe the emission volume (metric tons CO ₂ e), intensity (metric tons CO ₂ e/million dollars) and data coverage of greenhouse gases in the past two years.
Please indicate the minimum scope of information that should be disclosed in accordance with the Sustainability Roadmap for Listed Companies: 1.The parent company's individual inventory investigating was started in 2024. 2.Subsidiaries included in the consolidated report should start investigation in 2026. 3.Please refer to Page 106 to Page 111 (IV Information on Environmental Expenditures > (III) Environment Management) of this annual report for information on greenhouse gas emissions (metric tons of CO₂e), intensity (metric tons of CO₂e per million) and date coverage for the last 2 years. .

1.2 Information regarding Greenhouse Gas Assurance

Describe the assurance status in the last two years as of the publication date of the annual report, including the scope of the assurance, the assurance institution, assurance standards and the assurance opinion.
Please specify the scope of at least the implementation of the assurance as stipulated in the roadmap for the sustainable development of listed companies: 1.The parent company's individual inventory assurance should start in 2027. 2.Subsidiaries included in the consolidated report should start assurance in 2028. 3.In 2024, the Company has not yet been verified by a third-party organization. We plan to include the Zhonglin Factory, Daye Factory, Hefa Factory, and Kaojia Factory that are affiliated to Advanced International Multitech Co., Ltd. as the parent company, and the Launch Technologies, China Factory, and Vietnam Factory as the subsidiaries. Starting from 2023, the Company plans to conduct a greenhouse gas inventory investigation of the previous year in March every year, carry out internal audit in April, and report the execution results to the Board of Director's Meeting in May of the same year.

1.3 GHG reduction goal, strategy, and specific action plans

Describe the greenhouse gas reduction's base year and the statistics, reduction targets, strategies, specific action plans and achievement of reduction targets.
1.Please refer to Page 44 to Page 45 ((5) The implementation of sustainable development and the discrepancies between the regulated "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the cause of such discrepancies>(3)Whether the Company provides a safe and healthy work environment for employees, and regularly holds employee's' safety and health education training?) 2.Please refer to Page 106 to Page 111 (IV Expenditures on Environmental Protection>(3) Environment Management)

Note 1:

Human Right Policy: The Company jointly abides by the international human rights standards required by customers, and has clear regulations on environmental protection, safe and healthy working conditions, fair wages and benefits, equal promotion opportunities, implementation of employment diversity, and prevention of harassment and discrimination. With the reference to the United Nations Universal Declaration of Human Rights, the International Labor Organization's Declaration of Fundamental Principles and Rights at Work, and local government regulations, "Work Rules" and "Procedures for the Prevention of Unlawful Acts of Violence in the Performance of Duty" are made to prevent behavior that may violate human rights, and to ensure that employees are not subjected to discrimination, harassment or un-equal treatment on the basis of race, sex, sexual orientation, religious beliefs, age, political affiliation, place of birth, physical or mental disability, or any other status protected by applicable laws and regulations.

I Human Right Assessment

The Company continues to create long-term value of operations through innovation, exerts Advanced's core competitiveness, integrates internal and external resources, and contributes to society with the core concepts of sincerity, creativity, and satisfaction, taking into account the three major aspects of the environment, society, and corporate governance. The following aspects are included:

- (I) Insist on honesty and integrity, abide by laws and regulations
- (II) Pursue excellence and create customer value
- (III) Attach importance to corporate governance, and strive to achieve a balance of interests among customers, employees, shareholders, and all stakeholders
- (IV) Provide employees with a healthy and safe working environment, a space where they can give full play to their talents, and are paid with reasonable remuneration and benefits
- (V) Implement energy conservation and carbon reduction, pay attention to environmental protection, and promote sustainable development of the environment In response to climate change.
- (VI) Encourage employees to participate in social welfare and cultural and artistic activities to create a harmonious and warm society

II Human Right Concerns

- (I) Eliminate illegal discrimination to secure job opportunities

The Company complies with the Labor Standards Act and other laws and regulations. Based on the basic human right of equal employment opportunities, when hiring employees, we recruit based on employee's professional ability and experiences and strive to create a fair employment environment. All the employees are protected by the Labor Standards Act and the mutual agreement between labor and capital.

As of the end of 2024, the total number of employees in Advanced International Multitech in Taiwan was 1,165. The following table shows the distribution of age and gender of our employees.

Structure		Female		Male		Total	
		PPL	%	PPL	%	PPL	%
By contract type	Full-time	460	39.48%	616	52.88%	1,076	92.36%
	Dispatch manpower	69	5.92%	20	1.72%	89	7.64%
By work hour	Full-Time	527	45.24%	634	54.42%	1,161	99.66%
	Part-Time (Note1)	2	0.17%	2	0.17%	4	0.34%
By category	Management level (Note2)	45	3.86%	136	11.67%	181	15.53%
	Technology & RD	44	3.78%	156	13.39%	200	17.17%
	Sales, Administration and others	440	37.77%	344	29.53%	784	67.30%
By age	under 30 years old	50	4.29%	107	9.19%	157	13.48%
	30~50 years old	370	31.76%	436	37.42%	806	69.18%
	50+ years old	109	9.36%	93	7.98%	202	17.34%
Total		529	45.41%	636	54.59%	1,165	100%

Note 1: refers to employees working part-time

Note 2: Management level refers to management personnel with the job rank above section leader.

(II) Prohibition of Child Labor, Prohibition of Forced Labor

1. The Company attaches great importance to human rights and prohibits the employment of forced labor and child labor. So far, there has been no forced or compulsory labor in Advanced.

Analysis of Taiwan Advanced International Multitech's employee turnover rate in the past 3 years

Year	Turnover rate		New employee's turnover rate	
	Female	Male	Female	Male
2022	8%	13%	43%	36%
2023	5%	10%	3%	11%
2024	4%	8%	3%	22%

(III) Diversity in the workplace

1. Recruit of Urban and Rural Minorities

In order to ensure equal employment opportunities for the disadvantaged and related groups, the Company has recruited 12 disabled employees, accounting for 1% of the employees.

The Company is located in Xiaogang District, Qianzhen District, and Daliao District of Kaohsiung City. When there is a shortage in manpower, local qualified candidates will be given priority to increase local employment opportunities.

Age distribution of Taiwan Advanced International Multitech's disabled employees in 2024:

Employees possess disability handbook	Female	Male
Under 30 years old	-	1
30-50 years old	6	-
51 years old	1	4

2. Employee nationality index (Taiwan Advanced International Multitech's employees)

Type	Proportion to all the employees (%)	% of management posts
Taiwan R.O.C.	93.31%	99.45%
Foreign nationality	6.41%	0.55%
Aborigine	0.28%	0%

3. Proportion of female employees and senior supervisors

The Company pays attention to gender equality, equal pay and equal promotion opportunities. In 2024, the average proportion of female employees in Taiwan's Advanced International Multitech was 41.55%, and the average proportion of female executives was 3.86%.

(IV) Measures adopted for gender equity rights

In order to assist employees in raising children to promote a balance between work and family life, in accordance with the provisions of the Gender Equality in Employment Act, after being in service for six months, employees may apply for parental leave without pay before any of their children reach the age of three years old; and when the parental leave expired, arrangements will be made for the employee to return to the original position or to the original unit.

Status of the Parental Leave applied by full time employees of Advanced International Multitech in Taiwan in the most recent two years.

Year	Item	Male	Female	Total
2024	Number of people that are qualified to apply for parental leave (note 1)	31	25	56
	Number of people that actually applied for parental leave	6	18	24
	Parental leave application rate	19%	72%	43%
	Expected number of people that are reinstated after parental leave in 2024	4	5	9
	Actual number of people that are reinstated after parental leave in 2024	4	5	9
Reinstatement rate in 2024		100%	100%	100%
Year	Item	Male	Female	Total
2023	Actual number of people that are reinstated after parental leave	1	6	7
	Actual number of people that are reinstated after parental leave and continue to work in the Company for one year (Note 2)	0	5	5
Reinstatement and continuous working rate in 2023		0%	83%	71%

Note 1. Estimated based on the number of employees who have applied for maternity leave or paternity leave in the past three years (2022~2024).

Note 2. The actual date of reinstatement is in 2023, and the employee has been employed for 1 year after reinstatement (still employed in 2024).

(V) Provide a Safe and Healthy Work Environment

Industrial safety check

Workplace Safety Audit Team conducts regular factory-wide audits on the 22nd of each month, setting up various themes and referring to the Company internal "Safety, Health and Hygiene Guidelines", and effectively tracking and completing improvements.

The Disabling Injury Frequency Rate in 2024 is 1.85, and the Disabling Injury Frequency Rate in 2023 was 2.95, decreased by 1.1. The Company will continue take more active measures to enhance the concept of safety culture, employee's autonomous management on safety, and will perform operating environment monitoring twice a month to gradually understand the exposure status of workers to ensure their safety during work.

In order to effectively understand the hazards at the workplace, regular factory inspections are carried out to prevent employees from being exposed to special health hazards or unsafe behaviors. Possible risks in the working environment are regularly reviewed and effectively managed by performing the following industrial safety inspections.

Inspection Works	Inspection Frequency
Industrial Safety Inspection Team	Once a month
Industry Safety Check on	Once a week
On-site Check on	Once a day

The main purpose of monitoring the working environment is to assess the exposure of workers in the working environment, therefore, Advanced International Multitech adopts the monitoring and control of personal exposure and environmental exposure. In order to systematically grasp the distribution of personnel exposure and operational environmental monitoring programs, similar exposure groups are established based on the exposure type and number of people in the operational environmental monitoring planning to provide a reference for each subsequent sampling planning. After monitoring of the operating environment is implemented, the results are announced to the labor weekly, and for the part of the operating environment that needs to be improved, measures such as engineering control, administration, protective equipment...etc. are taken in order to provide a safe and hygienic operating environment for the employees. Advanced International Multitech arranges health checkups to prevent occupational diseases for employees in workplaces with high incidence and risks of occupational diseases and conducts monitoring of the work environment in such workplaces. For employees with abnormal test values, we will track and manage them and give them the necessary individual health counseling care and guidance to enable them to grasp their own health status; and we will improve or control the workplace where the work environment is monitored abnormally.

(VI) Help employees maintain physical and mental health and work-life balance

Arrange annual employee health checks, encourage employees to participate in public welfare activities, establish club activities (golf club, boxing aerobic club, yoga club, etc.) , provide education and training subsidy and talent training plan, hold annual family day and end-of-the-year activities to promote the interaction between colleagues, encourage employees to exercise independently and manage their health, and hold sports competitions and annual healthy weight loss competitions from time to time; such are all beneficial to employee's physical and mental health. In addition, the Company has set up a library and fitness facilities at the company site.

III Human rights risk mitigation measures and the relevant policies of the Company

(I) Human dignity

Is regulated by the Company's "Procedures for Ethical Management and Guidelines for Conducts", "Rules for Ethical Management", and "Code of Ethical Conducts".

(II) Equal Rights

The Company formulates the "Operating Procedures for Sexual Harassment Prevention and Complaint Measures" in accordance with the "Act of Gender Equality in Employment" to protect the personal safety of women and promote the substantive equality of gender status. The relevant regulations all state that "to prevent the occurrence of discrimination or allowing of discrimination based on race, social class, country of birth, religion, disability, gender, sexual orientation, or political factors."

(III) Freedom of Expression

In order to respect the rights or reputation of others, the Company sets up physical suggestion box and online suggestion box.

Online suggestion box: The internal website has established channels of "Appointment with the CEO" and "E-Suggestion Box", "Integrity Box" and the external website has dedicated personnel and contact lines in the area of the sustainable development\Integrity Violation Reporting System and Stakeholder, where includes dedicated lines provided for the Company's employees, customers, investors, suppliers, government units and competent authorities, communities and non-profit organizations.

(IV) Privacy, Reputation

In order to respect the privacy of employees, customers and other stakeholders and implement the protection of personal data and privacy rights, the Company has formulated relevant regulations and norms, such as the "Operating Procedures for Personal Data Protection", to regulate the collection, processing and utilization of personal data, so as to avoid infringement of personality rights and to comply with legal requirements.

(V) Right to Work

1. The Company has established the "Work Procedure for Salary Management" for providing equal pay for equal work and appropriate salary method.
2. Safe and healthy work condition:
 - (1) Set up dedicated responsible unit to maintain, manage, and carry out law compliance, implement educational training to new staffs and employees, strengthen conceptual awareness, and truly implement environmental, safety and health strategies and goals.
 - (2) Convene occupational safety and health committee meeting to review and prevent occupational safety and health related issues for protecting employees, visitors, and external contractor's lives, property, and safety.
 - (3) The Company pays attention to the comfort and cleanliness of the working environment and also pays attention to the work safety of employees. Access cards, security systems and surveillance systems are installed at all entrances and exits. Production equipment is equipped with protective devices to ensure the personal safety of colleagues. Also, employee health checks are carried out regularly.
3. The Company has established the "Operating Procedures for Promotions" to provide employees with smooth promotion channel.
4. Reasonable setting of vacation and working hours: The Company has established the "Operating Procedures for Employee Leave Management" to provide employees with special leave, family care leaves and parental leave, maternity, marriage, funeral leave, on-the-job study leave, etc., and provide annual leave days comparable with the civil

servants.

(VI) Right to Health

Based on the concept of taking care of the health of our employees, we provide special medical checkups when employees start employment or when employees change work area, and we also arrange regular health checkups and special health checkups every year. The purpose of these checkups is to protect our employees, to let them know their current physical condition at any time so that they can understand their health status, and to enable the Company's management to make appropriate assignments or adjustments to the work of our employees in response to their health conditions; we also establish a health management system in accordance with the "Regulations for the Protection of Labor Health" to management health related information and implement health management measures. For information on employee health promotion initiatives and employee health screenings in 2024, please refer to Chapter V "Advanced International Multitech and the Environment" of the 2024 Sustainability Report.

(VII) Environment Right

The Company has formulated "Operating Instructions for Wastewater Management", "Procedures for Air Pollution Management", "Operating Procedures for the Formulation and Review of Goals of Environmental Safety and Health Strategy", "Operating Procedures for the Measurement and Supervision of Environmental Safety and Health", "Operating Procedures for Corrective Actions in relation to Environmental Safety and Health", "Operating Procedures for Wastes Management", and "Operating Procedures for Noise Prevention" to provide environment related management for safe water supply, air pollution control, sewage treatment and waste disposal. In addition, green plants are planted in the factory area to protect earth's resources and reduce greenhouse gas emissions.

(VIII) Right of Culture

Based on the core values of the three intentions and six faiths, the Advanced Academy is planned, relevant codes of conduct are compiled, and the "Group's annual outstanding Advanced personnel and the measures to elect the annual outstanding Advanced personnel" is established as the model for the realization of corporate culture.

Three intentions: sincerity, creativity and satisfaction.

Six faiths: be consistent in what you say and what you do, be willing to share, continue to learn, active in trying, exceed expectations, and achieve others.

IV Training practices for the guarantee of human rights

The Advanced Academy was established in 2008. With the purpose of cultivating talents, establishing values and consensus, self-inspiration and learning, the academy carries out the vision the value of the Company in three major areas including activities, literature, and rules and regulations, in order to deep root the Company's corporate culture, provide employees with an environment and atmosphere, where they can give full play to talents, as well as to construct Advanced's academic system, starting from newcomer training, with joint training, class-specific management training, and professional training, to improve the ability of colleagues step by step, so that Advanced people can grow with the development of the Company. The Advanced Academy has also won the silver medal of the corporate version of the Training Quality Evaluation System

(TTQS) of the Vocational Training Bureau of the Executive Yuan since September 2011 and has continued until now.

Related courses and seminars held in 2024 as below:

Year	Category of the Course	Total Hours	Number of participants
2024	Administrative procedures	7	24
	Traffic safety	2	14
	Safety and health	415.5	84
	Self-defense fire marshalling	42.5	352
	Sustainable environment	18	27
	Grassroot cadres	29	174
	Mid-level management	28	10
	General studies	27	83

(VI) The implementation of ethical operation and the divergence and cause of divergence between real practices and the regulated Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies

List of Assessments	Implementation Status			Divergence from the regulated Best Practices and Reasons of the Divergence
	Yes	No	Summary & Explanation	
I. Ethical Management Policy Establishment and Plan				
(1) Whether the Company establishes Board approved ethical management policies and explicitly states, in the Company's Articles of Incorporation and other external correspondences, the Company's policy and method toward ethical management, as well as the promise made by the Board of Directors and the Company's management to carry out such ethical management policies actively and honestly?	✓		(1) Based on the business philosophy of integrity, transparency and responsibility, the Company formulates integrity-based policies, which has been approved by the board of directors, and establishes a good corporate governance and risk control mechanism to create a sustainable operational environment. In order to implement the integrity management policy, the Company also establishes the "Rules for Ethical Management" and "Procedures for Ethical Management and Guidelines for Conduct" and requires every employee to implement the integrity policies. In addition, the operational practice of integrity management is carried out through regular publicity and education and training by the dedicated units of the integrity operation promotion team to implement integrity management, and the execution status is reported to the board of directors regularly (at least once a year) as requested by regulations. In accordance with the commitment and implementation of the "Rules for Ethical Management", the Company should require directors and senior management to issue a statement of compliance with the integrity management policy and sign on the statement at the beginning of their appointment or every year. In 2024, 100% of directors and managers has signed on the "Integrity Management Statement".	No significant divergence
(2) Whether the Company establishes risk assessment mechanism for unethical behaviors to regularly analyze and assess higher unethical behavior related operation activities within the Company's business scope and set up prevention manners to prevent unethical behaviors that at least includes all the behaviors mentioned in Article 7-2 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?"	✓		(2) In order to implement the integrity management policy and actively prevent dishonesty behaviors, the Company has formulated the "Operating Procedures for Moral Risk Assessment", which covers the preventive measures for the behaviors set forth in Item 2 of Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies", as a risk assessment mechanism for major dishonesty behaviors to regularly analyze and evaluate business activities with higher risks of dishonesty within the scope of business. The moral risk assessment is carried out on a regular basis every year, and the Integrity Management Operation Team affiliated to the board of directors compiles the results of	

List of Assessments	Implementation Status			Divergence from the regulated Best Practices and Reasons of the Divergence
	Yes	No	Summary & Explanation	
(3) Whether the Company prescribes prevention programs to guard against unethical conducts and clearly stipulates work procedures, behavioral guidance, punishment at violation, and complaint system in each program and truly executes the stipulation, and whether the Company regularly examines and modify the aforementioned stipulations?	✓		the 2024 consolidated risk assessment, and the risk indexes of which fall within the range of 1 and 2 with low risk, can maintain the functions of the existing control measures and serve as the basis for risk management, and when necessary, report to the Board of Directors regularly (at least once a year) in accordance with the regulations on the status of the implementation of the regulations. (3) The Company has established “Rules for Ethical Management” and “Procedures for Ethical Management and Guidelines for Conduct”, in which clearly state the Company’s integrity management policy, the related work procedures, code of conduct, and the complaint system. In addition, training is provided for managers, employees, appointees, and persons with substantial control capabilities to implement the policy. Additionally, for carrying out the execution of integrity management, the Company also established specific whistle-blowing system, the “Operating Procedures for Reporting of Unethical Behaviors”, which clearly stipulates the operating procedures such as the principles of complaints and whistleblowing, reporting channels, and investigation principles and procedures. The "Integrity Operation Team" affiliated to the board of directors is also responsible for supervising the implementation and reporting the implementation status to the board of directors on a regular basis (at least once a year) in conformity to regulations.	
II Ethical Operation Implementation (1) Whether the Company assesses corresponding parties’ past credit histories and explicitly sets up ethical behavior clause in any of the contracts signed with the corresponding parties?	✓		(1) The Company has established the “Rules for Ethical Management” and “Procedures for Ethical Management and Guidelines for Conduct”, which were approved by the board of directors. Contents of the Procedures include the prohibition of dishonest behavior, avoidance of interests, prohibition of insider trading and confidentiality agreements, and prohibition of engaging in unfair competition, etc. The procedures also regulate to avoid engaging in commercial transactions with dishonest agents, suppliers, customers, or other business contacts, and the content of the contract signed with others shall include that if the counterparty of the transaction is found to be involved in dishonest behavior, the Company may terminate or rescind the contract at any time.	No significant divergence

List of Assessments	Implementation Status			Divergence from the regulated Best Practices and Reasons of the Divergence
	Yes	No	Summary & Explanation	
(2) Whether the Company establishes a unit that is exclusively responsible for promoting corporate ethical operation and reporting its ethical operation policies, manners used to prevent unethical conducts and the supervision on the execution status to Board of Directors regularly (at least once a year)?	✓		The company has established an assessment mechanism for its customers and supplies, and when signing a contract with such, the rights and obligations of both parties are detailed in the contract. (2) 1.The company has set up a dedicate unit, the "integrity operation team, under the board of directors as a full-time unit, which is composed of the Chairman's Office and the CEO Office, and the senior supervisor of the Chairman's Office serves as the convener and supervisor. The team is responsible for assisting the board of directors and management in formulating and supervising the implementation of integrity management policies and prevention plans according to the work duties and scope of each department to ensure the implementation of the integrity management policy. 2.The report by the dedicate unit in relation to the implementation status of the integrity management policy on November 7, 2024: please see Note 1 and Note 2 for detailed information. (Please refer to page 71 to page 72 of this annual report).	
(3) Whether the Company establishes conflicts of interest prevention policy, provides proper declaration channels, and truly carries out the policy?	✓		(3) The “Rules for Ethical Management” and “Procedures for Ethical Management and Guidelines for Conduct” clearly set out policies to prevent conflicts of interest, provide appropriate reporting channels, and require relevant units of the Company to implement.	
(4) Whether the Company has already established effective accounting system and internal control system to implement ethical operations, and empowers internal audit unit to establish according audit plans based on the assessment results in relation to the risks of unethical conducts, and to verify the compliance status of the plans to prevent unethical conducts according to the audit plans or entrust	✓		(4)For ensuring the implementation of integrity management, besides establishing effective accounting system and internal control system, the Company also establishes an assessment mechanism for the risk of dishonesty behavior to regularly analyze and assess the risk of high dishonesty behavior in the business scope, and draw up relevant audit plans when necessary based on the risk assessment results, and internal auditors will regularly check the compliance of the preceding system according to the plan.	

List of Assessments	Implementation Status			Divergence from the regulated Best Practices and Reasons of the Divergence
	Yes	No	Summary & Explanation	
accountants to execute such verification?				
(5) Whether the company regularly holds internal or external education training in the light of ethical operations?	✓		(5) Please refer to Note1 (please refer to page 71 of this annual report).	
III The Operation of the Company's Whistling Blowing System (1) Whether the Company establishes specific whistling blowing and awarding system and creates convenient reporting channels, and whether proper personnel are appointed to investigate the being reported person and handle the case?	✓		(1) 1. The Company has set up the "Rules for Ethical Management", "Procedures for Ethical Management and Guidelines for Conduct", and "Operating Procedure for Reporting of Unethical Behavior" to carry out the practices of integrity management and operation and report the implementation status to the board of directors regularly. 2. The Company sets up channels such as the "Appointment with the CEO", "E Suggestion Box", and "Integrity Mailbox" in the Company's internal website. Employees are able to reflect their opinions through multiple channels connecting with the management and human resources units, and the communication channels are smooth. 3. The Company has set up physical suggestion boxes and online suggestion boxes and established and announced independent whistleblowing mailboxes and hotlines on external websites for whistleblowers to use. It also has a dedicated unit of the "Integrity Management Promotion Team" to accept and implement suggestions. 4. The "Integrity Operation Promotion Team" under the board of directors is responsible for accepting and executing the suggestions and reporting cases.	No significant divergence
(2) Whether the Company sets up standardized investigation work procedures after accepting claims, regulates actions to take after the investigation and establishes related security system while handing the accusation cases?	✓		(2) The Company formulates complaint procedures, responsible units for case acceptance, and incident handling procedures, and abides by the law to keep personal information confidential and strictly prohibits retaliation against colleagues. The Company's "Procedures for Ethical Management and Guidelines for Conduct" and "Operating Procedures for Reporting of Unethical Behavior" stipulates clearly the standard operating procedures for accepting and reporting matters and related confidentiality	

List of Assessments	Implementation Status			Divergence from the regulated Best Practices and Reasons of the Divergence
	Yes	No	Summary & Explanation	
(3) Whether the Company adopts some protection mechanism to protect reporter from encountering improper punishment?	✓		mechanisms. For more information, please visit our website: (https://www.adgroup.com.tw/page/about/index.aspx?kind=105&lang=TW) . Upon receipt of a report, the Company shall initiate an investigation by a specialized unit, which shall commence the investigation on the day following the receipt of the report and complete the investigation within 3 months, subject to an extension of 1 month if necessary. If there is no contact or no response, the Specialized Unit may close the case. If it is proved that the reported person or the reported matter has violated the relevant laws and regulations or the Company's policy and regulations on integrity management, appropriate follow-up measures will be taken according to the severity of the case or the Company's work rules will be followed. The responsible unit should report the report, the way it handles the report, and the follow-up review and improvement measures to the Board of Directors and should notify the whistleblower for the results of the investigation. For supplementary information, please refer to Note 2 on page 72 of this annual report. (3) The "Procedures for Ethical Management and Guidelines for Conduct" and "Operating Procedures for Reporting of Unethical Behavior" stipulate clearly the standard operating procedures for accepting and reporting matters and related confidentiality mechanisms to protect reporter from being treated improperly due to his/her reporting.	
IV Information Disclosure Enhancement Whether the Company discloses the contents of ethical operation criteria and the implementation efficacy on the Company's website and on the Market Observation Post System?	✓		Besides disclosing in the annual report, the implementation status of the Company's ethical management policy is also disclosed on the Company's website under the section of Corporate Governance. Please refer to the website: www.adgroup.com.tw Disclosure matters include: (I) Disclosure of the promotion and implementation status of integrity operation on the Company's website. (II) Reporting channels for dishonest behaviors in relation to integrity management are established on the Company's website under the section of Sustainable Operation.	No significant divergence

List of Assessments	Implementation Status			Divergence from the regulated Best Practices and Reasons of the Divergence
	Yes	No	Summary & Explanation	
V If the Company follows “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” to establish the Company’s ethical management rules, then the Company should also state the implementation status and the divergence between the real practices and the rules: The Company set up the “Ethical Corporate Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct” following the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”: (I)Regularly promote the concept of integrity management to all employees 1. Regularly promote the concept of honest management to all employees The Company’s dedicated unit shall organize an internal event to promote integrity management at least once a year. Therefore, in October 2024, the Group launched an online publicity campaign, mainly through the Group’s mailbox announcement, internal website (latest news), KM platform, etc. The theme of the publicity campaign on honesty and integrity was "Ethical Corporate Management", so as to enable all employees to have a clear understanding of the Company’s honesty and integrity management philosophy and the norms. 2. Arrange directors to participate in publicity or seminars: please refer to Market Observation Post Station: Company > Corporate Governance > Director/Independent Director/Supervisor > Attendance at Board Meetings and Advanced Training and Current Experience and Concurrent Employment of Independent Directors. Website: https://mopsov.twse.com.tw/mops/web/t100sb07 . (II) Express the terms of integrity operation behavior in the contract with the counterparty. (III) Establish and announce internal independent reporting mailboxes and dedicated lines on the company website and internal website: update the Company website and internal website in real time. Establish and announce internal independent reporting mailboxes and dedicated lines. 1.The Company has not received reports in relation to integrity behavior in 2024. 2.The execution is based on the Company’s “Rules for Ethical Management”, and there is no difference in the actual implementation status.				
VI Other important information that might help to understand the operation of the Company’s ethical management practices (such as the review and revision of the established Rules for Ethical Management, etc...): (I) The “Rules for Ethical Management” and “Procedures for Ethical Management and Guidelines for Conduct”: There was no amendment in 2024. (II) Report to the board of directors regarding the actual operation of integrity management on November 7, 2024.				

Note 1:

1.Law compliance and publicity:

The Company conducts education and publicity on the “Procedures for the Prevention of Insider Trading”, “Announcement of Insider’s Ban on Trading in the Company’s Shares during the Pre-Announcement Closure Period”, "Common propaganda that insiders' reporting of changes in shareholding violates the provisions of the Securities and Exchange Act” and related laws and regulations for current directors (including independent directors), managers and employees, and for new directors (including independent directors) and managers, related education and publicity is arranged within 3 months after taking office. The number of promotional times and the number of times current directors (including independent directors), managers, and employees were counseled in 2024 are summarized as follows:

No.	Period	Training Item	Promotional Measure	Counter-Party	Number of people
1	2023.Q2～2023.Q4 ～	Announcement of insiders’ ban on trading in the Company’s shares during the pre-announcement closure period	Online promotion	Current directors (including independent director), managers, and employees	90
2	2024.Q1～2024.Q4	Reporting Changes in Insider Shares in Violation of the Securities and Exchange Act.	Online promotion		68

2.Regular publicity and education training

(1) For protecting employees’ health and preventing cluster infection, the Company carried out publicity activity in the manner of online promotion in October 2024 to publicize the integrity operation policy themed at “Ethical Corporate Management”. The popularizing objects included all the Company’s employees with the purpose to popularize to clearly understand the Company’s idea and norms of integrity operation. Besides publicity, the popularizing course also included topics on the prevention of fair trade, advertising and competition, collusion, conspiracy, intellectual property, etc., as well as on insider trading and short-swing trading that are often heard in the market due to unfamiliarity with the details of laws and regulations, and on the relevant provisions of the "Securities and Exchange Act", the prevention suggestions and examples.

Number of employees browsing the page and the manner of publicity are as follows:

December 31, 2024

List	Training Topic	Publicity Method	Class duration	Number of viewers	Number of people
1	Integrity and Ethics	Online Publicity	20 minutes; 1.5 hour/time	281	51
2	Insider Trading	Online Publicity	20～30 minutes	73	-
3	Personal data protection	Online Publicity	20 minutes	-	13
4	Intellectual Property and Confidential Information Protection	Online Publicity + Physical Course	20 minutes; 2 hours/time	70	103

(2) In response to the competent authority's promotion of insider trading and related information such as ownership rights, the Company provided audio-visual files and materials (PDF files), provided by the competent authorities, to insiders and directors for reference. The contents include promotions topics such as reporting changes in insider shareholdings is a common violation of the Securities and Exchange Act, in 2024Q2 and 2024Q3, insiders are prohibited from trading company stocks during the closed period before the announcement of financial etc.....

Note 2:

1. The Company engages in business activities based on the principles of fairness, honesty, trustworthiness, and transparency. In order to implement the integrity management policy and actively prevent dishonest behavior, the "Procedures for Ethical Management and Guidelines for Conduct" was formulated, approved by all the presenting directors in the meeting, and reported to shareholders' meeting.

Based on this, the Company formulated the "Operating Procedures for Moral Risk Assessment" to establish an assessment mechanism for the risk of dishonesty and for the Integrity Operation Promotion Team to implement integrity management and to regularly analyze and assess the risk of dishonesty within the scope of business, and as a basis to formulate plans to prevent dishonesty behavior.

After completing relevant risk assessments, the Integrity Operation Promotion Team compiles the relevant comprehensive risk assessment results and conducts follow-up actions on relevant improvements based on the risk level of the risk index formulated in the "Operation Procedures for Moral Risk Assessment ", which serves as the basis for risk management.

And in October 2024, according to the four categories of "moral hazard categories", such as integrity management and information disclosure, intellectual property protection, fair trade, advertising and competition, and privacy, identity protection and prevention of retaliation, assessment was carried out in each business department and staff unit. The assessment result summary showed that there was no major risk, so the topic does not need to be included in the annual audit plan.

2. Regarding whistle-blower system and whistle-blower protection, specific whistle-blower's policies are formulated in the "Rules for Ethical Management", "Procedure for Ethical Management and Guidelines for Conducts", and "Operating Procedure for Reporting of Unethical Behaviors" to actively prevent dishonesty and encourage internal and external personnel to report dishonesty or misconduct.

- (1) Complaints and Reporting channels: The Company establishes and announces independent reporting mailboxes and dedicated lines on external and internal websites and entrusts other external independent organizations to provide reporting mailboxes and dedicated lines for the use by internal and external personnel of the Company.
- (2) The Company also appointed the "Integrity Operation Promotion Team" as the unit responsible for accepting reporting cases. Should a reporting case involving directors or senior managers, the case shall be reported to independent directors or supervisors. The identity and content of the whistle-blower are kept confidential. The specific practices are based on the whistle-blower's protection system as stated in the "Procedures for Ethical Management and Guidelines for Conduct" and "Operating Procedures for Reporting of Unethical Behavior."
- (3) In 2024, the Company did not receive reporting cases that involved dishonest behavior or dishonest interests. °

(VII) Other significant information that will provide a better understanding of the implementation of corporate governance:

1. The “Investor Relations” on the Company’s website:

<https://www.adgroup.com.tw/page/about/index.aspx?kind=33&lang=TW>

, and the “Sustainable Development”:

<https://www.adgroup.com.tw/page/about/index.aspx?kind=34&lang=TW>

(VIII) Regarding the implementation of internal control system, the followings should be disclosed:

1. Statement of Internal Control System:

The Company’s 2024 Internal Control Statement has been filed and disclosed on the website of Market Observation Post System, please refer to the website under the path: Market Observation Post System > Company > Corporate Governance > Articles of Incorporation/Internal Control > Internal Control Statement Disclosure.

Link: <https://mops.twse.com.tw/mops/#/web/t06sg20>

2. If the Company is requested by the Securities and Futures Bureau to entrust accountants to audit its internal control system, the Company should also disclose the accountant’s audit report: The Company obtained the CPA’s internal control review report on behalf of the subsidiary, Launch Technologies Co., Ltd. (Review period 05/24/2024 to 11/30/2024), the related information has been filed and disclosed on the Market Observation Post System, please refer to the webpage and follow the step to inquire the related information: Market Observation Post System > Company > Corporate Governance > Articles of Incorporation/Internal Control > Internal Control Project Review Report.

Link: <https://mops.twse.com.tw/mops/#/web/t06hsg20>

(IX) Important resolutions made in the Shareholders Meeting and Board of Director's Meeting in the most recent fiscal year and up until the printing date of this annual report.

Date of Meeting (m/d/y)	Type of Meeting	Important resolutions	Execution status
1/31/2024	Board of Director's Meeting	1. To approve the plan of 2023 H2 managers' performance bonus. 2. To approve the plan of managers' 2023 year-end bonus 3. To approve the 2024 salary adjustment plan to managers. 4. To approve the 2024 operating plan. 5. To apply for account opening, saving, and borrowing, including the application or renewal of relevant quotas, in order to meet the needs of bank, loan procedures and fund dispatch, handle account opening, deposit. 6. Matters relating the signing of short-term financing plan by subsidiary, ADVANCED INTERNATIONAL MULTITECH (VIETNAM) Co., LTD. 7. Matters relating to the short-term financing contract signed by subsidiary, Launch Technologies Co., Ltd. 8. The Company to add an additional proxy spokesperson.	Handled following the resolution
2/20/2024	Board of Director's Meeting	1. OEM contract signed by subsidiary, ADVANCED INTERNATIONAL MULTITECH (VIETNAM) CORPORATION LTD. 2. Expansion of plant by subsidiary, ADVANCED INTERNATIONAL MULTITECH (VIETNAM) CORPORATION LTD.	Handled following the resolution
2/29/2024	Board of Director's Meeting	1. To approve the 2023 business report and financial reports. 2. The proposal of 2023 employee remuneration and director and supervisor's remuneration distribution. 3. The 2023 earnings distribution proposal. 4. The proposal to distribute cash by capital surplus. 5. The 2023 "Assessment of the effectiveness of the internal control system" and the "Internal Control Statement". 6. The proposal to provide loans of USD10,000 thousand to the Company's 100% owned subsidiary, ADVANCED INTERNATIONAL MULTITECH (VIETNAM) CORPORATION LTD. 7. The proposal to issue a letter of support for subsidiary, ADVANCED INTERNATIONAL MULTITECH (VIETNAM) CORPORATION LTD. for the purpose of negotiating a credit line with a financial institution. 8. To amend partial articles of the Company's "Operating procedures of Loaning Funds to Others" 9. To amend partial articles of the Company's "Articles of Incorporation" 10. To amend partial articles of the Company's "Rules of Procedures for the Board of Director's Meeting". 11. To amend partial articles of the Company's "Organizational Procedures of the Audit Committee", "Payroll Cycle", and "Production Cycle". 12. To discuss the proposal regarding the Company's General Manager, Chou I-Nan, to concurrently serve as the General Manager of subsidiary, Launch Technologies Co., Ltd., also the lifting of competition prohibition. 13. To review the Company's 2024 remuneration adjustment proposal for managers. 14. To conduct a comprehensive election of the board of directors.	Handled following the resolution

Date of Meeting (m/d/y)	Type of Meeting	Important resolutions		Execution status
		15. Work procedures and review criteria for acceptance of announcement of nomination of directors (including 3 independent directors) of the Company. 16. Nomination and review of candidates for election as directors (including 3 independent directors) by the Board of Directors of the Company. 17. To lift competition restrictions on the Company's newly elected directors and their representatives. 18. Matters relating to the convening of the 2024 Annual General Meeting of the Company. 19. Assessment of the independence and suitability of the certified public accountants for the financial reports. 20. The appointment of certified accountants of the Company.		
4/15/2024	Board of Directors' Meeting	1. The proposal to conduct share swap with Launch Technologies Co., Ltd. by issuing new shares to acquire 100% of Launch Technologies Co., Ltd. and the proposal to issue new shares to increase capital. 2. The proposal to add to the agenda of the 2024 Annual General Shareholders' Meeting of the Company and the reasons for convening the meeting. 3. The proposal regarding the change of custodian of the Company's seal registered by the Company with the Ministry of Economic Affairs. 4. To amend partial articles of the Company's "Operating Procedures of Loaning Funds to Others".		Handled following the resolutions
5/9/2024	Board of Directors' Meeting	1. To discuss the Company's 2024 Q1 financial report 2. To proposal regarding the opening of accounts, making deposits, obtaining loans, and applying for or renewing quotas from financial institutions in order to meet the needs of banking, loan procedures, and capital adjustments.		Handled following the resolutions
5/27/2024	General Shareholders' Meeting	Matters for acknowledgement	1. 2023 Business report and financial reports	Handled following the resolutions
			2. Proposal of 2023 Earnings distribution	Handled following the resolutions
		Matters for discussion	1. To amend partial articles of the Company's "Articles of Incorporation" and "Operating procedures of loaning funds to others".	Handled following the resolutions
		Election Matters	1. The proposal to carry out the comprehensive re-election of directors.	Handled following the resolutions
		Other proposals	1. The proposal to lift non-compete restrictions for the Company's newly elected directors and the representatives.	Handled following the resolutions
5/27/2024	Board of Directors' Meeting	1. The proposal to elect Chairman and Vice Chairman.		Handled following the resolutions
6/13/2024	Board of Directors' Meeting	1. The proposal to appoint the 6 th term Remuneration Committee members. 2. The plant expansion proposal of the Company's subsidiary, ADVANCED INTERNATIONAL MULTITECH (VIETNAM) CORPORATION LTD. 3. The proposal of pre-approval of non-assurance services provided to the Company and its subsidiaries by certified public accounts, their firms, and firm's affiliates.		Handled following the resolutions

Date of Meeting (m/d/y)	Type of Meeting	Important resolutions	Execution status
8/2/2024	Board of Director's Meeting	1. To approve the 2024 Q2 financial reports. 2. The proposal regarding the opening of accounts, making deposits, obtaining loans, and applying for or renewing quotas from financial institutions in order to meet the needs of banking, loan procedures, and capital adjustments. 3. The proposal regarding the change of custodian of the Company's seal registered by the Company with the Ministry of Economic Affairs. 4. The proposal to extend fund loans to a subsidiary, ADVANCED INTERNATIONAL MULTITECH (VIETNAM) CO., LTD. in the amount of USD10,000 thousand. 5. The proposal to amend partial provisions of the Company's "Code of Corporate Governance Practices". 6. To approve the 2023 remuneration plan to independent directors. 7. To approve the 2023 remuneration plan to directors (excluding Independent Directors). 8. To review the Company's 2024 annual managerial compensation adjustments. 9. To review the Company's 2023 managerial compensation distribution plan. 10. To review 2024 H1 manager's performance bonus. 11. To review the distribution of 2024 manager's bonuses. 12. To amend partial articles of the Company's "Sales and Collection Cycle", "Production Cycle", "Management System and Budget Management Cycle." 13. To change the share swap record day of the share conversion between the Company and Launch Technologies Co., Ltd.	Handled following the resolution
10/8/2024	Board of Directors' Meeting	1. To change the share swap record day of the share conversion between the Company and Launch Technologies Co., Ltd.	Handled following the resolution
11/7/2024	Board of Director's Meeting	1. To approve 2024 Q3 Financial Reports. 2. To approve the 2025 audit plan. 3. To amend the Company's "Internal Audit System and Implementation Rules", add and amend partial articles of the Company's "Management system and Budgetary Management Cycle".	Handled following the resolution

(X) Whether any director or supervisor has different opinions on the approved important resolutions during the Board of Directors' Meetings in the most recent fiscal year and up until the date of printing of this annual report and such different opinions were recorded or taken down as written statement: None.

IV Information on the fees paid to certified accountants

- (I) The amount of audit fees paid, non-audit public fees paid and content of the non-audit services to certified accountants and their affiliated firms and affiliated enterprises shall be disclosed. If one of the following circumstances occurs, the following matters shall be disclosed:
1. If the accounting firm is replaced and the audit fee paid in the replacement year is less than the audit fee in the previous year, the amount and reasons for the audit fee before and after the replacement shall be disclosed: No such situation.
 2. If the audit fee has decreased by more than 10% compared with the previous year, the amount decreased, proportion and reason of the audit fee reduction shall be disclosed: No such situation.
- (II) Fees paid to certified accountants

Unit: NT\$1,000

Name of Accounting Firm	Name of Accountant	Review Period	Audit Fee	Non-Audit Fee	Total	Note
PwC Taiwan	Wang, Chun-Kai	1/1/2024~ 12/31/2024	2,790	690	3,480	Note
	Wu, Chien-Chih					

Note: the non-audit fee was mainly paid for the service of tax compliance audit, transfer pricing, the Group's master file report, etc....

V Information on the Replacement of Accountants:

Information on the replacement of certified accountants in the most two recent fiscal years: Not applicable.

(I) About the former accountant: Not applicable.

(II) About the successor accountant: Not applicable.

(III) Reply letter from the former accountant regarding item 1 and item 3 of Clause 6 of Article 10 of this Standard: Not applicable.

VI Whether the Company's chairperson, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm: No such situation.

VII Information on share transfer and pledge of stock right changes by directors, managers, and shareholders that hold more than 10 % of the Company's outstanding shares at the most recent fiscal year and up until the printing date of this report.

(I) Share transfer and pledge of stock status of Director, Independent Director, Managers and hold more than 10% of the Company's.

1. Share transfer of stock status : Related information has been filed to Market Observation Post System > Company > Shareholding Change/Securities Issuance > Share Transfer Information Enquiry > Post-incident report of changes in insider's shareholding.

Link: https://mops.twse.com.tw/mops/#/web/query6_1

2. Pledge of stock status : Related information has been filed to Market Observation Post System > Company > Shareholding Change/Securities Issuance > the insider setting on pledge > announcement of the insider setting on pledge

Link: https://mopsov.twse.com.tw/mops/web/STAMAK03_1

(II) The counterparty of the share transfer is the relative of director, supervisor, manager, and shareholders holding more than 10% of the Company's outstanding shares: no such situation.

(III) Circumstances where the counterparty of the equity pledge is a related party: no such situation.

VIII Information on the relationship among the top ten shareholders who are related persons or spouses or relatives within the second degree

Information on the top ten shareholders and their interrelationships

March 31, 2025 Unit: share/%

Name	Shares held in person		Shares held by spouse and minor children		Shares held under others name		Relationship among top 10 shareholders including spouse and within 2nd degree relative as stated in No.6 of the Accounting Standard		Note
	Shares	Stake(%)	Shares	Stake(%)	Shares	Stake(%)	Name	Relations	
Ming An Investment Co., Ltd. Representative	12,134,838	7.95%	0	0.00%	0	0.00%	None	None	
Cheng, Hsi-Chien	1,499,636	0.97%	0	0.00%	0	0.00%	Cheng, Feng-Yao Liu, An-Hao	Father-son In-laws	
Shang Ming Investment Co., Ltd. Representative	6,500,000	4.26%	0	0.00%	0	0.00%	None	None	
Cheng, Feng-Yao	1,330,151	0.86%	0	0.00%	0	0.00%	Cheng, His-Chien	Father-son	
An Yen Investment Co., Ltd. Representative	5,000,000	3.28%	0	0.00%	0	0.00%	None	None	
Liu, Yen-Liang,	285,826	0.18%	92,280	0.06%	0	0.00%	Liu, an-Hao	Father-son	
Ming Feng Investment Co., Ltd. Representative	2,587,339	1.70%	0	0.00%	0	0.00%	None	None	
Cheng, Hsi-Chien	1,499,636	0.97%	0	0.00%	0	0.00%	Cheng, Feng-Yao Liu, An-Hao	Father-son In-laws	
Ming Yu Investment Co., Ltd. Representative	2,560,003	1.68%	0	0.00%	0	0.00%	None	None	
Wang, Mei-Chen	0	0.00%	320	0.00%	0	0.00%	None	None	
Lu, Wan-Jung	2,554,815	1.67%	18,000	0.01%	0	0.00%	None	None	
Yuan Hong Investment Co., Ltd. Representative	2,263,415	1.48%	0	0.00%	0	0.00%	None	None	
Liu, An-Hao	919,905	0.59%	440,894	0.28%	0	0.00%	Cheng, His-Chien Liu, Yen-Liang	In-laws Father-son	
Freedom Investment Co., Ltd. Representative	2,115,380	1.39%	0	0.00%	0	0.00%	None	None	
Malaysian Freedom Investment Co., Ltd.,	0	0.00%	0	0.00%	0	0.00%	None	None	
Fu Zhi Investment and Development Co., Ltd. Representative	2,016,766	1.32%	0	0.00%	0	0.00%	None	None	
Lin, Chao-Hung	1,080	0.00%	0	0.00%	0	0.00%	None	None	
Ming Fa Investment Co., Ltd. Representative	2,000,000	1.31%	0	0.00%	0	0.00%	None	None	
Cheng, Hsi-Chien	1,499,636	0.97%	0	0.00%	0	0.00%	Cheng, Feng-Yao Liu, An-Hao	Father-son In-laws	

Number of treasury shares as of March 31, 2025: 2,629,000 shares

IX The number of shares held by the Company, its directors, supervisors, managers, and enterprises directly or indirectly via enterprises that the Company holds controlling power over in the same reinvestment enterprise, and the composite shareholding status

Composite Shareholding Ratio

December 31, 2024 Unit: share/%

Re-investment (Note)	Invest by the Company		Invest by the Company's directors, supervisors, managers, and directly or indirectly via controlled enterprises		Composite Investment	
	Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %
ADVANCED GROUP INTERNATIONAL (BVI) CO., LTD.	4,584,815	100%	0	0%	4,584,815	100%
ADVANCED INTERNATIONAL MULTITECH (VN) CORPORATION LTD.	32,000,000	100%	0	0%	32,000,000	100%
Launch Technologies Co., Ltd.	55,219,989	100%	0	0%	55,219,989	100%
MUNICH COMPOSITES GMBH	69,003	30.53%	0	0%	69,003	30.53
Advanced Sporting Goods (Dongguan) Co., Ltd.	0	0%	0	100%	0	100%
Baoji Zatech Material Co., Ltd.	0	0%	0	25%	0	25%
Maya Metal Technology Co., Ltd.	0	0%	750,000	300%	750,000	30%
Technology on Prototyping Ultimate Co., Ltd.	1,200,000	21.64%	0	0%	1,200,000	21.64%

Note: The investment of the Company using the equity method.

Three. Capital Raising Activities

I. Source of Equity

(I) Formation of equity

April 30, 2025; Untie: NT\$1/share

Month/ Year	Issue Price	Authorized capital stock		Paid-in-Capital		Note		
		Number of shares (share)	Amount (dollar)	Number of shares (share)	Amount (dollar)	Source of capital stock	Non-cash stock subscription	Other (Approval letter No.)
02/1996	\$10	8,509,000	85,090,000	8,509,000	85,090,000	Capital increase by cash	--	85.03.20(85) Shang-Di-No. 103677
07/1998	\$10	18,717,012	187,170,120	18,717,012	187,170,120	Merge of Da An and Ming An	--	87.09.11(87)Shang-Di-No.087119823
12/1998	\$10	40,620,012	406,200,120	40,620,012	406,200,120	Capital increase by cash	--	87.12.02(87)Tai-Cai-Zheng(1)Zi-Di-No.97995
10/1999	\$10	55,620,012	556,200,120	55,620,012	556,200,120	Capital increase by cash	--	88.10.30(88)Tai-Cai-Zheng(1)Zi-Di-No.94843
07/2000	\$10	57,844,812	578,448,120	57,844,812	578,448,120	Capital increase by capital reserve	--	89.07.15(89)Tai-Cai-Zheng(1)Zi-Di-No.61843
07/2001	\$10	63,629,294	636,292,940	63,629,294	636,292,940	Capital increase by retained earnings	--	90.07.27(90)Tai-Cai-Zheng(1)Zi-Di-No.148681
07/2002	\$10	116,300,000	1,163,000,000	66,810,759	668,107,590	Capital increase by retained earnings	--	91.07.05(91) Tai-Cai-Zheng(1)Zi-Di-No.0910136844
07/2003	\$10	116,300,000	1,163,000,000	70,934,236	709,342,360	Capital increase by retained earnings (incl. Employee bonus)	--	92.07.04(92)Tai-Cai-Zheng(1)Zi-Di-No.0920129884
08/2004	\$10	146,300,000	1,463,000,000	85,629,863	856,298,630	Capital increase by retained earnings (incl. Employee bonus)	--	93.08.23Jing-Shou-Shang-Zi-Di-No.09301153530
01/2005	\$10	146,300,000	1,463,000,000	87,241,326	872,413,260	Conversion of corporate bond Employee stock option	--	94.01.25Jing-Shou-Shang-Zi-Di-No.09401008090
04/2005	\$10	146,300,000	1,463,000,000	89,032,803	890,328,030	Conversion of corporate bond Employee stock option	--	94.04.13Jing-Shou-Shang-Zi-Di-No.09401060590
09/2005	\$10	146,300,000	1,463,000,000	94,944,607	949,446,070	Capital increase by retained earnings (incl. Employee bonus) Employee stock option	--	94.09.08Jing-Shou-Shang-Zi-Di-No.09401176760
10/2005	\$10	146,300,000	1,463,000,000	95,616,891	956,168,910	Conversion of corporate bond Employee stock option	--	94.10.25Jing-Shou-Shang-Zi-Di-No.09401212400
01/2006	\$10	146,300,000	1,463,000,000	96,059,641	960,596,410	Employee stock option	--	95.01.16Jing-Shou-Shang-Zi-Di-No.09501009210
04/2006	\$10	146,300,000	1,463,000,000	97,080,641	970,806,410	Employee stock option	--	95.04.17Jing-Shou-Shang-Zi-Di-No.09501066950
08/2006	\$10	146,300,000	1,463,000,000	102,901,923	1,029,019,230	Capital increase by retained earnings (incl. Employee bonus) Employee stock option	--	95.08.25Jing-Shou-Shang-Zi-Di-No.09501186570
10/2006	\$10	146,300,000	1,463,000,000	103,028,423	1,030,284,230	Employee stock option	--	95.10.24Jing-Shou-Shang-Zi-Di-No.09501239350
01/2007	\$10	146,300,000	1,463,000,000	104,210,023	1,042,100,230	Employee stock option	--	96.01.25Jing-Shou-

Month/ Year	Issue Price	Authorized capital stock		Paid-in-Capital		Note		
		Number of shares (share)	Amount (dollar)	Number of shares (share)	Amount (dollar)	Source of capital stock	Non-cash stock subscription	Other (Approval letter No.)
								Shang-Zi-Di- No.09501018310
04/2007	\$10	146,300,000	1,463,000,000	106,843,313	1,068,433,130	Conversion of corporate bond Employee stock option	--	96.04.17Jing-Shou- Shang-Zi-Di- No.09601077630
07/2007	\$10	146,300,000	1,463,000,000	108,305,210	1,083,052,100	Conversion of corporate bond Employee stock option	--	96.07.18Jing-Shou- Shang-Zi-Di- No.09601163620
09/2007	\$10	146,300,000	1,463,000,000	111,643,138	1,116,431,380	Capital increase by retained earnings (incl. Employee bonus) Conversion of corporate bond Employee stock option	--	96.09.05Jing-Shou- Shang-Zi-Di- No.09601218630
10/2007	\$10	146,300,000	1,463,000,000	114,780,567	1,147,805,670	Conversion of corporate bond Employee stock option	--	96.10.22Jing-Shou- Shang-Zi-Di- No.09601254980
01/2008	\$10	146,300,000	1,463,000,000	115,548,707	1,155,487,070	Conversion of corporate bond Employee stock option	--	97.01.21Jing-Shou- Shang-Zi-Di- No.09701011550
04/2008	\$10	146,300,000	1,463,000,000	115,561,951	1,155,619,510	Conversion of corporate bond	--	97.04.18Jing-Shou- Shang-Zi-Di- No.09701091500
07/2008	\$10	146,300,000	1,463,000,000	116,334,575	1,163,345,750	Conversion of corporate bond	--	97.07.24Jing-Shou- Shang-Zi-Di- No.09701183940
09/2008	\$10	146,300,000	1,463,000,000	119,645,814	1,196,458,140	Capital increase by retained earnings (incl. Employee bonus)	--	97.09.15Jing-Shou- Shang-Zi-Di- No.09701236020
11/2008	\$10	146,300,000	1,463,000,000	118,785,058	1,187,850,580	Conversion of corporate bond Retirement of treasury stock	--	97.11.06Jing-Shou- Shang-Zi-Di- No.09701281280
01/2009	\$10	146,300,000	1,463,000,000	118,789,924	1,187,899,240	Conversion of corporate bond	--	98.01.08Jing-Shou- Shang-Zi-Di- No.09801001810
04/2009	\$10	146,300,000	1,463,000,000	118,975,109	1,189,751,090	Conversion of corporate bond	--	98.04.09Jing-Shou- Shang-Zi-Di- No.09801067780
07/2009	\$10	146,300,000	1,463,000,000	125,397,905	1,253,979,050	Conversion of corporate bond	--	98.07.21Jing-Shou- Shang-Zi-Di- No.09801151010
10/2009	\$10	146,300,000	1,463,000,000	129,355,126	1,293,551,260	Conversion of corporate bond	--	98.10.16Jing-Shou- Shang-Zi-Di- No.09801240030
01/2010	\$10	146,300,000	1,463,000,000	129,937,359	1,299,373,590	Conversion of corporate bond	--	99.01.19Jing-Shou- Shang-Zi-Di- No.09901009280
04/2010	\$10	146,300,000	1,463,000,000	131,213,663	1,312,136,630	Conversion of corporate bond	--	99.04.02Jing-Shou- Shang-Zi-Di- No.09901066280
01/2011	\$10	146,300,000	1,463,000,000	135,041,722	1,350,417,220	Conversion of corporate bond	--	100.01.19Jing-Shou- Shang-Zi-Di- No.10001013520
03/2012	\$10	146,300,000	1,463,000,000	134,342,722	1,343,427,220	Retirement of treasury stock	--	101.03.26Jing-Shou- Shang-Zi-Di- No.10101051510
12/2015	\$10	146,300,000	1,463,000,000	133,375,722	1,333,757,220	Retirement of treasury stock	--	104.12.24Jing-Shou- Shang-Zi-Di- No.10401269350

Month/ Year	Issue Price	Authorized capital stock		Paid-in-Capital		Note		
		Number of shares (share)	Amount (dollar)	Number of shares (share)	Amount (dollar)	Source of capital stock	Non-cash stock subscription	Other (Approval letter No.)
10/2017	\$10	146,300,000	1,463,000,000	135,312,722	1,353,127,220	Employee stock option	--	106.10.20Jing-Shou-Shang-Zi-Di-No.10601144720
07/2019	\$10	180,000,000	1,800,000,000	135,312,722	1,353,127,220	Increase of authorized capital	--	108.07.04Jing-Shou-Shang-Zi-Di-No.10801072630
03/2023	\$10	180,000,000	1,800,000,000	137,192,926	1,371,929,260	Conversion of corporate bond		112.03.09Jing-Shou-Shang-Zi-Di-No.11230035620
05/2023	\$10	180,000,000	1,800,000,000	140,200,272	1,402,002,720	Conversion of corporate bond		112.05.23Jing-Shou-Shang-Zi-Di-No.11230090290
01/2025	\$10	180,000,000	1,800,000,000	154,619,117	1,546,191,170	Share swap with Launch Technologies by new shares issuance	-	114.01.07Jing-Shou-Shang-Zi-Di-No.11330218970
03/2025	\$10	180,000,000	1,800,000,000	154,633,651	1,546,336,510	Conversion of corporate bond		114.03.25Jing-Shou-Shang-Zi-Di-No.11430035820

(II) Share Class

March 31, 2025; Unit: share

Type of Shares	Authorized capital stock			Note
	Outstanding shares (Note1)	Un-issued shares (note2)	Total	
Common shares	155,249,904 shares	24,750,096 shares	180,000,000 shares	(note 2)

Note 1: 154,633,651 outstanding shares includes 2,629,000 shares of treasury stock and 616,253 shares of common stock that have been applied for conversion by bondholders of 2024Q1 bonds but have not yet been registered as changes in common stock.

Note 2: Stocks that listed in TPEx.

(III) Related information regarding shelf registration system: Not applicable.

II. Name list of Major shareholders

Shareholders with a shareholding ratio of 5% or more; if there are less than ten shareholders, the names, shareholding amount and percentage of the top ten shareholders:

March 31, 2025; Unit: share/%

Shareholding status Name of Major shareholders	Amount of shares held	Shareholding %
Ming An Investment Co., Ltd.	12,134,838	7.95%
Shang Ming Investment Co., Ltd.	6,500,000	4.26%
An Yen Investment Co., Ltd.	5,000,000	3.28%
Ming Feng Investment Co., Ltd.	2,587,339	1.70%
Ming Yu Investment Co., Ltd.	2,560,003	1.68%
Lu, Wan-Jung	2,554,815	1.67%
Yuan Hong Investment Co., Ltd.	2,263,415	1.48%
Freedom Investment Co., Ltd.	2,115,380	1.39%
Fu Zhi Investment and Development Co., Ltd.	2,016,766	1.32%
Ming Fa Investment Co., Ltd.	2,000,000	1.31%

Number of treasury stock as of March 31, 2025: 2,629,000 shares.

III. Dividend policy and the implementation

1. Dividend policy

The Company adopts a residual dividend policy for sustainable operation and profits increase. If the Company has a surplus after accounts close each year, in addition to paying income tax and making up for losses in previous years, 10% of the statutory reserve shall be set aside first, except for the situation when the statutory reserve has reached the total capital. After the special reserve is set aside or reversed in accordance with the laws or regulations of the competent authority, the earnings of the current period along with the undistributed earnings at the beginning of the same period are calculated to be the accumulated distributable earnings. The amount to be distributed or reserved shall be prepared by the board of directors as earnings distribution plan, which then shall be submitted to the shareholders' meeting for resolution and distribution. The amount of distribution shall not be less than 50% of the distributable earnings for the current year, and cash dividends shall not be less than 10% of the total dividend distribution for the year.

The Company's dividend policy is determined based on factors such as earnings stability, cash receipts and payments, future business evaluation, appropriate earnings retention, and shareholders' tax burden. In the future, a balanced dividend policy will be the goal. In the long run, such policy can not only protect the rights and interests of investors but also can control the flow of funds and maintain the Company's image.

2. Dividend distribution situation:

In accordance with the provisions of the "Company Act" and the "Articles of Incorporation", the Company authorizes the Board of Directors to distribute dividends and bonuses, capital reserves or statutory surplus reserves all or in part by cash with the attendance of more than two-thirds of the directors and the resolution of more than half of the directors present, and reports to the shareholders' meeting.

The Company has resolved in the board meeting on February 27, 2025 for the distribution of 2024 dividends, details as below:

It was resolved to distribute a cash dividend of NT\$4.08867709 per share from the undistributed earnings of NT\$624,017,594 in 2024, and the cash dividend distributed on May 2, 2025.

3. When a major change in the dividend policy is expected, it should be stated: Not applicable.

IV The impact of stock grants proposed at the shareholders' meeting on the company's operating performance and earnings per share: Not applicable.

V. Remunerations paid to employees, directors and supervisors

(I) The ratio or range of remuneration for employees, directors and supervisors as stated in the Company's articles of incorporation.

Please refer to the disclosed information on page 21 to page 22 of this Annual report, "2. Policies and criteria for payment of remunerations...and the relations to future risks."

(II) The basis for the estimation of the remuneration of employees, directors and supervisors in the current period, the basis for calculating the number of shares of employee remuneration distributed by stock, and the accounting treatment when the actual distribution amount is different from the estimated amount:

In 2024, the Company proposed to distribute \$49,748,920 as employee remuneration and NT\$9,900,000 as director's remuneration; the remuneration distribution proposal is made in conformity with the Company's Articles of Incorporation. If there is a difference between the actual remuneration distribution as adopted in the shareholders' meeting, the difference in the estimated amount and actual distributed amount changes will be recorded as changes in accounting estimates and listed as the profit or loss in the year of actual distribution.

(III) The approval of remuneration distribution by the board of directors.

1. Cash or stock distribution of employee remuneration and the amount of remuneration for

directors and supervisors. If there is a discrepancy from the estimated amount of the recognized expense in the year, the discrepancy, reason and handling situation shall be disclosed:

Unit: NT\$1,000

Proposed distribution items	2024			
	Estimated amount	Distributed amount proposed by the Board	Difference	Reason of difference
Cash remuneration for employees	49,749	49,749	0	None
Remunerations for directors	9,900	9,900	0	None

2. The amount of proposed distribution of employee stock bonuses, and the size of such an amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee bonuses: Not applicable, because employee remuneration is planned to distribute by cash only.

- (IV) The actual distribution of employee bonuses and director/supervisor compensation in the previous fiscal year (with an indication of the number of the shares distributed, dollar amount, and stock price), and, if there is any discrepancy between the actual distribution and the recognized employee bonuses and director/supervisor compensation, shall also state the amount of the difference, the cause, and how it is treated.

Unit: NT\$1,000

Proposed distribution items	2023			
	Estimated amount	Distributed amount proposed by the Board	Difference	Reason of difference
Cash remuneration for employees	12,134	12,134	0	None
Remunerations for directors	6,510	6,510	0	None

VI Share buyback situation

(I) Share buyback situation (already executed)

April 30, 2025

Term of share buyback	The 4 th time
Purpose of share buyback	For transfer to employee
Buyback period	September 24, 2021 To November 22, 2021
Range of buyback price	\$60 to \$110
Type and amount of re-purchased shares	3,379,000 common shares
Dollar amount of re-purchased shares	\$258,234,917
The ratio of the quantity bought back to the quantity scheduled to be bought back (%)	50.43%
Number of shares that have been canceled and transferred	1.Has transferred 400,000 shares to employees on March 4, 2022. 2.Has transferred 350,000 shares to employees on March 2, 2023.
Cumulative number of shares held in the Company	2,629,000 shares
The ratio of the cumulative number of shares held in the Company to the total number of issued shares (%)	1.92%

- (II) Share buyback situation (still in progress): None.

VII Issuance of Corporate Bond:

(I) The handling of corporate bond

Type of corporate bond		The 3 rd domestic unsecured convertible corporate bond
Date of issuance (handling)		July 20, 2022
Face value		NT\$100,000
Place of Issuance and Transaction		R.O.C.
Issuance price		NT\$102
Total amount		NT\$1billion
Interest rate		0% coupon rate
Duration		3 years, will expire on July 20, 2025
Guarantee agency		Not applicable
Trustee		Taishin International Bank Co., Ltd.
Underwriter		Taishin Securities Co., Ltd.
Lawyer		Lawyer Shih, Li-Fei
Certified accountant		PwC Taiwan Accountant Liao, A-Shen Accountant Wu, Chien-Chih
Repayment method		Except that the holders of the convertible corporate bonds are converted into ordinary shares of the Company in accordance with Article 10 of the Issuance and Conversion Method of the Third Domestic Unsecured Convertible Corporate Bonds, or the Company redeems them in advance in accordance with Article 18 of the Method, or the Company repurchase and from the securities company and cancel the bonds, the Company shall repay at the bond's face value in cash in one lump sum within the fifth business day from the day after the convertible corporate bond matures.
Principal outstanding		NT\$560,700 thousand dollars
Clause of redemption or early settlement		Please refer to Article 18 of the Company's "Issuance and Conversion Method of Advanced International Multitech Co., Ltd.'s 3 rd Domestic Unsecured Convertible Corporate Bond".
Restrictions		None
Name of credit rating agency, rating date, and corporate bond rating result		Not applicable
With other rights	Amount of converted (exchanged or subscribed) ordinary shares, overseas depository receipts or other securities as of the publication date of the annual report	5,518,337 shares have been converted into common shares, total amount of \$55,183,370 dollars.
	Issuance and conversion (exchange or subscription) method	Please refer to TWSE's Market Observation Post System (Investment Section - Corporate Bond)
Issuance and conversion, exchange or subscription methods, issuance conditions on possible dilution of equity and impact on existing shareholders' rights and interests		The total face value of this issuance of convertible corporate bonds is NT\$1 billion. Up until the date of the printing of this annual report on April 30, 2025, amount of the remaining unconverted corporate bonds is NT\$560,700 thousand dollars. Creditors may request conversion at different times, which may delay the result of earnings per share but shall not have a major impact on existing shareholders' rights and interests.
Name of the Exchange Subject Entrusted Custody Institution		Not applicable

(II) Information regarding convertible corporate bond

Type of corporate bond		The 3 rd domestic unsecured convertible corporate bond		
Year		2023	2024	Current year (2025) until March 31
Item				
Market price of the convertible bond	Highest	145	127	117.60
	Lowest	102.05	105	107
	Average	117.25	115.58	113.17
Conversion price		NT\$65.3 (Note 1)		
Date of Issuance (handling) and the conversion price at issuance		Date of Issuance: July 20, 2022 Conversion price at issuance: NT\$81		
Fulfillment of conversion obligation		Issuance of new shares		

Note 1:

The conversion price from NT\$81 was adjusted to NT\$74.6 on April 4, 2023.

The conversion price from NT\$74.6 was adjusted to NT\$73 on April 2, 2024.

The conversion price from NT\$73 was adjusted to NT\$68.8 on November 29, 2024.

The conversion price from NT\$68.8 was adjusted to NT\$65.3 on April 4, 2025.

VIII Issuance of Preferred Stock: None.

IV Issuance of Global Depository Receipt: None.

V Employee Stock Option: None.

VI Restriction on employee's right and the handling of new shares: None.

VII Mergers or acquisitions, and issuance of new shares due to acquisition of shares of other companies:

(I) Completed mergers and acquisition or transfers of shares of other companies to issue new shares in the most recent year and up to the date of publication of the annual report:

1. The Company issued 14,418,845 new shares to acquire 100% of the shares of Launch Technologies Co., Ltd. (hereinafter referred to as "Launch Tech") by means of share conversion, making Launch Techn 100% subsidiary of the Company, which was approved by the Taipei Exchange (hereinafter referred to as "TPEX") by Correspondence Letter No. 1130202325 on Sept. 10, 2024 and has declared effective by TPEX by Correspondence Letter No. 1130009179 on Oct. 11, 2024; the share exchange has been completed on November 29, 2024. The ordinary shares were authorized by the Administration of Commerce, Ministry of Economic Affairs by Correspondence No. 11330218970 dated January 7, 2025 to change the registration.

2. Basic information of the being merged company:

Dec. 31, 2024; Unit: NT\$1,000

Name of Company	Launch Technologies Co., Ltd.
Company Address	No.38, JingJian Rd., Qianjin Village, Pingtung City, Pingtung County
Person in Charge	Cheng, Hsi-Chien
Paid-In-Capital	552,200

Main Business		Manufacturing and Sales of Golf Balls
Main Products		Golf balls, including high-end competition balls, four-layer golf balls, three-layer golf balls, two-layer golf balls, practice balls and other golf balls with special specifications
Financial information of the current period	Total assets	1,655,592
	Total liabilities	783,946
	Total shareholders' equity	871,646
	Sales revenue	1,159,070
	Gross margin	9,453
	Operating profit/loss	(142,706)
	Profit/Loss of current term	214,777

Note: The information provided above is the financial information of the 2024 individual financial statement of Launch Technologies Co, Ltd.

3. Host securities underwriter's 2024Q1 evaluation opinion

(1) Financial impact

The Company issued 14,418,845 new shares and acquired 26,701,565 issued shares of Launch Tech other than those held by the Company through a share swap, which was not paid in cash and did not affect the Company's existing capital deployment and financial operations. After the share swap with Launch Tech and issuance of new shares, the consolidation of the two parties' banking relationships will help to determine the interest rate for borrowings from banks and enhance the ability to raise capital in the domestic and overseas capital stock. As the Company is in a healthy operating position and enjoys better financing conditions, it will leverage on the Group's strengths to reduce Launch Tech's finance cost, optimize its financial structure and enhance the efficiency of capital utilization. After the share swap, it will allow for more flexible financial adjustments, strengthen the overall financial structure and enhance the efficiency of capital utilization, which should have a positive effect on the long-term financial development of both companies.

(2) Impact on operations

Currently, domestic golf equipment manufacturers mainly focus on the production of golf clubs. After the share swap of the Company and Launch Tech, the Company has become one of the few domestic manufacturers that produce golf clubs and golf balls at the same time, which provides customers with one-stop shopping service, reduces the hassle of purchasing from multiple manufacturers at the same time, and reduces the complexity of logistics. In addition, it can provide customers with more comprehensive product information in product design and development and strengthen the close cooperation with customers. Overall, the share swap will enhance operational efficiency and increase economies of scale through the integration of resources, which will further improve the business development capability of both parties.

(3) Impact on shareholders' equity

The Company and Launch Tech will integrate the Group's resources through this share swap, from product sales, capacity utilization, customer services and human resources, etc., so that the use of resources will be more efficient and competitive in the market, which should have a positive impact on the financial position and long-term profitability.

(4) Whether the expected benefits showed

The record date of the share swap between the Company and Launch Tech was November 29, 2024 and the registration of the change was completed on January 7, 2025. After the share swap, both parties will benefit in terms of finance, business and shareholders' equity through the sharing and exchange of R&D technologies, production capacity and proper utilization of resources, and therefore the benefits of the share swap should be gradually realized.

- (II) For the year ended December 31, 2024 and as of the printing date of the annual report, there was no case of issuance of new shares through merger, acquisition or transfer of shares of other companies which had been resolved by the Board of Directors.

VIII The implementation of fund utilization plan:

- (I) Content of fund utilization plan: Related information has been filed to Market Observation Post System > Company > Shareholding Change/Securities Issuance > Fundraising> the plan of fundraising

Link: https://mopsov.twse.com.tw/mops/web/bfhtm_q2

- (II) The execution status: Related information has been filed to Market Observation Post System > Company > Shareholding Change/Securities Issuance > Fundraising> the plan of fundraising

Link: https://mopsov.twse.com.tw/mops/web/bfhtm_q2

Four Operation Overview

I. Content of Business

(I) Business Scope

1. Main contents of the scope of business

- (1) Process, manufacture, and trade of carbon fiber prepreg and carbon fiber products (including baseball bat, cue sticks, arrows, golf clubs and club heads, fishing tackle, bicycles and their accessories).
- (2) Supply of composite materials for aerospace industry. Process, manufacture, and trade of “carbon fiber fabric”.
- (3) Import and export above-mentioned products.
- (4) Sporting Goods Manufacturing.
- (5) Copper Casting.
- (6) Copper Rolling, Drawing, and Extruding.
- (7) Valves Manufacturing.
- (8) Mechanical Equipment Manufacturing.
- (9) Enterprise Management Consultancy.
- (10) Information Software Services.
- (11) International Trade.
- (12) Wholesale and Retail Sale of Clerical Machinery Equipment.
- (13) Other Rubber Products Manufacturing.
- (14) Other Plastic Products Manufacturing.
- (15) Wholesale and Retail Sale of Culture, Education, Musical Instruments and Educational Entertainment Supplies.
- (16) Mold and Die Manufacturing and Wholesale of Molds.
- (17) Reinforced Plastic Products Manufacturing.
- (18) Wholesale and Retail Sale of Computers and Clerical Machinery Equipment.

2. Proportion of main products in sales in 2024

Unit: %

Business Item	Proportion of product sales in 2024 (%)
GOLF equipment	80.13%
GOLF ball	7.81%
Composite products	12.06%
Total	100%

3. Current product and service of the Company

- (1) Golf wood club head, iron head, putter head.
- (2) Carbon fiber golf clubs.
- (3) Golf club set.
- (4) Carbon fiber thermoplastic and thermosetting prepreg, glass fiber prepreg and short fiber prepreg materials (SMC).
- (5) Range balls.
- (6) Two-layer golf ball.
- (7) Three-layer golf ball.
- (8) Four-layer golf ball.
- (9) High-end game ball.
- (10) Other golf balls of special specifications.

- (11) 3C product-related composite material components.
- (12) AR/VR composite material components.
- (13) Sporting goods related composite material components.
- (14) Carbon fiber made auto parts.

4.Planned development of new products and new technologies

(1) Sports and leisure products

- ①Development of multi-stage resin infusion technology.
- ②Development of metal 3D printing molding technology.
- ③Light weight and highly rigid carbon fiber top and bottom cover.
- ④Development of high-strength iron materials, stainless steel and titanium alloy casting materials.
- ⑤Establishment of forging technology and the products.
- ⑥Development of plastic injection molding technology.
- ⑦Development of wrap-around carbon fiber molding.
- ⑧The recycle of carbon fiber impregnated bulk molding compound.
- ⑨Composite material modular design and structure combination.
- ⑩Three-layer and four-layer competition ball and the design of dimples.
- ⑪Development of full carbon fiber ball head.
- ⑫Precision machining technology for complex shapes.
- ⑬Development of 3D air bag combined with molded composite molding technology.
- ⑭Application of powder metallurgy technology combined with forging technology.
- ⑮Development of vacuum compression bag technology for the combination of different materials.

(2) Composite products

- ①Technology of green and environmentally friendly bio-based composite material and the product applications
- ②Technology of green, environmentally friendly, lightweight and high-strength thermoplastic carbon fiber composite and the product application.
- ③Development of the technology of high vibration and high strength nanocomposite carbon material and the product application
- ④Development of carbon fiber recycling technology and the application on products.
- ⑤Epoxy resin technology and product application for winding.
- ⑥Intelligent production technology and equipment development of carbon fiber prepreg.
- ⑦Development and application of TFP intelligent embroidery technology.

(II) Industry Overview

1.Industry's current status and the development

(1) Sports and leisure products

Golf club products are mainly sold to the United States and Japan. Big domestic brands, including Taylor Made, Callaway, Ping, Titleist, Cobra and Cleveland in the U.S. and Dunlop, Majesty, Bridgestone, Mizuno, Yamaha and PRGR in Japan, have already established brand advantages and almost dominated the global golf equipment consumption market.

Most Taiwanese manufacturers mainly undertake OEM orders. Taiwanese golf equipment manufacturers have more than 40 years of manufacturing experience, strong product research and development capabilities, and possess cost advantages. Therefore, Taiwan has become the most important golf club manufacturing center in the world. For the global operation model of the golf industry, except for a few brands that specialize in the production of golf balls, most of the brands adopt a multi-modal

operation, backed by the brand, and their business tentacles cover the sales of all kinds of golf products, including clubs, balls, etc. , equipment and even jerseys, etc. Most of these brands have outsourced clubs and other products to Asian manufacturers, especially Taiwanese OEMs. In the field of golf equipment manufacturing, Taiwanese OEMs, with superb manufacturing technology and excellent development and design ability, proficient manpower experience and sufficient capital production capacity, have won more than 80% of the OEM market, making brand manufacturers more dependent on Taiwanese manufacturers, and the division of labor between marketing-design-manufacturing between industries is more clear. Taiwanese manufacturers have become an inseparable partnership.

Today's golf clubs are increasingly complex in terms of material application, appearance, and process design. Therefore, a complete supply system is required in the production process. Major brands are also actively forming close cooperation systems with major domestic manufacturers, and such close cooperation system also forms competition barriers for external entrants.

In response to geopolitical issues, major brands have adopted various countermeasures on the issue of origin. Taiwan and Vietnam have taken a lot of focus and advantages in this wave of trade wars.

Since 2020, the covid epidemic has caused changes in life and exercise habits, and the golf population has increased significantly. Additionally, new indoor golf playgrounds, such as TopGolf, which combine technology with dining and entertainment effects, have turned the game of golf into a broader social sport.

If we observe from the perspective of market participation, according to the investigation report by R&A, there were 42.7 million on-course golf enthusiasts in 2024.

And according to a report by R&A and the National Golf Foundation, the total number of golf rounds played in the U.S. in 2024 grew 2.2% from 2023. By 2024, market inventories were fully depleted to normal levels. In addition, the R&A 2025 Leaderboard forecasts that the U.S. market will grow by another 5% in 2025 compared to 2024, or as much as 38% compared to 2019. This forecast indicates that the number of golfers is still growing slowly.

(2) Composite product

① Composite materials (the application in 3C):

With the global advocacy of the circular economy, corporate social responsibility and EPEAT (Electronic Product Environmental Assessment Tool) legal factors, composite materials are bound to become more and more important in response to recyclable issues and will impact the development trend of TS (Thermoset) or TP (Thermoplastic).

② Portable device:

With the characteristics of light weight, high rigidity, and dimensional stability, the new application in the market will bring another wave of demand for composite materials. Several leading brands will also use carbon fiber in AR (Augmented Reality Augmented Reality Technology) and other fields.

③ Automotive field:

As the world's environmental laws and regulations become more and more stringent, under the pressure of energy conservation, emission reduction and low carbon requirements, lightweight for automobile has become an urgent need for global automobile companies.

Carbon fiber auto parts have the advantages of good plasticity, strong impact resistance, high rigidity and ultra-light weight. It is one of the most effective ways for automobile companies to reduce fuel consumption, reduce emissions, and improve the cruising range of new energy vehicles.

As an important part of new energy vehicles, carbon fiber composite materials can maintain high strength while reducing weight; hence, their development prospects are extremely broad.

Especially automotive carbon fiber rims, carbon fiber composite interior and exterior trims and structural parts have great development and market demand.

④ Sneakers:

After the introduction of carbon fiber plates into high-end running shoes, they have successively achieved good results in competitions and became hot discussion topics. All the leading brands have also introduced carbon fiber plates into their designs to improve the performance of their products. Trends show that brands will continue to increase the use of carbon fiber and expand its use to other shoe types.

(3) Carbon fiber prepreg (PPG)

In recent years, the application of carbon fiber composite materials in cutting edge industries have become increasingly widespread. For example, high-tech products such as sports equipment, aerospace structures, automotive components, electronic printed circuit boards and construction materials all contain a large amount of carbon fiber composite materials. With the government's full planning and encouragement and the strong cooperation of academic and research institutions, Taiwan's composite material industry is currently facing a complete transformation and upgrading, and the application of carbon fiber are becoming wider and wider; the rapid growth of the industry is quite impressive.

In order to meet the needs to deep cultivate in the industry, the prepreg developed by the Company is gradually developing into the field of mass customization with a small amount of big varieties, and to deepen and meet the needs of different industries as a niche for future competition.

2. The relationship between the upstream, mid-stream and downstream of the industry

(1) Sports and leisure industry

Upstream industry	Midstream industry	Downstream industry
Iron and steel smelting industry Metal manufacturing industry Carbon fiber industry Rubber manufacturing industry Resin Manufacturing industry	Manufacturing of golf balls, ball heads, clubs, and golf equipment	Major golf equipment factories

(2) Compound material industry

Upstream industry	Midstream industry	Downstream industry
Carbon fiber industry Steel industry Metal industry Chemical industry Rubber raw material industry Plastic raw material industry Paint industry Hardware parts industry	3C components	Major electronic product manufacturer

3.Product developmental trend and competition

(1) Sports and leisure products

Golf heads can be roughly divided into three categories: wood club heads, iron heads and putters. With the continuous advancement of material technology, the manufacturing of golf heads has become increasingly complex. The traditional precision casting molding with single materials can no longer meet the needs of the market. The golf industry has begun to devote itself to the development of new materials, high-function and multi-material composite structures.

As far as the current product development trend is concerned, the following points can be summarized:

- ①The demand for customized products is increasing, and the complexity is high.
- ②The sweet spot of hitting the ball is large, and the rebound coefficient is improved to meet the general low-handicap territory users.
- ③In addition to functional requirements, aesthetic appearance is also the focus of requirements, so the need for the diversity of surface process is increasing. After more than 40 years of development, Taiwan's golf industry has become a global manufacturing center, and has become a major OEM and ODM partner of the world's major manufacturers. In addition to the Company, currently Taiwan's golf club head manufacturers include Fusheng, Ota and Dynamic. And because of the following niches, The Company holds competitive advantage among its peers:
 - ①Provide customers with one-stop shop integrative services.
 - ②Short product development time to quickly meet customer's needs.
 - ③Has the technological basis of composite materials, good for product development and mass production.
 - ④Stable product quality.
 - ⑤Establish strategic alliance with the source of technology to solidify market position.
 - ⑥The construction of an information network system to enhance the overall competitive advantage.
 - ⑦Possess the core ability in innovating and producing compound materials.

Golf ball is a product with complex physical characteristics, and its product types are quite diverse. For example, its material, structure, size, weight, and shell design will cause differences in ball specifications, and slight differences in distance, speed, wind resistance, etc. will also occur with swing reactions, thus affect the result of the competition. The early golf ball's core system adopted liquid materials, and the outer layer was covered with winding coils, and now the production has evolved to the current structure where the inner and outer layers are made of rubber and resin respectively. The designed physical characteristics are also oriented toward precise material calculations. Since the development of golf balls, the product specifications have been integrated into set standards. The current global standard of golf ball specifications is formulated by the United States Golf Association (USGA), which regulates that the diameter of golf ball must not be less than 42.627mm, the weight must not exceed 45.93g, and there are also restrictions on ball speed.

In addition to standard specifications, golf balls also have different structures and materials according to the research and development of manufacturers.

Generally speaking, when market users choose ball types, they mostly use the structure of the ball to roughly distinguish them, which can be divided into the following types:

- ①Single layer ball: called one-piece ball, the ball is pressed and formed by hard rubber and then printed and painted for protection. Because of its durable characteristics, it is mostly used as practice ball products.
- ②Two-layer ball: A ball consisting of a large rubber core and a relatively thin shell. Because of its excellent performance and affordable price, it is the most common golf ball design. The ball shell is made of special plastic material.
- ③Three-layer ball: The center and the middle layer are made of rubber or plastic, and the outer shell is made of special plastic material or PU material, so it is able to cope with both the distance required by the long rod and the spin performance control required by the short rod. Most of today's balls with the highest spin and best feel still feature this already proven three-layer structure.
- ④Multiple-layer ball: balls with multiple layers are designed to produce the best results with any hitting strength. The core is designed to drive the ball as far as possible with the tee cup, while the mid layer accommodates hard iron hits and the shell for optimal feel and backspin control on half-swings, chips and putts. In terms of application selection, single-layer balls are generally only used for driving ranges, while double-layer balls are softer, spin faster, fly farther, and are cheaper, and are very popular among ordinary consumers. The three-layer ball and the four-layer ball require a high degree of swing skills, because they take into account various hitting situations and are easy to control, so they are loved by high-level golfers. Although the structure of golf balls has become more and more complex with the R&D and innovation of manufacturers, all types of golf balls currently on the market have their ranges of use and use groups, and they are developed in parallel rather than to replace each other. Due to the refinement of rubber formula and manufacturing technology in recent years, products with soft hitting feel and long distance can be manufactured, which is of great help to ordinary golfers in pursuit of distance and hitting tolerance. The product design in the market has been adjusted towards a softer overall play feeling, which is the development trend of golf products today.

(2) Composite products

Carbon fiber prepreg material (PPG): In order to meet the needs to deep cultivate the industry, the prepreg developed by the Company is gradually developing in the field of mass-customization with a small amount of varieties, and to deepen and meet the needs of different industries as a niche for future competition.

Composite material components: The Company has been a long-term partner of brand manufacturer of 3C and sporting goods. We specialize in composite material thermoforming technology to provide customized and solutions for mass production.

(III) Develop successful technologies or products

1. R&D expenses

Unit: NT\$1,000

Year	2024	Current year until March 31, 2025
R&D expenses	789,020	188,121

Note: the 2025 Q1 number has not been audited by accountants.

2.Successfully developed technology

(1) Sports and leisure product

R&D results	Application	Effects
Ultra-lightweight prepregs for complex structural molding applications	New material	Enhance the competitiveness of molded parts and the efficiency of the molding process
High Strength iron material Castings	New material	Improve product value and competitiveness
Dual gravity counterweight combination technology	New structure	Improve product design freedom and the performance
Thermoplastic molding automation technology	New process	Improve process capability and production capacity
360-degree guided package design composite molding technology	New structure	Improve production performance and customer adherence
Development and production of pickle ball racket	New Products	Expand to new market
Automation of reflective film lamination on the ball head	New process	Promote product added-value
Pattern design, patten deformation testing, regression computing technique	Deformation design of large logo pad transfer print	Utilize a mathematical regression model to calculate the amount of deformation of a circular body pattern, reducing the development time of a large-area pad-printed design by 50%; patent applied and approved.
Rotary and longitudinal axis elastic mechanism module design and rotary positioning control technology	Large-are pad-printing clamping mechanism, precision positioning	Utilize a servo control mechanism to increase pad alignment accuracy and rotational positioning.
Rubber additives to improve the mixing quality of rubber materials	Improve the mixing efficiency of adhesive materials	Improve the uneven mixing of rubber, improve the quality of production.
Development of the high reflective process for Surlyn color ball's thin shall	Injection process completed, rubber ball core material development	Enhance color ball launch, increase distance and green stopping performance to provide customers with a wide range of performance options.
High precision machining and measurement of die holes and ejector pins	Measurement technology	High-precision mold processing, using CMM with high-precision optical measurement equipment to establish a new method of measurement to reduce the batch return rate.
Hot runner mold base design and temperature accuracy control system	PU ball mold development	Develop in-ground hot runner mold holders and high-precision mold temperature control system for PU ball production molds.

(2) Composite products

R&D results	Application	Effects
Development of recyclable carbon fiber	Sports products	Use the recycled waste produced during the manufacturing process to achieve sustainable development
Development of TFP manufacturing technology	3C/Sports	Significantly improve material utilization rate (~100%), reduce waste, accurately apply reinforcing fibers in any direction, and have automation capabilities
Development of LFT hot pressing technology	3C/Sports	Direct hot pressing on local featured structures, has the potential to replace subsequent injection processing

(IV)Long-term and Short-term business development plan

1.Short-term plan

(1) Marketing plan

①Strengthen the relationship with existing customers by fast responding and

diversified specifications.

- ② Continuous collect market trends, respond to different market needs, make breakthroughs from point to plane, and enter new markets.
- ③ Develop niche markets and products and increase overall gross margin by mix-and-match product sets and the expansion of high-end ODM products.
- ④ Strengthen supply chain management and strategic alliance with upstream and downstream customers to shorten the process, provide real-time information, and make capital operation more efficient.
- ⑤ Systematically to effectively management inventories, maintain a reasonable inventory level without affecting production stability.

(2) Production plan

- ① Continuously improve production process and minimize production procedures, introduce partial automation, improve quality and efficiency, and reduce man-power dependence.
- ② In response to market expansion strategies and need of small-volume large-variety to flexibly adjust and build a safe and green energy production environment.
- ③ Take advantage of the differentiated production advantages of Taiwan, China, and Vietnam to carry out production and sales division to achieve the goal of optimizing production allocation.
- ④ Strengthen pre-employment and on-the-job education and training for employees, take into account safety and the cultivation of multi-skilled workers to cope with the trend of small-quantity and large-variety.
- ⑤ Strengthen the effort in promoting the factory's environmental safety and health strategies.

(3) R&D plan

- ① Add more R&D manpower and strength the cooperation with customers to develop new applications and new products.
- ② Implement the basic skills of research and development, from the point of theory, practice to link to application, and interact applications as a plane.
- ③ Strengthen knowledge management and integration, share the group's technology resources.
- ④ Develop innovative composite material technologies to enhance corporate competitiveness.
- ⑤ Strengthen cooperation with industry experts to develop new products to increase the weight of ODM (Original Design Manufacturer) product design and production capabilities in operating sales.

(4) HR and Information plan

- ① Multi-capacity training for existing personnel, encourage attempts and tries, and strengthen employee experience and skills.
- ② Recruit personnel from different fields and diverse ideas to stimulates existing organizations, integrate internal resources of the Company, and improve work efficiency.

(5) Financial plan

- ① Use appropriate derivative financial products to cooperate with export-oriented sales plans to avoid the risk of exchange rate fluctuations.
- ② Strengthen business management, reduce the risk of stagnant accounts receivable and inventory, and increase the turnover rate of accounts receivable and inventory.

2. Medium- and long-term plan

- (1) Estimate the market trend and demand in the next 3 years, quickly enter the early development and market penetration.

- (2) Extend the use of core technologies such as "precision casting" and "composite material production and application" and enhance the overall value of the company through cross-industry cooperation.
- (3) Implement lean production and management, continuously improve manufacturing process, enhance efficiency and quality, and through the introduction of partial automation to gradually move towards a labor-saving and intelligent factory
- (4) Strengthen talent cultivation and multi-skilled worker training programs to enhance colleague's work value and sense of belonging and strengthen corporate competitiveness.
- (5) Use "prepreg materials" and "molding" as the core technologies, extend to integrate upstream and downstream processes to increase added value.
- (6) In line with the market expansion strategy, prepare resource construction and allocation in advance to seamlessly connect from development to mass production.
- (7) Simultaneously improve the new processes of R&D units to diversify products to meet the needs of new markets.

II. Market and the Production-Marketing Situation

(I) Market analysis

1. Analysis of major products and sales regions in the last two years

Unit: NT\$1,000/%

Sales region \ Year		2024		2023	
		Sales amount	%	Sales amount	%
Domestic sales		650,678	4.58	523,447	3.66
Exports	America	10,860,930	76.52	10,260,111	71.75
	Asia	2,472,333	17.42	3,227,629	22.57
	Other region	208,839	1.48	288,662	2.02
	Total	13,542,102	95.42	13,776,402	96.34
Total		14,192,780	100	14,299,849	100

2. Main competitors and Market Share

(1) Sports and leisure market

Although the golf equipment market is already a mature market, almost 80% of the global OEM orders are taken by Taiwanese manufacturers. At present, the top four major golf club head industries in Taiwan are Fusheng, Advanced, Ota, and Dynamic. The common layout model is to receive orders in Taiwan and mass-produce in Taiwan, Mainland China or Vietnam. The production layout has changed according to the international situation and moved from centralized production in one region to multi-regional production.

As the trade war between the U.S. and China accelerates the shift in the production of golf clubs, the production volume in Taiwan and Vietnam is increasing rapidly.

(2) Composite material market

The Company grasps the stable source of carbon fiber raw materials, and in the factory has its own R&D and impregnation manufacturing various kinds of UD and woven fabric capacity and a complete R&D team, stable OEM brand and other niche, thus can obtain the world's major manufacturers of the order.

① 3C field

High-end protective cases provide device protection and input functions. They have been one of the indispensable accessories since the launch of tablet computers, and product development has turned matured. Fiberboard is a key component of thin and

lightweight protective cases. Over the years, many suppliers have entered the competition.

②Metameres is the future trend, and wearable devices are an indispensable part of it. Major brand manufacturers have adopted carbon fiber composite materials as the main structure design of their products, making use of the characteristics of high rigidity, dimensional stability, and lightweight. Composites will be widely developed and applied in the market.

③In the fields of industrial products, aviation and automobiles
While car manufacturers including Land Rover, Porsche, GM, Ford, and BMW introduced a large number vehicles that adopted the use of carbon fibers in the car body structure and the rims, many major car manufacturers followed to launch gasoline-electric/pure electric models, which will also become the pursuit of carbon fiber composite materials, as a major indicator of lightweight, in the automotive industry. At the same time, carbon fiber rims have also become another development focus of the automotive industry in light-weighting area.

④In the high-performance running shoe market, NIKE is the leading brand in the use of carbon fiber plates. The high rigidity and rebound properties of carbon fiber can significantly improve runners' performance. Other running shoe brands have also joined the ranks of using carbon fiber plates. It's been a trend that high performance and carbon fiber are of equal rank.

3.Future Market Demand and the Growth

(1) Future market demand

As far as the supply side is concerned, Taiwan's golf products have experienced more than 40 years of development. The accumulated technology, experiences, and market sensitivity, coupled with a complete and sound peripheral industry support system, have made Taiwan an important R&D base, while the production and supply chain has been shifted to Southeast Asia; the demand side of global golf market is dominated by major consumer markets, the United States and Japan.

Composite materials are mainly used by U.S. brand customers for sports needs other than 3C and golf, especially for function-oriented and high-performance products. On the supply side, Advanced International Multitech has more than 30 years of experience in composite materials and has diversified molding technologies to meet different product shapes, as well as deploys production lines in Vietnam to meet the demand for the growth of composite products.

Energy conservation is a growing concern. Carbon fiber products, which are lightweight and tough, have the advantages of low energy consumption and have the potential to replace other metal products. Recycled materials, biomass resins and other environmental issues will continue to be a concern.

(2) Future growth potential

①Sports and leisure products

The golf club head industry is currently in a mature stage. The market mainly in the United States, Japan, and Europe, altogether accounting for more than 90% of the entire market. In addition to the vigorous development of golf sport in the United States and Japan, the sports population and female golf population in Asia and other regions have increased. From the introduction of female soft-colored appearance and high-fault-tolerant golf equipment by various brand manufacturers, it can be seen that they attach importance to the female market. In addition, a significant trend in recent years shows that the high-value-added customization market has

continued to grow significantly, and major brands are actively cultivating this market.

With the professional education of consumers in brand management, the development of online communities, and the effect of professional golf equipment for professional players, consumers' professional knowledge and specification requirements for golf equipment are becoming more and more mature. Under this environment, the need for customization and professional golf equipment has significant growth.

The added value of this market is higher than that of the general consumer market, and major brand manufacturers are all trying their best to package and attract the unique needs of this market. In contrast, the reliance on the manufacturing speed and quality stability of golf equipment manufacturers can also be expected to increase.

② Composite products

Carbon Fiber Prepreg (PPG): Advanced grasps a stable source of carbon fiber raw materials and has the ability to independently develop and impregnate various UD and woven fabrics in the factory, as well as a complete R&D team, a stable OEM reputation and other niches, and so is able to obtain orders from world-renowned manufacturers. The issue of energy saving is getting more and more attention. Carbon fiber products with light weight and strong texture have the advantage of low energy consumption and have the opportunity to replace products made with other metal products.

Composite components: Compared with traditional metal and plastic materials, composite materials have the advantages of high rigidity/high strength/low weight. The application of composite material products in 3C and sports-related wearables has increased significantly. AR/VR's desire for lightweight and the introduction of composite material shoe boards have made great progress in athletes' performance; the application of composite materials has once again ushered in vigorous development. The diversity of products and the development of mass production technology will be a big challenge.

4. Competitive niche

(1) Professional management team

In addition to being familiar with the past, present and future development of products, the Company's operation and management team is also highly sensitive to market demand, so the management can fully grasp the changes in the overall market and flexibly utilize production strategies, making the company a major leading manufacturer.

(2) Excellence pursuit in R&D and production capabilities

The Company's Dept. of Research and Development continues to improve existing products and is committed to the development and design of new styles and new materials to improve product quality, upgrade technology and pursue product innovation and diversification.

(3) Good management system and harmonious labor-capital relationship

The Company knows that in order to occupy a place in the increasingly competitive and changing environment, and to seek sustainable operation and development, the strengthening of the company's management system and the training of human

resources are important guidelines for implementation. In addition, a harmonious labor-capital relationship is also a very important part, which needs to be maintained by a good employee welfare system. In view of this, in addition to establishing a reasonable and sound management system through written and standardized systems, the Company also pays special attention to employee benefits and team morale incentives in order to maintain harmonious labor-capital relations, improve business performance, and jointly to create the Company's largest profit.

5.Favorable factors and unfavorable factors that might affect the company's future operations

(1) Sports and leisure products

①Favorable factors

(A)Global layout

Following the rapid changes in global trade and geographical relations, the Company is committed to establish the layout of multiple production bases in Taiwan, Mainland China and Vietnam. In the past few years, we have achieved remarkable results and still continue to realize the layout and deep cultivate it. Nevertheless, the geopolitical risks and the U.S. tariff war with various countries evidence the importance of multiple production bases. Manufacturers with production bases set up in different areas and better risk management capabilities will be listed as an important strategic partner in the market.

(B)Complete product system

At present, domestic golf equipment manufacturers mainly produce club heads, and the Company is one of the few manufacturers in Taiwan that has the ability to produce golf heads, clubs, balls and club sets at the same time, so we can provide customers with one-stop shopping service, which reduces the trouble of purchasing from multiple manufacturers and minimizes the complexity of logistics. Besides, while we are able to provides customers with more sufficient product information in product design and development, we can maintain a closer cooperative relationship with customers.

(C)Emphasis on research and development, possess rich production experience

The Company has accumulated many years of manufacturing experiences. In addition to being committed to continuous improvement of production technology and NPS (New Production System) production process management, we have also introduced SAP ERP system to integrate different internal processes among different modules for consistency and management. Furthermore, the Company has always adhered to the principle of customer satisfaction; by adopting a dedicated service team for each customer, we can more precisely grasp and implement the product intellectual property rights, quality requirements, team culture and market demand of different customers.

(D)The R&D and production capacity of composites

In recent years, the golf equipment industry has been pursuing innovation and changes in materials, especially the proportion of the use of composite materials has been increasing. Our company is one of the few companies in the golf equipment industry that has independent R&D power and specializes in the production of composite materials. We are the first choice for customers in this field. In addition, we have been working in the composite material supply chain for many years and have established good relationships with related suppliers in Japan, the United States and Europe, providing a stable foundation for the Company's development.

②Unfavorable factors and the countermeasures

(A) High labor cost

The golf head manufacturing is highly dependent on manpower, due to its cumbersome processing procedures and the complexity of models, especially when partial processing stages are not easy to automate. Because of the gradual increase of labor costs year by year, the production cost of this industry cannot be significantly reduced. And yet, with the rising trend of labor costs, the Company has invested in the development of automation equipment for key processes and key tasks a few years ago and has put it into mass production.

On the other hand, through the automated production of key processes, the Company also improves the stability of product quality.

(B) High proportion of export sales, the impact of exchange rate changes is relatively large

Most of the Company's products are mainly for export, and exchange rate fluctuations closely affect the order acceptance and profitability.

Countermeasures: Keep close contact with banks, keep abreast of the trend of exchange rate, and use appropriate foreign exchange operation tools to avoid the risk of exchange rate changes, or negotiate with customers on the limit of price adjustments, and reflect the impact of exchange rate fluctuations at any time.

(C) Origin risk dispersion management:

When there are drastic changes in global trade relations and policies, with limited resources, how can the strategy of direct supply chain in product origin avoid the impact of tariffs due to trade wars and geopolitical risks on customers?

Countermeasure: Increase the proportion of production in Vietnam to diversify risks, and well-utilize Chinese property to avoid U.S.-China tariff barriers.

(D) Supply chain risk management:

In recent years, the international situation and extreme weather have drastically affected the operation of the global supply chain, posing risks to stable production.

Countermeasure: Adopt multiple sources from multiple origins and continuously strengthen cooperation with supply partners.

(2) Composite products

①Favorable factors

(A)Advanced grasps a stable source of carbon fiber raw materials and has the ability to independently develop and impregnate various UD and woven fabrics in the factory, as well as has a complete R&D team, a stable OEM reputation and other niches, and so is able to obtain orders from world-renowned manufacturers.

(B)The issue of energy saving is getting more and more attention. Carbon fiber products with light weight and strong texture have the advantage of low energy consumption and have the opportunity to replace metal products made with other materials.

(C) The stable and mass-produced forming technology coupled with in-house production of prepreg materials are able to provide customers with world-class lightweight solutions.

②Unfavorable factors and the countermeasures

(A)The application of carbon fiber in the aerospace industry and other industries

continues to increase. Under the continuous imbalance between supply and demand, the source of carbon fiber for sporting goods is squeezed, causing the price of raw materials to continue to rise.

(B) New competitors keep joining the market.

Countermeasures: a. Develop various material sources to disperse the risk of materials supply.

b. Strengthen R&D and innovation and differentiate products to capture different customer segments with high-end and low-end products.

c. Integrate the application technology of carbon fiber, including in the up-stream and down-stream manufacturing process, to enhance added value, and actively develop various products in the niche market.

(II). Important functions of major products and the production process

1. Sport and leisure products

(1) Important uses of golf club heads, clubs and balls:

Golf club heads and clubs are the most important spare parts in the manufacture of golf equipment, both of which have a great influence on the performance of the golf equipment.

As one of the products in golf sport industry, golf balls used as objects for players to control their swing ability and skills. °

(2) Production process

① Golf club head

Mold making ⇒ wax shooting ⇒ hook ⇒ dipping ⇒ dewaxing ⇒ casting ⇒ cutting off ⇒ heat treatment ⇒ processing ⇒ polishing ⇒ surface processing ⇒ finished product.

② Carbon fiber club

Carbon fiber yarn + resin ⇒ carbon fiber cloth ⇒ cutting ⇒ laminate ⇒ roll cloth ⇒ roll OPP tape ⇒ hardened ⇒ abrasive ⇒ coating ⇒ finished product.

③ Golf ball

Ingredient mix ⇒ Roll chain ⇒ Extrude forming ⇒ Thermoforming ⇒ Center grinding ⇒ Injection molding ⇒ painting ⇒ finished product.

2. Composite products

(1) Carbon fiber prepreg (Prepreg)

① Important usage

A large amount of carbon fiber composites is used and applied in high-tech products such as sports equipment, aerospace structures, automotive components, electronic printed circuit boards and construction materials contain a large amount of carbon fiber composite materials.

② Production process

Material preparation ⇒ material mixing ⇒ coating ⇒ impregnate

(2) Composite moldings for 3C products and sports shoes

① Important usage

3C structural parts (Including internal components and casing exterior parts):

Portable PC/Tablet, metamerics, 3C accessories.

Sneaker board: running shoes, track shoes, hiking shoes.

②Production process

Prepreg Lamination and Cutting ⇒Compression Molding and Curing ⇒Net Size Processing ⇒Coating

(III)Supply of major raw materials

At present, the Company's raw material supply is quite stable, and the quality is also good. Most of the raw materials are not from a single supplier to ensure safe supply. The supply status of the main raw materials is as follows:

Item	Raw Materials	Main source(Supplier)	Supply condition
1	Titanium material and stainless-steel ingot	Taiwan, and partial from abroad	Good supply condition
2	Blank	Taiwan and abroad	Good supply condition
3	Carbon fiber	Taiwan and abroad	Good supply condition
4	Rubber, ionized resin, acrylic zinc salt, paint and ink	Taiwan, and partial from abroad	Depending on customer order requirements, the overall supply situation is good.

(IV)Suppliers that accounted to 10% or above of the total procurement amount in the most recent 2 years and state the reason of increase(decrease).

1.Suppliers that accounted to 10% or above of the total procurement amount in the most recent 2 years: None, there wasn't single supplier that supplied 10% or more of the total procurement amount in the most recent 2 years.

2.Customers that accounted to 10% or above of the total sales revenues in any year during the past 2 years.

Unit: NT\$1,000

Item	2023				2024			
	Name	Amount	% of total sales in the year	Relationship with the Issuer	Name	Amount	% of total sales in the year	Relationship with the Issuer
1	10986	5,045,733	35.29	None	10986	6,541,218	46.09	None
2	10008	4,027,181	28.16	None	10008	3,263,716	23	None
	Others	5,226,935	36.55		Others	4,387,846	30.91	
	Net sales	14,299,849	100		Net sales	14,192,780	100	

III. Number of employees, the average years of services, average age, and education analysis over the past two years and during the current fiscal year until the date of printing of this annual report.

Year		2023	2024	Jan.1~March 31, 2025
Total number of employees (ppl)	Management	796	1,195	1,197
	Technology and R&D	602	813	814
	Sales, administration and Others	7,691	6,908	6,799
	Total	9,089	8,916	8,810
Average age (year-old)		38.2	38.6	38.7
Average year of service (year)		6.7	7.4	7.8
Education analysis (%)	Doctor	0.18	0.25	0.19%
	Master	4.64	4.41	4.47%
	Bachelor	24.41	23.97	24.13%
	High school	29.82	37.12	36.87%
	Below high school	40.95	34.25	34.29%

IV. Expenditures on environmental protection

(I) Total significant expenditures or losses from environmental pollution (including compensation and environmental protection audit results of violations of environmental protection laws and regulations, should list the date of penalty, penalty number, violation of the provisions of the law, the content of the violation of the law, and the content of the penalty) in the most recent fiscal year and the current fiscal year until the printing date of this annual report, and should also disclose the estimated current and future amounts and the measures to be taken, and if such amounts cannot be reasonable estimated, the fact that they cannot be reasonably estimated shall be stated:

Pollution status (type, degree)	2023	2024	Jan. 1 ~ Mar. 31, 2025
Compensation to or Punished by	Environment Protection Bureau, Kaohsiung City Government	No major incident	No major incident
Amount of compensation and Disciplinary situation	NT\$100,000	No major incident	No major incident
Other losses	No major incident	No major incident	No major incident

(II) Disclose of the current and future possible estimated amounts, as well as countermeasures and improvement plans:

The Company regularly arranges to monitor and maintain the treatment effect of air pollution prevention and control equipment, effectively grasps the exhaust gas conditions in the factory, and regularly completes air emission declarations and pays air pollution control fees in accordance with the law. The granular pollutants, sulfur oxides, nitrogen oxides, and volatile organic compounds emitted from the factory are all processed through air pollution prevention and control equipment such as pulse dust collectors and water-washed dust collectors, and normal operations are maintained within a reasonable range to ensure that the pollutants emitted meet regulatory requirements.

(III) Environment management

Based on product's characteristics, the Company's products are classified into golf equipment and composite products. Advanced International has passed the ISO 14001 environmental management system in 2006 (validity period: 12/4/2024 ~ 9/12/2027), qualified as environmental protection and green production plant, and is committed to reducing the impacts on the environment resulting from the manufacturing process.

The Company's Environmental Safety and Health Policy: law compliance, environment sustainability, continuous improvement.

The importance of environmental sustainability makes enterprise operations duty-bound to do a good job in waste classification and possible recycling, so that the life cycle of resources can be extended to reduce resource consumption. This has become a necessary issue.

Short-term Goals:

The Company entrusts a legitimate waste disposal and treatment company recognized by the environmental protection agency to clean up wastes, declare online and actively track the flow of waste disposal. Advanced International is well aware of the importance of environmental sustainability, so we sort out waste and do recycle and reuse as much as possible for extending the life cycle of resources and reducing resource consumption. For waste that cannot be recycled and reused, we entrust qualified disposal companies to handle it.

Medium-term goals

In order to mitigate the impact of greenhouse gases and energy depletion on the environment, Advanced International actively manages carbon emissions and the use of water and electricity resources generated in product design, production, manufacturing and other business links to implement relevant green energy policies. Advanced International regularly

checks the power consumption per unit product every month and compares with the previous year to understand the reasons for the differences and manage the energy usage in the factory.

Long-term goals

While pursuing business performance, Advanced international is also committed to reducing the impact on the natural environment.

1.Has the company disclosed its annual greenhouse gas emissions, water consumption and total waste in the past two years?

(1) In greenhouse gas (GHG):

A. Management policy

The Company conducts inventory investigation to understand the main sources of greenhouse gases with reference to the greenhouse gas inventory standard, and the scope of coverage can be categorized into direct emission (Scope 1) and indirect energy emissions (Scope 2). The Company will continue to enhance the energy efficiency of its production lines through regular inspections, energy-saving effect tracking, and improved operation introduction. In the future, the primary goal will be to reduce the waste of energy and resources and gradually promote energy-saving measures for high-power-consuming equipment.

B. Execution measures and the achievements

In 2024, the total GHG emissions from Scope 1 and Scope 2 of the consolidated companies amounted to 65,543.51 tons of CO₂e, a decrease of 6.58% from 2023, when compared to 4,314.91 tons of CO₂e. Considering the growing trend of production capacity, production volume and new plant operations, we aim to reduce the emission intensity per unit of revenue by 1% per year.

C. Prevention measures

Demonstrate basic respect for the environment and resources and fulfill our corporate citizenship responsibilities in order to compete in the low-carbon transformation trend and proactively formulate corporate goals and policies such as the efficient use of energy and resources and recycling, and at the same time, adopt the framework of the Climate-related Financial Disclosure Standards (TCFD) for public disclosure of related measures.

D. Advanced International Multitech's greenhouse gas emissions in the past 2 years:

	Year	2023	2024
	Item (Unit)	Emission Volume (tonsCO ₂ e)	Emission Volume(tonsCO ₂ e)
Taiwan	Scope 1	2,152.05	2,044.81
	Scope 2	32,406.20	16,355.73
	Total	34,558.25	18,400.54
China	Scope 1	173.77	173.97
	Scope 2	10,665.84	10,994.48
	Total	10,839.61	11,168.45
Vietnam	Scope 1	15.00	529.52
	Scope 2	24,445.56	35,445.00
	Total	24,460.56	35,974.52
Group Total Scope 1 and Scope 2		69,858.42	65,543.51
Annual Sales (in million dollars)		14,299.85	14,192.78
Unit Revenue Emission Intensity (tons/million dollars)		4.89	4.62

Note

1.main fuels used in Scope 1 are liquefied natural gas (LNG) and diesel.

2.Scope 2 refers to purchased electricity. The following coefficients were used to convert the 2024 electricity emission factors: 0.474 kilograms of CO₂e/kWh, which announced from the Bureau of Energy, Ministry of

Economic Affairs, for Taiwan plants, 0.4403 kilograms of CO ₂ e/kWh, announced coefficient in Guangdong Province, for China plant, and 0.6766 kilograms of CO ₂ e/kWh, announced coefficient in Vietnam, for Vietnam plant.
3.The scope of Advanced International Multitech’s Taiwan plants is as follows: the Zhonglin Factory I, Zhonglin Factory II, Kaojia Factory, Hefa Factory, Daye Factory, and Launch Tech Pingtung plant.
4.Due to the industrial safety incident in 2023, the statistical period of GHG emissions from Launch Tech factory is from January to August of that year.

(2) In wastewater treatment:

A. Management policy

In order to properly handle the wastewater from the production process, our company regularly arranges to monitor and test the quality of the discharged water and comply with the environmental protection laws and discharge standards.

B. Execution measures and achievement

Wastewater produced by Advanced International Multitech is managed and is not directly discharged to ground surface water bodies. The wastewater in the factory is mainly divided into two categories: operational wastewater and domestic sewage, and both are treated by wastewater treatment facilities until water quality standards are met before discharging to sewage treatment plant of the industrial zone for further treatment.

In 2024, as the production capacity and production volume have returned to the previous level, the calculation of water intensity per unit revenue shows that the water intensity per unit revenue in 2024 decreased by 6.04% compared to that in 2023, which shows that the effect of water conservation is excellent, and we are striving to reduce water consumption per unit of product by 1% per annum.

C. Prevention measures

In order to properly handle the wastewater produced during the production process, the Company has equipped wastewater pre-treatment equipment and regularly arranges to monitor and test the quality of the discharged water. After process the wastewater to meet the discharge standards of environmental protection act, the processed wastewater will be piped and discharged to the Kaohsiung Linhai Linyuan & Dafa Industrial Parks Combined Wastewater Treatment Plant for treatment to avoid causing environmental pollution and ecological impact.

D. The water usage situation in the past 2 years:

Year	Taiwan plants (tons)	Overseas plants (tons)	Total (tons)	Sales revenue (million dollars)	Water intensity (ton/million sales revenue)
2023	209,967	325,188	535,155	14,299.85	37.42
2024	119,812	325,624	445,436	14,192.78	31.38

Advanced International Multitech’s wastewater discharge in the past 3 years

Factory	Discharge to	2022 (ton)	2023 (ton)	2024 (ton)
Kaojia plant	Kaohsiung Central Area Wastewater Treatment Plant	4,399.40	4,374.5	5,591
Daye plant	Kaohsiung Linhai Linyuan & Dafa Industrial Parks Combined Wastewater Treatment Plant	6,865	530	168
Zhonglin plant		29,038	27,057	24,197
Hefa plant	Hefa Industrial Park Wastewater Treatment Plant	2,185.30	5,559.8	6,374
Total		42,487.70	37,521.30	36,330

(3) In waste disposal:

A. Management policy

The Company is committed to minimizing environmental impact by adopting measures such as waste control, reducing the use of energy resources for production and increasing the reuse rate of waste. In this regard, the Company expands the recycling of recovered resources as much as possible, not only develops short fiber recycling technology, but also commissions legal operators to carry out back-end disposal of hazardous substances or waste that cannot be recycled and reused and conducts inspections of waste treatment plants from time to time to ensure compliance with regulatory requirements.

All plants involved in the production of hazardous waste currently follow the requirements of the competent authorities for appropriate physical disposal; other potential risks to the environment of the production of waste include: operating process involves the production of non-recyclable or hazardous waste, which will cause risks to the surrounding environment if accidentally dispersed. Therefore, we carefully plan suitable temporary storage areas for all types of waste, select appropriate containers and label them completely before seeking regular transportation and treatment from qualified transportation companies to ensure compliance with the regulations.

B. Execution measures and the achievements:

The total waste volume of consolidated companies was 8,488.46 tons in 2024, an increase from 2023 due to the growth trend in production capacity, production volume, and the new plant's operation, and we are striving to reduce the waste volume by 1% annually.

Year	Hazardous waste (ton)	Non-hazardous waste (ton)	Total (ton)	Million dollars (sales revenue)	Waste intensity (ton/mn sales revenue)
2023	502.28	6,296.92	6,799.20	14,299.85	0.48
2024	797.64	7,690.82	8,488.46	14,192.78	0.60

The waste recycling rate of the consolidated companies was 22.64% in 2024, up from 18.47% in 2023. The Company actively promotes various raw material recycling measures, such as the waste titanium recycling rate of the Zhonglin plant was about 4.8% and Hefa plant's waste release paper downstream recycling and reuse rate reached 14%, etc. and gradually promotes the project plan in each plant.

Year	Recycle/Reuse (ton)	Unrecyclable/Un-reusable (ton)	Total (ton)	Recycling and reuse rate	Recycling and reuse rate (%) =Recycle and reuse volume/Total waste*100%
2023	1,255.69	5,543.51	6,799.20	18.47%	
2024	1,921.91	6,566.55	8,488.46	22.64%	

C. Prevention measures

For wastes that cannot be recycled and reused, we entrust qualified waste disposal and treatment companies to legally and properly handle the back-end treatment, and check whether the waste disposal and treatment company receives, and processes wastes normally and whether the waste disposal and treatment company meets the requirements of laws and regulations. The wastes produced by different factories are also different. Among them, the main hazardous wastes are waste liquids with a flash point of less than 60°C produced by Zhonglin factory. Currently, appropriate physical disposal is carried out in accordance with the regulations of the competent authority.

In the future, we will actively move towards the goals of resource recycling and waste reduction.

D. Waste processing situation in all Advanced factories in the past 2 years

Year		2023			2024			Outsourced treating method
Type		Taiwan plants	China plant	Vietnam plant	Taiwan plants	China plant	Vietnam plant	
General business waste	Reusable	1,239.86	0	0	1,902.27	0	0	Clean, recycle, reuse
	Not-reusable	1,556.49	286.29	3,214.28	1,782.74	179.38	3,826.43	Incineration and landfill disposal
Hazardous waste	Reusable	0	1.95	13.89	0	1.46	18.17	Reuse after treatment
	Not-reusable	46.35	0.70	439.40	32.85	1.02	744.14	Incineration, physical treatment and landfill treatment

(4) In the aspect of energy -saving and carbon reduction

A. Management policy

Through energy saving, carbon reduction, water saving and waste reduction measures to save energy and resource costs and minimize environmental impact; to decide the direction of operation from a longer-term perspective, and to regard environmental and social contributions as the key factors for creating economic value.

B. Execution measures and achievement

The Company continues to promote energy-saving equipment programs and invested a total of NT\$ 82,597 thousand in 2024 to actively improve the efficiency of the manufacturing process, and to reduce energy use through low-energy-consumption equipment and process optimization to achieve carbon reduction.

2024				
Area		Item	Invested amount (NT\$1,000)	Explanation
Taiwan	Zhonglin plant	Process optimization to save energy use	0	Adjust facility parameter and performance in the process; estimated power reduction of 781,946KWh
		Equipment Improvement	87	Replace high-efficiency lamps
	Kaojia plant	Automation facilities upgrade/procure	11,368	Introduce automation devices Optimize machining tools
	Hefa plant	Process optimization to save energy use	0	Optimize manufacturing parameters for different product categories through intelligent production calculations, reduce electricity consumption in a cumulative amount of approximately 873,830 KWh.
		Rainwater recycling system	2,969	
		Solar power station	47,000	Designed to have 941.82kw device capacity, completed on 2/18/2025 and connected to the grid on 3/27/2025 (self-generation for self-consumption).
China	Composite plant	Outsource solar power	12,635	
Vietnam	Vietnam plant	Energy saving facilities replace/procure	8,538	Energy saving facilities upgrade (air compressor, air-conditioning equipment)

Note:

- 1.Purchase of solar power for the composite plant: 2,826,873/RMB, based on 2024 average exchange rate of 4.4698.
- 2.Expenditures for energy-saving equipment replacement/purchase in Vietnam plant: US\$266,000, based on 2024 average exchange rate of 32.098.

C. Prevention measures

①Ability, training, and awareness:

The Company's energy management personnel and those related to major energy use must receive corresponding training or have appropriate skills or experience. The Company should also ensure that these personnel can enhance their professional skills and awareness of the energy management system through internal and external training. °

②The design for energy saving and carbon reduction:

When designing, modifying and renovating major energy-consuming facilities, equipment, systems and operations, all the energy-saving and high efficiency related elements should be considered in order to provide opportunities for energy performance improvement.

③Procurement of energy, energy services and energy-consuming products:

While purchasing energy-intensive energy services and energy-consuming products, and equipment, the Company should inform suppliers that energy efficiency is one of the factors for procurement consideration. Where the Company purchases products such as lighting, electrical appliances, computers, business machines, and other equipment, the relevant units should evaluate the energy use, consumption, and efficiency, and give priority to purchasing energy-saving and high-efficiency equipment.

D. The situation of energy saving and carbon reduction in Advanced International Multitech's factories in 2024:

Unit		Energy saving equipment improvement	Actual annual electricity savings (degree)	Actual annual energy savings (MJ)	Estimated carbon reduction (ton/CO2e)
Zhonglin Plant	Manufacturing Dept.	SG1 Manufacturing equipment rolling shutdown to reduce electricity consumption	444,849	1,601,458	210.86
		SG3 process water cooler to raise the temperature after work every day to reduce electricity consumption (energy saving and carbon reduction)	14,769	53,168	7.00
	Mold Dept.	Adjust air-conditioning operation of the Factory II CNC precision machining area (only one unit in operation)	23,633	85,079	11.20
		Optimize night-time box-type air-conditioning operation at Factory I (shut down 1 unit)	16,516	59,457	7.83
	Factory Affairs Dept.	Adjust the operation hour of the water cooler in Factory II	83,648	301,133	39.65
		Replace the 100-watt patio lights with 60-watt high efficiency fixtures in the 1F	5,357	19,284	2.54
		Adjust the operation of the compressor in Factory I according to the load condition, and the fixed frequency operation time is adjusted.	193,174	695,426	91.56
Hefa Plant		Optimize the manufacturing parameters required for different products through intelligent production calculations	873,830	3,145,788	414.20
Total			1,655,776	5,960,793	784.84

Note:

1. Each kilowatt-hour of electricity is 3.6 million joules (MJ).

2. Carbon emissions are estimated based on the public information of the Bureau of Energy, Ministry of Economic Affairs, which is 0.474 kg CO2e / KWh.

(IV) In the next three years, capital expenditures expected to add pollution prevention equipment for environmental protection purpose in the next 3 years:

Unit: NT\$1,000

Year	2025	2026	2027
Investment amount	3,000	3,000	3,000

(V) According to the characteristics of the industry, the Company is not affected by the European Union's Restriction on Hazardous Substances (ROHS).

V. Labor-Capital Relationship

(I) The Company's various employee welfare measures, advanced education, training, and retirement systems and their implementation, as well as the agreement between labor and the capital and various employee rights protection measures:

1.The list of employee welfare measures is as follows :

Bonuses, allowances, insurance and benefits	Employee bonus (earnings distribution)
	Award money for three major holidays; about 20% of salary as holiday bonus along with gift money of NT\$1,000 are provided as holiday bonus for Moon Festival and Dragon Boat Festival.
	NT\$3,000 is provided for wedding cash award and childbirth subsidy each.
	Injury allowance/funeral condolences, the maximum amount is NT\$11,000 and a flower basket is also presented.
	Birthday cash gift is NT\$500.
	Labor insurance, health insurance and employee group insurance (including life insurance, accident insurance, medical insurance, cancer insurance, etc.).
	Pension contribution.
	Emergency relief is provided to employees, up to NT\$40,000 depending on the circumstances of the case.
	Provide a complete talent training plan and subsidy for education and training expenses.
	Reward outstanding employees: select outstanding Advanced people of the Company and the annual outstanding Advanced people of the Group every year and award each bonus of NT\$5,000 and NT\$20,000 and trophies respectively.
Physical and Mental Health Promotion Measures	Regular annual health check.
	Arts and cultural activities contest and ticket giveaway.
	Staff cohesion activities: including team building activities such as year-end and staff family day.
	Domestic and foreign travel subsidies, provide subsidy up to NT\$4,000.
	Club activities: golf club, yoga club, boxing aerobic club.

2.Labor-capital meetings: labor-capital meeting is convened each regularly every quarter.

3.Talent training and cultivation plan:

In terms of talent cultivation, in addition to designing necessary training courses or activities in line with the six core functions, management functions, and professional functions, Advanced also from time to time dispatches employees to receive various certificate training courses in accordance with laws and regulations and operational needs to ensure production and work safety. Advanced planned to establish the Advanced Academy in 2008. With the purpose of cultivating talents, establishing values and consensus, self-inspiration and learning, and combining activities, publicity and rules and regulations, Advanced's vision and values are implemented in order to deepen and activate the corporate culture of Advanced and provide an environment and atmosphere for Advanced employees to fully utilize their talents. Advanced Academy system was also planned, which starts from the training of newcomers, with joint training, class-specific management training, and professional training to improve the abilities of colleague step by step, so that Advanced employees can grow with the development of the Company.

Advanced Academy has also been awarded the silver medal of the corporate version of the Training Quality Evaluation System (TTQS) from the Workforce Development Agency of the Executive Yuan since September 2011, and the silver medal has continued till now.

4.Related information regarding the Advanced Academy as below:

(1) Purpose of the establishment of the Advanced Academy

- ①Improve the quality of personnel and establish a talent training mechanism for the Group that can fully stimulate the enthusiasm of employees.
- ②Fully develop and utilize human resources to maintain the rapid and stable development

of the Group.

- ③The supply of successors is endless, in line with the continuous growth and sustainable operation of the Group.

(2) The overall execution status of the Advanced Academy

①Talent cultivation

In addition to providing general functional training such as management system, problem analysis and decision-making, Advanced's talent training courses also provide suitable training for different work needs in the light of engineering, secretarial staff, and management; such courses include customer service, goal management, QC, etc., to ensure that personnel in different departments, business functions and ranks can grow and utilize their talents.

②Values and Consensus Building

Advanced attaches great importance to corporate culture and regards it as an important factor to unite the Company's centripetal force. Therefore, we ensure that corporate culture and values are implemented in the daily work through communication and publicity, employee interaction activities and related regulations.

③Self-inspiration and study

Besides the cultivation in career capabilities, the Advanced also attach great importance to the cultivation of employee's individual soft abilities. Through the organization of communities, reading clubs, and life seminars, we'd like to ensure the whole-person development of our employees.

(3) The relevant information on the Advanced International Multitech's education and training hours and expenses in 2023 and 2024 is as follows:

Year	2023	2024
Total number of employees	1,181	1,165
Total training expenses (\$1)	1,111,964	1,166,801
Per capita training fee	941	1,430
Total training house (hours)	15,187	15,988
Per capital training hour (hour)	12.86	13.72

5.Retirement system

The Company appropriates pension funds for every employee in accordance with statutory retirement system. Employee's participation rate in the retirement plan is 100%. According to "Labor Standards Act" and "Labor Pension Act", employees, who joined the Company at and before June 30, 2005, are entitled to the seniority under the old pension system; nevertheless, they are able to use the seniority under the new pension plan after electing, on their own, to be qualified to the new pension system.

Retirement system	Old System	New System
Applicable laws	Labor Standards Act	Labor Pension Act
Implementation Status	For those who qualify for adopting the old system retirement plan, 2% of those employee's monthly salary is allocated to the special account in the Central Trust of China according to the laws and regulations. Currently, the total reserve amount in the retirement plan under the old system is 69,875,682 dollars. For the old system, only the employer appropriates the funds, the employees are not participated.	For those who are qualified for new system retirement plan, 6% of the monthly salary is allocated to employee's personal pension account each month. In addition to the fixed 6% appropriation by the employer, employees are able to choose to make additional appropriation on their own in the range of 0~6% into their personal pension account.

6. In order to smooth the communication channels, we specially formulated the proposal system, set up a suggestion box, and set up an internal EIP website on April 6, 2005. Through the use of various methods to give everyone the opportunity to express, it is hoped to establish and maintaining harmonious labor relations in the Company.
7. Work environment and the protection measures for employee's personal safety
The Company adheres to the spirit of continuous improvement and pursuit of perfection. In

addition to continuous investment in hardware to improve various pollution prevention and fire safety equipment to directly reduce pollutant emissions and improve production safety, the Company has successively introduced environmental management systems (ISO 14001) and occupational safety and health management system (ISO 45001), to establish a good management system through planning, implementation, auditing, improvement and other actions to provide employees with a safe and healthy working environment.

Preventive occupational disease health examinations are arranged for colleagues working in jobs with high incidence and risk of occupational diseases, and the working environment are carried out environmental monitoring in the workplace. For colleagues with abnormal test values, we will track and manage and provide necessary individual health consultation, care and guidance so that they can understand their own health conditions; workplaces with abnormal working environment monitoring will be improved or controlled.

The main purpose of working environment monitoring is to assess the actual exposure status of workers in the working environment. Therefore, Advanced carries out monitoring and management through personal exposure and environmental exposure. In order to systematically understand the distribution of employee exposure and operating environment monitoring items throughout the factory, when planning the operating environment monitoring, similar exposure groups will be established based on exposure types and group sizes to provide reference for subsequent sampling plans. After the monitoring of the working environment is implemented, the results will be announced to labors. For the parts that need to be improved in the working environment, measures such as engineering control, administrative management, and protective equipment will be taken to provide a safe and hygienic working environment for employees.

In terms of personal safety protection for employees, in addition to providing personal protective gears, such as goggles, earplugs and earmuffs for employees to use, we also provide employees with education and training on safety in normal times, so as to ensure the safe operation of equipment and the smooth achievement in the production goals.

8. Code of Conduct or Ethics for Employees

In accordance with the provisions of the Labor Standards Act and related laws and regulations, we've formulated work rules and various management systems to maintain employee work discipline and order.

(II) Other important agreements: Although the Company has established a labor union, the union has not yet signed a group agreement with the Company because the labor union has not requested the Company to negotiate a group agreement.

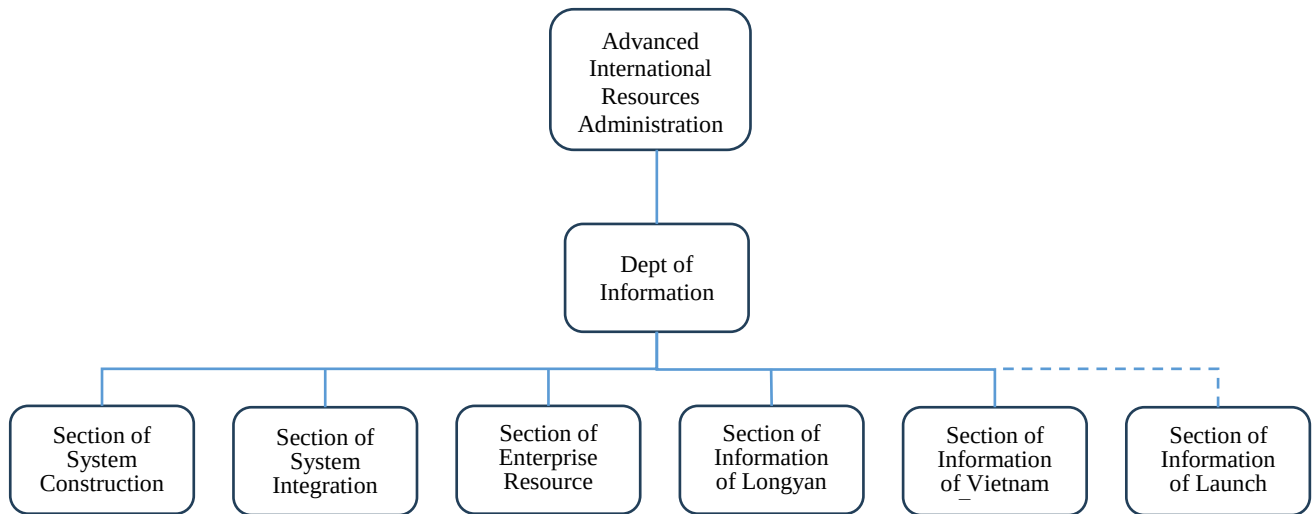
(III) Loss incurred due to labor disputes in the most recent year and up to the publication date of the annual report, the estimated amount of loss due to possible occurrence of labor dispute at present or in the future, and the countermeasure:
There were no losses due to labor disputes in recent years and as of the publication date of the annual report. However, the Company was found to have violated laws and regulations as a result of labor inspections and was fined as follows:

Penalties Received from the Competent Authorities in 2024	Improvement Situation
Violation of Article 32-2 and Article 39 of the "Labor Standards Act" Description: 1. Sample checking of the attendance records, overtime work, vacation, payroll details, and the list of employees on fixed term contracts of our employees for January-February 2024. The total number of shifts shall not exceed 54 hours, although the Union has agreed to implement the control of total overtime work. 2. Failure to double the amount of wages payable for attendance at work on vacation days in accordance with the law on the polling day of an election. Disciplinary Citation: Notified with Letter Lao-Tiao-Zi-Di-No.11334745000 with a fine of NT\$150,000 on June 14, 2024.	The violation fine has been paid; will be handled in accordance with laws and regulations in the future.

VI. Information Security

(I) Describe the information security risk management framework, information security policies, specific management plans, and resources invested in information security management, etc.

1. Information security risk management framework



2. Information security policy

In order to (or shareholders) to protect it from internal and external deliberate or accidental threats.

3. Specific management plan

(1) Risk prevention:

- ① Regularly publicize the information security policy to all employees of the Group every year.
- ② In the event of a major global information security event, immediately notify all employees of the group by email.
- ③ The Dept. Of Information conducts a group-wide review of information security every month.
- ④ As for external network, the Company works with the telecommunications company for long-term cooperation to monitor the weaknesses of the circuit and patch the loopholes in due course.
- ⑤ Carry out a comprehensive antivirus software health check every quarter and make timely policy revisions.

(2) Protection facilities:

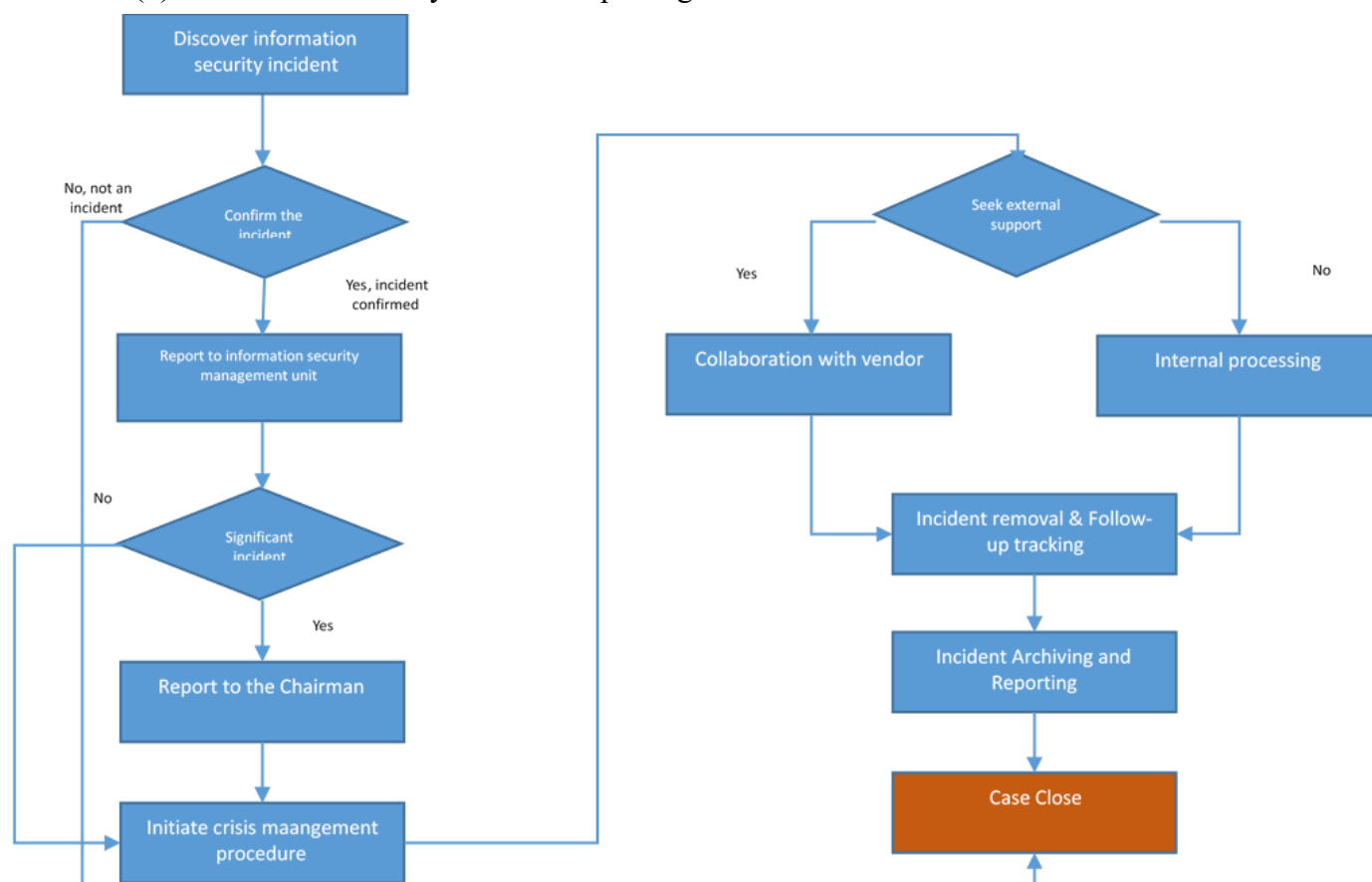
- ① Independent air-conditioning system in the information control room with independent power system for backup.
- ② The headquarters collects firewall data of each factory, analyzes and formulates appropriate defense policies to ensure that each factory is free from external attacks.
- ③ The headquarters centrally regulates the use permissions of all endpoints in each factory (such as USB control, cloud hard disk, Bluetooth, and external mail).
- ④ The headquarters and all factories control all external devices (such as employees' personal NBs, mobile phones, tablets, and all devices of visitors, etc.), and all unauthorized external devices are prohibited from connecting to the Company's network.

(3) Emergency response measures:

- ① Disaster recovery mechanism for important hosts, and restoration and verification are performed every year to ensure the restorability of important systems.

- ②The VPN circuit backup mechanism of each factory of the Group ensures that the operation of the Company will not be affected due to circuit abnormalities.
- ③Daily backup of important systems, databases and files for data recovery in emergencies.

(4) Information Security Incident Reporting Mechanism



4.Resources invested in the information security management

(1) Information security related certification and software are listed below:

Name	Amount
①Renewal of NAC network access management system	\$2.5216 million
②Information security certificate ISO27001	
③Renewal of anti-virus software	
④Renewal of information security management system, SMART IT	
⑤Maintenance contract of firewalls	
⑥Network switch contract renewal	
⑦Computer room fire protection maintenance contract	
⑧Computer room uninterruptible power supply system maintenance contract	

(2) The company has 4 information security personnel.

(3) Information security meetings were held regularly, and a total of 6 information security meetings were held in 2024.

(4) Irregularly promote information security information on the company's intranet, a total of 4 information security promotions in 2024.

(II)Losses incurred, possible impacts, and countermeasures in relation to major information security incident in current year until the printing date of this annual report: as of April 30, 2024, the Company does not suffer from losses due to major information security related incident.

VII. Important contracts

Contract type	Counter-party	Contract period	Main content	Restrictions
Manufacturing and Supplier Agreement	Client A	6.1.2018~	Golf head OEM products	None
Supplier Acknowledgement And Agreement	Client B	8.25.2017~	Golf head OEM products	None
Component Sourcing Agreement	Client C	9.25.2017~	OEM Composite parts	None

Five. The Review and Analysis of the Company's Financial Situation, Financial Performance, and the related Risks

I. Financial situation

Comparisons on financial situation

Unit: NT\$1,000

Item \ Year	2023	2024	Difference	
			Dollar amount	Change ratio%
Current assets	8,794,789	8,937,030	142,241	1.62
Fixed asset, plant and equipment	3,316,244	4,923,461	1,607,217	48.46
Intangible assets	15,369	21,091	5,722	37.23
Other assets	1,318,962	1,131,510	(187,452)	(14.21)
Total assets	13,445,364	15,013,092	1,567,728	11.66
Current liabilities	5,269,272	6,270,094	1,000,822	18.99
Non-current liabilities	1,654,289	1,175,009	(479,280)	(28.97)
Total liabilities	6,923,561	7,445,103	521,542	7.53
Share capital	1,402,003	1,546,336	144,333	10.29
Capital reserve	1,306,584	2,069,885	763,301	58.42
Retained earnings	3,802,931	4,158,033	355,102	9.34
Other equities	(123,194)	(5,345)	117,849	95.66
Treasury stock	(200,920)	(200,920)	0	0
Non-controlling interests	334,399	0	(334,399)	(100)
Total shareholders' equity	6,521,803	7,567,989	1,046,186	16.04

1. Analysis on the % changes of 20% or above and the amount of change reached NT\$10millions over the past 2 years:

- (1) Increase in property, plant, and equipment: mainly due to the effect of production line expansion of our Vietnam subsidiary.
- (2) Decrease in non-current liabilities: mainly due to the re-classification of convertible bonds to current liabilities and the repayment of long-term liabilities by subsidiary, Launch Tech.
- (3) Increase in capital reserve: mainly due to the effect of acquiring non-controlling interests through the issue of new shares.
- (4) Increase in other equities: mainly due to exchange differences on translation of financial statements of foreign operations.
- (5) Decrease in non-controlling interests: due to the issuance of new shares for the acquisition of all non-controlling interests.

2. Future plans to meet significant impacts: none.

II. Financial performance

Comparison on the Financial Performance

Unit: NT\$1,000

Item \ Year	2023	2024	Amount of Increase (Decrease)	Change ratio
Sales revenue – Net	14,299,849	14,192,780	(107,069)	(0.75)
Operating cost	11,990,152	11,966,699	(23,453)	(0.20)
Gross margin	2,309,697	2,226,081	(83,616)	(3.62)
Operating expenses	1,379,407	1,628,161	248,754	18.03
Other income and expenses	196,712	160,232	(36,480)	(18.54)
Operating profit	1,127,002	758,152	(368,850)	(32.73)
Non-operation income & expenditures	(1,299,967)	734,582	2,034,549	156.51
Net income before tax	(172,965)	1,492,734	1,665,699	963.03
Tax (Expense) Income	(192,967)	(343,448)	150,481	77.98
Total comprehensive income	(365,932)	1,149,286	1,515,218	414.07

1. Analysis on the % changes of 20% or above over the past 2 years:

- (1) Decrease in Operating profit: mainly due to the impacts of poor fixed cost dilution due to the rebuilding of the golf ball production line, which has not yet reached its full capacity.
- (2) Non-operation income & expenditures: mainly due to the increase in exchange gain and recognition of disaster claim income by subsidiaries.
- (3) Increase in Net income before tax: refer to explanations in (2).
- (4) Tax expense: mainly due to better profitability than the corresponding period.
- (5) Total comprehensive income: mainly due to increase in profitability.

2. Estimated sales volume in the future year, the basis of the estimation, possible influence on future financial operation, and the countermeasures: please refer to the section of Operation Overview of this annual report and the Letters to Shareholders.

III. Cash flow

(I) Analysis on the changes of cash flows in the most current fiscal year, the plan of improvement on insufficient liquidity, and the analysis on the following year's cash liquidity.

1. Analysis on the changes of cash flows in the most current fiscal year (2024):

Unit: NT\$1,000

Balance of cash in the beginning of the period(1)	Net cash flow from operating activities during the year(2)	Net cash flows of the year(3)	Remaining (Insufficient) cash amount (1)+(2)-(3)	Remedial measures for projected cash shortfalls	
				Investment plan	Financing plan
\$2,776,790	\$1,453,467	\$2,238,348	\$1,991,909	-	-

Analysis on the change of cash flows in 2024:

- (1) Cash inflow of \$1,453,467 thousand from operating activities: Mainly came from Net income after tax, depreciation expenses, and amortization expenses.
- (2) Cash outflow of \$1,950,275 thousand from investing activities: mainly due to the addition of the newly constructed factory and procurement of equipment.
- (3) Cash outflow of \$291,696 thousand from financing activities: mainly due to the distribution of cash dividend, and reduction in financing.
- (4) Cash inflow of \$3,623 thousand from the changes of exchange rate: caused by the fluctuation of NTD and RMB exchange rate.

2. Plan of improvement on insufficient liquidity: Not applicable.

3. Analysis on the following year's cash liquidity.

Unit: NT\$1,000

Cash balance in the beginning of the period(1)	Estimated net cash flow from operating activities of the year(2)	Estimated cash outflow of the year(3)	Estimated remaining cash amount (1)+(2)-(3)	Remedial measures for projected cash shortfalls	
				Investment plan	Financing plan
\$1,991,909	\$1,261,259	\$2,263,926	\$944,242	-	-

Analysis on the change of cash flow in 2025:

- (1) Operating activity: it is expected to have good operation situation this year, the expected net cash inflow arising from operating activities.
- (2) Investing activity: expected factory construction and machinery and equipment procurement of the year.
- (3) Financing activity: expected to pay off debts and distribute dividends of the year.
- (4) Remedial measure for insufficient cash and the analysis of liquidity: Not applicable.

IV. Significant capital expenditure of the most current fiscal year and the impact to financial operation:

(I) The use status of significant capital expenditure and the source of capital

Unit: NT\$1,000

Projected plan	Actual or expected source of fund	Total fund needed	Actual or expected fund use status		
			2022	2023	2024
Fixed asset, plant and equipment	Self-owned fund and bank financing	3,432,940	756,580	730,563	1,945,797

(II) Expected possible effects: It is expected to increase production capacity, improve product quality, and reduce production costs.

V. Main reason for the profit or loss of its invested company in the current year, and the improvement plan and investment plan in the future year:

(I) Reinvestment policy:

The main purpose is to cooperate with the development of the industry and construct the upstream and downstream supply chain relationship to grasp the source of purchase, strengthen customer after-sales service and maintain long-term cooperative relationship with customers to facilitate future business development.

(II) Main reasons for profit or loss, and the improvement plan:

Revenue in 2024 decreased by 0.75% compared to 2023, it is mainly due to the fact that Launch Tech is still in the process of rebuilding its plant and capacity after the industrial safety incident in September, 2023, therefore, the overall revenue from golf was limited in 2024, resulting in a decline in overall revenue. With the smooth implementation of the 2024 redevelopment project, golf ball production capacity is gradually restored, and market demand is still growing steadily, the overall outlook for the industry should be moderate growth.

(III) Investment in the future year:

- Golf ball production line

The Company has a golf production line under construction in Vietnam and expects to complete the establishment of the third golf production line in Q2~Q3 and the forth golf production line in Q4.

- Composite material production line

In 2025, the Company expands its composite material production to Vietnam and will start production in the second quarter of this year.

VI. Risk matter should analyze and evaluate the following issues in the most current fiscal year and up to the printing date of this annual report:

(I) The impact of the changes in the interest rate and exchange rate, the situation of inflation on the Company's profit and loss, and the future countermeasures

1. The impact of interest rate and exchange rate changes on the Company's profit and loss and future countermeasures

Unit: NT\$1,000 / %

Item	Impact on the Company's profit and loss		Future countermeasures
	Account	2024	
Interest rate	Interest expense	(101,946)	Evaluate bank borrowing rates on a regular basis and keep in touch with banks to obtain more favorable borrowing rates.
Exchange rate	Exchange gain (loss)	359,164	(1) Has established foreign exchange operation strategies and strict control procedures to monitor the change of currency rates. (2) Risk-averse derivative financial product operations, such as pre-sale of foreign exchange, are used to avoid exchange rate risks depending on the changes in the foreign exchange market and the demand for foreign funds.

2. The impact of inflation on the company's profit and loss and future countermeasures

Under the government's policy of stabilizing the order of financial market and maintaining stable consumer prices, the Company's operation and profit and loss of the latest year and up to the date of publication of this annual report have not been affected by inflation. In the

future, information on inflation and government price policies will be collected at all times for appropriate response measures.

(II) Policies for engaging in high-risk, high-leverage investments, lending funds to others, making endorsement guarantees, and carrying out derivatives transactions, the main reasons for profit or loss, and future countermeasures

1.The Company does not engage in high risk, high leverage investments.

2.Status of lending funds to others: Information filed with the TWSE Market Observation Post System in March 2025 is as below:

Unit: NT\$1,000

Company that lend loans	Borrower	Account of Transaction	Related Party (Y/N)	High amount of the current period (Note1)	Balance at the end of the period (Note2)	Actual spending amount (Note3)	Range of interest rate	Nature of the loan (Note4)	Business transaction amount	Reasons for the need for short-term financing	Provision for bad debt	Collateral		Loan amount and limit for individual object	Total loan limit
												Name	Value		
Advanced	ADVANCED INTERNATIONAL MULTITECH (VIETNAM) CORPORATION LTD	Other receivable-related party	Yes	332,050	332,050	332,050	2	2	0	As working capital	0	-	0	1,513,597	3,027,195

Note: In accordance with the Company's "Operating Procedures for Lending Funds to Others", the total amount of the Company's funds loaning to others shall not exceed 40% of the Company's net worth stated in the latest financial statement. As for the loan limit for individual objects, it shall not exceed 20% of the Company's net worth stated in the latest financial statement.

Note 1: Is the amount authorized by the board of directors on February 27, 2025.

Note 2: Is the declared balance at the end of the period with the loan amount.

Note 3: As of the printing date of the annual report (April 30, 2025), US\$10,000 thousand was expended on March 12, 2025, with an interest rate range of 2%.

Note 4: The nature of the loan is explained as below: Please enter "1" if there are business contacts, and enter "2", if there is need of short-term financing.

3.In recent years (2024) and as of the publication date of the annual report (April 30, 2025), the Company has not endorsed or guaranteed for others.

4.The Company engages in derivatives transactions in accordance with the regulations of the competent authority and the "Regulations governing the acquisition and disposal of assets" stipulated by the Company. The current derivative financial product transactions are mainly to sign forward foreign exchange trading contracts with financial institutions in response to exchange rate changes, so as to avoid the risk of exchange rate changes. The currency held must be consistent with the Company's actual foreign currency demand for import and export transactions and shall be balanced with the Company's overall internal currency position (referring to foreign currency receipts and payments) is the principle of derivative transactions in order to reduce the Company's overall foreign exchange risk and save cost in foreign exchange operations.

(III) Future R&D plan and the projected investment as R&D expenses

Unit: NT\$1,000

Future R&D Plan	Current progress	Expected R&D expenses invested	Completion and Mass Production	The main factors influencing the success of future R&D
Lightweight and high-rigid top and bottom covers	Ongoing	4,000	2025Q2	Material development, structure design, cost control
Development of high-strength stainless steel and titanium alloy casting materials	Ongoing	3,000	2025Q4	Material development, continuous development, and resources input
Establishment of forging technology and the development of related products	Ongoing	5,000	2025Q4	Equipment, production efficiency, cost
Establishment of Plastic Injection Molding Technology	Ongoing	3,000	2025Q4	Equipment, material development, cost
The recycle of carbon fiber impregnated bulk molding compound	Continuous development testing and verifying	9,000	2025Q2	Equipment, material
Technology Development and Product Application of Biomass Epoxy Resin	Continuous development testing and verifying	3,000	2025Q4	Material design, application capability
Technology development and product application of carbon fiber surface modification	Continuous development testing and verifying	4,000	2025Q4	Material design, application capability
Green environmental protection thermoplastic continuous carbon fiber composite material technology development (TP UD Tech.) and product application	Continuous development testing and verifying	35,000	2025Q4	Material technology, key component design, thermoplastic carbon fiber composites
Plan of thermosetting Towpreg development	Continuous development, testing and verifying	10,000	2025Q2	Material technology development, integration and design of core component, carbon fiber composites' manufacturing technology, automated smart manufacturing
TP Thermoforming Technology Development	Ongoing	6,000	2025Q4	Equipment investment, cost control, production efficiency
Injection center setup and technology development	Ongoing	6,000	2025Q1	Equipment investment, cost control, production efficiency
Introduce FAE simulation technology	Ongoing	5,000	2025Q2	Equipment investment, cost control, production efficiency
RHCM technology development	Ongoing	6,000	2025Q4	Equipment investment, cost control, production efficiency
TFP technology development	Ongoing	2,000	2025Q4	Equipment investment, cost control, production efficiency
Hybrid molding technology development	Ongoing	1,000	2025Q4	Equipment investment, cost control, production efficiency
High pressure multi-phase resin transfer molding for wheel rim	Ongoing	25,000	2025Q3	Equipment, production efficiency, cost
Structural design and molding technology of integrated carbon fiber rim	Ongoing	20,000	2025Q1	New design, equipment investment, cost control, production efficiency
Tailor-made fiber lamination by additive manufacturing method	Ongoing	6,000	2026Q1	New design, equipment investment, cost control, production efficiency
AI intelligent automatic polishing equipment	Ongoing	40,000	2025Q4	New design, equipment investment, cost control, production efficiency
Development of high-reflection process for Surlyn thin chromatic ball shells	The injection process is completed, and the rubber core material is being developed.	2,500	2025Q1	Molds, production efficiency, market demand, application planning

Future R&D Plan	Current progress	Expected R&D expenses invested	Completion and Mass Production	The main factors influencing the success of future R&D
Formula development to improve the durability of golf ball's rubber cores	Formula of rubber core has been developed, and is now tested for mass production	200	2025Q1	Market demand and application planning
Development of local suppliers for golf ball's high resistance TPU materials	Materials of TPU cover formula has been developed, and is now testing for mass production	500	2025Q1	Cost and market demand
Development of mass production machine for large-area golf ball appearance printing patterns	Machine is under testing & verification	9,000	2025Q2	Equipment, production efficiency, cost
Development of low friction coefficient coating for injection mold cores	Ongoing	1,000	2025Q3	Material development, continuous work with R&D units and resources inject
High performance polyurethane PU coating	Coating formula's material development is completed, and now is testing for mass production	300	2025Q4	Equipment, production efficiency, cost, market demand, and application planning
Integrated mass production development of hot runner mold and hot runner temperature control system	Ongoing developing, testing and verifying	3,000	2025Q4	Equipment, production efficiency, cost
Multi-cavity Surlyn mold base balance simulation assisted design and development	Planning and developing the simulation application software	500	2025Q1	Mold, production efficiency, cost
Development of environmentally friendly core materials	Application planning and development of re-glue materials	600	2025Q2	Material development, production efficiency, cost
Development of materials to increase mold core life by 20%, and its application into mass production	Through industry-academia cooperation, new materials are introduced and used to extend the service life of the mold core by strengthening the coating.	800	2025Q3	Mold material development, production efficiency, cost
Technology development of hydraulic mechanism for mold closing of resin injection wheel molds	Ongoing	5,000	2025Q4	Structural design, cost
Development of localized Surlyn mass-production die-core processing and measurement technology	In design stage	2,000	2025Q3	Precision processing technology, non-contact measurement
Servo controlled grinding machine equipment for mass production	Ongoing	2,500	2025Q2	Equipment investment, cost control, production efficiency
360-degree multi-color and multi-surface pad printing technology development	Ongoing	15,000	2025Q2	Equipment investment, cost control, production efficiency

(IV) The impact of major policy and legal changes at home and abroad on the Company's financial operation and the countermeasures:

The Company always pays attention to important policy and legal changes at home and abroad, evaluates its impact on the Company, and takes appropriate countermeasures. As of the publication date of the annual report, the Company and its subsidiaries have not been affected by major domestic and foreign policy and legal changes that affect financial operation.

(V) The impact of technological changes (including information security risks) and industrial changes on the company's financial operation and the countermeasures:

The Company always pays attention to the changes in technology related to the industry in which it is located and evaluates its impact on the Company's operations. In addition, the

Company also formulates information security policies (please refer to Information Security Management on page 116 to page 117 of this annual report).

- (VI) The impact of corporate image change on corporate crisis management and the countermeasures: After suffering from the major industrial safety incident on September 22, 2023, the Company's subsidiary Launch Tech actively applied for resumption of operations in 2023 in order to resume production and protect the livelihood of employees, and on May 24, 2024, the Company's subsidiary Launch Tech received a letter of approval for the resumption of operations at its Plant II.

As for investors' rights and interests, Launch Tech has been actively working with insurance companies to settle insurance claims. Launch Tech received claim payment of NT\$300,000 thousand in May 2024 and NT\$372,481 thousand in February 2025, both have been recognized as claim income. In addition, Launch Tech received and recognized liability insurance claim income of NT\$28,575 thousand.

- (VII) Expected benefits, possible risks and countermeasures of mergers and acquisitions:

On April 15, 2024, the Company's board of directors signed a share swap contract with Launch Tech to acquire 100% of Launch Tech' equity. The share swap was completed on November 29, 2024 and the cessation of public offering by Launch Tech was approved by Jin-Guan-Zheng-Fa-Zi No.1130361958 on the same day.

Launch Tech needs to invest huge resources in resumption of work and reconstruction and faces major difficulties and challenges. In order to meet market and customer expectations in a timely manner, to take into account the rights and interests of shareholders and employees, and to increase the operational advantages of both parties and enhance the overall performance of the Group, Launch Tech will consolidate the Group's resources through the share swap, which will result in a more efficient use of resources and greater market competitiveness through the integration of the sales of products, utilization of production capacity, customer services and human resources, and should have a positive impact on the Group's financial position and profits in the long term. In particular, both companies serve the same customers, and after the merger, customers will have a higher degree of adhesion of Advanced International Multitech and Launch Tech.

1. In financial aspect:

The Company is in a stable operating position and enjoys better financing conditions. The Company will take advantage of the Group's strengths in order to reduce Launch Tech' finance costs, optimize its financial structure, enhance the efficiency of capital utilization, and make more effective capital allocation and arrangement, which will result in a more flexible financial deployment, strengthen the overall financial quality and enhance the efficiency of capital utilization.

2. In business aspect:

It is expected to become one of the few domestic manufacturers that produce golf clubs and golf balls at the same time, therefore, it can provide customers with one-time purchase service, reduce the trouble of purchasing from multiple manufacturers at the same time and reduce the complexity of logistics and provide customers with more adequate product information in product design and development and increase market share through the benefits of cross-selling.

3. In employee aspect:

The Group will consider the expertise and experience of its employees and arrange suitable positions for them, so as to minimize the loss of outstanding talents during the integration process. Both parties will appropriately adjust the personnel and organizational structure in

accordance with the Group's future operating direction, so as to operate in the most efficient manner and to increase the overall competitiveness of the Group.

4. In R&D and technology aspect:

Both Advanced International Multitech and Launch Technologies' main products are golf-related products, and both companies have similar R&D and technical attributes. Both companies' R&D personnel have rich working experience, and the head of R&D has many years of working experience and seniority in the golf industry and has the ability to lead teams and develop products, which can integrate the R&D technology and design expertise of both companies and make resource allocation more efficient.

5. In production capacity aspect:

Due to the impact of the fire, Launch Tech's production capacity was hindered. After considering the Group's overall resources and optimal efficiency, it was decided that Advanced International Multitech would operate the Vietnam factory, and in February 2024, Launch Tech signed an OEM contract with Advanced International Multitech (Vietnam) Corporation Ltd. (hereinafter referred to as "Advanced Vietnam"), an affiliated company of the Group, to manufacture some golf balls on behalf of the Group. The Group will make appropriate allocation according to customers' orders, which is the first step of the Group's operation resources integration.

(VIII) Expected benefits, possible risks and countermeasures of plant expansion:

1. Factory expansion of the Company's subsidiary, ADVANCED INTERNATIONAL MULTITECH (VIETNAM) CORPORATION LTD.:

- (1) On November 06, 2020, the resolution regarding the procurement of two pieces of land for business use and the building of new factory were approved by the board of directors: one of the lands that measured 16250.6 M² was started construction in June, 2021. However, the construction was suspended temporary during the epidemic period and postponed until November at the same year to resume the work. At present, the factory has started mass production in the 3rd quarter 2023.
- (2) On February 20, 2024, the resolution regarding the construction of the Factory Building III in the present factory site was approved by the board of directors, the plant has completed construction in Q4 2024.
- (3) On June 13, 2024, the resolution regarding to expand Factory III at the existing factory site was approved by the board of directors; the expanded construction is expected to be completed in the 4th quarter of 2025.

The above capacity expansion plans are strategic planning to adjust production base in order to meet with demands from different customers, and meanwhile, are carried out to disperse risks, reduce geopolitical influences, as well as to satisfy future order demands, which are able to help revenue growth and increase profits. There are no major risks.

2. The factory expansion of the Company are all carried out in accordance with the Company's "Regulations governing the acquisition and disposal of assets" and were cautiously reviewed and evaluated by dedicated units with the considerations of investment benefits and possible risks.

(IX) Risks and Countermeasures of concentrated Purchase or Sales:

1. Purchase: The Company's main raw materials are titanium, stainless steel ingots, carbon fiber, rubber, ionized resin, etc., with sufficient supply sources, many manufacturers to choose from, and productions both in Taiwan and abroad. In addition, we maintain good cooperative relations with various suppliers to ensure stable source of supply.

2.Sales: The Company's main products are golf clubs, composite material products, golf balls, etc. We are a professional OEM manufacturer in the market with flexible advantages in technology, quality and price. In addition, we have a large number of customers from different areas; important customers locate in US, Japan, EU, etc... °

(X) Impact of a large amount of share transfer or replacement by the Company's director, supervisor, or shareholders that holding more than 10% of the Company's share on the Company, the risk, and the countermeasures:

In 2024 and as of the date of publication of the annual report, the directors of the Company or major shareholders holding more than 10% of the shares did not have a large amount of equity transfer.

(XI) The impact, risks and countermeasures of the change of management rights on the Company: Not applicable.

(XII) Major litigious, non-litigious or administrative disputes, regardless of being concluded by means of a final and un-appealable judgment or is still under the litigation process, that involves the Company and/or the Company's director, supervisor, the General Manager, any person with actual responsibility for the Company, any major shareholder holding a stake of greater than 10 percent, and a subordinate company, and is possibly materially affect shareholders' equity or the prices of the Company's securities:

1. Risk matter:

The Company's subsidiary, Launch Tech, suffered a fire incident on September 22, 2023 (hereinafter referred to as the "922 Fire Incident") that caused many casualties. Liu An-Hao, the representative of corporate director of Launch Tech, was indicted by the prosecutor under the criminal law and the Occupational Safety and Health Act and sentenced to 5 year's imprisonment for being the chairman of Launch Tech at the time of fire incident; and Lu Ying-Cheng, the representative of corporate director and was the general manger of Launch Tech at the time of fire, was indicted by the public prosecutor for criminal law and sentenced to 5 years in prison.

On June 7, 2024, Launch Tech received a letter from the Commercial Court of the Intellectual Property and Commercial Court regarding the acceptance the case of dismissal of directors in the case of Commercial Investigation No. 14 of 2024 bring up by the Securities and Futures Investors Protection Center, which filed a lawsuit again three of Launch Tech' directors, namely, Liu An-Hao, Lu Ying-Cheng, and Cheng Shao-Ting, in accordance with Article 10-1, Paragraph 1, Item 1, Subsection 2 of the Securities Investors and Futures Dealers Protection Act (hereinafter referred to as "SIPA") for dismissal of their directorships.

On June 17, 2024, subsidiary Launch Tech received an Evidence Letter from Securities and Futures Investors Protection Center, which stated that three of Launch Tech' directors, namely, Liu An-Hao, Lu Ying-Cheng, and Cheng Shao-Ting, were involved in the crimes of violation of criminal law and cause fire damage to an existing building, wrongful death, negligent injury, serious injury by negligence, and major occupational disaster under the Occupational Safety and Health Act, and that the case is under trial in Pingtung District Court (Case No. 2024 Zu-Su-zi-No.1). In this regard, the Securities and Futures Investors Protection Center demanded that Launch Tech, its directors (including independent directors), its corporate directors, its Board of Directors, and the Audit Committee, etc. to request for compensation for the loss incurred from and to investigate the related legal liabilities of Launch Tech' directors, Liu An-Hao, Lu Ying-Cheng, Cheng, Shao-Ting, in accordance with the law, within 30 days of the writing of the Letter. If the above time limit is

exceeded, the Securities and Futures Investors Protection Center will file a lawsuit against Launch Technologies in accordance with Article 10-1 of the Securities Investors and Futures Trader Protection Act and pursue the related responsibilities.

On October 18, 2024, Liu An-Hao, Vice Chairman of the Company and the directors of Launch Tech, and Launch Tech' directors, Lu Ying-Cheng and Cheng Shao-Ting, received a writ of indictment from the criminal division of the Pingtung District Court. The Securities and Futures Investors Protection Center filed a representative lawsuit for this criminal incidental civil action against Liu An-Hao, Lu Ying-Cheng, and Cheng Shao-Ting, directors of Launch Tech, in accordance with Article 10-1, Paragraph 1, Item 1, of the Securities Investor and Futures Trader Protection Act and Article 487, Paragraph 1 of the Criminal Procedure Act with a total litigation subject amount of NT\$1,321,670,000.

In addition to the above cases, there are no other significant litigations, non-litigation cases or administrative disputes between Launch Tech' current directors, major shareholders, responsible persons, general managers or persons in charge of the subsidiaries with a shareholding of 10% or more, and there are no significant abnormalities in the assessment.

2. Responding manner:

Regarding the "922 Fire Incident", the Company's subsidiary Launch Tech and director Liu An-hui have made every effort to reach a settlement with the deceased or injured employees and firefighters in the civil case. As of the end of November 2024, the settlement rate was about 100%; although the criminal part of the case was prosecuted by the prosecutor as a criminal defendant, we will fully cooperate with the investigation and trial of the Pingtung District Court in order to clarify the cause of the fire and the related responsibility. In summary, the criminal proceedings against the subsidiary and individual directors are not expected to have a material impact on the Company's shareholders' equity or the price of its securities.

(XIII) Other significant risk and the countermeasures: none.

VII. Other important issues: None.

Six. Special Notes

I. Relation information of Affiliated Companies:

For the year ended December 31, 2024 (from January 1, 2024 to December 31, 2024), the companies that should have been included in the preparation of the consolidated financial statements of affiliated companies in accordance with the “Criteria Governing the Preparation of Consolidated Financial Statements of Affiliated Enterprises and Affiliate Statements” are the same as those that should have been included in the preparation of the consolidated financial statements of parent-subsidiary companies in accordance with IFRS10, and the information required to be disclosed in the consolidated financial statements has already been disclosed in the consolidated financial statements of the parent and subsidiaries, and hence the consolidated financial statements of the parent and subsidiaries should not be prepared separately.

Related information has been filed to Market Observation Post System > Company > Download electronic files > Three reports of the affiliated companies.

Link: https://mopsov.twse.com.tw/mops/web/t57sb01_q10

II. The handling of privately placed securities in the most recent year and as of the publication date of the annual report: None.

III. Other necessary supplementary explanations: None.

Seven. In the most recent year and up to the date of publication of the annual report, whether there is any event that has a significant impact on shareholders' equity or securities prices as specified in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act: None.

Advanced International Multitech Co., Ltd.



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