TPEx Stock Code:8938

Advanced International Multitech Co., Ltd.

2025 Annual Report

Printed on April 30, 2026

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

Spokesperson: Chou, Yi-Nan
Title: Chief Executive Officer
Phone Number: (+8867) 872-1410
Email address: mike.chou@adgroup.com.tw

Acting Spokesperson: Kuo, Yi-Miao
Title: Chief Financial Officer
Phone Number: (+8867) 872-1410
Email address: ym.kuo@adgroup.com.tw

Acting Spokesperson: Liu, Yen-Liang
Title: Deputy Manager
Phone Number: (+8867) 872-1410
Email address: jimmy.liu@adgroup.com.tw

II. Address and phone number of the headquarter, branches, and factories

Headquarter:	No.26, Zhonglin Rd., Xiaogang Dist., Kaohsiung City	Zhonglin Factory:	No.26, Zhonglin Rd., Xiaogang Dist., Kaohsiung City
Phone no.:	+(8867)872-1410	Phone no.:	+(8867)872-1410
Kaojia Branch:	No.2, S. 5th Rd., Qianzhen Dist., Kaohsiung City	Hefa Factory:	No.63, Heye 5th Rd., Daliao Dist., Kaohsiung City
Phone no.:	+(8867)821-3851	Phone no.:	+(8867)788-5668
Daye Factory:	No. 33, Daye S. Rd., Xiaogang Dist., Kaohsiung City		
Phone no.:	+(8867)871-5135		

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

Name: KGI Securities Stock Agency Services
Address: No.2, 5F, Chongqing S. Rd., Taipei City
Phone no.: +(8862) 2389 2999
Website: https://www.kgi.com.tw

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

Content

One. Letter to Shareholders

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 2025 Business results and 2026 Business plans.

I. 2025 Consolidated Business Report

(I)The execution results of the 2025 business plans

The Company's consolidated operating revenue was $15,406,654 thousand in the year of 2025, which was an increase of 8.55% comparing with $14,192,780 thousand in the year of 2024. The consolidated net profit in the year of 2025 was $949,453 thousand, which was a decrease of 17.39% comparing with the consolidated net profit of $1,149,286 thousand in the year of 2024. In 2025, the after-tax earnings per share was $6.18.

(II) The 2025 budget execution status: Not available, the Company did not disclose financial forecast for the year of 2025.

(III) Financial information:

1. Financial information

Unit: NT$1,000; %

YEAR	2025	2024	Increase/Decrease (%)
Sales Revenue	15,406,654	14,192,780	8.55%
Cost of Goods Sold	13,010,007	11,966,699	8.72%
Gross Profits	2,396,647	2,226,081	7.66%
Operating Expenses	1,559,187	1,628,161	(4.24%)
Other Income and Expenses -Net	149,438	160,232	(6.74%)
Non-Operating Income & Expenses	199,334	734,582	(72.86%)
Net Income Before Tax	1,186,232	1,492,734	(20.53%)
Net Income After Tax	949,453	1,149,286	(17.39%)
Total Comprehensive Profit/Loss	901,459	1,271,828	(29.12%)

(IV) Analysis on profitability

Unit: NT$1; %

Item		Ratio in 2025
Return on Assets (%)		6.92%
Return on Equity (%)		12.20%
To Paid-in-Capital(%)	Operating Income	62.87%
	Net Income Before Tax	75.56%
Net Income Margin (%)		6.16%
Earnings Per Share (Unit: NT$1)		6.18

(V) R&D situation

2025 R&D results:

1. Development of bio-based (60% biomass ratio) epoxy resin formula.
2. Data-driven analysis of key process parameters for impregnation machines.
3. Development of PPG Epoxy resin formula that is able to be stored in room temperature for two months.
4. Development of green and environmentally friendly thermoplastic continuous carbon fiber composite technology (flame-retardant PC with a glass transition temperature of 150°C).
5. Development of single bundle fiber impregnation molding technology.

6. Development of single bunder 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 low-energy molding technology.
11. Development of high-pressure rotational molding technology for interchangeable molds.
12. Development of an in-process AOI measurement system.
13. Development of a high-density injection molding process for counterweights.
14. Multi-material forged iron head.
15. Powder metallurgy technology with adjustable weight distribution.
16. Joining technology for powder metallurgy components.
17. Composite surface appearance and 3D pattern technology.
18. Development of a process for laminating large-area composite panels.
19. Application of laser engraving technology on titanium alloy surfaces.
20. One-step molding technology for thermoplastic composite structures.
21. Development of thermoplastic over-molding process.
22. Establishment of a recycling system for thermoplastic materials and its implementation in product manufacturing.
23. Development of welding technologies for thermoplastic products.
24. Development of an automated laminating machine for thermosetting complex surface.
25. Introduction of hollow structures into the thermoset air bag manufacturing process.
26. Development of high-strength ferrous materials.
27. Development and planned mass production of metal 3D printing.
28. Development and application of extreme ultraviolet rapid spraying for mass-produced composite products.
29. Development of extreme ultraviolet rapid spray transfer technology.
30. The application of brazing technology in metal products.
31. Aluminum alloy forging and precision machining.
32. Direct forming of thin-walled forgings.
33. Forging counterweight structures with varying materials and densities.
34. Composite powder metallurgy technology for materials of varying densities.
35. Large area pad printing technology and development of new products.
    - 360-degree circular large-scale logo design, pattern distortion testing, and regression computing technology.
    - Independent pad printing head modular design, rotary and longitudinal axis elastic mechanism module design and rotary positioning control technology.
    - Multi-color special pad printing technology, pattern distortion, and graphic registration correction calculation technology.
    - Development of large-area pad printing technology using high-precision sphere clamping mechanism.
36. 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.
37. 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 2026 Business Plan

(I) Operating strategy

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

1. The core business operations related to golf equipment, golf balls, and composite materials, including raw materials and finished products, continue to grow and improve profitability. In response to

evolving domestic and international conditions, such as tariffs and geopolitical risks, and in alignment with our clients' sourcing and supply chain strategies, we are continuing to shift production capacity to our facilities in Vietnam. Through technological innovation, continuous improvement, supply chain management, and cost optimization initiatives, we are maintaining our competitiveness and customer loyalty amid these changing circumstances.

2. Value-added innovation: carbon fiber wheel technology is now generating revenue and advancing production plans, while seeking industry partners and optimizing the business model; simultaneously, we are also pursuing cross-sector collaborative innovation, mergers and acquisitions, or business model transformation to establish the growth momentum for the next decade.

3. Enhancing corporate resilience: continuously investing in talent development and implementing succession planning; leveraging modern information technology and artificial intelligence tools to drive digital transformation and enhance collective intelligence within the organization.

4. Corporate sustainability: implementing corporate governance 3.0 indicators to optimize corporate governance outcomes, advance key ESG metrics, and achieve the vision of net-zero carbon emission.

(II) Expected unit of sales

Based on market supply and demand conditions and the industry environment, and taking into account the company's capabilities and development, we forecast that sales of golf club heads and golf clubs in 2026 will reach approximately 12 million units, while annual sales of golf balls will reach approximately 15 million dozen.

(III) Important production and marketing strategy

1. Establish three-way strategic partnerships with key customers and suppliers, integrate the value chain, and leverage our overall market influence through lean cost management and rapid responsiveness.

2. Origin strategy: continue to increase the proportion of our production capacity in Vietnam and enhance manufacturing capabilities there. At the same time, we will conduct a comprehensive assessment of tariff risks and geopolitical factors in export markets, and flexibly allocate production across our facilities in Taiwan, mainland China, and Vietnam to reduce reliance on production capacity in regions with potential risks.

3. Continue to strengthen the development and application of composite materials, implementing an integrated approach that spans from customized raw materials to optimized manufacturing processes, while differentiating our offerings to expand our competitive edge.

III. Future development strategy

1. Leverage the Company's core strengths in the golf industry: continue to integrate the golf-related products and customer relationships of Advanced International Multitech Co., Ltd. and Launch Tech Co., Ltd. to create comprehensive value for our shared customers, while actively seeking growth opportunities to solidify our position within the global supply chain.

2. The differentiated competitive advantage of a one-stop composite solutions provider: link up the value chain from raw materials to end-market applications, continuously invest in R&D for materials and products, expand the scope of composite applications, and meet the needs of diverse customer segments and product lines.

3. Innovation drives growth: in addition to addressing the future product development priorities and technical requirements of our existing customers, we will integrate internal and external resources and continue to invest in R&D for raw materials, manufacturing processes, and products, while simultaneously pursuing innovative business models and accelerating the pace of corporate transformation.

4. Strengthen corporate resilience: build corporate soft power through talent development, cultivating the talent and capabilities the organization will need in the future, and implementing succession planning and key talent development programs; simultaneously, actively promoting digital transformation to enhance management efficiency.

5. Commitment to Corporate Sustainability: 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.

IV. Effects of the external competitive environment, regulation environment, and overall operation environment

Although the significant pressure from U.S. tariffs in 2025 persists, its impact has begun to ease slightly. Amid the ongoing strength of the U.S. economy, the golf industry continues to grow. Participation rates and the number of rounds played continue to reach new highs, and major brands have not slowed down the pace at which they launch new products. The outlook for the industry in the coming year remains optimistic.

In the composites industry, driven by technological advancements, process innovations, and the development of AI, the scope of composites applications will continue to expand. Whether in sports equipment, consumer goods, the automotive industry, aerospace and defense, or energy applications, the critical role and growing demand for composites are evident. This will also be a key area for Advanced Group’s future business growth.

However, as geopolitical tensions escalate and globalization faces setbacks, the traditional contract manufacturing model is increasingly being disrupted by a range of adverse factors. To address various unforeseen circumstances, companies need a range of contingency plans. The rapid pivoting of production capacity, manufacturing locations, management teams, and technical capabilities is putting a strain on corporate management capabilities and response speed. At the same time, however, many new business opportunities are emerging. How to seize these opportunities amid the shifting landscape and reach the next peak of corporate value is a shared challenge for Advanced Group’s management team.

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, 2026

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 2nd 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	7.73%	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	0.96%	0	0%	0	0%	Meiji University, School of Business Administration	Chairman / Advanced International Multitech Co., Ltd. Chairman / Launch Tech 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	1.44%	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 Tech 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	Name	Gender	Post	Term	Date of	Shareholding at		Current		Current		Shareholding		Education &	Other Post in the Company and other	Spouse or relative within 2nd			

	or Place of Registration		Age	Beginning Date (m/d/y)	of Office	First Elected (m/d/y)	Date Elected		Shareholding		Shareholding of Spouse and Minors		under Other's Name		Experiences	company concurrently	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 Tech Co., Ltd.	CEO & Director of Advanced International Multitech Co., Ltd. CEO of Launch Tech 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%	7,000	0%	0	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 Independent Director and Convener of the Remuneration Committee of Ginar Technology Co., Ltd.	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 o/Taiwan ITRI New Venture Association Independent Director and convener of the Audit and Remuneration Committee / Leadtek Research Inc.	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 from 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, 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 CEO 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, 2026

Name of Corporate Shareholders	Major shareholders of the Corporate Shareholders
Ming An Investment Co., Ltd.	Tu, Chih-Hsiung 10.16%; Cheng, Hsi-Chien 7.71%; 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 36%; Cheng, Mei-Chin 27%; Liu, Yi-Chun 10.84%; Liu, Yen-Liang 12.99%; Hsu, Shang-Wen 2.74%; Liu, Yu-Hsieh 10.43%.

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

March 31, 2026

Name of Corporate Shareholders	Major shareholders of the Corporate Shareholders
Fu Xun Investment Co., Ltd.	Chang, Jui-Pi 19.31%; Lin, Tzu-Hsuan 35%; Lin, Tzu-Yang 35%; Lin, Jui-Chang 10.69%
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, Teng-Tsai 59.13%; Lin, Ping-Kuan 13.91%; Lin, Chih-Wei 13.91%; Lin, Chih-Ning 13.05%
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, Yi-Hsin 25%; Wu, Shu-Hao 25%

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

March 31, 2026

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

March 31, 2026

<table>
<tr><th>Qualification / Name</th><th>Professional Qualification and Experiences (Note1)</th><th>Status of Independency (Note2)</th><th>Number of other public companies that the director serves concurrently as an independent director in such company</th></tr>
<tr><td>Independent Director:
Wu, Ching-Tsai</td><td>·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. Independent Director and Convener of the Remuneration Committee of Ginar Technology Co., Ltd.
·The Director himself does not have any of the circumstances stated in Article 30 of the Company Act.</td><td>·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.</td><td>1</td></tr>
<tr><td>Independent Director:
He, Yao-Hung</td><td>·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, a supervisor in Taiwan ITRI New Venture Association, the general manager of Ledtech Electronics Corp., the general manager and also a director of Energyled Corporation.
·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 Director himself does not have any of the circumstances stated in Article 30 of the Company Act.</td><td rowspan="2">·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.
·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.</td><td>2</td></tr>
<tr><td>Independent Director:
Chang, Hsueh-Pin</td><td>·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, an independent director and a committee member in the Audit and Remuneration Committee in China Steel Corporation.
·The director concurrently is an independent director and the convener 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.</td><td>1</td></tr>
</table>

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 Act.

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) Board diversity policy

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, ③ Management ability, ④Crisis handling ability, ⑤Having industry related knowledge, ⑥ Having visions on international market, ⑦Leadership ability, ⑧Decision-making ability, ⑨Risk management knowledge and skills.

(2) Specific management objectives of diversity policies and current achievements

Management objectives	Achievements
More than half of the independent directors serve no more than three consecutive terms	Achieved. Currently, there are three independent directors whose consecutive terms do not exceed three terms.
Board members have an attendance rate of 85% or higher	Achieved. In 2025, board member's board meeting attendance rate was 97.5%.
Percentage of female directors	Not yet achieved. Currently, the Company has one female board member, representing 12.5% of the total members. In the future, we also plan to increase the number of female directors in accordance with gender equality principles, with the goal of ensuring that at least one-third of the board members are of each gender.

(3) Status of diversity and independence among members of the 10th Board of Directors

The Company elected its 10th Board of Directors on May 27th, 2024. Board members range in age from 50 to 80 and are leading figures in industry and academia. Three board members hold doctoral degrees, representing 38% of the board; they span various industrial sector and possess diverse, complementary expertise. The directors' professional knowledge and skills sets cover all aspects of industry, finance and accounting, technology, and management. In accordance with our diversity policy, the board consists of eight members (including 3 independent directors), among which independent directors account for 37.5% and directors who are employees of the company account from 37.5%.

・Status of diversity on the board of directors.

Title/Position	Chairman	Director				Independent Director		
Name	Cheng, His-Chien, representative of Ming An Investment Co., Ltd.	Liu, An-Hao Representative of Yuan Hong Investment Co., Ltd.	Lin, Jui-Chang Representative of Fu Yuan Investment Co., Ltd.	Chou, Yi-Nan	Tu, Hsiao-Fen	Wu, Ching-Tsai	He, Yao-Hung	Chang, Hsueh-Pin
Gender	Male	Male	Male	Male	Female	Male	Male	Male
Age	71~80	71~80	71~80	51~60	51~60	71~80	61~70	71~80
Nationality	R.O.C.							
Also an employee of the Company		✓		✓	✓			
Tenure of Independent Directors						1~3 years	3~6 Years	3~6 Years
Professional Background								
Industry experience	✓	✓	✓	✓	✓	✓	✓	✓
Management, accounting & finance	✓		✓		✓	✓	✓	
Mechanical & chemical engineering		✓		✓				✓
Professional knowledge & skill								
Operational judgement & management skills	✓	✓	✓	✓	✓	✓	✓	✓
Industry insights	✓	✓	✓	✓	✓	✓	✓	✓
Global market outlook	✓	✓	✓	✓	✓	✓	✓	✓
Leadership & decision-making skills	✓	✓	✓	✓	✓	✓	✓	✓
Risk management knowledge and skills	✓	✓	✓	✓	✓	✓	✓	✓
Accounting & financial analysis skills						✓		

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

March 31, 2026

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 2nd 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 Tech 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 Tech Co., Ltd.	Chairman	Cheng, Hsi-Chien	Affinity	None
Vice General Manager	R.O.C.	Li, Mei-Chuan	F	12/10/2007	0	0%	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 Tech 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 Tech Co., Ltd.	Director of Launch Tech 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

March 31, 2026

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 2nd degree relative			Note
					Shares	Stake(%)	Shares	Stake(%)	Shares	Stake(%)			Title	Name	Relationship	
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
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	0.85%	842	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 Tech Co., Ltd.	None	None	None	None	None
Director	R.O.C.	Chen, Chun-Chung	M	2/1/2019	23,295	0.01%	4,115	0%	0	0%	Master of Electronic Engineering, I-Shou University Manager in Customer Service Dept. of the Welltrend Technology Corporation	Vice General President/Advanced International Multitech (Vietnam) Corporation Ltd	None	None	None	None

(III) If the Chairman of the Company and the CEO 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), CEO, and vice general manager in current fiscal year (2025):

(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.)	13,007	13,007	0	0	6,000	7,330	270	360	Total amount of 19,277, accounting to 2.03% of NIAT	Total amount of 20,697, accounting to 2.18% of NIAT	21,202	21,908	301	338	948	0	948	0	Total amount of 41,729 accounting to 4.40% of NIAT	Total amount of 43,892, accounting to 4.62% 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	Wu, Ching-Tsai	300	300	0	0	3,000	3,000	170	170	Total amount of 3,470, accounting to 0.37% of NIAT	Total amount of 3,470, accounting to 0.37% of NIAT	0	0	0	0	0	0	0	0	Total amount of 3,470, accounting to 0.37% of NIAT	Total amount of 3,470, accounting to 0.37% of NIAT	None
Independent Director	Chang, Hsueh-Pin																					
Independent Director	He, Yao-Hung																					

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				
$1,000,000 (including)～ $2,000,000 (excluding)	Lin, Jui-Chang (representative of Fu Yuan Investment); He, Yao-Hung; Chang, Hsueh-Pin; Wu, Ching-Tsai; Tu, Hsiao-Fen; Chou, Yi-Nan; Liu, An-Hao (representative of Yuan Hung Investment)	Lin, Jui-Chang (representative of Fu Yuan Investment); He, Yao-Hung; Chang, Hsueh-Pin, Wu, Ching-Tsai; Tu, Hsiao-Fen; Chou, Yi-Nan; Liu, An-Hao (representative of Yuan Hung Investment)	Lin, Jui-Chang (representative of Fu Yuan Investment); He, Yao-Hung; Chang, Hsueh-Pin; Wu, Ching-Tsai	Lin, Jui-Chang (representative of Fu Yuan Investment); He, Yao-Hung; Chang, Hsueh-Pin, Wu, Ching-Tsai
$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 Hung Investment)	Liu, An-Hao (representative of Yuan Hung Investment)
$10,000,000 (including)～ $15,000,000 (excluding)			Chou, Yi-Nan	Chou, Yi-Nan
$15,000,000 (including)～ $30,000,000 (excluding)	Cheng, Hsi-Chien (representative of Ming An Investment)	Cheng, Hsi-Chien (representative of Ming An Investment)	Cheng, Hsi-Chien (representative of Ming An Investment)	Cheng, Hsi-Chien (representative of Ming An Investment)
$30,000,000 (including)～ $50,000,000 (excluding)				
$50,000,000 (including)～ $100,000,000 (excluding)				
More than 100,000,000				
Total	8 persons	8 persons	8 persons	8 persons

(II) 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	16,667	17,531	816	873	21,248	21,953	2,192	0	2,192	0	Total amount of 40,923, accounting to 4.31% of NIAT	Total amount of 42,549, accounting to 4,48% of NIAT	None
Vice General Manager	Liu, An-Hao													
Vice General Manager	Li, Mei-Chuan													
Vice General Manager	Tu, Hsiao-Fen													
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 CEO and Vice General Manager	Name of CEO 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)	Tu, Hsiao-Fen	Tu, Hsiao-Fen
$3,500,000 (including)～$5,000,000 (excluding)	Li, Mei-Chuan; Yang, Chih-Ming; Wang, Chih-Wen	Li, Mei-Chuan; Yang, Chih-Ming; Wang, Chih-Wen
$5,000,000 (including)～$10,000,000 (excluding)	Liu, An-Hao; Lu, Ying-Cheng	Liu, An-Hao; Lu, Ying-Cheng
$10,000,000 (including)～$15,000,000 (excluding)	Chou, Yi-Nan	Chou, Yi-Nan
$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	7 persons	7 persons

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

December 31, 2025/ 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	3,246	3,246	0.34%
	CEO	Chou, Yi-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				
	Vice General Manager	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, CEO 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, CEO and vice general manager to the Company's net income after tax (NIAT) for the most recent two years:

Year / Title	2024				2025			
	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	35,021	36,496	3.36%	3.50%	45,199	47,362	4.76%	4.99%
CEO and Vice General Manager	25,951	29,376	2.49%	2.82%	40,923	42,549	4.31%	4.48%

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 (at least 50% of the total employee compensation under this provision shall be allocated to entry-level employees) 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 2025, 5 board meetings (A) 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.)	5	0	100%	
Director	Liu, An-Hao (representative of Yuan Hong Investment Co., Ltd.)	5	0	100%	
Director	Lin, Jui-Chang (representative of Fu Yuan Investment Co., Ltd.)	5	0	100%	
Director	Chou, Yi-Nan	5	0	100%	
Director	Tu, Hsiao-Fen	4	0	80%	
Independent Director	Wu, Ching-Tsai	5	0	100%	
Independent Director	He, Yao-Hung	5	0	100%	
Independent Director	Chang, Hsueh-Pim	5	0	100%	

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 25 of this annual report, "The Operation of 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 6th Board Meeting of the 10th Term (January 16, 2025)

Important resolutions	Directors having conflict of interest situation, the reason to avoid the situation, and the voting situation
1. Review of the proposed distribution of year-end bonuses for the Company's Chairman and managers for 2024.	Chairman, Cheng Hsi-Chien, and management, Liu An-Hao, Tu Hsiao-Fen, Chou Yi-Nan and Kuo Yi-Miao, did not participate in the discussion and voting due to the concern of conflict of interest. Hence, independent director, Hung Li-Jung, served as acting chairperson, and audit Yeh Hsiu-Chun served as acting secretary to record.
2. To review the plan of 2024 2H managers' performance bonus. 3. To review the 2025 salary adjustment plan to managers.	Management, Liu An-Hao, Tu Hsiao-Fen, Chou Yi-Nan and Kuo Yi-Miao, did not participate in the discussion and voting due to the concern of conflict of interest. Hence, audit, Yeh Hsiu-Chun, temporary acted in to record.

The 9th Board Meeting of the 10th Term (August 4, 2025)

Important resolutions	Directors having conflict of interest situation, the reason to avoid the situation, and the voting situation
1. The proposal for the allocation of remuneration to independent directors for 2024.	Independent directors, Wu Ching-Tsai, He Yao-Hung, and Chang Hsueh-Pin did not participate in the discussion and voting due to the concern of conflict of interest.
2. The proposal for the allocation of remuneration to directors (excluding independent directors) for 2024.	Directors, Cheng Hsi-Chien, Liu An-Hao, Tu Hsiao-Fen, and Lin Jui-Chang did not participate in the discussion and voting due to the concern of conflict of interest. Hence, independent director Wu Ching-Tsai served as the acting chairperson.
3. To review the Company's 2024 executive compensation allocation proposal.	Management, Liu An-Hao, Tu Hsiao-Fen, Chou Yi-Nan and Kuo Yi-Miao did not participate in the discussion due to the concern of conflict of interest.
4. To review the plan of 2025 1H managers' performance bonus.	
5. To review the Company's 2025 executive bonus distribution proposal.	

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 results on board performance:

Evaluation Cycle	Once per year
Evaluation Period	Evaluation of the performance of the Board of Directors for the period January 1, 2025 to December 31, 2025
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 Method	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 prior to the first board meeting of the following fiscal 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.

In February 2026, 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
98.5% achieved	99.35% achieved	100% achieved	100% achieved
The overall board of	The board members' self-	Member of the Audit	The overall operation

directors' evaluation index consists of five major aspects, with an achievement rate of 98.5%, 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.	assessment indicators include six major aspects, with an average score of 4.98 and an achievement rate of 99.35%, indicating that the directors have a positive and high evaluation view on the overall operation and implementation of the board. Board recommendation: may work on strengthening digital transformation and AI-driven transformation.	Committees in 2025 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	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 2025, 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
2024	January 16, 2025
2025	February 04, 2026

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

1.The Company established an Audit Committee on November 26, 2021, to assume the responsibilities previously held by the corporate supervisors. The current (2nd term) Audit Committee consists of four members.

2.Key focus areas for the Audit Committee in 2025: Its primary objectives include overseeing the fair presentation of the Company's financial statements; the appointment, removal, independence, and performance of the certified public accountant; the effective implementation of the Company's internal controls (including the establishment and amendment of regulations and the evaluation of internal control systems); the review of loans, derivative transactions, investments in equity securities, as well as the management of existing or potential risks. The Committee shall submit its recommendations to the Board of Directors for discussion.

3.Term of the current (2nd) Audit Committee: May 27, 2024 to May 26, 2027. The Audit Committee held 4 meetings (A) in 2025. The attendance records of the independent directors are as follows:

Title	Name	Attendance in person(B)	Attendance in proxy	Actual attendance rate (%) 【B/A】	Note
Independent Director	Wu, Ching-Tsai (Convener)	4	0	100%	
Independent Director	He, Yao-Hung	4	0	100%	
Independent Director	Chang, Hsueh-Pin	4	0	100%	

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.

(1) The matters set up in Article 14-5 of the Securities and Exchange Act.

(2) In 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.

5th meeting of the 2nd term of Audit Committee (February 27, 2025)

Important resolutions	Results of Audit Committee Resolutions	The Company's response to Audit Committee's suggestions
1. The report of 2024 Business Report and Financial Reports. 2. The 2024 earnings distribution proposal. 3. Proposal to set the record date for the conversion of the Company's 3rd domestic unsecured convertible bonds into new shares. 4. The 2024 "Assessment of the effectiveness of the internal control system" and the "Internal Control Statement". 5. The proposal to amend certain provisions in the Company's "Sales and Accounts Receivable Cycle", "Payroll cycle", and "Regulations on the payment of employee and director compensation." 6. The proposal to provide loans of USD10,000 thousand to the Company's 100% owned subsidiary, ADVANCED INTERNATIONAL MULTITECH (VIETNAM) CORPORATION LTD.	Approved by all the members in the Audit Committee	Approved by all the presenting directors

7. The independence and competence assessment of certified Public Accountant. 8. The appointment of Certified Public Accountant.		

6th Meeting of the 2nd term of Audit Committee (May 09, 2025)

Important resolutions	Results of Audit Committee Resolutions	The Company's response to Audit Committee's suggestions
1. The report of the 2025 Q1 financial statements. 2. Proposal to set the record date for the conversion of the Company's 3rd domestic unsecured convertible bonds into new shares.	Approved by all the members in the Audit Committee	Approved by all the presenting directors

7th Meeting of the 2nd term of the Audit Committee (August 04, 2025)

Important resolutions	Results of Audit Committee Resolutions	The Company's response to Audit Committee's suggestions
1. To establish the Company's risk management policies and procedures. 2. The report of the 2025 Q2 financial statements. 3. Proposal to set the record date for the conversion of the Company's 3rd domestic unsecured convertible bonds into new shares. 4. The proposal to provide loans of USD5,000 thousand to the Company's 100% owned subsidiary, ADVANCED INTERNATIONAL MULTITECH (VIETNAM) CORPORATION LTD.	Approved by all the members in the Audit Committee	Approved by all the presenting directors

8th Meeting of the 2nd term of the Audit Committee (November 07, 2025)

Important resolutions	Results of Audit Committee Resolutions	The Company's response to Audit Committee's suggestions
1. The report of the 2025 Q3 financial statements. 2. The Company's 2025 Audit Plan. 3. Amendments to certain provisions of the "Regulations on the Preparation and Submission of Sustainability Reports," the "Code of Practice for Sustainable Development," the "Production Cycle," and the "Management System and Budget Management Cycle. 4. The intention to invest in a private equity fund established by Taishin AIoT Semiconductor LP.	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
02/27 2025	(1) The accountants explained and discussed In light of 2024 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.	No opinion in the meeting

	(3) The accountants discussed and communicated on matters submitted by participants.	
05/09 2025	(1) The accountants explained and discussed In light of 2025 Q1 consolidated financial reports. (2) The accountants discussed and communicated on matters submitted by participants.	No opinion in the meeting
08/04 2025	(1) The accountants explained and discussed In light of 2025 Q2 consolidated financial reports. (2) The accountants discussed and communicated on matters submitted by participants.	No opinion in the meeting
11/07 2025	(1) The accountants explained and discussed In light of 2025 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
02/27 2025	1. Internal audit report for the period of October to December 2024. 2. Discussion and communications on matters submitted by meeting participants.	No opinion in the meeting
05/09 2025	3. Internal audit report for the period of January to March 2025. 4. Discussion and communications on matters submitted by meeting participants.	No opinion in the meeting
08/04 2025	1. Internal audit report for the period of April to June 2025. 2. Discussion and communications on matters submitted by meeting participants.	No opinion in the meeting
11/07 2025	1. Internal audit report for the period of July to September 2025. 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 05, 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 02, 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? (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? (3) Whether the Company establishes and implements rules for risk management and firewall mechanism with affiliated companies? (4) Whether the Company establishes internal regulations to prohibit insiders from utilizing un-disclosed information to purchase/sell securities?	✓ ✓ ✓ ✓		(1) The Company has established "Corporate Governance Best Practice Principles", "Ethical Corporate Management Best Practice Principles", "Codes of Ethical Conduct", and "Procedures for Ethical Management and Guidelines for Conduct". 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. (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 2nd degree relatives) are reported to TWSE's Market Observation Post System on a monthly basis. (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 with Related Parties and Affiliated Enterprises" in accordance with laws and regulations. (4) The Company has established the " Procedures for Handling Material Inside Information" 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	No significant divergence

List of Assessments	Implementation Status			Divergence from the regulated Best Practices and Reasons of the Divergence
	Yes	No	Summary & Explanation	
			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? (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? (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? (4) Whether the Company periodically evaluates the independence of the Company's certified accountant?	 ✓ ✓ ✓ ✓		(1) The Company has established the "Corporate Governance Best Practice Principles" and has disclosed in detail on the Company's website and the TWSE's Market Observation Post System. Please refer to page 12 to 13 of this annual report for the diversity policy, specific management objectives and implementation of the board of directors. (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) The Company's board of directors passed the " Performance Evaluation Method for the Board of Directors and Functional Committees" on August 05, 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 23 to page 24 of this annual report for the evaluation method and implementation status. (4) The Audit Committee of the Company regularly evaluates the independence and competence of certified accountants every year, based on the " Corporate Governance Best Practice Principles", "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	No significant divergence

<table>
<tr><th rowspan="2">List of Assessments</th><th colspan="3">Implementation Status</th><th rowspan="2">Divergence from the regulated Best Practices and Reasons of the Divergence</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary & Explanation</th></tr>
<tr><td></td><td></td><td></td><td>the standards as mentioned in Note 1 (please refer to page 36 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><th>Year</th><th>Reviewed and approved by the Audit Committee</th><th>Reviewed and approved by the board of directors</th></tr><tr><td>2024</td><td>February 27, 2025</td><td>February 27, 2025</td></tr><tr><td>2025</td><td>March 03, 2026</td><td>March 03, 2026</td></tr></table></td><td></td></tr>
<tr><td>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…)?</td><td>✓</td><td></td><td>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 2025 as below:
(1) 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 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 Best Practice Principles, independent directors will</td><td>No significant divergence</td></tr>
</table>

List of Assessments	Implementation Status			Divergence from the regulated Best Practices and Reasons of the Divergence
	Yes	No	Summary & Explanation	
			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 2025, 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 54 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). (2) 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 Corporate Governance Best Practice Principles. 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. (3) 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. (4) Prepare the agenda of the board of directors meeting and notify the directors seven days in advance, 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.	

<table>
<tr><th rowspan="2">List of Assessments</th><th colspan="3">Implementation Status</th><th rowspan="2">Divergence from the regulated Best Practices and Reasons of the Divergence</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary & Explanation</th></tr>
<tr><td></td><td></td><td></td><td>(5) 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.
(6) Corporate governance superintendent’s annual training status in 2025:
<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="3">09/30~10/01 2025</td><td rowspan="3">Accounting Research and Development Foundation</td><td>Finance</td><td>3</td><td rowspan="3">12</td></tr>
<tr><td>Professional Ethics and Legal Liabilities</td><td>6</td></tr>
<tr><td>Accounting</td><td>3</td></tr>
</table></td><td></td></tr>
<tr><td>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?</td><td>✓</td><td></td><td>(1) 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.).
(2) 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.
(3) 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 February 04, 2026.
(4) For specific instructions, please refer to the interested person section of the Company's Chinese version website, the link to the website:
https://www.adgroup.com.tw/page/about/index.aspx?kind=275&lang=TW</td><td>No significant divergence</td></tr>
<tr><td>6. Whether the Company entrusts professional stock affairs agency to handle Shareholder’s Meeting related affairs?</td><td>✓</td><td></td><td>The Company appointed KGI Securities Co., Ltd. as a professional stock affairs agency to handle matters related to shareholders' meetings and stock affairs.</td><td>No significant divergence</td></tr>
</table>

<table>
<tr><th rowspan="2">List of Assessments</th><th colspan="3">Implementation Status</th><th rowspan="2">Divergence from the regulated Best Practices and Reasons of the Divergence</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary & Explanation</th></tr>
<tr><td>7. Information disclosures
(1) Whether the company constructs a website and discloses information in relation to the company’s financial and corporate governance?

(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.…)?

(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?</td><td>✓

✓

✓</td><td></td><td>(1) The Company has constructed a website, and information regarding the financial situation and corporate governance is shown under the "Investors" section on the home page.
Website: https://www.adgroup.com.tw/page/about/index.aspx?kind=188&lang=US

(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)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">2025</td><td>Q1</td><td>May 09, 2025</td></tr><tr><td>Q2</td><td>August 04, 2025</td></tr><tr><td>Q3</td><td>November0 7, 2025</td></tr><tr><td>Q4</td><td>March 03, 2026</td></tr></table>2. Monthly operating results are disclosed before the regulated deadline (before the 10th day of each month).</td><td>No significant divergence</td></tr>
<tr><td>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,</td><td>✓</td><td></td><td>(1) Employee’s rights:
The Company places great importance on safeguarding employee rights. In accordance with the law, we have established a labor union and an Employee Welfare Committee to serve as key platforms for labor-management communication and the coordination of employee rights. In addition to implementing a retirement pension system in compliance with relevant laws and regulations, the Company provides group insurance and travel insurance for all employees for better risk protection</td><td>No significant divergence</td></tr>
</table>

List of Assessments	Implementation Status			Divergence from the regulated Best Practices and Reasons of the Divergence
	Yes	No	Summary & Explanation	
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…)?			beyond the statutory requirements. To promote harmonious labor-management relations, the Company has established a regular communication mechanism, holding quarterly labor-management meetings to exchange views and coordinate on working conditions, welfare measures, and employee concerns. Relevant suggestions are also incorporated into internal management reviews and improvement initiatives. Issues related to human resources policies and employee rights are regularly compiled and submitted to the ESG and Human Resources Development Committee for review, and serve as the basis for management's ongoing improvement efforts. (2) Care for Employees: The Company is committed to providing a safe, healthy, and welcoming work environment. In addition to maintaining a clean and comfortable workplace, we have installed access control systems, security systems, and surveillance equipment at all entrances and exits, and have fitted production equipment with necessary safety guards to minimize occupational safety risks and ensure the personal safety of our employees. In addition, the Company arranges regular health checkups for employees and implements health management measures. Measures related to employee safety, health, and employee welfare are all included within the scope of ESG oversight, and feedback is collected through employee satisfaction surveys to serve as an important reference for optimizing the work environment and human resources management. (3) 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 Chinese version website (Investors>Shareholder Services>Investor Contact Windows) to maintain a healthy and harmonious relationship between the Company and shareholders. (4) 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. (5) Rights of interested parties: The Company has established the " Corporate Governance Best Practice Principles" and maintains	

List of Assessments	Implementation Status			Divergence from the regulated Best Practices and Reasons of the Divergence
	Yes	No	Summary & Explanation	
			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 Chinese version website. (6) Training status of directors and supervisors: For related information, please visit the TWSE 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 (7) The execution of risk management policy and risk measurement standards: The Company has formulated the " Operation Method for Risk Assessment" and carries out various risk management and assessments in accordance with the method; please refer to the company's website: https://www.adgroup.com.tw/page/about/index.aspx?kind=107&lang=TW (8) The execution of customer's policies: The Company maintains stable and good relations with customers to create profits. (9) Purchase of liability insurance for directors and supervisors: Liability insurance of USD3 million is purchased with protection period starting from July 01, 2025 to July 01, 2026, and has been submitted to report to the Board on August 04, 2025.	

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 12th 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: 2025

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:

1. Information regarding members in the Remuneration Committee:

April 30, 2026

Title \ Name \ Requirement		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 (Convener)	Please refer to page 10 to Page 11 of the annual report for related information regarding the disclosure of director's professional qualification and independent director's independence status.		1
Independent Director	He, Yao-Hung			2
Independent Director	Chang, Hsueh-Pin			1

2.The operation of the Remuneration Committee:

(1) The Company established its Compensation Committee on December 08, 2011. The current (6^{th}) Compensation Committee consists of three members.

(2) Key priorities of the Compensation Committee: regularly evaluate and determine the compensation for directors and executives; establish and periodically review policies, systems, standards, and structures regarding the performance evaluation and compensation of directors and executives.

(3) Term of office of the current committee members: from June 13, 2024 to May 26,2027. There were 3 meetings (A) convened in the most recent year (2025). 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	Wu, Ching-Tsai	3	0	100%	
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 2025 Remuneration Committee's Important Resolutions and Results:

The 2nd meeting of the 6th Compensation Committee Meeting (January 16, 2025)

Important Matters for Resolution	Results of the Compensation Committee's Resolution	The Company's Response to the Compensation Committee's Recommendations
1. Review of the proposed distribution of year-end bonuses for the chairman and executive officers of the Company for 2024. 2. Review of the proposed distribution of management	All members of the Compensation Committee voted to approve the	All directors present voted to approve the motion as presented

performance bonuses for the 2H of 2024. 3. Review of the Company's 2025 Executive Compensation Adjustment Proposal.	proposal as presented	

The 3rd meeting of the 6th Compensation Committee Meeting (February 27, 2025)

Important Matters for Resolution	Results of the Compensation Committee's Resolution	The Company's Response to the Compensation Committee's Recommendations
1.Proposed amendment to the Company's "Regulations on the Payment of Employee and Director Compensation". 2.Proposal for the allocation of employee and director compensation for 2024.	All members of the Compensation Committee voted to approve the proposal as presented	All directors present voted to approve the motion as presented

The 4th meeting of the 6th Compensation Committee Meeting (August 4, 2025)

Important Matters for Resolution	Results of the Compensation Committee's Resolution	The Company's Response to the Compensation Committee's Recommendations
1.Review of the Company's 2024 director compensation allocation proposal. 2.Review of the proposal to allocate remuneration to director for 2024 - Chang, Hsueh-Pin. 3.Review of the proposal to allocate remuneration to director for 2024 - Wu, Ching-Tsai. 4.Review of the Company's 2024 executive compensation allocation proposal. 5.Review of the proposed distribution of management performance bonuses for 1H of 2025. 6.Review of the Company's 2025 executive compensation adjustment proposal.	All members of the Compensation Committee voted to approve the proposal as presented	All directors present voted to approve the motion as presented

(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.

<table>
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<tr><th>Yes</th><th>No</th><th>Summary & Explanation</th></tr>
<tr><td>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?</td><td>✓</td><td></td><td>The Company established a “CSR Promotion Team” in 2014 and published its first “Corporate Social Responsibility Report,” and in 2022, the Board of Directors approved the “Sustainable Development Best Practice Principles” to serve as the framework for the Company's sustainable development efforts. In 2022, the “CSR Promotion Team” was renamed the “ESG Promotion Team.” authorized by the Chairman, the CEO serves as the convener, with the CEO’s Office acting as the coordinating unit. The team functions as a cross-departmental communication platform that integrates vertical and horizontal coordination. It formulates sustainability strategies and objectives addressing issues of concern to the company’s operations and stakeholders, and subsequently plans and implements short-, medium-, and long-term initiatives.

The Company’s implementation of sustainable development initiatives is outlined as follows:
The “ESG Promotion Team” is chaired by the CEO, who is authorized by the Chairman to lead the initiative. The CEO has appointed managers from the Occupational Safety, Human Resources, and Finance & Accounting departments to oversee the implementation of initiatives related to “Environmental Protection,” “Social Responsibility,” and “Corporate Governance.” The CEO's Office serves as the coordinating unit, acting as a cross-departmental communication platform to facilitate integration across all levels of the organization and coordination among business units. The team holds regular quarterly meetings, during which the Corporate Governance, Environment, Occupational Safety, Human Resources, and CEO’s Office departments report on current implementation status and promotion strategies. At the same time, the meetings track implementation results to ensure that sustainability strategies are integrated into the Company’s daily operations.
The “ESG Promotion Team” operates under the oversight of the Board of Directors. In addition to reporting annually to the Audit Committee on risk policies and the implementation, and reporting to the Board on the progress of sustainability initiatives and the achievement of targets, the team also reports quarterly to the Board on performance metrics related to environmental issues and amendments to corporate governance provisions. In 2025, four meetings were convened, with agenda items including:
・Current status of energy resources and greenhouse gas emission
・Amendments to provisions on corporate governance
・Risk management policy and implementation results
The Board of Directors regularly oversees the establishment of sustainability goals and reviews their</td><td>No significant divergence</td></tr>
</table>

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<tr><td></td><td></td><td></td><td>implementation (at least once a year), and provides relevant recommendations and guidance based on the content of the reports. The Company reported on the progress of its sustainability initiatives for 2025 to the Board of Directors on March 03, 2026.</td><td></td></tr>
<tr><td>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?</td><td>✓</td><td></td><td>1. 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 10 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", "Ethical Corporate Management Best Practice Principles", 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.
<table>
<tr><th>Risk Factors</th><th>Relevant to which Material Topics</th><th>Facet</th><th>Management Strategy</th><th>2025 Results</th></tr>
<tr><td rowspan="4">Business operation</td><td rowspan="4">•Operating performance
•Customer and supplier management
•Innovation, R&D and digital transformation</td><td>Financial risks</td><td>Regular financial audits to ensure that the Company’s financial management complies with regulations</td><td>No significant losses</td></tr>
<tr><td>Audit system</td><td>The internal management review mechanism continues to be implemented</td><td>No significant omissions</td></tr>
<tr><td>Law compliance</td><td>Establish a comprehensive regulatory compliance assessment and monitoring mechanism to ensure that operational activities comply with legal and policy requirements</td><td>No significant penalties</td></tr>
<tr><td>Information safety</td><td>Continuously updating cybersecurity capabilities</td><td>No significant</td></tr>
</table></td><td>No significant divergence</td></tr>
</table>

List of Assessments	Implementation Status			Divergence from the regulated Best Practices and Reasons of the Divergence
	Yes	No	Summary & Explanation	

			Regular employee trainings	omissions
Product quality and services	•Customer and supplier management •Innovation, R&D and digital transformation	Quality management	ISO 9001 and ongoing certification	No significant omissions
		Technology and manufacturing processes	We have implemented ISO 9001 and continue to undergo recertification	No significant omissions
Occupational health and safety	•Occupational health and safety •Customer and supplier management	Health and the Environment	We have implemented ISO 14001 and are undergoing ongoing validity certification	No significant omissions
		Occupational Safety	We have implemented ISO 45001 and are undergoing ongoing validity certification.	No significant penalties
Procurement risk	•Customer and supplier management •Innovation, R&D and digital transformation	Raw materials	Strategic procurement and signing long-term contracts for critical materials Continuously develop supplier relationships to mitigate procurement risks	No abnormalities
Human resources risks	•Employee development & friendly workplace	Human resources and training	Continuously improving employee recruitment and benefits programs Conduct regular “employee satisfaction surveys” to ensure open lines of communication	No significant penalties
Environmental impacts	•Environmental policy •Emissions & Wastes •Greenhouse gas management	Extreme weather	Assessing the likelihood of extreme weather events in the Company’s region based on the TCFD framework	No significant losses
		Policy risk	Assess climate policy risks (such as carbon fees and taxes) that may arise in the regions where the Company operates, based on the TCFD framework	No significant losses

2. The Company's disclosures cover its sustainability performance at major locations from January to December 2025. The scope of the risk assessment is limited to domestic (i.e., Advanced Taiwan) operating sites, including the Zhonglin, Daye, Gaojia, and Hefa plants; it does not include overseas facilities that

List of Assessments	Implementation Status			Divergence from the regulated Best Practices and Reasons of the Divergence
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			are not consolidated in the financial statements, except for financial information. 3. Please visit the Company's Chinese version 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 2025 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	
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, and continuously improves our environmental performance using the PDCA cycle. Our primary management systems include the following: (1) Energy and Resource Conservation: Actively improve and optimize electricity usage in manufacturing processes; gradually reduce energy consumption per unit of product; progressively implement water recycling systems; and promote company-wide energy and resource conservation initiatives. (2) Waste Management: Establish a waste sorting and recycling system, implement a packaging-free initiative on-site, and actively develop recycling measures to reduce the total volume of waste. (3) Chemical Management: Assess the potential risks of chemicals and implement tiered management; establish a chemical storage facility and monitor it in real time. 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). 2. Please refer to the expenditures on environmental protection (page 95 to page 101 of this annual report) for other related environment management system.	No significant divergence
(2) Whether the Company devotes to enhancing energy utilization efficiency and adopts the use of recyclable materials that have lower impact to the	✓		Our company is committed to conserving energy and other resources. Through regular meetings to review and monitor progress, we aim to ensure the most efficient use of these resources, striving to reduce waste and continuously lower our carbon footprint. In accordance with our Environmental, Health, and Safety (EHS) policy, we use raw materials that minimize environmental impact and implement recycling, reduction, and reuse of waste. The company plans to reduce carbon emissions by 20% in 2030 compared to 2024. In	No significant divergence

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<tr><td>environment?</td><td></td><td></td><td>addition, to increase the use of renewable energy, solar power generation facilities were installed at the Hefa plant site. These facilities were officially connected to the grid in 2025 and have generated a cumulative total of 670,000 kWh, accounting for 19% of the plant's electricity consumption. The Advanced Dongguan reduce carbon emissions by purchasing green electricity; in 2025, the cumulative volume of green electricity purchased reached 4.11 million kilowatt-hours, accounting for 17% of Advanced Dongguans' total electricity consumption. Other facilities are actively evaluating projects such as the construction and procurement of green power, and are actively developing renewable energy strategies. In addition, the Company is actively evaluating plans to replace energy-intensive equipment at various facilities to ensure a reduction in electricity consumption per unit of output.
In terms of recycled materials, our various business divisions have also actively launched a range of initiatives, including raw material recycling systems, process recovery technologies, and scrap material recovery solutions. For example: Zhonglin Plant achieved a Titanium raw material recovery rate of 6.57% (a 2% increase from last year); Hefa Plant collaborated with third-party vendors to develop waste carbon fiber recycling technology; Launch Tech developed technology for recycling raw materials during the production process; and the Advanced Vietnam redirected waste foundry sand to downstream recycling. Through various waste reduction and low-carbon initiatives, we are committed to continuously reducing our environmental impact and creating sustainable value for the company.
Please refer to the expenditures on environmental protection (page 95 to page 101 of the annual report) and Chapter 5 "Advanced International Multitech and the Environment" of the 2025 Sustainability Report for related information.</td><td></td></tr>
<tr><td>(3) Whether the Company assesses current and future's potential risks and opportunities in relation to climate changes, and adopts relevant countermeasures?</td><td>✓</td><td></td><td>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 2026.
2.Complete mother company's GHG inventory investigation in 2026.
3.Reduce 1% waste production in 2026.
4.1% annual reduction in water consumption from 2026 onwards.</td></tr>
<tr><td>Medium and Long-term goals (3~5 year)</td><td>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% in 2030.</td></tr>
</table></td><td>No significant divergence</td></tr>
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			Note: The base year for above goals is 2024. For a summary of the climate risks and opportunities identified by the Company in 2025, please refer to Page 54 to Page 58 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 2025 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?	✓		For further information, please refer to the expenditures on environmental protection (page 95 to page 101 of this annual report) and Chapter 5, "Advanced International Multitech and the Environment," of the 2025 Sustainability Report.	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?	✓		Our Company adheres to the international human rights standards required by our clients. We have established clear policies regarding environmental protection, safe and healthy working conditions, fair wages and benefits, and opportunities for advancement, as well as the promotion of diversity in hiring and the prevention of harassment and discrimination. These policies are based on the United Nations Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, and relevant local government regulations. We have established the [Work Rules] and the "Procedures for Preventing Unlawful Infringements in the Course of Duty" to eliminate human rights violations and ensure that employees are not subjected to discrimination, harassment, or unequal treatment based on race, gender, sexual orientation, religious beliefs, age, political affiliation, place of birth, disability, or any other status protected by applicable laws. The "ESG Promotion Team" under the CEO's Office is responsible for planning, promoting, and managing the Company's human rights policies and continuously monitors the implementation and promotion of these policies to ensure their effective enforcement. Human rights concerns encompass issues such as human dignity, the right to equality, freedom of expression, the right to privacy, the right to reputation, the right to work, the right to health, environmental rights, and cultural rights. Furthermore, to address potential human rights risks, the Company has established relevant mitigation and management measures, including	No significant divergence

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<tr><td></td><td></td><td></td><td>eliminating unlawful discrimination to ensure equal employment opportunities, prohibiting child labor, banning forced labor, guaranteeing equal employment opportunities for vulnerable and marginalized groups, implementing gender equality measures, and providing a safe and healthy work environment. Each year, we identify and assess human rights risks through internal management reviews, employee satisfaction surveys, feedback from labor-management meetings, and various complaint channels. The assessment covers areas such as forced labor, compliance with working hours and wages, workplace discrimination, and occupational safety and health. The results of these assessments and related recommendations for improvement are incorporated into internal management reviews and serve as a basis for continuous improvement.
In addition, the Company has established multiple channels for filing complaints, including physical suggestion boxes, online suggestion boxes, and etc.… through which employees may submit human rights-related complaints and reports. The Company has also established procedures for handling incidents of unlawful workplace harm. Through comprehensive preventive mechanisms and necessary safety measures, the Company effectively prevents employees from suffering physical or mental harm while performing their duties, thereby safeguarding their occupational safety and physical and mental well-being.
Please visit our Chinese version official website for details on our “Human Rights Policy”:
https://www.adgroup.com.tw/page/about/index.aspx?kind=263&lang=TW</td><td></td></tr>
<tr><td>(2) Whether the Company makes and implements reasonable employee benefit manners (including salary, vacation and other benefits), and properly reflects the Company’s operation performance or achievements on remunerations paid to employees?</td><td>✓</td><td></td><td>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 (the amount of employee compensation under this provision shall be allocated to entry-level employees at a rate of no less than 50 percent.)…” 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 March 03, 2026, the Board of Directors approved an appropriation of 4.19% of the employees’ remuneration, amounting to NT$47,600,000 dollars.
2. Please refer to Labor-Capital relations (please refer to page 102 to page 104 of this annual report) for information about other employee benefit measures.
3. Diversity and Equality in Workplace:
Our Company places a strong emphasis on gender equality, equal pay, and equal opportunities for promotion. In 2025, women accounted for 41.20% of Advanced Taiwan, Launch Tech’s total workforce, and 20% of its senior management (manager level and above).
To assist employees with childcare and promote a work-life balance, in accordance with the Gender</td><td>No significant divergence</td></tr>
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<tr><td></td><td></td><td></td><td>Equality in Employment Act, employees who have been employed for at least six months may apply for unpaid leave for childcare purposes for each child until the child reaches the age of three. Upon the expiration of such leave, the employee shall be reinstated to their original position or unit.
To ensure equal employment opportunities for disadvantaged and related groups, there were 18 employees with disabilities among the full-time staff in 2025, accounting for 1.25% of the total full-time workforce.
For more information on workplace diversity and equality at our company, please refer to Chapter 5, “Advanced International Multitech and the employee” of the 2025 Sustainability Report.</td><td></td></tr>
<tr><td>(3) Whether the Company provides a safe and healthy work environment for employees, and regularly holds employee’s’ safety and health education training?</td><td>✓</td><td></td><td>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.

<u>Work Safety Inspection</u>
The work safety inspection team conducts a comprehensive plant-wide inspection on the 22nd of every month, focusing on specific themes and referring to the company’s internal “Safety, Health, and Wellness Guidelines,” and effectively tracks the implementation of corrective actions.
The frequency of disabling injuries in 2025 was 2.99 ratio, compared to 1.85 in 2024, representing an increase of 1.14%. There were two more injury incidents than in the previous year. Investigations into all incidents have been completed, and corrective actions have been implemented. Our Company continues to take a more proactive approach to fostering a safety culture and promoting employee-led safety management. We conduct workplace environmental monitoring twice a month to gain a better understanding of staff exposure patterns and ensure their safety while on the job.
To effectively identify hazards in the workplace, regular on-site inspections are conducted to prevent harm to employees resulting from occupational exposure to specific health hazards or unsafe work practices, and regular assessments on potential risks in the work environment are carried out, while effectively managing and implementing the following occupational safety inspection procedures:
<table>
<tr><th>Inspection Works</th><th>Inspection Frequency</th></tr>
<tr><td>Work safety inspection team</td><td>Once a month</td></tr>
<tr><td>Workplace Safety Inspection</td><td>Once a week</td></tr>
<tr><td>On-site inspection</td><td>Once a day</td></tr>
</table></td><td>No significant divergence</td></tr>
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			(see below)	

"Our company strictly complies with the Occupational Safety and Health Act and, in order to create a safe workplace, conducts annual employee health checkups and various health seminars on a regular basis. We monitor risks through the Occupational Safety and Health Committee and are committed to achieving the goal of zero workplace accidents."

Project	Summary of Implementation (Year 2025)	Performance data
System certification	Maintain the effectiveness of ISO 45001 and promote full participation in "risk inspections"	Annual audit deficiency correction rate: 100%
Security check	Conduct daily production line inspections and perform regular self-inspections of hazardous machinery	Facility safety inspection pass rate: 100%
Occupational injury prevention	Promote "Zero Accidents" and implementing strict controls on hot work and work at heights	Frequency of disability (FR): 2.99
Educational training	Conduct occupational safety and health training courses	1,559 participants, totaling 104,453 hours
Health care	Conduct special health examinations for employees working in noisy and dusty environments, and perform environmental monitoring	Health checkups follow-up rate: 100%

Employee health care program

Regular	New hires	Pre-employment medical examination at a designated hospital; a total of 165 people participated in 2025.
	Current employees	Each year, we hire a hospital to conduct annual health checkups at our facility. 865 employees participated in 2025.
	Health care	A specially appointed physician visits the facility once a month.
Irregular	The Company is committed to creating a healthy workplace and regularly implements comprehensive wellness programs. In addition to organizing various professional health seminars to raise employees' health awareness, we also provide vaccination services in accordance with public health policies. In addition, we encourage employees to take charge of their own health through our "Fitness Incentive Program" and regularly invite visually impaired massage therapists to the factory to help employees manage their physical and mental stress. At the same time, the Company actively fulfills its social responsibilities by organizing blood donation drives, extending its commitment to health and well-being from within the company to the broader community.	

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

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<tr><td></td><td></td><td></td><td>period: 12/04/2024~09/12/2027).
3. The number of occupational injury cases, the number of employees involved, and the percentage of the total workforce at the Advanced Taiwan, Launch Tech for the 2025 fiscal year are as follows:
<table><tr><th>Number of people</th><th>Number of workplace injury cases</th><th>Occupational injury rate</th></tr><tr><td>1,345 ppl</td><td>8 cases</td><td>0.595%</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.
4. 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 2025.</td><td></td></tr>
<tr><td>(4) Does the company establish an effective career development training program for employees?</td><td>✓</td><td></td><td>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 “Advanced Group 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 Group 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. In 2025, the Advanced Taiwan, Launch Tech offered the following courses as part of its hierarchical management training program:
<table><tr><th>Course Type</th><th>Name of Course</th><th>Course Hour</th><th>Number of planned participants</th><th>Participant Rate</th><th>Expenses</th></tr><tr><td rowspan="5">Hierarchical Management Training</td><td>Handling of unlawful acts</td><td>3</td><td>106</td><td>99%</td><td rowspan="5">526,676</td></tr><tr><td>Workshop to develop subordinates</td><td>7</td><td>27</td><td>100%</td></tr><tr><td>MTP Mid-Level Manager Leadership Training</td><td>35</td><td>27</td><td>92%</td></tr><tr><td>Lean Management and Improvement Practices</td><td>12</td><td>24</td><td>100%</td></tr><tr><td>TWI Training for Frontline Supervisors</td><td>18</td><td>28</td><td>100%</td></tr></table></td><td>No significant divergence</td></tr>
</table>

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	ESG Course: An Introduction to Corporate Sustainability	3	37	95%	

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	Digital transformation	48	32	92%	653,138
	The Eight Cycles of Business Operations	3	35	100%	
	Overview of Production Processes and Facility Tours by Business Division	3	13	100%	
	ISO file system	3	25	100%	
	Meeting facilitation techniques	6	29	100%	
	Time management – establish a digital second brain system	6	29	97%	
	G-PDCA Goals and Work management	7	24	100%	
	AI tool – Microsoft copilot application (3 rounds)	9	75	100%	
	ISO14001, I45001 and TOSHMS system internal audit	6	34	100%	
	PSDM problem analysis and decision-making (3-day course) – Vietnam session	20	44	90%	

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	513

4.Licensing Courses: to assist colleagues in obtaining license for related work so that they can work more safety and smoothly. In 2025, a total of 169 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	169	510,023

<table>
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<tr><td>(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?</td><td>✓</td><td></td><td>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 / (+8867) 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</td><td>No significant divergence</td></tr>
<tr><td>(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?</td><td>✓</td><td></td><td>In accordance with the “Supplier Management Operating Procedures,” our company explicitly requires all suppliers to sign the “Supplier Declaration and Consent Form.” This consent form includes the “Supplier Code of Conduct,” the “Supplier Integrity and Ethics Agreement”, and the “Agreement on the Non-Use of Hazardous Substances and Conflict Minerals.” The “Supplier Code of Conduct” is formulated with reference to the Responsible Business Alliance (RBA) Code of Conduct and is divided into five major areas: labor, health and safety, environment, ethics, and management systems. It establishes screening criteria for suppliers to protect the environment, human rights, safety, and health, and to ensure sustainable development, as well as requirements and expectations regarding environmental, health, and safety risks, the prohibition of child labor, labor management, respect for fundamental labor rights, ethical standards, and business integrity.
The Company regularly reviews the human rights impacts resulting from its operations, including both actual incidents and potential risks. We incorporate these considerations into our new supplier screening criteria using the same human rights standards, and conduct annual audits of existing suppliers to ensure that Advanced International Multitech and its supply chain strictly implement human rights protection systems. If any violations are detected, they will be addressed in accordance with company regulations. We will refuse to work with suppliers who violate relevant standards or we will terminate contracts with them.
Supplier Management Policy:</td><td>No significant divergence</td></tr>
</table>

List of Assessments	Implementation Status			Divergence from the regulated Best Practices and Reasons of the Divergence
	Yes	No	Summary & Explanation	
			• 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: (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>Supplier evaluation</td><td>All suppliers are required to pass the assessment and sign the ESG Code of Conduct and related contracts.</td></tr></table>	

<table>
<tr><th rowspan="2">List of Assessments</th><th colspan="3">Implementation Status</th><th rowspan="2">Divergence from the regulated Best Practices and Reasons of the Divergence</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary & Explanation</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td rowspan="2"></td><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>
2025 annual audit situation of the Company’s key suppliers
<table>
<tr><th>Year</th><th>Number of suppliers</th><th>Results</th></tr>
<tr><td>Written review</td><td>60</td><td rowspan="3">Meet the Company’s requirement</td></tr>
<tr><td>On-site assessment</td><td>45</td></tr>
<tr><td>Assessments</td><td>25</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 audit format is determined based on a comprehensive assessment of transaction amounts and frequency, material issues, and the results of discussions with relevant departments.</td></tr>
</table>
</td><td></td></tr>
<tr><td>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</td><td>✓</td><td></td><td>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.</td><td>No significant divergence</td></tr>
</table>

List of Assessments	Implementation Status			Divergence from the regulated Best Practices and Reasons of the Divergence
	Yes	No	Summary & Explanation	
verification units?				

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 "Sustainable Development Best Practice Principles" in January 2022, and the Company has carry out operation in compliance with the self-adopted "Sustainable Development Best Practice Principles" , 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 2025 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-1) 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 CE) acting as the convener, 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 Group's low-carbon transformation.
2.Describe how the identified climate risks and opportunities impact the Company's business, strategy, and financial (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 Group 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 Group's low-carbon transformation and disclose them to the public. Summary of climate risks is as below:

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.
Low Carbon Technologies R&D	Long-Term 5-10 years	High	• Research and development of decarbonized manufacturing technologies and raw material requirement.	Technology development and application of green products and carbon fiber recycling, and promotion of process automation.

			• Technology of the utilization of recycled materials.	
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	Medium	• 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 increasing frequency of hot weather has led to higher energy consumption (due to air conditioning and cooling equipment), resulting in higher operating costs	• 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. • Prioritize the inventory of high-energy-consumption equipment and assess the order of replacement to improve energy efficiency.
Physical Risks in Long-Term	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: <table><tr><th>Opportunities</th><th>Time of Impact</th><th>Degree of Impact</th><th>Potential Financial Impacts</th><th>Counter-Measures</th></tr><tr><td>Resource efficiency</td><td>Long-Term 5-10 years</td><td>Medium</td><td>Improve energy efficiency, such as enhanced waste recycling rate and water recycling rate both are able to reduce cost effectively.</td><td>Adoption of low energy-consuming equipment and continuous optimization of production line parameters, and promotion of waste recycling and water recycling projects.</td></tr><tr><td>Sources of Energy</td><td>Long-Term 5-10 year</td><td>High</td><td>Establishment of a self-generated solar power system to effectively reduce carbon emissions and increase energy independence.</td><td>Planning for self-generated solar power system and gradually promoting it to each plant.</td></tr><tr><td>Product Services and Markets</td><td>Long-Term 5-10 years</td><td>High</td><td>• 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.</td><td>• Collaboration with external organizations to optimize process technology. • Application of carbon fiber recycling technology.</td></tr><tr><td>Adjusting resilience</td><td>Short-Term 1-3 years</td><td>High</td><td>Through identification to plan in advance the possible risks and develop counter-measures to decrease expected operational loss.</td><td>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.</td></tr></table>
3. Describing the financial impact of extreme climate events and transition actions.	<u>Impact of Extreme Climate Events</u> Based on future climate change projections from the IPCC, the risk of extreme weather events at operational sites is expected to increase. An assessment of facilities in Taiwan, using scenario analyses provided by the Taiwan Climate Change Impacts Projection and Adaptation Knowledge Platform (TCCIP), indicates that the risks of flooding and heavy rainfall are projected to rise in the future. This could result in losses for the company in terms of raw material and product supply. Furthermore, an increase in the number of days with high temperatures will lead to a significant rise in electricity demand, thereby increasing electricity costs. <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 NT$700,000 to NT$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 NT$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.	The Board of Directors serves as the highest decision-making body for risk management across the Group's companies and directly oversees the risk governance frameworks of each company within the Group. To improve risk assessment and strengthen management capabilities, the Company established the "Risk Management Policy and Procedures" in 2025. A senior executive from the CEO's Office serves as the convener, responsible for identifying and managing risks associated with the Company's operations—including physical and transition risks potentially arising from climate change—while each business unit is tasked with developing plans for mitigating these risks. Based on each department's scope of operations, we conduct risk identification and analysis across seven key areas—operations, finance, national affairs, compliance, ESG, human resources, and information security—and update the annual key risk identification matrix. Based on the results of this risk identification, each department develops response strategies to integrate and manage risks that may impact operations and profitability. At least once a year, we submit a report to the Board of Directors detailing management execution and risk control measures, and we oversee, track, and review the management team's implementation of risk management to strengthen the company's financial health.
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 Group, 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 Group 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 95 to Page 101 (IV Expenditures on Environmental Protection > (3) Environment Management) 2. Page 46 to Page 48 ((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 > (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: Page 95 to Page 101 (IV Expenditures on Environmental Protection > (3) Environment Management) 2. Page 46 to Page 48 ((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 > (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 95 to Page 101 (IV Expenditures on Environmental Protection > (3) Environment Management) 2.Page 46 to Page 48 ((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 > (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 Group and the Environment" and "Schedule 2 to Article 4-1 of the Operating Methods for Climate Information Disclosure" in the 2025 Advanced International Multitech Sustainability Report

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 CO2e), intensity (metric tons CO2e/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 95 to Page 101 (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

Descript 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 2025, 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 Tech, Advanced Dongguan, and Advanced Vietnam 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 46 to Page 48 ((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 > (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 95 to Page 101 (IV Expenditures on Environmental Protection > (3) Environment Management)

(VI) Compliance with the Code of Business Integrity, differences from the Code of Business Integrity for listed and TPEx listed companies, and the reasons for such differences.

List of Assessments	Operation Status			Divergence from the regulated Best Practices and Reasons of the Divergence
	Yes	No	Summary & Explanations	
1. Establishing a policy and plan for ethical business practices: (1) Has the company established a policy on ethical business conduct that has been approved by the board of directors, and has it clearly articulated such policies and practices in its internal regulations and external documents, along with the commitment of the board of directors and senior management to actively implement these policies?	✓		(1) The Company conducts its business activities based on the principles of fairness, honesty, integrity, and transparency. To implement its integrity policy and actively prevent unethical conduct, the Company has established integrity-based policies, including "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct", which have been approved by the board of directors. We require every employee to adhere to these policies and have established robust corporate governance and risk management mechanisms to foster a sustainable business environment. Furthermore, through our dedicated "Integrity Management Promotion Team," we conduct regular awareness campaigns and training to ensure the implementation of integrity management practices. We report on the status of implementation to the Board of Directors at least once a year in accordance with regulations. In accordance with the commitments and implementation requirements set forth in the "Ethical Corporate Management Best Practice Principles" the Company requires directors and senior management to submit a declaration of compliance with the ethical business conduct policy, to be signed upon initial appointment or annually. The signing rate for the "Declaration of Ethical Business Conduct" for the Company's directors and managers in 2025 was 100%.	No significant differences
(2) Has the company established a mechanism for assessing the risk of unethical conduct, regularly analyzing and evaluating business activities within its scope of operations that carry a higher risk of such conduct, and formulating measures to prevent unethical conduct based on such analysis, including, at a minimum, preventive measures covering the behaviors listed in Article 7, Paragraph 2 of the "Code of Ethical Business Conduct for Listed and OTC Companies"?	✓		(2) To implement our policy of ethical business conduct and proactively prevent unethical behavior, the Company has established the "Operating Procedures for Moral Risk Assessment" which outlines preventive measures covering all behaviors listed in Article 7, Paragraph 2 of the "Code of Ethical Business Conduct for Listed and OTC Companies." This serves as the primary mechanism for assessing risks associated with major unethical conducts, and involves the regular analysis and evaluation of business activities within our scope of operations that pose a higher risk of unethical behavior. The moral hazard assessment is conducted annually. The "Integrity in Business Promotion Task Force," which reports to the Board of Directors, compiles the results of the 2025 comprehensive risk assessment. Risks classified as Level 1 or Level 2 are considered low, and existing control measures remain effective. These findings serve as the basis for risk management. When necessary, the implementation status is reported to the Board of Directors regularly (at least once a year) in accordance with regulations.	
(3) Does the company clearly define operational procedures, codes of	✓		(3) The Company has established the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct" which clearly define the Company's	

List of Assessments	Operation Status			Divergence from the regulated Best Practices and Reasons of the Divergence
	Yes	No	Summary & Explanations	
conduct, disciplinary measures for violations, and an appeals process within its anti-fraud program, ensure their implementation, and regularly review and revise the program?			policy on ethical business conduct, relevant procedures, guidelines, and a complaint system. The Company also provides training to managers, employees, agents, and persons with substantial control to ensure effective implementation. In addition, to ensure the implementation of ethical business practices, the Company has established a specific whistleblowing system known as the "Operating Procedures for Reporting of Unethical Behaviors" which clearly outlines the principles governing complaints and reports, reporting channels, and investigation principles and procedures. The "Ethical Business Promotion Team," which reports to the Board of Directors, is responsible for overseeing the implementation of these procedures and reports on their status to the Board of Directors at least once a year in accordance with regulations.	
2.Implementation of ethical business operations				No significant differences
(1) Does the company assess the integrity records of its business partners and include clauses regarding integrity in the contracts it enters into with them?	✓		(1) The Company has established the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct" which have been approved by the Board of Directors. The provisions cover the prohibition of dishonest conduct, conflict of interest, insider trading, and confidentiality agreements, as well as the prohibition of unfair competition. They include regulations stipulating that the Company should avoid engaging in business transactions with agents, suppliers, customers, or other business partners who engage in dishonest business practices. Contracts entered into with third parties already include provisions allowing for the termination or rescission of the contract at any time if it is discovered that the counterparty has engaged in dishonest conduct. The Company has established an evaluation system for its clients and suppliers. When entering into contracts with them, the rights and obligations of both parties are clearly stipulated in the contract.	
(2) Has the company established a dedicated unit reporting to the board of directors to promote ethical business practices, and does it report to the board on a regular basis (at least once a year) regarding its ethical business policies, measures to prevent unethical conduct, and the supervision of their implementation?	✓		(2)1.The Company has established an " Business Operations Integrity Promotion Team" under the Board of Directors as a dedicated unit; the team comprises representatives from the Chairman's Office and the CEO's Office, and is chaired and overseen by a senior executive from the Chairman's Office. In accordance with the responsibilities and scope of each department, the Task Force is responsible for assisting the Board of Directors and management in formulating and overseeing the implementation of integrity policies and preventive measures, thereby ensuring the effective enforcement of the Code of Integrity in Business Operations. 2.The Company has implemented its integrity management policy. On November 07, 2025, the designated unit reported to the Board of Directors on the implementation status of the integrity management policy: Please refer to Notes 1 and 2 (see pages 65 to 66 of this annual report).	
(3) Has the company established a policy to prevent conflicts of interest, provided appropriate channels for	✓		(3) The Company's "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" clearly outline policies for preventing conflicts of interest, and provide appropriate channels for reporting concerns; the Company has required relevant departments to	

List of Assessments	Operation Status			Divergence from the regulated Best Practices and Reasons of the Divergence
	Yes	No	Summary & Explanations	
reporting, and ensured its implementation? (4) Has the company established effective accounting and internal control systems to ensure ethical business practices? Has the internal audit department developed audit plans based on the results of risk assessments regarding unethical conduct, and used these plans to verify compliance with measures designed to prevent such conduct, or has the company engaged a certified public accountant to conduct such audits? (5) Does the company regularly conduct internal and external training on ethical business practices?	 ✓ ✓		implement these measures. (4) To ensure the implementation of ethical business practices, in addition to establishing effective accounting and internal control systems, the Company has also developed a mechanism for assessing the risk of unethical conduct (Operating Procedures for Moral Risk Assessment). A dedicated unit regularly analyzes and evaluates areas within the scope of operations that pose a higher risk of unethical conduct. Based on the results of these risk assessments, the Company formulates relevant audit plans as necessary, and internal auditors conduct regular audits to verify compliance with the aforementioned systems. (5) Please refer to Note 1 (see page 65 of this annual report).	
3. Operation of the Company's Whistleblower Program (1) Has the company established a specific whistleblowing and reward system, set up convenient reporting channels, and assigned appropriate personnel to handle reports regarding the subjects of the allegations?	 ✓		 (1) 1. The Company conducts its business activities in accordance with the principles of fairness, honesty, integrity, and transparency. To implement its policy of ethical business conduct and proactively prevent unethical behavior, the Company has established the "Ethical Corporate Management Best Practice Principles" the "Procedures for Ethical Management and Guidelines for Conduct" and the "Operating Procedures for Reporting of Unethical Behaviors" These documents are designed to ensure the implementation of ethical business practices, and the Company regularly reports on their implementation to the Board of Directors. 2.Our intranet features sections such as "Meet the CEO," "Online Suggestion Box," and "Integrity Mailbox," allowing employees to share their feedback with management and the Human Resources department through multiple channels, ensuring open lines of communication. 3.The Company has established physical and online suggestion boxes, as well as an independent reporting email address and hotline on an external website, for use by whistleblowers. Additionally, a dedicated unit known as the "Integrity Promotion Team" has been established to handle and process such reports. 4.Handled and implemented by the dedicated unit under the "Business Integrity Promotion Team," which	No significant differences

List of Assessments	Operation Status			Divergence from the regulated Best Practices and Reasons of the Divergence
	Yes	No	Summary & Explanations	
			reports to the Board of Directors. 5.Reporting channels includes→Hotline for reporting violations: (+8867)872-1410 ext. 6001 Email box for reporting violations: Integrity@adgroup.com.tw Mailing address for reporting violations: No.26, Zhonglin Rd., Xiaogang Dist., 812 Kaohsiung City (To: Business Integrity Promotion Team)	
(2) Has the company established standard operating procedures for investigating reported matters, follow-up measures to be taken upon completion of the investigation, and relevant confidentiality mechanisms?	✓		(2) The Company has established complaint procedures, designated a unit responsible for handling cases, and defined the process for resolving incidents. We strictly adhere to personal data confidentiality and prohibit any form of retaliation against employees. The "Operating Procedures for Reporting of Unethical Behaviors" establishes clear guidelines for reporting, reporting channels, investigation principles and procedures, as well as standard operating procedures for investigating reported matters and related confidentiality mechanisms. For details on these regulations, please visit our official website. (https://www.adgroup.com.tw/page/about/index.aspx?kind=105&lang=TW) Upon receiving a report, the Company's designated unit, the "Integrity Promotion Team," will initiate an investigation. The designated unit shall commence the investigation on the day following receipt of the report and complete it within three months; if necessary, the investigation period may be extended by up to one month. If the individual cannot be contacted or fails to respond, the responsible unit may close the case. If it is confirmed that the person reported or the reported matter violates relevant laws and regulations or the Company's integrity policies and regulations, appropriate follow-up measures will be taken depending on the severity of the circumstances, or disciplinary action will be taken in accordance with the Company's work rules. The designated unit shall report the details of the report, the manner in which it was handled, and subsequent review and improvement measures to the Board of Directors, and shall notify the whistleblower of the investigation results. For additional information, please refer to Note 2 on pages 65 to 66 of this annual report.	
(3) Does the company have measures in place to protect whistleblowers from unfair treatment as a result of their reports?	✓		(3) 1. The Company's "Operating Procedures for Reporting of Unethical Behaviors" establishes clear standard operating procedures for investigating reported incidents and related confidentiality mechanisms. Scope of Application: ① "Company personnel" refers to the Company's directors, managers, employees, agents, and persons exercising actual control over the Company. ② Where Company personnel, through a third party, provide, promise, solicit, or accept any improper benefit, such conduct shall be deemed to have been committed by the Company personnel. 2.The Company has implemented its integrity policy, and on November 07, 2025, the designated unit reported to the Board of Directors on the status of its implementation. There were no reports of misconduct or conflicts of interest.	
4.Enhance disclosure Has the company disclosed the content of	✓		In addition to disclosures in the annual report, the Company maintains a Corporate Governance section on its website to disclose information related to ethical business practices.	No significant differences

List of Assessments	Operation Status			Divergence from the regulated Best Practices and Reasons of the Divergence
	Yes	No	Summary & Explanations	
its Code of Business Integrity and the results of its implementation on its website and the Public Information Observation Station?			Please refer to: www.adgroup.com.tw Disclosure matters: (1) Disclosure on the Promotion and Implementation of Ethical Business Practices on the Company Website. (2) The "Sustainability" section of the Company's website provides a reporting channel for misconduct related to ethical business practices.	

5.If the company has established its own Code of Ethical Conduct in accordance with the "Code of Ethical Conduct for Listed and OTC Companies," please describe any discrepancies between its actual practices and the established code.

In accordance with the "Code of Ethical Business Conduct for Listed and OTC Companies," the Company has established its own "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" Their implementation and enforcement are as follows:：

(1) Regular Awareness Campaigns and Training on Ethical Business Practices

1. Regularly promote the concept of ethical business practices to all employees: The company's designated unit is required to conduct at least one internal campaign promoting ethical business practices each year. Accordingly, in September 2025, the campaign was primarily conducted online via announcements in the group email, the internal website (Latest News section), and the KM platform, with the theme of the campaign, "Integrity as the Foundation: The Cornerstone of Corporate Sustainability," to ensure that all employees clearly understand the company's principles and guidelines for ethical business conduct.
2. Arrange for directors to attend informational sessions or seminars: For more information, please visit the Public Information Observatory.: Single company > Corporate Governance > Director/Independent Director/Supervisor > Attendance at Board Meetings and Continuing Education, as well as Current Positions and Concurrent Roles of Independent Directors, Website: https://mopsov.twse.com.tw/mops/web/t100sb07

(2) Include a clause regarding good faith conduct in contracts with counterparties.

(3) Establish and publicize an internal independent reporting email address and hotline on the company website and intranet: real-time updates on the company website and intranet to establish and publicize an internal independent reporting email address and hotline。

1. The Company received no reports of misconduct or conflicts of interest in 2025.
2. Operations are conducted in accordance with the Company's Code of Business Integrity, and there are no discrepancies in actual implementation.

6.Other important information that helps understand the company's integrity in business operations: (such as when a company reviews and revises its Code of Business Integrity):

(1) "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct": No revisions in 2025。

(2) Report to the Board of Directors on the actual implementation of ethical business practices on November 07, 2025.

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 2025 are summarized as follows:

No.	Period	Training Item	Promotional Measure	Counter-Party	Number of people
1	2024.Q4～ 2025.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	88
2	2025.Q1～ 2025.Q4	Reporting Changes in Insider Shares in Violation of the Securities and Exchange Act.	Online promotion		67

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 September 2025 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, 2025

List	Training Topic	Publicity Method	Class duration	Number of viewers
1	Integrity and Ethics	Online Campaign	20 ~ 30 minutes per session	354
2	Insider Trading	Online Campaign	10 ~ 20 minutes per session	189
3	Personal data protection	Online Campaign	10 ~ 20 minutes per session	141
4	Intellectual Property and Confidential Information Protection	Online Campaign	10 ~ 20 minutes per session	170
5	Fair Trade	Online Campaign	10 ~ 20 minutes per session	164

(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, 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 2025, 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 " Ethical Corporate Management Best Practice Principles ", " Procedures for Ethical Management and Guidelines for Conduct", and "Operating Procedures 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 Behaviors".

(3) In 2025, 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

2.The Company regularly submits reports on intellectual property matters to the Board of Directors during the fourth quarter of each year. On November 07, 2025, the Board of Directors was briefed on the intellectual property management plan and its implementation status.

(1) Intellectual property management plan that is aligned with operational goals

① Intellectual Property Policy and Objectives: By implementing an intellectual property strategy aligned with operational goals and R&D resources, the Company aims to mitigate domestic and international intellectual property risks encountered during operations, prevent significant losses resulting from theft by third parties, strengthen competitive advantages, incentivize innovation and R&D in intellectual property, and maximize the value of intellectual property rights to enhance corporate profitability.

② Intellectual Property Management System or Implementation Methods: By leveraging patent protection, trademark and copyright protection, and trade secret protection, we establish a comprehensive confidentiality management system to enhance the Company's competitiveness and safeguard the interests of both the company and its clients.

(2) Execution status:

① Improving and implementing the intellectual property management system
System establishment:

We will progressively establish a comprehensive set of intellectual property management procedures and forms to systematically manage the Company's intellectual property, including the "Intellectual Property Management Procedures," "Patent Application and Maintenance Procedures," "Patent Incentive Procedures," and "Procedures for the Protection of Documents and Confidential Information."

Database integration:

Establish and regularly update a legal and intellectual property management database to consolidate the Company's intellectual property, including patents and trademarks. In 2025, staff members attended a refresher training course for the Taiwan Intellectual Property Management System (TIPS) Level A Self-Assessment Officer certification.

② Law compliance and risk control and management

Establish an intellectual property compliance system, including the "Contract Review Procedures Manual," "Legal Affairs and Fair Trade Procedures Manual," "Compliance Procedures Manual," and "Personal Data Protection Procedures Manual".

Software Copyright Management: Conduct regular inventories investigation of the Company's software assets, track installation and usage records to ensure compliance with licensing agreements and establish software update policies and information security statements.

③ Internal Training and Awareness-Raising

Raise awareness among all employees regarding the protection of the Company's intellectual property rights, including sharing case studies and analyses related to intellectual property on the Company's intranet EIP platform. Provide necessary intellectual property training to employees whose work impacts intellectual property management effectiveness, including those in R&D and sales. The course, titled "Clarifying Common Confusing Issues Related to Patents," was attended by 30 participants and lasted 1.5 hours (Date: September 11, 2025).

(3) The list of intellectual property and achievements obtained to date is as follows:

① Dispute resolution: In 2025, the Company did not face any significant intellectual property litigation or disputes.

② Patents: As of the end of September 2025, the Company's total number of granted patents worldwide is shown in the table below:

Country/Region	Number of granted patents
R.O.C. Taiwan	268
Mainland China	83
U.S.A.	26
Japan	32
European Union	2
Total	411

(4) For the full "Intellectual Property Management Plan and Implementation Status," please visit our official website: Investor Relations > Corporate Governance > Intellectual Property Management Plan and Implementation Status

Website: https://mops.twse.com.tw/mops/#/web/t06sg20

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

1.Statement of Internal Control System:

The Company's 2025 Internal Control Statement has been filed and disclosed on the website of TWSE Market Observation Post System, please refer to the website under the path: Company > Corporate Governance > Articles of Incorporation/Internal Control > Internal Control Statement Disclosure.

Link: https://mopsov.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: None.

(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.

<table>
<tr><th>Date of Meeting (m/d/y)</th><th>Type of Meeting</th><th colspan="2">Important resolutions</th><th>Execution status</th></tr>
<tr><td>01/16/2025</td><td>Board of Director's Meeting</td><td colspan="2">1. To approve the plan of chairman and managers' 2024 year-end bonus
2. To approve the plan of 2024 H2 managers' performance bonus.
3. To approve the 2025 salary adjustment plan to managers.
4. To approve the 2025 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.</td><td>Handled following the resolution</td></tr>
<tr><td>02/27/2025</td><td>Board of Director's Meeting</td><td colspan="2">1. To approve the 2024 business report and financial reports.
2. The proposal of 2024 employee remuneration and director and supervisor's remuneration distribution.
3. The 2024 earnings distribution proposal.
4. Proposal to set the record date for the conversion of the Company's 3rd domestic unsecured convertible bonds into new shares.
5. Amendments to certain provisions of the Company's "Articles of Incorporation".
6. The 2024 "Assessment of the effectiveness of the internal control system" and the "Internal Control Statement".
7. Amendments to certain provisions of the Company's "Sales and Accounts Receivable Cycle," "Payroll Cycle," and "Regulations on the Payment of Employee and Director Compensation".
8. The proposal to provide loans of USD10,000 thousand to the Company's 100% owned subsidiary, ADVANCED INTERNATIONAL MULTITECH (VIETNAM) CORPORATION LTD.
9. Matters relating to the convening of the 2025 Annual General Meeting of the Company.
10. Assessment of the independence and suitability of the certified public accountants for the financial reports.
11. The appointment of certified accountants of the Company.</td><td>Handled following the resolution</td></tr>
<tr><td>05/09/2025</td><td>Board of Director's Meeting</td><td colspan="2">1. To discuss the Company's 2025 Q1 financial report
2. Proposal to set the record date for the conversion of the Company's 3rd domestic unsecured convertible bonds into new shares.
3. 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.</td><td>Handled following the resolution</td></tr>
<tr><td rowspan="3">05/29/2025</td><td rowspan="3">General Shareholders' Meeting</td><td rowspan="2">Items for Ratification</td><td>1.2024 Business report and financial reports</td><td>Handled following the resolutions</td></tr>
<tr><td>2.Proposal of 2024 Earnings distribution</td><td>Handled following the resolutions</td></tr>
<tr><td>Items for discussion</td><td>1. To amend partial articles of the Company's "Articles of Incorporation".</td><td>Handled following the resolutions</td></tr>
<tr><td>08/04/2025</td><td>Board of Director's Meeting</td><td colspan="2">1.To establish the Company's risk management policies and procedures
2.To prepare the Company's 2024 Sustainability Report
3.To approve the 2024 Q2 financial reports.
4.To approve the 2024 remuneration plan to independent directors.
5.To approve the 2023 remuneration plan to directors (excluding Independent Directors).</td><td>Handled following the resolution</td></tr>
</table>

Date of Meeting (m/d/y)	Type of Meeting	Important resolutions	Execution status
		6. To review the Company's 2024 executive compensation allocation proposal 7. To review the proposed distribution of management performance bonuses for 1H 2025 8. To review the Company's 2025 executive compensation adjustment proposal 9. Proposal to set the record date for the conversion of the Company's 3rd domestic unsecured convertible bonds into new shares. 10. 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. 11. The proposal to provide loans of USD5,000 thousand to the Company's 100% owned subsidiary, ADVANCED INTERNATIONAL MULTITECH (VIETNAM) CORPORATION LTD.	
11/07/2025	Board of Director's Meeting	1. To approve 2025 Q3 Financial Reports. 2. To approve the 2026 audit plan. 3. 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. 4. Subsidiary, ADVANCED INTERNATIONAL MULTITECH (VIETNAM) Co., Ltd., has entered into an agreement regarding short- and medium-term financing, and the Company intends to issue a Letter of Support. 5. In connection with a short-term financing arrangement entered into by our 2nd tier subsidiary, Advanced Sports Equipment (Dongguan) Co., Ltd., the Company intends to issue a letter of support. 6. Due to the need to consolidate production lines, our Kaohsiung Export Processing Zone branch company intends to terminate the lease agreement for partial of the facility. 7. Amendments to certain provisions of the "Regulations on the Preparation and Submission of Sustainability Reports," the "Code of Practice for Sustainable Development," the "Production Cycle," and the "Management System and Budget 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 amounts of audit and non-audit fees paid to the certifying accountant, the accounting firm to which the accountant belongs, and their affiliated entities, as well as the details of the non-audit services provided, must be disclosed. If any of the following circumstances apply, the following information must 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 Wu, Chien-Chih	01/01/2025~ 12/31/2025	3,145	1,080	4,225	Note

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, CEO, 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.

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) Change in shareholding status of Director, Independent Director, and Managers that hold more than 10% of the Company's outstanding shares.

1.Transfer of Equity Interests: The relevant information has been filed with the Market Observation Post System > Individual Companies > Changes in Equity Interests/Securities Issuance > Equity Transfer Data Inquiry > Post-Event Report on Changes in Insider Shareholdings.
Website: https://mops.twse.com.tw/mops/#/web/query6_1

2.Changes in Share Pledges: The relevant information has been filed with the Market Observation Post System > Individual Companies > Shareholdings/Securities Issuance > Pledges and Unpledging by Insiders > Announcements of Pledges and Unpledging by Insiders.
Website: 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, 2026 ; 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	
Cheng, Hsi-Chien, representative of Ming An Investment Co., Ltd.	12,134,838	7.73%	0	0.00%	0	0.00%	None	None	
	1,499,636	0.96%	0	0.00%	0	0.00%	Cheng, Feng-Yao Liu, An-Hao	Father-son In-laws	
Cheng, Feng-Yao, representative of Shang Ming Investment Co., Ltd.	6,500,000	4.14%	0	0.00%	0	0.00%	None	None	
	1,330,151	0.85%	842	0.00%	0	0.00%	Cheng, His-Chien	Father-son	
Liu, Yen-Liang, Representative of An Yen Investment Co., Ltd.	5,000,000	3.18%	0	0.00%	0	0.00%	None	None	
	390,826	0.25%	163,280	0.10%	0	0.00%	Liu, an-Hao	Father-son	
Cheng, Hsi-Chien, representative of Ming Feng Investment Co., Ltd.	2,587,339	1.65%	0	0.00%	0	0.00%	None	None	
	1,499,636	0.96%	0	0.00%	0	0.00%	Cheng, Feng-Yao Liu, An-Hao	Father-son In-laws	
Wang, Mei-Chen, representative of Ming Yu Investment Co., Ltd.	2,560,003	1.63%	0	0.00%	0	0.00%	None	None	
	0	0.00%	320	0.00%	0	0.00%	None	None	
Lu, Wan-Jung	2,554,815	1.63%	18,000	0.01%	0	0.00%	None	None	
Liu, An-Hao, Representative of Yuan Hong Investment Co., Ltd.	2,263,415	1.44%	0	0.00%	0	0.00%	None	None	
	919,905	0.59%	440,894	0.28%	0	0.00%	Cheng, His-Chien Liu, Yen-Liang	In-laws Father-son	
Malaysian Freedom Investment Co., Ltd., representative of Freedom Investment Co., Ltd.	2,115,380	1.35%	0	0.00%	0	0.00%	None	None	
	0	0.00%	0	0.00%	0	0.00%	None	None	
Lin, Chao-Hung Representative of Fu Zhi Investment and Development Co., Ltd.	2,016,766	1.28%	0	0.00%	0	0.00%	None	None	
	1,080	0.00%	0	0.00%	0	0.00%	None	None	
Cheng, Hsi-Chien, representative of Ming Fa Investment Co., Ltd.	2,000,000	1.27%	0	0.00%	0	0.00%	None	None	
	1,499,636	0.96%	0	0.00%	0	0.00%	Cheng, Feng-Yao Liu, An-Hao	Father-son In-laws	

Number of treasury shares as of March 31, 2026: 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, 2025 ; 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 Tech 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	30%	750,000	30%
Technology on Prototyping Ultimate Co., Ltd.	1,200,000	21.64%	0	0%	1,200,000	21.64%

Note: Investment of the Company using the equity method.

Three. Capital Raising Activities

I. Source of Equity

(I) Formation of equity

April 30, 2026 ; 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-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)	--	96.09.05Jing-Shou-Shang-Zi-Di-No.09601218630

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.)
						Conversion of corporate bond Employee stock option		
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
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 Tech 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
06/2025	$10	180,000,000	1,800,000,000	155,249,904	1,552,499,040	Conversion of corporate bond		114.06.11Jing-Shou-Shang-Zi-Di-No. 11430073960
09/2025	$10	180,000,000	1,800,000,000	156,986,490	1,569,864,900	Conversion of corporate bond		114.09.08Jing-Shou-Shang-Zi-Di-No. 11430135530

(II) Class of Shares

March 31, 2026 ; Unit: share

Type of Shares	Authorized capital stock			Note
	Outstanding shares (Note1)	Un-issued shares (note2)	Total	
Common shares	156,986,490 shares	23,013,510 shares	180,000,000 shares	(note 2)

Note 1: 156,986,490 outstanding shares includes 2,629,000 shares of treasury 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, 2026 ; Unit: share ; %

Shareholding status / Name of Major shareholders	Amount of shares held	Shareholding %
Ming An Investment Co., Ltd.	12,134,838	7.73%
Shang Ming Investment Co., Ltd.	6,500,000	4.14%
An Yen Investment Co., Ltd.	5,000,000	3.18%
Ming Feng Investment Co., Ltd.	2,587,339	1.65%
Ming Yu Investment Co., Ltd.	2,560,003	1.63%
Lu, Wan-Jung	2,554,815	1.63%
Yuan Hong Investment Co., Ltd.	2,263,415	1.44%
Freedom Investment Co., Ltd.	2,115,380	1.35%
Fu Zhi Investment and Development Co., Ltd.	2,016,766	1.28%
Ming Fa Investment Co., Ltd.	2,000,000	1.27%

Number of treasury stock as of March 31, 2026: 2,629,000 shares.

III. Dividend policy and the implementation

(I) 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.

(II) 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 March 03, 2026 for the distribution of 2025 dividends, details as below:

A cash dividend of NT$617,429,960, drawn from the undistributed earnings for the fiscal year 2025, was declared at a rate of NT$4 per share and paid in full on April 30, 2026.

(III) 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 20 to page 21 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 2025, the Company proposed to distribute NT$47,600,000 as employee remuneration and NT$9,000,000 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	2025			
	Estimated amount	Distributed amount proposed by the Board	Difference	Reason of difference
Cash remuneration for employees	47,600	47,600	0	None
Remunerations for directors	9,000	9,000	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	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

VI Share buyback situation

(I) Share buyback situation (already executed)

April 30, 2026

Term of share buyback	The 4th time
Purpose of share buyback	For transfer to employee
Buyback period	September 24, 2021 To November 22, 2021
Range of buyback price	NT$60 to NT$110
Type and amount of re-purchased shares	3,379,000 common shares
Dollar amount of re-purchased shares	NT$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 04, 2022. 2.Has transferred 350,000 shares to employees on March 02, 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（%）	1.67%

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

VII Issuance of Corporate Bond:

(I) The handling of corporate bond

Type of corporate bond		The 3rd 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		None
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 3rd 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	7,254,923 shares have been converted into common shares, total amount of $72,549,230 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		Not applicable
Name of the Exchange Subject Entrusted Custody Institution		Not applicable

(II) Information regarding convertible corporate bond

<table>
<tr><td colspan="2">Type of corporate bond</td><td colspan="3">The 3rd domestic unsecured convertible corporate bond</td></tr>
<tr><td colspan="2">Year / Item</td><td>2024</td><td>2025</td><td>Current year (2025) until March 31</td></tr>
<tr><td rowspan="3">Market price of the convertible bond</td><td>Highest</td><td>127</td><td>117.6</td><td>-</td></tr>
<tr><td>Lowest</td><td>105</td><td>107</td><td>-</td></tr>
<tr><td>Average</td><td>115.58</td><td>113.17</td><td>-</td></tr>
<tr><td colspan="2">Conversion price</td><td colspan="3">NT$65.3 (Note 1)</td></tr>
<tr><td colspan="2">Date of Issuance (handling) and the conversion price at issuance</td><td colspan="3">Date of Issuance: July 20, 2022
Conversion price at issuance: NT$81</td></tr>
<tr><td colspan="2">Fulfillment of conversion obligation</td><td colspan="3">Issuance of new shares</td></tr>
<tr><td colspan="5">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.</td></tr>
</table>

VIII Issuance of Preferred Stock: None.

IX Issuance of Global Depository Receipt: None.

X Employee Stock Option: None.

XI Restriction on employee’s right and the handling of new shares: None.

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

(I) For the most recent fiscal year and up to the date of publication of the annual report, if the company has completed any mergers, acquisitions, or transfers of shares in other companies, or issued new shares, the following information must be disclosed: None

(II) As of the date of publication of this annual report, the Company has no pending matters involving the issuance of new shares for the purpose of acquiring or receiving shares of another company that have been approved by the Board of Directors.

XIII The implementation of fund utilization plan: None.

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 2025

Unit: %

Business Item	Proportion of product sales in 2025 (%)
GOLF equipment	74.12%
GOLF ball	16.11%
Composite products	9.77%
Total	100%

3.Current product and service of the Company
   (1) Golf wood club head, iron head, putter head.
   (2) Carbon fiber golf clubs, carbon fiber club head components.
   (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

① Custom golf club head manufacturing technology.
② Development of high-density cast counterweight products.
③ Mass production of powder metallurgy products.
④ Joining technologies for powder metallurgy components.
⑤ New technologies for surface patterns on composite materials.
⑥ Development of large-area composite laminates.
⑦ Functional applications of laser engraving on titanium alloy surfaces.
⑧ Development of high-strength ferrous materials.
⑨ Forging counterweight structures with varying materials and densities.
⑩ Composite powder metallurgy technology for materials of different densities.

(2) Composite products

① Technology of green and environmentally friendly bio-based composite material and the product applications.
② Technology of green, environmentally friendly, lightweight and high-strength thermoplastic carbon fiber composite and the product application.
③ Development of the technology of high vibration and high strength nanocomposite carbon material and the product application.
④ Development of carbon fiber recycling technology and the application on products.
⑤ Epoxy resin technology and product application for winding.
⑥ Intelligent production technology and equipment development of carbon fiber prepreg.
⑦ Development and application of TFP intelligent embroidery technology.
⑧ One-step molding technology for thermoplastic composite structures.
⑨ Development of thermoplastic over molding process.
⑩ Establishment of recycling system for thermoplastic materials and its application on products.
⑪ Development of welding technology for thermoplastic products.
⑫ Carbon fiber hollow-structure products.

(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, with the United States as the primary golf market, according to an investigation report by United States Golf Association, there were 27.5 million on-course golf enthusiasts in the U.S. in 2025. Based on this, it is estimated that there were approximately 45 million on-course golf enthusiasts worldwide.

According to a report by The R&A and the National Golf Foundation, the total number of golf rounds played in the U.S. in 2025 increased by 1.5% compared to 2024.

Additionally, the R&A 2025 Leaderboard forecasts that the U.S. market will grow by another 3% to 5% in 2026 compared to 2025, or by as much as 30% compared to 2018. This forecast indicates that the number of golf enthusiasts continues to grow steadily.

(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 automotive components offer advantages such as excellent toughness, high impact resistance, high stiffness, and ultra-lightweight properties, making them one of the most effective ways for automakers to reduce fuel consumption, lower emissions, and increase the driving 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.

⑤ Pickleball Paddle:
Pickleball is one of the fastest-growing sports today and is widely popular among players of all ages. In pursuit of lightweight rackets and superior performance, various brands are dedicated to utilizing composite and lightweight materials.

(3) Carbon fiber prepreg (PPG)
In recent years, carbon fiber composites have been increasingly used in cutting-edge industrial products. High-tech products such as sports equipment, aerospace structures, automotive components, printed circuit boards, and construction materials all contain significant amounts of carbon fiber composites. With the government's full-scale planning and encouragement, coupled with strong support from academic and research institutions, Taiwan's composite materials industry is currently undergoing a comprehensive transformation and upgrade. As the applications of carbon fiber continue to expand, the industry's rapid growth is truly remarkable.

To better address the evolving needs of various industries, the prepregs developed by our company are increasingly moving toward the field of mass customization - characterized by small batches and diverse product ranges - with the goal of deepening our ability to meet the specific needs of different industries as a key competitive advantage for the future.

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	Golf balls, club heads, golf clubs, club head components, golf equipment manufacturing	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:
① The demand for customized products is increasing, and the complexity is high.
② The sweet spot of hitting the ball is large, and the rebound coefficient is improved to meet the

general low-handicap territory users.
③ In 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:
① Provide customers with one-stop shop integrative services.
② Short product development time to quickly meet customer’s needs.
③ Has the technological basis of composite materials, good for product development and mass production.
④ Stable product quality.
⑤ Establish strategic alliance with the source of technology to solidify market position.
⑥ The construction of an information network system to enhance the overall competitive advantage.
⑦ Possess 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:
① Single 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.
② Two-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.
③ Three-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.
④ Multiple-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) Our technology and R&D

1. R&D expenses

Unit: NT$1,000

Year	2025	Current year until March 31, 2026
R&D expenses	712,971	177,000

Note: the 2026 Q1 number has not been audited by accountants.

2.Successfully developed technology

(1) Sports and leisure product

R&D results	Application	Effects
Development and planned mass production of metal 3D-printed golf components	New product	Establish mass production capabilities for new products within the plant
Development of high-density injection molding process for counterweights	New process	Increase customers' design flexibility
Multi-material forged iron head	New process	Enhancing the functionality of forged products through the use of various materials
Powder metallurgy technology with adjustable weight distribution	New process	Establish manufacturing capabilities for adjustable-weight designs to enhance product value
Joining technologies for powder metallurgy components	New process	By utilizing new assembly techniques to enable the sharing of product components, the number of molds required for those components is reduced
Composite surface appearance and 3D pattern technology	New process	Offer a variety of manufacturing solutions for the surface design of composite materials
Development of a process for laminating large-area composite panels	New structure	Establish in-house production capabilities for large-scale lamination
The application of laser engraving technology on titanium alloy surfaces	New process	Replacing existing environmentally unfriendly processes with laser engraving
Development and application of extreme	New process	Provide various manufacturing solutions for the

ultraviolet rapid spraying for mass-produced composite products		surface design of composite materials
Development of rapid spray-transfer technology using extreme ultraviolet light	New process	Develop customizable transfer printing technology
Development of high-strength ferritic materials	New process	Products with higher performance limits can be designed based on material properties
Application of brazing technology in metal products	New process	Combine different materials to expand their range of applications
Aluminum alloy forging and precision machining	New products	The product is more precise, with reduced errors and more stable performance.
Direct forging of thin-walled components	New process	Reduce production costs and shorten production cycles
Forging counterweight structures with varying materials and densities	New process	Increase design flexibility and streamline the manufacturing process
Composite powder metallurgy technology for materials of different densities	New products	Expand product design options and reduce post-production processes such as lamination
Large-area transfer printing technology	Design of deformation allowances for large-area logo pad printing	Implement new products, enhance product positioning capabilities, and boost sales
Design of mold venting mechanism	New technology - ventilation in injection molds	Develop local mold materials and high-precision mold machining systems for use in molds for thin-shell products
Design of rotating mechanism modules and rotational positioning control technology	Large-area pad printing clamping mechanism, precision positioning	Use servo control mechanisms to improve the positioning accuracy of pad printing and rotational alignment
Precision control method for core compression to enhance product quality	Improving process control for ball core compaction	Improve rubber mixing uniformity and enhance the compression stability of the ball core
Development of high-rebound process and surlyn-colored thin-shall balls	Injection molding process completed; development of rubber ball core material	Enhance ball rebound, increase carry distance, and improve stopping power on the green, offer customers a variety of performance options
High-precision measurement technology for mold cavity holes and ejector pins	Measurement technology	High-precision mold machining, integrate CMM with high-precision optical measurement equipment to establish new measurement methods and reduce the rejection rate
Hot runner mold base design and temperature precision control system	PU ball mold development	Develop locally manufactured hot runner systems and precision temperature control for PU ball molds
360-degree multi-color printing technology	Advanced deformation compensation design for large-area logo printing	Enable new product applications and enhance product positioning and marketing performance

(2) Composite products

R&D results	Application	Effects
One-step molding technology for thermoplastic composite structures	New process	Streamline secondary processing and assembly procedures, and improve the bond strength at interfaces between dissimilar materials
Development of a thermoplastic overmolding process	New product	Overcome the limitations of traditional mold demolding, achieve complex, one-piece molded designs, and reduce the number of parts
Establishment of a recycling system for thermoplastic materials and the implementation in product manufacturing	New product	Reduce raw material costs, align with the circular economy and ESG sustainability trends, and enhance corporate reputation
Development of welding technologies for thermoplastic products	New process	Replace traditional bonding, provide superior structural airtightness and shorter cycle times
Development of an automated laminating	New process	Solve the problem of uneven manual layering,

R&D results	Application	Effects
machine for thermosetting complex surface		significantly improve production yield and quality consistency, and reduce labor costs
Introduction of hollow structures into the thermoset air bag manufacturing process	New product	Optimize the smoothness and density of the inner wall, effectively reduce weight and enhance impact resistance
Development of high-toughness, impact-resistant prepregs	New products	Enhance the material's energy absorption capacity and crack resistance, ensure the product is less prone to brittle fracture upon impact and significantly improve safety
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
Pickleball Paddle development and manufacturing	New product	Expand into new market
Lightweight carbon fiber shank	New structure	Enhance product value

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

1.Short-term plan

(1) Marketing plan

① Strengthen 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 Informatization 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		2025		2024	
		Sales amount	%	Sales amount	%
Domestic sales		700,335	4.55	650,678	4.58
Exports	America	12,019,421	78.01	10,860,930	76.52
	Asia	2,501,908	16.24	2,472,333	17.42
	Other region	184,990	1.20	208,839	1.48
	Total	14,706,319	95.45	13,542,102	95.42
Total		15,406,654	100	14,192,780	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 Group, 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.

② Metaverse 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.

③ In the fields of industrial products, aviation and automobiles

While car manufacturers including Land Rover, Porsche, Bentley, 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 and trend of the automotive industry in light-weighting area.

④ In 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 supply and demand conditions

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 Group 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 grown.

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.

②Composite 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.

Countermeasures: Improve the efficiency of human resource utilization by enhancing R&D and design capabilities, optimizing production processes, and providing employee training.

(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)Product origin's 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 mitigate the risk of U.S.-China tariffs; leverage the "Made in China" designation to support non-U.S. markets; and enhance overall operational flexibility.

(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

①Golf club head

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

②Carbon fiber club

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

③Golf ball

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

2.Composite products

(1) Carbon fiber prepreg(Prepreg)

①Important 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.

②Production process

Material preparation⇨material mixing⇨coating⇨impregnate

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

①Important usage

3C structural parts (Including internal components and casing exterior parts): Portable PC/Tablet, Metaverse, 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	Rough 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 suppler 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

	2024				2025			
Item	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	6,541,218	46.09	None	10986	6,250,701	40.57	None
2	10008	3,263,716	23	None	10008	4,515,751	29.31	None
	Others	4,387,846	30.91		Others	4,640,202	30.12	
	Net sales	14,192,780	100		Net sales	15,406,654	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		2024	2025	March 31, 2026
Total number of employees (ppl)	Management	1,195	1,296	1,225
	Technology and R&D	813	713	814
	Sales, administration and Others	6,908	6,375	6,033
	Total	8,916	8,384	8,072
Average age (year-old)		38.6	35.76	36.11
Average year of service (year)		7.4	6.36	6.53
Education analysis (%)	Doctor	0.25	0.08	0.1
	Master	4.41	1.90	1.99
	Bachelor	23.97	14.02	14.46
	High school	37.12	30.89	30.66
	Below high school	34.25	53.11	52.79

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)	2024	2025	Jan. 1 ~ Mar. 31, 2026
Compensation to or Punished by	No major incident	No major incident	No major incident
Amount of compensation and Disciplinary situation	No major incident	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 Group 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 Group 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 Group 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 Group 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 Group 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, reducing waste of energy and resources will be our top priority; we will gradually implement energy-saving measures for high-energy-consumption equipment and actively evaluate strategies for the development and procurement of renewable energy.

B. Execution measures and the achievements

Due to the acquisition of the Launch Tech and the commencement of the 3 factories' operations in Vietnam in 2025, the total greenhouse gas emissions for Scope 1 and Scope 2 of the consolidated company amounted to 72,679.48 metric tons of CO2e. This represents an increase of 7,135.97 metric tons of CO2e, or approximately 10.89%, compared to 2024. Nevertheless, at Advanced Taiwan, electricity-related carbon emissions at the Zhonglin site were reduced by 10.7%, and the official grid connection of the solar power system at the Hefa site reduced electricity-related carbon emissions by 19%. At the Advanced Dongguan, the proportion of green electricity procurement reached 18%, while the Advanced Vietnam purchased 8,778 MWh of green electricity certificates, reducing carbon emissions by 5,786.46 metric tons.
Taking into account the upward trend in production capacity, output, and the commissioning of new plants, we aim to reduce emissions per unit of revenue by 1% annually.

C. Prevention measures

In the context of the low-carbon transition, we demonstrate a fundamental respect for environmental resources and fulfill our corporate social responsibilities. We actively establish ambitious policies and goals regarding the efficient use of energy and resources, the development and procurement of renewable energy, and recycling. At the same time, we adopt the Task Force on Climate-related Financial Disclosures (TCFD) framework to publicly disclose relevant measures.

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

	Year	2024	2025
	Item (Unit)	Emission Volume (tonsCO2e)	Emission Volume(tonsCO2e)
Advanced Taiwan Launch Tech	Scope 1	2,044.81	2,013.86
	Scope 2	16,355.73	18,409.68
	Total	18,400.54	20,423.54
Advanced Dongguan	Scope 1	173.97	150.11
	Scope 2	10,994.48	8,562.31
	Total	11,168.45	8,712.42
Advanced Vietnam	Scope 1	529.52	519.31
	Scope 2	35,445	43,024.21
	Total	35,974.52	43,543.52
Total Scope 1 and Scope 2		65,543.51	72,679.48
Annual Sales（in mn dollars）		14,192.78	15,406.65
Unit Revenue Emission Intensity (tons/mn)		4.62	4.72

Note
1: main fuels used in Scope 1 are liquefied natural gas (LNG) and diesel.
2: The scope of Advanced Taiwan, Launch Tech is as follows: the Zhonglin Factory, Kaojia Factory, Hefa Factory, and Launch Tech Pingtung plant. The Daye Plant ceased operations in 2024 and was removed from the statistical scope.
3: Scope 2 refers to purchased electricity. The following coefficients were used to convert the 2025 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 CO2e/kWh, announced coefficient in Guangdong Province, for Advanced Dongguan, and 0.6592 kilograms of CO2e/kWh, announced coefficient in Vietnam, for Advanced Vietnam.
4: The Advanced Vietnam operations encompass three factories in Vietnam, which began full-scale operations in 2024 and were included in the statistical scope.

(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 Group 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 2025, with the new plant site officially coming online, both production capacity and output saw significant growth. Based on calculations of water intensity per unit of revenue, the water intensity per unit of revenue in 2025 increased by 16.33% compared to 2024. The Company is actively committed to water resource recycling and will strive to achieve an annual reduction of 1% in water consumption per unit of product.

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 wastewater treatment plant in the park 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/mn sales revenue)
2024	119,812	325,624	445,436	14,192.78	31.38
2025	125,173	609,825	735,000	15,406.65	47.71
The scope of Advanced Taiwan, Launch Tech is as follows: the Zhonglin Factory, Kaojia Factory, Hefa Factory, and Launch Tech Pingtung plant.					

The Company has implemented a number of improvement measures, including the installation of wastewater treatment and recycling facilities at the Launch Tech and Vietnam Plant 3 sites, as well as rainwater harvesting equipment at the Hefa site. In 2025, these efforts resulted in a cumulative water savings of 386,768 metric tons. Additionally, Vietnam Plants 1 and 2 procured 188,519 metric tons of locally recycled industrial water, accounting for 67% of the water intake at those two plants. Furthermore, through the construction of a process water recycling system at the Vietnam 3 factories, 367,848 metric tons of water were recycled and reused in 2025, effectively reducing the intake of tap water. We will continue to promote relevant water conservation and water resource recycling initiatives to ensure the implementation of water resource circulation.

Advanced Taiwan, Launch Tech wastewater discharge in the past 3 years:

Factory	Discharge to	2023 (ton)	2024 (ton)	2025 (ton)
Kaojia plant	Kaohsiung Central Area Wastewater Treatment Plant	4,374.5	5,591	6,062
Daye plant	Kaohsiung Linhai Linyuan & Dafa Industrial Parks Combined Wastewater Treatment Plant	530	168	-
Zhonglin plant		27,057	24,197	19,815
Hefa plant	Hefa Industrial Park Wastewater Treatment Plant	5,559.8	6,374	7,051

Launch Tech	Pingtung Science Park Wastewater Treatment Plant	-	-	29,737
Total		37,521.3	36,330	62,665
Note: 1. Daya Plant ceased operation in 2024. 2. Launch Tech was acquired in end-2024.				

(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:

In 2025, the Company began full-scale production at its newly established facility, resulting in significant increases in both production capacity and output. The consolidated total waste volume for 2025 was 10,728.98 metric tons, an increase from 2024. Given the upward trend in production capacity, output, and the commencement of operations at the new facility, the Company is striving to achieve an annual reduction target of 1%.

Year	Hazardous waste (ton)	Non-hazardous waste (ton)	Total (ton)	Million dollars (sales revenue)	Waste intensity (ton/mn sales revenue)
2024	803.08	7,417.35	8,220.43	14,192.78	0.58
2025	1,491.64	9,231.34	10,722.98	15,406.65	0.70

The waste recycling rate of the consolidated companies was 40.64% in 2025, up from 23.96% in 2024. The Company actively promotes various raw material recycling measures, such as the waste titanium recycling rate of the Zhonglin plant was about 6.5% and Hefa plant’s waste release paper downstream recycling and reuse rate reached 14%, etc. and gradually promotes the project plan in each plant.

<table>
<tr><th>Year</th><th>Recycle/Reuse (ton)</th><th>Unrecyclable/Un-reusable (ton)</th><th>Total (ton)</th><th>Recycling and reuse rate</th><th rowspan="3">Recycling and reuse rate (%) =Recycle and reuse volume/Total waste*100%</th></tr>
<tr><td>2024</td><td>1,969.38</td><td>6,251.05</td><td>8,220.43</td><td>23.96%</td></tr>
<tr><td>2025</td><td>4,359.94</td><td>6,369.05</td><td>10,728.99</td><td>40.64%</td></tr>
</table>

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 Group factories in the past 2 years

Year		2023			2024			
Type		Advanced Taiwan, Launch Tech	Advanced Dongguan	Advanced Vietnam	Advanced Taiwan, Launch Tech	Advanced Dongguan	Advanced Vietnam	Outsourced treating method
General business waste	Reusable	1,949.75	-	-	2,016.34	19.03	2,309.26	Clean, recycle, reuse
	Not-reusable	1,461.79	179.38	3,826.43	2,201.21	539.42	2,146.09	Incineration and landfill disposal
Hazardous waste	Reusable	-	1.46	18.17	-	15.31	-	Reuse after treatment
	Not-reusable	38.29	1.02	744.14	47.51	73.73	1,361.09	Incineration, physical treatment and landfill treatment
The scope of Advanced Taiwan, Launch Tech is as follows: the Zhonglin Factory, Kaojia Factory, Hefa Factory, and Launch Tech Pingtung plant.								

(IV) 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$24,715 thousand in 2025 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.

2025			
Area	Item	Invested amount (NT$1,000)	Notes
Advanced Taiwan, Launch Tech	Process optimization to save energy use	0	Adjust facility parameter and performance in the process; estimated power reduction of 593,238kWh
	Equipment upgrades	3,312	Includes: Upgrades of high-energy-consumption equipment such as process chillers, blowers, and process dehumidifiers
	Optimization of air compressor and chiller operations and equipment upgrades	1,882	Implement solutions such as operational parameter adjustments, runtime management, pipeline system optimization, and regular maintenance
	D.I.Y. solar power station	571	Building on the solar installation project from 2024, grid connection line upgrades have improved power supply stability. Cumulative electricity generation for 2025 totaled 674,281 kWh.
Advanced Dongguan	Procure green electricity	15,408	In 2025, a total of 4,115,940 kWh of green electricity was purchased
	Procure green power certificates	429	
	Optimization of air compressor and chiller operations and equipment upgrades	582	Implement solutions such as operational parameter adjustments, runtime management, pipeline system optimization, and regular maintenance
Advanced Vietnam	Energy saving facilities replace/procure	590	Energy saving facilities upgrade (air compressor, air-conditioning equipment)
	Optimization of air compressor and chiller operations and equipment upgrades	1,854	Implement solutions such as operational parameter adjustments, runtime management, pipeline system optimization, and regular maintenance

	Procure green power certificate	87	

Note:
1.The scope of Advanced Taiwan, Launch Tech is as follows: the Zhonglin Factory, Kaojia Factory, Hefa Factory, and Launch Tech Pingtung plant.
2.Expenditures at the Advanced Dongguan are calculated using an average exchange rate of 4.3363 RMB for 2025. Expenditures at the Advanced Vietnam are calculated using an average exchange rate of 31.171 USD for 2025.

C. Prevention measures

① Ability, 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.

② The 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.

③ Procurement 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 Group's factories in 2025:

Area	Details of energy saving equipment upgrades	Actual annual electricity savings (degree)	Actual annual energy savings (MJ)	Estimated carbon reduction (ton/CO2e)
Advanced Taiwan, Launch Tech	Zhonglin Plant - replaces process dehumidifier	30,018	108,065	14.23
	Zhonglin Plant - temperature control for process chillers	29,325	105,570	13.90
	Zhonglin Plant - adjust air conditioning operation in the CNC precision machining area	22,111	79,600	10.48
	Zhonglin Plant - adjust the operation of the box-type air conditioner at night	22,625	81,450	10.72
	Zhonglin Plant - air compressor operation management and equipment maintenance	726,172	2,614,219	344.21
	Zhonglin Plant - Adjust chillers based on load and equipment maintenance	119,796	431,266	56.78
	Zhonglin Plant - Basement's Roots blower improvement project	1,358	4,889	0.64
	Zhonglin factories- optimize manufacturing parameters for different product categories through intelligent production calculations	873,830	3,145,788	414.20
	Kaojia factory – improve production line efficiency	1,295	4,662	0.61
	Kaojia factory - replace the central air conditioning chiller; install split-type air conditioners in small conference rooms (to replace the central air conditioning system)	9,279	33,404	4.40
	Hefa factory - optimize freezer management	43,172	155,419	20.46
	Hefa factory – PLC control of inlet and outlet temperatures for air conditioning chillers	27,037	97,333	12.82
	Hefa factory – decrease in electricity consumption per unit of production	258,931	932,152	122.73
	Launch Tech – decrease in electricity consumption per unit of production	305,975	1,101,510	145.03
Advanced Dongguan	Air compressor management	48,493	174,575	21.35
	Chilled water machine management	1,143,142	4,115,311	503.33

Advanced Vietnam	Turn off the lights when no in use	5,184	18,662	3.51
	Adjust the air compressor pressure setting	168,264	605,750	113.85
	Improvements to the de-waxing furnace lid for better heat retention	3,818	13,745	2.58
	Replace the motor in the polishing equipment; upgrade the old model to IE3	18,720	67,392	12.67
	Adjust the chilled water temperature setting on chillers	449,280	1,617,408	303.98
Total		4,307,825	15,508,170	2,132.48

1.3.6 million joules (MJ) per kilowatt-hour.
2.Carbon emissions are calculated using the figure of 0.474 kg CO2e/kWh published by the Bureau of Energy, Ministry of Economic Affairs. For the Advanced Dongguan, the coefficient published by Guangdong Province is 0.4403 kg CO2e/kWh, and for the Advanced Vietnam, the coefficient published by Vietnam is 0.6766 kg CO2e/kWh.
3.The scope of Advanced Taiwan, Launch Tech is as follows: the Zhonglin Factory, Kaojia Factory, Hefa Factory, and Launch Tech Pingtung plant..

(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	2026	2027	2028
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 benefits for full-time employees is as follows (including subsidies from the Employee Welfare Committee):

Bonuses, allowances, insurance and benefits	Employee bonus (earnings distribution)
	Award money for three major holidays; each about 20% of salary as holiday bonus along with gift money of 1,000 are provided as holiday bonus for Moon Festival, Dragon Boat Festival, and Chinese New Year.
	$3,000 is each provided for wedding cash award and childbirth subsidy each.
	Injury allowance/funeral condolences; condolence payments range from 1,000 to 22,100, and a floral arrangement is provided separately for the funeral.
	Birthday cash gift is $500.
	In addition to providing basic labor and health insurance coverage as required by law, we also offer group insurance plans for employees (including life insurance, accident insurance, medical insurance, and cancer insurance) as well as business trip insurance.
	Employees assigned to external factories are eligible for a 9% contribution to their pension plan
	Emergency relief is provided to employees, up to $40,000 depending on the circumstances of the case.(include Employee Welfare Allowances for Weddings, Funerals, and Celebrations)
	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 $5,000 and $20,000 and trophies respectively.
Physical and Mental Health Promotion Measures	Regular annual health check, health seminars, consultations, and promotion activities.
	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 $ 5,000.
	Club activities: golf club, yoga club, boxing aerobic club, badminton club, pickleball club, and Vietnamese basketball club.

Note: The amount of the subsidy mentioned above is calculated based on the employee's length of service

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

3.Talent training and cultivation plan:

In 2008, Advanced Group established the Advanced Academy with the objectives of talent development, fostering shared values and consensus, and promoting self-motivation and learning. By integrating three key areas—activities, communications, and policies—the Academy works to implement Advanced’s vision and values, deepen and invigorate the Company’s culture, and provide an environment and atmosphere where Advanced employees can fully realize their potential. The Academy has also established a comprehensive training system that begins with onboarding for new hires and includes group training, tier-specific management training, and specialized training, to progressively enhance employees’ capabilities, ensuring that Advanced International Multitech employees grow alongside the Company’s development.

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 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.Employee development, training, and implementation status:

(1) Purpose of the establishment of the Advanced Academy

① Improve the quality of personnel and establish a talent training mechanism for the Group that can fully stimulate the enthusiasm of employees.

② Fully develop and utilize human resources to maintain the rapid and stable development of the

Group.

③ The 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.

②Fostering shared values and consensus

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.

③Promoting self-motivation and learning

Besides the cultivation in career capabilities, we 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 a comprehensive development of our employees.

(3) The relevant information on the education and training hours and expenses in 2024 and 2025 is as follows:

Year	2024	2025
Total number of employees	1,165	1,488
Total training expenses ($1)	1,166,801	2,147,497
Per capita training fee	1,430	1,443
Total training house (hours)	15,988	16,676
Per capital training hour (hour)	13.72	11.21

Note: In 2024, data includes Advanced Taiwan
In 2025, data includes Advanced Taiwan, Launch Tech

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 60, 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	Employees who joined the company on or before June 30, 2005, are eligible for retirement benefits under the old system. Employees may claim their retirement benefits only if they meet the retirement requirements under the Labor Standards Act and have completed the retirement procedures.	Under the “individual account system,” monthly pension contributions are made on behalf of employees into individual pension accounts established with the Bureau of Labor Insurance.
Contribution amount	For each employee with service years under the old pension system, 2% of their monthly salary is contributed monthly to the old pension reserve account managed by the Central Trust of China. As of December 31, 2025, the cumulative amount contributed totaled NT$74,342,480. This portion is funded solely by the employer, with no employee contributions involved.	For each employee eligible for the new pension system, the Company contributes 6% of the employee’s monthly pensionable salary, based on the applicable labor pension contribution grade, to the employee’s individual pension account (9% for dispatched personnel). In addition to the employer’s fixed contributions, employees may voluntarily make additional contributions ranging from 0% to 6% of their pensionable salary, depending on their individual preference.

Contribution rate	In 2025, the proportion of employees at Advanced Taiwan whose employers' contribution rates under the new labor pension system exceeded 6% was 10.4%.

6. To ensure open lines of communication, the Company has established a suggestion system and set up suggestion boxes. Additionally, on April 6, 2005, it launched an internal EIP website and the ADGroup app, utilizing various channels to give everyone the opportunity to voice their opinions, thereby fostering and maintaining harmonious labor-management relations within 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.

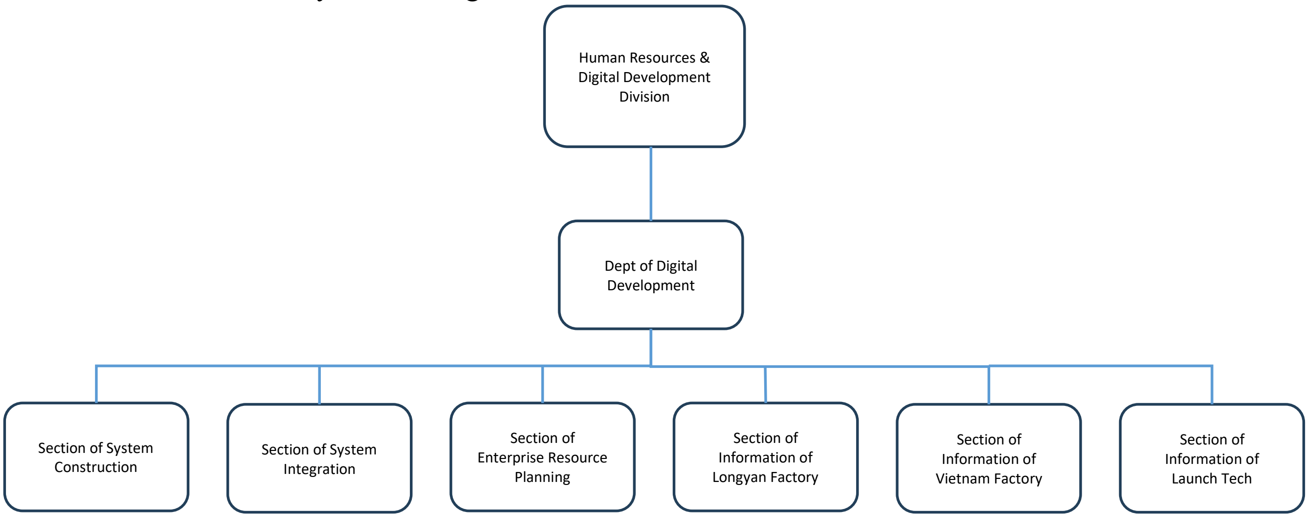
(II) Losses incurred by the Company due to labor-management disputes during the most recent fiscal year and up to the date of publication of the annual report: None.

(III) Other Important Agreements: Although the Company has established a labor union, no collective bargaining agreement has been signed to date, as the union has not yet requested collective bargaining negotiations with the Company.

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 strengthen information security management, ensure the confidentiality, integrity and availability of information related to the operation process, so as to provide an information environment in which the Company can continue to operate, and comply with relevant regulations and contractual obligations, as well as the requirements of interested parties (such as customers 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.

② The 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.

③ Daily backup of important systems, databases and files for data recovery in emergencies.

(4) Information Security Incident Reporting Mechanism

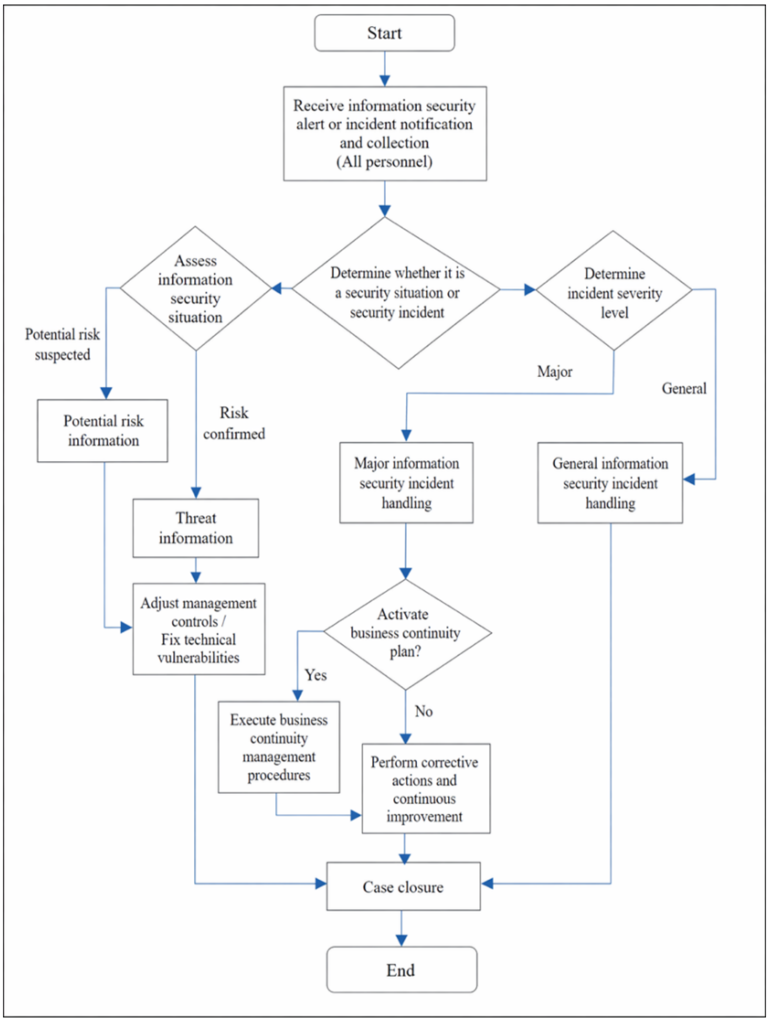
Major incident is defined as follows in accordance with the "Security Incident Management Procedure" (50IS10)

① Leak of official information classified as "Confidential" or higher.

② Core business systems or data have been tampered with.

③ Core business operations are disrupted or systems go down, and normal operations cannot be restored within the acceptable downtime.

④ A major information security incident has occurred that meets the criteria set forth in the "Procedures for Verification and Public Disclosure of Material Information Regarding Companies Listed on the TPEx Market of the Taiwan Stock Exchange Corporation".



4.Resources invested in the information security management

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

Name	Amount
① Renewal of NAC network access management system ② Information security certificate ISO27001:2022 ③ Renewal of anti-virus software ④ Renewal of information security management system, SMART IT ⑤ Maintenance contract of firewalls ⑥ Network switch contract renewal ⑦ Card-based access control for copiers ⑧ Vulnerability scanning	NT$2.5216 million

(2) The company has 4 information security personnel.

(3) Information security meetings were held regularly, and a total of 4 information security meetings were held in 2025.

(4) Irregularly promote information security information on the company's intranet, a total of 4 information security promotions in 2025.

(5) Regular antivirus system checkups and timely adjustments to security policies; a total of 4 antivirus

checkups were conducted in 2025.

(6) Regular inspections of the uninterruptible power supply (UPS) system and generators were conducted to ensure uninterrupted power supply to the server room; a total of 4 maintenance sessions were performed in 2025.

(7) Develop and conduct annual disaster recovery drills to ensure the recoverability of critical systems.

(8) Collect firewall data on a monthly basis and standardize the security policies across all firewalls within the group.

(9) With the assistance of an external SGS firm, we audited and addressed information security vulnerabilities, and maintained the validity of our ISO 27001 information security certification.

(10) Monitored the implementation of privileged account management on a monthly basis and have found no violations.

(11) In 2025, we completed another upgrade of 33 additional servers to Windows Server 2022, thereby mitigating the risk of security vulnerabilities arising from the inability to apply updates. Currently, the upgrade completion rate for servers across the entire group stands at approximately 64%.

(12) Perform daily local backups and off-site backups to the Hefa plant; SAP continues to implement off-site disaster recovery.

(13) Vulnerability scans are conducted annually on all server subnets within the Group; 1 such scan was performed in 2025.

5. The Company regularly (at least once a year) reports on the status of its information security operations to the Board of Directors. On February 04, 2026, the Board of Directors received a report on the status of information security management operations for 2025.

(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, 2025, 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	2024	2025	Difference	
			Amount	Change in %
Current assets	8,937,030	8,682,797	(254,233)	(2.84)
Fixed asset, plant and equipment	4,923,461	4,974,952	51,491	1.05
Intangible assets	21,091	38,525	17,434	82.66
Other assets	1,131,510	1,103,271	(28,239)	(2.5)
Total assets	15,013,092	14,799,545	(213,547)	(1.42)
Current liabilities	6,270,094	4,802,434	(1,467,660)	(23.41)
Non-current liabilities	1,175,009	1,996,177	821,168	69.89
Total liabilities	7,445,103	6,798,611	(646,492)	(8.68)
Share capital	1,546,336	1,569,865	23,529	1.52
Capital reserve	2,069,885	2,201,860	131,975	6.38
Retained earnings	4,158,033	4,482,742	324,709	7.81
Other equities	(5,345)	(52,613)	(47,268)	(884.34)
Treasury stock	(200,920)	(200,920)	-	-
Non-controlling interests	0	0	-	-
Total shareholders' equity	7,567,989	8,000,934	432,945	5.72

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 intangible assets: mainly due to the effect of purchasing additional licenses for the SAP system.
   (2) Decrease in current liabilities: mainly due to the decrease in short-term borrowings and account payable for equipment.
   (3) Increase in non-current liabilities: mainly due (1) increase in long-term loans to repay short-term loans; (2) increase in deferred income tax liabilities due to the growth in profits at overseas subsidiaries.
   (4) Decrease in other equities: mainly due to exchange differences on translation of financial statements of foreign operations.
2. Future plans to meet significant impacts: none.

II. Financial performance

Comparison on the Financial Performance

Unit: NT$1,000

Year / Item	2024	2025	Amount of Increase (Decrease)	Change ratio
Sales revenue – Net	14,192,780	15,406,654	1,213,874	8.55
Operating cost	11,966,699	13,010,007	1,043,308	8.72
Gross margin	2,226,081	2,396,647	170,566	7.66
Operating expenses	1,628,161	1,559,187	(68,974)	(4.24)
Other income and expenses	160,232	149,438	(10,794)	(6.74)
Operating profit	758,152	986,898	228,746	30.17
Non-operation income & expenditures	734,582	199,334	(535,248)	(72.86)
Net income before tax	1,492,734	1,186,232	(306,502)	(20.53)
Tax (Expense) Income	(343,448)	(236,779)	(106,669)	(31.06)
Total comprehensive income	1,149,286	949,453	(199,833)	(17.39)

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

(1) Increase in Operating profit: mainly due to increased revenue compared to the same period last year.

(2) Decrease in Non-operation income & expenditures: mainly due to the impact of exchange losses.

(3) Decrease in Net income before tax: refer to explanations in (1) and (2).

(4) Decrease in Tax expense: mainly due to declined net profit compared to the same period last year, primarily due to exchange rate fluctuations.

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 (2025):

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
NT$1,991,909	NT$1,222,359	NT$1,836,980	NT$1,377,288	-	-

Analysis on the change of cash flows in 2025:
(1) Cash inflow of NT$1,222,360 thousand from operating activities: Mainly came from Net income after tax, depreciation expenses, and amortization expenses.
(2) Cash outflow of NT$971,772 thousand from investing activities: mainly due to the addition of the newly constructed factory and procurement of equipment.
(3) Cash outflow of NT$891,358 thousand from financing activities: mainly due to the distribution of cash dividend, and reduction in financing.
(4) Cash inflow of NT$26,149 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
NT$1,377,288	NT$1,071,693	NT$1,456,842	NT$992,139	-	-

Analysis on the change of cash flow in 2026:
(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: expect machinery and equipment procurement, etc. of the year.
(3) Financing activity: expect 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		
			2023	2024	2025
Fixed asset, plant and equipment	Self-owned fund and bank financing	3,554,659	730,563	1,945,797	878,299

(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

The golf and sports and leisure industries continue to grow in the primary consumer market -North America - which has driven steady growth in overall golf equipment sales, resulting in strong profitability for the company as a whole.

(III) Investment in the future year

The Company closely monitors changes in the global political and economic landscape as well as supply chain conditions, and aligns these with our overall strategic planning to formulate appropriate investment plans.

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	2025	
Interest rate	Interest expense	(102,563)	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)	(173,547)	(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.

(2) 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.The Company and its subsidiaries handle the engagement in lending to third parties, providing endorsements and guarantees, and trading in derivative instruments in accordance with the Company’s and its subsidiaries’ “Work Procedures for Lending Fund to Others”, “Regulations on Endorsements and Guarantees”, “Procedures for Derivative Trading”, and relevant regulations issued by the competent authorities. These activities are subject to regular audits and disclosures as required by law. The responsible departments also conduct internal audits and monitoring in accordance with relevant management regulations to ensure that no operational risks arise.

3. In recent years (2025) and as of the publication date of the annual report (April 30, 2026), 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
Custom Golf Club head Manufacturing Technology	Ongoing	NT$12,000	2027Q1	Production yield; Cost control
Development of High-Density Cast Counterweight Products	Undergoing testing and validation	NT$2,000	2027Q1	Production yield; Cost control
Mass Production of Powder Metallurgy Products	Ongoing	NT$35,000	2026Q4	Capital expenditures; Production efficiency; Cost control
Joining Technologies for Powder Metallurgy Components	Undergoing testing and validation	NT$5,000	2026Q4	Capital expenditures; Production efficiency; Cost control
New Technologies for Surface Patterns on Composite Materials	Undergoing testing and validation	NT$3,000	2026Q4	Production yield; Cost control
Development of Large-Area Composite Laminates	Ongoing	NT$5,000	2026Q4	Production yield; Cost control
Functional Applications of Laser Engraving on Titanium Alloy Surfaces	Ongoing	NT$3,000	2027Q2	Capital expenditures; Production efficiency; Cost control
Development of High-Strength Ferritic Materials	Ongoing	NT$8,000	2027Q2	Production yield; Cost control
Composite Powder Metallurgy Technology for Materials of Different Densities	Ongoing	NT$3,000	2027Q4	Capital expenditures; Production efficiency; Cost control
Forging Counterweight Structures with Varying Materials and Densities	Ongoing	NT$6,000	2027Q4	Capital expenditures; Production efficiency; Cost control
One-step molding technology for thermoplastic composite structures	Ongoing	NT$3,000	2026Q4	Capital expenditures; Cost control
Development of Welding Technologies for Thermoplastic Products	Ongoing	NT$2,000	2026Q4	Capital expenditures; Cost control
Development of an Automated Laminating Machine for Thermosetting Complex Surfaces	Ongoing	NT$5,000	2026Q4	Capital expenditures; Cost control
Technical Development and Product Applications of Bio-based Epoxy Resins	Ongoing developing, testing, and validation	NT$3,000	2026Q4	Material design and application
Technical Development and Product Applications of Carbon Fiber Surface Modification	Ongoing developing, testing, and validation	NT$4,000	2026Q4	Material design and application
Development of Eco-Friendly Thermoplastic Unidirectional Carbon Fiber Composite Technology (TP UD Tech.) and Product Applications	Ongoing developing, testing, and validation	NT$35,000	2026Q3	Materials technology; Critical mechanism design; Thermoplastic carbon fiber composites
Thermosetting Towpreg Development Project	Ongoing developing, testing, and validation	NT$10,000	2025Q4	Materials technology development; Integrated design of core mechanisms: Carbon fiber composite fabrication technology; Automated smart manufacturing
Expansion of the Injection Molding Center	Ongoing	NT$500	2026Q2	Capital expenditure; Cost control; Production efficiency
Production Line Setup for Pickleball Rackets (Including Automatic Coating)	Ongoing	NT$10,000	2026Q4	New design, equipment Capital expenditure; Cost control; Production efficiency
Development of Ultrasonic Welding Technology	Ongoing	NT$1,000	2026Q4	Capital expenditure; Cost control; Production efficiency
Design and development of mold venting mechanisms for thin-shell product molds	Ongoing	NT$500	2026Q2	Material sourcing; Processing technologies
360-Degree Circular Pad Printing Technology	Ongoing	NT$7,900	2026Q4	Mechanical design; Precision positioning system

(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 105 to page 107 of this annual report).

(VI) The impact of corporate image change on corporate crisis management and the countermeasures:

The Company closely monitors changes in its corporate image, assesses their impact on the Company, and takes appropriate measures in response. As of the date of publication of this annual report, there have been no significant changes in the corporate image of the Company or its subsidiaries.

(VII) Expected benefits, possible risks and countermeasures of mergers and acquisitions: None.

(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 M^2 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 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 2025 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 CEO, 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 Tech 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, CEOs 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, 2025 (from January 1, 2025 to December 31, 2025), 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 TWSE Market Observation Post System: > 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.

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