

Stock Code: 3236



ABC TAIWAN ELECTRONICS CORP.

2025 Annual Report

Company Website: <https://www.atec-group.com.tw>

Website of MOPS: <http://mops.twse.com.tw>

Printed Date: April 12, 2026

I. Names, titles, contact numbers and emails of the spokesperson and acting spokesperson

Spokesperson: Hsu, Hsi-Kai

Title: Deputy General Manager

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Deputy Spokesperson: Hsu, Shih-Feng

Title: Assistant General Manager

Telephone: (03)478-8188

E-mail: cedric.hsu@atec-group.com

II. The addresses and telephone numbers of the head office, branches and factories

Head Office: No. 422, Section 1, Yanghu Road, Yangmei District, Taoyuan City Tel: (03) 478-8105

Yangmei Plant 1: No. 422, Section 1, Yanghu Road, Yangmei District, Taoyuan City Tel: (03) 478-8105

Yangmei Plant 2: No. 98, Lane 298, Huandong Road, Yangmei District, Taoyuan City Tel: (03) 478-8188

III. The name, address, website and telephone number of the stock transfer agency

Name: Agency Department, CTBC Bank

Address: 5F, No. 83, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City

Website: <https://www.ctbcbank.com>

Telephone: (02)6636-5566

IV. The names, accounting firm, address, website and telephone number of CPAs for the financial statements of the most recent year

Name of CPAs: Wen, Chih-Yuan, Yeh, Tung-Hui

Accounting firm: Deloitte & Touche

Address: 6F., No. 2, Zhanye 1st Rd., Hsinchu Science Park, Hsinchu City

Website: www.deloitte.com.tw

Telephone: (03)578-0899

V. Names of overseas securities exchanges and methods of inquiry for the overseas securities: None.

VI. Company website: <https://www.atec-group.com/tw>

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One. Report to Shareholders

Looking back at 2025, the global political and economic environment remained highly uncertain. Generative AI continued to drive enterprise digitalization and investment momentum, accelerating demand and the expansion of applications in related industries. At the same time, changes in international trade policies and intensified competition for key raw materials increased global trade uncertainty, while export controls by the United States and China on advanced semiconductors and AI-related technologies continued to be adjusted, leading customers to place greater emphasis on compliance, traceability, and second-source arrangements in design adoption and procurement decisions.

In response to the above changes, the Company has focused on “R&D and product capabilities, quality governance, supply resilience, and compliance and traceability” as its core pillars, while continuing to expand its market coverage. In addition to deepening engagement with existing customers and key applications in the Asia-Pacific region, the Company has strengthened its expansion and local service capabilities in the Americas and Europe, focusing on growth sectors such as AI and data centers, networking and communications, automotive electronics, industrial control, and healthcare, to enhance customer adoption efficiency and delivery stability, thereby capturing international market growth opportunities and reducing operational risks arising from external policy changes.

I. Operating results for 2025

(I) Implementation results of business plan

Unit: NTD thousand

Items	Year	2024	2025	Increase (decrease) amount	Change (%)
Net operating income		1,864,179	2,067,602	203,423	10.91
Operating cost		1,454,267	1,544,506	90,239	6.21
Gross profit		409,912	523,096	113,184	27.61
Operating expenses		430,484	428,029	(2,455)	(0.57)
Operating profit		(20,572)	95,067	115,639	562.12
Non-operating income and expenses		37,208	(15,521)	(52,729)	(141.71)
Income before tax		16,636	79,546	62,910	378.16
Income tax expenses		12,190	45,785	33,595	275.59
Net profit		4,446	33,761	29,315	659.36

Revenue in 2025 increased by NT\$203,423 thousand compared to 2024, representing a growth of 10.91%; net profit after tax was NT\$33,761 thousand, and earnings per share were NT\$0.32.

(II) Budget execution

Not applicable (the Company did not release a financial forecast for 2025).

(III) Revenues and profitability analysis

Net cash inflow was NT\$168,228 thousand from operating activities, net cash outflow was NT\$102,082 thousand from investing activities, and net cash inflow was NT\$105,473 thousand from financing activities.

Profitability	Items	2024	2025
	Return on assets (%)	0.63	1.57
	Return on equity (%)	0.29	2.15
	Net income before income tax as a percentage of paid-in capital (%)	1.58	7.57
	Net profit margin (%)	0.23	1.63
	Earnings per share (NTD)	0.04	0.32

(IV) Research and development status

The Company's R&D expenses in 2025 amounted to NT\$102,140 thousand. The Company continues to deepen the design and development of LTCC (Low Temperature Co-fired Ceramic) products, expanding applications in communications, networking, and automotive sectors, and has strengthened its capabilities in new material research and process applications through the establishment of dedicated production equipment for surface treatment of alloy powder materials. At the same time, the Company has introduced multiphysics simulation tools covering magnetic, electrical, mechanical, and circuit aspects to establish a systematic design and verification process from materials and structures to circuit applications, thereby improving R&D efficiency, shortening development cycles, and enhancing product reliability.

In terms of process and quality management, the Company has strengthened systematic management and integrated automated production equipment with industrial control software, introduced AOI + AI fully automated optical inspection, and established an SPC statistical process quality management mechanism, progressively advancing smart manufacturing and Industry 4.0. This enhances product precision, quality consistency, and reliability, enabling the supply of high-efficiency and high-quality inductors, filters, and related products, primarily applied in 5G personal smart communication devices, smart manufacturing and industrial control systems, long-term care and medical devices, as well as electric vehicles and intelligent driving.

II. Summary of 2026 business plan

(I) Management Approach

The Company explores the AI industry, establishes an outsourcing project team, and continues to provide IC design solutions. Relocation of production capacity in China to expand the production of biotechnology products in Malaysia, and promotion of mass production process components to extend the sales reach. The Company will realize the replacement of old hardware and software equipment with a unified call center to expand the production scale.

Through organizational restructuring, optimize resource allocation, improve operational efficiency, and strengthen cross-department cooperation. Shortened decision-making time and enhanced market responsiveness to ensure more flexible and competitive corporate operations. Meanwhile, the Company has also improved its organizational issues, such as talent development, digital transformation and performance management, to ensure the steady development of the Company and enhance internal cooperation. Through systematic planning and implementation, we build a competitive culture of sustainable growth and promote corporate development.

Talent is the foundation of any enterprise organization. It is also an important indicator for ensuring organizational productivity, competitiveness, and sustainability. It is necessary to establish a talent development system and comprehensive management talent selection system; improve cultivation, utilization, retention, education and training, as well as learning and development planning; and to formulate training plans, plan the succession layout ahead of time, and build a good talent pool so that the talents can develop and the enterprise develops sustainably.

ABC Taiwan has fully implemented an information security management mechanism to protect the group's information assets from theft, improper use, leakage, tampering, or destruction, and it conducts internal information security drills and training on a regular basis to ensure that the company's operations run smoothly.

(II) Operation Strategy

1. Meticulously advancing the sales performance of partners, supporting the sales of products from new production lines, and driving revenue growth through strategic initiatives.
2. Developing new markets and potential customers, focusing on product positioning to enhance brand recognition, and strengthening order stability and revenue resilience.
3. Driving R&D decision-making with data, directing resources toward high-value and forward-looking technologies, and advancing the upgrading and transformation of mainstream technologies.
4. Optimizing processes and equipment, promoting zero defects, and precisely controlling MIM production costs to enhance competitiveness.

5. Continuously refining component design, optimizing mechanical processes, enhancing inspection efficiency, and expanding a fully traceable end-to-end operating system.
6. Strengthening the execution and continuity of process improvements, preventing the recurrence of defects, and rigorously ensuring the reliability of supply sources.
7. Upgrading the Group's information systems and expanding process systematization, enhancing LLM capabilities, and establishing AI customer service and assistant functions to enable collaboration.
8. Implementing a prudent ESG sustainability management policy, fulfilling social responsibility and safeguarding employee rights, and enhancing sustainable competitiveness.
9. Developing cross-site and cross-functional job rotations, cultivating key technical and management personnel, and driving more transparent incentive and succession systems.
10. Enhancing budget and investment analysis tracking and management mechanisms, precisely controlling expenditures, and ensuring investment effectiveness and financial soundness.
11. Promoting the bilingualization of Group documentation and establishing consistency in quality management processes.

(III) Expected sales volume and basis

1. Trump, tariffs, economic investment, and technology intervention have affected many countries.
2. Geopolitics: Ukraine/Russia, the Gaza Strip, Taiwan, Japan, and China, accelerating adjustments to capacity allocation.
3. Automotive Industry
 - (1) Declining profitability among automakers in Europe, the United States, and Japan, implementation of layoffs, and a slowdown in new product development.
 - (2) Growth in electric vehicles has slowed, while low-priced dumping from China has impacted traditional automakers.
 - (3) We have obtained customer approval for many models in Automotive, 48V IBC, and Automotive Antennas.
4. AI Revolution
 - (1) Substantial growth in AI servers
 - (2) Investment in upgrades to AI computing power and fiber optic network specifications
 - (3) AI edge devices are increasing in line with market applications, becoming the primary driver of component shipments
 - (4) AI CPU power supply, AI servers, and ABC have entered new models, with TLVR and power beads being actively promoted
5. Cybersecurity: Growing demand for network switches and networking equipment.
 - (1) We offer RF product solutions for Wi-Fi routers, 5G CPE, small cells, and FTTx equipment.
6. Macroeconomically, 2026 will remain a challenging year.

(IV) Important production and sales policies

1. Production strategy

- (1) The Group continues to integrate its production deployment, expand capacity and product lines at the Malaysia plant, and improve in-house production line processes at headquarters.
- (2) Continuing to promote automation of key processes and process rationalization to improve process stability and quality consistency.
- (3) Ensuring the quality of key materials and securing critical materials for new products.

2. Sales strategy

- (1) Improving control over product development timelines, increasing sources of product supply, and under a dual-track strategy of in-house development and production alongside partner supply, rapidly capturing market opportunities and responding deeply to customers' potential business opportunities.
- (2) Targeting the AI market and forward-looking development, conducting product categorization and customer segmentation, and launching corresponding products to deeply align with customer needs and capture rapidly growing market opportunities.
- (3) Strengthening relationships with partners, increasing supplied product categories, and jointly managing sales, including components not produced in-house such as inductors, transformers, and connectors, to expand sales revenue.
- (4) Leveraging in-house product R&D capabilities and material technologies to co-develop and test next-generation power supply technologies with key customers, securing positions on design lists at the R&D stage and strengthening the benefits of design-in.
- (5) Building on an established production system in Malaysia, continuing to expand capacity, leading customers in certification and qualification processes, and establishing supply eligibility to meet regulatory requirements for product origin, thereby staying ahead of Taiwan peers and maintaining a solid position amid a complex international political landscape.

III. Long-term development strategy

1. Reorganizing the organization and reallocating resources in response to AI development trends, and promoting a Total Quality Management Diagnostic (TQMD).
2. Establishing a transformer and power module team, introducing ANOVA analysis, moving toward becoming a "comprehensive magnetic component solutions provider," and simultaneously initiating mid-term and long-term budget planning.
3. Integrating resources in China to enter the AI market in China, and accelerating process automation with "All-in-One automated equipment."
4. Expanding the AAE design-in operations team and establishing real-time and overnight response mechanisms.
5. Planning and shaping mid-term and long-term development roadmaps in line with AI market demand and technological development trends.

6. Establishing an LTCC FAE team and planning capacity expansion under a dedicated production line model.
7. Strengthening the ATM continuous improvement program and accelerating the advancement of MIM projects, while evaluating the selection of new production sites in ASEAN and conducting feasibility studies for establishing production facilities in the United States.
8. Promoting comprehensive digital transformation across the Group and strengthening information security management and protection mechanisms.

IV. Impacts of the competitive environment, regulatory environment, and overall business environment

Looking at 2025 as a whole, the external competitive environment, regulatory environment, and overall business environment continued to intertwine, with the global economy exhibiting a “resilient but slowing” trend amid uncertainty. The IMF also indicated that global growth slowed from 3.3% in 2024 to 3.2% in 2025, while risks related to economic fragmentation and policy changes continued to rise. At the same time, U.S.-China technology competition and export control regulations related to advanced semiconductors continued to be adjusted, with governance frameworks becoming more tiered and cross-border in nature, leading customers to place greater emphasis on compliance, traceability, and second-source arrangements in design adoption and procurement decisions, while also accelerating supply chain de-risking and regionalization. In response to the above changes, the ABC Group will focus on five core pillars, namely “R&D and strategic alliances, quality governance, supply resilience, globalization investment, and compliance and traceability,” to continuously ensure that its operations in Taiwan, China, and Malaysia comply with applicable regulations and can respond promptly to regulatory changes. In terms of operational strategy, in addition to deepening existing markets, the Group will expand its sales market coverage and local service capabilities, including labs and FAE support, in the Americas, Europe, and the AI market in China, and will further strengthen its presence in growth applications such as AI and electric vehicles to enhance revenue momentum. Furthermore, in view of the increasing importance of ASEAN in supply chain investment and manufacturing footprints, the Group will leverage its existing production system in Malaysia as a base to continue expanding capacity, advancing customer certifications and supply qualification processes, and improving delivery stability and competitiveness. Under prudent management and continuous R&D innovation, the Group will steadily move toward its mid-term and long-term goal of achieving annual revenue of NT\$5 billion.

Chairman: Joseph Hsu

General Shareholders' Meeting, June 2026



Two. Corporate Governance Report

I. Information on the directors, general manager, vice general managers, assistant vice general managers, and supervisors of various departments and branches

(I) Directors

Information of the Directors (I)

April 11, 2026 Unit: shares; %

Title	Nationality or place of registration	Name	Gender and age	Date of election (appointment)	Term of office	Date of first election	Shares held at the time of election		Current shareholding		Current shareholding of spouse and minor children		Shareholding in the name of others		Main career (academic) qualifications	Position(s) held concurrently in the Company/in any other company	Other officers and directors who are spouses or relatives within the 2nd degree of kinship			Note	
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship		
Chairman	Republic of China	Joseph Hsu	Male Aged 71~80	2023.06.09	3	1990.06.13	5,442,512	5.86	6,147,038	5.85	1,017,992	0.97	-	-	EMBA, National Central University Department of Business Administration, National Chung Hsing University Manager, TDK Corporation Vice General Manager, General Manager, and Chairman of ABC Taiwan	Director and Chairman of ABC Taiwan Co., Ltd.; Chairman of ATEC Holding Company, AOBA, AAE, and Yuan Yu Limited; Director of AGZ, AES, Qian Hua Investment Co., Ltd., and Qian Jung Co., Ltd. (see Note)	Director	Tommy Hsu Hsu Chen, Huei-Tsung	Father and son Spouse	-	
Director	USA	CTBC Bank was entrusted with the custody of the investment account of Bourns, Inc. Representative: Liang Cheng-Yi	Male 60~70 years old	2023.06.09	3	2017.06.28	8,068,793	8.68	9,117,736	8.68	-	-	-	-	-	-	-	-	-	-	-
	Republic of China						-	-	-	-	-	-	-	-	-	-	-	President, Bourns Electronics (Taiwan) Ltd.	President, Bourns Electronics (Taiwan) Ltd.	-	-
Director	Republic of China	Francis Fan	Male 60~70 years old	2023.06.09	3	1990.06.13	1,144,894	1.23	1,293,730	1.23	43,017	0.04	-	-	Ph.D. in Resource Engineering, National Cheng Kung University EMBA, National Tsing Hua University Department of Electronic Engineering, Xinyu University of Technology Associate Vice President, Deputy General Manager and General Manager, Vice Chairman of the Company	Director of AGZ, AES, AOBA, Qian Hua Investment Co., Ltd., ATEC UNIVERSAL COMPANY, and Yuan Yu Limited (see note)	-	-	-	-	
Director	Republic of China	Tommy Hsu	Male Aged 41~50	2023.06.09	3	2014.06.24	1,450,089	1.56	1,648,600	1.57	304,205	0.29	-	-	MBA, University of Missouri Manager, ABC America Electronics Corp. Manager and Vice General Manager of the Company's automotive electronics products; General Manager of Malaysia Factory	Director and General Manager of AOBA; Director of AGZ, AES, AAE, A-TEC INTERNATIONAL COMPANY, Qian Jung Co., Ltd., and Qian-Chi; Chairman of Qian Hua Investment Co., Ltd. (see note)	Director	Joseph Hsu Hsu Chen, Huei-Tsung	Father and son Mother and son	-	
Director	Republic of China	Polter Hong	Male Aged 60~70	2023.06.09	3	2011.06.02	171,475	0.18	188,766	0.18	2,124	0.00	-	-	Master of Business Administration, Tatung University Manager, Vice General Manager, Financial Department, Fan Shaing Electronics Co., Ltd. Special Assistant to General Manager, Vice General Manager of the Company; General Manager of Shanghai Factory	AGZ, AES, AOBA directors (see note)	-	-	-	-	
Director	Republic of China	Hsu Chen, Huei-Tsung	Female Aged 71~80	2023.06.09	3	2020.06.23	900,878	0.97	1,017,992	0.97	6,147,038	5.85	-	-	Department of Chinese Literature, Providence University Junior high school teacher	Chairman, Qian Jung Investment Co., Ltd.	Director	Joseph Hsu Tommy Hsu	Spouse Mother and son	-	

Title	Nationality or place of registration	Name	Gender and age	Date of election (appointment)	Term of office	Date of first election	Shares held at the time of election		Current shareholding		Current shareholding of spouse and minor children		Shareholding in the name of others		Main career (academic) qualifications	Position(s) held concurrently in the Company/in any other company	Other officers and directors who are spouses or relatives within the 2nd degree of kinship			Note
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Director	Republic of China	Chen Chin-Yi	Male Aged 51~60	2023.06.09	3	2023.06.09	142,461	0.15	201,980	0.19	1,430	-	-	-	EMBA, National Tsing Hua University R&D Manager and Deputy General Manager of the Company Deputy General Manager of Guangzhou Plant	Vice President of ABC Taiwan General Manager of AGZ and AES	-	-	-	-
Independent Director	Republic of China	Wang, Yung-Cher	Male Aged 81~90	2023.06.09	3	2003.06.25	-	-	-	-	-	-	-	-	Department of Business Administration, National Chung Hsing University Professor and Dean of General Affairs, College of Business Administration, National Chung Hsing University Professor, Department of Business Administration, National Taipei University	Member of the Audit Committee and the Remuneration Committee of the Company	-	-	-	-
Independent Director	Republic of China	Yu-Shan Chang	Male Aged 60~70	2023.06.09	3	2023.06.09	-	-	-	-	-	-	-	-	Ph.D. in Information Science, National Chiao Tung University Dean, College of Electrical Engineering, National Taipei University Distinguished Professor, Department of Computer Science and Information Engineering, National Taipei University Executive Vice President for Administration, National Taipei University	Member of the Audit Committee and the Remuneration Committee of the Company	-	-	-	-
Independent Director	Republic of China	Chen Yu-Shan	Male Aged 51~60	2024.06.03	2	2023.05.30	-	-	-	-	-	-	-	-	Distinguished Professor, Secretary-General, and Dean of the College of Business, National Taipei University Vice President for Academic Affairs, National Taipei University	Member of the Audit Committee and the Remuneration Committee of the Company Independent Director of Topco Scientific Co., Ltd.	-	-	-	-
Independent Director	Republic of China	Cheng Kwai-Hui	Female 60~70	2024.06.03	2	2024.06.03	-	-	-	-	-	-	-	-	Professor and Department Chair, Department of Accounting, National Taipei University; Adjunct Professor, Department of Accounting, National Taipei University	Member of the Audit Committee and the Remuneration Committee of the Company Supervisor of the Central Bank Independent Director of APEX Medical Corp.	-	-	-	-

- Note: 1. Guangzhou ABC Taiwan Electronics Co., Ltd. (abbreviated as AGZ), ABC Taiwan Electronics (Shanghai) Co., Ltd. (abbreviated as AES), AOBA TECHNOLOGY (M) SDN. BHD. (abbreviated as AOBA), ABC America Electronics Corp. (abbreviated as AAE), Qian Hua Investment Co., Ltd. (abbreviated as Qian Hua Investment), Qian Jung Investment Co., Ltd. (abbreviated as Qian Jung), and Qian-Chi Electronics Co., Ltd. (abbreviated as Qian-Chi).
2. The Company does not have a Chairperson and General Manager or person of an equivalent post (the highest level manager) who are the same person, spouses, or relatives of first degree of kinship.
3. The representative of Bourns Electronics(Taiwan) Ltd. was changed from Kuo Tan-Wei to Liang Cheng-Yi with effect from March 12, 2026.

Major shareholders of corporate shareholders

Name of corporate shareholder	Major shareholders of corporate shareholders
Bourns Inc. (CTBC Bank was entrusted with the custody of the investment account of Bourns, Inc.)	Anita Bourns Macbeth Family LLC (25.68%) Gordon L. Bourns Family LLC (25.33%) Linda Bourns Hill Family LLC (24.75%) Denise Bourns Moyles Family LLC (24.24%)

Information of the Directors (II)

1. Information disclosure on the professional qualifications of the directors and the independence of the independent directors

Criteria Name	Professional qualifications and experience	State of independence (Note 2)	Number of other public companies in which the individual is concurrently serving as an independent director
Joseph Hsu	Possesses work experience required by business and corporate operations and does not meet the circumstances specified in Article 30 of the Company Act Manager, TDK Corporation Vice General Manager, General Manager, and Chairman of ABC Taiwan	Not applicable	-
CTBC Bank was entrusted with the custody of the investment account of Bourns, Inc. Representative: Liang Cheng-Yi (Note)	Possesses work experience required by business and corporate operations and does not meet the circumstances specified in Article 30 of the Company Act President, Bourns Electronics (Taiwan) Ltd.	Not applicable	-
Francis Fan	Possesses work experience required by business and corporate operations and does not meet the circumstances specified in Article 30 of the Company Act Assistant General Manager, Deputy General Manager, General Manager, and Vice Chairman of the Company	Not applicable	-
Polter Hong	Possesses work experience required by business and corporate operations and does not meet the circumstances specified in Article 30 of the Company Act Manager, Vice General Manager, Financial Department, Fan Shaing Electronics Co., Ltd. Special Assistant to General Manager, Vice General Manager of the Company; General Manager of Shanghai Factory	Not applicable	-

Tommy Hsu	Possesses work experience required by business and corporate operations and does not meet the circumstances specified in Article 30 of the Company Act Manager, ABC America Electronics Corp. Manager and Vice General Manager of the Company's automotive electronics products; General Manager of Malaysia Factory	Not applicable	-
Chen Chin-Yi	Possesses work experience required by business and corporate operations and does not meet the circumstances specified in Article 30 of the Company Act Vice General Manager of the Company President of Guangzhou ABC Electronics Corp. General Manager of ABC Electronics (Shanghai) Corp.	Not applicable	-
Hsu Chen, Huei-Tsung	Possesses work experience required by business and corporate operations and does not meet the circumstances specified in Article 30 of the Company Act Junior high school teacher	Not applicable	-
Wang, Yung-Cheng	A member of a functional committee (audit, remuneration); possesses work experience required by business and corporate operations and does not meet the circumstances specified in Article 30 of the Company Act Professor and Dean of General Affairs, College of Business Administration, National Chung Hsing University Professor, Department of Business Administration, National Taipei University	<ol style="list-style-type: none"> 1. None of his/her spouse, relatives within the 2nd degree of kinship have served as directors, supervisors, or employees of the Company. 2. None of his/her spouse, relatives within the 2nd degree of kinship (or in the name of another person) held any shares of the Company. 3. Not a director, supervisor, or employee of a company specifically related to the Company. 4. Not receiving compensation for providing business, legal, financial and accounting services to the Company or its affiliated companies in the past 2 years. 	-
Yu-Shan Chang	A member of a functional committee (audit, remuneration); possesses work experience required by corporate operations and does not meet the circumstances specified in Article 30 of the Company Act Distinguished Professor, Department of Computer Science and Information Engineering, National Taipei University, and Executive Vice President; Distinguished Professor, Department of Computer Science and Information Engineering, National Taipei University, and Dean of the College of Electrical Engineering and Computer Science; Professor, Department of Computer Science and Information Engineering, National Taipei University; Associate Professor, Department of Computer Science and Information Engineering, National Taipei University	<ol style="list-style-type: none"> 1. None of his/her spouse, relatives within the 2nd degree of kinship have served as directors, supervisors, or employees of the Company. 2. None of his/her spouse, relatives within the 2nd degree of kinship (or in the name of another person) held any shares of the Company. 3. Not a director, supervisor, or employee of a company specifically related to the Company. 4. Not receiving compensation for providing business, legal, financial and accounting services to the Company or its affiliated companies in the past 2 years. 	-

Chen Yu-Shan	<p>A member of a functional committee (audit, remuneration); possesses work experience required by corporate operations and does not meet the circumstances specified in Article 30 of the Company Act</p> <p>Distinguished Professor, Department of Business Administration, National Taipei University, and Vice President for Academic Affairs; Distinguished Professor, Department of Business Administration, National Taipei University, and Chief Secretary;</p> <p>Distinguished Professor, Department of Business Administration, National Taipei University, and Dean of the College of Business</p>	<ol style="list-style-type: none"> 1. None of his/her spouse, relatives within the 2nd degree of kinship have served as directors, supervisors, or employees of the Company. 2. None of his/her spouse, relatives within the 2nd degree of kinship (or in the name of another person) held any shares of the Company. 3. Not a director, supervisor, or employee of a company specifically related to the Company. 4. Not receiving compensation for providing business, legal, financial and accounting services to the Company or its affiliated companies in the past 2 years. 	1
Cheng Kwai-Hui	<p>A member of a functional committee (audit, remuneration); possesses work experience required by corporate operations and does not meet the circumstances specified in Article 30 of the Company Act</p> <p>Adjunct Professor, Department of Accounting, National Taipei University; Professor, Department of Accounting, National Taipei University; Chair of the Department of Accounting, National Taipei University</p>	<ol style="list-style-type: none"> 1. None of his/her spouse, relatives within the 2nd degree of kinship have served as directors, supervisors, or employees of the Company. 2. None of his/her spouse, relatives within the 2nd degree of kinship (or in the name of another person) held any shares of the Company. 3. Not a director, supervisor, or employee of a company specifically related to the Company. 4. Not receiving compensation for providing business, legal, financial and accounting services to the Company or its affiliated companies in the past 2 years. 	1

Note: The representative of Bourns Electronics (Taiwan) Ltd. was changed from Kuo Tan-Wei to Liang Cheng-Yi effective March 12, 2026.

2. Diversity and independence of the Board

- (1) The Company is committed to implementing the diversity policy of the Board of Directors to enhance governance effectiveness. The current target is that independent directors shall account for more than 30% of all directors, and at least one female director shall be included among the members.
- (2) The Company's 16th Term Board of Directors comprises 11 members with cross-disciplinary professional backgrounds in industry, academia, and accounting. In terms of board composition, there are 4 independent directors, accounting for 36%, exceeding the original target; there are 2 female directors, accounting for 18%. In addition, 3 directors (27%) have spousal relationships or are relatives within the 2nd degree of kinship, which complies with relevant laws and regulations and fully ensures the independence and objectivity of the operation of the Board of Directors.
- (3) The implementation of the diversity and independence policies of the Board of Directors is shown in the table below:

Items Names of director	Title	Nationality	Gender	Holding a concurrent position as an employee of the Company	Age of director			Term and seniority of independent directors			Core items							
					Under 60 years old	60-70 years old	Over 70 years old	Less than 3 years	3 to 9 years	More than 9 years	The ability to make judgments about operations	Accounting and financial analysis ability	Business management ability	Crisis management ability	Knowledge of the industry	An international market perspective	Leadership ability	
Joseph Hsu	Chairman	Republic of China	Male	√			√					√	√	√	√	√	√	√
Representative of CTBC Bank Co., Ltd., acting as custodian of the investment account of Bourns, Inc. Liang Cheng-Yi (Note)	Director	USA Republic of China	Male		√							√	√	√	√	√	√	√
Francis Fan	Director	Republic of China	Male	√		√						√	√	√	√	√	√	√
Polter Hong	Director	Republic of China	Male			√						√	√	√	√	√	√	√
Tommy Hsu	Director	Republic of China	Male	√	√							√	√	√	√	√	√	√
Chen Chin-Yi	Director	Republic of China	Male	√	√							√	√	√	√	√	√	√
Hsu Chen, Huei-Tsung	Director	Republic of China	Female				√					√						
Wang, Yung-Cheng	Independent Director	Republic of China	Male				√			√		√	√	√				
Yu-Shan Chang	Independent Director	Republic of China	Male			√		√				√	√	√	√	√	√	√
Chen Yu-Shan	Independent Director	Republic of China	Male		√			√				√	√	√	√	√	√	√
Cheng Kwai-Hui	Independent Director	Republic of China	Female			√		√				√	√	√	√	√	√	√

Note: The representative of Bourns Electronics (Taiwan) Ltd. was changed from Kuo Tan-Wei to Liang Cheng-Yi effective March 12, 2026.

(II) Information on the general manager, vice general managers, assistant vice general managers, and supervisors of various departments and branches

2026/04/11 Unit: shares; NT\$ thousand; %

Title	Nationality	Name	Gender	Date of election (appointment)	Shareholding		Shareholding of spouse and minor children		Shareholding in the name of others		Main career (academic) qualifications	Position(s) held concurrently in any other company	Other managers who are spouses or relatives within the 2nd degree of kinship			Note
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
General Manager	Republic of China	Francis Fan	Male	2021.01.01	1,293,730	1.23	43,017	0.04	-	-	Ph.D. in Resource Engineering, National Cheng Kung University EMBA, National Tsing Hua University Department of Electronic Engineering, Xipu University of Technology Assistant General Manager, Vice General Manager and General Manager of the Company	Director of AGZ, AES, AOA, Qian Hua Investment Co., Ltd., ATEC UNIVERSAL COMPANY, Yuan Yu Limited, and Qian-Chi (see Note)	Assistant General Manager	Fan, Liang-Hsiu	Collateral relative within the second degree of kinship	-
Vice general manager	Republic of China	Tommy Hsu	Male	2009.09.01	1,648,600	1.57	304,205	0.29	-	-	MBA, University of Missouri Manager, ABC America Electronics Corp. Manager and Vice General Manager of the Company's automotive electronics products; General Manager of Malaysia Factory	Director and President of AOA Director of AGZ, AES, AAE, Qian Jung Co., Ltd., and Qian-Chi; Chairman of Qian Hua Investment Co., Ltd. (see note)	-	-	-	-
Vice general manager	Republic of China	Chen Chin-Yi	Male	2021.09.01	201,980	0.19	1,430	0.00	-	-	EMBA, National Tsing Hua University Department of Electronic Engineering, Southern Taiwan University of Science and Technology Assistant General Manager of the Company	General Manager of AGZ and AES (see Note)	-	-	-	-
Assistant General Manager	Republic of China	Cheng Shao-Yen	Male	2009.08.01	538,590	0.51	-	-	-	-	Department of Secretarial Affairs, National Shih Chien University The Company's manager	Director of AAE	-	-	-	-
Assistant General Manager	Republic of China	Hsu Shih-Feng	Male	2023.12.01	100,000	0.10	-	-	-	-	Ph.D. in Applied Chemistry, National Chiao Tung University R&D Manager, AUO	Director of AGZ and AES	-	-	-	-
Assistant General Manager	Republic of China	Fan, Liang-Hsiu	Male	2024.04.16	397	0.00	-	-	-	-	Department of Information Management, Chung Yuan Christian University IT Project Manager, Merck Taiwan	-	General Manager	Francis Fan	Collateral relative within the second degree of kinship	-
Assistant General Manager	Republic of China	Luo, Wen-Yen	Male	2024.12.01	45,120	0.04	-	-	-	-	Department of Chemical Engineering, Vanung University Department of Materials, Chung Yuan Christian University (did not complete program) Assistant General Manager of the Company	Deputy General Manager of AGZ and AOA	-	-	-	-
Chief Accounting Officer	Republic of China	Cheng Ya-Yun	Female	2022.04.01	1,130	0.00	-	-	-	-	Master of Accounting, National Central University Department of Accounting, Fu Jen Catholic University PwC Taiwan	-	-	-	-	-

Note: 1. Guangzhou ABC Taiwan Electronics Co., Ltd. (AGZ), ABC Taiwan Electronics (Shanghai) Co., Ltd. (AES), AOA Technology (M) Co., Ltd. (AOBA), ABC America Electronics Corp. (AAE), Qian Hua Investment Co., Ltd. (referred to as Qian Hua Investment Company), Qian Jung Investment Co., Ltd. (referred to as Qian Jung Company), and Qian-Chi Electronics Co., Ltd. (referred to as Qian-Chi).

2. The Company does not have a Chairperson and General Manager or person of an equivalent post (the highest level manager) who are the same person, spouses, or relatives of first degree of kinship.

Range of Remuneration Table

Range of remuneration paid to each director	Names of director			
	Total remuneration (A+B+C+D)		Total remuneration (A+B+C+D+E+F+G)	
	The Company	All companies included in the financial report H	The Company	All companies included in the financial report I
Below NT\$1,000,000	Joseph Hsu, CTBC Bank was entrusted with the custody of the investment account of Bourns, Inc., Francis Fan, Polter Hong, Tommy Hsu, Hsu Chen Huei-Tsung, Chen Chin-Yi, Wang, Yung-Cheng, Chang Yu-Shan, Chen Yu-Shan, Cheng Kwai-Hui	Joseph Hsu, CTBC Bank was entrusted with the custody of the investment account of Bourns, Inc., Francis Fan, Polter Hong, Tommy Hsu, Hsu Chen Huei-Tsung, Chen Chin-Yi, Wang, Yung-Cheng, Chang Yu-Shan, Chen Yu-Shan, Cheng Kwai-Hui	CTBC Bank was entrusted with the custody of the investment account of Bourns, Inc., Polter Hong, Hsu Chen, Huei-Tsung, Wang, Yung-Cheng, Chang Yu-Shan, Chen Yu-Shan, Cheng Kwai-Hui	CTBC Bank was entrusted with the custody of the investment account of Bourns, Inc., Polter Hong, Hsu Chen, Huei-Tsung, Wang, Yung-Cheng, Chang Yu-Shan, Chen Yu-Shan, Cheng Kwai-Hui
NT\$1,000,000 (incl.)~NT\$2,000,000 (excl.)	-	-	-	-
NT\$2,000,000 (incl.)~NT\$3,500,000 (excl.)	-	-	Joseph Hsu, Chen Chin-Yi	Joseph Hsu
NT\$3,500,000 (incl.)~NT\$5,000,000 (excl.)	-	-	Francis Fan, Tommy Hsu	Chen Chin-Yi, Tommy Hsu
NT\$5,000,000 (incl.)~NT\$10,000,000 (excl.)	-	-	-	Francis Fan
NT\$10,000,000 (incl.)~NT\$15,000,000 (excl.)	-	-	-	-
NT\$15,000,000 (incl.)~NT\$30,000,000 (excl.)	-	-	-	-
NT\$30,000,000 (incl.)~NT\$50,000,000 (excl.)	-	-	-	-
NT\$50,000,000 (incl.)~NT\$100,000,000 (excl.)	-	-	-	-
Over NT\$100,000,000	-	-	-	-
Total	11 persons	11 persons	11 persons	11 persons

Note 1: Names of directors shall be separately presented (for corporate shareholders, the name of the corporate shareholder and its representative are presented separately) and distinguished between independent and non-independent directors, while the amounts are presented in aggregate sums. If a director is concurrently the general manager or vice general manager, fill in this table and the following table (3-1), or the following table (3-2-1) and (3-2-2).

Note 2: Refers to the remuneration of directors in the most recent year (including directors' salary, job bonus, severance payment, various bonuses, incentives, etc.).

Note 3: This is the amount of director remuneration approved by the Board of Directors in the most recent year.

Note 4: Refers to a director's relevant business execution expenses in the most recent year (including transportation fees, special expenses, various allowances, dormitory, vehicle allocation, etc.). When providing housing, cars and other means of transportation or exclusive personal expenses, the nature and cost of the assets provided, the actual or fair market price rent, fuel and other payments should be disclosed. In addition, if there is a driver, please note the relevant remuneration paid by the Company to the driver, but it will not be included in the remuneration.

Note 5: Refers to the salary, job bonus, severance payment, various bonuses, incentive payments, transportation fees, special expenses, various allowances, dormitory, vehicle allocation and other in-kind provisions received by directors who also serve as employees (including also serving as a general manager, vice general manager, other officer or employee) in the most recent fiscal year. When providing housing, cars and other means of transportation or exclusive personal expenses, the nature and cost

of the assets provided, the actual or fair market price rent, fuel and other payments should be disclosed. In addition, if there is a driver, please note the relevant remuneration paid by the Company to the driver, but it will not be included in the remuneration. Also, salary expenses recognized in accordance with IFRS2 “shares-based payment”, including obtaining employee stock options, restricting employee rights, new shares, and participating in capital injection subscription shares, should also be included in remuneration.

Note 6: Refers to those who have received employee remuneration (including stocks and cash) for concurrent directors (including concurrently serving as a general manager, vice general manager, other officer or employee) in the most recent year. The amount of employee remuneration approved by the Board of Directors in the most recent year shall be disclosed. If it is not possible to estimate, the proposed distribution amount for this year shall be calculated based on the actual distribution amount last year, and the attached Table 1-3 shall be filled in.

Note 7: The total amount of remuneration paid to the directors of the Company by all companies (including the Company) in the consolidated report should be disclosed.

Note 8: The Company pays the total amount of remuneration to each director, and reveals the name of the director in the attribution level.

Note 9: The total amount of remuneration paid to each director of the Company by all companies (including the Company) in the consolidated report should be disclosed, and the names of the directors should be disclosed in the attribution level.

Note 10: Profit after tax refers to the net profit after tax on the parent company only or individual financial reports.

Note 11: a. This column should clearly indicate the amount of relevant remuneration received by the directors of the Company from the subsidiary company or the parent company. (If there is none, please fill in “None”).

b. If the directors of the Company receive relevant remuneration from the out-of-subsiary investment business or the parent company, they shall transfer the remuneration received by the Company directors to the out-of-subsiary investment business or the parent company. Incorporate this into column I of the remuneration grading table and change the name of the column to “Parent Company and All Reinvested Enterprises”.

c. Remuneration refers to the compensation, remuneration (including remuneration of employees, directors and supervisors) and business execution expenses received by the directors of the Company as directors, supervisors or officers of non-subsiary investment enterprises or parent company remuneration.

* The content of the remuneration disclosed in this table is different from the income concept of the income tax law, so the purpose of this table is for information disclosure and not for taxation.

(II) Remuneration to supervisors

The Company established an Audit Committee in accordance with the Securities and Exchange Act at the shareholders' meeting held on 2020/6/23, and the supervisors were dismissed on 2020/6/23.

(III) Remuneration to General Manager and Vice General Manager

Title	Name	Salary (A)		Pension (B)		Bonuses and special allowances (C)		Remuneration to Employees (D)				Total sum of A, B, C and D and their proportion to net income after tax(%)		Remuneration received from investees other than subsidiaries or parent company
		The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company		All companies included in the financial report		The Company	All companies included in the financial report	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
General Manager	Francis Fan	7,382	10,382	0	0	2,881	2,881	676	0	676	0	10,939 32.40%	13,939 41.29%	None
Vice General Manager	Tommy Hsu													
Vice General Manager	Chen Chin-Yi													

Range of Remuneration Table

Range of remuneration to the general director and deputy general manager	Name of general manager and vice general manager	
	The Company	All companies included in the financial report E
Below NT\$1,000,000	-	-
NT\$1,000,000 (inclusive) - NT\$2,000,000 (exclusive)	-	-
NT\$2,000,000 (inclusive) - NT\$3,500,000 (exclusive)	Chen Chin-Yi	-
NT\$3,500,000 (inclusive) - NT\$5,000,000 (exclusive)	Tommy Hsu, Francis Fan	Francis Fan, Tommy Hsu, Chen Chin-Yi
NT\$5,000,000 (inclusive) - NT\$10,000,000 (exclusive)	-	-
NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive)	-	-
NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive)	-	-
NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive)	-	-
NT\$50,000,000 (inclusive) - NT\$100,000,000 (exclusive)	-	-
Over NT\$100,000,000	-	-
Total	3 persons	3 persons

Note 1: Names of the general manager and vice general manager shall be separately presented, while the amounts are presented in aggregate sums.

Note 2: Refers to the salary, job bonus and severance payment for general manager and vice general manager.

Note 3: Refers to various bonuses, incentive payments, transportation fees, special expenses, various allowances, dormitory, vehicle allocation and other in-kind provisions and other remuneration received by general manager and vice general manager in the most recent fiscal year. When providing housing, cars and other means of transportation or exclusive personal expenses, the nature and cost of the assets provided, the actual or fair market price rent, fuel and other payments should be disclosed. In addition, if there is a driver, please note the relevant remuneration paid by the Company to the driver, but it will not be included in the remuneration. Also, salary expenses recognized in accordance with IFRS2 "shares-based payment", including obtaining employee stock options, restricting employee rights, new shares, and participating in capital injection subscription shares, should also be included in remuneration.

- Note 4: The amount of employee remuneration (including stocks and cash) approved by the Board of Directors for distribution to the general manager and vice general manager in the most recent year. If it is not possible to estimate, the proposed distribution amount for this year shall be calculated based on the actual distribution amount last year, and the attached Table 1-3 shall be filled in.
- Note 5: The total amount of remuneration paid by all companies (including the Company) to the general manager and vice general manager of the Company in the consolidated report should be disclosed.
- Note 6: The Company pays the total amount of remuneration to each general manager and vice general manager, and reveals the names of the general manager and vice general manager in the attribution level.
- Note 7: The total amount of remuneration paid to each general manager and vice general manager of the Company by all companies (including the Company) in the consolidated report shall be disclosed, and the names of the general manager and vice general manager shall be disclosed in the attribution level.
- Note 8: Net income refers to profit after tax of a parent only company or individual financial report in the most recent fiscal year.
- Note 9: a. This column should clearly state the amount of relevant remuneration received by the general manager and vice general manager of the Company from the subsidiary company or the parent company (if none, please fill in “none”).
- b. If the general manager or vice general manager of the Company receives relevant remuneration from the out-of-subsi-dary investment business or the parent company, they shall transfer the remuneration received by the general manager or vice general manager of the Company to the out-of-subsi-dary investment business or the parent company. Incorporate this into column I of the remuneration grading table and change the name of the column to “Parent Company and All Reinvested Enterprises”.
- c. Remuneration refers to when a general manager and vice general manager of the Company serves as a director, supervisor, or officer of reinvested businesses or parent companies, etc. other than a subsidiary and in that position receives remuneration or rewards (including remuneration for employees, directors and supervisors) and payments related to business execution expenses.
- * The content of the remuneration disclosed in this table is different from the income concept of the income tax law, so the purpose of this table is for information disclosure and not for taxation.
- Note 10: The Company does not have the matters described in Article 10-2-3 of the "Regulations Governing Information to be Published in Annual Reports of Public Companies", so it is not necessary to disclose the remuneration information of the top five department heads (such as General Manager, Deputy General Manager, CEO, or financial head) with the highest remuneration.

(IV) Names of officers who receive employee remuneration and distribution status

April 12, 2026

Unit: NT\$ thousand

	Title	Name	Amount in stock	Amount in cash	Total	Total amount to net income after tax (%)
Managerial officer	General Manager	Francis Fan	-	1,472	1,472	4.36%
	Vice general manager	Tommy Hsu				
	Vice general manager	Chen Chin-Yi				
	Assistant General Manager	Cheng Shao-Yen				
	Assistant General Manager	Hsu Shih-Feng				
	Assistant General Manager	Fan, Liang-Hsiu				
	Assistant General Manager	Luo, Wen-Yen				
	Chief Accounting Officer	Cheng Ya-Yun				
	Chief of Internal Auditor	Chiang Cheng-Yu				
	Chief of corporate governance	Wang Shu-Hua				

(V) Analysis of the total remuneration paid to the directors, general manager and vice general managers of the company for the 2 most recent fiscal years by the company and all companies in the consolidated financial statements as a proportion to net income after tax of parent company only financial reports or individual financial reports; and explain the payment of remuneration policies, standards and combinations, procedures for determining remuneration, and their correlation with business performance and future risks:

1. Analysis of the total remuneration paid to the directors, general manager and vice general managers of the company for the 2 most recent fiscal years by the company and all companies in the consolidated financial statements as a proportion to net income after tax of parent company only financial reports or individual financial reports:

Title \ Year	2024		2025	
	The Company	All companies included in the financial report	The Company	All companies included in the financial report
Director	316.71%	397.99%	48.90%	59.63%
Supervisor	-	-	-	-
General director and vice general manager	197.82%	264.73%	32.40%	41.29%

2. Payment of remuneration policies, standards and combinations, procedures for determining remuneration, and their correlation with business performance and future risks:

- (1) The proportion of remuneration paid to directors, the General Manager and Deputy General Manager to the Company's net income after tax decreased in 2025 compared to 2024, mainly due to profit growth in 2025 resulting in a lower payment ratio.
- (2) The remuneration to the Company's directors and supervisors is based on the remuneration to directors and supervisors stipulated in the Company's Articles of Incorporation, while taking into consideration of the general remuneration in the same industry of monthly payment between NT\$10 to NT\$20 thousand. If the director or supervisor is concurrently an employee, he/she would receive salary, bonuses and employee remuneration according to company regulations.
- (3) The Company's general manager and vice general manager receive bonuses and employee remuneration based on the business performance, in addition to salaries

specified by the Company regulations. The Company established a Remuneration Committee on 2011/12/28, and the remuneration for directors and company officers is given in accordance with the Remuneration Committee Charter.

- (4) Correlation with business performance and future risks: The Company's remuneration policy and related payment standards and system are reviewed with the Company's overall operating conditions being the main consideration. The payment standard is approved according to the performance achievement rate and contribution. In doing this, we are able to enhance the effectiveness of the Board of Directors and the organizational team as a whole. In addition, the Company will refer to the remuneration standards in the industry and ensure that the remuneration of the management is competitive with the industry in order to retain outstanding management talent.

III. Operations of corporate governance

(I) Operations of the Board of Directors

The term of office of the current Board of Directors (16th): June 9, 2023 to June 8, 2026.

In 2025 and 2026 up to the printing date, the 16th Board of Directors had held 7 meetings (C), and the attendance of directors/independent directors is as follows:

Title	Name	Attendance in person [D]	Attendance by proxy	Actual attendance rate (%) [D/C]	Note
Chairman	Joseph Hsu	7	0	100%	
Director	CTBC Bank was entrusted with the custody of the investment account of Bourns, Inc. Representative: Liang Cheng-Yi	6	0	86%	The representative of Taiwan Bourns Electronics (Taiwan) Ltd. changed from Kuo Tan-Wei to Liang Cheng-Yi on March 12, 2026
Director	Francis Fan	7	0	100%	
Director	Polter Hong	7	0	100%	
Director	Tommy Hsu	6	1	86%	
Director	Chen Chin-Yi	7	0	100%	
Director	Hsu Chen, Huei-Tsung	7	0	100%	
Independent Director	Wang, Yung-Cheng	5	0	71%	
Independent Director	Yu-Shan Chang	7	0	100%	
Independent Director	Chen Yu-Shan	7	0	100%	
Independent Director	Cheng Kwai-Hui	7	0	100%	

◎: Attendance in person; ☆: Attendance by proxy; △: Leave of absence

Title	Name	16th term							Note
		13th meeting 20250120	14th meeting 20250310	15th meeting 20250509	16th meeting 20250808	17th meeting 20251110	18th meeting 20261122	19th meeting 20260312	
Chairman	Joseph Hsu	◎	◎	◎	◎	◎	◎	◎	
Director	CTBC Bank was entrusted with the custody of the investment account of Bourns, Inc. Representative: Liang Cheng-Yi	◎	◎	◎	△	◎	◎	◎	The representative of Taiwan Bourns Electronics (Taiwan) Ltd. changed from Kuo Tan-Wei to Liang Cheng-Yi on March 12, 2026
Director	Francis Fan	◎	◎	◎	◎	◎	◎	◎	
Director	Polter Hong	◎	◎	◎	◎	◎	◎	◎	
Director	Tommy Hsu	◎	☆	◎	◎	◎	◎	◎	
Director	Chen Chin-Yi	◎	◎	◎	◎	◎	◎	◎	
Director	Hsu Chen, Huei-Tsung	◎	◎	◎	◎	◎	◎	◎	
Independent Director	Wang, Yung-Cheng	◎	◎	◎	◎	◎	△	△	
Independent Director	Yu-Shan Chang	◎	◎	◎	◎	◎	◎	◎	
Independent Director	Chen Yu-Shan	◎	◎	◎	◎	◎	◎	◎	
Independent Director	Cheng Kwai-Hui	◎	◎	◎	◎	◎	◎	◎	

Implementation of the Board of Directors evaluation

TWSE/TPEX companies should disclose information including the evaluation cycle, evaluation period, evaluation scope, evaluation method and evaluation content of the Board's self (or peer) evaluation:

- (I) In order to implement corporate governance and enhance the functions of the Board of Directors, the Company conducts the evaluation in accordance with the "Self-Evaluation of the Board of Directors". The evaluation results of the Board of Directors and its members, the Audit Committee and the Remuneration Committee are as follows, and the evaluation criteria and results were submitted to the Board of Directors on March 12, 2026:

Evaluation cycle	Once a year		
Evaluation period	2025.01.01-2025.12.31		
Evaluation scope	Evaluation method	Evaluation content	Evaluation results
Board of Directors	Internal self-evaluation	Participation in the Company's operations	Good
		Quality of the Board of Directors' decision making	
		Composition and structure of the Board of Director	
		Election and continuing education of the directors	
		Internal control	
Individual director	Self-evaluation of Board member	Alignment of the goals and missions of the company	Good
		Awareness of the duties of a director	
		Participation in the Company's operations	
		Management of internal relationship and communication	
		The director's professionalism and continuing education.	
		Internal control	
Audit Committee	Internal self-evaluation	Participation in the Company's operations	Good
		Awareness of the duties of the Audit Committee	
		Improvement of quality of decisions made by the Audit Committee	
		Composition and structure of the Audit Committee	
		Internal control	
Remuneration Committee	Internal self-evaluation	Participation in the Company's operations	Good
		Awareness of the duties of the Remuneration Committee	
		Improvement of quality of decisions made by the Remuneration Committee	
		Composition and structure of the Remuneration Committee	

(II) Overall, the Board of Directors and functional committees operate well. The Company will continue to refine the functions of the Board of Directors based on the results of this performance evaluation to improve the effectiveness of corporate governance. In addition, in accordance with Article 9 of the "Procedures for Self-Evaluation on the Performance of the Board of Directors," the results of the performance evaluation of the Board of Directors shall be used as a reference for the selection or nomination of directors. The performance evaluation results of individual directors shall be used as a reference for determining their respective remuneration.

Other information required for disclosure:

I. For Board of Directors meetings that meet any of the following descriptions, state the date, session, the discussed agenda, independent directors' opinions and how the company responded to such opinions:

(I) Matters listed in Article 14-3 of the Securities and Exchange Act: None.

(II) Except for the preceding matters, any matter resolved by the Board of Directors with an independent director expressing an objection or reservation that has been included in records or stated in writing: None.

II. Recusal of the directors from motions involving their interest, specify the names of the directors, the content of the motions, the reason for recusal, and the participation in voting:

Board of Directors	Names of director	Content of motion	Reason for recusal and participation in voting
2025.01.20 13th meeting of the 16th term	Chairman Joseph Hsu, Director Francis Fan, Director Tommy Hsu, Director Chen Chin-Yi, and Director Hsu Chen, Huei-Tsung	Base for 2024 year-end bonus and distribution of year-end bonus to company officers	Chairman Joseph Hsu, Director Francis Fan, Director Tommy Hsu, and Director Chen Chin-Yi concurrently serve as managerial officers; Director Hsu Chen, Huei-Tsung is the spouse of a director and a blood relative within the 2nd degree of kinship. The aforementioned five persons are interested parties and recused themselves from discussion and voting.
2025.08.08 16th Term, 16th meeting	Chairman Joseph Hsu, Directors Francis Fan, Tommy Hsu, Chen Chin-Yi, Kuo Tan-Wei, Polter Hong, and Hsu Chen, Huei-Tsung; Independent Directors Wang Yung-Cheng, Chang Yu-Shan, Chen Yu-Shan and Cheng Kwai-Hui.	Motion for 2024 distribution of remuneration to managerial officers	Chairman Joseph Hsu, Director Francis Fan, Director Tommy Hsu, Director Chen Chin-Yi, and Director Hsu Chen, Huei-Tsung, being managerial officers concurrently serving as directors, spouses of directors, or blood relatives within the 2nd degree of kinship, recused themselves from the discussion and voting in accordance with Article 18 of the Company's Rules of Procedure for Board of Directors Meetings.

2025.08.08 16th Term, 16th meeting	Independent Directors Wang Yung-Cheng, Chang Yu-Shan, Chen Yu-Shan, and Cheng Kwai-Hui.	Motion for 2024 distribution of remuneration to directors	The attending independent directors recused themselves in sequence from the discussion and voting on their remuneration in accordance with Article 18 of the Company's Rules of Procedure for Board of Directors Meetings.
2026.01.22 16th Term, 18th meeting	Chairman Joseph Hsu, Director Francis Fan, Director Tommy Hsu, Director Chen Chin-Yi, and Director Hsu Chen, Huei-Tsung	Motion for the basis for 2025 year-end bonus distribution and distribution of year-end bonuses to managerial officers	Chairman Joseph Hsu, Directors Francis Fan, Tommy Hsu, and Chen Chin-Yi concurrently serve as managerial officers; Director Hsu Chen, Huei-Tsung is the spouse of a director and a blood relative within the 2nd degree of kinship. The aforementioned five persons, being interested parties, recused themselves from the discussion and voting, and Independent Director Chang Yu-Shan was designated by the Chairperson to serve as acting chairperson.

III. Objectives (e.g., forming an audit committee, improving information transparency) to enhance Board functions during the most recent fiscal year and evaluation of the implementation:

(I) Deepen corporate governance

1. The Audit Committee was established after the 2020 AGM to serve as a functional committee.
2. The Company's corporate governance evaluation scores have consistently improved over the years. According to the latest evaluation results, the Company ranked in the top 11%–20% among 798 listed and OTC companies with a market capitalization of less than NT\$5 billion; among 773 OTC companies, it ranked in the top 6%–20%, with overall performance above average. These evaluation results demonstrate that the Company upholds a prudent and responsible management attitude, actively strengthens communication and interaction with stakeholders, and continues to implement the goal of sustainable operations.

(II) Improve information transparency

1. The Company has a spokesperson and deputy spokesperson system. Material financial and business information is disclosed on MOPS and the Company's website according to rules
2. Enhance disclosure of non-financial information: The Company compiled the 2020, 2021, 2022 and 2023 Sustainability Report in accordance with the GRI Standards, and passed the AA1000 TYPE I medium assurance level.
3. Investors are paying more and more attention to the climate-related disclosures and TCFD and SASB perpetuity. The Company disclosed related information

in the 2022 sustainability report for the first time, so as to help investors understand the impact of climate changes on the Company. This will also allow the Company to address the impact of climate changes on the Company and effectively assess the possible risks.

(II) Operations of the Audit Committee

An Audit Committee was formed at the 2020 general meeting of shareholders in accordance with the Securities and Exchange Act. The Committee consists entirely of independent directors, with at least three members.

The term of office of the current members: June 9, 2023 to June 8, 2026.

In 2025 and 2026 up to the printing date, the 2nd Audit Committee held 5 meetings (A), and the attendance of directors is as follows:

Title	Name	Attendance in person [D]	Attendance by proxy	Actual attendance rate (%) [D/A]	Remarks
Convener	Wang, Yung-Cheng	4	0	80%	
Member	Yu-Shan Chang	5	0	100%	
Member	Chen Yu-Shan	5	0	100%	
Member	Cheng Kwai-Hui	5	0	100%	

◎: Attendance in person; ☆: Attendance by proxy; △ : Leave of absence

Title	Name	2nd term					Note
		8th meeting 20250310	9th meeting 20250509	10th meeting 20250808	11th meeting 20251110	12th meeting 20260312	
Convener	Wang, Yung-Cheng	◎	◎	◎	◎	△	
Member	Yu-Shan Chang	◎	◎	◎	◎	◎	
Member	Chen Yu-Shan	◎	◎	◎	◎	◎	
Member	Cheng Kwai-Hui	◎	◎	◎	◎	◎	

Other information required for disclosure:

I. For Audit Committee meetings that meet any of the following descriptions, state the date and session of the Audit Committee meeting held, the discussed topics, the content of the objections, reservations or material recommendations of independent directors, the Audit Committee's resolution, and how the company responded to Audit Committee's opinions.

II. Important resolutions of the Audit Committee this year:

- (I) Matters listed in Article 14-5 of the Securities and Exchange Act.
- (II) Except for the preceding matters, any matter that has not been passed by the Audit Committee, but has been adopted with the approval of two-thirds or more of all the independent directors.

Motions at each Audit Committee meeting that meets the requirements of the aforementioned tables (I) and (II) is summarized as follows:

Date of the meeting	Content of motion	Matters listed in Article 14-5 of the Securities and Exchange Act	Contents of the objections, reservations or material recommendations of independent directors	Any matter that has not been passed by the Audit Committee, but has been adopted with the approval of two-thirds or more of all board directors	Resolution
2025.03.10	2024 business report and financial statements	V	None	None	Approved by all the Audit Committee members
	2024 earnings distribution.	V	None	None	
	2024 "Statement of Internal Control"	V	None	None	
	Motion for amendments to some provisions of the Company's "Internal Control System" and "Internal Audit System".	V	None	None	
2025.05.09	Motion for Q1 2025 Financial Report	V	None	None	Approved by all the Audit Committee members
2025.08.08	Q2 2025 Financial Report	V	None	None	Approved by all the Audit Committee members
	Motion for endorsement and guarantee for the bank loan of subsidiary AOBA TECHNOLOGY (M) SDN. BHD. (hereinafter referred to as "AOBA")	V	None	None	
	Motion for endorsement and guarantee for the bank loan of subsidiary AOBA TECHNOLOGY (M) SDN. BHD. (hereinafter referred to as "AOBA")	V	None	None	
	Motion for the Company's indirect investment in AOBA TECHNOLOGY (M) SDN. BHD.	V	None	None	
	Motion for amendments to some provisions of the Company's "Internal Control System" and "Internal Audit System".	V	None	None	
2025.11.10	Motion for Q3 2025 Consolidated Financial Statements	V	None	None	Approved by all the Audit Committee members
2026.03.12	2025 Business Report and Financial Statements	V	None	None	Approved by all the Audit Committee members
	Motion for 2025 earnings distribution	V	None	None	
	The Company intends to change the co-signing certified public accountant starting from Q1 2026	V	None	None	
	Motion for the 2025 "Statement of Internal Control System"	V	None	None	
	Motion for amendments to certain provisions of the Company's "Internal Control	V	None	None	

	System” and “Internal Audit System”				
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III. With respect to the implementation of independent directors’ recusal from interested-party motions, the names of the independent directors, the content of the motions, the reasons for recusal due to conflicts of interest, and the participation in voting shall be specified: among the motions reviewed by the Audit Committee during the current year, there were no circumstances in which any independent director had a conflict of interest, and all attended and participated in the discussion and voting in accordance with the law.

IV. State of communication between independent directors, chief internal auditor and accountants (such as materials matters, methods and results of communications on the Company’s finances and business status):

(I) The certified public accountants attended the Audit Committee meetings, and the independent directors fully communicated with the certified public accountants regarding the financial report results; the certified public accountants explained at the meeting the audit conclusions for the 2025 financial statements, and the independent directors fully understood the 2025 Financial Statements and Independent Auditors’ Report.

(II) The head of internal audit regularly attends the Audit Committee and the Board of Directors meetings to report on audit operations and communicate opinions on various matters. If the independent directors provide instructions, the Internal Audit unit shall handle matters accordingly.

In addition to the periodic communications described above, audit findings are also communicated on a non-periodic basis via email and other means to enhance audit value. If any material violation is discovered, the independent directors are notified simultaneously.

Communication between independent directors and the head of the Internal Audit Office in 2025 is as follows:

Date of the meeting	Communication method	Related motion	Opinions of independent directors	Handling of opinions of the independent directors
2025.01.20	Board of Directors	The 1st internal audit business report for 2025	Independent directors had no objections	Independent directors had no objections
2025.03.10	Board of Directors	The 2nd internal audit business report for 2025 Review of the Statement of Internal Control System	Independent directors had no objections	Independent directors had no objections
2025.05.09	Board of Directors	The 3rd internal audit business report for 2025	Independent directors had no objections	Independent directors had no objections
2025.08.08	Board of Directors	The 4th internal audit business report for 2025 Revision of the “Internal Control System” and “Internal Audit System”	Independent directors had no objections	Independent directors had no objections
2025.11.10	Board of Directors	The 5th internal audit business report for 2025 Review of the 2026 audit plan	Independent directors had no objections	Independent directors had no objections

V. The Company assessed the independence and suitability of CPAs with reference to the AQIs

The Audit Committee assesses the independence and suitability of its assigned CPAs on a yearly basis. In addition to requiring the CPAs to provide the "Declaration of Independence" and the "Audit Qualification Indicators (AQIs)" assessment, the assessment is also conducted in accordance with the criteria of Note 1 and 13 AQI

indicators. It has been confirmed that the CPAs had no financial interests or business relationship with the Company, and that the CPAs' family members did not violate the independence requirements. By referring to the AQI index information, we confirm that the accountants as well as the firm have better audit experience and number of training hours is higher than the industry average. The assessment results for the most recent year were Approved by the Audit Committee after discussion on March 12, 2026 and submitted to the Board of Directors and Approved on March 12, 2026 for the assessment of the independence and suitability of the CPAs.

Note 1: The disclosure is based on five major areas and 13 indicators in the Audit Quality Indicators (AQI) Disclosure Framework and Template released by the Financial Supervisory Commission and the disclosure is made at the "firm level" and "audit case level" according to the nature of the indicators.

- Professionalism: Audit experience, number of training hours, turnover rate, and professional support.
- Quality control: CPA workload, audit effort, EQCR review status, and quality control support capabilities.
- Independence: Non-audit services and client familiarity.
- Supervision: External inspections and disciplinary actions, and the competent authority issued letters for improvement.
- Innovation capability: Innovation plans or initiatives.

(III) State of corporate governance operations and any difference from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for such difference

Evaluation item	State of operation			Difference from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for such difference
	Yes	No	Summary	
I. Has the company formulated and disclosed its corporate governance best practice principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	V		The “Corporate Governance Best Practice Principles” were established in accordance with the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and were Approved and disclosed on June 3, 2024.	No major difference from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies.
II. Equity structure and shareholders’ equity				
(I) Has the company formulated internal procedures regulated to handle shareholders’ proposals, doubts, disputes, and litigation matters and have the procedures been implemented accordingly?	V		(I) The Company has established the "Rules of Procedure for Shareholders' Meetings" and the "Regulations Governing the Reporting of Illegal and Unethical Behaviors by Internal/External Personnel" and appointed a spokesperson to handle shareholders' suggestions and disputes.	No major difference from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies.
(II) Does the company possess a list of the company’s major shareholders and a list of the ultimate controllers of its major shareholders?	V		(II) The Company possesses a list of the its major shareholders and a list of the ultimate controllers of its major shareholders? through interaction with major shareholders.	
(III) Has the company established and implemented the risk control and firewall mechanisms between the affiliates?	V		(III) The Company and its affiliated companies operate independently. Each company has its own internal control system to comply with.	
(IV) Has the company set up internal regulations to prohibit internal personnel from utilizing the undisclosed information to trade securities?	V		(IV) In order to maintain the trading fairness of the stock market, the Company has established written guidelines in accordance with the relevant regulations of the competent authority and established the "Procedures for Handling Internal Material Information" and the "Rules Governing the Prevention of Insider Trading" for compliance.	

<p>III. Composition and duties of the Board of Directors</p> <p>(I) Has the board formulated a diversity policy and specific management objectives, and have they been implemented?</p> <p>(II) Apart from the remuneration committee and audit committee, has the company voluntarily established other functional committees?</p> <p>(III) Has the company established Regulations Governing the Board Performance Evaluation and its evaluation methods, and does the company conduct a performance evaluation each year, submit the performance evaluation results to the board of directors and use them as reference in determining remuneration for individual directors, and nomination for reappointment?</p> <p>(IV) Does the company regularly assess the independence of its CPAs?</p>	<p>V</p> <p>V</p> <p>V</p> <p>V</p>	<p>(I) The Company considers diversity of the Board members from multiple perspectives when setting the composition of the Board members, and appoints personnel based on their abilities.</p> <p>(II) The Company established the Remuneration Committee and Audit Committee in accordance with law. In September 2021, the Technology Innovation and Development Committee was established, and other functional committees are established based on actual needs.</p> <p>(III) The Company has implemented the Self-Evaluation Regulations on the Performance of the Board of Directors.</p> <p>(IV) The suitability of the CPA is reviewed by the Company from time to time. It has been found that the CPAs have not served as a director, supervisor, or shareholder, and met the requirements set forth in the Certified Public Accountant Act and Code of Ethics No. 2.</p>	<p>No major difference from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies.</p>
<p>IV. Has the company designated an appropriate number of personnel that specialize in corporate governance affairs (including but not limited to providing directors and supervisors with the information needed and assist directors and supervisors in complying with the laws and regulations to perform their duties, convention of board meetings and shareholders' meetings, preparation of board meeting and shareholders' meeting minutes, etc.)?</p>	<p>V</p>	<p>The Company has established a corporate governance unit that concurrently handles corporate governance affairs. "Standard Operating Procedures for Handling Directors' Requests" have also been formulated accordingly with a supervisor assigned for implementation.</p>	<p>No major difference from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies.</p>

<p>V. Has the company established channels for communication with the stakeholders (including but not limited to shareholders, employees, customers and suppliers), and set up a section for stakeholders on the official website of the Company with a proper response to the concerns of the stakeholders on issues related to corporate social responsibility?</p>	<p>V</p>	<p>The Company has always attached great importance to the balance of rights and obligations among stakeholders, including shareholders, employees, customers, upstream and downstream suppliers, banks, and creditors. The Company has set up a stakeholder section on its website, where issues of concern, major responsibilities, communication channels, and responses are disclosed.</p>	<p>No major difference from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies.</p>
<p>VI. Does the company engage a professional stock transfer agency to handle affairs related to shareholders' meetings?</p>	<p>V</p>	<p>The Company has commissioned the "Agency Department, CTBC Bank" to handle shareholders' affairs and other shareholder affairs.</p>	<p>No major difference from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies.</p>
<p>VII. Information disclosure</p> <p>(I) Does the company have a website set up where its financial business, and corporate governance information is disclosed?</p> <p>(II) Has the company adopted other information disclosure methods (e.g., establishing an English website, designating a responsible person for collecting and disclosing information of the Company, substantiating the spokesman system, and upload the procedure of investors conference on its website, etc.)?</p> <p>(III) Has the company published and reported its annual financial report within two months after the end of a fiscal year, and published and reported its financial reports for the first, second, and third quarters, as well as its operating status for each month before the specified deadline?</p>	<p>V</p> <p>V</p> <p>V</p>	<p>(I) The company have a website set up where its financial business, and corporate governance information is disclosed.</p> <p>(II) The Company has set up Chinese and English websites and designated dedicated personnel responsible for collecting and disclosing company information, and relevant information can be found on the MOPS. Investors can also inquire through the MOPS about the Company's financial, business, and corporate governance information.</p> <p>(III) The Company has completed the announcement and reporting of the annual financial statements, the first, second and third quarter financial statements and monthly operations within the deadlines prescribed by laws and regulations.</p>	<p>No major difference from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies.</p>

<p>VIII. Is there any important information (including but not limited to employee rights and benefits, employee care, investor relations, supplier relations, stakeholder rights, further education of the directors and supervisors, risk management policy and risk assessment implementation, customer policy implementation, and the purchase of liability insurance for the company's directors and supervisors) that is helpful in understanding the corporate governance operation of the company?</p>	<p>V</p>	<p>(I) Employee rights and benefits, employee care: The Company provides health insurance, labor insurance, and group insurance for employees, and provides free annual health check. We have established an Employee Welfare Committee, responsible for arranging employee trips and various employee benefits as well as providing employees with on-the-job training, and holding regular labor-management meetings.</p> <p>(II) Investor relations: The Company has implemented a spokesperson system to timely disclose information affecting shareholders and stakeholders.</p> <p>(III) Supplier relations: The Company conducts audits regularly in accordance with the Procedures for the Evaluation of Suppliers, and has a quality control system in place. Quality reports are presented on a regular basis, and quality review meetings are held.</p> <p>(IV) Stakeholder rights: Sign contracts with important suppliers and customers to regulate rights and obligations and to establish good cooperative relations.</p> <p>(V) Further education of the directors and supervisors: Please refer to page 55 of this annual report for the descriptions of further education of directors and supervisors.</p> <p>(VI) Further education of officers of the Company: As Joseph Hsu, Francis Fan, Polter Hong, and Tommy Hsu are officers of the Company, further education and training related to corporate governance that officers participate in has been disclosed above.</p> <p>(VII) Risk management policy and risk assessment implementations: The Company has formulated operating and financial management indicators to measure operational risks. In addition, we have also established procedures for analyzing and evaluating investment returns to assess and manage investment risks.</p> <p>(VIII) Customer policy implementation: The Company regularly investigates customers' satisfaction with products in order to improve related marketing, production processes, technologies, and services.</p> <p>(IX) The Company's directors are covered with liability insurance.</p>	<p>No major difference from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies.</p>
<p>IX. Please explain the improvements made, based on the latest Corporate Governance Evaluation results published by TWSE Corporate Governance Center, and propose priorities for enhancement matters and measures for any issues that are to be improved: The Company has made improvements to corporate governance aligning with the results of the corporate governance evaluation announced by the competent authorities, including electronic voting for shareholders' meeting, upload of the annual report of the shareholders' meeting before 14 days, publishing significant information in English, enhancement of ethical management, and acquisition of the Group's greenhouse gas external verification statement, etc. The Company will gradually review the items that have not yet improved in order to implement the spirit of corporate governance.</p>			

(IV) The Remuneration Committee, its composition, duties and operation status:

The Company's Remuneration Committee was formally established and announced on 28 December 2011. The composition, duties and operation of the Remuneration Committee are as follows:

1. Information on Members of the Remuneration Committee: December 31, 2025

Title Name	Criteria	Professional qualifications and experience (Note 1)	State of independence (Note 2)	Number of serving members of the Remuneration Committees of other public companies
Independent Director (Convener)	Wang, Yung-Cheng	Former Professor and Director of General Affairs, College of Law and Business, National Chung Hsing University; Former Professor, Department of Business Administration, National Taipei University	Independence criteria	-
Independent Director	Yu-Shan Chang	Distinguished Professor, Department of Computer Science and Information Engineering, National Taipei University, and Administrative Vice President	Independence criteria	-
Independent Director	Chen Yu-Shan	Distinguished Professor, Department of Business Administration, National Taipei University, and Academic Vice President	Independence criteria	1
Independent Director	Cheng Kwai-Hui	Adjunct Professor, Department of Accounting, National Taipei University	Independence criteria	-
Other	Huang Tung-Tsun	Former Dean, College of Management, Chien Hsin University of Science and Technology; former Executive Director, EMBA, College of Management, National Central University; former Professor, Graduate Institute of Human Resource Management, National Central University	Independence criteria	-

Note 1: For information on seniority, professional qualifications and experience, and independence of Remuneration Committee members of independent directors, please refer to Page 7 for information of directors (I).

Note 2: For independent directors, their state of independence must be specified, including but not limited to whether they, their spouses, or second-degree relatives serve as a director, supervisor or employee in the Company or affiliates; the proportion of shares held by the independent director himself/herself, their spouses or relatives within second degree of kinship (or in the name of others); whether the independent director serves as a director, supervisor or an employee of a company with which the Company has a specific relationship (refer to Subparagraphs 5 to 8, Paragraph 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); and amount of remuneration receive for commercial, legal, financial and accounting services provided by the Company or its affiliates in the past two years.

2. Duties of the members:

- (1) Establish and regularly review the performance evaluation and remuneration policies, systems, standards, and structures for directors, supervisors, and officers.
- (2) Regularly assess and establish the remuneration to directors, supervisors, and officers.

3. State of operation:

The Company's Remuneration Committee consists of 5 members. The current term of the Remuneration Committee is from June 9, 2023 to June 8, 2026.

As of the printing date in 2025, the 5th Term Remuneration Committee in 2026 had held 3 meetings (A), and the attendance of directors is as follows:

Title	Name	No. of meetings attended in person 【B】	Attendance by proxy	In-person attendance rate (%) 【B/A】	Remarks
Convener	Wang, Yung-Cheng	3	0	60%	
Member	Yu-Shan Chang	5	0	100%	
Member	Huang Tung-Tsun	5	0	100%	
Member	Chen Yu-Shan	5	0	100%	
Member	Cheng Kwai-Hui	5	0	100%	

Other information required for disclosure:

- I. If the board of directors declines to adopt or modify a recommendation from the remuneration committee, the date, session, topic discussed and the resolution of the board meeting and handling of the resolution of the remuneration committee shall be specified (if the remuneration package approved by the Board is better than the recommendation made by the committee, please specify the discrepancy and its reason): None.
- II. As to the resolution of the remuneration committee, if a member expresses any objection or reservation, either by recorded statement or in writing, the date, session and topic discussed of the committee meeting, all members' opinions and handling of members' opinions shall be specified: None.

◎: Attendance in person; ☆: Attendance by proxy; △ : Leave of absence

Title	Name	5th term					Note
		5th meeting	6th meeting	7th meeting	8th meeting	9th meeting	
		20250120	20250310	20250808	20260122	20260312	
Convener	Wang, Yung-Cheng	◎	◎	◎	△	△	
Member	Yu-Shan Chang	◎	◎	◎	◎	◎	
Member	Huang Tung-Tsun	◎	◎	◎	◎	◎	
Member	Chen Yu-Shan	◎	◎	◎	◎	◎	
Member	Cheng Kwai-Hui	◎	◎	◎	◎	◎	

(V) State of the promotion of sustainable development operations and any difference from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, the reasons for such difference, and climate-related information

1. Status of the implementation of sustainable development and differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor

Evaluation items	Implementation			Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for such difference
	Yes	No	Summary	
I. Has the company established a governance structure to promote sustainable development and set up a special (part-time) unit to promote sustainable development which is authorized by the board of directors to be handled by senior management and supervised by the board of directors? (Listed companies shall report the implementation status; not applicable to compliance or interpretation.)	V		<p>To implement corporate social responsibility and promote economic, social, and environmental sustainability, ABC Taiwan established the “Corporate Social Responsibility Management Committee” in 2020. In response to policy developments, the Committee was renamed the “ESG Committee” on September 30, 2021. The Chairman of the Board serves as the “Chairperson”, members of the management team act as Deputy Chairpersons, and the Chairman’s Office serves as the Executive Secretariat. The Committee comprises six working groups, with department heads serving as promoting committee members and their appointed representatives as executive committee members. The ESG Committee convened meetings on 2025.08.21 and 2025.12.09 to discuss ESG planning, data collection, target setting, and related matters.</p> <p>The “ESG Committee” serves as a cross-departmental communication platform for integrating functions vertically and connecting departments horizontally. The Board of Directors has authorized management to address economic, environmental, and social issues arising from operational activities, and such management reports annually to the Board of Directors on implementation progress. The following ESG Committee matters were reported to the Board of Directors in 2025:</p> <ul style="list-style-type: none"> ● 2025/01/20, 2025 Sustainable Development Strategy Planning: including the sustainable development management approach for the year, strategy and target setting, and a review of the previous year’s implementation status ● 2025/08/08, Publication of the 2024 Sustainability Report: Approved the publication of the report for the year <p>The ESG Committee is supervised by the Board of Directors and reports to the Board of Directors on the implementation of sustainable development and performance in achieving targets. The Board of Directors supervises the establishment of sustainable development targets and reviews implementation progress, offering relevant recommendations and guidance based on the Committee’s reports.</p>	Not materially different
II. Has the company conducted risk assessments of environmental, social and corporate governance issues pertaining to company operation in accordance with the materiality principle and	V		<p>The Company follows the GRI Standards while considering international trends and industry characteristics. It also refers to stakeholder feedback collected through communication channels to formulate a stakeholder opinion survey. This survey is distributed online for stakeholders to complete, enabling the Company to assess both the level of stakeholder concern and the degree of impact that sustainability issues have on the Company. Based on the materiality principle outlined in the Sustainability Report, the Company conducts analysis and engages in dialogue with internal and external stakeholders. It also reviews domestic and international research and literature, and consolidates assessment data from various departments and subsidiaries. This approach is used to evaluate material ESG issues and to establish effective risk management policies and concrete action</p>	Not materially different

Evaluation items	Implementation		Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for such difference
	Yes	No	
established the relevant risk management policy or strategy? (Listed companies shall report the implementation status; not applicable to compliance or interpretation.)			plans for identifying, measuring, monitoring, and controlling such issues to mitigate the potential impacts of related risks.
III. Environmental issues (I) Does the company have an appropriate environmental management system established in accordance with its industrial characteristics?	V		As a Company that started business in Taiwan, we are very passionate about the country and we know how important it is for companies to co-exist with the land to reach sustainable management and development, we therefore take environmentally-friendly manufacturing processes seriously. ABC Taiwan has obtained ISO 14001, ISO 14064-1 and IECQ QC080000 certifications for environmental protection, and has adopted the concept of life cycle and source management to strictly follow the requirements of environmental regulations from technology development, design, manufacturing, transportation to recycling and reuse. Hazardous substances are prohibited, and products are developed in compliance with EU RoHS, REACH, WEEE, and EuP directives, including halogen-free and lead-free requirements and other international regulations. ISO 14001 latest effective period: 2025/06/03~2028/05/30; IECQ QC080000 latest effective period: 2026/01/13~2028/05/25
(II) Is the company committed to enhancing the utilization efficiency of resources and using renewable materials that have a low impact on the environment?	V		The Company actively promotes various energy reduction measures, selects equipment with high energy efficiency and energy-saving design, reduces the energy consumption of the enterprise and products, and expands the use of renewable energy to optimize the efficiency of energy use. In 2023, the Company established its medium- and long-term carbon reduction targets. The near-term goal is to limit global temperature rise to within 1.5°C. The Company is committed to reducing Scope 1 and Scope 2 emissions by 42% by 2030 compared to the 2021 baseline year and aims to achieve net-zero emissions by 2050. To meet the objectives set by the Company, ABC Taiwan has implemented stringent energy-saving measures in its daily operations and adopted the use of green electricity. In 2025, the Company saved a total of 1,049,387 kWh of electricity and used 3,440,772 kWh of green electricity, accounting for 34.81% of the Group's total electricity consumption for 2025. In terms of raw material procurement, the Company starts from the source management to prohibit the use of hazardous substances and conflict mineral zone products. We also give priority to purchasing environment-friendly products. In addition to considering quality, delivery time and price for the management of raw material suppliers, we incorporate the circular economy concept into the scope of supplier management. Environmental impact is reduced by recycling materials during the manufacturing process. The Taiwan factory is allowed to use 25% recycled ferrite powder in the wet granulation process to reduce the use of raw materials. In the face of the different water risks in each location, Building B Materials Factory of Taiwan Yangmei Plant 2 has

Evaluation items	Implementation		Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for such difference						
	Yes	No		Summary					
			<p>set up a pure water recycling system and planned to return all the recovered process wastewater to the manufacturing process as solvents for reuse, and to change from acetone to water as a solvent according to the characteristics of different diluents. We are actively developing the recycling of water in the manufacturing process, which not only reduces the risk of hazards from the use of organic solvents, but also saves the use of water resources, and integrates the concept of green recycling and a friendly environment into operational activities.</p> <p>For detailed information on the Company's supplier management policy and implementation, please visit the official website: https://www.atec-group.com/tw/csr-288-289-page648</p>						
(III) Does the company assess the present and future potential risk and opportunities of climate change and adopt countermeasures related to climate issues?	V		<p>In 2022, the Company introduced TCFD (Task Force on Climate-related Financial Disclosures) for the first time, integrating the four core elements—Governance, Strategy, Risk Management, and Metrics and Targets—into its operational management framework. The Company discloses its governance performance related to climate issues in its sustainability report, enabling stakeholders to understand the impacts of climate-related risks and opportunities on the Group, as well as the corresponding response measures. The Company's countermeasures for climate risks and opportunities are as follows:</p> <table border="1"> <thead> <tr> <th>Risk/ Opportunity</th> <th>Countermeasures</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Transformation Risk</td> <td> <ul style="list-style-type: none"> Enhanced emissions reporting obligations In 2021, the Group completed the greenhouse gas inventory for its Taiwan plant for the first time. In 2022 and 2023, the scope was expanded to include the Shanghai, Guangzhou, and Malaysia plants, all of which adopted ISO 14064 and passed 3rd-party verification. This achievement means the Group met the Financial Supervisory Commission's (FSC) goal ahead of schedule, which requires all listed companies' parent companies and their domestic and overseas subsidiaries to complete greenhouse gas inventories by 2027. </td> </tr> <tr> <td> <ul style="list-style-type: none"> Rising raw material costs <ol style="list-style-type: none"> Prioritize the procurement of raw materials in the area where the production plant is located: reduce transportation costs, shorten delivery times, and reduce geopolitical risks. Find a second supplier: Establish a diversified supply chain to mitigate the risks associated with relying on a single supplier and to alleviate the impact of raw material shortages or price increases. Sign a purchase contract: Ensure that the price, delivery terms, quality standards and payment terms are specified in the contract to reduce cost uncertainty. Request suppliers to prepare goods in stock: Improve the resilience of the raw material supply chain to ensure that production is not affected in a short period of time, and there is sufficient time to restore the supply of raw materials, or find alternative suppliers. </td> </tr> </tbody> </table>	Risk/ Opportunity	Countermeasures	Transformation Risk	<ul style="list-style-type: none"> Enhanced emissions reporting obligations In 2021, the Group completed the greenhouse gas inventory for its Taiwan plant for the first time. In 2022 and 2023, the scope was expanded to include the Shanghai, Guangzhou, and Malaysia plants, all of which adopted ISO 14064 and passed 3rd-party verification. This achievement means the Group met the Financial Supervisory Commission's (FSC) goal ahead of schedule, which requires all listed companies' parent companies and their domestic and overseas subsidiaries to complete greenhouse gas inventories by 2027. 	<ul style="list-style-type: none"> Rising raw material costs <ol style="list-style-type: none"> Prioritize the procurement of raw materials in the area where the production plant is located: reduce transportation costs, shorten delivery times, and reduce geopolitical risks. Find a second supplier: Establish a diversified supply chain to mitigate the risks associated with relying on a single supplier and to alleviate the impact of raw material shortages or price increases. Sign a purchase contract: Ensure that the price, delivery terms, quality standards and payment terms are specified in the contract to reduce cost uncertainty. Request suppliers to prepare goods in stock: Improve the resilience of the raw material supply chain to ensure that production is not affected in a short period of time, and there is sufficient time to restore the supply of raw materials, or find alternative suppliers. 	Not materially different
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			<p>Physical Risk</p> <ul style="list-style-type: none"> Increases in average temperature According to the results of the greenhouse gas inventory, the Company's carbon emissions are mainly derived from Scope 2. Therefore, the Company has adopted energy management measures, first inventoried the power consumption heat points in the plants, and then formulated corresponding energy-saving measures, and tracked the power consumption of the plants every month. At the same time, the Company has actively formulated a carbon reduction strategy with a focus on renewable energy, and has started to introduce green power use in 2023, and has built solar panels in the plants for voluntary use, reducing the reliance on traditional energy sources, and improving environmental sustainability. In 2025, the Group's renewable energy use rate reached 34.81%. In addition, the Company has also set a carbon reduction target: the near-term goal is to limit global temperature rise to 1.5°C. The Company is committed to reducing Scope 1 and Scope 2 greenhouse gas emissions by 42% by 2030, using 2021 as the base year. <p>Opportunities</p> <ul style="list-style-type: none"> Utilizing more efficient production and distribution processes <ol style="list-style-type: none"> Adoption of automated production lines: Reduce the need for manual operations and errors. AI+AOI testing: AI+AOI testing improves production efficiency and discrimination accuracy to reduce human error and production costs. Paperless operation: The software has been upgraded to improve work efficiency through paperless operation, reduce the frequency of recording and operations, and reduce paper consumption. Local procurement of raw materials: Low transportation costs, shortened delivery times, and reduced geopolitical risks. Using low-carbon energy In 2023, ABC Taiwan committed to gradually adopting renewable energy. The Group's Guangzhou Plant signed a green power procurement contract, and on January 8, 2024, officially launched self-generation and self-consumption of solar power. The solar energy utilization project at the Malaysia Plant has also been completed and was officially launched in November 2024. The solar panel installation project at the Taiwan Headquarters was also completed in 2025. In 2025, the Group's annual green power consumption reached 3,440,772 kWh, accounting for 34.81% of the Group's total power consumption 																					
			<p>For more detailed information regarding TCFD, please refer to the ESG section of the official website or the Sustainability Report:</p> <p>The statistics of the TCFD results in 2025 are still pending, and will be disclosed in the 2025 Sustainability Report.</p>																					
(IV) Has the company prepared statistics on greenhouse gas emissions, water consumption and total volume of waste for the past two years, and formulated policies for to save energy saving and reduce carbon, greenhouse	V		<p>1. Climate change has become a climate emergency. In order to meet the stakeholders' requirements for carbon disclosure, the Company completed a group-wide greenhouse gas inventory plan in 2022. Also, we have, ahead of schedule, finished the FSC's roadmap for greenhouse gas inventories to be completed by all parent companies and domestic and foreign subsidiaries of TWSE/TPEX listed companies in 2027. In this way, we can find out the main sources of carbon emissions within the Group.</p> <p style="text-align: right;">Unit: tCO₂e</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Scope 1</th> <th>Scope 2</th> <th>Scope 3</th> <th>Total amount</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>370.43</td> <td>7,639.47</td> <td>2,947.54</td> <td>10,957.44</td> </tr> <tr> <td>2023</td> <td>358.49</td> <td>5,423.52</td> <td>1,678.04</td> <td>7,460.05</td> </tr> <tr> <td>2024</td> <td>349.77</td> <td>4,612.73</td> <td>1,675.78</td> <td>6,638.28</td> </tr> </tbody> </table>	Year	Scope 1	Scope 2	Scope 3	Total amount	2022	370.43	7,639.47	2,947.54	10,957.44	2023	358.49	5,423.52	1,678.04	7,460.05	2024	349.77	4,612.73	1,675.78	6,638.28	Not materially different
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gas, water use, or other waste management?			<p>In 2024, the total Scope 1 and Scope 2 greenhouse gas (GHG) emissions amounted to 4,962.5 tCO₂e, with Scope 2 emissions from electricity usage comprising the majority at 69.49% of 2024 emissions, followed by Scope 3 emissions at 25.24%. The emission plan for 2025 is expected to be verified externally in 2026. The verification will be disclosed on the Company's website after the verification.</p> <p>The Group has set 2021 as the base year for the greenhouse gas inventory established medium to long-term greenhouse gas reduction goals: By 2030, the Group aims to achieve a reduction of over 42% in emissions compared to the base year of 2021, with an annual reduction of over 4.2%, expecting to reduce emissions by more than 3,223.84 tCO₂e compared to the base year by 2030.</p> <p>2. The Group's waste management principle is "reduction at source, recovery and reuse", and it focuses on waste management and recycling at the end of the life cycle. In the wet granulation process of the Taiwan Factory, the use of recovered iron powder is allowed to improve the recycling efficiency.</p> <p>3. To effectively perform waste management, the Company has set the target: The general waste generated per capita is less than 1.5kg per day. The output status of waste in 2024 is as follows. The output of waste in 2025 will be disclosed in the sustainability report in August:</p> <p style="text-align: right;">Unit: Metric tons</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Year</th> <th>Taiwan Plant</th> <th>Shanghai Factory</th> <th>Guangzhou Factory</th> <th>Malaysia Factory</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>79.19</td> <td>15.91</td> <td>132.97</td> <td>119.17</td> </tr> <tr> <td>2023</td> <td>63.26</td> <td>5.86</td> <td>77.78</td> <td>70.70</td> </tr> <tr> <td>2024</td> <td>47.58</td> <td>2.66</td> <td>78.16</td> <td>53.89</td> </tr> </tbody> </table> <p>4. In view of the increasing severity of water resource risks caused by the extreme global climate in recent years, the Group has set the target of "150 liters per day" for water consumption per capita. Moreover, ABC Group installed a water recycling system at the material factory in Building B of Yangmei Plant 2 to fully recover process wastewater for use as solvent in the production process. Depending on the characteristics of different diluents, water is used as solvent instead of acetone. We actively research and develop recycling and reuse of process water. The material factory in Building B of Yangmei Plant 2 has a pure water recycling system that operates in two stages for recycling and reuse in order to properly manage water resources.</p> <p>(1) First stage: In 2025, a total of 10.47 metric tons of primary recycled water were reused to reduce the discharge of treated effluent.</p> <p>(2) Second stage: This stage involves the reuse of second-stage recycled water from the wastewater concentrator. Before the improvement, wastewater from cleaning the spray granulator entered the concentrator. The resulting second-stage recycled water was discharged into a collection tank. This water was then reused to clean the spray granulation equipment, eliminating the need for tap water.</p> <p>The 2024 water consumption is shown in the table below. This data was verified by SGS for the Sustainability Report in 2025.</p>	Year	Taiwan Plant	Shanghai Factory	Guangzhou Factory	Malaysia Factory	2022	79.19	15.91	132.97	119.17	2023	63.26	5.86	77.78	70.70	2024	47.58	2.66	78.16	53.89	
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IV. Social issues (I) Does the company have the relevant management policies and procedures stipulated in accordance with the applicable laws and regulations and international conventions on human rights?	V	<p>To protect and promote human rights, the Company refers to internationally recognized human rights standards, such as the “United Nations Guiding Principles on Business and Human Rights”, the “United Nations Global Compact”, the “Responsible Business Alliance (RBA)”, and the “International Labour Organization”. In September 2023, the Chinese and English versions of the “ABC Taiwan Electronics Group Human Rights Policy” were approved and signed by the Chairman, in respect of the protections set forth in human rights conventions, and published on the Company’s website: https://www.attec-group.com/tw/csr-166-292-page652</p> <p>The Company pays attention to the balance between employees' health, work, family and leisure life in accordance with the provisions of the Labor Standards Act and other relevant laws; at the same time, implement working hour management, prohibit child labor, and prohibit all forms of forced labor and discrimination. To establish a gender-equal workplace, the Company implements the parental leave without pay system and provides employees with family care leave, menstrual leave, maternity leave, paternity leave, and nursing rooms. For other human rights-related implementation, please refer to the official website: https://www.attec-group.com/tw/csr-166-292-page652</p>	Not materially different																				
(II) Has the company established and implemented reasonable measures for employee benefits (including: remuneration, holidays and other benefits) that appropriately reflects the business performance or achievements in the employee remuneration?	V	<p>The Company has established highly competitive compensation and benefits. Employee compensation includes basic salary (including basic pay, meal allowance, transportation allowance, and special duty allowance), performance bonuses, bonus incentives, and year-end bonuses. Meanwhile, the Company's HR Department carries out a regular salary review based on related indicators such as market trends and the company’s operations in an effort to provide a competitive and attractive salary so that talent is happy to join our big family.</p> <p>1. Employee Salary and Remuneration The Company appropriately reflects the business performance or results in employee remuneration in accordance with Article 34 of the Articles of Incorporation by setting aside 12~16% as remuneration to the employees. The remuneration is distributed in shares or cash by resolution of the Board of Directors. The Company also provides group insurance, employee training, scholarships for employees' children, and maternity incentives that are superior to those provided by law. Moreover, we will also arrange multiple social parties to boost employee morale.</p> <p>2. Employee Welfare Measures</p> <table border="1"> <thead> <tr> <th>Items</th> <th>Explanation</th> </tr> </thead> <tbody> <tr> <td>Welfare Committee Allowances</td> <td>Various allowances and subsidies are provided for different purposes, including gift vouchers (cash) for holidays, birthday cash gifts, subsidies for weddings, funerals, celebrations, educational advancement, continuing education, hospitalization, illness and injury, childbirth, scholarships, employee travel, year-end welfare, and salary during childbirth incentive leave. Employees may apply for subsidies based on actual circumstances.</td> </tr> </tbody> </table>	Items	Explanation	Welfare Committee Allowances	Various allowances and subsidies are provided for different purposes, including gift vouchers (cash) for holidays, birthday cash gifts, subsidies for weddings, funerals, celebrations, educational advancement, continuing education, hospitalization, illness and injury, childbirth, scholarships, employee travel, year-end welfare, and salary during childbirth incentive leave. Employees may apply for subsidies based on actual circumstances.																	
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(III) Has the company provided employees with a safe and healthy work environment and regularly provided safety and health education to employees?	V		<p>1. The Company has established policies in accordance with the Occupational Safety and Health Act and customer requirements. The Company has a core concept of disaster prevention and disaster prevention, and has an occupational safety office that is responsible for integrating occupational safety and health issues in the factory area, proposing effective countermeasures, and continuously improving and promoting the occupational safety culture.</p> <table border="1"> <thead> <tr> <th colspan="5">Occupational Health and Safety Committee in 2025</th> </tr> <tr> <th>Total number of the committee members</th> <th>Total number of the labor representatives</th> <th>Total number of all employees</th> <th>Ratio (labor representative/total number of the committee members)</th> <th>Ratio (labor representative/total number of all employees)</th> </tr> </thead> <tbody> <tr> <td>22</td> <td>9</td> <td>189</td> <td>40.9%</td> <td>4.8%</td> </tr> </tbody> </table> <p>2. With reference to the Technical Guidelines for Risk Assessment announced by the Occupational Safety and Health Administration, Ministry of Labor, the Company has formulated the Management Measures for Hazard Identification and Risk Assessment. These measures are implemented by unit supervisors, and the safety and health personnel then compile data for the entire plant. Improvement of control measures are proposed for moderate or above risks which shall be reviewed each year and reported on to the Occupational Safety and Health Committee meetings. In addition, the Company has also formulated the Contractor Management Measures. Through exercising these Management Measures, contractors are notified</p>	Occupational Health and Safety Committee in 2025					Total number of the committee members	Total number of the labor representatives	Total number of all employees	Ratio (labor representative/total number of the committee members)	Ratio (labor representative/total number of all employees)	22	9	189	40.9%	4.8%	Not materially different
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			<p>of the working environment, hazardous factors, and the Company's safety and health regulations prior to performing construction work to prevent occupational disasters, enabling contractors to have a safe working environment.</p> <p>3. To continuously enhance the ability of occupational safety and health personnel to stay current with regulatory trends, the Company periodically assigns staff to attend government-organized seminars and training sessions on occupational safety and health topics. Through internal meetings and training programs, employees are further educated on the intent and key points of relevant laws and regulations. These initiatives help the Company fulfill its responsibility to safeguard workplace safety and employee health. In 2025, the total number of training hours on safety and health education reached 382 hours.</p> <p>4. There were no occupational accidents occurring in the Company in 2025. To continue improving occupational safety management, workers engaging in management, special operations, or required by laws and regulations must receive safety and health-related training, and obtain licenses to prevent occupational disasters, protect the safety and health of workers. The Company had a total of 36 employees holding professional certifications in various occupational safety and health fields. These include: Class A Occupational Safety and Health Supervisors, Occupational Safety and Health Administrators, Class C Occupational Safety and Health Supervisors, Hazardous Operations Supervisors, First Aid Personnel, Forklift Operators (for loads of one metric ton or more), Fixed Crane Operators, Ionizing Radiation Operators, General Toxic and Concerned Chemical Substance Emergency Responders, and Fire Prevention Managers.</p> <p>5. No fires occurred in the Company in 2025, and thus there were no casualties caused by fire. The Company conducted two fire drills on April 29, 2025 and October 30, 2025 to enhance employees' awareness of fire evacuation. The training included comprehensive exercises in fire-fighting, reporting, and evacuation.</p> <p>6. The Company's occupational safety and health-related information for 2025 is expected to be verified by SGS in the sustainability report in June 2026.</p> <p>The Company's detailed occupational safety and health information has been disclosed on the official website and in the sustainability report: https://www.atec-group.com/tw/csr-165-332-page695</p>
(IV) Has the company established an effective career development training program for its employees?	V		<p>The human resource development strategy is formulated based on the Company's vision, management philosophy, and annual goals. It is structured around four key aspects: recruitment, deployment, development, and retention. The HR Department and departmental supervisors jointly plan training courses based on each department's development priorities, building employee development programs and learning pathways that provide room for self-growth and advancement.</p>

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	Yes	No	
			<p>For detailed information on employee education and training, please refer to: https://www.atec-group.com/tw/csr-166-285-page628</p> <p>In 2025, the Company conducted a total of 263 training sessions. The total employee training hours reached 4,245 hours, with total training expenditures amounting to NT\$917,196.</p>
(V) Does the company comply with laws and international standards with respect to customer health, safety and privacy, marketing and labeling in all products and services offered, and have the company implemented consumer protection policies and complaint procedures?	V		<p>As we Company are not a consumer terminal product manufacturer, we comply with REACH, RoHS, WEEE and EuP directives, and halogen-free and lead-free international regulations for the products and labels we sell, in accordance with the needs of downstream customers. The Company places great importance on customer privacy protection and established the Information Security Office in November 2022. We enhance the Group's information security management and safeguard customer privacy through various control measures, including data access control, antivirus software management, backup management, and regular internal information security disaster recovery drills. To protect customer rights and handle complaints, the Company has also set up a dedicated customer service unit that proactively monitors the implementation of customer-related policies and handles customer complaints. A complaint channel is also available: atec.suggest@atec-group.com.</p> <p>For the content of information security execution, please refer to: https://www.atec-group.com/tw/csr-159-287-page647</p> <p>For the complaint filing process, please refer to: https://www.atec-group.com/tw/csr-168-249-page554</p>
(VI) Has the Company established supplier management policies requiring suppliers to comply with relevant regulations on environmental protection, occupational safety and health, or labor rights, and what is the implementation status?	V		<p>The Company manages raw material suppliers based on quality, delivery time and price, and also encourages suppliers to meet corporate social responsibility requirements. First, when selecting new suppliers, we conduct an evaluation and require them to sign documents such as the "Integrity, Honesty and Confidentiality Agreement" and the "Conflict-Free Metal Declaration" to ensure they meet quality standards, fulfill corporate social responsibility, comply with legal requirements, and protect the occupational safety and basic rights of all stakeholders. We then assess suppliers monthly on various aspects such as product quality and delivery performance. Additionally, we implement an annual supplier audit program, conducting either on-site or documentation audits. In 2025, we completed on-site audits of 10 suppliers. Finally, the Company manages conflict-free metal compliance by requiring suppliers to confirm and provide hazardous substance testing reports, safety data sheets (SDS), or conflict-free metal declarations. Suppliers are required to purchase from the non-conflicting metal supply chain, and to conduct investigations based on the Conflict Minerals Survey Table of the Responsible Minerals Program to implement responsible procurement management.</p> <p>In 2025, the Taiwan factory added two new suppliers. Both suppliers provided materials that were free of conflict metals and completed the signing of the "Declaration of Conflict-Free Metals," achieving a 100% signing rate.</p> <p>Commitment to Temporary (Dispatched) Workers:</p>

Evaluation items	Implementation			Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for such difference
	Yes	No	Summary	
			<p>The Group evaluates potential labor service (dispatched) contractors by first reviewing their compliance with labor laws to determine whether to proceed with cooperation.</p> <p>During the contract period, the Group actively conducts investigations, audits, or other necessary actions to ensure that the labor conditions of dispatched (on-site) workers comply with legal requirements.</p>	
V. Has the company prepared a sustainability report or a report on non-financial information with reference to internationally accepted standards or guidelines? Are these reports supported by the assurance or opinion of a third-party verification entity?	V		<p>Since 2021, the Company has referred to the GRI Standards to disclose the Company's non-financial information, has published a sustainability report for four consecutive years, and has obtained assurance from a third-party verification institution. The latest 2024 ESG report was published in August 2025. SGS was commissioned to conduct a Type 1 moderate assurance engagement in accordance with AA 1000 AS v3 (AccountAbility 1000 Assurance Standard v3). The verification scope covered the entire Group and is publicly available on the Company's website: https://www.atec-group.com/tw/csr-139-140-page373.</p>	Not materially different
<p>VI. If the company has formulated its own Sustainable Development Best-Practice Principles in accordance with the "Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies", please describe the differences between its operation and the Principles: The Company has not yet formulated its Sustainability Best-Practice Principles; however, the Company has been in compliance with the Company Act, relevant laws and regulations of the Securities and Futures Bureau, environmental laws and regulations, to implement corporate sustainability and integrity. All operations are in compliance with the requirements.</p>				
<p>VII. Other important information to help understand the promotion of sustainable development implementation:</p> <p>(I) Occupational safety and health: The Company conducts maternal health protection, repetitive work and other measures to prevent musculoskeletal diseases, prevent illegal infringement of duties, and prevent abnormal workloads to conduct annual health examination for employees. For employees engaged in special hazardous operations, special operations health examination (such as noise) is provided. In 2025, the number of general health examers is 161, and the number of special health examers is 49, with a 100% achievement rate.</p> <p>(II) Additionally, we also provide a safe working environment for our employees. We have set up a sexual harassment and complaint hotline and mailbox and formulated applicable management measures. As of now, there have been no occurrences of related complaints.</p> <p>(III) Social Contribution: At ABC, we uphold the belief that "only with a joyful society can there be an industry that moves the world; arts and cultural activities infuse society with emotion and vitality, serving as the wellspring of creative living and the creative industry." Guided by this philosophy, the Company actively allocates resources toward social engagement.</p> <ol style="list-style-type: none"> Community development: sponsorship of the 77th school anniversary sports meet of Yangmei Junior High School; sponsorship of the 55th graduation ceremony of Yangmei Junior High School; sponsorship of the 60+9 school anniversary event of Xinwu Senior High School; sponsorship of the 2025 Christmas lighting event at National Taipei University Academic empowerment: sponsorship of the academic paper seminar of the "GCSF Global Corporate Sustainability Forum" organized by the College of Business, sponsorship of the 75th anniversary series of events organized by the Department of Business Administration of National Taipei University, and subsidies for the 2025 Smart Manufacturing and System Application Industry-Academia Master's Program of the College of Electrical Engineering and Computer Science Charitable donations: sponsorship of consultant fees for the Yangmei Volunteer Fire Brigade <p>(IV) Honors:</p> <ol style="list-style-type: none"> 2025 "1.5°C Temperature Control Target" label certification by CommonWealth Magazine 2025 "Taoyuan 1.5°C Label" certification jointly promoted by the Taoyuan City Government and CommonWealth Magazine 				

Evaluation items	Implementation		Summary	Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for such difference
	Yes	No		
			3. Awarded the EcoVadis Commitment Badge in 2025 4. 2025 12th Dun & Bradstreet Taiwan SME Elite Award	
Other: Other important information helpful to understanding the implementation of sustainable development by the Company has been disclosed in the ESG section of the official website and the sustainability report: https://www.atec-group.com/tw/csr				

Climate-Related Information of TWSE/TPEX Listed Companies

2. Implementation Status of Climate-related Information

Items	Implementation
1. Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.	The Company's "ESG Committee" is the highest unit for monitoring and governance of climate-related risks and opportunities. The Chairperson of the board acts as the "Chairperson" and the management acts as the "Vice Chairperson". The Company regularly reviews the current supervision and governance status of climate-related risks and opportunities, and will disclose the TCFD and related governance status in the 2024 Sustainability Report.
2. Describe how the identified climate risks and opportunities affect the Company's business, strategy and financials (short-term, medium-term, long-term).	Please refer to Table 1 below for details.
3. Describe the financial impacts of extreme climate events and transition actions.	Please refer to Table 1 below for details.
4. Describe how the processes for identifying, assessing, and managing climate risks are integrated into the overall risk management system.	Please refer to Table 2 below for details.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and major financial impacts used should be described.	Resilience to climate change risks has not been assessed using scenario analysis.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan and the indicators and targets used to identify and manage physical risks and transition risks.	Please refer to Table 3 below for details.
7. If internal carbon pricing is used as a planning tool, the basis for pricing should be disclosed.	Internal carbon pricing has not yet been used as a planning tool.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of the carbon reduction offsets or the quantity of	The Company has established a greenhouse gas emission reduction target (hereinafter referred to as the carbon reduction target), and set short-term, medium-term and long-term goals. Starting from 2021 as the base year, the annual reduction will reach 4.2%. By 2030, the Group's carbon reduction will reach 42% or more from the base year. We will achieve the net zero emission goal by 2050. The Company has gradually achieved the carbon reduction goal through the implementation of energy

renewable energy certificates (RECs) should be specified.	saving and carbon reduction, use of low energy-consumption equipment, introduction of green power, and planning for installation of solar panels. The scope 1 and scope 2 carbon emissions in 2024 are 4,962.5063 tCO ₂ e, a decrease of 33.35% (the target is 12.6%) compared to the base year. The carbon reduction results in 2025 will be disclosed on the Company's website after external verification.
9. GHG inventories and assurance status, as well as reduction targets, strategies, and specific action plans (to be separately completed in 1-1 and 1-2).	Please refer to Tables 1-1 and 1-2 below.

Note: Detailed climate-related information of the Company is available on the official website: <https://www.atec-group.com/tw/csr-167-300-302-304-page657>, or in the Company's Sustainability Report: <https://www.atec-group.com/tw/csr-139-140-page373>

Table 1. Short- and Medium-Long-Term Financial Impacts of Climate Risks and Opportunities

Risk Category	Risk/Opportunity	Items	Impact on business, strategy and finance		Financial impact of extreme climate events and transformation actions	Transformation action
			Short-term	Medium-/long-term		
Transformation Risk	Policies and Regulations	Enhanced emissions reporting obligations	Increase in initial cost and operating burden	Expanding the risks and responsibilities in compliance with laws and regulations	1. Reduce operating costs and improve efficiency 2. Avoid potential legal and market risks	Compared to the schedule set by the FSC, the Company has completed the greenhouse gas inventory earlier and regularly disclosed the results annually.
	Market	Rising raw material costs	1. Declining gross margin, affecting profitability 2. Increased working capital pressure	Losses caused by the disruption of the supply chain caused by extreme weather events	Ensure stable supply and reduce the impact of market price fluctuations	1. Preference given to raw materials procured from the production site 2. Looking for second supplier 3. Execution of purchase contracts 4. Suppliers are required to prepare inventory
Physical Risk	Long-term	Increases in average temperature	Increased electricity and water consumption, leading to higher electricity and water expenses and thereby increasing operating costs	The frequent extreme weather events affect the Group's operations, and the Group's shipments are unable to be shipped normally. The Group's profits have declined.	The investment in low-carbon energy will accelerate the Company's low-carbon transformation, and prevent the risk of decline in competitiveness.	1. Conduct energy management and track electricity consumption at plant sites monthly 2. Install solar panels at the Taiwan plant, the Guangzhou plant, and the

Risk Category	Risk/Opportunity	Items	Impact on business, strategy and finance		Financial impact of extreme climate events and transformation actions	Transformation action
			Short-term	Medium-/long-term		
						<p>Malaysia plant for self-generation and self-consumption of green electricity</p> <p>3. The Guangzhou plant purchases green electricity to reduce carbon dioxide emissions from the plant site</p> <p>4. Taiwan Headquarters Plant 2, Building C was constructed based on the green building concept</p>
Opportunities	Resource efficiency	Utilizing more efficient production and distribution processes	Enhance production and distribution efficiency	Technology innovation and new business model development	<p>1. Enhance supply chain flexibility and reduce logistics costs</p> <p>2. Enhance product quality and customer satisfaction, and increase sales revenue</p>	<p>1. Use of automated production lines</p> <p>2. AI+AOI detection</p> <p>3. Paperless operation</p> <p>4. Procure local raw material</p>
	Energy Sources	Using low-carbon energy	Investment in low-carbon energy increases operating costs	<p>1. Reduce operating costs</p> <p>2. Enhance energy stability</p>	<p>1. Reduce carbon fee risk</p> <p>2. Increase energy diversity, strengthen climate resilience, and reduce the rate of operational interruptions</p>	<p>1. Guangzhou plant: signing of green power procurement contract, 2024 solar panel for voluntary self-use</p> <p>2. Malaysia plant: Solar panels were officially commissioned in November 2024</p> <p>3. Taiwan plant: Solar panels were officially commissioned in April 2025</p>

Table 2. Risk Management System

<p>TCFD management process</p> <ol style="list-style-type: none"> (1) ESG Committee members have completed the collection of climate and environmental background information and conducted assessments of climate risks and the scope of operations (2) Establish a list of climate risks and opportunities and create an internal operational impact questionnaire (3) ESG Committee members analyze climate risks, opportunities, and operational impacts, and determine material risk items (4) Establish execution strategies and goal setting (5) Annually review the effectiveness of execution strategies and objectives through ESG Committee meetings <p>Risk Management Procedures</p> <ol style="list-style-type: none"> (1) Risk identification: Assess risk sources and risk items (2) Risk assessment: Assess the risk level of risk items (3) Confirm risk items: Develop improvement measures for identified high-risk items (4) Follow-up: Summarize the results of risk improvement management, review lagging progress for improvement, continue to maintain improvement strategies for improved risks, and continue to optimize and adjust as needed
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Table 3. Transformation plan for managing climate-related risks

Risk Category	Transformation Risk		Physical Risk
Items	Enhanced emissions reporting obligations	Rising raw material costs	Increases in average temperature
Mobile content	Group-wide Greenhouse Gas Inventory in accordance with ISO 14064-1	<ol style="list-style-type: none"> 1. Preference given to raw materials procured from the production site 2. Looking for second supplier 3. Execution of purchase contracts 4. Suppliers are required to prepare inventory 	<ol style="list-style-type: none"> 1. Guangzhou plant: signing of green power procurement contract, 2024 solar panel for voluntary self-use 2. Taiwan and Malaysia plants: plan to set up solar panels 3. Energy management
Metrics and Targets	Regularly review the Group's greenhouse gas emissions annually	<p>Compliance rate of environmental/social assessment of new suppliers: 100%</p> <p>The price decline rate of raw material purchase $\geq 4\%$.</p>	The recent goal is to keep temperature rise within 1.5°C, and we pledge to reduce Scope 1 and Scope 2 emissions by 42% by 2030 compared to the baseline year of 2021, and to achieve net-zero emissions by 2050.

1-1 The Company's Greenhouse Gas Inventory and Assurance in the Recent Two Years

1-1-1 Greenhouse gas inventory information

Describe the greenhouse gas emissions (tCO ₂ e), intensity (tCO ₂ e/NT\$1 million) and data coverage in the most recent two years.		
Year	Greenhouse gas emissions (metric tons of CO ₂ e)	Greenhouse gas emission intensity (tons of CO ₂ e/NTD million)
2023	7,460	3.245
2024	6,638	3.756

1-1-2 Greenhouse Gas Assurance Information

Describe the assurance status in the most recent two years and up to the printing date of this annual report, including the scope, institution, standard and opinion of the assurance.
<p>The Company's 2022 and 2023 greenhouse gas emissions were externally verified. The 2024 emissions inventory was completed, and the ISO 14064-1:2018 statement from SGS Taiwan Ltd. was obtained in 2025. The scope included the Taiwan plant, Shanghai plant, Guangzhou plant, and Malaysia plant. The assurance opinion was "The ABC Taiwan Group's greenhouse gas emissions report contains no material misstatement." As of the printing date of the annual report, the 2025 Group emissions inventory has not yet undergone external verification, and complete assurance information will be disclosed in the sustainability report and on the Company's official website.</p> <p>For more information, please refer to the ISO 14064-1:2018 Assurance Statement disclosed on the Company's website.</p>

1-2 Greenhouse gas reduction goals, strategies and concrete action plans

Describe the base year for reduction of greenhouse gases and reduction data, reduction goals, strategies and specific action plans, and achievement status of the reduction goals.
<ol style="list-style-type: none"> 1. Baseline year for greenhouse gas reduction: 2021 2. Greenhouse gas emissions in the baseline year: total Group emissions of 11,150.699 tCO₂e Scope 1 and Scope 2 emissions totaled 7,675.8174 tCO₂e 3. Greenhouse gas reduction goals: The recent goal is to keep temperature rise within 1.5°C, and we pledge to reduce Scope 1 and Scope 2 emissions by 42% by 2030 compared to the baseline year of 2021, and to achieve net-zero emissions by 2050. 4. Carbon reduction strategies and concrete action plans: signing of green power procurement contracts/establishing solar panels for self-use/energy management 5. Achievement of reduction targets: In 2024, Scope 1 and Scope 2 target emissions were 6,708.66 tCO₂e, while actual Scope 1 and Scope 2 emissions were 4,962.5063 tCO₂e, achieving the annual reduction target 6. For detailed information, please visit the Company's website: https://www.atec-group.com/tw/csr-167-185-page585

(VI) State of ethical corporate management and any difference from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof:
The Company has established its "Rules for Ethical Corporate Management" in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies". The Company operates under the highest principle of integrity, and conducts all business activities in line with laws and regulations.

Evaluation items	State of operation			Difference from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such difference
	Yes	No	Summary	
I. Establishment of the ethical corporate management policy and action plans (I) Has the company established an ethical corporate management policy approved by the board of directors? Does the policy clearly specify in its rules and external documents the ethical corporate management policies, and the commitment of the board of directors and the senior management to proactively implement the management policy?	V		I. Establishment of the ethical corporate management policy and action plans (I) The Company implements the ethical corporate management philosophy of integrity, transparency, and accountability, and establishes an integrity policy. As well as this, the Company's "Rules for Ethical Corporate Management" have been formulated to outline commercial practices that conform with integrity principles. Members of ABC Group, including directors, supervisors, employees, agents, and controllers are expected and required to take part in the enforcement of integrity policies. For the Code of Conduct, please see under Company Measures and Regulations of the Investors section on the Company's site at the investors section.	It is generally in compliance with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies
(II) Has the Company established a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establishes prevention programs accordingly, at least include preventive measures against the behaviors specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?"	V		(II) The Company has formulated its "Rules for Ethical Corporate Management" to prevent businesses with higher risk of unethical practices under Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" or business activities with higher risk of unethical practices within the business scope. The Company conducts risk assessment on issues of internal and external concern to the organization at the end of each year, and establishes an effective internal control system, which is reviewed from time to time to ensure the continuous and effective implementation of the system.	
(III) Has the company clearly provided the operating procedures, conduct guidelines,	V		(III) In order to eliminate and prevent the occurrence of unethical practices, the Company has established its "Rules for Ethical Corporate Management" and "Code of Ethical Corporate	

<p>disciplines for violations and a grievance system in its program to prevent unethical acts and have these been implemented, and has the formally disclosed program been regularly reviewed and amended?</p>			<p>Management". The "Regulations Governing the Reporting of Illegal and Unethical Behaviors by Internal/External Personnel" have also been established to promote ethical conduct among employees from time to time. For related documents, please see under Company Measures and Regulations of the Investors section on the Company's website at the investors section.</p>	
<p>II. Implementation of ethical corporate management</p> <p>(I) Has the company evaluated the integrity of all counterparties it has business relationships with? Are there any integrity clauses in the agreements entered into with business partners?</p> <p>(II) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and has such unit reported to the Board of Directors its execution in terms of ethical management policy and preventive programs against unethical conducts and the supervision status on a regular basis (at least once a year)?</p> <p>(III) Has the company formulated a policy that prevents conflicts of interest and a channel that facilitates the reporting of conflicts of interests?</p> <p>(IV) Has the company established an effective accounting system and internal control system in order to implement ethical management,</p>	<p>V</p> <p>V</p> <p>V</p> <p>V</p>		<p>II. Implementation of ethical corporate management</p> <p>(I) According to the "Code of Ethical Corporate Management", before conducting business transactions, the Company considers the legitimacy and credibility of the agents, suppliers, customers, and business partners. The Company avoids doing business with those with a record of unethical conducts, and the ethical conduct clauses are expressly set forth in the contract. Where a counterparty engages in an unethical conduct, the Company may terminate or cancel the contract at any time.</p> <p>(II) In order to improve the management of ethical corporate management of the Company, the Secretariat of the Board of Directors is responsible for the formulation of ethical corporate management policies and preventive plans. The Human Resources Department reports to the Board of Directors on the implementation of the ethical corporate management policy and prevention of unethical practices of the Company.</p> <p>(III) The Company has established its "Rules for Ethical Corporate Management" and "Code of Ethical Corporate Management" to prevent conflicts of interest. For the Code of Conduct, please see Company Measures and Regulations of the Investors section for the reference of shareholders and stakeholders. The Company has also set up a stakeholder section on the Company's website to serve as a communication channel for handling stakeholder suggestions, queries, and disputes in order to protect stakeholder rights.</p> <p>(IV) The Company has established an effective accounting system in accordance with the Securities and Exchange Act, the Business Entity Accounting Act, the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the International Financial</p>	<p>It is generally in compliance with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies</p>

<p>and proposed relevant audit plans according to the assessment results of the risks of unethical conducts, and reviewed the compliance of the prevention of unethical conducts, or entrusted an accountant to carry out the review?</p> <p>(V) Does the company organize internal or external training on a regular basis to maintain ethical management?</p>	V	<p>Reporting Standards and International Accounting Standards endorsed by the Financial Supervisory Commission. The Audit Office oversees the implementation of the Company's internal rules and systems and reports the progress of the audit to the Board of Directors.</p> <p>(V) The Company conducts promotion on ethical corporate management through departmental meetings, weekly morning meetings, and video wall. In addition, the completion rate of the "Employee Integrity Assurance Integrity" signed by employees in 2025 was 100%. Furthermore, ethical corporate management is incorporated into the Code of Conduct for Employees.</p>	
<p>III. State of operations of the company's reporting system</p> <p>(I) Has the company set up a specific reporting and incentive system, and established a channel to facilitate grievances and assigned dedicated personnel to receive grievances?</p> <p>(II) Has the company implemented any standard operating procedures and/or subsequent measures after carrying out an investigation or confidentiality measures for handling grievances filed?</p> <p>(III) Has the company taken appropriate measures to protect the whistleblower from mistreatment as a result of whistleblowing?</p>	V	<p>III. State of operations of the company's reporting system</p> <p>(I) The Company has established the "Regulations Governing the Reporting of Illegal and Unethical Behaviors by Internal/External Personnel", with dedicated personnel assigned and reporting channels set up. Any act violating the Company's ethical standards will be punished according to the Company's standards were severely punished. In 2025, no disciplinary actions were taken against any breach of ethical corporate management regulations.</p> <p>(II) The Company has a complaint/suggestion mailbox (atec.suggest@atec-group.com) and a hotline handling complaints by a dedicated person. A stakeholder section has been created on the Company's website to be used as a communication channel for stakeholders' suggestions, queries, and disputes. In addition, the Company has instituted the "Personal Data Protection Policy" to protect whistleblowers and provide confidentiality, incentives, and penalties. The robust reporting mechanism allows to communicate information in a secure and confidential manner, ensuring the rights and interests of stakeholders.</p> <p>(III) The Company provides reporting channels and takes appropriate protective measures in accordance with the law to protect the personal information and privacy of the whistleblowers.</p>	It is generally in compliance with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies

<p>IV. Information disclosure strengthening Has the company disclosed the content of its ethical corporate management Best-Practice principles and the results of implementation on its official website and MOPS?</p>	<p>V</p>		<p>The Company fosters its Rules for Ethical Corporate Management; related content is disclosed on the Company's website under Company Measures and Regulations of the Investors section.</p>	<p>It is generally in compliance with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies</p>
<p>V. If the company has formulated its own Ethical Corporate Management Best-Practice Principles in accordance with the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”, please describe the differences between its operation and the Principles: There are no material differences between the contents of the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and the Company’s “Rules for Ethical Corporate Management”.</p>				
<p>VI. Any other important information that may help understanding the performance of ethical corporate management better: (e.g., review of an amendment to its Ethical Corporate Management Best-Practice Principles): The Company upholds the principle of ethical corporate management in all business activities: a contract entered into with another party includes: the compliance with the ethical management policy and to terminate or cancel the contract at any time if the counterparty engages in an unethical conduct; to provide a workplace that protects the health and safety of each employee; to accept the opinions of employees; to encourage and assist employees to develop relevant skills and knowledge; to avoid illegal activities, and to provide sustainable employment opportunities for employees. The Company values the rights and interests of each stakeholder in order to promote the Company's sustainable development.</p>				

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

Further education of directors:

Title	Name	Date of further education	Name of the course	Number of hours
Chairman	Joseph Hsu	2025/05/09	Corporate merger and acquisition strategy and planning	3
		2025/11/10	How AI assists corporate decision-making and anti-corruption prevention	3
Director	Kuo Dan-Wei (Note)	2025/05/09	Corporate merger and acquisition strategy and planning	3
		2025/11/10	How AI assists corporate decision-making and anti-corruption prevention	3
Director	Francis Fan	2025/05/09	Corporate merger and acquisition strategy and planning	3
		2025/11/10	How AI assists corporate decision-making and anti-corruption prevention	3
Director	Tommy Hsu	2025/05/09	Corporate merger and acquisition strategy and planning	3
		2025/11/10	How AI assists corporate decision-making and anti-corruption prevention	3
Director	Polter Hong	2025/05/09	Corporate merger and acquisition strategy and planning	3
		2025/11/10	How AI assists corporate decision-making and anti-corruption prevention	3
Director	Chen Chin-Yi	2025/05/09	Corporate merger and acquisition strategy and planning	3
		2025/11/10	How AI assists corporate decision-making and anti-corruption prevention	3
Director	Hsu Chen, Huei-Tsung	2025/05/09	Corporate merger and acquisition strategy and planning	3
		2025/11/10	How AI assists corporate decision-making and anti-corruption prevention	3
Independent Director	Wang, Yung-Cheng	2025/05/09	Corporate merger and acquisition strategy and planning	3
		2025/11/10	How AI assists corporate decision-making and anti-corruption prevention	3
Independent Director	Yu-Shan Chang	2025/05/09	Corporate merger and acquisition strategy and planning	3
		2025/11/10	How AI assists corporate decision-making and anti-corruption prevention	3
Independent Director	Chen Yu-Shan	2025/05/09	Corporate merger and acquisition strategy and planning	3
		2025/11/10	How AI assists corporate decision-making and anti-corruption prevention	3
Independent Director	Cheng Kwai-Hui	2025/05/09	Corporate merger and acquisition strategy and planning	3
		2025/09/03	The 21st (2025) International Corporate Governance Summit—The Role of the Board of Directors in Shaping Corporate Strategy amid Dramatic Global Environmental Changes	6
		2025/11/10	How AI assists corporate decision-making and anti-corruption prevention	3

Note: The representative of Bourns Electronics (Taiwan) Ltd. was changed from Kuo Tan-Wei to Liang Cheng-Yi effective March 12, 2026.

(VIII) Implementation of the internal control system

1. For the 2024 Statement of Internal Control System, please refer to the "Declaration of Internal Control" on the MOPS.
 - Index path: MOPS > Single Company > Corporate Governance > Corporate Regulations/Internal Control > Announcement of Internal Control Statement.
 - Website: <https://mops.twse.com.tw/mops/#/web/t06sg20>
2. CPA audit report, where a CPA was engaged to carry out a special audit of the internal control system: None.

(IX) In the most recent year and up to the date of publication of the annual report, important resolutions adopted at the shareholders' meeting or board of directors meeting:

Board of Directors	Time	Important resolution
13th meeting of the 16th term	2025.01.20	<ol style="list-style-type: none"> 1. Approved the motion for base for 2024 year-end bonus and distribution of year-end bonus to company officers. 2. Approved the salary adjustment for the promotion of Senior Manager Lo, Wen-Yen to Associate 3. Approved the motion for 2025 business plan and budget 4. Approved the 2025 version of the Group's mid- and long-term strategic planning.
14th meeting of the 16th Term	2025.03.10	<ol style="list-style-type: none"> 1. Approved the motion for total amount and payment method of 2024 remuneration to directors and employees 2. Approved the motion for the Company's 2024 business report and financial statements. 3. Approved the motion for the 2024 earnings distribution. 4. Approved the 2023 audit quality indicator report 5. Approved the motion for 2024 "Statement of Internal Control" 6. Approved matters relating to the convening of the 2025 Annual General Meeting of the Company. 7. Approved the motion for bank financing facility. 8. Approved the motion for amendments to some provisions of the "Articles of Incorporation". 9. Approved the final beneficiary of the trading company in the region of China was adjusted.
15th meeting of the 16th term	2025.05.09	<ol style="list-style-type: none"> 1. Approved the Company's 2025 Q1 Consolidated Financial Statements
2025 Annual General Meeting	2025.06.05	<ol style="list-style-type: none"> 1. Ratification of the 2024 business report and financial statements 2. Ratification of the 2024 earnings distribution 3. Approved the motion for amendments to some provisions of the "Articles of Incorporation".
16th meeting of the 16th Term	2025.08.08	<ol style="list-style-type: none"> 1. Motion for amendments to certain provisions of the "Procedures for Distribution of Remuneration to Employees" 2. Motion for 2024 distribution of remuneration to managerial officers 3. Motion for 2024 distribution of remuneration to directors 4. The Company's 2025 Q2 Consolidated Financial Statements 5. Endorsement and guarantee for bank loan on behalf of subsidiary AOBA TECHNOLOGY(M) SDN.BHD. (hereinafter referred to as AOBA) 6. Motion for the Company's indirect investment in AOBA TECHNOLOGY (M) SDN. BHD. 7. Motion for amendments to some provisions of the Company's "Internal Control System" and "Internal Audit System". 8. Motion for bank financing facilities 9. Motion to authorize the Chairman to set the record date for cash dividend distribution and related matters

		<p>10. To build a strong foundation for the Group’s long-term development, it is proposed to appoint Dr. Francis Fan, currently a director and General Manager of the Company, as Vice Chairman, General Manager, and Group Chief Technology Officer</p> <p>11. Approved the motion for issuance of the Company’s 2024 Sustainability Report</p>
17th meeting of the 16th Term	2025.11.10	<p>1. Approved the Company’s 2025 Q3 Consolidated Financial Statements</p> <p>2. Approved the motion for the Company’s 2026 audit plan</p> <p>3. Approved the corporate value enhancement plan</p> <p>4. Approved the motion for bank financing facility.</p> <p>5. Approved ABC Taiwan Group mid- and long-term strategic planning 2026 edition</p>
18th meeting of the 16th Term	2026.01.22	<p>1. Motion for the basis for 2025 year-end bonus distribution and distribution of year-end bonuses to managerial officers</p> <p>2. Approved the motion for amendments to the “Procedures for Distribution of Remuneration to Employees”</p> <p>3. Approved the motion for 2026 business plan and budget</p> <p>4. Motion for bank financing facilities</p> <p>5. Approved the motion for revision of the Group organization chart</p> <p>6. ABC Taiwan Group mid- and long-term strategic planning 2026 edition V2 updated version</p>
19th meeting of the 16th Term	2026.03.12	<p>1. Motion for the total amount and payment method of 2025 remuneration to directors and employees</p> <p>2. 2025 Business Report and Financial Statements</p> <p>3. Motion for 2025 earnings distribution</p> <p>4. 2024 audit quality indicators report</p> <p>5. The Company intends to change the co-signing certified public accountant starting from Q1 2026</p> <p>6. Motion for the 2025 “Statement of Internal Control System”</p> <p>7. Matters relating to the convening of the Company's 2026 Annual General Meeting</p> <p>8. Motion for the full re-election and the list of candidates for directors (including independent directors) nominated by the Board of Directors</p> <p>9. Motion to lift non-competition restrictions on newly elected directors and their representatives</p> <p>10. Motion for amendments to the “Articles of Incorporation”</p> <p>11. Motion for amendments to certain provisions of the Company’s “Internal Control System” and “Internal Audit System”</p> <p>12. Motion for bank financing facilities</p>

Status of implementation of the resolutions of the 2025 Annual General Meeting:

Ratifications	Implementation of resolution
2024 business report and financial statements	Resolution adopted
2024 earnings distribution.	Approved the resolution to distribute cash dividends of NTD 0.35 per share, totaling NTD 36,750,215. 2025/9/1 was set as the record date for dividend distribution, and 2025/9/24 as the cash dividend payment date.
Discussion items	Implementation of resolution
Motion for amendments to certain provisions of the “Articles of Incorporation”	Approved, and the Ministry of Economic Affairs approved the registration of the changes to the amended Articles of Incorporation on 2025/07/11.

(X) In the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to an important resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration: None.

IV. CPA fees

CPA fees

Amount: NT\$'000

Name of CPA firm	Name of CPA		Audit period	Audit fee	Non-audit fee	Total	Remark
Deloitte & Touche	Wen, Chih-Yuan	Yeh Tung-Hui	2025/01/01~ 2025/12/31	4,090	1,060	5,150	Non-audit fees include transfer pricing report, annual maintenance fee of offshore company, change registration and processing fee of offshore company, etc.

- Note: 1. Audit fee for the change of accounting firms paid in the year is less than the previous year, the decreased amount, percentage and reason of the audit fee shall be disclosed: Not applicable.
2. Over 10% decrease in audit fee on a year-to-year basis, the decreased amount, percentage and reason of the audit fee shall be disclosed: Not applicable.

V. Information on replacement of CPAs

To meet the needs of internal adjustments of Deloitte Taiwan, from Q1 2026, the Company's certifying CPAs will be changed from CPA Wen Chih-Yuan and CPA Yeh Tung-Hui to CPA Wen Chih-Yuan and CPA Chung Ming-Yuan, and this was Approved by the 16th Term 19th meeting of the Board of Directors.

VI. Where the Company's Chairman, General Manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of the certifying CPA or at an affiliated enterprise thereof, the name, title, and period of employment at the accounting firm of the certifying CPA or at an affiliated enterprise thereof shall be disclosed: None.

VII. Any transfer of equity interests and/or pledge of or change in equity interests in the most recent year or up to the date of publication of the annual report by a director, company officer, or shareholder with a stake of more than 10 percent

Unit: share

Title	Name	2025		As of April 11, 2026	
		Number of shares held Increase (Decrease)	Number of pledged shares Increase (Decrease)	Number of shares held Increase (Decrease)	Number of pledged shares Increase (Decrease)
Chairman	Joseph Hsu	89,000	0	(94,000)	0
Director	CTBC Bank was entrusted with the custody of the investment account of Bourns, Inc.	0	0	0	0
	Representative: Liang Cheng-Yi	0	0	0	0
Director and General Manager	Francis Fan	0	0	0	0
Director	Polter Hong	0	0	0	0
Director and Executive Vice General Manager	Tommy Hsu	10,000	0	0	0
Director and Vice General Manager	Chen Chin-Yi	26,000	0	0	0
Director	Hsu Chen, Huei-Tsung	0	0	0	0
Independent Director	Wang, Yung-Cheng	0	0	0	0
Independent Director	Yu-Shan Chang	0	0	0	0
Independent Director	Chen Yu-Shan	0	0	0	0
Independent Director	Cheng Kwai-Hui	0	0	0	0
Assistant General Manager	Cheng Shao-Yen	0	0	0	0
Assistant General Manager	Hsu Shih-Feng	55,000	0	0	0
Assistant General Manager	Fan, Liang-Hsiu	0	0	0	0
Assistant General Manager	Luo, Wen-Yen	0	0	0	0
Chief Accounting Officer	Cheng Ya-Yun	0	0	0	0
Chief of corporate governance	Wang Shu-Hua	1,000	0	(1,000)	0

Note: The representative of Bourns Electronics (Taiwan) Ltd. was changed from Kuo Tan-Wei to Liang Cheng-Yi effective March 12, 2026.

Information on equity transfer

Unit: share

Name	Reason for equity transfer	Date of transaction	Transaction counterparty	Relationship between counterparties of transactions with the Company, directors, supervisors, company officers, and shareholders holding more than 10 percent of the shares	Number of shares	Transaction price
Joseph Hsu	Gift	2026.01.05	Hsu An-Ching		94,000	25.85

Information on equity pledge

Name	Reason for change in pledge	Date of transaction	Transaction counterparty	Relationship between counterparties of transactions with the Company, directors, supervisors, company officers, and shareholders holding more than 10 percent of the shares	Number of shares	Shareholding ratio	Pledge ratio	Amount of pledged loan
			None					

VIII. Names and relationships between the top ten shareholders including spouses and second degree of kinship

Name	Number of shares held		Shareholding of spouse and minor children		Total shareholding in the name of others		Names and relationships between the top ten shareholders including spouses and second degree of kinship.		Note
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Title (or Name)	Relationship	
CTBC Bank was entrusted with the custody of the investment account of Bourns, Inc.	9,117,736	8.68%	-	-	-	-	-	-	-
Representative: Liang Cheng-Yi	-	-	-	-	-	-	-	-	Note
Joseph Hsu	6,147,038	5.85%	1,017,992	0.97%	-	-	Qian Hua Investment Qian Jung Investment Hsu Chen, Huei-Tsung Hsu Yi-Hsin Tommy Hsu	Director Director Spouse Father Father and son	-
Qian Hua Investment	3,118,469	2.97%	-	-	-	-	Joseph Hsu Francis Fan Tommy Hsu	Director Director Chairman	-
Representative: Tommy Hsu	1,648,600	1.57%	304,205	0.29%	-	-	Qian Hua Investment Qian Jung Investment Joseph Hsu Hsu Chen, Huei-Tsung Hsu Yi-Hsin	Chairman and Director Father and son Mother and son Siblings	-
Tommy Hsu	1,648,600	1.57%	304,205	0.29%	-	-	Qian Hua Investment Qian Jung Investment Joseph Hsu Hsu Chen, Huei-Tsung Hsu Yi-Hsin	Chairman and Director Father and son Mother and son Siblings	-
Qian Jung Investment	1,547,088	1.47%	-	-	-	-	Hsu Chen, Huei-Tsung Joseph Hsu Tommy Hsu Hsu Yi-Hsin	Chairman Director Director Director	-
Representative:	1,017,992	0.97%	6,147,038	5.85%	-	-	Qian Jung Investment	Chairman Spouse	-

Hsu Chen, Hwei-Tsung							Joseph Hsu Hsu Yi-Hsin Tommy Hsu	Mother Mother and son	
Liu Ming-Lun	1,480,769	1.41%	-	-	-	-	-	-	-
Hsu Yi-Hsin	1,437,330	1.37%	-	-	-	-	Qian Jung Investment Joseph Hsu Hsu Chen, Hwei-Tsung Tommy Hsu	Director Father Mother Siblings	-
Francis Fan	1,293,730	1.23%	43,017	0.04%	-	-	Qian Hua Investment	Director	-
Fang Yu-Chin	1,127,844	1.07%	-	-	-	-	-	-	-
Hsu Chen, Hwei-Tsung	1,017,992	0.97%	6,147,038	5.85%	-	-	Qian Jung Investment Joseph Hsu Hsu Yi-Hsin Tommy Hsu	Chairman Spouse Mother Mother and son	-

Note: The representative of Bourns Electronics (Taiwan) Ltd. was changed from Kuo Tan-Wei to Liang Cheng-Yi effective March 12, 2026.

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

2025/12/31 Unit: shares

Invested business	The Company's investment		Investment by directors, supervisors, company officers and any companies controlled either directly or indirectly by the company		Comprehensive investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
ABC AMERICA ELECTRONICS CORP.	220,000	100.00%	-	-	220,000	100.00%
ATEC HOLDING COMPANY	34,484,161	100.00%	-	-	34,484,161	100.00%

Note: Investment accounting for under the equity method.

Three. Capital Raising Activities

I. Company capital and shares

(I) Sources of capital

Month and year	Issue price (NTD)	Authorized capital		Paid-in capital		Note		
		Number of shares (in thousands)	Amount (NTS'000)	Number of shares (shares)	Amount (NTS)	Sources of capital	Offset by any property other than cash	Other
1979.05	10	1,000	10,000	1,000,000	10,000,000	Capital stock at establishment \$10,000,000	-	She-Zi No. 120845 dated 1979.05.25
1990.07	10	2,950	29,500	2,950,000	29,500,000	Capital increase of NTS\$19,500,000 by cash	-	1990.07.07
1996.08	10	4,103.3	41,033	4,103,300	41,033,000	Capital increase of NTS\$11,533,000 by cash	-	1996.08.28
1998.11	10	8,000	80,000	5,103,300	51,033,000	Capital increase of NTS\$10,000,000 by cash	-	Jian San Yi Zi No. 260398 dated 1998.11.19
1999.12	10	8,000	80,000	6,281,210	62,812,100	Capital increase of NTS\$11,779,100 by cash	-	She-Zi No. 089371671 dated 2000.1.29
2000.09	20	28,000	280,000	13,161,210	131,612,100	Capital increase of NTS\$25,150,000 by cash Capital increase of NTS\$43,650,000 by capital reserve	-	She-Zi No. 089141547 dated 1990.11.09
2000.12	20	28,000	280,000	15,837,210	158,372,100	Capital increase of NTS\$26,760,000 by cash	-	She-Zi No. 089148192 dated 1990.12.27
2001.06	10 10 15	28,000	280,000	25,000,000	250,000,000	Capital increase of NTS\$47,511,630 by earnings Capital increase of NTS\$24,116,270 by capital reserve Capital increase of NTS\$20,000,000 by cash	-	Jing-Shou-Zhong-Zi No. 09001269410 dated 2001.07.19
2001.10	20	28,000	280,000	27,000,000	270,000,000	Capital increase of NTS\$20,000,000 by cash	-	Jing-Shou-Zhong-Zi No. 09001450700 dated 2001.11.15
2002.07	10	32,000	320,000	28,350,000	283,500,000	Capital increase of NTS\$13,500,000 by earnings	-	Jing-Shou-Zhong-Zi No. 09101341960 dated 2002.08.20
2002.11	20	32,000	320,000	30,350,000	303,500,000	Capital increase of NTS\$20,000,000 by cash	-	Jing-Shou-Zhong-Zi No. 09101486770 dated 2002.12.12
2003.09	10	32,000	320,000	31,867,500	318,675,000	Capital increase of NTS\$15,175,000 by capital reserve	-	Jing-Shou-Zhong-Zi No. 09232804930 dated 2003.10.15
2004.08	10	37,500	375,000	33,460,875	334,608,750	Capital increase of NTS\$9,560,250 by earnings Capital increase of NTS\$6,373,500 by capital reserve	-	Jing-Shou-Zhong-Zi No. 09332584620 dated 2004.08.20
2004.12	10	37,500	375,000	37,245,875	372,458,750	Capital increase of NTS\$37,850,000 by cash	-	Jing-Shou-Zhong-Zi No. 09333184790 dated 2004.12.15
2005.08	10	39,500	395,000	39,480,628	394,806,280	Capital increase of NTS\$22,347,525 by capital reserve	-	Jing-Shou-Zhong-Zi No. 09432762760 dated 2005.09.05
2007.08	10	60,000	600,000	41,454,660	414,546,600	Capital increase of NTS\$19,740,320 by earnings	-	Jing-Shou-Zhong-Zi No. 09632568520 dated 2007.08.13
2007.09	10	60,000	600,000	45,454,660	454,546,600	Capital increase of NTS\$40,000,000 by cash	-	Jing-Shou-Zhong-Zi No. 09632706600 dated 2007.09.03
2009.02	10	60,000	600,000	43,454,660	434,546,600	Cancellation of treasury stock NTS\$20,000,000	-	Jing-Shou-Zhong-Zi No. 09831639610 dated 2009.02.02
2011.08	10	60,000	600,000	46,061,940	460,619,400	Capital increase of NTS\$26,072,800 by earnings	-	Jing-Shou-Zhong-Zi No. 10032421070 dated 2011.08.22
2012.03	10	60,000	600,000	53,129,812	531,298,120	Conversion of corporate bonds NTS\$70,678,720	-	Jing-Shou-Zhong-Zi No. 10101084430 dated 2012.05.09
2012.06	10	60,000	600,000	54,511,671	545,116,710	Capital increase of NTS\$13,818,590 by earnings	-	Jing-Shou-Zhong-Zi No. 10101181700 dated 2012.08.31
2012.09	10	60,000	600,000	55,381,671	553,816,710	Conversion of corporate bonds NTS\$8,700,000	-	Jing-Shou-Zhong-Zi No. 10101242010 dated 2012.11.22
2012.12	10	60,000	600,000	56,481,671	564,816,710	Conversion of corporate bonds NTS\$11,000,000	-	Jing-Shou-Zhong-Zi No. 10201040050 dated 2013.03.13
2013.05	10	60,000	600,000	56,971,671	569,716,710	Conversion of corporate bonds NTS\$4,900,000	-	Jing-Shou-Zhong-Zi No. 10201101880 dated 2013.05.31
2013.08	10	60,000	600,000	57,011,671	570,116,710	Conversion of corporate bonds NTS\$400,000	-	Jing-Shou-Zhong-Zi No. 10201179170 dated 2013.08.29

2013.12	10	60,000	600,000	57,231,671	572,316,710	Conversion of corporate bonds NT\$2,200,000	-	Jing-Shou-Zhong-Zi No. 10201245280 dated 2013.12.03
2015.09	10	80,000	800,000	60,379,413	603,794,130	Capital increase of NT\$31,477,420 by earnings	-	Jing-Shou-Zhong-Zi No. 10401197610 dated 2015.09.17
2016.09	10	80,000	800,000	63,096,487	630,964,870	Capital increase of NT\$27,170,740 by earnings	-	Jing-Shou-Zhong-Zi No. 10501229800 dated 2016.09.19
2017.06	10	80,000	800,000	69,096,487	690,964,870	Private placement of common stock NT\$ 60,000,000	-	Jing-Shou-Zhong-Zi No. 10601076390 dated 2017.06.12
2017.09	10	80,000	800,000	73,197,759	731,977,590	Capital increase of NT\$41,012,720 by earnings	-	Jing-Shou-Zhong-Zi No. 10601125270 dated 2017.09.04
2018.09	10	100,000	1,000,000	85,641,378	856,413,780	Capital increase of NT\$124,436,190 by earnings	-	Jing-Shou-Zhong-Zi No. 10701118200 dated 2018.09.20
2019.09	10	100,000	1,000,000	92,920,896	929,208,960	Capital increase of NT\$72,795,180 by earnings	-	Jing-Shou-Zhong-Zi No. 10801127050 dated 2019.09.19
2023.10	10	150,000	1,500,000	105,000,613	1,050,006,130	Capital increase of NT\$120,797,170 by earnings	-	Jing-Shou-Zhong-Zi No. 11230198610 dated 2023.10.24

2026/04/11 Unit: shares

Type of shares	Authorized capital			Note
	Shares outstanding	Shares yet to be issued	Total	
Ordinary shares	105,000,613	44,999,387	150,000,000	

Note: These shares are listed on TWSE/TPEX.

(II) Information on the aggregate reporting system: None.

(III) List of major shareholders

2026/04/11 Unit: shares

Name of major shareholders	Shares	Number of shares held	Shareholding ratio
CTBC Bank was entrusted with the custody of the investment account of Bourns, Inc.		9,117,736	8.68%
Joseph Hsu		6,147,038	5.85%
Qian Hua Investment		3,118,469	2.97%
Tommy Hsu		1,648,600	1.57%
Qian Jung Investment		1,547,088	1.47%
Liu Ming-Lun		1,480,769	1.41%
Hsu Yi-Hsin		1,437,330	1.37%
Francis Fan		1,293,730	1.23%
Fang Yu-Chin		1,127,844	1.07%
Hsu Chen, Huei-Tsung		1,017,992	0.97%

(IV) The company's dividend policy and implementation status

1. Dividend policy

Any earnings at the end of the year are subject to tax, and reimbursement of accumulated losses according to laws, followed by 10% of the earnings as legal reserve, and the remainder as provision or reverse of special reserves, except that if the legal reserve has reached the Company's paid-in capital. If there are earnings remaining, together with the undistributed earnings, the board of directors is to draft a motion for earnings distribution and submit it to the shareholders' meeting for resolution and distribution of dividends to shareholders.

The Company's dividend policy will accommodate current and future development plans, consider the investment environment, fund requirements and domestic and external competition, and shareholders' interest to provide appropriation

of earnings of at least 20% as the shareholders' dividends each year. However, when the accumulated earnings available for distribution falls below 2% of the paid-in capital, the distribution may not proceed. Any shareholders dividends are paid in the form of cash or shares, of which cash dividends shall not be less than 10% of the total dividends.

2. Distribution of dividends proposed at the shareholders' meeting

It was proposed at the AGM to distribute a cash dividend of NT\$0.5 per share.

(V) The effect of the current bonus shares on the operating performance, EPS and return on shareholder's investment:

Items	Year	2026 (Estimated)	
Paid-in capital at the beginning of the period		NT\$1,050,006,130	
Dividends distributed for the year (Note 1)	Cash dividend per share	NT\$0.50	
	Number of shares allotted per share for capital increase from earnings	0.000 shares	
	Number of shares allotted per share for capital increase from capital reserve	-	
Changes in business performance	Operating profit	Not applicable (Note 2)	
	Increase (decrease) in operating income YoY		
	Net profit after tax		
	Increase (decrease) in net profit after tax YoY		
	Earnings per share		
	Increase (decrease) in earnings per share YoY		
Pro forma earnings per share and price-earnings ratio	Annual average return on investment (annual average earning yield)	Not applicable (Note 2)	
	If the capitalization of earnings is replaced with payout of cash dividends		Pro forma earnings per share
			Pro forma annual average return on investment
	If capital surplus has not been processed capitalization of capital surplus		Pro forma earnings per share
			Pro forma annual average return on investment
	If the capitalization of capital surplus is not conducted and the capitalization of earnings is replaced with payout of cash dividends		Pro forma earnings per share
Pro forma annual average return on investment			

Note 1: Subject to resolution at the 2026 Annual General Meeting.

Note 2: According to the "Regulations Governing the Publication of Financial Forecasts of Public Companies", the Company is not required to disclose the financial forecast information for the entire fiscal year of 2026.

(VI) Remuneration to employees and directors/supervisors

1. The percentages or ranges with respect to remuneration to employees and remuneration to directors as set forth in the Company's Articles of Incorporation

According to Article 34 of the Articles of Incorporation - if there is a profit within the Company in the year, 12%-16% of the profit shall be set aside for employees. The Board of Directors may decide to distribute the employees' remuneration in shares or cash. Employees who meet certain criteria are entitled to receive remuneration. The Company may set aside up to 6% of the profits as stated above as remuneration to directors by resolution adopted by the Board of Directors. The motion for the distribution of remuneration to employees and directors shall be reported at the shareholders' meeting.

However, when the Company has accumulated losses, such amount shall be retained to cover the losses and then appropriated as remuneration to employees and remuneration to directors/supervisors on a pro rata basis as referred to in the preceding paragraph.

2. Information on remuneration to employees and directors/supervisors approved by the Board of Directors

The distribution of remuneration to employees and directors for 2025 was Approved at the 19th meeting of the 16th Term Board of Directors held on March 12, 2026.

- (1) Resolution of the remuneration to employees and directors:

The Company's Board of Directors Approved the distribution of NT\$6,434,709 as remuneration to employees and NT\$1,608,677 as remuneration to directors, both in cash.

- (2) Where there is a difference with the estimated amount for the year, in which the expenses are recognized, the amount of difference, reason, and accounting treatment shall be disclosed:

There is no difference between the amount distributed as remuneration to employees and directors and the estimated amounts of NT\$6,434,709 and NT\$1,608,677 recognized in the 2025 Financial Statements.

- (3) If the actual distribution amount Approved by the Board of Directors differs from the estimated amount, it shall be treated as a change in accounting estimate and recognized in profit or loss for 2025.

- (4) Amount of remuneration for employees distributed in stock and percentage to the total amount of after-tax profit and remuneration for employees in the parent company only or individual financial statements of the current period: Not applicable.

3. The actual distribution of employee, director, and supervisor remuneration for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor remuneration, additionally the discrepancy, cause, and how it is treated:

Items	Proposal by the Board	Expenses recognized in 2024	Difference of amount
Remuneration to employees - cash	1,155,741	1,155,741	0
Remuneration to directors	288,935	288,935	0

(VII) Buyback of the company shares: None.

- II. Status of corporate bond issuance: None.**
- III. Status of preferred shares: None.**
- IV. Status of overseas depository receipts: None.**
- V. Status of employee stock option certificates: None.**
- VI. Status of restricted shares issued to employees: None.**
- VII. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: None.**
- VIII. Status of implementation of capital utilization plans: None.**

Four. An Overview of Operations

I. Description of the business

(I) Business scope

1. Main lines of business

- (1) ABC manufactures, processes, and sells various noise filters, converters, chip coils, transformers, and their magnet cores, and various ferrite cores.
- (2) Stamping, manufacturing, processing and trading of various metal parts.
- (3) Manufacture, processing, and sales of tooling molds and production equipment for various products.
- (4) Import/export trading business.

2. Major products and their percentages in total business volume

Unit: NTD thousand

Business items	2025 operating revenue	Proportion to total business amount (%)
Inductors	2,015,471	97.48
Other	52,131	2.52
Total	2,067,602	100.00

3. New products planned for development

(1) Inductors

- A. Ferrite core power inductors for automotive and industrial control applications.
- B. EMI-shielded, alloy powder molded high-current power inductors for power modules.
- C. Signal common-mode filter components for automotive network communication modules.
- D. Hot-pressed alloy powder molded miniature power inductors.
- E. Alloy iron powder cold-pressed precision power inductor series.
- F. Ultra Miniature RF Inductors.

(2) LTCC components

- A. 1005 & 1608 bandpass filters for 6G communication frequency bands and mobile phone-related development products
- B. 1005, 1109 & 1608 bandpass filters and low-pass filters for Bluetooth-related development products
- C. 1005 & 1608 duplex filters for WiFi 7-related development products
- D. 1005 & 1608 low-pass filters for WiFi HaLow-related development products
- E. 1608 duplex filters for UWB-related development products

(II) Industry overview

1. Current status and development of the industry

Components of electronic products can be divided into two types according to their basic characteristics. The first is "passive components", where components only require an input signal to function and do not need an external power supply, and will not change

the direction of the flow of electricity. Passive components include resistors, capacitors, inductors, transformers, quartz crystal resonators, etc., as well as all such products that are combined into integrated components, such as filters, and some RF-based components, such as RF couplers, duplexers, etc. The second type is "active components." All non-passive components are active components, including diodes, transistors, thyristors and all integrated circuits.

Resistors, capacitors and inductors are the three most important basic components of passive components. Among these three categories, the inductor is the most varied and the most complex in its application, but it is also the most vital component for achieving many important electrical functions. Almost all switching power converters require the use of inductors or transformers with inductive functions. For switching power converters, the inductance is the main determinant of the performance and efficiency of the switching converter. Power converters currently make up the largest application of the Company's inductor products and account for the highest percentage of overall sales. The second largest application is that of EMI filter inductors. Inductors play a key role in controlling EMI, such as line filters, common mode chokes, differential chokes, multilayer chip inductors, etc., are widely used in electronics or systems. Due to the continuous innovation and mass production of various electronic products, the growth momentum of EMI inductors is expected to continue. Radio frequency inductors (RF inductors) are used in more traditional inductive applications. However, with the increasing prevalence of wireless functions for handheld electronic devices and home appliances, the demand for radio frequency inductors has also risen exponentially, with growth momentum that should not be underestimated. These applications are driving the overall inductor industry toward full automation, miniaturization, higher operating frequency, and lower power consumption.

In addition, due to the trend of EVs replacing fuel vehicles and the rapid expansion of automotive electronics, inductor products for the automotive sector are also experiencing explosive growth. However, the most important requirement in the automotive field is not performance or price, but quality, so inductors for automotive applications are constantly moving toward high quality (zero defects). In terms of global inductor market share, Japan and the U.S. are the main sources of supply, but due to cost pressure, in recent years, companies in Taiwan, the U.S. and Japan have relocated their production bases to mainland China. China has become the world's most attractive market due to the high domestic market demand, which has brought together major global suppliers to expand their production and investment. With increased foreign investment from Taiwanese, American and Japanese companies, the Chinese market has been growing and has surpassed Japan to become the world's largest component manufacturing base.

2. Upstream, midstream, and downstream industry linkages

(1) Inductor components

The most upstream products in the electronics industry are the raw materials needed to manufacture inductors, such as ferrite cores, enameled wires, silver paste, and plastic stands. The inductors are in the upper to middle stream of the industry, including wire-wound inductors, multilayer inductors, ferrite beads, and thin-film inductors. The middle to downstream are modular electronic products, such as AC/DC switching converters, motherboards for computers, EMI filtering modules, RF communication modules, etc. Finally, downstream products in the electronics industry includes all end-use electronic products (electronic products for general consumers to

use directly), such as mobile phones, computers, servers, printers, TVs, audio speakers, any wearable electronic products, etc.

Upstream products	Upper-midstream products	Midstream to downstream products	Downstream products
Raw materials	Inductors	Modular electronics	Consumer electronics
(i) Ferrite core (including MnZn, NiZn, ceramic, and alloy cores)	(i) Coil inductor	(i) Switching AC/DC convertors	(i) Consumer electronics such as cellphones, tablets, PCs, and servers
(ii) Enameled wire (general coating, TIW, FIW, etc.)	(ii) Multilayer inductors	(ii) Computer motherboards	(ii) Peripherals such as printers, scanners, modems, switches, and wireless routers
(iii) Plastic frames (available in different materials such as LCP, PP, PE, phenolic resin, etc.)	(iii) Ferrite bead inductor	(iii) EMI filter module	(iii) Home appliances such as TV, sound system, and refrigerator
(iv) Silver paste	(iv) Thin-film inductor	(iv) RF communication module (e.g. WiFi module)	(iv) Any wearable electronics

(2) LTCC products

<u>Upstream</u>	<u>Midstream</u>	<u>Downstream</u>
Ceramic powder, silver paste	LTCC Filter	Routers, modems, mobile phones, consumer electronics, and UWB ultra-wideband

3. Product development trends and competition

(1) Development trends of inductors

As electronic products have evolved toward high performance, lightweight and thin designs, and high reliability, inductor components have become increasingly critical in power management, signal processing, and energy conversion. Particularly in applications such as high-frequency power supplies, communication equipment, industrial control, and automotive electronics, increasingly stringent requirements have been placed on the size, efficiency, power density, and environmental resistance of inductors. Meanwhile, advances in materials technology and manufacturing processes have enabled inductor components to achieve high performance and low loss while being miniaturized. Faced with the rapidly growing market trends of electric vehicles and high-power electronic systems, the inductor industry has been actively evolving toward higher integration, improved high-temperature resistance, lower noise, and higher reliability. The following outlines six key directions in the future development and application of inductor components.

- A. Driven by the demand for lightweight and thin terminal devices, inductors have been designed for smaller form factors and highly integrated multifunctional capabilities

As consumer electronics, communication equipment, and industrial systems continue to become lighter, thinner, shorter, and smaller, inductor components must provide complete functionality within limited space. Through coil structure optimization, modular design, and multifunctional integration, inductors can satisfy both high-power output and flexible system layout while reducing the overall circuit board footprint, helping improve system design efficiency and product competitiveness.

- B. Increase power output per unit volume and reduce energy loss by optimizing structure and upgrading materials

High-power electronic systems demand higher energy conversion efficiency from inductors. By improving the magnetic circuit design, enhancing the winding method, and introducing low-loss materials, power density can be increased within a limited volume while reducing copper loss and core loss. This trend not only reduces heat issues, but also helps prolong component lifetime and enhance overall system reliability.

- C. To meet the demands of high-speed power supplies and communication applications, inductors must exhibit stable and low-loss high-frequency characteristics

With the increasing adoption of high-frequency power converters and high-speed communication technology, inductors are required to maintain stable inductance values and low-loss characteristics under high-frequency operating conditions. Through careful material selection and structural design optimization, eddy current effects and AC loss can be effectively suppressed, ensuring signal quality and power stability and thereby meeting the stringent requirements of high-speed, high-frequency applications.

- D. Develop novel magnetic materials to reduce loss, improve overall efficiency, and mitigate heating issues

The R&D of novel magnetic materials has led to key breakthroughs in inductor performance. By reducing hysteresis loss and core loss, energy waste can be significantly reduced under high-frequency and high-power conditions. This not only improves overall conversion efficiency but also helps lower component temperature rise, which is particularly important for high-density power supplies and systems under long-term operation.

- E. Thermal design and structural improvements to enhance temperature rise performance and suppress resonance and mechanical noise

As power density increases, heat dissipation and noise control become key design considerations for inductors. Through improvements to the heat dissipation structure, packaging method, and mechanical fastening design, operating temperature rise can be effectively reduced, and vibration and noise caused by resonance points can be suppressed. Good thermal management and low-noise design help improve product stability and user experience.

- F. Demand for automotive electronics drives improvements in inductors' high-temperature resistance and long-term reliability

In electric vehicles and automotive electronic systems, inductors must withstand high temperatures, high currents, and harsh environmental conditions for extended periods. To ensure system safety and reliability, inductors must be designed with heat-resistant materials, stable electrical performance, and a long-life design. This direction has become a critical development focus for the inductor industry to enter the automotive market.

(2) Development trend of LTCC

LTCC has solved the problem of increasingly limited space and an increasing number of components. It is not only used in mobile phones, but also in RF front-end components such as filters, duplexers, and high-frequency inductors, as well as antennas for wireless communication. For many years, Japanese manufacturers have been the dominant players in the LTCC industry. They have a global market share of about 50%. The main manufacturers are TDK and Murata. Taiwanese manufacturers include SMT, Winbond, and GIGA. As 5G and WiFi impose higher frequency specification requirements, traditional mainstream SAW and BAW filters have become difficult to support. Taking current 5G sub-6 and WiFi 7 as examples, the 6 GHz frequency band used has already exceeded the upper limit of SAW and reached the critical point of BAW. Therefore, it is estimated that demand for LTCC filters will continue to rise.

(3) Market competition

In terms of the global inductor market share, Japan and the USA are the countries with the largest production scale, while the Taiwan manufacturers have a relatively low global market share.

There are more than 100 manufacturers of inductors and coils in Taiwan, and most of them are mainly coil manufacturers. The manufacturers of chip inductors include ABC, Chilisin, Mag Layers, King Core, Tecstar Technology, Tai-Tech, ACX, and Max Echo, Dar Fon, and Qian-Kun. Among them, Chilisin, Mag Layers, King Core, ABC, and Tai-Tech are of larger scale and offer a wide range of products. In response to the development trend of inductors, the Company has actively developed lower-profile, lower magnetic loss, high-frequency, and high-current inductor products to provide customers with high-performance and lead-free products and gain competitive advantages.

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(III) Technology and R&D overview

In 2025, the Company's R&D expenses amounted to NT\$102,140 thousand, and the following technologies or products have been successfully developed:

1. Inductors

- (1) MSF3425-F and MSF4532-F series signal common mode filter components for automotive network communication modules (CAN-FD Class 1); deployment in the niche market of automotive communications.
- (2) MSF4532-F series power and signal common mode filter components for automotive POC (Power Over Coax) coaxial cable power supply systems; deployment in the niche market of automotive communications.

- (3) Automotive high-current power common mode filter-AQF5535 series; deployment in the niche market of automotive power filters.
- (4) Automotive alloy iron powder molded high-voltage, high-current power inductors, MHV0530 and MHV0630 series; deployment in the niche market of automotive power control.
- (5) Automotive electric field-shielded alloy iron powder molded high-current power inductors, MHS0635 and MHS1370 series; deployment in the niche market of automotive power control.
- (6) Automotive LLC half-bridge high-voltage isolation transformers, MSF7045-S/P series; deployment in the niche market of automotive voltage conversion control.
- (7) AEP0711 series automotive current sensing transformers; deployment in the niche market of automotive battery system control.
- (8) TLVR (Trans-inductor Voltage Regulator), PB0710 and PB1211 series; deployment in niche markets within the AI application field.
- (9) Development of the Chip Inductor ceramic ultra-miniature RF inductor SWI0201 series; deployment in the high-frequency communication market.

2. LTCC components

Fifteen new LTCC products have been completed and published on the Company website. Product applications are divided into four major categories: consumer electronics (GPS, Bluetooth), 5G mobile phones, network communications (WiFi 6, WiFi 7, cable modem), and UWB ultra-wideband. In addition to having begun customer sample evaluation, customer orders have also been received successively, with mass production and delivery underway.

(IV) Long-term and short-term business development plans

1. Market development strategy

(1) Medium and long-term plans

Based on the “2026 Mid-term Business Plan,” a revenue target of NT\$2.3 billion is to be achieved by “driving forward-looking market expansion and enabling a flexible regional capacity deployment.” Leveraging the market positioning of “high-performance inductor solutions + manufacturing efficiency advantages” to drive revenue growth. Continue to promote key execution plans such as “seeking strategic partners for scale,” “supply chain integration,” and “production site integration” to enhance market competitiveness and operational efficiency.

A. Product and market development direction

- ◆ Promote and mass-produce LTCC process components to expand diversified applications in the high-frequency communication market.
- ◆ Strengthen collaboration with domestic server manufacturers and actively pursue TLVR design-in opportunities.
- ◆ Optimize processes and equipment, promote zero defects, and precisely control MIM production costs to enhance competitiveness.
- ◆ Develop new markets and potential customers, and focus on product positioning to improve brand recognition.

B. Business strategy

- ◆ Implement a prudent ESG sustainability management policy, fulfill social responsibility and safeguard employee rights, and enhance sustainable competitiveness.
- ◆ Upgrade the Group's information systems, enhance LLM technology, and establish AI customer service and assistant functions to empower collaboration.
- ◆ Develop key technical and managerial talent through cross-plant and cross-functional experience and training.
- ◆ Improve budget and investment analysis tracking management and accurately control expenditures.
- ◆ Promote the bilingualization of the Group's documents.

(2) Short-term plans

Under the "2026 Business Strategy," with the goal of becoming a company with annual revenue of NT\$10 billion, we are committed to the following:

- A. Meticulously advance partners' sales performance and support the sales of products from new production lines.
- B. Drive R&D decisions with data, directing resources toward high-value and forward-looking technologies.
- C. Refine component design and mechanical processes to enhance inspection efficiency.
- D. Strengthen the execution and continuity of process improvements and prevent the recurrence of defects.
- E. Closely control the reliability of supply sources.
- F. Establish consistency in quality management processes.
- G. Precisely mainstream technology upgrades and transformation.

These seven basic strategies, including the accurate tracking of the progress, the implementation of the plan, the continuous improvement of the operation, the maintenance of continuous profits, and the achievement of the annual revenue growth target.

2. Product development strategies

Based on our mid-to-long-term policies and market development strategies, we focus on "3H product promotion for IC Design-in and simultaneous R&D and marketing team to build up product advantages", and introduced high precision material testing and analysis and material preparation processing equipment to enrich the research and development of new materials. We use magnetic, electrical, mechanism and circuit application simulation software to establish systematic design technology, and use automatic production equipment combined with industrial control software to realize SPC statistical process quality management system, toward Industry 4.0 manufacturing technology. We will continue and accelerate "3H product research and development", innovative development of "key electronic components for high frequency, high power and high voltage applications" for precision, high efficiency, high quality and reliability inductors for communication, information, industrial control, IOT, medical equipment and automotive electronics.

(1) Medium- and long-term plans

- A. Continue to upgrade metal powder granulation for the alloy powder integral to molding and automated process technology to establish the completeness of the high-current power inductor product portfolio.
- B. Continue to develop signal common mode filter components and automated process technology for network communication.
- C. Improve customer demand response and accelerate the development of automotive electronic products.
- D. Continue to develop products that meet automated production to improve production efficiency and ensure quality stability.
- E. Select main products, concentrate resources, establish product features, and strengthen FAE market promotion.
- F. Extend product value chain, enhance quality control across the board, and reduce cost to boost competitiveness.
- G. Expand new material research laboratories and continue to develop research on inductance related materials.
- H. Cooperate with domestic universities and continue to search for new fields and new directions.
- I. Continue to diversify the development of LTCC filter components for applications such as Sub-1G, 5G NR, 6G FR3, WiFi 7, and UWB ultra-wideband, and promote them to manufacturers of consumer electronics, 5G mobile phones, network communications, and even automotive or satellite communication products in Taiwan and abroad.

(2) Short-term plans

- A. Signal common mode filter components for in-vehicle Open Alliance network communications.
- B. Development of signal common mode filter components for in-vehicle Can-FD Class 2 standard network communication.
- C. Metal alloy powders for power modules.
- D. Vertical 150°C high temperature magnetic shielded power inductor with ferrite magnetic frame.
- E. Metal alloy powder molding miniature power inductor.
- F. Ultra Miniature RF Inductors.
- G. Demand for filter components in products such as routers and cable modems from domestic network communication manufacturers.

3. Production strategy

(1) Medium- and long-term plans

The Company continues to focus on the automotive market and deepen its manufacturing capability for high-reliability products. The Company has established and maintained quality management systems such as IATF 16949 and ISO 9001, and continuously strengthens process control, risk prevention, and product traceability to meet the strict requirements of international automotive manufacturers and Tier 1 suppliers.

Through optimization of production capacity structure and improvements in key process capabilities, the Company is gradually strengthening production flexibility across plants and resource integration, reducing the operational risk of any single manufacturing site. In terms of manufacturing upgrades, continue to promote process automation and digitalized management, enhance production stability, yield

performance and overall manufacturing efficiency, and support the mass production introduction needs of new products.

In addition, the Company has incorporated sustainable manufacturing and regulatory compliance into its mid-term production plan and continues to promote energy-saving improvements, hazardous substance management, and supply chain compliance requirements to meet automotive customers' expectations for ESG and sustainable development.

(2) Short-term plans

The Company focuses on delivery stability, quality control, and cost efficiency. Through flexible production scheduling and capacity load management mechanisms, the Company responds to fluctuations in automotive orders and urgent order demand, ensuring delivery accuracy and customer satisfaction.

Meanwhile, the Company continues to promote lean production and process improvement projects, focusing on yield improvement, man-hour optimization, and immediate improvement of process anomalies to stabilize product quality and strengthen cost competitiveness. In quality management, the Company has implemented process risk control, problem traceability, and a continuous improvement mechanism according to IATF 16949 requirements to reduce the impact of quality risks on operations.

In supply chain management, for key automotive materials and components, multiple sourcing arrangements and inventory preparation strategies were adopted, and close coordination was maintained with major suppliers to reduce the risk of material shortages and ensure smooth production.

II. Analysis of the market as well as the production and marketing situation

(I) Market analysis

1. Regional sales of major products Unit: NT\$ thousand

Sales region \ Year		2024		2025	
		Amount	%	Amount	%
Domestic sales (Taiwan)		93,133	5.00	106,955	5.17
Export sale	USA	846,008	45.38	1,009,774	48.84
	Germany	346,121	18.57	380,395	18.40
	China	266,115	14.28	279,385	13.51
	Other	312,802	16.77	291,093	14.08
	Subtotal	1,771,046	95.00	1,960,647	94.83
Total		1,864,179	100.00	2,067,602	100.00

2. Market share

The market size for passive component inductors in 2025 was approximately USD 8.42 billion, and the market size for passive component inductors in 2026 is forecast to be approximately USD 8.91 billion, representing an annual growth rate of about 5.82%. Looking ahead, rising demand for various consumer electronics, such as laptops, smartphones, tablets and other consumer electronic products, as well as AI servers and communication products, is increasing demand in the inductor market.

In response to the increasingly smaller size of electronic equipment products in the market, we have been prompted to develop miniaturized products and increase ABC's supply ratio. For example: Miniaturized high-power inductors DP2016-P / EHI2512 and high-frequency inductors SWI0201, etc.

In addition, the Company is actively developing TLVR series products, which are core to AI server power management. These products are designed to meet the fast transient response needs of high-power (>1000W) CPUs/GPUs and provide stable voltage. The high unit price and large volume of TLVR inductors present an opportunity to expand sales and improve the profitability of ABC Electronics Group. Meanwhile, the Company is simultaneously developing high-power inductors for automotive electronic applications, including the AGA series products and the AEP0711 series automotive communication transformers, etc.

ABC Taiwan Electronics Group's full-year 2025 revenue reached NT\$2.06 billion, of which the top three industries accounted for approximately 85.0% of sales (industrial control 44.06%, communications 23.11%, automotive 18.57%). In 2026, the Group expects stable growth in the new year and will continue to focus on application fields such as the automotive electronics market, industrial control industry, high-speed network transmission, and AI industry to increase the market share of inductors, coils, and LTCC products in various industries.

3. Future market supply, demand, and growth

(1) Industry overview

Currently, products from major domestic manufacturers have found applications in a variety of fields, among which computers/computing (including servers) have each accounted for over 20%, while industrial equipment has accounted for 23% to 29% of revenue, and automotive electronics has accounted for 16% to 19% of revenue. Driven by the growth of AI servers, the computer/computing sector has seen increasing shipment volumes, leading to greater demand for and upgrades to high-end passive components. This has become a key target area for Taiwanese manufacturers' expansion efforts in 2025. Although automotive electronics has benefited from autonomous vehicles, advanced driver-assistance systems (ADAS), and the continued increase in automotive electrification, driving steady growth in demand for automotive passive components, this progress has been tempered by intense competition in the Chinese electric vehicle market. Consequently, price reduction pressure on automotive passive components has risen, and domestic manufacturers' automotive electronics revenue share has not increased further in 2025.

Looking at the production value of Taiwan's passive electronic component manufacturing industry, since 2025, the launch of a new wave of tariff wars by the United States has created significant uncertainty in the global supply chain. The soaring prices of precious metals have also substantially increased the material costs for some products. In addition, the rise of generative AI has driven cloud service providers (CSPs) to invest heavily in AI infrastructure, boosting demand for AI servers, AI accelerator cards, high-end switches, optical transceivers, and DDR5 memory modules. Because AI servers utilize significantly more passive components than general-purpose servers, and these components have seen substantial specification upgrades, AI-related applications have become a key driver of shipment and profit growth for Taiwanese manufacturers in 2025. In contrast, while automotive electronics applications have benefited from growing demand for autonomous vehicles and ADAS, the global market has been affected by the tariff war and intense competition within the Chinese electric vehicle industry. This has led to a slowdown in global electric vehicle market growth and increased price competition for automotive components, impacting shipments from Taiwanese manufacturers.

Overall, despite challenges from Trump's tariff war 2.0 disrupting supply chains and the significant rise in precious metal prices leading to increased costs, Taiwanese manufacturers benefited from strong growth in AI application demand and the gradual recovery of mobile phones, PCs, and other consumer electronics. With successful product portfolio optimization and the increasing effect of price increases for some products, Taiwan's passive component output value showed a steady upward trend in 2025. The estimated output value for the year reached NT\$255.9 billion, a 6.4% increase compared with 2024, marking two consecutive years of steady growth.

(2) Industry focus

The emergence of generative AI applications has triggered a global boom in the construction of AI data centers, driving the rapid expansion in demand for AI applications such as AI servers and high-end switches. Compared with general-purpose servers or other electronic products, AI servers have GPU chip power

consumption reaching the kilowatt level, significantly increasing overall rack power demand. Previously used mainly in military, aerospace, and high-end PC applications, these components are currently used in AI servers for motherboard VRM output, GPU/TPU power modules, and memory power, playing the role of energy storage or decoupling to cope with large current transients, stabilize voltage, and reduce noise. In light of the rise of AI servers, demand for TLVR products has continuously expanded.

Faced with rising international precious metal prices, the price increase has further expanded to inductors. Since the required raw materials include copper, silver, and other precious metals, the material costs of passive components are deeply affected by trends in international precious metal prices. Since the beginning of 2025, geopolitical risks such as the ongoing Russia-Ukraine war and conflicts in the Middle East have continued to escalate, and the anticipated U.S. interest rate cuts are expected to weaken the U.S. dollar, while demand for applications such as electric vehicles, industrial use, and AI has continued to increase steadily.

(3) Economic Outlook

Entering 2026, in view of the continued expansion of capital expenditures by major international cloud service providers and their accelerated investment in AI infrastructure, as well as the successive launch of next-generation AI server platforms by major international companies such as NVIDIA, AMD, Google, and AWS, and the demand for high-power electricity driving the high-voltage direct current (HVDC) conversion architecture, demand for AI data center applications will continue to be supported, thereby driving demand for high-end passive components such as high-power inductors and becoming the main growth driver leading the increase in shipments of Taiwan's passive component industry in 2026. Compared with the strong demand for AI data center applications, the major applications of passive components are still consumer electronic products such as smartphones and personal computers. It is worth noting that Taiwanese manufacturers have actively invested in the automotive electronics sector in recent years. With the U.S. EV purchase subsidy having officially ended in October 2025, the halving of China's EV purchase tax subsidy, and the EU's postponement of the phase-out schedule for fuel vehicles, global EV market sales growth is expected to further slow down in 2026. However, advances in AI technology have helped drive breakthroughs in autonomous driving technologies. Consequently, Taiwanese manufacturers will shift their focus in expanding automotive electronics applications to mid-to-high-end components for autonomous driving and advanced driver-assistance systems (ADAS), seeking new growth opportunities.

Overall, in 2026, benefiting from the continued expansion of the AI server market and the launch of next-generation AI server platforms and power architectures, together with the continued increase in DDR5 market penetration and the steady rise in demand for applications such as autonomous vehicles and ADAS, shipments of mid-to-high-end passive components will be driven upward. Therefore, Taiwan's passive electronic component manufacturing industry is expected to continue the growth trend seen since 2025 in H1 2026.

(4) Development opportunities

The rising AI trend is boosting demand for AI servers, power components, and high-speed transmission applications: in view of the AI trend leading major international CSPs to continue investing in the construction of large-scale AI data centers, AI server shipment scale will further expand in 2026. In addition, the emergence of next-generation AI server platform architectures will drive increased demand for power components, and demand for high-speed transmission such as 800G high-end switches will also rise accordingly. All of these will help drive demand for mid-to-high-end passive components and specification upgrades.

Southeast Asian production capacity is coming online, helping to strengthen production scheduling flexibility and capture emerging application opportunities: in response to the restructuring of the global technology supply chain, Taiwanese manufacturers have successively invested in production capacity outside China and Taiwan. With the expansion of our Malaysia plant's production capacity, it will help improve our production scheduling flexibility and enable us to actively capture market opportunities in emerging applications such as AI servers, low-earth-orbit satellites, and automotive electronics.

(5) Risk Warning

Tariff policies and geopolitical turmoil in the U.S. continue to impact the global supply chain: since 2026, whether U.S. President Trump's invocation of the International Emergency Economic Powers Act (IEEPA) to impose reciprocal tariffs on various countries is lawful remains pending a ruling by the U.S. Supreme Court, and the findings of the Section 232 investigations on products such as semiconductors and information and communications products have not yet been released, creating significant uncertainty for the development of the global electronics industry in H1 2026.

Entering 2026, in view of the continued shortage of DDR4 and DDR5 supply, which has driven a sharp surge in DRAM prices, and as memory price increases have gradually extended from DRAM to NAND Flash, major smartphone and PC brands have fallen into fierce competition for supply. In order to reflect the upstream memory supply shortage and substantially increased costs, global PC and smartphone shipments in 2026 are expected to decline by 5%~9% year-on-year, presenting a pattern of lower volume and higher prices. This will affect demand for passive components, particularly bulk-specification components, which will face the risk of weakening end-market demand.

China's electric vehicle companies have been gaining overseas market share with competitive pricing, impacting orders for automotive electronics applications: in recent years, the global electric vehicle market has expanded significantly, and autonomous vehicles and ADAS applications have flourished, becoming a key area of focus for manufacturers. However, due to weakened economic performance in China, Chinese car manufacturers have engaged in vicious price competition to gain market share, resulting in serious "involution" within the Chinese market. Seeking new growth opportunities, Chinese car manufacturers have aggressively expanded into European and Southeast Asian markets, leveraging their low-price advantage and steadily increasing their global market share. This expansion has impacted the development of European, American, and Japanese automakers such as Tesla, Volkswagen, BMW, Stellantis, and Honda. Consequently, Taiwanese companies reliant on orders from these

European, American, and Japanese manufacturers have experienced significant pressure on their operating performance.

4. Competitive niche

As the world's leading manufacturer of inductors, ABC Taiwan upholds the spirit of "Service Innovation and Pursuit for Excellence" to keep abreast of the market trends of inductor components and adopts a systematic, standardized, and institutionalized operating system. Improve the manufacturing quality and R&D technology of inductor components and deepen presence in the global market. We continue to develop quality power induction coil components to meet the application needs of customers in different fields, while enhancing customer satisfaction and the competitiveness of the Company's products, in order to gain a firm foothold in the global inductor manufacturing industry and march toward the goal of becoming a world-class professional inductor manufacturer. The Company continues to carry out quality improvement, product innovation and R&D, energy saving and carbon reduction, digital marketing, green energy and environmental protection, and ESG and CSR sustainability to expand our business and achieve the long-term business goal of NT\$10 billion within ten years.

In 2025, approximately 80% of ABC Taiwan Electronics Group's sales (industrial control 44.06%, communications 23.11%, and automotive 18.57%) were attributable to the specific major competitive advantages described below. In view of the continued expansion of the global artificial intelligence market, demand for highly reliable, high-power-density magnetic components has been further driven by related applications such as servers, memory, processors, and edge computing devices. ABC Taiwan develops integrated high-power molded power inductors, filters, TLVR, ferrite beads, and other products in response to market demand to meet customer needs and enhance the Company's competitiveness. Power inductors and related magnetic components have continued to advance with higher current, higher frequency, and greater miniaturization, driven by the increasing power demands of applications like AI servers and data centers. The Company has developed inductor solutions supporting the TLVR architecture and expanded its high-voltage product lines to address high-end applications such as industrial control, network communication equipment, and AI power supply, strengthening its technological visibility and market penetration rate within the global supply chain.

(1) Improvement of materials and R&D technology and expansion of the LTCC market

Strengthening the research and development of material technologies, such as powder materials, and applying them to the development of molded high-power power inductors has improved product specifications, enhanced competitive advantages, and strengthened market differentiation. Meanwhile, the Company has introduced the design and process technology for LTCC (low temperature co-fired ceramic) electronic component modules. The production line was completed at the end of 2024 and mass production has begun, focusing on new-generation high-frequency communication and secure connection applications such as Wi-Fi 6E/Wi-Fi 7. By combining its existing RF components and filter design capabilities, the Company is moving towards highly miniaturized, high-added-value modules. In terms of market layout, the Company has continued to deepen its cooperative relationships with European and American IC design companies through joint development and technical integration. It has also actively expanded

its presence in Asia, covering key markets such as Japan, Mainland China, and Taiwan. The Company focuses on automotive electronics applications, primarily promoting molded high-power inductors, common-mode chokes, and transformers to enhance brand influence and drive overall business growth.

(2) Expand Malaysian production capacity and introduce automated, value-added product lines

The new line features an integrated automated design, connecting the entire process from material input and wire winding to assembly, testing, and packaging. This has significantly reduced manpower requirements per line compared to traditional segmented production lines. Automated production lines offer precise production cost control, while also improving process stability and yield.

First, the existing high-volume power inductor series will be introduced. Upon completion of the transfer, the gross profit margin of a single product series is expected to improve significantly. In the future, the same production line will also be replicated in China, creating a dual-axis layout with both new and existing production lines operating in parallel.

(3) Strengthening digital marketing strategy layout and comprehensively enhancing brand influence and market competitiveness

In response to the digital transformation trend in market behavior and consumption patterns in the post-pandemic era, the Company has continued to deepen its digital marketing layout by integrating and applying diverse digital platforms, expanding brand reach, strengthening the depth of customer interaction, and driving growth in operating efficiency.

Regularly issue product e-newsletters to proactively share product updates, technical applications, and company news, deepen customer relationship management, and enhance customer loyalty.

Develop integrated marketing plans and dedicated promotional materials for new product introductions to accelerate market awareness and adoption, shorten the sales conversion period, and improve return on investment efficiency.

Continuously refine the Company's website product content and user experience, integrate social media and digital channel traffic generation strategies, increase website traffic and brand exposure, and build a professional and competitive corporate image.

5. Favorable and unfavorable factors for development prospects and countermeasures

(1) Favorable factors

A. Focus on mastering key material technologies and carry out comprehensive product planning.

The Company has established a metal powder surface treatment facility in Building B of the Yangmei Plant 2 to enhance production capacity. At the same time, we are actively advancing material process technologies, such as reducing magnetic loss and improving voltage resistance. Building C has also officially commenced operations to meet product market demand and expand production scale. In addition, the Company focuses on building smart technology factories to effectively reduce production costs. In terms of product

layout, Buildings A and C focus on the production and development of high-current power inductors and EMI filters, while the Malaysia plant is responsible for manufacturing high-frequency chip inductors. These products cater to market needs in 5G, IoT wireless communications, and automotive applications, showing strong development potential and aligning with future industry trends.

B. The rapid development of technology and technique are increasing the demand for product inductance

In recent years, the electronic components industry has seen structural growth opportunities driven by the accelerating advancement of emerging technologies and application technologies, as market demand has continued to expand. Demand for 5G smartphones and high-performance computing has grown steadily, and this trend, combined with key developments such as Wi-Fi 7, artificial intelligence (AI), Internet of Vehicles, and battery electric vehicles, is simultaneously driving the evolution of inductor products toward higher performance, miniaturization, and high reliability, further expanding the overall market size. In response to the rapid evolution of the industry environment, major passive component manufacturers have actively invested in technological innovation and product upgrades to strengthen market competitiveness and implement differentiated product positioning. With its profound material R&D capabilities, complete and diversified product portfolio, and stable and excellent quality management capabilities, ABC Taiwan has continuously strengthened its core technologies and manufacturing advantages, and flexibly responded to customer needs and application trends. The Company has established a strong market presence in the passive components market, which offers high growth potential, and has steadily expanded its competitive advantages and long-term development momentum through continuous innovation and strategic initiatives.

C. Internationalization of production layout and capacity deployment in response to the international political situation

ABC Taiwan has established diversified production bases in Taiwan (Plant 1 and Plant 2), Guangzhou, and Malaysia, and simultaneously set up R&D centers with professional technical teams to form a tightly integrated R&D and manufacturing operating system. The Company has obtained IATF 16949 automotive quality management system certification and introduced processes and verification mechanisms compliant with the AEC-Q200 automotive electronics reliability standard, comprehensively strengthening product quality and service capabilities for the automotive market. In view of geopolitical uncertainties such as the US-China trade conflict and the Taiwan Strait situation, customers have increasingly focused on production concentration and supply chain risk management. In response to this trend, the Company has promoted cross-plant collaborative manufacturing and backup dispatch mechanisms to enhance overall supply chain resilience and delivery stability. At the same time, the Company launched the MIM capacity transfer plan to allocate part of its products to Malaysia for production, in order to diversify regional risks, reduce tariff and policy impacts, strengthen its presence in Southeast Asia, and further expand global supply chain flexibility and long-term competitive advantages.

(2) Unfavorable factors

A. Slowdown of GDP growth in major economies

Factors such as geopolitical conflicts, supply chain restructuring, and wars have impacted the economic performance of major economies. According to forecasts, the global annual GDP growth rate will be approximately 2.6% in 2026. Among them, the US is at 2.2%, while Japan and the Eurozone are at 0.7% and 0.9%, respectively, indicating a slowdown in GDP growth across major economies. Although China's GDP growth is forecast at 4.3%, economic growth may be constrained by US tariff measures and uncertainties regarding the effectiveness of stimulus policies, affecting the momentum of the recovery in end-market consumption. In the meantime, the Russo-Ukrainian War and conflicts in the Middle East remain unresolved, and the recent US-Iran disputes have further exacerbated uncertainties in the global economic outlook

◆ Countermeasures

The Company continues to enhance its R&D capabilities for new products, with a focus on developing high-end offerings, improving customization capabilities, and strengthening product responsiveness to market demands. By optimizing the product portfolio, the Company increases the sales channels for high-margin products, makes up for the lack of product lines, and increases the revenue from new product lines.

B. Tariff measures in the U.S.

Following the U.S. Supreme Court's ruling that the imposition of tariffs was illegal, Trump subsequently announced a 10% import tariff on global imports, and further announced that the tariff rate would be raised to the statutory upper limit of 15%, demonstrating the high degree of variability and challenges in the implementation of the current direction of U.S. tariff policy. Overall, the implementation and strength of the subsequent tariff policies may lead to trade disputes and the countermeasures of other countries, intensifying the global protectionism, increasing the supply chain adjustment cost pressure and accelerating the economic fragmentation.

◆ Countermeasures

- (a) Enhance automated production processes to reduce labor requirements and lower costs.
- (b) Strengthen expertise in key material technologies, increase the in-house production ratio of materials, and shorten product development cycles to seize market opportunities.
- (c) Deepen sales to existing customers while actively exploring new markets and penetrating niche markets to mitigate the impact of low-price competition.
- (d) Collaborate with customers on project development, respond promptly, and provide services that meet specifications to satisfy customers' technical requirements during the development stage.
- (e) Actively expand into niche markets by leveraging the Company's R&D strengths to pursue market opportunities for highly customized, high-margin, low-volume specialty products.
- (f) Accelerate the execution of the MIM production transfer plan to mitigate the impact of geopolitical risks.

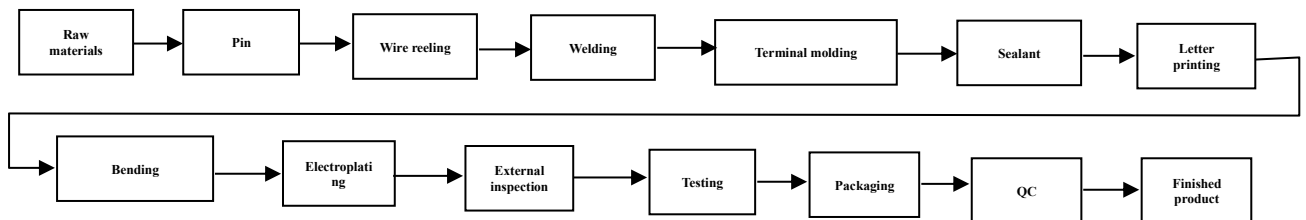
(II) Important uses and production processes of the main products

1. Important uses of the products

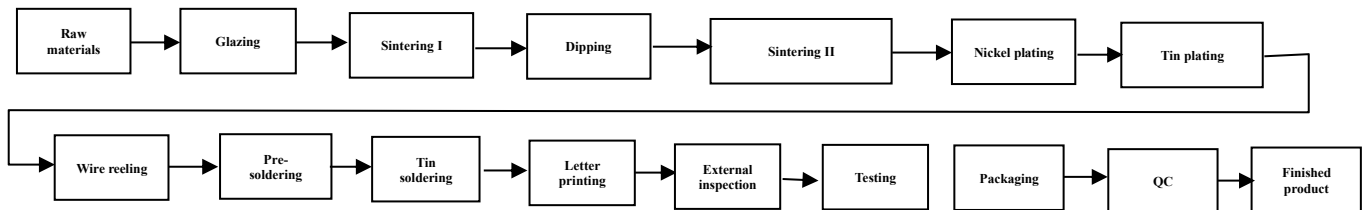
Product	Function	Use
SMD chip inductor	Small signal choke High-frequency filter Signal coupling	Communication products: ADSL, STB, Cable Modem, GPS, mobile phone, VDSL, Power Line, WLAN IEEE802.11 Information products: HDD, DSC, PVR, DV Consumer products: VCR, DVD, MP3, HDTV
SMD power inductor	Power choke circuit	Portable device: NB-PC, PDA, GPS, DSC, MP3, DVD Power module: DC-DC, DC-AC
SMD filter components	Common mode choke EMI filter module	Telephone, LAN, ISDN, ADSL, PC, CD-ROM, instrument, power supply, TV, RADIO, GAME
SMD transformer	Low power voltage conversion Signal coupling Impedance matching	GPS, PDA, DSC, DVD, MP3, TFT, IEEE1394, USB2.0, CATV

2. Production process

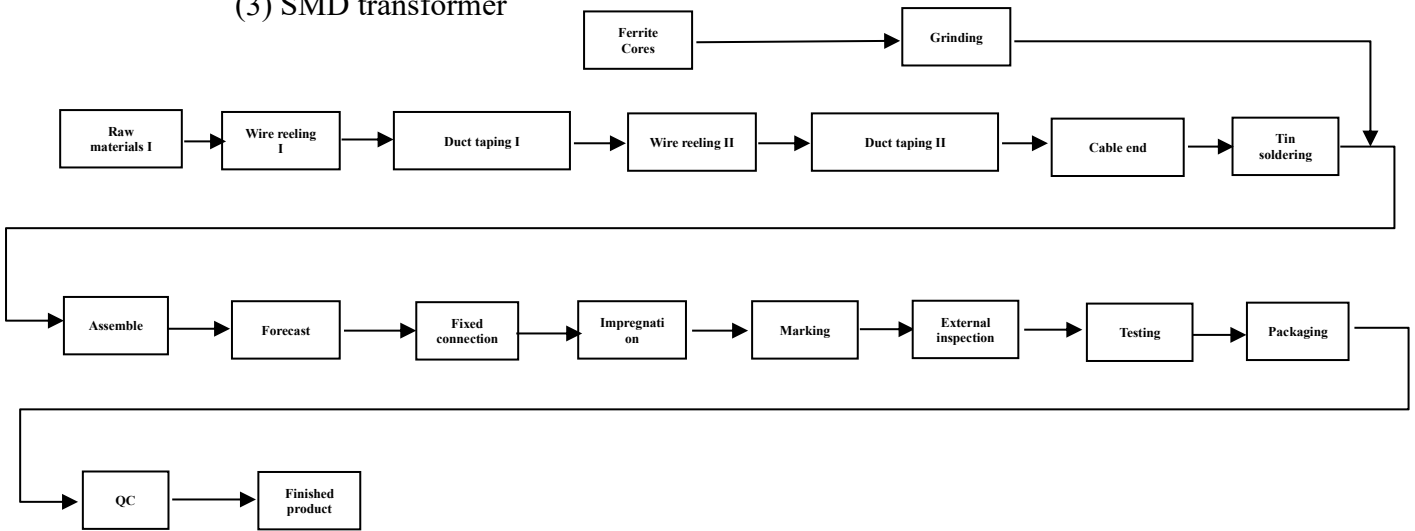
(1) SMD chip inductor (CM)



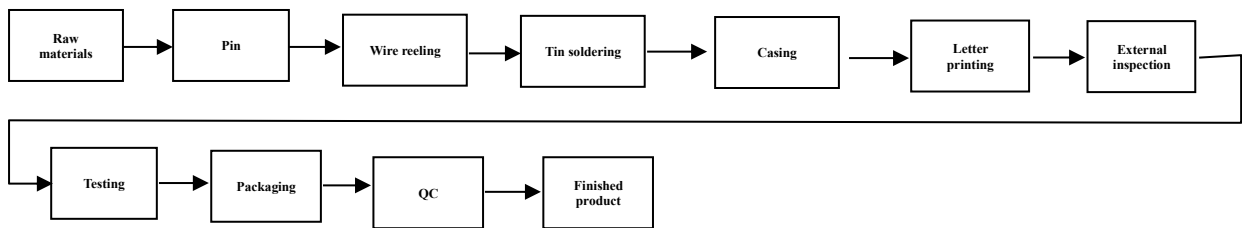
(2) SMD power inductor



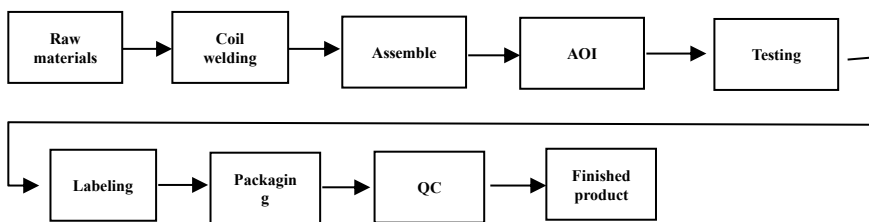
(3) SMD transformer



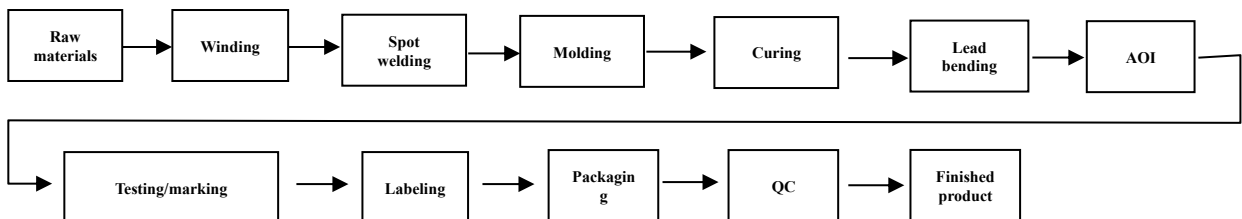
(4) General conventional inductors



(5) CMC common mode choke



(6) Powder pressed inductor



(III) Supply of main raw materials

Major raw materials		
Name	Main source of supply	Supply condition
Ferrite Cores	AOBA TECHNOLOGY	Good
Enameled Wire	Elektrisola	Good
Precision metal	Promosts	Good

(IV) Names of major customers, and the amounts and proportions of purchases in the last 2 years

1. Major customers purchases in the last 2 years

Unit: NTD thousand

Items	Year	2024			2025				
		Name	Amount	Percentage to the annual net sales	Relationship with the issuer	Name	Amount	Percentage to the annual net sales	Relationship with the issuer
1		Customer A	798,831	42.85%	Related party	Customer A	973,629	47.09%	Related party
2		Customer B	562,291	30.16%	Non-related party	Customer B	598,429	28.94%	Non-related party
		Other	503,057	26.99%	-	Other	495,544	23.97%	-
		Net sales	1,864,179	100%	-	Net sales	2,067,602	100%	-

Note: The main reason for the increase or decrease was the recovery in end-market demand and order growth in 2025.

2. Information on major suppliers for the most recent 2 years: In the past two years, the Company did not purchase more than 10% of the total procurement amount in the most recent two years.

III. Employees

Year		2024	2025	As of 2026/04/12
Number of employees	Managerial level and above	36	46	44
	Section (deputy) leader or above	103	89	76
	General staff	640	749	742
	Total	779	884	862
Average age		36.3	36.31	36.31
Average years of service		7.6	6.83	6.83
Education distribution ratio	Doctoral degree	0.26%	0.22%	0.20%
	Master's degree	3.08%	3.46%	2.98%
	University (college)	35.05%	37.35%	35.91%
	Senior high school	31.19%	29.54%	27.18%
	Below senior high school	30.42%	29.43%	33.73%

IV. Disbursements for environmental protection

In the most recent year and up to the publication date of this annual report, the Company has not suffered any loss or penalty due to environmental pollution.

V. Labor relations

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

1. Employee benefits

As an evergreen company with more than 40 years of history, allowing employees to have a balanced work and lifestyle is the best approach to increase the loyalty of employees. Aside from providing numerous insurance benefits and pension allocation, for over 20 years, the Company also offers group insurance, employee training, scholarships for children of employees, childbirth allowance which are better than what the law prescribes while organizing a variety of activities to boost employee morale at work.

[Employee benefit results]

Items	Results
Welfare Committee Allowances	Gift vouchers (cash) for holidays, birthday cash gifts, and subsidies and allowances are provided for weddings, funerals, celebrations, academic advancement subsidies, continuing education, hospitalization, injury and illness, childbirth, educational scholarships and grants, employee travel, year-end benefits, and salary items for childbirth incentive leave. In 2025, a total subsidy of NT\$675,600 was provided.
Group Insurance	The Company fully pays for and plans comprehensive employee group insurances including medical insurance, occupational accident insurance, accident insurance, critical illness insurance, and cancer insurance.
On-the-job Training	To enhance employee quality and strengthen the Company's organizational capacity, we encourage employees to pursue further education and professional development. In accordance with the "On-the-Job Education Management Regulations," the Company provides subsidies each academic year for employees undertaking continuing education at colleges and universities. Additionally, based on the "Education and Training Management Regulations," subsidies are offered to employees for professional training and skill enhancement. In 2025, a total subsidy of NT\$917,196 was provided.
Employees' Health	A regular health examination and a health examination for special workplaces are received by our employees each year, providing them with a self-health management program. The health examination rate in Taiwan in 2025 was 100%. (Excluding pregnant women and employees on parental leave) Because we care about the health of our colleagues - seminars with health topics are arranged and drinking water checked regularly.
Female Care	We adjust night shifts for female employees during their pregnancy and apply for exclusive parking spaces for pregnant women. Pregnancy care measures and lactation rooms are provided at our Taiwan Factory with nursing staff stationed.

2. Education and training

Employees are the foundation of a company's longevity, and the most important source for a company's continuous growth and to stay competitive. At ABC, we proactively cultivate its core employees through a diversified cultivation mechanism in order to continuously improve the quality of human resources and their work capabilities. We reach our business goals by inspiring our employees to be passionate about work and take on challenges while planning for future development.

Our human resource development strategy is formulated based on the Company's vision, management concept, and annual goals. We build development plans and learning channels for employees using 4 aspects: selection, utilization, education, and retention so that employees are allowed to have space for self-development and growth. Training courses for employee cultivation are planned by the HR Department and various department supervisors according to the development focus of each department.

- **Employee Selection:** A "Behavior Profile" evaluation is carried out using the "Occupational Personality Trait Analysis," and suitable candidates are then shaped through the requirements and application of the "Behavior Profile." We also find the right people to join the Company through internal and external channels.
- **Employee Utilization:** We place employees in the right position based on the needs of the organization and personal development while using the functional model as the basis for the utilization of employees and adopting the "key work plans" management.
- **Employee Education:** In an effort to enhance the improvement of work capabilities and implementing lifelong learning vision for all employees, we set clear development focus of core organizational capabilities of each department and key process tasks of each position as well as necessary capabilities. We transform these capabilities into training courses for general knowledge functions, professional functions, and management functions. Allowing employees to take part in internal and external training courses.
- **Employee Retention:** We promote the "Senior Employee Mentorship System" - New employees are assisted by experienced "Employee Mentors" to quickly get a grasp of the company system and work culture. By doing such, not only the personalization of training and career development recommendations are strengthened, the retention rate of employees is also further enhanced.

In recent years, the HR Department has been strengthening employees' work capabilities in accordance with the plans of the Company's development strategies. The Company encourages the concept of "participation of all employees" in terms of employee cultivation and training resource allocation, regardless of gender and age. Through participating in different types of learning activities, employees can integrate work practices and apply their strong learning to improve quality and efficiency.

3. Retirement system

The Company has established retirement management measures in accordance with the pension provisions of the Labor Standards Act and the Labor Pension Act. Since July 1, 2005, for new employees and existing employees who opt for the new pension system, the Company contributes 6% of employees' monthly salaries into their pension account of the Bureau of Labor Insurance. At the same time, the Company continues to retain the seniority of the existing employees who opt for the old pension measures and existing employees who adopted the old

system but have switched to the new pension measures. The allocation of retirement reserve funds is calculated according to the payment standards of the “Regulations for the Retirement Management” which are deposited into a personal account at Bank of Taiwan. Also, the Company shall assess the balance in the labor retirement reserve fund account by the end of every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make up for the difference by the end of next March.

4. Agreement between employers and employees

In an effort to promote the notion of looking after employees and enhancing the maintenance of the Company's sound labor relations, ABC has established the “Labor-Management Meetings” as required by the law. A labor representative is elected by employees publicly and both labor and management representatives hold regular labor-management meetings for discussion, which provides diverse communication channels for employees while promoting the Company's policies, systems, welfare measures, and a variety of activities. Resolutions made at the labor-management meeting will be handled accordingly by the Company, allowing employees to fully express their opinions and be responded to in order to make improvements in due course.

Communication Channels:

- Intranet platform (HR Portal/opinions and proposals)
- Internal bulletin mailbox (“HR Portal/Bulletin Board”)
- Internal publications (ABC Taiwan Newsletter)
- Communication meetings (department meetings, manager meetings, communication meetings, labor-management meetings)
- Complaint channels (employee complaint mailbox / hotline / sexual harassment complaint mailbox / hotline)
- Employee satisfaction survey (employee awareness survey)
- Employee interviews

5. Protection of employees' rights

(1) Human rights

As a citizen enterprise in the electronics industry, we are committed to fulfilling corporate social responsibility and protecting the basic human rights of all employees. We support and respect internationally recognized human rights policies including principles disclosed in international human rights treaties such as: “UN Guiding Principles on Business and Human Rights,” the “UN Global Compact,” “Responsible Business Alliance” and “UN International Labor Organization.” We do not tolerate any conduct of infringement and violation of human rights. All of our employees are treated with justice, fairness, and respect. Policies of ABC Taiwan Electronics Corp. apply to the Company, subsidiaries, and all operating locations. Related laws and regulations regarding labor and gender equality are obeyed where operating locations are. Human rights protection, labor policies, and implementation measures have also been formulated by the Company.

(2) Sexual harassment prevention

Additionally, we also provide a safe working environment for our employees. We have set up a sexual harassment and complaint hotline and mailbox and formulated applicable management measures. As of now, there have been no occurrences of related complaints.

(II) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes, and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken:

The relationship between the Company and its employees is harmonious, and no losses have been experienced due to any labor disputes.

VI. Cyber security management

(I) Information security risk management framework

1. The Company's dedicated unit for information security risk management is the Information Security Office, and a head of the Information Security Office has been appointed. The Group regularly convenes the Group Information Security Committee on a quarterly basis to address the Group's information security policies, the planning and execution of information security operations, and the promotion and implementation of information security policies, and regularly reports the overall implementation results to the committee.
2. The Group's Internal Audit Office and Information Security Office serve as the supervisory units for the Group's information security governance; externally, audits are regularly performed by accounting firms. During the audit process, deficiencies identified were addressed through the submission of relevant improvement plans.

(II) Information security policy

The information systems of the Company and its subsidiaries must possess (1) security and (2) resilience, and eliminate any possible information security incidents. To establish a secure and reliable information operation environment, ABC Taiwan Electronics Group has formulated information security policies with reference to the "Information and Communication Security Control Guidelines for TWSE/TPEX Listed Companies", relevant laws and regulations, and information security needs, to ensure that the organization's information assets, data, systems, equipment, and network security are appropriately protected.

(III) Promotion of the Group's Information Security Management

To strengthen information security, ABC Taiwan Group has continuously implemented various information security enhancement projects and measures:

1. Improvement of network information security, including the establishment of the Group's network firewall, anti-virus system, and integrated EDR system.
2. Establishment of an email filtering system and email encryption.
3. Regularly review system and firewall logs, and track unusual login activity.
4. Enable certificates or SSL encryption technology to protect the transmission of sensitive data.
5. Activate the operating system's BitLocker encryption mechanism to reduce the risk of data loss (data leakage).
6. System vulnerability scans are performed periodically on the Group's information equipment, and Shodan is used to assist in reviewing the security of internet-connected devices.
7. Regularly conduct social engineering phishing tests to enhance the Group employees' information security awareness.
8. Participate in the TWCERT organization to obtain updated information security intelligence to help continuously improve information security standards.

9. Adopt a hybrid cloud and on-premises deployment to enhance the Group's information security resilience.
10. Regularly conduct host disaster recovery drills (DRP) and continuously optimize RTO (Recovery Time Objective) and RPO (Recovery Point Objective).

(IV) Optimization of the Group's information control management

The Group has adopted the following control measures for the security control management of information equipment

1. Multi-factor authentication (MFA) technology has been enabled to strengthen identity authentication for network resources.
2. The Group has introduced information asset and equipment inventory management to ensure the proper use of the Group's information resources.
3. Professional data erasure software is used to erase data before information storage equipment is scrapped.
4. A unified Group Policy Object (GPO) is configured to enforce periodic password changes and set password length and complexity requirements.
5. USB blocking is implemented on the Group's information equipment to prevent data leakage.
6. The Group's dedicated EIM instant messaging system has been established to ensure the scope of data usage.
7. Information security education and training are continuously promoted to ensure the information security awareness of the Group's employees.
8. Information classification is promoted to ensure the proper management and protection of the Group's information.
9. A data backup mechanism has been established to effectively protect the Group's information.
10. Confidentiality agreements are signed with partners who assist with the Group's information to ensure the security of the Group's information.
11. An information governance mechanism has been established, and information services are ensured to meet the needs of business units through information contact forms. In particular, account creation and maintenance are managed through a unified governance system.

VII. Important contracts

Nature of contract	Party	Start and end dates of contract	Major content	Restrictions and clauses
Bank loan contract	Hua Nan Commercial Bank	2017.07.27 - 2037.07.27	Secured loans	None
Bank loan contract	First Commercial Bank	2023.08.15 - 2028.08.15	Credit loans	None

Five. Review and Analysis of Financial Position and Financial Performance, and Assessment of Risks

I. Financial position

Unit: NTD thousand

Items	Year	2024	2025	Deviation	
				Amount	%
Current assets		1,371,451	1,426,102	54,651	3.98
Non-current assets		1,735,368	1,701,469	(33,899)	(1.95)
Total assets		3,106,819	3,127,571	20,752	0.67
Current liabilities		843,175	838,358	(4,817)	(0.57)
Non-current liabilities		718,829	699,934	(18,895)	(2.63)
Total liabilities		1,562,004	1,538,292	(23,712)	(1.52)
Share capital		1,050,006	1,050,006	0	0.00
Additional paid-in capital		181,063	181,063	0	0.00
Retained earnings		399,983	398,731	(1,252)	(0.31)
Other equity		(86,237)	(40,521)	45,716	(53.01)
Non-controlling equity		0	0	0	0
Total equity		1,544,815	1,589,279	44,464	2.88

Explanation of increase/decrease ratio:

- Other equity: due to an increase in exchange differences arising from the translation of financial statements of foreign operations and unrealized gains on financial assets measured at fair value through other comprehensive income.

II. Financial performance

(I) Main reasons for the material changes in the operating revenue, operating net profit and net profit before tax in the last two years

Unit: NTD thousand

Items	Year	2024	2025	Increase (decrease) amount	Change (%)
Net operating income		1,864,179	2,067,602	203,423	10.91
Operating cost		1,454,267	1,544,506	90,239	6.21
Gross profit		409,912	523,096	113,184	27.61
Operating expenses		430,484	428,029	(2,455)	(0.57)
Operating profit		-20,572	95,067	115,639	(562.12)
Non-operating income and expenses		37,208	-15,521	(52,729)	(141.71)
Income before tax		16,636	79,546	62,910	378.16
Income tax expenses		-12,190	-45,785	(33,595)	275.59
Net profit		4,446	33,761	29,315	659.36

Increase/decrease analysis:

- Gross profit: Mainly affected by revenue growth in 2025 and an increase in the gross profit margin.
- Non-operating income and expenses: Mainly because the assets on the books are mainly denominated in USD, and the significant depreciation this year therefore increased exchange losses.

- (II) Expected Sales Volume and Basis: Please refer to p.1 "Letter to Shareholders."
- (III) Potential Impact on Future Financial and Business Performance and Response Plan: There is no significant impact on the Company's financial performance; therefore, no response plan has been formulated.

III. Cash flow

Unit: NTD thousand

Cash balance, beginning of period	Full-year net cash flows from operating activities	Full-year cash outflow	Cash surplus (shortfall) amount	Remedies for cash shortfalls	
				Investment plan	Financial plan
745,011	168,228	(235,033)	678,206	-	-

(I) Analysis of changes in cash flows for 2025:

1. Operating activities: The net cash inflow from operating activities for the current period was NT\$168,228 thousand, mainly due to the Company's profit and non-cash depreciation.
2. Investing activities: Net cash outflow from investing activities for the period was NT\$102,082 thousand, primarily due to the purchase of property, plant and equipment.
3. Financing activities: Net cash outflow from financing activities for the period was NT\$105,473 thousand, mainly due to loan repayments.

(II) Remedies for cash shortfalls and liquidity analysis:

Items	Year		Increase/decrease ratio (%)
	2024	2025	
Cash flow ratio (%)	19.25	20.06	4.21
Cash flow adequacy ratio (%)	66.90	70.73	5.72
Cash reinvestment ratio (%)	4.20	3.85	(8.33)
Analysis of changes in increase (decrease) ratio: The increase/decrease ratio did not reach 20%.			

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(III) Cash liquidity analysis for the coming year:

Unit: NTD thousand

Balance at opening①	Projected full-year net cash flows from operating activities②	Projected cash outflow for the year ③	Projected cash surplus (shortfall) amount ① + ② - ③	Remedies for projected cash shortfalls:	
				Investment plan	Financial plan
678,206	252,071	(289,441)	640,836	-	-
<p>1. Analysis of cash flow changes in the current year:</p> <p>(1) Operating activities: Mainly due to the expected increase in net cash inflow from operating activities throughout the year in anticipation of future revenue growth.</p> <p>(2) Investing activities: Mainly due to the purchase of equipment, etc.</p> <p>(3) Financing activities: Mainly due to loan repayments, dividend distributions, and group capacity relocation plans.</p> <p>2. Projected remedies for cash shortfalls and liquidity analysis: None.</p>					

IV. Impact of Major Capital Expenditure in the Past Year on the Financial Status:

- (I) The use of major capital expenditures in the most recent year, and the source of funds: None.
- (II) Expected benefits: Not applicable.

V. Reinvestment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year

- (I) Reinvestment policy
The Company's reinvestment is carried out based on the factors such as operational needs or for the Company's future growth, with professional information provided by the relevant units. An investment is reviewed and approved by the Management Committee prior to being implemented.
- (II) Main reasons for the profit or loss in reinvestment, and improvement plans:
The Company established Shanghai Qian-Chi Company in 2025, and its principal business activities are the sale of electronic equipment components and other products. Due to the higher gross margin of its trading nature, investment income of \$14,859 thousand was recognized for the current period.
- (III) Investment plan for the coming year: The Company will continue to carefully evaluate the need for long-term investment in accordance with its business policy according to the market and operating conditions, while taking into account the future capital position.

VI. Risk matters

- (I) Impact upon the company's balance sheet of inflation and changes in interest and exchange rates, and the measures the company plans to adopt in response in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

1. Impact of interest rate changes in the most recent year on the Company's balance sheet, and measures the company plans to adopt in response

- (1) Impact of interest rate changes in the most recent year on the Company's balance sheet

Unit: NTD thousand	
Items	2025
Net interest income (expense) (A)	(16,155)
Net revenue (B)	2,067,602
Operating profit (C)	95,067
Net interest income (expense) (A) / operating profit (C)	-0.78%
Net interest income (expense) (A) / operating profit (C)	-16.99%

- (2) Measures the Company plans to adopt in response

In the future, the Company will source capital through a combination of floating rate and fixed rate debts to mitigate the effect of interest rate changes on the Company's profitability.

2. Impact of exchange rate changes in the most recent year on the Company's balance sheet, and measures the company plans to adopt in response

- (1) Impact of exchange rate changes in the most recent year on the Company's balance sheet

Unit: NTD thousand	
Items	2025
Net gain (loss) on exchange (A)	(1,150)
Net revenue (C)	2,067,602
Operating profit (D)	95,067
Net exchange gain (loss) (A) / net revenue (C)	-0.06%
Net exchange gain (loss) (A) / operating profit (D)	-1.21%

- (2) Measures the Company plans to adopt in response

A. Foreign currency sales proceeds received from overseas by the Finance Department are first placed in foreign currency deposit accounts for the payment of foreign purchases, and later converted into NT\$ at an appropriate time to hedge exchange rate risks.

B. The Finance Department keeps track of financial information at all times and changes in the foreign exchange market to fully grasp the trend of exchange rates, and strengthen the establishment of current relationship with banks. In accordance with the bank's recommendations, the timing of conversion of NTD or keeping it in foreign currency accounts is determined. This enables them to be more flexible in their foreign currency hedging operations.

C. The Finance Department pays constant attention to financial news and exchange rate changes to fully grasp the trend of the exchange rate. The Company also evaluates and purchases currency forwards as a means to hedge exchange rate risks.

3. Impact of inflation in the most recent year on the Company's balance sheet, and measures the company plans to adopt in response: None.

(II) High-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future:

The Company has defined its "Procedures for Loaning of Funds", "Procedures for Endorsement and Guarantee", "Procedures for Acquisition and Disposal of Assets," and "Procedures for Engagement in Derivatives Transactions" to serve as the basis for all relevant operations.

(III) Future research projects and R&D expenses expected to be invested in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

1. Future R&D plans:

- (1) Automotive small common mode filter components for CAN-BUS / FlexRay, MSF3425-C series.
- (2) Development of the HL0530-S series of low-core-loss molded inductors.
- (3) Development of the HL0630-S series of low-core-loss molded inductors.
- (4) Development of the 1040-S series of low-core-loss molded inductors.
- (5) Development of the 1265-S series of low-core-loss molded inductors.
- (6) Automotive alloy iron powder molded high-voltage-resistant high-current power inductors, MHV1040-S series.
- (7) Automotive alloy iron powder molded high-voltage-resistant high-current power inductors, MHV0630 series.
- (8) Introduction of the production process for automotive electric field shielding alloy iron powder molded high-current power inductors, MHS0635 series.
- (9) Introduction of the production process for automotive electric field shielding alloy iron powder molded high-current power inductors, MHS1370 series.
- (10) Introduction of the production process for automotive LLC half-bridge high-voltage insulation transformers, MSF7045-S/P series.
- (11) Introduction of the production process for automotive current sensing transformers, AEP0711 series.
- (12) Introduction of the production process for TLVR products for AI server applications, PB0710 and PB1211 series.
- (13) Development of low- μ i and low-core-loss metal alloy powder.
- (14) Development of high-voltage-resistant metal alloy powder.
- (15) Development of ferrite-core ultra-miniature RF inductors.
- (16) Small-size high-current common mode filter inductors, WQF5535 series.
- (17) Small-size shielded coupled inductors, QF3015 series.

- (18) Research and development of LTCC low-temperature co-fired ceramic filters.
2. The estimated investment in the R&D project is approximately NT\$110,000 thousand.
- (IV) The impact upon the company's financial operations of important policy and legal developments at home and abroad, and the measures the company plans to adopt in response in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.
- (V) Effect on the company's financial operations of developments in science and technology (including cyber security risks) in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report as well as industrial change, and measures to be taken in response:
The Company is taking a proactive approach by actively engaging in market and industry analysis, keeping abreast of the latest market trends and economic trends, while devoting ourselves to the development and introduction of new products or technologies. At the same time, the Company maintains good relationships with upstream and downstream manufacturers, and strives to become an R&D partner of customers as early as the design stage of the customer. By doing so, we are able to grasp the latest needs and developments in the product and market. Therefore, technological changes and industrial changes in the recent year have no significant impact on the Company's financial operations. For cyber security risks, please refer to page 91.
- (VI) Impacts of the change in corporate identity on the Company's crisis management in the most recent year and up to the publication date: None.
- (VII) Expected benefits and risks of mergers and acquisitions in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.
- (VIII) The expected benefits and potential risks of any plant expansion in the most recent year and up to the printing date, and measures to be adopted in response: None.
- (IX) The risks associated with any consolidation of sales or purchasing operations in the most recent year and up to the printing date, and measures to be adopted in response: None.
- (X) Effect upon and risk to the company if a substantial quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, and measures to be adopted in response:
- (XI) Effect upon and risk to the company associated with any change in governance personnel or top management in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, and measures to be adopted in response:
- (XII) Litigious and non-litigious matters: List major litigious, non-litigious or administrative disputes that: (1) involve the company and/or any company director, the general manager, any person with actual responsibility for the firm, any major

shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report: None.

(XIII) Other important risks and measures to be adopted in response:

For information security risk assessment and measures taken in response, please refer to page 91.

VII. Other important matters: none.

Six. Special Items to Be Included

I. Information on affiliates

For related information, please refer to the "Three Statements of Affiliated Enterprises" section on the Market Observation Post System (MOPS) website.

- Index path: Market Observation Post System > Single Company > Electronic Document Download > Three Statements of Affiliated Enterprises section.
- Website address: https://mopsov.twse.com.tw/mops/web/t57sb01_q10

(I) Consolidated business report of affiliates

(II) Consolidated financial financial statements of affiliates.

(III) Report of affiliates: None.

II. Status of private placement of securities in the most recent fiscal year and up to the date of publication of the annual report: None.

III. Holding or disposal of shares in the company by the company's subsidiaries in the most recent fiscal year or up to the date of publication of the annual report: None.

IV. Other matters requiring supplementary explanation: None.

Seven. Any of the Situations Listed in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act, Which Might Materially Affect Shareholders' Equity or the Price of the Company's Securities, Occurred in the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report: None.