

Stock Code: 2395



Enabling an Intelligent Planet

Advantech Co., Ltd.

2025 Annual General Shareholders' Meeting

Meeting Handbook

May 29th, 2025

Advantech Co., Ltd.

Procedure for the 2025 General Shareholders' Meeting

- 1.Call the Meeting to Order
- 2.Chairperson Remarks
- 3.Report Items
- 4.Acknowledgement Items
- 5.Discussion Items
- 6.Other Business and Special Motions
- 7.Adjournment

I. Agenda of Annual Meeting

Advantech Co., Ltd. Agenda of 2025 General Shareholders' Meeting

Method of Convening the Meeting: Hybrid (in-person and video conference)

Time: 9:00 a.m. on May 29th (Thursday), 2025

Place: (Neihu Headquarters) B1, No. 1, Line 20, Lane 26, Rueiguang Road, Neihu District, Taipei City

Webcast provided: <https://stockservices.tdcc.com.tw>

- 1. Call the Meeting to Order**
- 2. Chairperson Remarks**
- 3. Report Items**
 - (1) The 2024 Business Report
 - (2) The Audit Committee's Review Report on the 2024 Financial Statements
 - (3) Status Reports of the Cash Dividends for Distribution of 2024 Profits
 - (4) 2024 Directors' Remuneration Proposal
 - (5) 2024 Employees' Remuneration Proposal
 - (6) The Status of Endorsement and Guarantee in 2024
- 4. Acknowledgement Items**
 - (1) Ratification for the 2024 Business Report and Financial Statements
 - (2) Ratification for the Proposal for Distribution of 2024 Profits
- 5. Discussion Items**
 - (1) Amendment proposal for the Company's Articles of Incorporation
 - (2) Amendment proposal for the Company's Procedures for Acquiring or Disposing of Assets
- 6. Other Business and Special Motions**
- 7. Adjournment**

2. Report Items

Report No. 1

- Cause of action : The 2024 Business Report
- Explanation : The 2024 Business Report is attached as Attachment I (P.6).

Report No. 2

- Cause of action : The Audit Committee's Review Report on the 2024 Financial Statements.
- Explanation : The 2024 Audit Committee's Review Report is attached as Attachment II (P.10).

Report No. 3

- Cause of action : Status reports of the Cash dividends for Distribution of 2024 Profits.
- Explanation :
1. The Board of Directors is authorized to decide the distribution of partial or full dividends in cash, and report the decision to the shareholders meeting in accordance with Article 20-2 of the Articles of Incorporation.
 2. Cash dividends amounting to NT\$7,254,151,178 were distributed to shareholders at NT\$8.4 per share. The distribution of cash dividend is calculated to the dollar (round up to the dollar). The total amount of the odd shares with a distribution of less than NT\$1 will be booked as the other income or other expense of the company.
 3. The current distribution of earnings is scheduled before the dividend benchmark date. If there is any change in the yield rate because of any change in the company's outstanding shares, a request is to be made having the Chairman authorized to handle matters related to the changes.

Report No. 4

- Cause of action : 2024 Directors' Remuneration Proposal.
- Explanation :
1. Pursuant to Article 20 of the company's Articles of Incorporation, in consideration of the company's overall business operations and the payment standard of the industry, it is recommended to appropriate an amount of NT\$22,850,000 as remuneration to directors paid in cash from the net income of 2024.
 2. There is no difference between the amount approved by the Board of Directors and the amount recognized as an expense in 2024.
 3. For information regarding the remuneration received by directors, including the remuneration policy, individual remuneration details, and amounts, please refer to Attachment V (P.36~P.39).
 4. The proposal has passed in the Remuneration Committee meeting.

Report No. 5

- Cause of action : 2024 Employees' Remuneration Proposal.
- Explanation :
1. Pursuant to Article 20 of the company's Articles of Incorporation, in consideration of the company's overall business operations and the payment standard of the industry, it is recommended to appropriate an amount of NT\$620,000,000 as bonus to employees paid in cash from the net income of 2024.

2. There is no difference between the amount approved by the Board of Directors and the amount recognized as an expense in 2024.
3. The proposal has passed in the Remuneration Committee meeting.

Report No. 6

Cause of action : The Status of Endorsement and Guarantee in 2024.

- Explanation :
1. In compliance with the company's "Procedure for Making of Endorsements and Guarantees".
 2. The company issued a letter of guarantee to endorse and guarantee the subsidiaries' purchase of materials and short-term bank loan in response to the subsidiary's business operation. The balance of endorsement and guarantee amounted to NT\$526,680 thousand as of December 31, 2024.
 3. Please review the statement of endorsement and guaranteed amount enclosed.

Guarantor (Company)	Guaranteed Subsidiary	Endorsement/Guarantee Limit (NT\$ thousands)	Amount Utilized (NT\$ thousands)	Single Transaction Limit (10% of Net Worth) (NT\$ thousands)
Advantech (ACL)	Yan Xu Green Electricity Co.,Ltd.	NTD \$526,680	\$37,000	\$5,142,835

The amount of limit is calculated in accordance with the company's Rules for Making of Endorsements and Guarantees:

- (1) Maximum endorsement and guarantee amounted to NT\$15,428,505 thousand.
- (2) Maximum endorsement and guarantee for one single enterprise amounted to NT\$5,142,835 thousand.
- (3) The amount of limit referred to above is calculated in accordance with the net value NT\$51,428,352 thousand stated in the 2024 audited financial statements.

3. Acknowledgement Items

Acknowledgement 1:

(Proposed by the Board of Directors)

- Cause of action : Ratification for the 2024 Business Report and Financial Statements
- Explanation : 1. The 2024 business report and standalone financial statements. (including consolidated financial statements) were composed by the Board of Directors. The company's financial statements were audited by independent auditors, Hua-Ling Liang and Yi-Fan Lin, of PricewaterhouseCoopers Taiwan and were reviewed by the supervisor along with the business report with a written audit report issued.
2. The Business Report, independent auditor's report, and Financial Statements are enclosed as Attachment I and Attachment III (P.6~P.34).
- Resolution :

Acknowledgement 2:

(Proposed by the Board of Directors)

- Cause of action : Ratification for the Proposal for Distribution of 2024 Profits
- Explanation : 1. Please refer to the 2024 profit distribution table in Attachment IV (P.35).
2. The Company's net income after tax of FY2024 was NT\$9,005,037,387 (EPS of NT\$10.45) and resulted from adding NT\$10,351,231,183 of undistributed earnings at the beginning of the period, deducting NT\$50,343,771 of retained earnings from investments accounted for using equity method, adding NT\$9,583,228 of re-measured amount of the benefit plan recognized in retained earnings, and adding NT\$87,104,797 of disposing the investments in equity instruments measured at fair value through other comprehensive income, the cumulative profit and losses directly transferred to retained earnings. After appropriating the legal reserve of NT\$905,138,164 and reversing special reserves of NT\$0, the available surplus for distribution is NT\$18,497,474,660. The proposed distribution is as follows:
- (1) The amounts of NT\$7,254,151,178 (cash dividends) out of the 2024 earnings are appropriated for distribution as cash dividends to shareholders. The dividend will be calculated based on the total number of outstanding common shares issued as of December 31, 2024, which is 863,589,426 shares. The proposed cash dividend to be distributed to shareholders is NT\$8.4 per share.
- (2) The distribution of cash dividend is calculated to the dollar (round up to the dollar). The total amount of the odd shares with a distribution of less than NT\$1 will be booked as the other income or other expense of the company.
- (3) The current distribution of earnings is scheduled before the dividend benchmark date. If there is any change in the yield rate because of any change in the company's outstanding shares, a request is to be made having the Chairman authorized to handle matters related to the changes.

Resolution :

4. Discussion Items

Discussion 1:

(Proposed by the Board of Directors)

Cause of action	:	Amendment proposal for the Company's Articles of Incorporation
Explanation	:	<ol style="list-style-type: none">1. In accordance with Article 14, Paragraph 6 of the Securities and Exchange Act, the Company proposes to amend its Articles of Incorporation to include provisions regarding the allocation of a certain percentage of annual earnings for salary adjustments or remuneration distribution to grassroots employees.2. To meet the requirements of the Dow Jones Sustainability Index (DJSI) and strengthen corporate governance, the Company proposes to amend Article 13, Chapter 4 of its Articles of Incorporation to stipulate limits on the number of directorships that non-executive and independent directors may concurrently hold in other companies, in accordance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."3. For a comparison table showing the current and proposed amendments to the Company's Articles of Incorporation, please refer to Attachment VI (P.40~P.41)
Resolution	:	

Discussion 2:

(Proposed by the Board of Directors)

Cause of action	:	Amendment proposal for the Company's Procedures for Acquiring or Disposing of Assets
Explanation	:	<ol style="list-style-type: none">1. To align with the revision of the subsidiary's Delegation of Authority (DOA) and the Board of Directors' authorization review, the Company proposes to include additional provisions related to real estate development in the "Procedures for Acquiring or Disposing of Assets."2. In response to the Company Act and practical needs, the Company also proposes to revise the "Procedures for Acquiring or Disposing of Assets." Please refer to Attachment VII (P.42~P.45) for the comparison table of the current and proposed amendments.
Resolution	:	

5. Other Business and Special Motions

6. Adjournment

ATTACHMENTS

<Attachment I>

Business Report

Dear Shareholders,

Financial Performance

Advantech's consolidated revenue in 2024 was NT\$59.786 billion, representing a decrease of 7.4% from 2023. The gross profit was NT\$24.376 billion (gross profit margin was 40.8%), and the consolidated net income was NT\$9.005 billion (YoY decrease of 16.9%). The earnings per share was NT\$10.45. Converted into US dollars, the revenue in 2024 was US\$1.869 billion, a year-on-year decrease of 9.9%.

For the overall performance in 2024, Taiwan outperformed the other regions, with a year-on-year growth of 18%, while the Korean market grew by 8% YoY. North America, Europe, and Japan experienced a double-digit decline in sales; China and emerging markets resulted a single-digit decline in sales. In terms of the performance by business groups, the Industrial-IoT Group (IIoT) maintained flattish as the same period of last year, while the other business groups declined in general. In sum, operations and sales have been recovering quarter by quarter, with the best performance of the year realized in the fourth quarter of 2024.

Key Development Strategies

Advantech plans to transform the core of the corporate brand to a new aspect expressed in the two representative phrases: "Edge Computing & WISE- Edge in Action" and "Edge Computing, Edge Everything" starting from 2025.

The cloud-based large language model (LLM) is expected to become platform-based and popularized in the new era of AI popularization, driving edge and industry-specific AI Agent/SLM (small and medium-sized AI models) to become popular in various industries and driving the application of edge computing in-depth in various industries. Advantech will be deeply engaged in various branch markets of edge computing according to the Edge Computing business distribution shown in the figure below.

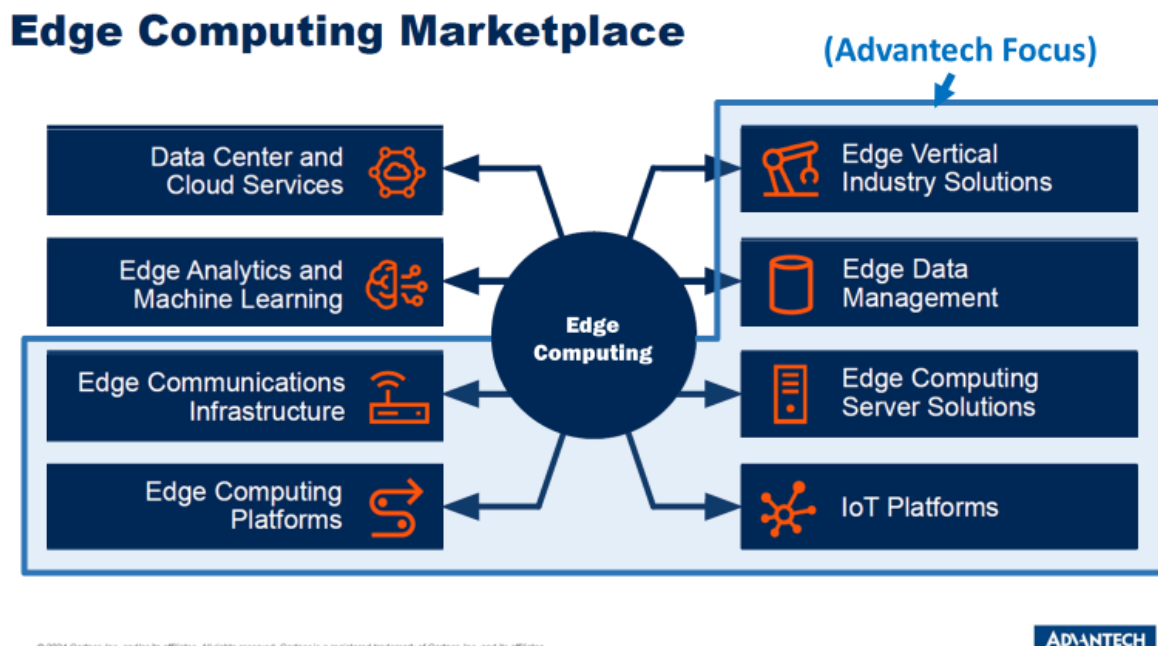


Figure A: 2024 Gartner Report

Advantech's future product series deployment concepts on the two major platforms of Hardware Platform (left) and Software Platform (right) are detailed in the figure below. The software is collectively referred to as WISE-Edge, indicating that the two series of software, WISE-IoT at the application level and EdgeSync at the hardware connection level are gradually maturing and are collaborating with the hardware to become various edge solution platforms.



Figure B: Advantech Edge Computing & WISE-Edge in Action

According to Gartner, an international research firm, the industry market size is expected to grow from US\$131 billion in 2023 to US\$511 billion in 2033. Advantech's development focus in 2025 is AI + IoT + Edge Computing, as well as emerging edge computing platforms, which are detailed as follows:

As 5G technology and construction is gradually getting completed, the demand for high-performance edge computing platforms is thereby emerging in response to 5G advantages of low latency and high-speed transmission, distributary workload of cloud data centers, reduced data transmission risks, etc. The CPU chip architectures on the market are currently divided into two major categories: X86 and ARM/RISC, and they both have launched high-performance computing chips to meet the high-speed computing needs of various industries (5G, network communications, medical care, transportation, automation equipment, robots, etc.). Advantech has developed high-performance edge computing platforms with mainstream chip manufacturers such as Intel, AMD, Nvidia, Qualcomm, NXP, etc.; it has also launched them simultaneously to help various industries upgrade their needs for high-performance computing applications.

The development of artificial intelligence and edge computing technologies is accelerating rapidly worldwide. Advantech's vast Edge Computing Platform has the advantage of high market share in various industries. The company has developed AI On Module, AI Inference System, AI LLM Training System, and AI Server; also, provided an integrated AI software platform "Edge AI SDK" to help industry customers evaluate and verify the performance of AI platforms and to accelerate the implementation of AI embedded in edge devices.

Advantech's existing hardware platforms have already widely supported a variety of mainstream AI chips (GPU/VPU/Integrated CPU & NPU) and successfully launched high-performance Edge AI Computing solutions. In addition, Gartner and several international research organizations have simultaneously pointed out that generative AI (Gen AI) has been developed rapidly in multimodal AI applications, including text, images, audio and video, and diverse aspects. Advantech will benefit from the huge upgrade opportunities of Edge AI in various smart industries and will utilize the excellent customization capabilities to meet customers' Edge AI application needs in various industries.

Wireless technology is an indispensable key technology in IoT solutions. The iterative development of multiple technical protocols, such as WiFi 6/WiFi 7, 5G/6G, and Bluetooth/BLE, has been accelerated to meet the needs of different IoT scenarios. Advantech has a long-term strategy planned to further extend value-added services such as industrial wireless antenna design, firmware optimization, wireless testing and certification, etc. in 2025. Advantech has integrated internal RF R&D resources and testing equipment capabilities to provide Integrated Wireless Design-in Services. Advantech uses the Corporate Wireless TSU (Technology Service Unit) to serve each business product unit within the company, and to serve the wireless design needs of customers in various industries.

Industrial development and market expansion

The market development strategy includes multiple fields such as smart production, smart healthcare, logistics and vehicle-mounted, smart cities, and retail; also, it continues to help secure the company's competitive advantage through technological innovation and market expansion.

In terms of smart production, Advantech focuses on the semiconductor equipment, industrial infrastructure, and collaborative robot markets, providing solutions such as industrial cameras, PC-based industrial controllers, and industrial edge computers. In addition, for key areas such as smart factories, new energy, smart environment, and agriculture, Advantech enhances equipment networking, remote monitoring, and intelligent control through edge computing, software solutions, and cloud technology to help enterprises activate their digital transformation. At the same time, Advantech is developing new IoT controllers by having it combined with the hardware technology with advantages in edge computing. A brand-new software control integrated with an edge computing platform is developed, and IoT controllers with general control, motion control, and AI vision integration capabilities are launched to make the intelligent upgrades of industrial equipment possible.

In terms of healthcare, Advantech is accelerating the business deployment in medical equipment, medical AI, smart ward, and operating room management solutions; also, actively expanding into the North American, European, Chinese, and Japanese markets. Advantech plans to expand business operations into Southeast Asia and India in the future, and promote the application of smart hospital software solutions.

In terms of logistics and vehicle-mounted, the company has developed Rugged Edge Computer to have high-reliability design applied from vehicle-mounted applications to industrial applications in harsh environments; also, integrated AI computing capabilities to develop more market opportunities. At the same time, industrial tablet products will maintain the two major architectures of x86 and ARM; also, actively expand the rugged industrial tablet and retail application markets.

Smart cities and retail markets are also important to Advantech for business development. Advantech acquired AURES in France in 2024 to develop smart products such as self-service ordering, self-service checkout, shopping guide robots, etc., by taking advantage of its sales capabilities in Europe, Australia, and North America. In addition, Advantech will accelerate the application of imaging AI in retail and urban services through WISE-iVideo Suite in order to enhance the company's market competitiveness.

Advantech cooperates with system integration providers, operators, and ecosystem partners to expand market deployment by building a global ecological supply chain and innovative virtual-reality integration business model through Advantech's global business network, distribution partners, and IoTMart cross-border e-commerce platform.

Sustainable results and corporate values

Advantech had made significant progress in ESG sustainable activities in 2024, including: Advantech ranked the 5th in InterBrand Taiwan's brand consecutively, with a brand value of US\$912 million, ranked in the top 5% of listed corporate governance assessments, won the 4th place in the Excellence in Corporate Social Responsibility, and won the 1st prize in the Global Views ESG Corporate Sustainability Award. At the same time, the company ranked the 7th in the same industry in the international DJSI assessment and was nominated to be enlisted in the S&P Global Sustainability Yearbook (top 10%).

In the prospect of 2025, Advantech will focus on the following key issues and combine internal and external resources to promote sustainable transformation:

Green operation and sustainable development

- **Progress in renewable energy:** Taiwan plants rely on the purchase of green power and continue to follow up on the progress of solar power plant construction; also, self-built solar photovoltaic devices are installed for the plants in North America, Japan, and other places so as to gradually meet electricity demand.
- **Carbon issue:** Pilot-run carbon pricing mechanism to have carbon emission costs incorporated into cost-benefit assessment to guide low-carbon investment and low-carbon production in order to achieve carbon reduction goals. The global greenhouse gas inventory will be extended to Advantech's European subsidiaries; also, a product carbon footprint platform will be established based on market trends so as to enhance green competitiveness. Develop sustainable intelligent solutions with a focus on smart

healthcare, factories, transportation, etc. so to help Advantech make positive contributions to climate change mitigation and adaptation.

Prevalence and common benefit of the Internet of Things (IoT)

Advantech promotes the cultivation of talent and innovation through the core business, including innovative collaboration, special projects, and AIoT open teaching materials and course promotion. The company will strive to enhance industry-academy cooperation in the near future and plan talent cultivation, pioneering technologies, and emerging businesses with subjects covering AI application environment monitoring, agricultural development, edge platform power optimization, closed-loop liquid cooling and heating solutions, etc.

Employees and society reciprocity

Advantech is committed to talent cultivation, improving employee happiness and sense of belonging, and altruistic practices. Advantech promotes PBL (Project Based Learning) sustainable education, IoT innovation, and arts and cultures co-prosperity in Taiwan. Advantech has engaged in a variety of activities overseas: A4C (Advantech for Community) social care program in North America; the “Girls Tech Program” supporting female technology talents in Japan; the Plogging event launched in Korea, integrating community cleaning and employee fitness; supporting local proprietary farmers and promoting biodiversity education in Europe; and holding an event with biodiversity as the theme of Family Day for the first time in China.

Prospect and expectations

The trend of AI and edge computing is obviously and substantially penetrating into various industries. Advantech strives to become a leading manufacturer in this field and lead the trend, and serve as a promoter of the smart earth for the society. Advantech also looks forward to working and growing together with global team and ecosystem partners in order to bring meaningful business results to shareholders, society, and employees taking as a whole!

Advantech Co., Ltd.



Chairman KC Liu

Audit Committee's Review Report

The Company's 2024 Financial Statements have been agreed by Audit Committee members of the Company and approved by the by the Board of Directors. The CPA firm of PricewaterhouseCoopers Taiwan was retained to audit the Company's Financial Statements and has issued an audit report relating to the Financial Statements.

The Board of Directors has prepared the Company's 2024 Business Report and proposal for allocation of profits. The 2024 Business Report and profit allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of the Company.

According with Article 14-4 of the securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report.

Advantech Co., Ltd.

Chairman of the Audit Committee : Benson Liu

February 27, 2025

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of ADVANTECH CO., LTD.

Opinion

We have audited the accompanying consolidated balance sheets of ADVANTECH CO., LTD. and its subsidiaries (the “Group”) as at December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2024 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2024 consolidated financial statements are stated as follows:

Recognition of sales revenue from the Industrial-IoT, the Embedded-IoT and the Applied Computing Business Group

Description

Refer to Note 4(33) for the related accounting policies on sales revenue and Note 6(22) for the details of revenues.

The Group operates in a highly competitive industrial computer industry. There was a significant fluctuation in the revenue of the Industrial-IoT, the Embedded-IoT and the Applied Computing Business Group in 2024. Therefore, we considered the recognition of sales revenue from the Industrial-IoT, the Embedded-IoT and the Applied Computing Business Group, as one of the key audit matters.

How our audit addressed the matter

We have performed primary audit procedures for the above matter as follows:

1. Obtained an understanding of and assessed the internal controls in relation to sales revenue, and validated its operating effectiveness.
2. Obtained the details of sales revenue of the Industrial-IoT, the Embedded-IoT and Applied Computing Business Group for the entire year, and selected samples of sales revenue transactions and related documents to confirm the appropriateness of revenue recognition.
3. Inspected significant abnormal sales returns and allowances after the balance sheet date.
4. Performed accounts receivable confirmation procedure to significant customers.

Other matter

We have audited and expressed an unmodified opinion on the parent company only financial statements of ADVANTECH CO., LTD. as at and for the years ended December 31, 2024 and 2023.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of

not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Liang, Hua-Ling

Lin, Yi-Fan

For and on behalf of PricewaterhouseCoopers, Taiwan

February 27, 2025

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ADVANTECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 13,617,045	19	\$ 11,011,580	16
1110	Financial assets at fair value through profit or loss - current	6(2)	5,911,086	8	8,619,027	13
1136	Financial assets at amortised cost - current	6(4) and 8	928,283	1	1,569,168	2
1150	Notes receivable	6(5)	1,490,856	2	1,293,317	2
1170	Accounts receivable	6(5)	8,609,876	12	7,961,226	12
1180	Accounts receivable - related parties	7	22,891	-	16,734	-
1200	Other receivables		79,730	-	73,265	-
1210	Other receivables - related parties	7	-	-	922	-
130X	Inventories	6(6)	10,553,719	15	9,803,796	14
1460	Non-current assets held for sale	6(11)	-	-	238,341	-
1470	Other current assets	7	986,323	2	798,361	1
11XX	Total current assets		42,199,809	59	41,385,737	60
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	3,209,571	5	2,906,420	4
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	2,787,271	4	2,951,234	4
1535	Financial assets at amortised cost - non-current	6(4)	-	-	61,410	-
1550	Investments accounted for under equity method	6(7)	4,993,361	7	4,704,633	7
1600	Property, plant and equipment	6(8) and 8	12,244,071	17	11,326,045	17
1755	Right-of-use assets	6(9)	2,101,328	3	1,965,522	3
1780	Intangible assets	6(10)	2,813,741	4	2,750,414	4
1840	Deferred income tax assets	6(27)	982,963	1	830,790	1
1915	Prepayments for business facilities		69,799	-	92,705	-
1990	Other non-current assets		340,036	-	81,362	-
15XX	Total non-current assets		29,542,141	41	27,670,535	40
1XXX	Total assets		\$ 71,741,950	100	\$ 69,056,272	100

(Continued)

ADVANTECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(12)	\$ -	-	\$ 237,730	-
2120	Financial liabilities at fair value through profit or loss - current	6(2)	7,902	-	635	-
2130	Contract liabilities - current	6(22)	1,453,150	2	1,088,750	2
2170	Notes and accounts payable	7	6,911,147	10	6,088,794	9
2200	Other payables	6(13) and 7	4,562,278	6	4,395,090	6
2230	Current income tax liabilities		1,722,626	2	3,440,853	5
2250	Provision for liabilities - current		182,097	-	212,893	-
2280	Lease liabilities - current	6(9)	301,163	1	106,391	-
2320	Long-term liabilities, current portion	6(14) and 8	116,041	-	118,500	-
2399	Other current liabilities		313,070	1	337,171	1
21XX	Total current liabilities		15,569,474	22	16,026,807	23
Non-current liabilities						
2540	Long-term borrowings	6(14) and 8	156,356	-	-	-
2560	Current income tax liabilities - non-current		-	-	219,989	-
2570	Deferred income tax liabilities	6(27)	2,046,497	3	1,936,142	3
2580	Lease liabilities - non-current	6(9)	1,578,759	2	1,610,905	2
2600	Other non-current liabilities		594,002	1	452,851	1
25XX	Total non-current liabilities		4,375,614	6	4,219,887	6
2XXX	Total liabilities		19,945,088	28	20,246,694	29
Equity attributable to shareholders of the parent						
	Share capital	6(17)				
3110	Common shares		8,634,322	12	8,577,795	12
3140	Advance receipts for share capital		1,572	-	6,699	-
	Capital surplus	6(18)				
3200	Capital surplus		11,156,003	16	9,753,806	14
	Retained earnings	6(19)				
3310	Legal reserve		10,723,047	15	9,630,127	14
3350	Unappropriated retained earnings		19,402,613	27	19,599,420	28
	Other equity	6(20)				
3400	Other equity		1,510,795	2	893,350	2
31XX	Equity attributable to shareholders of the parent		51,428,352	72	48,461,152	70
36XX	Non-controlling interest	6(21)	368,510	-	348,426	1
3XXX	Total equity		51,796,862	72	48,809,578	71
	Significant contingent liabilities and unrecognized contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		\$ 71,741,950	100	\$ 69,056,272	100

The accompanying notes are an integral part of these consolidated financial statements.

ADVANTECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

	Items	Notes	For the years ended December 31,			
			2024		2023	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(22) and 7	\$ 59,786,293	100	\$ 64,567,697	100
5000	Operating costs	6(6)(8)(9)(10)(15)				
		(16)(26) and 7	(35,410,406)	(59)	(38,405,883)	(59)
5950	Gross profit		24,375,887	41	26,161,814	41
	Operating expenses	6(8)(9)(10)(15)(16)				
		(26) and 7				
6100	Selling expenses		(6,205,989)	(11)	(6,007,370)	(9)
6200	General and administrative expenses		(3,659,884)	(6)	(3,164,280)	(5)
6300	Research and development expenses		(5,415,982)	(9)	(4,829,783)	(8)
6450	Expected credit impairment loss		(44,263)	-	(32,131)	-
6000	Total operating expenses		(15,326,118)	(26)	(14,033,564)	(22)
6900	Operating profit		9,049,769	15	12,128,250	19
	Non-operating income and expenses					
7100	Interest income	7	388,161	-	275,279	-
7010	Other income	6(23) and 7	585,223	1	394,731	1
7020	Other gains and losses	6(2)(24)	646,476	1	125,480	-
7050	Finance costs	6(9)(12)(14)(25)	(94,357)	-	(45,554)	-
7060	Share of profit of associates and joint ventures accounted for under equity method	6(7)	399,256	1	388,513	1
7000	Total non-operating income and expenses		1,924,759	3	1,138,449	2
7900	Profit before income tax		10,974,528	18	13,266,699	21
7950	Income tax expense	6(27)	(2,086,310)	(3)	(2,477,366)	(4)
8200	Profit for the year		\$ 8,888,218	15	\$ 10,789,333	17

(Continued)

ADVANTECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

		For the years ended December 31,				
		2024		2023		
Items	Notes	AMOUNT	%	AMOUNT	%	
Other comprehensive income						
Components of other comprehensive income that will not be reclassified to profit or loss						
8311	Gains on remeasurements of defined benefit plans	6(15)				
		\$	14,761	-	\$ 3,103	
8316	Unrealised gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)(20)				
			44,745	-	1,136,167	
8320	Share of other comprehensive (loss) income of associates and joint ventures accounted for under equity method that will not be reclassified to profit or loss	6(7)(20)				
		(	22,017)	-	31,184
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(27)				
		(	5,522)	-	1,352)
8310	Other comprehensive income that will not be reclassified to profit or loss					
			31,967	-	1,169,102	
Components of other comprehensive income that will be reclassified to profit or loss						
8361	Financial statements translation differences of foreign operations	6(20)				
			784,963	1	(138,186)	
8370	Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method that will be reclassified to profit or loss	6(7)(20)				
			50,786	-	(5,580)	
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(27)				
		(	170,002)	-	28,012
8360	Other comprehensive income (loss) that will be reclassified to profit or loss					
			665,747	1	(115,754)	
8300	Total other comprehensive income for the year		\$ 697,714	1	\$ 1,053,348	
8500	Total comprehensive income for the year		\$ 9,585,932	16	\$ 11,842,681	
Profit (loss) attributable to:						
8610	Shareholders of the parent		\$ 9,005,037	15	\$ 10,837,530	
8620	Non-controlling interest		(116,819)	-	(48,197)	
			\$ 8,888,218	15	\$ 10,789,333	
Total comprehensive income (loss) attributable to:						
8710	Shareholders of the parent		\$ 9,718,846	16	\$ 11,894,582	
8720	Non-controlling interest		(132,914)	-	(51,901)	
			\$ 9,585,932	16	\$ 11,842,681	
Basic earnings per share						
9750	Profit for the year	6(28)	\$ 10.45	\$	12.65	
Diluted earnings per share						
9850	Profit for the year	6(28)	\$ 10.38	\$	12.52	

The accompanying notes are an integral part of these consolidated financial statements.

ADVANTECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to shareholders of the parent										Non-controlling interest	Total equity	
	Share Capital			Retained Earnings			Other Equity Interest						
	Notes	Common shares	Advance receipts for share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Unearned employee benefits compensation			Total
For the year ended December 31, 2023													
Balance at January 1, 2023		\$ 7,778,434	\$ 1,335	\$ 9,110,280	\$ 8,552,226	\$ 555,794	\$ 17,750,074	\$ 714,961	\$ 785,560	\$ 4,040	\$ 43,814,702	\$ 469,312	\$ 44,284,014
Consolidated profit for the year	6(20)(21)	-	-	-	-	-	10,837,530	-	-	-	10,837,530	(48,197)	10,789,333
Other comprehensive income (loss) for the year		-	-	-	-	-	2,242	(112,050)	1,166,860	-	1,057,052	(3,704)	1,053,348
Total comprehensive income (loss) for the year		-	-	-	-	-	10,839,772	(112,050)	1,166,860	-	11,894,582	(51,901)	11,842,681
Appropriations of 2022 earnings	6(19)	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	-	1,077,901	-	(1,077,901)	-	-	-	-	-	-
Reversal of special reserve		-	-	-	-	(555,794)	555,794	-	-	-	-	-	-
Cash dividends		-	-	-	-	-	(7,779,770)	-	-	-	(7,779,770)	-	(7,779,770)
Stock dividends		777,977	-	-	-	-	(777,977)	-	-	-	-	-	-
Cash dividends distributed by subsidiaries	6(21)	-	-	-	-	-	-	-	-	-	-	(19,989)	(19,989)
Execution of employee share options	6(16)(17)	21,384	5,364	412,829	-	-	-	-	-	-	439,577	-	439,577
Compensation costs recognized for employee share options	6(16)	-	-	255,971	-	-	-	-	-	-	255,971	-	255,971
Changes in associates and joint ventures accounted for under equity method	6(20)	-	-	(36,411)	-	-	110,320	-	(110,320)	3,671	(32,740)	-	(32,740)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(21)	-	-	-	-	-	(142,307)	-	-	-	(142,307)	(93,819)	(236,126)
Changes in ownership interests in subsidiaries	6(21)(29)	-	-	11,137	-	-	-	-	-	-	11,137	44,823	55,960
Disposal of investments in equity instruments measured at fair value through other comprehensive income	6(3)(20)	-	-	-	-	-	-	-	-	-	-	-	-
Disposal of financial assets at fair value through other comprehensive income owned by associates	6(20)	-	-	-	-	-	112,115	-	(112,115)	-	-	-	-
Balance at December 31, 2023		\$ 8,577,795	\$ 6,699	\$ 9,753,806	\$ 9,630,127	\$ -	\$ 19,599,420	\$ 827,011	\$ 1,720,685	\$ 369	\$ 48,461,152	\$ 348,426	\$ 48,809,578
For the year ended December 31, 2024													
Balance at January 1, 2024		\$ 8,577,795	\$ 6,699	\$ 9,753,806	\$ 9,630,127	\$ -	\$ 19,599,420	\$ 827,011	\$ 1,720,685	\$ 369	\$ 48,461,152	\$ 348,426	\$ 48,809,578
Consolidated profit for the year		-	-	-	-	-	9,005,037	-	-	-	9,005,037	(116,819)	8,888,218
Other comprehensive income (loss) for the year	6(20)(21)	-	-	-	-	-	9,583	681,842	22,384	-	713,809	(16,095)	697,714
Total comprehensive income (loss) for the year		-	-	-	-	-	9,014,620	681,842	22,384	-	9,718,846	(132,914)	9,585,932
Appropriations of 2023 earnings	6(19)	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	-	1,092,920	-	(1,092,920)	-	-	-	-	-	-
Cash dividends		-	-	-	-	-	(8,155,269)	-	-	-	(8,155,269)	-	(8,155,269)
Cash dividends distributed by subsidiaries	6(21)	-	-	-	-	-	-	-	-	-	-	(3,110)	(3,110)
Execution of employee share options	6(16)(17)	56,527	(5,127)	721,640	-	-	-	-	-	-	773,040	-	773,040
Compensation costs recognized for employee share options	6(16)	-	-	510,318	-	-	-	-	-	-	510,318	-	510,318
Changes in associates and joint ventures accounted for under equity method		-	-	157,967	-	-	(24,586)	-	-	369	133,750	-	133,750
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(21)(29)	-	-	-	-	-	-	-	-	-	-	-	-
Changes in non-controlling interest	6(21)	-	-	-	-	-	(25,730)	-	-	-	(25,730)	329,096	303,366
Changes in ownership interests in subsidiaries	6(21)(29)	-	-	-	-	-	-	-	-	-	-	(291,689)	(291,389)
Disposal of investments in equity instruments measured at fair value through other comprehensive income	6(3)(20)	-	-	12,272	-	-	(27)	-	-	-	12,245	118,701	130,946
Disposal of financial assets at fair value through other comprehensive income owned by associates	6(20)	-	-	-	-	-	86,308	-	(86,308)	-	-	-	-
Balance at December 31, 2024		\$ 8,634,322	\$ 1,572	\$ 11,156,003	\$ 10,723,047	\$ -	\$ 19,402,613	\$ 145,169	\$ 1,655,964	\$ 797	\$ 51,428,352	\$ 368,510	\$ 51,796,862

The accompanying notes are an integral part of these consolidated financial statements.

ADVANTECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31,	
		2024	2023
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before income tax		\$ 10,974,528	\$ 13,266,699
Adjustment items			
Adjustments to reconcile profit (loss)			
Depreciation	6(8)(9)(26)	934,026	912,251
Amortisation	6(10)(26)	159,762	173,962
Expected credit impairment loss	12(2)	44,263	32,131
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	6(2)(24)	175,964 (	87,813)
Finance costs	6(25)	94,357	45,554
Interest income		(388,161 ) (	275,279)
Dividend income	6(23)	(401,965 ) (	224,421)
Compensation costs of employee share options	6(16)(26)	513,394	255,971
Share of profit of associates accounted for under equity method	6(7)	(399,256 ) (	388,513)
(Gain) loss on disposal of property, plant and equipment	6(24)	(50,404)	6,045
Loss on disposal of intangible assets	6(10)	-	10
Gain on disposal of non-current assets held for sale	6(24)	(353,632)	-
Gain on disposal of investment	6(24)	(162,856 ) (	22,480)
Changes in assets and liabilities relating to operating activities			
Changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		3,026,281 (	5,372,732)
Notes receivable		(302,180)	141,486
Accounts receivable		(412,249)	1,660,905
Accounts receivable – related parties		(6,157)	15,666
Other receivables (including related parties)		142,581	15,777
Inventories		(374,467)	4,229,364
Other current assets		56,285	320,517
Changes in liabilities relating to operating activities			
Financial liabilities at fair value through profit or loss		7,267 (	20,999)
Contract liabilities - current		279,097 (	224,945)
Notes and accounts payable		498,960 (	1,041,159)
Other payables		212,012 (	755,473)
Provision for liabilities - current		(29,087 ) (	39,541)
Other current liabilities		(327,350)	4,716
Other non-current liabilities		34,078 (	77,908)
Cash inflow generated from operations		13,945,091	12,549,791
Dividends received		401,965	224,421
Interest received		238,030	249,730
Interest paid		(86,508 ) (	44,023)
Income taxes paid		(3,987,727) (3,315,259)
Net cash flows provided by operating activities		10,510,851	9,664,660

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ADVANTECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31,	
		2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at amortised cost - current		(\$ 1,406,756)	(\$ 3,234,190)
Proceeds from disposal of financial assets at amortised cost - current		2,131,898	1,807,993
Acquisition of financial assets at amortised cost - non-current		-	(61,410)
Acquisition of financial assets at fair value through profit or loss		(724,681)	(476,879)
Proceeds from disposal of financial assets at fair value through profit or loss		2,532	316,689
Proceeds from disposal of financial assets at fair value through other comprehensive income		203,781	360,552
Cash returned from capital reduction of financial assets at fair value through other comprehensive income		25,829	22,364
Acquisition of investments accounted for under equity method	6(7)	(40,000)	(168,432)
Proceeds from disposal of investment accounted for under equity method	6(7)	161,992	51,201
Net cash flow from acquisition of subsidiaries	6(30)	(83,192)	(103,233)
Dividends received from associates		308,687	198,179
Disposal of non-current assets held for sale		591,973	-
Acquisition of property, plant and equipment	6(8)	(1,475,070)	(1,197,587)
Proceeds from disposal of property, plant and equipment		91,201	2,245
(Increase) decrease in refundable deposits		(5,260)	63
Acquisition of intangible assets	6(10)	(132,291)	(52,069)
Proceeds from disposal of intangible assets	6(10)	29	-
Increase in prepayments for business facilities		(30,299)	(38,082)
(Decrease) increase in other non-current assets		4,554	(150)
Changes due to loss of control of subsidiaries		(94,770)	-
Net cash flows used in investing activities		(469,843)	(2,572,746)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in long-term borrowings	6(31)	37,000	-
Decrease in long-term borrowings	6(31)	(146,002)	-
Decrease in short-term borrowings	6(31)	(1,611)	(275,840)
(Decrease) increase in guarantee deposits received		(453)	8,375
Payments of lease liabilities	6(9)(31)	(306,495)	(256,284)
Payments of cash dividends	6(19)	(8,155,269)	(7,779,770)
Employee share options exercised		773,040	439,577
Dividends paid to non-controlling interests	6(21)	(3,110)	(19,989)
Change in non-controlling interests	6(29)	10,713	(180,166)
Net cash flows used in financing activities		(7,792,187)	(8,064,097)
Effect of exchange rate changes		356,644	(46,022)
Net increase (decrease) in cash and cash equivalents		2,605,465	(1,018,205)
Cash and cash equivalents at beginning of year		11,011,580	12,029,785
Cash and cash equivalents at end of year		\$ 13,614,045	\$ 11,011,580

The accompanying notes are an integral part of these consolidated financial statements.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of ADVANTECH CO., LTD.

Opinion

We have audited the accompanying parent company only balance sheets of ADVANTECH CO., LTD. as at December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of ADVANTECH CO., LTD. as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the parent company only financial statements section of our report. We are independent of ADVANTECH CO., LTD. in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of ADVANTECH CO., LTD.'s 2024 financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matter for ADVANTECH CO., LTD.'s 2024 financial statements are stated as follows:

Recognition of sales revenue from the Industrial-IoT, the Embedded-IoT and the Applied Computing Business Group

Description

Refer to Note 4(31) for the related accounting policies on sales revenue and Note 6(19) for the details of revenues.

The Company operates in a highly competitive industrial computer industry. There was a more significant fluctuation in the revenue of the Industrial-IoT, the Embedded-IoT and the Applied Computing Business Group in 2024. Therefore, we considered the recognition of sales revenue from the Industrial-IoT, the Embedded-IoT and the Applied Computing Business Group, as one of the key audit matters.

How our audit addressed the matter

Our audit procedures performed in ADVANTECH CO., LTD. and its subsidiaries (recognized as investments accounted for under equity method) for the above matter are as follows:

1. Obtained an understanding of and assessed the internal controls in relation to sales revenue, and validated its operating effectiveness.
2. Obtained the details of sales revenue of the Industrial-IoT, the Embedded-IoT and Applied Computing Business Group for the entire year, and selected samples of sales revenue transactions and related documents to confirm the appropriateness of revenue recognition.
3. Inspected significant abnormal sales returns and allowances after the balance sheet date.

4. Performed accounts receivable confirmation procedure to significant customers.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the ability of ADVANTECH CO., LTD. to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate ADVANTECH CO., LTD. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the financial reporting process of ADVANTECH CO., LTD.

Independent auditors' responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of ADVANTECH CO., LTD.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of ADVANTECH CO., LTD. to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause ADVANTECH CO., LTD. to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within ADVANTECH CO., LTD. to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Liang, Hua-Ling

Lin, Yi-Fan

For and on behalf of PricewaterhouseCoopers, Taiwan

February 27, 2025

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ADVANTECH CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 2,831,224	5	\$ 3,313,907	5
1110	Financial assets at fair value through profit or loss - current	6(2) and 8	5,388,760	8	7,737,029	12
1136	Financial assets at amortised cost - current	6(4)	65,570	-	61,410	-
1150	Notes receivable, net	6(5)	11,237	-	21,366	-
1170	Accounts receivable, net	6(5)	1,383,437	2	1,377,036	2
1180	Accounts receivable - related parties	7	10,651,738	16	8,140,307	13
1200	Other receivables		139,395	-	39,889	-
1210	Other receivables - related parties	7	137,806	-	134,117	-
130X	Inventories	6(6)	4,607,878	7	4,472,431	7
1460	Non-current assets held for sale	6(11)	-	-	238,341	-
1470	Other current assets	7	350,151	1	320,768	1
11XX	Total current assets		25,567,196	39	25,856,601	40
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	638,841	1	367,172	1
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	2,385,908	4	2,163,316	4
1535	Financial assets at amortised cost - non-current	6(4)	-	-	61,410	-
1550	Investments accounted for under equity method	6(7)	28,132,888	43	26,928,848	42
1600	Property, plant and equipment	6(8) and 7	8,061,793	12	7,680,793	12
1755	Right-of-use assets	6(9)	16,811	-	18,483	-
1780	Intangible assets	6(10)	211,856	-	196,961	-
1840	Deferred income tax assets	6(24)	393,000	1	552,226	1
1915	Prepayments for business facilities		10,886	-	21,045	-
1990	Other non-current assets		122,364	-	18,986	-
15XX	Total non-current assets		39,974,347	61	38,009,240	60
1XXX	Total assets		\$ 65,541,543	100	\$ 63,865,841	100

(Continued)

ADVANTECH CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
	Current liabilities					
2120	Financial liabilities at fair value	6(2)				
	through profit or loss - current		\$ 7,902	-	\$ 635	-
2130	Contract liabilities - current	6(19)	466,462	1	272,975	-
2170	Notes and accounts payable		3,090,663	5	3,073,612	5
2180	Accounts payable - related parties	7	3,727,430	6	3,458,790	5
2200	Other payables	6(12)	2,760,985	4	2,909,479	5
2220	Other payables - related parties	7	182,217	-	49,732	-
2230	Current income tax liabilities		1,501,998	2	3,140,539	5
2250	Provision for liabilities - current		47,972	-	60,078	-
2280	Lease liabilities - current	6(9)(26)	8,077	-	5,701	-
2300	Other current liabilities		82,775	-	88,870	-
21XX	Total current liabilities		<u>11,876,481</u>	<u>18</u>	<u>13,060,411</u>	<u>20</u>
	Non-current liabilities					
2560	Current income tax liabilities - non-current		-	-	219,989	1
2570	Deferred income tax liabilities	6(24)	2,012,955	3	1,898,738	3
2580	Lease liabilities - non-current	6(9)(26)	8,198	-	12,251	-
2600	Other non-current liabilities	6(13)	215,557	1	213,300	-
25XX	Total non-current liabilities		<u>2,236,710</u>	<u>4</u>	<u>2,344,278</u>	<u>4</u>
2XXX	Total liabilities		<u>14,113,191</u>	<u>22</u>	<u>15,404,689</u>	<u>24</u>
	Equity					
	Share capital	6(15)				
3110	Common share		8,634,322	13	8,577,795	13
3140	Advance receipts for share capital		1,572	-	6,699	-
	Capital surplus	6(16)				
3200	Capital surplus		11,156,003	17	9,753,806	15
	Retained earnings	6(17)				
3310	Legal reserve		10,723,047	16	9,630,127	15
3350	Unappropriated retained earnings		19,402,613	30	19,599,420	31
	Other equity	6(18)				
3400	Other equity		1,510,795	2	893,305	2
3XXX	Total equity		<u>51,428,352</u>	<u>78</u>	<u>48,461,152</u>	<u>76</u>
	Significant contingent liabilities and unrecognized contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		<u>\$ 65,541,543</u>	<u>100</u>	<u>\$ 63,865,841</u>	<u>100</u>

The accompanying notes are an integral part of these parent company only financial statements.

ADVANTECH CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

			For the years ended December 31,			
			2024		2023	
Items	Notes		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(19) and 7		\$ 42,609,394	100	\$ 44,603,097	100
5000 Operating costs	6(6)(8)(9)(10)(13)					
	(14)(23) and 7	(	28,078,902)	(66)	(29,793,323)	(67)
5900 Gross profit			14,530,492	34	14,809,774	33
5910 Unrealized profit from sales		(	1,016,762)	(2)	(904,977)	(2)
5920 Realized profit from sales			904,977	2	1,071,832	3
5950 Gross profit			14,418,707	34	14,976,629	34
Operating expenses	6(8)(9)(10)(13)(14)					
	(23) and 7					
6100 Selling expenses		(	860,945)	(2)	(772,810)	(2)
6200 General and administrative expenses		(	1,520,369)	(4)	(1,177,821)	(3)
6300 Research and development expenses		(	3,603,870)	(8)	(3,228,072)	(7)
6450 Expected credit impairment loss		(	1,765)	-	(695)	-
6000 Total operating expenses		(	5,986,949)	(14)	(5,179,398)	(12)
6900 Operating profit			8,431,758	20	9,797,231	22
Non-operating income and expenses						
7100 Interest income	7		57,986	-	57,441	-
7010 Other income	6(20) and 7		270,238	1	249,791	1
7020 Other gains and losses	6(2)(21)		674,006	1	138,783	-
7050 Finance costs	6(9)(22)	(	369)	-	(682)	-
7070 Share of profit of subsidiaries, associates and joint ventures accounted for under equity method			1,141,418	3	2,430,495	5
7000 Total non-operating income and expenses			2,143,279	5	2,875,828	6
7900 Profit before income tax			10,575,037	25	12,673,059	28
7950 Income tax expense	6(24)	(	1,570,000)	(4)	(1,835,529)	(4)
8200 Profit for the year			\$ 9,005,037	21	\$ 10,837,530	24

(Continued)

ADVANTECH CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

		For the years ended December 31,			
		2024		2023	
Items	Notes	AMOUNT	%	AMOUNT	%
Other comprehensive income					
Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Gain (loss) on remeasurements of defined benefit plan	6(13)			
		\$	13,986	-	(\$ 814)
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)(18)			
			339,737	1	973,975
8330	Share of other comprehensive (loss) income of subsidiaries, associates and joint ventures accounted for under equity method that will not be reclassified to profit or loss	6(18)			
		(	318,959)	(	195,778
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(24)			
		(	2,797)	-	163
8310	Other comprehensive income that will not be reclassified to profit or loss				
			31,967	-	1,169,102
Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(18)			
			801,058	2	(134,482)
8380	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for under equity method that will be reclassified to profit or loss	6(18)			
			50,786	-	(5,580)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(24)			
		(	170,002)	-	28,012
8360	Other comprehensive income (loss) that will be reclassified to profit or loss				
			681,842	2	(112,050)
8300	Total other comprehensive income for the year		\$ 713,809	2	\$ 1,057,052
8500	Total comprehensive income for the year		\$ 9,718,846	23	\$ 11,894,582
Basic earnings per share					
9750	Profit for the year	6(25)	\$ 10.45	\$	12.65
Diluted earnings per share					
9850	Profit for the year	6(25)	\$ 10.38	\$	12.52

The accompanying notes are an integral part of these parent company only financial statements.

ADVANTECH CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Share Capital			Retained Earnings			Other Equity Interest				
	Notes	Common share	Advance receipts for share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Unearned employee benefits compensation	Total equity
For the year ended December 31, 2023											
Balance at January 1, 2023		\$ 7,778,434	\$ 1,335	\$ 9,110,280	\$ 8,552,226	\$ 555,794	\$ 17,750,074	(\$ 714,961)	\$ 785,560	(\$ 4,040)	\$ 43,814,702
Profit for the year		-	-	-	-	-	10,837,530	-	-	-	10,837,530
Other comprehensive income for the year	6(18)	-	-	-	-	-	2,242	(112,050)	1,166,860	-	1,057,052
Total comprehensive income for the year		-	-	-	-	-	10,839,772	(112,050)	1,166,860	-	11,894,582
Appropriations of 2022 earnings	6(17)	-	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	-	1,077,901	-	(1,077,901)	-	-	-	-
Reversal of special reserve		-	-	-	-	(555,794)	555,794	-	-	-	-
Cash dividends		-	-	-	-	-	(7,779,770)	-	-	-	(7,779,770)
Stock dividends		777,977	-	-	-	-	(777,977)	-	-	-	-
Execution of employee share options	6(14)(15)	21,384	5,364	412,829	-	-	-	-	-	-	439,577
Compensation costs recognized for employee share options	6(14)(23)	-	-	-	-	-	-	-	-	-	-
Changes in associates and joint ventures accounted for under equity method	6(16)(18)	-	-	255,971	-	-	-	-	-	-	255,971
Difference between consideration and carrying amount of subsidiaries acquired or disposed		-	-	(36,411)	-	-	110,320	-	(110,320)	3,671	(32,740)
Changes in ownership interests in subsidiaries	6(16)	-	-	-	-	-	(142,307)	-	-	-	(142,307)
Disposal of financial assets at fair value through other comprehensive income	6(3)(18)	-	-	11,137	-	-	-	-	-	-	11,137
Disposal of financial assets at fair value through other comprehensive income owned by associates	6(18)	-	-	-	-	-	112,115	-	(112,115)	-	-
Balance at December 31, 2023		\$ 8,577,795	\$ 6,699	\$ 9,753,806	\$ 9,630,127	\$ -	\$ 19,599,420	(\$ 827,011)	\$ 1,720,685	(\$ 369)	\$ 48,461,152
For the year ended December 31, 2024											
Balance at January 1, 2024		\$ 8,577,795	\$ 6,699	\$ 9,753,806	\$ 9,630,127	\$ -	\$ 19,599,420	(\$ 827,011)	\$ 1,720,685	(\$ 369)	\$ 48,461,152
Profit for the year		-	-	-	-	-	9,005,037	-	-	-	9,005,037
Other comprehensive income for the year	6(18)	-	-	-	-	-	9,583	681,842	22,384	-	713,809
Total comprehensive income for the year		-	-	-	-	-	9,014,620	681,842	22,384	-	9,718,846
Appropriations of 2023 earnings	6(17)	-	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	-	1,092,920	-	(1,092,920)	-	-	-	-
Cash dividends		-	-	-	-	-	(8,155,269)	-	-	-	(8,155,269)
Execution of employee share options	6(14)(15)	56,527	(5,127)	721,640	-	-	-	-	-	-	773,040
Compensation costs recognized for employee share options	6(14)(23)	-	-	510,318	-	-	-	-	-	-	510,318
Changes in associates and joint ventures accounted for under equity method	6(16)(18)	-	-	157,967	-	-	(24,586)	-	-	369	133,750
Difference between consideration and carrying amount of subsidiaries acquired or disposed		-	-	-	-	-	(25,730)	-	-	-	(25,730)
Changes in ownership interests in subsidiaries	6(16)	-	-	12,272	-	-	(27)	-	-	-	12,245
Disposal of financial assets at fair value through other comprehensive income	6(3)(18)	-	-	-	-	-	-	-	-	-	-
Disposal of financial assets at fair value through other comprehensive income owned by associates	6(18)	-	-	-	-	-	86,308	-	(86,308)	-	-
Balance at December 31, 2024		\$ 8,634,322	\$ 1,572	\$ 11,156,003	\$ 10,723,047	\$ -	\$ 19,402,613	(\$ 145,169)	\$ 1,655,964	\$ -	\$ 51,428,352

The accompanying notes are an integral part of these parent company only financial statements.

ADVANTECH CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31,	
		2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		\$ 10,575,037	\$ 12,673,059
Adjustment items			
Adjustments to reconcile profit (loss)			
Depreciation	6(8)(9)(23)	282,184	261,654
Amortisation	6(10)(23)	99,352	97,401
Expected credit impairment loss	12(2)	1,765	695
Net gain on financial assets or liabilities at fair value through profit or loss	6(2)(21)	(18,654)	(33,127)
Finance costs	6(9)(22)	369	682
Interest income		(57,986)	(57,441)
Dividend income	6(20)	(66,191)	(79,854)
Compensation costs of employee share options	6(14)(23)	510,318	255,971
Share of profit of subsidiaries, associates and joint ventures accounted for under equity method		(1,141,418)	(2,430,495)
Property, plant and equipment transferred to expenses	6(8)	94	-
Gain on disposal of non-current assets held for sale	6(21)	(353,632)	-
Gain on disposal of investments	6(21)	(9,816)	-
Derecognition of expense arising from prepayments for business facilities		2,510	14,625
Unrealized profit from sales		1,016,762	904,977
Realized profit from sales		(904,977)	(1,071,832)
Changes in assets and liabilities related to operating activities			
Changes in assets related to operating activities			
Financial assets at fair value through profit or loss		2,575,497	(5,023,893)
Financial assets at amortised cost		(7,890)	-
Notes receivable		10,129	8,026
Accounts receivable		(8,166)	180,188
Accounts receivable - related parties		(2,511,431)	(975,125)
Other receivables		(81,295)	6,483
Other receivables - related parties		(12,504)	(5,691)
Inventories		(135,447)	1,814,345
Other current assets		54,470	(12,825)
Changes in liabilities related to operating activities			
Financial liabilities at fair value through profit or loss		7,267	(20,999)
Contract liabilities - current		193,487	(182,644)
Notes and accounts payable		17,051	(864,310)
Accounts payable - related parties		268,640	1,313,883
Other payables		(146,816)	(502,057)
Other payables - related parties		(14,510)	(40,932)
Provision for liabilities - current		(12,106)	(12,695)
Other current liabilities		(6,095)	(35,795)
Other non-current liabilities		2,124	(1,717)
Net defined benefit liabilities		(6,242)	(5,016)
Cash inflow generated from operations		10,121,880	6,175,541
Dividends received		66,191	79,854
Interest received		39,775	51,590
Income tax paid		(3,369,619)	(2,506,015)
Net cash flows provided by operating activities		6,858,227	3,800,970

(Continued)

ADVANTECH CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31,	
		2024	2023
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through profit or loss		(\$ 480,243)	(\$ 263,174)
Proceeds from disposal of financial assets at fair value through other comprehensive income		203,780	267,104
Acquisition of financial assets at amortised cost - current		-	(675,510)
Acquisition of financial assets at amortised cost - non-current		-	(61,410)
Proceeds from disposal of financial assets at amortised cost		65,140	614,100
Decrease (increase) in loans to related parties		8,815	(107,170)
Acquisition of investments accounted for under equity method		(353,290)	(236,126)
Dividends received from subsidiaries and associates		701,397	2,524,587
Proceeds from disposal of subsidiaries	6(7)	1,478	-
Cash returned from capital reduction of subsidiaries	6(7)	50,662	13,300
Acquisition of property, plant and equipment	6(8)	(618,711)	(812,953)
Proceeds from disposal of property, plant and equipment		-	18
Acquisition of intangible assets	6(10)	(113,967)	(43,907)
Increase in prepayments for business facilities		(8,449)	(13,125)
Decrease (increase) in refundable deposits		892	(1,361)
Proceeds from disposal of non-current assets held for sale		591,973	-
Decrease (increase) in other non-current assets		605	(922)
Net cash flows provided by investing activities		<u>50,082</u>	<u>1,203,451</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Payments of lease liabilities	6(9)(26)	(8,763)	(8,058)
Payments of cash dividends	6(17)	(8,155,269)	(7,779,770)
Employee share options exercised		773,040	439,577
Net cash flows used in financing activities		(7,390,992)	(7,348,251)
Net decrease in cash and cash equivalents		(482,683)	(2,343,830)
Cash and cash equivalents at beginning of year		<u>3,313,907</u>	<u>5,657,737</u>
Cash and cash equivalents at end of year		<u>\$ 2,831,224</u>	<u>\$ 3,313,907</u>

The accompanying notes are an integral part of these parent company only financial statements.

Advantech Co., Ltd.
2024 Profit Distribution Table

Unit: NT\$

Item	Total
Unappropriated retained earnings - beginning	10,351,231,183
Using the equity method adjusted in retained earnings	(50,343,771)
Remeasurements of the defined benefit recognized in retained earnings	9,583,228
Cumulative profit or loss of disposals of investments in equity instruments designated as at fair value through other comprehensive income directly transferred to retained earnings	87,104,797
Adjusted Unappropriated Retained Earnings	10,397,575,437
Add: Net income	9,005,037,387
Less: 10% legal reserve appropriated	(905,138,164)
Add: Reversed special reserve	0
Current earnings available for distribution	18,497,474,660
Distributions:	
Common stock cash dividend (Dividends Per Share \$8.40)	(7,254,151,178)
Unappropriated retained earnings - ending	11,243,323,482

Chairman: K.C. Liu

President: Eric Chen
Miller Chang
Linda Tsai

Chief Financial officer: Mandy Lin

2024 Remuneration of Directors

Title	Name	Remuneration						Ratio of Total Remuneration(A+B+C+D) to net income % (Note 10)		Relevant Remuneration Received by Directors who are Also Employees						Ratio of Total Compensation (A+B+C+D+E+F+G)to net income % (Note 10)		Compensation Paid to Directors from an Invested Company Other than the Company's subsidiary (Note11)	
		Basic Compensation (A) (Note 2)		Severance Pay (B)		Directors Compensation (C)		Allowances (D)(Note 4)		Salary, bonuses and allowance (E) (Note 5)		Severance Pay (F)		Employee Compensation (G) (Note 6)					
		Advantech	From All Consolidated Entities (Note 7*)	Advantech	From All Consolidated Entities (Note 7)	Advantech	From All Consolidated Entities (Note 7)	Advantech	From All Consolidated Entities (Note 7)	Advantech	From All Consolidated Entities (Note 7)	Advantech	From All Consolidated Entities (Note 7)	Cash	Stock	Cash	Stock		
Chairman	K.C.Liu	0	0	0	0	2,950	2,950	0	0	0.03%	0.03%	6,120	6,120	0	0	0	0	0.10%	0
Director	Advantech Foundation Representative : Chaney Ho	0	0	0	0	2,000	2,000	0	0	0.02%	0.02%	0	0	0	0	0	0	0.02%	0
	K and M Investment Co., Ltd. Representative : Wesley Liu	0	0	0	0	1,000	1,000	0	0	0.01%	0.01%	4,125	4,125	106	106	0	0	0.06%	0
Director	AIDC Investment Corp.: Representative : Tony Liu	0	0	0	0	1,000	1,000	0	0	0.01%	0.01%	3,924	3,924	96	96	0	0	0.06%	0
	Jeff Chen	0	0	0	0	2,250	2,250	0	0	0.02%	0.02%	0	0	0	0	0	0	0.02%	0
Director	Ji-Ren Lee	0	0	0	0	2,250	2,250	0	0	0.02%	0.02%	0	0	0	0	0	0	0.02%	0
Independen Director	Ming-Hui Chang	0	0	0	0	4,200	4,200	0	0	0.05%	0.05%	0	0	0	0	0	0	0.05%	0
Independen Director	Benson Liu	0	0	0	0	4,200	4,200	0	0	0.05%	0.05%	0	0	0	0	0	0	0.05%	0
Independen Director	Chan-Jane Lin	0	0	0	0	3,000	3,000	0	0	0.03%	0.03%	0	0	0	0	0	0	0.03%	0

* 1. Please describe the policy, system, standard, and structure of remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration:

For the remuneration of independent directors, besides referring to results of director performance evaluations, the Remuneration Committee considers each director's degree of participation and contribution to the Company's operations, links the reasonableness and fairness of performance and risks to remuneration, considers the Company's business performance and the remuneration standards of competitors, and makes recommendations to the Board of Directors in accordance with Article 13-5 of the Company's Articles of Incorporation.

2. Other than as disclosed in the above table, the remuneration earned by Directors providing services (e.g. providing consulting services as a non-employee) to the Company and all consolidated entities in the latest fiscal year: None.

■ Range of Remuneration

Range of Remuneration	Names of Directors			
	First four categories of remuneration (A+B+C+D)		First seven categories of remuneration (A+B+C+D+E+F+G)	
	Advantech (Note 8)	Consolidated subsidiaries (Note 9)	Advantech (Note 8)	Consolidated subsidiaries (Note 9)
Less than NT\$1,000,000				
NT\$1,000,000 – NT\$2,000,000	Representative of K and M Investment Co., Ltd.: Wesley.Liu, Representative of AIDC Investment Corp.: Tony Liu	Representative of K and M Investment Co., Ltd.: Wesley.Liu, Representative of AIDC Investment Corp.: Tony Liu		
NT\$2,000,000 – NT\$3,500,000	K.C. Liu Representative of Advantech Foundation: Chaney Ho ,Jeff Chen, Chan-Jane Lin, Ji-Ren Lee	K.C. Liu Representative of Advantech Foundation: Chaney Ho ,Jeff Chen, Chan-Jane Lin, Ji-Ren Lee	Representative of Advantech Foundation: Chaney Ho, Jeff Chen, Chan-Jane Lin, Ji-Ren Lee	Representative of Advantech Foundation: Chaney Ho, Jeff Chen, Chan-Jane Lin, Ji-Ren Lee
NT\$3,500,000 – NT\$5,000,000	Benson Liu, Ming-Hui Chang	Benson Liu, Ming-Hui Chang	Benson Liu, Ming-Hui Chang	Benson Liu, Ming-Hui Chang
NT\$5,000,000 – NT\$10,000,000			K.C. Liu Representative of K and M Investment Co., Ltd.: Wesley.Liu, Representative of AIDC Investment Corp.:Tony Liu	K.C. Liu Representative of K and M Investment Co., Ltd.: Wesley.Liu, Representative of AIDC Investment Corp.:Tony Liu
NT\$10,000,000 – NT\$15,000,000			-	
NT\$15,000,000 – NT\$30,000,000			-	
NT\$30,000,000 – NT\$50,000,000			-	
NT\$50,000,000 – NT\$100,000,000			-	
Over NT\$100,000,000			-	
Total	9	9	9	9

Note 1: Illustrate the name of each director (the institutional shareholder and its representative should be illustrated separately) and disclose the payment amount in a lump sum. Please fill out this form and form (3-1) or (3-2) for the director who is also the President or Vice President of the Company.

Note 2: Refers to the remuneration (including director salary, duty allowances, severance pay, various bonuses, incentives, etc.) paid to the directors in the most recent year.

Note 3: Refers to the remuneration to directors from the earnings of the most recent year proposed and approved by the board of directors prior to the shareholders' meeting.

Note 4: Refers to the relevant business expenses of the directors in the most recent year (including traveling expenses, special expenses, allowances, dormitories, and transportation vehicles). For the housing, automobiles and other transportation vehicles, or the exclusive personal expenses provided, the nature and cost of the assets, the actual or imputed rent at fair market value, the gasoline expense, and other payments should be disclosed. In addition, for the chauffeur appointed, please explain in the notes regarding the remuneration paid but the amount will not be included in the total remuneration amount.

Note 5: Refers to the salary, job allowance, severance pay, resignation compensation, prize money, incentive payments, traveling expenses, special expenses, allowances, dormitories, and transportation vehicles paid to the directors who are also employees (including concurrent President, Vice President, other managers, and employees) in the most recent year. For the housing, automobiles and other transportation vehicles, or the exclusive personal expenses provided, the nature and cost of the assets, the actual or imputed rent at fair market value, the gasoline expense, and other payments should be disclosed. In addition, for the chauffeur appointed, please explain in the notes regarding the remuneration paid but the amount will not be included in the total remuneration amount.

Note 6: Refers to the employee bonuses (including stock dividend and cash dividend) paid to the directors who are also employees (including concurrent President, Vice President, other managers, and employees) in the most recent year. The employee bonus amount from the earnings of the most recent year proposed and approved by the board of directors prior to the shareholders' meeting should be disclosed. If the distribution amount of the current year cannot be estimated, it is to be based on the amount distributed in the prior year proportionally with Table 1-3 filled out.

Note 7: Refers to the number of shares (excluding the portion executed) to be subscribed by the directors who are also employees (including concurrent President, Vice President, other managers, and employees) with stock options in the most recent year and up to the publication of the annual report. In addition to this form, please fill out Table 15.

Note 8: The remuneration amount paid to the board directors of Advantech by the companies (including Advantech) in the consolidated report should be disclosed.

Note 9: Disclose the name of the directors in the respective range of remuneration paid by all the companies (including the Company) in the consolidated financial report.

Note 10: Net income meant for the net profit after tax in the most recent year. For those companies with the international financial reporting standard adopted, net income meant for the net income after tax in the proprietary or individual financial report of the most recent year.

Note 11: a. The remuneration amount received by the board directors from the invested companies other than the subsidiaries should be disclosed in this column.

b. The remuneration amount, if any, received by the board directors from the invested companies other than the subsidiaries should be disclosed in column J of the Range of Remuneration; also, the column should be renamed as "All transfer-investment businesses."

c. Remuneration meant for the relevant reward, income, employee bonus, and business expense collected by the board directors of the Company acted as a director, supervisor, or manager of the invested companies other than the subsidiaries.

* The remuneration disclosed in the Range of Remuneration differs from the concept of income defined according to Income Tax Law; therefore, the table is for the purpose of information disclosure instead of tax levy.

The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with risks and business performance.

(i) Remuneration policies, standards and package:

A. Compensation of directors :

If the Company makes profits, it shall allocate no more than 1% of the directors' remuneration in accordance with Article 20 of the articles of association. The Company regularly evaluates directors' remuneration in accordance with the "Performance Evaluation Measures of the Board of Directors" and the "Management Measures for Directors' Remuneration". The relevant performance evaluation and remuneration rationality are reviewed by the Remuneration Committee and the Board of Directors.

B. Transportation allowances :

According to the "Management Measures for Managers' Remuneration" and the salary level of the position in the industry market, the Company will pay the remuneration according to the scope of rights and responsibilities of the position in the Company and contribution to the Company's operating objectives. The Remuneration Committee will make suggestions and make payment after being approved by the Board of Directors.

(ii) Compensation of President and Vice President :

The Company regularly evaluates the remuneration of directors and managers based on the evaluation results implemented by the Company's "Performance Evaluation Measures of the Board of Directors", "Management Measures for Directors' Remuneration" and "Management Measures for Managers' Remuneration". The performance measurement standards of the Chairman, President, and senior managers are based on important indicators of operation strategy (digital transformation, innovation contribution, etc.), business performance, and financial results. It also connects the overall operation performance of the Company, the future operation risk and development trend of the industry, and gives reasonable remuneration with reference to the achievement rate of individual performance and the contribution to the Company's performance. The relevant performance evaluation and remuneration rationality are reviewed by the Remuneration Committee and the Board of Directors.

(iii) Performance factor :

A. The performance evaluation of the Board of Directors shall be conducted regularly every year, and the evaluation results shall be submitted for the report to the Board of Directors in the first quarter of each year in accordance with the provisions of the Performance Evaluation Measures of the Board of Directors of the Company, as a reference for review and improvement, as well as the basis for selecting or nominating directors or remuneration. In addition to the full disclosure of individual directors' remuneration in the Company's annual report, the distribution of employee and director remuneration is also presented as a proposal at the Annual General Meeting to inform shareholders and solicit their feedback.

B. For the remuneration of directors, president, and vice president, it has fully considered the professional ability and the operation and financial status of the Company, continuous learning, and measured other special contributions. Qualitative and quantitative indicators are adopted to facilitate regular evaluations of goal achievement. By implementing a strong linkage between remuneration and performance, the Company reinforces its strategic focus to ensure sustainable growth. Remuneration is determined based on both corporate and individual performance outcomes.

C. The Company shall review future operational risks from time to time to ensure that possible risks within the scope of duties and responsibilities can be managed and prevented. In addition, the Company shall approve the rating results according to the actual performance, connect all relevant human resources and relevant remuneration systems and policies, as well as review the remuneration system at any time according to the actual operation status and relevant laws and regulations, so as to balance the sustainable operation and risk control of the Company.

Advantech Co.,Ltd.
Corporate Charter (Articles of Incorporation)
Article Amendments table

After Amendment	Before Amendment	Remark
<p>Article 13</p> <p>The company has seven ~ nine directors. Nominated for a term of three years and they are elected from the capable candidates in the shareholders' meeting; also, they can be re-elected. There must be at least than three independent directors (not less than one fifth of the total number of directors) out of the number of directors referred to above. The independent directors are to be elected from the candidates in the shareholders' meeting. <u>An independent director may not concurrently serve as an independent director for more than three other publicly listed companies.</u></p> <p>The professional qualifications of the independent directors, shareholdings, limitation of part-time job, the nomination and appointment method, and other matters to be complied with must be processed according to the relevant provisions of the competent authorities.</p>	<p>Article 13</p> <p>The company has seven ~ nine directors. Nominated for a term of three years and they are elected from the capable candidates in the shareholders' meeting; also, they can be re-elected. There must be at least than three independent directors (not less than one fifth of the total number of directors) out of the number of directors referred to above. The independent directors are to be elected from the candidates in the shareholders' meeting. The professional qualifications of the independent directors, shareholdings, limitation of part-time job, the nomination and appointment method, and other matters to be complied with must be processed according to the relevant provisions of the competent authorities.</p>	Revision of Provisions
<p>Article 20 :</p> <p>The Company may, by a resolution adopted by a majority vote at the meeting of the Board of Directors attended by two-thirds of total members, have the profit value not less than 5% of the total Company's surplus (if any) distributable as employees' compensation distributed in the form of shares or in cash. <u>Of this amount, no less than fifteen percent (15%) shall be allocated to grassroots employees.</u> The entitled transferees who receive the compensation include the employees of parents or subsidiaries of the company meeting certain specific requirements. The remuneration for Directors with the maximum value as 1% of the above-mentioned Company's surplus may be distributable by a resolution adopted by the Board of Directors. The proposed bonus to employees and remuneration to directors should be presented in the shareholders' meeting for a resolution. If the company is with accumulated losses, an amount for making up the losses should be</p>	<p>Article 20:</p> <p>The Company may, by a resolution adopted by a majority vote at the meeting of the Board of Directors attended by two-thirds of total members, have the profit value not less than 5% of the total Company's surplus (if any) distributable as employees' compensation distributed in the form of shares or in cash. The entitled transferees who receive the compensation include the employees of parents or subsidiaries of the company meeting certain specific requirements. The remuneration for Directors with the maximum value as 1% of the above-mentioned Company's surplus may be distributable by a resolution adopted by the Board of Directors. The proposed bonus to employees and remuneration to directors should be presented in the shareholders' meeting for a resolution. If the company is with accumulated losses, an amount for making up the losses should be reserved advance before appropriating bonus to employees and remuneration to directors according to the ratio referred to above.</p>	Amended provisions in accordance with the interpretation letter No. 1130385442 issued by the Financial Supervisory Commission on November 8, 2024.

After Amendment	Before Amendment	Remark
reserved advance before appropriating bonus to employees and remuneration to directors according to the ratio referred to above.		
Article 22 : The amendment of the Corporate Charter (Article of Incorporation) was established on Sep 25,1981 (The 1st to 39th meetings omitted) The 40th amendment of the Corporate Charter (Article of Incorporation) was made on May 26, 2022. <u>The 41th amendment of the Corporate Charter (Article of Incorporation) was made on May 29, 2025.</u>	Article 22 : The amendment of the Corporate Charter (Article of Incorporation) was established on Sep 25,1981 (The 1st to 39th meetings omitted) The 39th amendment of the Corporate Charter (Article of Incorporation) was made on Aug 19, 2021. The 40th amendment of the Corporate Charter (Article of Incorporation) was made on May 26, 2022.	Update the date of the amendment

Advantech Co.,Ltd.
Procedures for Acquiring or Disposing of Assets
Article Amendments table

After Amendment	Before Amendment	Remark
<p>Article 9 When the Company acquires or disposes of real estate, <u>engages in real estate development (including the signing of preliminary agreements or any other documents expressing intent, regardless of transaction amount)</u>, or acquires/disposes of equipment or right-of-use assets, and the transaction does not involve a government agency, self-owned land development, build-to-lease arrangements, or equipment/right-of-use assets for operational use, if the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, a professional appraisal report must be obtained prior to the date of occurrence and the following requirements must be met:</p> <ul style="list-style-type: none"> - If, for special reasons, a fixed, specific, or special price is used as a reference for the transaction price, the transaction must first be approved by a resolution of the Board of Directors. The same applies if there are any subsequent changes to the transaction terms. - For transactions with an amount of NT\$1 billion or more, two or more professional appraisers must be engaged for valuation. - If any of the following circumstances occur in the appraisal results, except where the appraised value for asset acquisition is higher than the transaction price or the appraised value for asset disposal is lower than the transaction price, CPA shall be engaged to provide a specific opinion on the reason for the discrepancy and the appropriateness of the transaction price: - The difference between the appraised value and the transaction amount is 20% or more of the transaction amount. - The difference between the appraised values provided by two or more 	<p>Article 9 When the Company acquires or disposes of real estate (including the signing of preliminary agreements or any other documents expressing intent, regardless of transaction amount), or acquires/disposes of equipment or right-of-use assets, and the transaction does not involve a government agency, self-owned land development, build-to-lease arrangements, or equipment/right-of-use assets for operational use, if the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, a professional appraisal report must be obtained prior to the date of occurrence and the following requirements must be met:</p> <ul style="list-style-type: none"> - If, for special reasons, a fixed, specific, or special price is used as a reference for the transaction price, the transaction must first be approved by a resolution of the Board of Directors. The same applies if there are any subsequent changes to the transaction terms. - For transactions with an amount of NT\$1 billion or more, two or more professional appraisers must be engaged for valuation. - If any of the following circumstances occur in the appraisal results, except where the appraised value for asset acquisition is higher than the transaction price or the appraised value for asset disposal is lower than the transaction price, CPA shall be engaged to provide a specific opinion on the reason for the discrepancy and the appropriateness of the transaction price: - The difference between the appraised value and the transaction amount is 20% or more of the transaction amount. - The difference between the appraised values provided by two or more appraisers exceeds 10% of the transaction 	<p>Revision of Provisions</p>

After Amendment	Before Amendment	Remark
<p>appraisers exceeds 10% of the transaction amount.</p> <p>– The date of the professional appraisal report shall not be more than three months prior to the contract signing date. However, if the appraisal is based on the same publicly announced current value period and that value has not exceeded six months in age, the original appraiser may issue an updated opinion.</p> <p>Article 9-1. <u>If the Company plans to acquire or dispose of real estate, including real estate development, and has not yet executed a transaction but intends to issue documents expressing intent, it must first obtain the approval of the Board of Directors.</u></p>	<p>amount.</p> <p>– The date of the professional appraisal report shall not be more than three months prior to the contract signing date. However, if the appraisal is based on the same publicly announced current value period and that value has not exceeded six months in age, the original appraiser may issue an updated opinion.</p>	
<p>Article 15 If the Company acquires or disposes of real estate or right-of-use assets thereof from or to a related party, <u>engages in real estate development</u> (including the signing of preliminary agreements or any other documents expressing intent, regardless of the transaction amount), or acquires or disposes of other assets from or to a related party (other than real estate or right-of-use assets) and the transaction amount reaches 20% of the Company’s paid-in capital, 10% of its total assets, or NT\$300 million or more, the Company shall, except for transactions involving government bonds, bonds with repurchase or reverse repurchase conditions, or the subscription or redemption of money market funds issued by domestic securities investment trust enterprises, submit the following information for approval by a majority of all Audit Committee members and resolution by the Board of Directors before entering into a transaction contract and making any payment:</p> <ol style="list-style-type: none"> The purpose, necessity, and expected benefits of the acquisition or disposal of the assets. The reasons for selecting the related party as the counterparty. Relevant data used to assess the reasonableness of the expected 	<p>Article 15 If the Company acquires or disposes of real estate or right-of-use assets thereof from or to a related party (including the signing of preliminary agreements or any other documents expressing intent, regardless of the transaction amount), or acquires or disposes of other assets from or to a related party (other than real estate or right-of-use assets) and the transaction amount reaches 20% of the Company’s paid-in capital, 10% of its total assets, or NT\$300 million or more, the Company shall, except for transactions involving government bonds, bonds with repurchase or reverse repurchase conditions, or the subscription or redemption of money market funds issued by domestic securities investment trust enterprises, submit the following information for approval by a majority of all Audit Committee members and resolution by the Board of Directors before entering into a transaction contract and making any payment:</p> <ol style="list-style-type: none"> The purpose, necessity, and expected benefits of the acquisition or disposal of the assets. The reasons for selecting the related party as the counterparty. Relevant data used to assess the reasonableness of the expected transaction terms in accordance 	<p>Revision of Provisions</p>

After Amendment	Before Amendment	Remark
<p>transaction terms in accordance with Articles 16 and 17.</p> <p>iv. The date and price at which the related party originally acquired the asset, the transaction counterparty, and the relationship between such counterparty and the Company and the related party.</p> <p>v. A cash flow forecast chart for each month over the one-year period starting from the anticipated contract signing month, along with an evaluation of the necessity of the transaction and the reasonableness of the use of funds.</p> <p>vi. The appraisal report or CPA opinion obtained in accordance with the preceding article.</p> <p>vii. Terms and restrictions of the transaction, and other material covenants.</p> <p>The calculation of transaction amounts mentioned above shall be in accordance with Article 31. The term “within one year” shall be based on the date of occurrence of the current transaction and calculated retroactively for one year. Portions of transactions that have already been submitted to the Audit Committee and approved by the Board of Directors in accordance with these Procedures may be excluded from recalculation.</p> <p>For the following transactions conducted between the Company and its parent company, subsidiaries, or subsidiaries in which it directly or indirectly holds 100% of the issued shares or capital, the Board of Directors may authorize the Chairman to approve such transactions within a specified amount, and such transactions shall be submitted to the next Board meeting for ratification:</p> <p>i. Acquisition or disposal of equipment or right-of-use assets thereof for operational use.</p> <p>ii. Acquisition or disposal of right-of-use assets of real estate for operational use.</p> <p>If the Company or a non-publicly listed domestic subsidiary engages in any of the aforementioned transactions and the</p>	<p>with Articles 16 and 17.</p> <p>iv. The date and price at which the related party originally acquired the asset, the transaction counterparty, and the relationship between such counterparty and the Company and the related party.</p> <p>v. A cash flow forecast chart for each month over the one-year period starting from the anticipated contract signing month, along with an evaluation of the necessity of the transaction and the reasonableness of the use of funds.</p> <p>vi. The appraisal report or CPA opinion obtained in accordance with the preceding article.</p> <p>vii. Terms and restrictions of the transaction, and other material covenants.</p> <p>The calculation of transaction amounts mentioned above shall be in accordance with Article 31. The term “within one year” shall be based on the date of occurrence of the current transaction and calculated retroactively for one year. Portions of transactions that have already been submitted to the Audit Committee and approved by the Board of Directors in accordance with these Procedures may be excluded from recalculation.</p> <p>For the following transactions conducted between the Company and its parent company, subsidiaries, or subsidiaries in which it directly or indirectly holds 100% of the issued shares or capital, the Board of Directors may authorize the Chairman to approve such transactions within a specified amount, and such transactions shall be submitted to the next Board meeting for ratification:</p> <p>i. Acquisition or disposal of equipment or right-of-use assets thereof for operational use.</p> <p>ii. Acquisition or disposal of right-of-use assets of real estate for operational use.</p> <p>If the Company or a non-publicly listed domestic subsidiary engages in any of the aforementioned transactions and the transaction amount reaches 10% or more of</p>	

After Amendment	Before Amendment	Remark
<p>transaction amount reaches 10% or more of the Company's total assets, the transaction contract shall not be signed and payment shall not be made unless the information listed in the first paragraph is submitted to the shareholders' meeting for approval. However, transactions between the Company and its parent or subsidiary, or between its subsidiaries, are not subject to this requirement.</p> <p>The calculation of the transaction amount under the preceding two paragraphs shall comply with Article 31, Paragraph 2. The term "within one year" shall be based on the date of occurrence of the current transaction and calculated retroactively for one year. Transactions that have already been submitted to and approved by the shareholders' meeting, Board of Directors, or recognized by the Audit Committee in accordance with these Procedures may be excluded from recalculation.</p> <p><u>For transactions described in Item 1 of the first paragraph, if no formal transaction has yet occurred but the Company intends to issue documents expressing intent, prior approval of the Board of Directors shall be obtained.</u></p> <p>When the above transactions are submitted to the Board of Directors for discussion, the opinions of all independent directors shall be fully considered. If any independent director expresses dissent or a qualified opinion, it shall be recorded in the minutes of the Board meeting.</p> <p>If the approval of more than one-half of all Audit Committee members is not obtained, the transaction may be approved by a resolution of two-thirds or more of all directors. The resolution of the Audit Committee shall be recorded in the Board meeting minutes. The number of all Audit Committee members and all directors shall be based on the actual incumbents.</p>	<p>the Company's total assets, the transaction contract shall not be signed and payment shall not be made unless the information listed in the first paragraph is submitted to the shareholders' meeting for approval. However, transactions between the Company and its parent or subsidiary, or between its subsidiaries, are not subject to this requirement.</p> <p>The calculation of the transaction amount under the preceding two paragraphs shall comply with Article 31, Paragraph 2. The term "within one year" shall be based on the date of occurrence of the current transaction and calculated retroactively for one year. Transactions that have already been submitted to and approved by the shareholders' meeting, Board of Directors, or recognized by the Audit Committee in accordance with these Procedures may be excluded from recalculation.</p> <p>When the above transactions are submitted to the Board of Directors for discussion, the opinions of all independent directors shall be fully considered. If any independent director expresses dissent or a qualified opinion, it shall be recorded in the minutes of the Board meeting.</p> <p>If the approval of more than one-half of all Audit Committee members is not obtained, the transaction may be approved by a resolution of two-thirds or more of all directors. The resolution of the Audit Committee shall be recorded in the Board meeting minutes. The number of all Audit Committee members and all directors shall be based on the actual incumbents.</p>	
<p>Article 34 The Procedure was established on May 3, 1997 (The 1st to 10th meetings omitted) The 11th procedure was made on May 26, 2022. <u>The 12th procedure was made on May 29, 2025.</u></p>	<p>Article 34 The Procedure was established on May 3, 1997 (The 1st to 10th meetings omitted) The 11th procedure was made on May 26, 2022.</p>	<p>Update the date of the amendment</p>

APPENDICES

III. Appendices

< Appendix I >

Corporate Charter (Articles of Incorporation) (Before Amendment)

Chapter 1 General Rules

Article 1 : The Company was organized in accordance with the provisions of the Company Law and was known as “Advantech Co., Ltd.”

Article 1.1 : When conducting its business, every company shall comply with the laws and regulations as well as business ethics and may take actions, which will promote public interests to fulfill its social responsibilities.

Article 2 : The Company’s business operation is as follows:

1. CC01060 Wire communications machinery and equipment manufacturing
2. CC01070 Wireless communications machinery and equipment manufacturing
3. CC01080 Electronic Components Manufacturing
4. CC01110 Computer and peripheral equipment manufacturing
5. CE01010 General equipment manufacturing
6. E605010 Computer equipment installation industry
7. EZ05010 Instrument and meters installation engineering
8. I301010 IT software services industry
9. I301020 Data processing services
10. I301030 Electronic information supply services
11. CC01101 RF controlled telecommunications equipment manufacturing
12. F401021 RF controlled telecommunications equipment importing
13. IG03010 Energy and Technical Services
14. CC01030 Electrical appliances and audio-video electronic products manufacturing
15. F113020 Electrical appliances wholesale
16. F213010 Electrical appliances retail
17. CF01011 Medical Devices Manufacturing.
18. ZZ99999 in addition to the licensed businesses, may conduct other businesses that are not prohibited or restricted.

Article 2.1 : The Company for business needs may conduct the making of endorsement and guarantee.

Article 3 : The Company’s headquarters is in Taipei and may setup offshore branches with the resolution of the board of directors.

Article 4 : The Company may have announcements made in accordance with Article 28 of the Company Law.

Chapter 2 Shares

Article 5 : The Company’s total capital amounted to NT10 billion with 1billion shares authorized at NT\$10 par. The board of directors is authorized to have stock shares issue separately. For the total capital referred to above, NT\$500 million is reserved for exercising stock option with warrant or bonds with attached warrants. The Company has stock shares transferred to employees at a price below the average repurchase price; also, the transaction prior to the transfer of shares should be presented in the most recent shareholders’ meeting that is attended by the shareholders with a majority shareholding and approved by the attending shareholders with two thirds of the shareholding.

Article 5.1 : When the Company issuing employee warrants at a price below the Company’s common stock closing price on the issuing date, the transaction of share issuance should be presented in the shareholders’ meeting that is attended by the shareholders with a majority shareholding and approved by the attending shareholders with

- two thirds of the shareholding.
- Article 5.2 : The entitled transferees who receive the shares bought by the Company based on Article 167-1 of Company Act include the employees of parents or subsidiaries of the company meeting certain specific requirements.
The entitled transferees who receive share subscription warrants based on Article 167-2 of Company Act include the employees of parents or subsidiaries of the company meeting certain specific requirements.
The employees who are entitled to subscribe new shares or restricted stock issued by the Company based on Article 267 of Company Act include the employees of parents or subsidiaries of the company meeting certain specific requirements.
- Article 6 : Deleted
- Article 6.1 : Deleted
- Article 7 : The Company is exempted from having the stock shares printed out after issuance; however, the Company should contact the securities depository and clearing institution for registration.
- Article 8 : The registration for any change made to the Shareholder Registry should be ceased 60 days prior to the general shareholders' meeting, 30 days prior to the extraordinary shareholders' meeting, or 5 days prior to the Company's deciding to distribute dividends and bonuses or other benefits.
- Chapter 3 Shareholders' meeting**
- Article 9 : Shareholders' meeting includes general shareholders' meeting and extraordinary shareholders' meeting. General shareholders' meeting is held annually and it is convened by the board of directors lawfully six months after the fiscal year. Extraordinary shareholders' meeting is convened when it is necessary.
The Company may hold a shareholders meeting by means of a visual communication network or other methods promulgated by the central competent authority.
- Article 10 : Shareholders who are unable to attend the shareholders' meeting in person may have a representative appointed to attend the meeting by issuing the proxy that is printed by the Company with the scope of authorization specified and then signed or sealed. The proxy referred to above is regulated in accordance with the "Regulations for the Use of Proxies for Shareholders' Meeting of Public Companies."
- Article 11 : It is one voting right per share for the shareholders of the Company, except for those subject to restrictions or those who have no voting right according to the Company Law.
- Article 12 : The resolution reached in the shareholders' meeting, unless otherwise provided by law, can be enforced after being presented in the shareholders' meeting that is attended by a many of shareholders in person or by proxy and approved by the attending shareholders with a majority shareholding.
- Chapter 4 Directors**
- Article 13 : The company has seven ~ nine directors. Nominated for a term of three years and they are elected from the capable candidates in the shareholders' meeting; also, they can be re-elected. There must be at least than three independent directors (not less than one fifth of the total number of directors) out of the number of directors referred to above. The independent directors are to be elected from the candidates in the shareholders' meeting. The professional qualifications of the independent directors, shareholdings, limitation of part-time job, the nomination and appointment method, and other matters to be complied with must be processed according to the relevant provisions of the competent authorities.
- Article 13.1 : The exercise of power by the board of directors is as follows:
1. The elaboration of the Corporate Charter
 2. The elaboration of the Company's business plan
 3. The elaboration of the Company's profit distribution

4. The elaboration of the Company's capital increase and decrease
 5. The review and approval of the Company's budget and the preparation of the Company's final account
 6. The elaboration of the acquisition and disposal of fixed assets by the Company and the investment in other businesses
 7. The powers endowed in accordance with the law and regulations and in the shareholders' meeting
- Article 13.2 : The Company has established an Audit Committee based on Article 14-4 of Securities and Exchange Act.
- Article 13.3 : The total shares of the Company held by all directors to be processed in accordance with the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies" published by the competent authorities.
- Article 13.4 : The company may obtain directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of directorship.
- Article 13.5 : The board of directors is authorized to deliberate and determine the remuneration of all directors according to their participation in and contribution to the Company's business operation and by referring to the remuneration standard of the domestic industry.
- Article 13.6 : The Audit Committee of the Company fully consists of independent directors. The exercise of powers and related matters by the Committee and its members shall be performed in accordance with the laws and regulations stipulated by the competent authority.
- Article 14 : The Board of Directors is formed by the directors. The Chairman is elected by a many of the attending directors at the board meeting that is attended by two thirds of the directors.
- Article 14.1 : Meetings of the board of directors shall be convened by the chairman of the board of directors.
The majority or more of the directors may, by filing a written proposal setting forth therein the subjects for discussions and the reasons, request the chairman of the board of directors to convene a meeting of the board of directors.
If the chairman of the board of directors fails to convene a meeting of board of directors within 15 days after the filing of the request under the preceding paragraph, the proposing directors may convene a meeting of board of directors on their own.
- Article 14.2 : The Company may at any time in case of emergency convene a board meeting and with the directors informed in writing or by E-mail or fax.
- Article 15 : When the Chairman is unable to exercise powers due to a leave or for other reasons, the matter regarding the deputy of the Chairman should be handled in accordance with Article 208 of the Company Law.
- Article 15.1 : The resolutions of the board of directors, unless otherwise provided by the Company Law and the Corporate Charter, shall be exercised with the consent of a many of the attending directors at the board meeting that is attended by a many of the directors. Directors should attend board meetings in person. The director who is unable to attend board meetings in person may authorize another director in writing to attend the board meetings; however, the above-mentioned proxy should be issued each time with the scope of authorization detailed to have one and only deputy delegated.
- Article 16 : Deleted
- Chapter 5 Managers**
- Article 17 : The Company may have several managers appointed; also, the appointment, dismissal, and remuneration should be processed in accordance with Article 29 of the Company Law.

- Chapter 6 Accountant**
- Article 18 : The Company's board of directors shall at the end of each fiscal year have the following composed (1) Business Report (2) Financial Reports (3) Profit Distribution Proposals for acknowledgement in the shareholders' meeting.
- Article 19 : Deleted
- Article 19.1 : The Company engages in high-tech computer and Internet-related industries and is in the growth stage of the business life cycle. In response to the overall business environment and industry growth characteristics and the pursuit of the Company's sustainable development, the long-term interests of shareholders, the stable operating performance goal, and the stable growth of earnings per share in accordance with the Company's future capital expenditure budget and fund needs, the Company's stock dividend distribution is limited to 75% of the total dividend planned for distribution.
- Article 20 : The Company may, by a resolution adopted by a majority vote at the meeting of the Board of Directors attended by two-thirds of total members, have the profit value not less than 5% of the total Company's surplus (if any) distributable as employees' compensation distributed in the form of shares or in cash. The entitled transferees who receive the compensation include the employees of parents or subsidiaries of the company meeting certain specific requirements. The remuneration for Directors with the maximum value as 1% of the above-mentioned Company's surplus may be distributable by a resolution adopted by the Board of Directors. The proposed bonus to employees and remuneration to directors should be presented in the shareholders' meeting for a resolution. If the company is with accumulated losses, an amount for making up the losses should be reserved advance before appropriating bonus to employees and remuneration to directors according to the ratio referred to above.
- Article 20.1 : The Company's reinvestment may exceed 40% of the paid-in capital and with the board of directors authorized to execute it.
- Article 20.2 : The Company shall, after its losses have been covered and all taxes and dues have been paid and at the time of allocating surplus profits, first set aside 10% of such profits as a legal reserve. However, when the legal reserve amount has reached the one of the paid-in capital of the Company, this shall not apply. The balance shall be accounted or reversed to special reserve based on legal regulations, and accumulated to undistributed earnings (if any further balance exists after the accounting or reversal). The Board of Directors shall draft the proposal for surplus distribution. Such surplus is distributable by a resolution adopted by the shareholders' meeting if adopt distribution approach in the form of shares, and a resolution adopted by the Board of Director if adopting the approach in cash.
- The company's dividend policy is formed under the consideration of its future funding demands and long-term financial planning as well as the interests of shareholders to distribute at least 30% of available profits for revenue allocation as dividends to shareholders annually; and among them, the distribution of cash dividends shall not be less than 20% of the total dividend distribution amount of that particular year.
- Chapter 7 Annexes**
- Article 21 : The matters that are not addressed in the Corporate Charter should be processed in accordance with the Company Law and the related regulations.
- Article 22 : The Corporate Charter (Article of Incorporation) was established on September 25, 1981 (the first time ~ Twentieth are omitted).
The 21st amendment of the Corporate Charter (Article of Incorporation) was made on May 2, 2003.
The 22nd amendment of the Corporate Charter (Article of Incorporation) was made on May 27, 2003.
The 23rd amendment of the Corporate Charter (Article of Incorporation) was made on May 24, 2005.

The 24th amendment of the Corporate Charter (Article of Incorporation) was made on November 18, 2005.

The 25th amendment of the Corporate Charter (Article of Incorporation) was made on June 16, 2006.

The 26th amendment of the Corporate Charter (Article of Incorporation) was made on June 15, 2007.

The 27th amendment of the Corporate Charter (Article of Incorporation) was made on June 12, 2008.

The 28th amendment of the Corporate Charter (Article of Incorporation) was made on May 15, 2009.

The 29th amendment of the Corporate Charter (Article of Incorporation) was made on May 18, 2010.

The 30th amendment of the Corporate Charter (Article of Incorporation) was made on May 25, 2011.

The 31st amendment of the Corporate Charter (Article of Incorporation) was made on June 13, 2012.

The 32nd amendment of the Corporate Charter (Article of Incorporation) was made on June 18, 2014.

The 33rd amendment of the Corporate Charter (Article of Incorporation) was made on May 28, 2015.

The 34th amendment of the Corporate Charter (Article of Incorporation) was made on May 25, 2016.

The 35th amendment of the Corporate Charter (Article of Incorporation) was made on May 26, 2017.

The 36th amendment of the Corporate Charter (Article of Incorporation) was made on May 24, 2018.

The 37th amendment of the Corporate Charter (Article of Incorporation) was made on May 28, 2019.

The 38th amendment of the Corporate Charter (Article of Incorporation) was made on May 28, 2020.

The 39th amendment of the Corporate Charter (Article of Incorporation) was made on May 27, 2021.

The 40th amendment of the Corporate Charter (Article of Incorporation) was made on May 26, 2022.

Procedures for Acquiring or Disposing of Assets (Before Amendment)

General Provisions

Article 1

These “Procedures for Acquisition or Disposal of Assets” (hereinafter referred to as “these Procedures”) are established in accordance with Article 36-1 of the Securities and Exchange Act and the regulations of the Financial Supervisory Commission (FSC).

Article 2

The Company shall handle all acquisitions or disposals of assets in accordance with these Procedures, unless otherwise stipulated by applicable financial laws and regulations.

Article 3

The term “assets” as used in these Procedures includes the following:

- (1) Stocks, government bonds, corporate bonds, financial bonds, securities representing funds, depositary receipts, call (put) warrants, beneficial securities, and asset-backed securities.
- (2) Real estate (including land, buildings, investment properties, and construction industry inventories) and equipment.
- (3) Membership certificates.
- (4) Intangible assets such as patents, copyrights, trademarks, and franchise rights.
- (5) Right-of-use assets.
- (6) Claims of financial institutions (including receivables, foreign exchange bills purchased, discounts, loans, and collections).
- (7) Derivatives.
- (8) Assets acquired or disposed of through mergers, demergers, acquisitions, or share transfers pursuant to law.
- (9) Other significant assets.

Article 4

The terms used in these Procedures are defined as follows:

- (1) Derivatives: Refers to forward contracts, options, futures, margin trading contracts, swap contracts, combinations of the above, or hybrid contracts or structured instruments embedded with derivatives, whose values are derived from specific interest rates, prices of financial instruments or commodities, exchange rates, price or rate indices, credit ratings or indices, or other variables. The term “forward contracts” does not include insurance contracts, performance contracts, after-sales service contracts, long-term lease agreements, or long-term purchase (sales) contracts.
- (2) Assets Acquired or Disposed of through Legal Mergers, Demergers, Acquisitions, or Share Transfers: Refers to assets acquired or disposed of pursuant to the Business Mergers and Acquisitions Act, the Financial Holding Company Act, the Financial Institutions Merger Act, or other laws governing mergers, demergers, or acquisitions, or through share transfers made by issuing new shares in accordance with Article 156-3 of the Company Act (hereinafter referred to as “Share Transfers”).
- (3) Related Parties and Subsidiaries: Shall be determined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- (4) Professional Appraisers: Refers to real estate appraisers or other professionals legally authorized to conduct real estate or equipment appraisal services.
- (5) Date of Occurrence: Refers to the earliest of the contract signing date, payment date, transaction execution date, transfer date, Board of Directors’ resolution date, or any other date sufficient to

- determine the transaction counterpart and transaction amount. For transactions requiring regulatory approval, it refers to the earlier of such dates or the date of approval by the competent authority.
- (6) Investments in Mainland China: Refers to investments or technical cooperation projects in Mainland China approved in accordance with the “Regulations Governing Permission for Investment or Technical Cooperation in Mainland China” issued by the Investment Commission of the Ministry of Economic Affairs.
 - (7) Professional Investors: Refers to financial holding companies, banks, insurance companies, bills finance companies, trust enterprises, securities firms conducting proprietary or underwriting business, futures commission merchants conducting proprietary business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, which are legally established and regulated by financial supervisory authorities in their jurisdiction.
 - (8) Securities Exchanges: Refers to the Taiwan Stock Exchange Corporation for domestic exchanges, and to any organized securities trading market supervised by competent securities authorities in foreign jurisdictions.
 - (9) Business Premises of Securities Firms: Refers to trading counters established by domestic securities firms in accordance with the Regulations Governing Securities Firms' Business Premises for trading securities; and for foreign brokers, refers to financial institution branches permitted and supervised by foreign securities regulators to engage in securities business.

Article 5

When the Company obtains an appraisal report or an opinion issued by a certified public accountant (CPA), lawyer, or securities underwriter, the professional appraiser and their appraisal personnel, CPA, lawyer, or securities underwriter shall meet the following requirements:

- (1) They must not have received a final conviction for violations of the Securities and Exchange Act, Company Act, Banking Act, Insurance Act, Financial Holding Company Act, or Business Accounting Act, or for having committed fraud, breach of trust, embezzlement, forgery of documents, or any business-related crimes resulting in a prison sentence of one year or more. This restriction shall not apply if three years have passed since the completion of the sentence, the end of the probation period, or the granting of a pardon.
 - (2) They must not be a related party to any counterparty of the transaction, nor have any substantive relationship with the counterparty.
 - (3) If two or more appraisal reports are required, the respective professional appraisers or their personnel must not be related parties to each other nor have any substantive relationship.
- The personnel mentioned above shall comply with the following self-disciplinary rules of their respective professional associations when issuing appraisal reports or opinions:
- (1) Before accepting a case, they shall prudently assess their own professional competence, practical experience, and independence.
 - (2) When executing the engagement, they shall appropriately plan and implement suitable procedures to form a conclusion, and base their report or opinion on such conclusion. All procedures performed, data collected, and conclusions reached shall be fully and accurately documented in the working papers.
 - (3) Each source of information, parameter, and data used shall be individually evaluated for appropriateness and reasonableness as the basis for issuing the appraisal report or professional opinion.
 - (4) The declaration shall include the professional qualifications and independence of the involved personnel, an evaluation that the information used is appropriate, reasonable, and accurate, and confirmation that all relevant laws and regulations have been complied with.

Procedures guideline

Article 6

These Procedures shall be approved by more than one-half of all members of the Audit Committee and subsequently submitted to the Board of Directors for approval before being presented to the shareholders' meeting for final consent. The same process shall apply to any amendments. When the Procedures are submitted to the Board for discussion, the opinions of all independent directors shall be thoroughly considered. If any independent director expresses dissent or a qualified opinion, such opinion shall be recorded in the minutes of the Board meeting.

The establishment or amendment of these Procedures for Acquisition or Disposal of Assets must be approved by a majority of all Audit Committee members and resolved by the Board of Directors.

If the approval of more than one-half of all Audit Committee members is not obtained, the Procedures may instead be approved by a resolution of two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the Board meeting minutes. The number of all members of the Audit Committee and all directors shall be counted based on the actual incumbents.

Article 7

Investment Limits in Non-Operating Real Estate and Marketable Securities

The Company and its subsidiaries shall observe the following individual investment limits when acquiring the above-mentioned assets:

The total amount the Company may invest in non-operating real estate and short-term marketable securities shall not exceed 30% of the Company's shareholders' equity, and the investment amount in any individual short-term marketable security shall not exceed 10% of the Company's shareholders' equity.

- Subsidiaries invested in by the Company may invest in non-operating real estate, related right-of-use assets, and marketable securities, subject to limits based on each subsidiary's shareholders' equity.
- The total amount the Company may invest in long-term marketable securities shall not exceed its paid-in capital, and the investment amount in a single company (actual funds invested) shall not exceed 40% of the Company's paid-in capital.
- Subsidiaries invested in by the Company may invest in long-term marketable securities, including the investment amount in a single company (actual funds invested), subject to the limit of each subsidiary's paid-in capital.

Article 8

Board Approval and Audit Committee Review

Acquisitions or disposals of assets that, pursuant to these Procedures or other applicable laws, require the approval of the Board of Directors must be submitted accordingly. If any director expresses dissent and it is recorded or made in writing, such dissent shall be forwarded to the Audit Committee.

When asset acquisition or disposal transactions are submitted to the Board of Directors for discussion, the opinions of all independent directors must be fully considered. Any dissenting or reserved opinion expressed by independent directors shall be included in the Board meeting minutes.

Significant asset or derivatives transactions must be approved by a majority of all Audit Committee members and then resolved by the Board of Directors.

If the approval of more than one-half of all Audit Committee members is not obtained, the transaction may be approved by a resolution of two-thirds or more of all directors, and the resolution of the Audit Committee must be recorded in the Board meeting minutes. The number of all Audit Committee members and all directors shall be counted based on the actual incumbents.

Acquisition or Disposal of Assets

Article 9

When the Company acquires or disposes of real estate (including the signing of preliminary agreements or any other documents expressing intent, regardless of transaction amount), or acquires/disposes of equipment or right-of-use assets, and the transaction does not involve a government agency, self-owned land development, build-to-lease arrangements, or equipment/right-of-use assets for operational use, if the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, a professional appraisal report must be obtained prior to the date of occurrence and the following requirements must be met:

- If, for special reasons, a fixed, specific, or special price is used as a reference for the transaction price, the transaction must first be approved by a resolution of the Board of Directors. The same applies if there are any subsequent changes to the transaction terms.
- For transactions with an amount of NT\$1 billion or more, two or more professional appraisers must be engaged for valuation.
- If any of the following circumstances occur in the appraisal results, except where the appraised value for asset acquisition is higher than the transaction price or the appraised value for asset disposal is lower than the transaction price, CPA shall be engaged to provide a specific opinion on the reason for the discrepancy and the appropriateness of the transaction price:
 - i. The difference between the appraised value and the transaction amount is 20% or more of the transaction amount.
 - ii. The difference between the appraised values provided by two or more appraisers exceeds 10% of the transaction amount.
- The date of the professional appraisal report shall not be more than three months prior to the contract signing date. However, if the appraisal is based on the same publicly announced current value period and that value has not exceeded six months in age, the original appraiser may issue an updated opinion.

Procedures for Acquisition or Disposal of Securities Investments

Article 10

Evaluation and Operating Procedures The purchase and sale of securities by the Company shall be conducted in accordance with the internal control system's investment cycle procedures.

- **Decision Procedures for Transaction Terms and Authorization Limits**
 - i. For transactions conducted on centralized markets or at securities firm business premises, the responsible unit shall determine transaction terms based on market conditions. In addition to processing by the authorized supervisory personnel in accordance with the Company's delegation of authority, any single transaction exceeding NT\$300 million must be submitted to the Board of Directors for approval before execution.
 - ii. For off-market transactions, the most recent CPA-audited or reviewed financial statements of the target company shall be obtained for reference in evaluating the transaction price, considering net worth per share, profitability, and future development potential. Aside from processing in accordance with the Company's delegation of authority, any single transaction exceeding NT\$300 million must be submitted to the Board of Directors for approval before execution.
 - iii. Acquisition of fixed-income monetary funds may be executed upon approval by the head of finance.
- **Executing Unit**
- Upon approval according to the Company's delegation of authority, execution of securities investments shall be handled by the finance and accounting department.
- **Obtaining Expert Opinions**
- When the Company acquires or disposes of securities, it shall obtain the most recent CPA-audited or reviewed financial statements of the target company as a reference for evaluating the transaction

price prior to the date of occurrence. If the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, a CPA shall be engaged to provide an opinion on the reasonableness of the transaction price prior to the date of occurrence. This requirement does not apply where the securities have active market quotes or are otherwise exempted by the Financial Supervisory Commission.

- i. Securities acquired through cash investment in the establishment or capital raising of a company.
- ii. Participation in a cash capital increase by the target company in accordance with laws and regulations, where securities are issued at par value.
- iii. Participation in a cash capital increase of a wholly owned investee company.
- iv. Listed, OTC, and Emerging Stock securities traded on a stock exchange or securities firm's business premises.
- v. Government bonds or repurchase/reverse repurchase agreement bonds.
- vi. Domestic or foreign mutual funds.
- vii. Acquisition or disposal of listed/OTC shares in accordance with competitive bidding or auction rules of the Taiwan Stock Exchange or Taipei Exchange.
- viii. Subscription to a public company's cash capital increase where the acquired securities are not privately placed.
- ix. Pre-establishment subscription to a fund in accordance with Article 11, Paragraph 1 of the Securities Investment Trust and Consulting Act, and FSC Order No. 0930005249 dated November 1, 2004.
- x. Subscription or redemption of domestic private funds where the trust agreement states that the investment strategy—excluding securities margin trading and uncovered securities derivative positions—is equivalent to that of public mutual funds.

If the Company acquires or disposes of assets through a court auction process, documentation issued by the court may be used in place of an appraisal report or CPA opinion.

Article 11

If the Company acquires or disposes of membership certificates, intangible assets, or right-of-use assets thereof, and the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall, except for transactions with domestic government agencies, engage a CPA to provide an opinion on the reasonableness of the transaction price prior to the date of occurrence.

Article 12

The calculation of transaction amounts in the preceding three articles shall be conducted in accordance with Article 31, Paragraph 2. The term "within one year" shall be based on the date of occurrence of the current transaction and calculated retroactively for one year. Any portion for which a professional appraisal report or a CPA's opinion has already been obtained in accordance with these Procedures may be excluded from recalculation.

Article 13

If the Company acquires or disposes of assets through a court auction process, documentation issued by the court may be used in lieu of an appraisal report or a CPA's opinion.

Related party transactions

Article 14

If the Company acquires or disposes of assets with a related party, in addition to following the relevant resolution procedures and evaluating the reasonableness of the transaction terms as stipulated in the preceding and this section, and where the transaction amount reaches 10% or more of the Company's total assets, a professional appraisal report or a CPA's opinion shall also be obtained in accordance with the provisions of the preceding section.

The calculation of the transaction amount mentioned in the preceding paragraph shall be handled in accordance with Article 12.

When determining whether the counterparty is a related party, not only the legal form should be considered, but also the substantive relationship.

Article 15

If the Company acquires or disposes of real estate or right-of-use assets thereof from or to a related party (including the signing of preliminary agreements or any other documents expressing intent, regardless of the transaction amount), or acquires or disposes of other assets from or to a related party (other than real estate or right-of-use assets) and the transaction amount reaches 20% of the Company's paid-in capital, 10% of its total assets, or NT\$300 million or more, the Company shall, except for transactions involving government bonds, bonds with repurchase or reverse repurchase conditions, or the subscription or redemption of money market funds issued by domestic securities investment trust enterprises, submit the following information for approval by a majority of all Audit Committee members and resolution by the Board of Directors before entering into a transaction contract and making any payment:

- i. The purpose, necessity, and expected benefits of the acquisition or disposal of the assets.
- ii. The reasons for selecting the related party as the counterparty.
- iii. Relevant data used to assess the reasonableness of the expected transaction terms in accordance with Articles 16 and 17.
- vi. The date and price at which the related party originally acquired the asset, the transaction counterparty, and the relationship between such counterparty and the Company and the related party.
- v. A cash flow forecast chart for each month over the one-year period starting from the anticipated contract signing month, along with an evaluation of the necessity of the transaction and the reasonableness of the use of funds.
- vi. The appraisal report or CPA opinion obtained in accordance with the preceding article.
- vii. Terms and restrictions of the transaction, and other material covenants.

The calculation of transaction amounts mentioned above shall be in accordance with Article 31. The term "within one year" shall be based on the date of occurrence of the current transaction and calculated retroactively for one year. Portions of transactions that have already been submitted to the Audit Committee and approved by the Board of Directors in accordance with these Procedures may be excluded from recalculation.

For the following transactions conducted between the Company and its parent company, subsidiaries, or subsidiaries in which it directly or indirectly holds 100% of the issued shares or capital, the Board of Directors may authorize the Chairman to approve such transactions within a specified amount, and such transactions shall be submitted to the next Board meeting for ratification:

- v. Acquisition or disposal of equipment or right-of-use assets thereof for operational use.
- vi. Acquisition or disposal of right-of-use assets of real estate for operational use.

If the Company or a non-publicly listed domestic subsidiary engages in any of the aforementioned transactions and the transaction amount reaches 10% or more of the Company's total assets, the transaction contract shall not be signed and payment shall not be made unless the information listed in the first paragraph is submitted to the shareholders' meeting for approval. However, transactions between the Company and its parent or subsidiary, or between its subsidiaries, are not subject to this requirement.

The calculation of the transaction amount under the preceding two paragraphs shall comply with Article 31, Paragraph 2. The term "within one year" shall be based on the date of occurrence of the current transaction and calculated retroactively for one year. Transactions that have already been submitted to and approved by the shareholders' meeting, Board of Directors, or recognized by the Audit Committee in accordance with these Procedures may be excluded from recalculation.

When the above transactions are submitted to the Board of Directors for discussion, the opinions of all independent directors shall be fully considered. If any independent director expresses dissent or a qualified opinion, it shall be recorded in the minutes of the Board meeting.

If the approval of more than one-half of all Audit Committee members is not obtained, the transaction may be approved by a resolution of two-thirds or more of all directors. The resolution of the Audit Committee shall be recorded in the Board meeting minutes. The number of all Audit Committee members and all directors shall be based on the actual incumbents.

Article 16

If the Company acquires real estate or right-of-use assets thereof from a related party, the reasonableness of the transaction cost shall be assessed using the following methods:

- i. Based on the transaction price paid by the related party plus necessary interest expenses and other costs that shall be borne by the buyer in accordance with the law. The necessary interest cost shall be calculated using the weighted average interest rate of the Company's borrowings in the year the asset was acquired, but it shall not exceed the maximum borrowing rate for non-financial enterprises as announced by the Ministry of Finance.
- ii. If the related party has previously used the property as collateral to obtain a loan from a financial institution, the total appraised value of the loan by the financial institution may be used as a reference, provided that the actual cumulative loan amount reaches at least 70% of the appraised value and the loan term exceeds one year. This provision does not apply if the financial institution is a related party to either party in the transaction.

If land and buildings of the same subject property are acquired or leased together, the land and buildings may be evaluated separately using either of the methods listed above.

The Company shall, based on the evaluation results under the two preceding paragraphs, engage a CPA to review and provide a specific opinion on the reasonableness of the transaction cost.

The Company shall comply with the above evaluation requirements when acquiring real estate or right-of-use assets from a related party, except under any of the following circumstances, in which case the above evaluation methods do not apply:

- a The related party acquired the real estate or right-of-use asset through inheritance or donation.
- b More than five years have passed between the date the related party signed the purchase agreement for the real estate or right-of-use asset and the date of the Company's transaction agreement.
- c The transaction involves a joint construction agreement with the related party, or a build-to-suit or lease-to-build arrangement whereby the related party is commissioned to construct the real estate.
- d The transaction is between the Company and its subsidiary, or between subsidiaries in which the Company directly or indirectly holds 100% of the issued shares or total capital, for real estate right-of-use assets intended for operational use.

Article 17

If the Company's evaluations pursuant to Paragraphs 1 and 2 of the preceding Article indicate that the appraised value is lower than the transaction price, the Company shall handle the matter in accordance with Article 18. However, this requirement does not apply if objective evidence is provided and both a professional real estate appraiser and a CPA issue specific opinions supporting the reasonableness of the transaction price under any of the following circumstances:

The related party acquired undeveloped land or leased land and subsequently constructed buildings, and the Company can demonstrate that one of the following conditions is met:

- i. The land is evaluated using the methods specified in the preceding Article, and the buildings are assessed based on the related party's construction cost plus a reasonable construction profit margin, and the total amount exceeds the actual transaction price. The term "reasonable construction profit margin" shall be based on either the average gross profit margin of the related party's construction division over the past three years, or the latest gross margin for the construction industry as published by the Ministry of Finance, whichever is lower.
- ii. Other transactions involving the same property (different floors) or similar properties in nearby areas within one year involving unrelated parties, where the area is comparable and the transaction conditions—after considering reasonable adjustments for floor levels or location in accordance with real estate market practices—are deemed equivalent.

The Company can demonstrate that the transaction terms for the acquired or leased real estate or right-of-use asset from a related party are comparable to those in other transactions involving unrelated parties in nearby areas within one year, and the areas involved are similar in size.

The term “nearby area” as used in the preceding paragraph refers, in principle, to the same or adjacent street blocks within a 500-meter radius of the subject property, or properties with similar publicly announced current values. The term “similar in size” generally means that the floor area of the unrelated party transaction is not less than 50% of the area of the subject property. The term “within one year” refers to the one-year period preceding the date of occurrence of the current acquisition of the real estate or right-of-use asset.

Article 18

If the Company acquires real estate or right-of-use assets thereof from a related party, and the evaluations conducted in accordance with the preceding two Articles result in values lower than the transaction price, the Company shall take the following actions:

- i. The difference between the transaction price and the evaluated cost of the real estate or right-of-use asset shall be recognized as a special reserve under Paragraph 1, Article 41 of the Securities and Exchange Act, which shall not be distributed or capitalized into stock dividends. If the investor using the equity method to account for its investment in the Company is a public company, such investor shall also set aside a special reserve proportionally in accordance with Paragraph 1, Article 41 of the Securities and Exchange Act.
- ii. The Audit Committee shall handle the matter in accordance with Article 218 of the Company Act.

The handling of the preceding two items shall be submitted to the shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and public prospectus.

If a special reserve is set aside in accordance with the preceding paragraph, such reserve may only be utilized after the high-priced acquired or leased asset has been recognized as impaired, disposed of, the lease terminated, appropriate compensation or recovery has been made, or there is other evidence confirming that no unreasonable circumstance exists, and such use has been approved by the Financial Supervisory Commission (FSC).

If there is other evidence indicating that the acquisition of real estate or right-of-use assets from a related party is not consistent with normal business practices, the Company shall also handle the matter in accordance with the preceding two paragraphs.

Derivatives Transactions

Article 19

When the Company engages in derivatives transactions, it shall pay attention to the control of the following key risk management and audit matters and incorporate them into its operational procedures:

- (1) Trading Principles and Policies: These shall include the types of derivatives that may be traded, strategies for operation or hedging, delegation of authority and responsibilities, performance evaluation methods, the total notional amount permitted for derivatives trading, as well as the maximum allowable losses for both overall and individual contracts.
- (2) Risk Management Measures.
- (3) Internal audit system.
- (4) Methods for Periodic Evaluation and Handling of Abnormal Situations.

Article 20

When the Company engages in derivatives transactions, it shall implement the following risk management measures:

- (1) Scope of Risk Management: The Company shall manage risks including credit risk, market price risk, liquidity risk, cash flow risk, operational risk, and legal risk.
- (2) Segregation of Duties: Personnel conducting derivatives trading shall not concurrently serve as personnel responsible for confirmation and settlement of such transactions.

- (3) Independent Oversight: Risk measurement, monitoring, and control personnel shall be from departments separate from those mentioned in the preceding item. Their reports shall be submitted to the Board of Directors or to senior executives not involved in trading or position-related decisions.
- (4) Position Valuation: Derivatives positions held shall be evaluated at least once per week. However, for hedging transactions conducted for business needs, evaluations shall be performed at least twice per month. The evaluation reports shall be submitted to the senior executive(s) authorized by the Board of Directors.
- (5) Other Important Risk Management Measures: Any other measures necessary for effective risk control shall be established and followed.

Article 21

When the Company engages in derivatives transactions, the Board of Directors shall exercise proper supervision and management in accordance with the following principles:

- (1) Senior executives designated by the Board shall continuously monitor and control the risks associated with derivatives transactions.
- (2) The Board shall regularly evaluate whether the performance of derivatives trading aligns with the established operational strategies and whether the risks borne are within the Company's acceptable limits.

Senior executives authorized by the Board of Directors shall manage derivatives transactions in accordance with the following principles:

- (1) Periodically evaluate the appropriateness of the current risk management measures and ensure that derivatives trading is conducted in accordance with these Guidelines and the Company's internal procedures for derivatives transactions.
- (2) Monitor the trading activities and profit/loss status. If any irregularities are identified, necessary countermeasures shall be taken immediately and reported to the Board of Directors. If the Company has appointed independent directors, they shall attend the Board meeting and provide their opinions.

If the Company engages in derivatives trading through personnel authorized in accordance with the established procedures, the transactions shall be reported to the most recent Board of Directors meeting afterwards.

Article 22

When the Company engages in derivatives transactions, a logbook shall be established to record, in detail, the types and amounts of derivatives traded, the dates of Board approval, and matters that must be carefully evaluated in accordance with Subparagraph 4 of Article 20, Subparagraph 2 of Paragraph 1 of the preceding Article, and Subparagraph 1 of Paragraph 2 of the preceding Article. These records shall be maintained in the logbook for reference.

Internal audit personnel of a public company shall regularly review the adequacy of internal controls over derivatives transactions and conduct monthly audits of the trading department's compliance with the procedures for derivatives transactions. Audit reports shall be prepared accordingly. If any material violation is discovered, the internal auditors shall provide written notification to the members of the Audit Committee.

Mergers, Demergers, Acquisitions, and Share Transfers

Article 23

When the Company conducts a merger, demerger, acquisition, or share transfer, it shall, prior to convening a Board of Directors meeting to resolve such matters, engage a certified public accountant, lawyer, or securities underwriter to provide an opinion on the reasonableness of the share exchange ratio, acquisition price, or the distribution of cash or other property to shareholders. This opinion shall be submitted to the Board of Directors for discussion and approval.

However, the Company is exempt from obtaining the aforementioned expert opinion if the merger involves a subsidiary in which the Company directly or indirectly holds 100% of the issued shares or total capital, or if the merger is between such wholly owned subsidiaries.

Article 24

If the Company participates in a merger, demerger, or acquisition involving a public company, it shall prepare a public document detailing the key terms and related matters of the merger, demerger, or acquisition prior to the shareholders' meeting. This document, along with the expert opinion specified in the preceding Article and the shareholders' meeting notice, shall be delivered to shareholders as a reference for determining whether to approve the proposed merger, demerger, or acquisition. However, this requirement does not apply in cases where laws permit the merger, demerger, or acquisition to proceed without convening a shareholders' meeting.

If any of the companies participating in the merger, demerger, or acquisition is unable to convene a shareholders' meeting or pass a resolution due to insufficient attendance, lack of voting rights, or other legal restrictions, or if the proposal is rejected by the shareholders' meeting, the involved company shall immediately make a public announcement explaining the reason for the failure, the follow-up handling procedures, and the scheduled date for the next shareholders' meeting.

Article 25

Unless otherwise provided by law or approved in advance by the Financial Supervisory Commission (FSC) due to special circumstances, companies participating in a merger, demerger, or acquisition shall convene a Board of Directors meeting and a shareholders' meeting on the same day to resolve matters related to the merger, demerger, or acquisition.

Similarly, unless otherwise provided by law or approved in advance by the FSC due to special circumstances, companies participating in a share transfer shall convene a Board of Directors meeting on the same day.

Listed companies or companies whose shares are traded on securities firm business premises that participate in a merger, demerger, acquisition, or share transfer shall prepare and maintain complete written records of the following information for five years for audit purposes:

- (1) Basic Information of Personnel: This includes the job titles, names, and national ID numbers (or passport numbers for foreign nationals) of all individuals involved in the planning or execution of the merger, demerger, acquisition, or share transfer before public disclosure.
- (2) Key Dates of Events: These include the dates of signing the letter of intent or memorandum of understanding, engagement of financial or legal advisors, contract signing, and Board resolutions.
- (3) Important Documents and Minutes: This includes the merger, demerger, acquisition, or share transfer plan, letters of intent or memoranda of understanding, major contracts, and Board meeting minutes.

Companies listed or traded on securities firm business premises that participate in a merger, demerger, acquisition, or share transfer shall, within two days from the date of the Board resolution, submit the information under Items 1 and 2 above to the FSC for recordation via the internet-based information reporting system in the prescribed format.

If any of the participating companies is not a listed company or not traded on securities firm business premises, the listed or traded company shall enter into an agreement with such company and comply with the above two provisions accordingly.

Article 26

All persons who participate in or become aware of the Company's merger, demerger, acquisition, or share transfer plans shall sign a written confidentiality agreement. Prior to the public disclosure of such information, they shall not disclose any details of the plan to any outside party, nor shall they engage, either directly or indirectly through another person, in the trading of shares or other equity-related securities of any company involved in the merger, demerger, acquisition, or share transfer.

Article 27

If the Company participates in a merger, demerger, acquisition, or share transfer, the share exchange ratio or acquisition price shall not be arbitrarily changed, except under the following circumstances, and

the contract for the merger, demerger, acquisition, or share transfer shall specify the conditions under which such changes are permitted:

- (1) The company conducts a cash capital increase, issues convertible corporate bonds, distributes stock dividends, issues corporate bonds with warrants, preferred shares with warrants, subscription warrants, or other equity-linked securities.
- (2) The company disposes of major assets or undertakes actions that materially affect its financial or business operations.
- (3) Occurrence of major disasters, significant technological changes, or other events that materially impact shareholders' equity or the market price of securities.
- (4) Any of the companies involved in the merger, demerger, acquisition, or share transfer repurchases treasury stock in accordance with the law, requiring an adjustment.
- (5) A change in the number or identity of the entities participating in the merger, demerger, acquisition, or share transfer.
- (6) Other conditions for modification that are explicitly stated in the contract and have been publicly disclosed.

Article 28

If the Company participates in a merger, demerger, acquisition, or share transfer, the contract shall specify the rights and obligations of the companies involved and include the following provisions:

- (1) Handling of breach of contract.
- (2) Principles for handling equity-type securities issued or treasury shares repurchased by the dissolved or demerged company prior to the merger or demerger.
- (3) The number of treasury shares that may be repurchased by participating companies after the record date for calculating the share exchange ratio, and the handling principles thereof.
- (4) Measures for handling any changes in the number or identity of the participating entities.
- (5) The expected implementation schedule and estimated completion timeline of the project.
- (6) Procedures to be followed, including the scheduled date for convening a shareholders' meeting as required by law, in the event the project is not completed by the expected deadline.

Article 29

If, after public disclosure of a merger, demerger, acquisition, or share transfer, any party to the transaction intends to enter into another merger, demerger, acquisition, or share transfer with a different company, all procedures or legal acts already completed in the original merger, demerger, acquisition, or share transfer must be re-executed by all participating companies, unless the number of participating entities is reduced and the shareholders' meeting has already resolved and authorized the Board of Directors to make such changes without the need for another shareholders' meeting resolution.

Article 30

If any of the companies participating in a merger, demerger, acquisition, or share transfer is not a public company, the Company shall enter into an agreement with such company and handle the matter in accordance with the provisions of Articles 25, 26, and the preceding Article.

Information Disclosure Procedures

Article 31

If the Company acquires or disposes of assets and any of the following circumstances occur, the Company shall, in accordance with the nature of the transaction and in the prescribed format, disclose the relevant information on the website designated by the Financial Supervisory Commission (FSC) within two days from the date of occurrence:

- (1) Acquisition or disposal of real estate or right-of-use assets thereof from or to a related party, regardless of the transaction amount; or acquisition or disposal of other assets from or to a

related party, excluding real estate or right-of-use assets, where the transaction amount reaches 20% of the Company's paid-in capital, 10% of its total assets, or NT\$300 million or more. However, this does not apply to the trading of domestic government bonds, repurchase/reverse repurchase bond transactions, or subscription/redemption of money market funds issued by domestic securities investment trust enterprises.

- (2) Engagement in a merger, demerger, acquisition, or share transfer.
- (3) Losses incurred from derivatives transactions that reach the total or individual contract loss limit as defined in the Company's handling procedures.
- (4) Acquisition or disposal of assets categorized as equipment or right-of-use assets for operational use, where the counterparty is not a related party and the transaction amount reaches one of the following thresholds:
 - i. For public companies with paid-in capital of less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.
 - ii. For public companies with paid-in capital of NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.
- (5) Acquisition of real estate through methods such as self-owned land development, leasehold land development, joint construction with separate unit allocation, joint construction with profit sharing, or joint construction for sale, where the counterparty is not a related party and the Company's expected investment in the transaction amounts to NT\$500 million or more.
- (6) Asset transactions not covered by the preceding five items, disposal of claims by financial institutions, or investments in Mainland China, where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more. However, the following circumstances are excluded:
 - i. Trading of domestic government bonds or foreign government bonds with credit ratings not lower than the sovereign rating of Taiwan.
 - ii. Securities transactions conducted by professional institutional investors on stock exchanges or at securities firm business premises; subscription to foreign government bonds or general corporate bonds (excluding subordinated bonds) issued in the primary market that do not involve equity; subscription or redemption of securities investment trust funds or futures trust funds; subscription or redemption of exchange-traded funds (ETFs); or securities subscribed through underwriters acting as advisors or sponsors of Emerging Stock companies pursuant to regulations of the Taipei Exchange.
 - iii. Trading of bonds with repurchase or reverse repurchase conditions; or subscription/redemption of money market funds issued by domestic securities investment trust enterprises.

The transaction amounts mentioned in the preceding paragraph shall be calculated as follows:

- a The amount of each individual transaction.
- b The cumulative transaction amount within one year for acquiring or disposing of the same type of asset with the same counterparty.
- c The cumulative transaction amount within one year for acquiring or disposing (calculated separately for acquisitions and disposals) of real estate or right-of-use assets related to the same development project.
- d The cumulative transaction amount within one year for acquiring or disposing (calculated separately for acquisitions and disposals) of the same securities.

The term "within one year" as mentioned above refers to the one-year period retroactively calculated from the date of occurrence of the current transaction. Transactions that have already been disclosed in accordance with these Procedures may be excluded from the cumulative total.

The Company shall, by the 10th day of each month, input into the designated information reporting system specified by the Financial Supervisory Commission (FSC), in the prescribed format, the status of derivatives transactions conducted by the Company and its subsidiaries that are not domestic public companies as of the end of the previous month.

Article 32

If any items that the Company is required to disclose contain errors or omissions at the time of disclosure and need to be corrected, the Company shall re-disclose and report all items in their entirety within two days from the date such errors or omissions are discovered.

When the Company acquires or disposes of assets, it shall retain related contracts, meeting minutes, logbooks, appraisal reports, and opinions issued by certified public accountants, lawyers, or securities underwriters at the Company. Unless otherwise required by law, these documents shall be preserved for at least five years.

If, after disclosing and reporting a transaction in accordance with the preceding Article, any of the following circumstances occurs, the Company shall disclose and report the relevant information on the website designated by the Financial Supervisory Commission (FSC) within two days from the date of occurrence:

- (1) Any changes, termination, or rescission of the original transaction contract.
- (2) The merger, demerger, acquisition, or share transfer is not completed according to the scheduled timeline set forth in the contract.
- (3) There are changes to the contents of the original public announcement or filing.

Article 33

The Company's subsidiaries shall comply with the following provisions:

- (1) The procedures for the acquisition or disposal of assets by the Company's subsidiaries shall be established and implemented in accordance with the provisions of these Procedures.
- (2) If a subsidiary of the Company is not a public company and its acquisition or disposal of assets meets the criteria requiring public disclosure and reporting as set forth in these Procedures, such disclosure and reporting shall be handled by the Company.
- (3) For the subsidiaries mentioned in the preceding paragraph, the standards related to paid-in capital or total assets as referenced in Paragraph 1 of Article 31 shall be based on the Company's paid-in capital or total assets.

Article 34

These Procedures were established on May 3, 1997 (ROC Year 86).

The 1st amendment was made on November 29, 1999.

The 2nd amendment was made on May 30, 2002.

The 3rd amendment was made on May 2, 2003.

The 4th amendment was made on May 27, 2004.

The 5th amendment was made on June 16, 2006.

The 6th amendment was made on June 15, 2007.

The 7th amendment was made on June 13, 2012.

The 8th amendment was made on June 18, 2014.

The 9th amendment was made on May 26, 2017.

The 10th amendment was made on May 28, 2019.

The 11th amendment was made on May 26, 2022.

Advantech Co., Ltd.

Rules and Procedure for Shareholders' Meetings

Article 1 : The process of the Company shareholders' meeting is subject to the "Rules of Procedure for Shareholders' Meetings."

Article 2 : Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the Board of Directors.

Changes to the means of convening a shareholders' meeting shall be subject to a resolution of the Board of Directors, and shall be made no later than the delivery of the shareholders' meeting notice. The Company shall specify in its shareholders meeting notices the time during which shareholder, solicitor, and proxy agent (shareholder) attendance registrations will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which for attendance registrations shall be clearly marked and shall have number of suitable personnel assigned to handle the registrations. Where a shareholders meeting is held by means of visual communication network, shareholders shall register on the visual networking platform at least thirty minutes prior to the time the meeting commences. Shareholders who have completed the registration shall be deemed to have attended the shareholders meeting in person. The shareholders or the shareholders' commissioned representatives while attending the meeting should sign on the attendance registry or submit the attendance card instead; also, the number of attending shares is calculated in accordance with the number of shares documented on the attendance card. Where a shareholders meeting is held by means of visual communication network, shareholders who intend to attend the meeting by means of visual communication network shall register with the Company two days prior to the shareholders meeting.

Where a shareholders meeting is held by means of visual communication network, the Company shall upload the meeting handbook, annual report, and other information to the visual networking platform at least thirty minutes before the start of the shareholders meeting and shall maintain their availability until the end of the meeting.

When the Company announces the commencement of a shareholders' meeting by means of a visual communication network, it shall disclose the total number of shares held by attending shareholders on the visual networking platform. The same shall apply if the total number of shares and voting rights of the shareholders attending the meeting are counted during the meeting.

Article 2.1 : The attendance and resolution in the shareholders' meeting shall be based on the shares.

The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in and the number of shares registered on the visual networking platform plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of non-voting shares and the number of shares represented by shareholders attending the meeting.

However, when the attending shareholders do not represent a most of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one

hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. If a shareholders meeting is held by means of visual communication network, the Company shall also announce the adjournment of the shareholders meeting on the visual networking platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. If a shareholders meeting is held by means of visual communication network, shareholders who intend to attend the meeting by means of visual communication network shall re-register with the Company in accordance with Article 2 herein.

Article 2.2 : The Company may assign the commissioned lawyer, accountant, or the relevant personnel to attend the shareholders' meeting.

Article 2.3 : Shareholders' meeting will be held at the Company's premise or a suitable location for the convenience of the shareholders. The starting time of the shareholders' meeting should not be before 9:00am or after 3:00pm.

When the Company convenes a shareholders meeting by means of visual communication network, it is not subject to the restrictions on the venue for a shareholders meeting mentioned in the preceding paragraph.

Article 2.4 : The Company should have the proceeding of the shareholders' meeting from the shareholder's reporting to meeting, meeting in session, to votes counting recorded in audio or video uninterruptedly.

The audio-visual materials referred to above shall be kept for at least one year; however, they should be reserved until the end of the legal proceeding that is filed by the shareholders in accordance with Article 189 of the Company Law.

When a shareholders meeting is held by means of visual communication network, the Company shall record and retain the shareholders' registration, sign-in, attendance registration, questions, voting, and vote counting results and make uninterrupted audio and video recording of the shareholders meeting.

The information and the audio and video recording mentioned in the preceding paragraph shall be properly retained by the Company throughout the life of the Company, and the audio and video recording shall be sent to an institution that is entrusted to handle video conferencing affairs for retention.

When a shareholders meeting is held by means of visual communication network, the Company shall make an audio and video recording of the backend user interface of the visual networking platform.

Article 2.5 : When the Company holds a shareholders meeting by means of visual communication network, it shall specify the following matters in the shareholders meeting notice:

(1) Methods for shareholders to attend and exercise their rights in a shareholders meeting held by means of visual communication network.

(2) Methods for handling obstacles to the visual networking platform or attendance at a shareholders meeting by means of visual communication network due to natural disasters, incidents, or other force majeure circumstances, including but not limited to:

a. Where the aforesaid obstacles cannot be removed, the Company shall set a time limit for the postponement or reconvention of the shareholders meeting, as well as the date for the postponed or reconvened shareholders meeting if applicable.

b. Shareholders who have not registered to attend the original shareholders meeting by means of visual communication network shall not attend the

postponed or reconvened shareholders meeting.

- c. When the Company holds a video-assisted shareholders meeting and fails to proceed with the meeting by means of visual communication network, the shareholders meeting shall continue if the number of shares held by the attending shareholders, after deducting the number of shares held by shareholders attending the meeting by means of visual communication network, reaches the quorum. For shareholders attending the meeting by means of visual communication network, the number of shares held by them shall be included in the total number of shares held by the attending shareholders, but they shall be deemed to have waived their rights with respect to all proposals in the shareholders meeting.
 - d. Methods for handling the situation where all proposals have been resolved without extraordinary motions.
- (3) When convening a shareholders meeting by means of visual communication network, the Company shall specify appropriate alternatives for shareholders who may have difficulty attending the meeting by means of visual communication network.

Article 3 : The Chairman may officially hold the meeting when shareholders holding over half of the total number of issued shares are present, and announce the relevant information such as the number of shares with non-voting rights and the number of shares of attendees. If the attending shareholders are without the statutory shareholding but with one thirds of the total number of shares issued after two postpones (30 minutes per postpone), it can be processed in accordance with Article 175 of the Company Law and a pseudo resolution can be reached with the consent of a majority votes. For the proceeding referred to above, if the attending shareholders qualify the statutory shareholding, the Chairman may announce the meeting in session at any time and has the pseudo resolution submitted in the shareholders' meeting for ratification.

Article 4 : The shareholders' meeting should be conducted in accordance with the procedures prescribed in the agenda and no change can be made without a resolution reached in the shareholders' meeting. The agenda is drafted up in accordance with the following provisions:

- (1) General shareholders' meeting: The agenda is to be drafted up by the Board of Directors.
- (2) Extraordinary shareholders' meeting: The agenda is to be drafted up by the authorized convening department.

The Chairman may not announce to have the meeting adjourned before the proposals (including motions) in the two agenda referred to above resolved.

Once the meeting is adjourned, shareholders may not elect another Chairman to continue the meeting at the current meeting place or another location.

Article 5 : The Chairman may announce to have a recess during the meeting in session.

Article 6 : The attending shareholders who wish to speak at the meeting must first fill out the speech note with the gist, shareholders account number, and name detailed to the Chairman in advance and the Chairman shall prioritize the speaking order. Attending shareholders who have submitted a speech note but failed to give a speech at the meeting is deemed as a non-speaker. If the speech made by the shareholder differs from the contents of the speech note submitted, the speech shall prevail.

The attending shareholders may not interrupt the speaking shareholder without the consent of the Chairman and the speaking shareholder. The Chairman must have the interfering shareholder restrained from interrupting the speaking shareholder's speech.

If a shareholders meeting is held by means of visual communication network, shareholders attending the meeting by means of visual communication network may ask questions in text form on the visual networking platform after the chair

declares the commencement of the meeting and before the chair declares the adjournment of the meeting. Up to two questions may be asked per proposal, with each question limited to 200 words. The provisions of Paragraphs 1 to 3 do not apply.

If the questions mentioned in the preceding paragraph do not violate the regulations or go beyond the scope of the proposal, the Company shall make the questions public on the visual networking platform.

Article 7 : The motions should be discussed in accordance with the prioritized agenda. For any violation against the planned procedures or agenda, the Chairman may immediately stop the speaking shareholder and announce ending the discussion in due course or ceasing the discussion when it is necessary.

Article 8 : The shareholder is to have the proposal explained in five minutes and the Chairman or the personnel designated by the Chairman are to answer the questions of the shareholders. The inquiry or reply of the shareholder is limited to three minutes unless it is otherwise permitted by the Chairman.

Article 9 : Deleted

Article 10 : Each shareholder may not speak more than twice on the same proposal and five minutes each time. For any violation against the planned procedures or agenda referred to above, the Chairman may immediately stop the speaking shareholder.

Article 10.1 : The legal person attending the shareholders' meeting by proxy may have only one representative designated to attend the meeting.

For the two or more representatives designated by the legal person shareholder to attend the meeting, only one of them may speak on the same proposal.

Article 11 : The proposal that is announced by the Chairman ceased for discussion should be put to vote for a resolution. The voting right of each shareholder is calculated in accordance with the Corporate Charter.

Article 12 : The vote on the motion, unless otherwise provided by the Company Law, is approved by the attending shareholders with a majority shareholding.

All relevant proposals of the shareholders' meeting (including ad hoc motions and amendments to the original proposals) shall be voted on a case-by-case basis, and an adequate voting period shall be arranged.

At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered the MOPS.

Article 12.1 : The Chairman is to have the amendment or substitute of a motion consolidated and prioritized its voting order. When one of the motions is passed, the other motions shall be deemed as vetoed without the need of further voting.

Article 12.2 : The Chairman is to have ballot inspectors and tellers designated for the vote on motions. Ballot inspectors must be a shareholder of the Company. The results of the vote should be announced in the meeting and recorded.

Article 12.3 : When the Company convenes a shareholders meeting by means of visual communication network, shareholders attending the meeting by means of visual communication network shall vote on the proposals and the election on the visual networking platform after the chair announces the commencement of the meeting and before the chair announces the close of voting. Shareholders failing to vote before the said time limit will be deemed to have abstained.

If a shareholders meeting is held by means of visual communication network, votes shall be counted at a time after the chair announces the close of voting, followed by the announcement of voting and election results.

When the Company holds a video-assisted shareholders meeting, shareholders who have registered to attend the meeting by means of visual communication

network in accordance with Article 2 and intend to attend the meeting in person shall cancel the registration in the same manner as registration two days before the shareholders meeting; shareholders who fail to cancel the registration within the said time limit may only attend the shareholders meeting by means of visual communication network.

Shareholders who exercise their voting rights by correspondence or electronically without revoking their intentions and attend the shareholders meeting by means of visual communication network shall not exercise their voting rights with respect to the original proposals, propose amendments to the original proposals, or exercise their voting rights with respect to the amendments to the original proposals, except for extraordinary motions.

Article 13 : For the shareholders attending the shareholders' meeting by proxy, except for the agencies for trust businesses or stock services approved by the securities authorities, when one person delegated by more than two shareholders at the same time, the voting rights by proxy shall not exceed 3% of the total number of voting rights issued; also, the number of voting right exceeding the threshold will not be accounted for.

Article 14 : The shareholders who may have a conflict of interest regarding a motion to be resolved in the shareholders' meeting may not vote on the said motion and may not exercise voting right on behalf of other shareholders by proxy.

Article 14.1 : When the election of directors is planned to be held at the shareholders' meeting, it shall be implemented in accordance with the relevant election regulations specified by the Company and shall announce the results of the election on-site, including the lists of elected directors and unelected directors and supervisors as well as their respective obtained votes.

The ballots casted in the election referred to above shall be sealed and signed by the ballot inspectors for safekeeping for at least one year; however, they should be reserved until the end of the legal proceeding that is filed by the shareholders in accordance with Article 189 of the Company Law.

Article 15 : The meeting in session should be suspended in case of air raid drill and the meeting should be resumed in one hour after the evacuation alert is lifted.

Article 15.1 : The Chairman may direct pickets (or security guards) to assist maintaining the order at the meeting place. The pickets (or security guards) who are at the meeting place to assist maintaining order should wear the "picket" armband.

Article 16 : The resolutions reached in the shareholders' meeting should be documented in the minutes of meeting for the signature or seal of the Chairman also the minutes of meeting should be distributed to all shareholders within twenty days after the meeting. The Company's minutes of meeting can be distributed to shareholders by an announcement after the public offering of the Company's shares.

The preparation and distribution of the minutes of meeting referred to above can be completed in an electronic form.

If a shareholders meeting is held by means of visual communication network, the minutes at the shareholders meeting shall record the start and end time of the meeting, the method of convening the meeting, and the names of the chairman and the minute taker, as well as the methods and results of handling obstacles to the visual networking platform or attendance by means of visual communication network due to natural disasters, incidents, or other force majeure circumstances, in addition to matters mentioned in the preceding paragraph.

When the Company convenes a shareholders meeting by means of visual communication network, it shall specify in the meeting minutes the alternatives provided for shareholders who have difficulty attending the meeting by means of visual communication network while complying with the provisions of the preceding paragraph.

Article 17 : If a shareholders meeting is held by means of visual communication network, the Company shall immediately disclose the voting results of the proposals and the

election results on the visual networking platform in accordance with the regulations and shall maintain their availability for at least fifteen minutes after the chair announces the adjournment of the meeting.

Article 18 : When the Company holds a shareholders meeting by means of visual communication network, the chair and the minute taker shall be at the same place domestically, and the chair shall announce the address of the place at the time of the meeting.

Article 19 : If a shareholders meeting is held by means of visual communication network, the chair shall, when announcing the commencement of the meeting, also announce that, should the meeting be adjourned due to obstacles to the visual networking platform or attendance by means of visual communication network that are caused by natural disasters, incidents, or other force majeure circumstances and last for more than thirty minutes, the meeting shall be postponed or reconvened within five days, as well as the date for the postponed or reconvened meeting, except for the circumstances where there is no need to postpone or reconvene the shareholders meeting as stipulated in Paragraph 4, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies. Article 182 of the Company Act does not apply.

Where a shareholders meeting is postponed or reconvened as mentioned in the preceding paragraph, shareholders who have not registered to attend the original shareholders meeting by means of visual communication network shall not attend the postponed or reconvened meeting.

If shareholders who have registered to attend the original shareholders meeting by means of visual communication network and completed the attendance registration fail to attend the shareholders meeting that is adjourned or reconvened in accordance with Paragraph 1, the number of shares held by them and their voting rights and election rights exercised at the original shareholders meeting shall be included in the total number of shares and voting rights and election rights held by the attending shareholders in the adjourned or reconvened meeting.

When a shareholders meeting is postponed or reconvened in accordance with Paragraph 1, there is no need to discuss and resolve again on the proposals whose voting results have been announced after voting and counting of votes or from which a list of elected directors have been announced.

When the Company holds a video-assisted shareholders meeting and fails to proceed with the meeting by means of visual communication network, the shareholders meeting shall continue if the number of shares held by the attending shareholders, after deducting the number of shares held by shareholders attending the meeting by means of visual communication network, reaches the quorum. There is no need to postpone or reconvene the shareholders meeting in accordance with Paragraph 1.

If a shareholders meeting shall continue in accordance with the preceding paragraph, the number of shares held by shareholders attending the meeting by means of visual communication network shall be included in the total number of shares held by the attending shareholders; however, shareholders who attend the shareholders meeting by means of visual communication network shall be deemed to have waived their rights with respect to all proposals in the meeting.

When the Company postpones or reconvenes a shareholders meeting in accordance with Paragraph 1, it shall make preparation for the meeting based on the date of the original shareholders meeting and in accordance with Paragraph 7, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

The Company shall base the periods prescribed in the latter part of Article 12 and Paragraph 3, Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies and in Paragraph 2, Article 44-5, Article 44-15, and Paragraph 1, Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies on

- the date for the shareholders meeting postponed or reconvened in accordance with Paragraph 1.
- Article 20 : When the Company convenes a shareholders meeting by means of visual communication network, it shall provide appropriate alternatives for shareholders who have difficulty in attending the shareholders meeting by means of visual communication network.
- Article 21 : The matters that are not addressed in the “Rules of Procedure for Shareholders’ Meetings” should be processed in accordance with the Company Law and the related regulations.
- Article 22 : The “Rules of Procedure for Shareholders’ Meetings” is in effect after it is passed in the shareholders’ meeting, same for the amendments made.
- Article 23 : These Procedures were established on May 3, 1997.
The 1st amendment was made on April 24, 1999.
The 2nd amendment was made on May 30, 2002.
The 3rd amendment was made on June 16, 2006.
The 4th amendment was made on May 18, 2010.
The 5th amendment was made on June 13, 2011.
The 6th amendment was made on June 13, 2012.
The 7th amendment was made on May 26, 2017.
The 8th amendment was made on August 19, 2021.
The 9th amendment was made on May 26, 2022.

Current Shareholding of Directors

1. The paid-in capital of the Company is NTD \$8,641,671,250, with a total of 864,167,125 Outstanding shares.
2. According to Article 26 of the Securities and Exchange Act, the minimum number of shares to be held by the entire directors is 27,653,348 shares.
3. As of the date for suspending the share transfer for this shareholders meeting, the shareholding of each individual and entire directors stipulated in the shareholders roster is as follows:

March 31, 2025

Title	Name	Representative	Shareholding on the shareholder's registry	
			Shares	% Ratio (%)
Chairman	K.C. Liu		27,993,951	3.24%
Director	Advantech Foundation.	Chaney Ho	24,543,548	2.84%
Director	K and M Investment Co., Ltd.	Wesley.Liu	100,494,794	11.63%
Director	AIDC Investment Corp.	Tony Liu	99,314,136	11.49%
Director	Jeff Chen		0	0%
Director	Ji-Ren Lee		0	0%
Independent Director	Ming-Hui Chang		0	0%
Independent Director	Benson Liu		0	0%
Independent Director	Chan-Jane Lin		0	0%
Total			252,346,429	29.2%