

ADVANTECH Co., Ltd.
2025 Annual General Shareholders' Meeting
Meeting Minutes
(Translation)

Meeting Time: 9:00a.m., 29th May, 2025

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

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

E-Meeting Platform: Shareholders meeting e-Voting Platform-Hybrid Shareholders' Meeting by Taiwan Depository & Clearing Corporation website:
(<https://stockservices.tdcc.com.tw>)

The total outstanding ACL shares: 864,167,125 shares

The total shares represented by shareholders present in person or by proxy: 820,378,681 shares
(among them, 752,219,882 shares voted via electronic transmission and E-Meeting)

The Percentage of shares held by shareholders present in person or by proxy: 94.93%

Chairman: K.C Liu, the Chairman of the Board of Directors

Attendees: K.C Liu Chairman, Tony Liu (Director), Ji-Ren Lee (Director), Chaney Ho (Director), Benson Liu (Independent Director), Chan-Jane Lin (Independent Director), Eric Chen (President), Yi-Fan Lin (CPA, PricewaterhouseCoopers), Villis Yang (Director), Grace Liao (Corporate Governance Officer)

The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

Chairman's Address (omitted)

I. 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

II. Acknowledgement Items:

1. Ratification for the 2024 Business Report and Financial Statements (Proposed by the board of directors)

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.

Voting Results: 820,378,681 shares (including votes casted electronically: 752,219,882) were represented at the time of voting; 777,962,647 votes were in favor of the proposal (including votes casted electronically: 709,883,037); 415,260 votes were cast against the proposal (including votes casted electronically: 415,260); 0 votes were invalid; 42,000,774 votes were either invalidly cast or abstained (including voting rights casted electronically 41,895,281 shares and exercised via virtual conferencing 26,304 shares). The proposal was approved with a 94.82% approval rate.

Resolution: Approved, that the above proposal be and hereby were accepted as submitted.

2. Ratification for the Proposal for Distribution of 2024 Profits (Proposed by the board of directors)

Explanation:

1. Please refer to the 2024 profit distribution table in Attachment IV.
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.

Voting Results: 820,378,681 shares (including votes casted electronically: 752,219,882 shares) were represented at the time of voting; 779,258,488 votes were in favor of the proposal (including votes casted electronically: 711,178,878); 22,121 votes were cast against the proposal (including votes casted electronically: 22,121); 0 votes were invalid; 41,098,072 votes were either invalidly cast or abstained (including votes casted electronically: 40,992,579 and exercised via virtual conferencing 26,304 shares). The proposal was approved with a 94.98% approval rate.

Resolution: Approved, that the above proposal be and hereby were accepted as submitted.

III. Discussion Items

1. Amendment proposal for the Company's Articles of Incorporation (Proposed by the board of directors)

Explanation:

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

Voting Results: 820,378,681 shares (including votes casted electronically: 752,219,882 shares) were represented at the time of voting; 771,672,974 votes were in favor of the proposal (including votes casted electronically: 703,593,364); 15,780 votes were cast against the proposal (including votes casted electronically: 15,780); 0 votes were invalid; 48,689,927 votes were either invalidly cast or abstained (including votes casted electronically: 48,584,434 and exercised via virtual conferencing 26,304 shares). The proposal was approved with a 94.06% approval rate.

Resolution: Approved, that the above proposal be and hereby were accepted as submitted.

2. Amendment proposal for the Company's Procedures for Acquiring or Disposing of Assets (Proposed by the board of directors)

Explanation:

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 for the comparison table of the current and proposed amendments.
- Voting Results: 820,378,681 shares (including votes casted electronically: 752,219,882 shares) were represented at the time of voting; 771,671,454 votes were in favor of the proposal (including votes casted electronically: 703,591,844); 17,264 votes were cast against the proposal (including votes casted electronically: 17,264); 0 votes were invalid; 48,689,963 votes were either invalidly cast or abstained (including votes casted electronically: 48,584,470 and exercised via virtual conferencing 26,304 shares). The proposal was approved with a 94.06% approval rate.

Resolution: Approved, that the above proposal be and hereby were accepted as submitted.

IV. Extemporary Motion: None.

Summary of Messages from Chairman:

In light of the rapid advancement of AI and Edge Computing, Advantech, as a pioneer in the AI edge computing market, has set its 2025 strategic focus on "Edge Computing & WISE-Edge in Action." According to international research institutions, the global industrial edge computing market is expected to reach USD 500 billion by 2034, with a compound annual growth rate (CAGR) of 24%, reflecting robust and sustained growth. The trend of AI adoption across diverse industries is becoming increasingly evident.

Advantech will continue to focus on industrial applications, aiming to expand its influence in the edge computing domain and further invest in integrated hardware-software solutions and cloud collaboration platforms. Internally, the company has assembled dedicated teams to target five high-growth application sectors: intelligent manufacturing, energy and environment, smart equipment and autonomous robotics, smart healthcare, and smart cities and retail.

To serve global customers, Advantech offers a comprehensive portfolio of edge computing products and services. On the hardware front, the company has gradually transitioned from traditional x86 platforms to high-performance chips such as GPUs and NPUs, which offer enhanced AI processing and communication capabilities. As edge AI continues to evolve, we observe two major trends: (1) industry clients place greater emphasis on data security and confidentiality, and (2) there is an increasing need for on-site computational analytics. As a

result, demand for edge servers in industrial applications is expected to grow significantly.

Advantech remains optimistic about the long-term prospects of edge Computing. By implementing a "hardware-software integration" strategy and leveraging the WISE-Edge platform, we aim to accelerate AI deployment at the edge, deepen collaboration with cloud, software, and device partners, and build a smart ecosystem. These efforts will support AI commercialization and scalability, driving the next wave of intelligent industrial transformation.

Shareholder (No.3) statement summary: Thank you to the management team for your dedication.

The Company performed steadily last year. I would like to ask the following five questions:

(1) Question 1: What are the Company's strategies in response to regional industrial and economic trends?

Summary of Explanation by Chairman: Advantech has historically operated under a global model with manufacturing based in Taiwan and Kunshan, and sales covering worldwide markets. The Group has established a comprehensive organizational structure across four business sectors and six major regional markets.

Response to Geopolitical Risks:

The most significant adjustments have taken place in the China market. In response to the mainstream trend of semiconductor localization ("China Chips"), Advantech Kunshan has established a full-fledged R&D, manufacturing, and sales operation to support localized demand. As a result, overall performance in the China market has remained relatively stable.

Summary of Explanation by President Eric Chen: In response to geopolitical risks, Advantech has flexibly adjusted its production strategy for products exported to the U.S., shifting primarily to Taiwan-based manufacturing. As of Q1 2025, approximately 93% of U.S.-bound shipments originated from Taiwan, 6% from China, and 1% from Europe. To further address geopolitical concerns, the Company has also initiated production line expansion and equipment upgrades at its Japan facility, aiming to meet growing customer demand for shipments outside of the Greater China region.

Foreign Exchange Impact :

Additional Summary by President Eric Chen: Advantech's revenue structure consists of approximately 51% USD-denominated sales, while 69% of costs are also settled in USD. A stronger New Taiwan Dollar (NTD) has a negative impact on revenue but a slightly positive effect on gross and operating margins. Overall, the impact on profitability is estimated to result in a mid-single-digit percentage loss. In terms of hedging, the risk is manageable if the NTD strengthens only against the USD. However, in recent months, the NTD has appreciated against all three major currencies—USD, EUR, and RMB—which may result in foreign exchange losses. That said, the overall risk exposure remains limited.

Summary of Explanation by Tony Liu, the Director of Strategic Investments:

On the non-operating side, Advantech recorded foreign exchange gains in Q1 2025 (January to March). However, due to exchange losses incurred in April, these gains were largely offset, resulting in a net neutral FX impact for the first quarter. In recent months, the New Taiwan Dollar (NTD) has appreciated against all major currencies—an uncommon market phenomenon. As a result, the company anticipates foreign exchange losses in May. Should the NTD exchange rate stabilize around the 30 level, the associated foreign exchange impact is expected to be a one-off and non-recurring in nature.

(2) Question 2: As we enter the era of AI, are there any other paradigm shifts the Company foresees or is actively responding to?

Summary of Explanation by Chairman: The Edge AI strategic direction has been explained in the preceding presentation. Please refer to the slides for reference.

(3) Question 3: Given the increasing frequency of global conflicts, what are Advantech's development plans for adjacent industries related to the defense sector?

Summary of Explanation by President Eric Chen: The defense industry is highly sensitive, and Advantech has not pursued it proactively; therefore, our market penetration remains limited. Strategically, the Company is focusing on ruggedized equipment and aerospace applications. Dedicated R&D and sales teams have already been established and deployed to support these sectors.

(4) Question 4: Please provide more color on Advantech's Edge AI business revenue contribution and the growth momentum?

Summary of Explanation by President Eric Chen: Edge AI contributed 9% of total revenue in 2024, increasing to 15.1% in Q1 2025, representing a year-over-year growth of 176%. The Edge AI business has demonstrated strong momentum and is on track to exceed the original targets of 15% by 2025 and 20% by 2026. Looking ahead, revenue from edge products with AI capabilities—including GPU, NPU, and TPU integration—is expected to account for up to 50% of total revenue.

(5) Question 5: Following the acquisition of AURES, has the company achieved profitability and fulfilled the intended objectives of the acquisition?

Summary of Explanation by President Eric Chen: From a financial perspective, AURES was consolidated into Advantech's revenue starting in Q4 2024. The Company has since acquired 100% ownership. In Q1 2024, AURES reported a loss of €2 million. However, after Advantech assumed management, the loss narrowed significantly to €439,000 in Q1 2025. The target for 2025 is to reach breakeven.

Summary of Explanation by Tony Liu, the Director of Strategic Investments: The AURES acquisition was primarily aimed at realizing synergies across three key dimensions—business operations, product development, and organizational management:

Business Synergies: The primary rationale for the acquisition was to leverage AURES' well-established sales channels across Europe, the Americas, and Australia. Business collaboration has been progressing smoothly, and overall synergies are expected to gradually materialize.

Product Synergies: Advantech is supporting AURES in enhancing production and supply chain management processes. In terms of product development, the previous outsourcing model has been replaced with in-house collaboration, enabling design iteration and innovation with stronger development capabilities.

Organizational Synergies: A lean management system has been introduced, including the appointment of a new CEO. Operational efficiency is being optimized and cost controls are being strengthened progressively.

Shareholder (No.77269) statement summary: Congratulations to Advantech for its continued excellence in corporate governance and sustainability practices. May I ask what specific initiatives the Company plans to implement moving forward, particularly regarding renewable energy and the structure of the Board of Directors? Thank you.

Summary of Explanation by President Eric Chen: Advantech's renewable energy initiatives are progressing well and are aligned with the Company's long-term net-zero goals of RE50 by 2030 and RE100 by 2040. Each major region has a clear renewable energy roadmap in place. Taiwan and China together account for approximately 90% of total electricity consumption. In China, the proportion of green power certificates is steadily increasing. In Taiwan, progress has encountered short-term challenges. Specifically, the Company's sustainable solar plant in Tainan is facing delays in securing an operating license. Internally, efforts are underway to explore alternative solutions to bridge the green energy shortfall in Taiwan. In the U.S., the Milpitas facility is already powered by 100% solar energy, and our operations in California currently meet 90% of their daily power needs through solar generation.

Summary of Explanation by Chairman: Regarding board structure, the current Board of Directors consists of three independent directors, including one female director. The next board election is scheduled for 2026. In principle, the Company is committed to maintaining at least one female board seat. The detailed composition of the future board is still under internal evaluation, and shareholders are welcome to submit proposals or suggestions for consideration.

Closing Remarks by Chairman: We sincerely thank all shareholders, both in-person and online, for taking the time to attend this Annual General Meeting. With that, the meeting is hereby adjourned.

V. **Meeting Adjourned:** There was no other business and extemporary motion, the Chairman announced the meeting adjourned.

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.

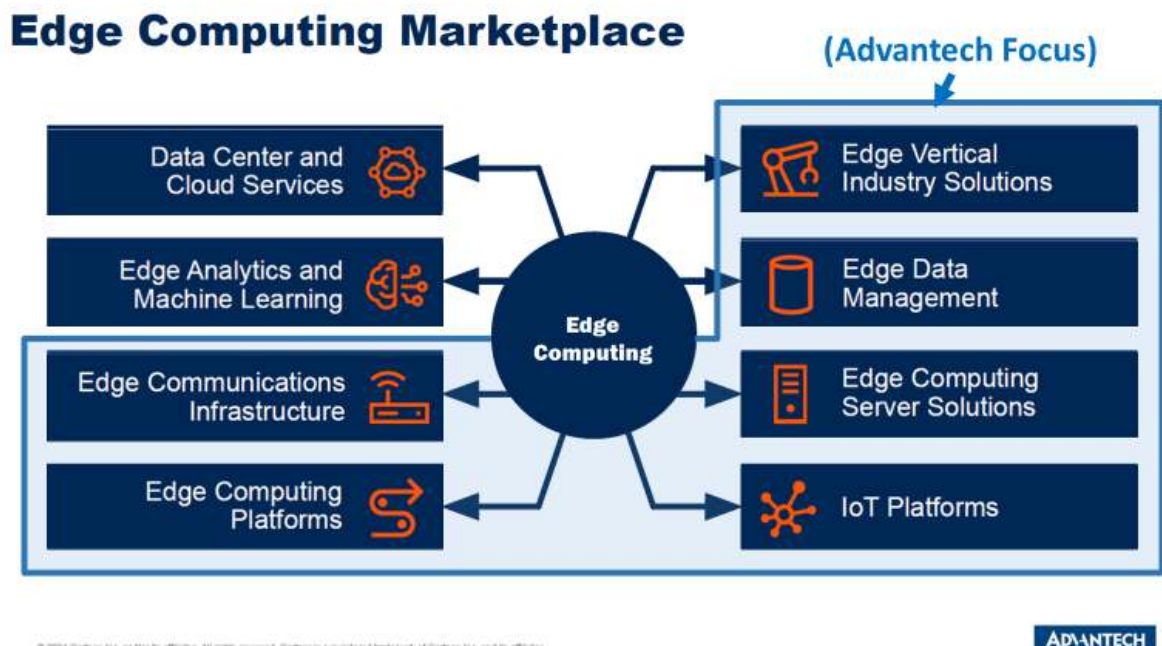


Figure A: 2024 Gartner Report

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.

A handwritten signature in black ink, appearing to be 'KC Liu', with a stylized, sweeping flourish extending from the end.

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													
	Share Capital	Retained Earnings				Other Equity Interest				Non-controlling interest	Total equity			
		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	-	-	-	-	-	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														
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	-	-	-	-	-	-	-	-	-	-	(19,989)	(19,989)		
Execution of employee share options	21,384	5,364	412,829	-	-	-	-	-	-	439,577	-	439,577		
Compensation costs recognized for employee share options	-	-	255,971	-	-	-	-	-	-	255,971	-	255,971		
Changes in associates and joint ventures accounted for under equity method	-	-	(36,411)	-	-	110,320	-	(110,320)	3,671	(32,740)	-	(32,740)		
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	-	(142,307)	-	-	-	(142,307)	(93,819)	(236,126)		
Changes in ownership interests in subsidiaries	-	-	11,137	-	-	-	-	-	-	11,137	44,823	55,960		
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-		
Disposal of financial assets at fair value through other comprehensive income owned by associates	-	-	-	-	-	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	-	-	-	-	-	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														
Legal reserve	-	-	-	1,092,920	-	(1,092,920)	-	-	-	-	-	-		
Cash dividends	-	-	-	-	-	(8,155,269)	-	-	-	(8,155,269)	-	(8,155,269)		
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	(3,110)	(3,110)		
Execution of employee share options	56,527	(5,127)	721,640	-	-	-	-	-	-	773,040	-	773,040		
Compensation costs recognized for employee share options	-	-	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	-	-	-	-	-	(25,730)	-	-	-	(25,730)	329,096	303,366		
Changes in non-controlling interest	-	-	-	-	-	-	-	-	-	-	(291,689)	(291,689)		
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-		
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	12,272	-	-	(27)	-	-	-	12,245	118,701	130,946		
Disposal of financial assets at fair value through other comprehensive income owned by associates	-	-	-	-	-	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	\$ 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	6(2)(24)		
through profit or loss		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	6(7)		
method		(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

(Continued)

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 (Note 11)		
		Basic Compensation (A) (Note 2)	Severance Pay (B)	Directors Compensation (C)		Allowances (D) (Note 4)	Ratio of Total Remuneration (A+B+C+D) to net income % (Note 10)		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)	Cash	Stock	Cash	Stock			
Chairman	K.C.Liu	0	0	0	0	0	0.03%	0.03%	6,120	0	0	0	0	0	0.1%	0.10%	0	
Director	Advantech Foundation Representative : Chaney Ho	0	0	0	2,000	2,000	0	0.02%	0	0	0	0	0	0	0.02%	0.02%	0	
	K and M Investment Co., Ltd. Representative : Wesley Liu	0	0	0	1,000	1,000	0	0.01%	4,125	106	0	0	0	0	0.06%	0.06%	0	
Director	AIDC Investment Corp.: Representative : Tony Liu	0	0	0	1,000	1,000	0	0.01%	3,924	96	0	0	0	0	0.06%	0.06%	0	
	Jeff Chen	0	0	0	2,250	2,250	0	0.02%	0	0	0	0	0	0	0.02%	0.02%	0	
Director	Ji-Ren Lee	0	0	0	2,250	2,250	0	0.02%	0	0	0	0	0	0	0.02%	0.02%	0	
Independent Director	Ming-Hui Chang	0	0	0	4,200	4,200	0	0.05%	0	0	0	0	0	0	0.05%	0.05%	0	
Independent Director	Benson Liu	0	0	0	4,200	4,200	0	0.05%	0	0	0	0	0	0	0.05%	0.05%	0	
Independent Director	Chan-Jane Lin	0	0	0	3,000	3,000	0	0.03%	0	0	0	0	0	0	0.03%	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
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. <u>An independent director may not concurrently serve as an independent director for more than three other publicly listed companies.</u> 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 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.	Revision of Provisions
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. <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	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.	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
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: - 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	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: - 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	Revision of Provisions

After Amendment	Before Amendment	Remark
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. 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>	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.	
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: 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	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	Revision of Provisions

After Amendment	Before Amendment	Remark
transaction terms in accordance with Articles 16 and 17. 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. 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: i. Acquisition or disposal of equipment or right-of-use assets thereof for operational use. ii. 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	with Articles 16 and 17. 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. 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: i. Acquisition or disposal of equipment or right-of-use assets thereof for operational use. ii. 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	

After Amendment	Before Amendment	Remark
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. <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> 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.	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 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>	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.	Update the date of the amendment