Avision

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AVISION INC. | Stock code: 2380

2025 Annual Report

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I. Company Spokesperson

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Acting Spokesperson:
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II. Headquarters, Factory Address, and Contact Information

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IV. Auditors for the Most Recent Fiscal Year

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V. Overseas Stock Exchange Listings and Information Access: Not Applicable.
VI. Company Website: http://www.avision.com.tw

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One. A report to Shareholders

Dear Shareholders, Ladies and Gentlemen,

I. 2025 Business Results

(I) Company Overview

In 2025, Avision Inc.'s consolidated operating revenue amounted to NT$2,894,375 thousand, representing a 14% increase compared to 2024. Although the net result for the period remained a income of NT$43,150 thousand (2024 -NT$426,431), comprehensive income of NT$178,947 (2024 -NT$426,627). Erning per share is NT$0.72. (2024 – NT$7.01). This year marks a turnaround from decades of losses to profits. Benefiting from localization policies in various contries, printers have successfully entered the Eastern European and North American markes, with sales continuing to grow in China and Middle East.

(II) Marketing Overview

Looking back at 2025, the global economic and trade situation was affected by geopolitical conflicts, the Russia-Ukraine conflict, and instability in the Middle East, coupled with escalating US-China trade frictions, leading to a significant increase in the information security needs of governments worldwide for networked office equipment.

Our company actively responded to international trends, closely coordinating with local policies in Eastern Europe, North America, and the Middle East; simultaneously, we continued to cultivate diverse channels in the Chinese market. Benefiting from the increased emphasis on cybersecurity policies in various countries, related market expansion has gradually translated into concrete sales results, demonstrating strong growth momentum.

(III) Overview of Production and Sales

In 2025, Avision maintained two production bases—one in Hsinchu, Taiwan, and the other in Suzhou, China.

• Production Capacity: The Suzhou plant currently serves as the core production capacity for printer products. However, considering the elasticity of global market demand and the need to diversify risks, the Company is strategically increasing the production share of the Hsinchu plant.

• Sales Results: In addition to consolidating its market position in high-performance document scanners, high-margin products and consumables have successfully entered the market. Despite global economic fluctuations, the Company's operations have become more stable.

- Key Data: The promotional efforts in Eastern Europe and North America have been particularly successful. Besides scanners contributing substantial profits, revenue from printers and consumables in 2025 saw a significant 33% increase compared to 2024.

(IV) Research and Development

Looking back on 2025, our company adhered to the philosophy of technological innovation, actively enhancing its core competitiveness, and all R&D projects progressed smoothly according to plan.

- Product Line Expansion: In response to market demand, we successfully completed the development of "Color Laser Printers and Copiers." This product series comprehensively meets the needs of enterprise offices, possesses excellent market competitive advantages, and helps our company expand its market share in business equipment.
- Mastery of Key Technologies: To strengthen product differentiation, our company invested in the independent research and development of "Next-Generation Control Chips," which is expected to be successfully completed by the end of this year. This will not only significantly optimize product performance but also effectively reduce manufacturing costs and improve overall profitability.
- Expanding Application Areas: Targeting the digitalization trend in the education market, our company is currently actively investing in the development of "Education-Specific Machines." This project will help the company enter the school and government procurement markets, further diversify its operations, and provide a stable source of revenue.

Looking ahead, the management team will accelerate the commercialization of R&D results, transform R&D investment into operational performance, and strive to reward all shareholders for their long-term support and trust with more outstanding profitability.

II. 2025 Business Outlook

The market demand is expected to continue growing throughout 2025, and Avision's goal is to achieve profitability as soon as possible. The specific strategies include：

1. Actively developing high-margin printer markets while implementing effective risk management;
2. In coordination with subsidiary planning, aggressively expanding into printer markets in Europe, Northeast Asia, the Middle East, and the United States to drive strong sales performance;
3. Strengthening supply chain management to ensure on-time delivery of products that meet customer requirements;
4. Improving management of company assets and liabilities to ensure more efficient utilization of assets.

III. Future Company Development Strategy, Impacts from External Competition, Regulatory Environment, and Overall Operational Setting

A main goal of Avision for 2025 remain to increase the revenue and turn losses into profits. In terms of corporate social responsibilities, on the other hand, as a member of society, Avision already defined related energy-saving and carbon reduction, greenhouse gas emission reduction, and water or other waste reduction policies in the past and has asked cooperation from its suppliers. As far as issues such as environmental protection, safety, and health are concerned, related regulations are followed to jointly contribute to enhanced fulfillment of corporate social responsibilities. For 2025, efforts will continue in the following four aspects while the Company continues to be a responsible good citizen, namely, corporate governance, development of a sustainable environment, protection of public interests, and reinforced disclosure of information and greenhouse gas inventory checks and verifications have been scheduled as part of the sustainable development roadmap. Avision will work hard to be a good corporate citizen and fulfill its social responsibilities while pursuing the best interests for the Company and the natural environment, society, its employees, shares, and suppliers/customers.

Thank you!

Chairman: Sheng Shao-Lan

Two. Corporate Governance Report

I. Profiles of the Directors, President, Vice Presidents, Assistant Vice Presidents, and heads of the functions and branches

(I) Director Information

April 12, 2026

Title	Nationality or place of registration	Name	Gender/ Age	Date of election to (assumption of) office	Tenure	Date of initial term to office	Quantity of shareholding at the time of election to office		Number of shares held at present		Holding of shares at present by spouse, underage children.		Holding of shares in the name of a third party		Major experience/education	Additional posts of the Company and other companies at present	Another officer, Director, or Supervisor who is spouse or kin within the 2nd degree			Remarks
							Shares	Ratio of shareholding	Shares	Ratio of shareholding	Shares	Ratio of shareholding	Shares	Ratio of shareholding			Title	Name	Relation	
Chairman	Republic of China	Sheng Shao-Lan	Male 71-80	2024.06.26	3	1991.04.03	16,870,300	7.78	16,870,300	7.78	21,370,178	9.85	-	-	Master's Degree in Mechanical Engineering, University of Maryland President, UMAX Computer Corporation	President of the Company	-	-	-	(Note 1)
Director	Republic of China	Wu Yung-Chuan	Male 51-60	2024.06.26	3	2015.06.10	39	-	39	0.00	-	-	-	-	Master of Law, University of Washington Department of Electrical and Mechanical Engineering, National Taiwan University Master's degree	President, OtO Photonics Inc.	-	-	-	
Director	Republic of China	Shih Po-Sheng	Male 51-60	2024.06.26	3	2024.06.26	52,896	0.02	31,896	0.01	-	-	-	-	Department of Electrical Engineering, National Tsing Hua University	Vice President of the Company	-	-	-	
Independent Director	Republic of China	Chen Kuang	Male 71-80	2024.06.26	3	2015.06.10	-	-	-	-	-	-	-	-	Department of Mechanical Engineering, Tatung University Head of Industrial Safety and Health Office, China Steel Machinery Corporation	-	-	-	-	
Independent Director	Republic of China	Tsung Jui-Yao	Male 61-70	2024.06.26	3	2018.06.15	-	-	-	-	-	-	-	-	PhD in Power Mechanical Engineering, National Tsing Hua University Vice Director, Quanta Computer Inc.	-	-	-	-	
Independent Director	Republic of China	Liang Chiang-Wei	Male 61-70	2024.06.26	3	2021.07.12	-	-	-	-	-	-	-	-	EMBA, National Taiwan University President, CREATIVE SENSOR INC. President, ASIA TECH IMAGE INC.	Independent Director, Ofuna Technology Co., Ltd.				
Independent Director	Republic of China	Peng, Ming Hsiu	Female 61-70	2024.06.26	3	2024.06.26	-	-	-	-	-	-	-	-	Master's Degree, College of Management, National Chiao Tung University Master of Business Administration, Saginaw Valley State University, Michigan, USA Chief Executive Officer / Chief Financial Officer, CHAMPION MICROELECTRONIC CORP.	Director, GOMAX ELECTRONICS, INC. Independent Director, SmartMicron (Shanghai) Semiconductor Equipment Co., Ltd. Independent Director, MARS SEMICONDUCTOR CORP. Chairman & CEO, Haihua Investment Co., Ltd.				

Note 1: The Company's Chairman also serves as the President mainly because of the fact that it is a way for him/her to know the operational status of the Company at the same time. Because the Company has been seeking transformation over the past few years, a professional manger with the required product technology and familiar with the market is required so that he/she can better devote himself/herself to successful transformation of the Company. With the Chairman also serving as the President, it boosts the operational efficiency, further smooths the decision-making and execution process, and also facilitates timely strategic operational response on a market that changes occur instantaneously in terms of operation and management.
Countermeasures taken by Avision: A. A total of 4 independent directors; B. 2 managers in current 7 directors and the remaining 5 includes the 4 independent directors and 1 external director. A majority of the directors are not also employees or managers.

(II) Professionalism and Independence of Directors

1. Diversification in the Composition of the Board of Directors

According to Paragraph , Article 14 of the Company's "Corporate Governance Best Practice Principles", to achieve the ideal goal of corporate governance, the Board of Directors shall, in general, possess the following capabilities:

- Operational judgment.
- Accounting and financial analysis.
- Operation and management.
- Crisis management.
- Industrial knowledge.
- International market views.
- Leadership.
- Decision-making.

In order for the Board of Directors to fulfill the above-mentioned goals and to reinforce its efficacy, besides the fact that there may not be more than one-third of the directors who are also managers in the Company, independent directors are hired reflective of the operational pattern and developmental needs in honor of the diversification policy. Currently, the Company has 7 directors in total, including 4 independent directors and they specialize in commerce, legal affairs, financial affairs, accounting, or corporate operations. Among the 4 independent directors are 2 with at least three years in office.

2. Substantial management goals of the Board of Directors' diversification policy and their fulfillment are as follows:

Management objectives	Fulfillment
Number of independent directors exceeding one-third of all directors	Fulfilled
No more than one-third of directors who are also managers in the Company	Fulfilled
Having served no more than 3 terms as independent director	Fulfilled
Adequate diversified professional knowledge and skills	Fulfilled

3. Fulfillment of the diversification policy in the composition of the Board of Directors is as follows:

April 12, 2026

Condition / Name	Does the person have more than five years of experience and the professional qualifications specified below?			Fulfillment of independence												The number of additional posts as Independent Directors with other publicly-traded companies
	A lecturer or a higher position at a public or private school of higher education in the disciplines of commerce, law, finance, accounting, or other specializations required by the business of the Company	A court judge, prosecutor, lawyer, certified public accountant, or other professional or technician required by the business of the Company and having passed the national examinations with issuance of certificates	Work experience in commerce, law, finance, accounting, or others required by the business of the Company	1	2	3	4	5	6	7	8	9	10	11	12	
Sheng Shao-Lan			V						V		V	V	V	V	V	0
Wu Yung-Chuan			V	V	V	V	V	V	V	V	V		V	V	V	0
Shih Po-Sheng			V			V		V	V	V	V	V	V	V	V	0
Chen Kuang			V	V	V	V	V	V	V	V	V	V	V	V	V	0
Tsung Jui-Yao			V	V	V	V	V	V	V	V	V	V	V	V	V	0
Liang Chiang-Wei			V	V	V	V	V	V	V	V	V	V	V	V	V	1
Peng, Ming Hsiu			V	V	V	V	V	V	V	V	V	V	V	V	V	2

Note: When any of the following conditions is met for each director during the two years prior to and during their tenure, put "✓" in the box beneath the code for each condition.

(1) Not an employee of the Company or its affiliates.

(2) Not a Director, Supervisor of the Company or its affiliate (except holding the positions of Independent Directors of the Company who also act as Independent Directors its parent company, subsidiary, or group company under the same parent company under the Securities and Exchange Act or applicable laws and regulations of the local country).

(3) Not a natural person who holds more than 1% of the outstanding shares issued by the Company to the person, spouse, underage children or in the name of a third party, or is among the top 10 shareholders.

(4) Not the spouse, kin within the 2nd degree or next of kin within the 3rd degree of the managers as stated in (1), or persons stated in (2) and (3).

(5) Not a director, supervisor, or employee of an institutional shareholder directly holding at least 5% of the circulating shares of the Company or that ranks Top 5 in shareholding ratio or that assigns a representative to serve as director or supervisor of the Company according to Paragraph 1 or 2, Article 27 of the Company Act (The same does not apply, however, to independent directors set up by the Company and its parent company or subsidiary or a subsidiary that shares the same parent company according to the Act or the local laws and regulations.)

(6) Not a director, supervisor, or employee of another company with the number of directors in the Company or shares entitled to votes accounting for a majority that is controlled by the same person (The same does not apply, however, to independent directors set up by the Company or its parent company or subsidiary or a subsidiary that shares the same parent company according to the Act or the local laws and regulations.)

(7) Not a director (or governor), supervisor, or employee of another company or institution whose chairman, president, or someone assigned with similar responsibilities is the same person or the spouse of that of the Company (The same does not apply, however, to independent directors set up by the Company and its parent company or subsidiary or a subsidiary that shares the same parent company according to the Act or the local laws and regulations.)

(8) Not a director (or governor), supervisor, or manager, or shareholder holding at least 5% of shares of a specific company or institution that is financially or commercially related to the Company (The same does not apply, however, if the said specific company or institution holds at least 20% yet less than 50% of the circulating shares of the Company and to independent directors set up by the Company and its parent company or subsidiary or a subsidiary that shares the same parent company according to the Act or the local laws and regulations.)

(9) Not a professional who provides audit service, or commercial, legal, financial, accounting or related services for an accumulated sum of less than NT$500,000 in the most recent two years, to the Company or its affiliate, nor is an owner, partner, director (or governor), supervisor, or manager, or the spouse of any of the above, of a sole proprietorship, partnership, company, or organization that provides such services to the Company or its affiliated companies. Except for members of the remuneration committee, public acquisition review committee, or mergers and acquisitions special committee performing their assigned duties under the Securities and Exchange Act or the Business Mergers and Acquisitions Act and other applicable laws and regulations.

(10) Not a spouse or kin within the 2nd degree to another Director.

(11) None of the conditions under Article 30 of the Company Act.

(12) Not a governmental or juridical person or a representative as defined in Article 27 of the Company Act.

(III) Information about President, Vice Presidents, Assistant Vice President, and Heads of various departments and branches

April 12, 2026

Title	Nationality	Name	Gender	Date of election to (assumption of) office	Number of shares held		Current shares held by spouse, underage children		Holding of shares in the name of a third party		Major experience/education	Additional posts with other companies	A manager who is spouse or kin within the 2nd degree.			Remarks
					Shares	Shareholding ratio %	Shares	Shareholding ratio %	Shares	Shareholding ratio %			Title	Name	Relation	
The President	Republic of China	Sheng Shao-Lan	Male	1990.08.29	16,870,300	7.78	21,370,178	9.85	-	-	Master of Mechanical Engineering, University of Maryland President, UMAX	Chairman, Avision Inc. (Suzhou)	-	-	-	(Note 1)
Vice President	Japan	Gotoda Katsuhiko	Male	2007.04.02	189,113	0.09	-	-	-	-	Department of Physics, Kwansei Gakuin University T&M Corporation	None.	-	-	-	
Vice President	Republic of China	Shih Po-Sheng	Male	2024.05.14	31,896	0.01	-	-	-	-	Department of Electrical and Mechanical Engineering, National Tsing Hua University	None.	-	-	-	
Vice President	Republic of China	Wang You-Lang	Male	2024.05.14	7,283	-	-	-	-	-	Department of Electrical and Mechanical Engineering, National Tsing Hua University	None.	-	-	-	
Deputy General Manager	Republic of China	Chiang Chen -Ming	Male	2024.10.01	30,000	0.01	-	-	-	-	National Taiwan University, EMBA Director, ABN AMRO Bank N.V. Product Manager, Nanjing Information Co., Ltd. Director, ZORAN / CSR Cambridge Silicon Radio Ltd. (UK)	None.	-	-	-	
Manager of Financial Dept. Manager of Accounting Dept. Coporate Governance Officer Spokeperson	Republic of China	Lu,Kuan-Yi	Male	2023.03.23	43,000	0.02	-	-	-	-	National Taichung University of Science and Technology Accounting and Information Management/Master's Program Tai Urban Resort CFO Hantech Bio-Tech Internal Auditor Manager Deloitte Taiwan Auditor Kang Chin CPA Firm Finaicing Consultant ESCO Bioengineering CO., LTD. Consultant Certified Public Accountant of R.O.C Qualified	Avision Digital Office Equipment (Shanghai) Trading Co., Ltd. Supervisor.	-	-	-	

Note 1: The Company’s Chairman also serves as the President mainly because of the fact that it is a way for him/her to know the operational status of the Company at the same time. Because the Company has been seeking transformation over the past few years, a professional manager with the required product technology and familiar with the market is required so that he/she can better devote himself/herself to successful transformation of the Company. With the Chairman also serving as the President, it boosts the operational efficiency, further smoothes the decision-making and execution process, and also facilitates timely strategic operational response on a market that changes occur instantaneously in terms of operation and management.

(IV) Remuneration to directors and independent directors - the name and how the remuneration is paid shall be disclosed separately

December 31, 2025 Unit: NTD thousand

Title	Name	Remuneration to the Directors								Ratio of the total of A, B, C and D to net income after tax (Note 10)		Remuneration to Directors who are also employees								Ratio of the Sum of Items A, B, C, D, E, F, and G to net income after tax (Note 10)		Remuneration from investees other than subsidiaries or from the parent company (Note 11)
		Remuneration (A) (Note 2)		Pension and severance pay (B)		Remuneration to Directors (C) (Note 3)		Business execution expenses (D) (Note 4)				Remuneration, bonus, and allowance (E) (Note 5)		Severance and pension (F)		Employee remuneration (G) (Note 6)						
		The Company	All companies listed in the financial statements (Note 7)	The Company	All companies listed in the financial statements (Note 7)	The Company	All companies listed in the financial statements (Note 7)	The Company	All companies listed in the financial statements (Note 7)	The Company	All companies listed in the financial statements (Note 7)	The Company	All companies listed in the financial statements (Note 7)	The Company	All companies listed in the financial statements (Note 7)	The Company		All companies listed in the financial statements (Note 7)		The Company	All companies listed in the financial statements (Note 7)	
																Amount of cash	Amount of stock	Amount of cash	Amount of stock			
Chairman	Sheng Shao-Lan	-	-	-	-	-	-	-	-	-	-	2,204	2,204	-	-	-	-	-	-	2,204	2,204	None.
Director	Wu Yung-Chuan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	None.
Director	Shih Po-Sheng	-	-	-	-	-	-	-	-	-	-	2,332	2,332	-	-	-	-	-	-	2,332	2,332	None.
Independent Director	Chen Kuang	360	360	-	-	-	-	-	-	360	360	-	-	-	-	-	-	-	-	-	-	None.
Independent Director	Tsung Jui-Yao	360	360	-	-	-	-	-	-	360	360	-	-	-	-	-	-	-	-	-	-	None.
Independent Director	Liang Chiang-Wei	360	360	-	-	-	-	-	-	360	360	-	-	-	-	-	-	-	-	-	-	None.
Independent Director	Peng, Ming-Hsiu	360	360	-	-	-	-	-	-	360	360	-	-	-	-	-	-	-	-	-	-	None.

1. Independent directors of the Company are entitled to a monthly remuneration of NT$30,000, effective from the month of their appointment.
2. Besides those disclosed in the above table, remuneration paid to directors in the most recent year for the services provided (such as working as a consultant who is not an employee at the parent company/all affiliates/reinvested busines included in the financial statements): 0 thousand.

Remuneration bracket

Remuneration bracket for individual Directors of the Company	Name of Director			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies included in the Consolidated Statement (Note 9) H	The Company (Note 8)	All companies included in the Consolidated Statement (Note 9) I
Less than NTD1,000,000	Sheng Shao-Lan, Wu Yung-Chuan, Shih Po-Sheng, Chen Kuang, Tsung Jui-Yao, Liang Chiang-Wei, Peng Ming-Hsiu	Sheng Shao-Lan, Wu Yung-Chuan, Shih Po-Sheng, Chen Kuang, Tsung Jui-Yao, Liang Chiang-Wei, Peng Ming-Hsiu	Wu Yung-Chuan, Chen Kuang, Tsung Jui-Yao, Liang Chiang-Wei, Peng Ming-Hsiu	Wu Yung-Chuan, Chen Kuang, Tsung Jui-Yao, Liang Chiang-Wei, Peng Ming-Hsiu
NT$1,000,000 (inclusive)~ NT$2,000,000 (exclusive)			Shih Po-Sheng,	Shih Po-Sheng,
NT$2,000,000 (inclusive) ~ NT$3,500,000 (exclusive)			Sheng Shao-Lan	Sheng Shao-Lan
NT$3,500,000 (inclusive) ~ NT$5,000,000 (exclusive)				
NT$5,000,000 (inclusive) ~ NT$10,000,000 (exclusive)				
NT$10,000,000 (inclusive) ~ NT$15,000,000 (exclusive)				
NT$15,000,000 (inclusive) ~ NT$30,000,000 (exclusive)				
NT$30,000,000 (inclusive) ~ NT$50,000,000 (exclusive)				
NT$50,000,000 (inclusive) ~ NT$100,000,000 (exclusive)				
More than NTD100,000,000				
Total	7	7	7	7

Note 1: If a director is also the President or Vice President, this table and Table (V) below should also be completed.

Note 2: The remuneration to directors in the most recent year (including salaries to directors, differential pays, severance pays, various types of bonuses, and rewards, etc.).

Note 3: The remuneration to directors assigned as approved by the Board of Directors in the most recent year.

Note 4: Related operational expenditure incurred by directors in the most recent year (including transportation, special expenditure, various allowances, dormitory, and company cars, among other supplies in kind).

Note 5: The salaries, differential pays, severance pays, various types of bonuses, rewards, transportation, special expenditure, various allowances, dormitory, and company cars, among other supplies in kind, among others to directors who are also employees in the most recent year (including the President, Vice President, other managers, and employees).

Note 6: For directors who are also employees in the most recent year (including the President, Vice President, other managers, and employees), to receive the remuneration to employees (including stock and cash), the value of employee rewards assigned as approved by the Board of Directors in the most recent year shall be disclosed. 2025 saw accumulated deficits and hence no remuneration is allocated for employees.

Note 7: The total value of various types of remuneration paid to the Company's directors by all companies (including the Company) in the consolidated statement shall be disclosed.

Note 8: For the total value of various remuneration paid to each director by the Company, disclose the name of the director in the respective bracket.

Note 9: The total value of various types of remuneration paid to each of the Company's directors by all companies (including the Company) in the consolidated statement shall be disclosed; the name of the director shall be disclosed in the bracket he/she belongs.

Note 10: The Company adopts the International Financial Reporting Standard. After-tax net profit refers to that shown in the Parent Company-only Financial Statements in the most recent year.

Note 11:
a. For this field, the value of related remuneration from re-invested businesses other than the subsidiaries or the parent company that the Company's directors received should be provided.
b. If the Company's directors received related remunerations from re-invested businesses other than the subsidiaries or the parent company, such remunerations shall be consolidated in Field I of the bracket table and the field name shall be changed to "parent company and all re-invested businesses."
c. Remuneration is the compensation, rewards (including employees, directors, and supervisors), and payments from performing tasks received by the Company's directors for serving as director, supervisor, or manager in a re-invested business other than the subsidiaries or the parent company.

(V) Remuneration to President and Vice Presidents - how their names and remuneration are disclosed:

December 31, 2025 Unit: NTD thousand

Title	Name	Salaries (A) (note 2)		Pension and severance pay (B)		Bonus and special expenditure, etc. (C) (note 3)		Amount of remuneration to employees (D) (note 4)				Ratio of the total of A, B, C and D to net income after tax (%) (note 8)		Remuneration from investees other than subsidiaries or from the parent company (Note 9)
								The Company		All companies listed in the financial statements (Note 5)				
		The Company	All companies listed in the financial statements (note 5)	The Company	All companies listed in the financial statements (note 5)	The Company	All companies listed in the financial statements (note 5)	Amount of cash	Amount of stock	Amount of cash	Amount of stock	The Company	All companies listed in the financial statements (note 5)	
The President	Sheng Shao-Lan	1,884	1,884	-	-	320	320	-	-	-	-	2,204	2,204	None.
Vice President	Gotoda Katsuhiko	1,982	1,982	-	-	332	332	-	-	-	-	2,314	2,314	None.
Vice President	Shih Po-Sheng	1,994	1,994	-	-	338	338	-	-	-	-	2,332	2,332	None.
Vice President	Wang You-Lang	1,817	1,817	-	-	310	310	-	-	-	-	2,127	2,127	None.

Remuneration bracket

Range of Remuneration Paid to the President and Vice Presidents of the Company	Names of President and Vice Presidents	
	The Company (Note 6)	Parent company and all re-invested businesses (Note 7)
Less than NTD1,000,000		
1NT$1,000,000 (inclusive) ~ 2NT$2,000,000 (exclusive)		
NT$22,000,000 (inclusive) ~ NT$33,500,000 (exclusive)	Sheng Shao-Lan, Gotoda Katsuhiko, Shih Po-Sheng, Wang You-Lang	Sheng Shao-Lan, Gotoda Katsuhiko, Shih Po-Sheng, Wang You-Lang
NT$33,500,000 (inclusive) ~ NT$55,000,000 (exclusive)		
NT$55,000,000 (inclusive) ~ NT$10,000,000 (exclusive)		
NT$10,000,000 (inclusive)–NT$15,000,000 (exclusive)		
NT$15,000,000 (inclusive) ~ NT$30,000,000 (exclusive)		
NT$30,000,000 (inclusive) ~ NT$50,000,000 (exclusive)		
NT$50,000,000 (inclusive)–NT$100,000,000 (exclusive)		
More than NTD100,000,000		
Total	5	5

Note1: Names of President and Vice Presidents shall be listed separately. If a director is also the President or Vice President, this table and Table (IV) above should also be completed.

Note2: The salaries, differential pays, and severance pays of the president and the vice president in the most recent year shall be provided.

Note3: Various types of bonuses, rewards, transportation, special expenditure, various allowances, dormitory, and company cars, among other supplies in kind paid to the president and vice president in the most recent year and other remuneration shall be provided. In addition, the value of compensation recognized according to IFRS2 “share-based payment”, including employee stock option certificate, restricted employee shares, and shares subscribed upon increased capital in cash, shall be included in the calculation of remuneration, too.

Note4: The remuneration to the President and Vice President approved by the Board of Directors and distributed in the most recent year (including stock and cash). The Company adopts the International Financial Reporting Standard. After-tax net profit refers to that shown in the Parent Company-only Financial Statements in the most recent year. 2025 saw accumulated deficits and hence no remuneration is allocated for employees.

Note5: The total value of various types of remuneration paid to the Company’s president and vice president by all companies (including the Company) in the consolidated statement shall be disclosed.

Note6: For the total value of various types of remuneration paid to each president and vice president by the Company, disclose the name of the president and vice president in the respective bracket.

Note7: The total value of various types of remuneration paid to each of the Company's president and vice president by all companies (including the Company) in the consolidated statement shall be disclosed; the name of the president and vice president shall be disclosed in the bracket he/she belongs.

Note8: The Company adopts the International Financial Reporting Standard. After-tax net profit refers to that shown in the Parent Company-only Financial Statements in the most recent year.

Note9: a. For this field, the value of related remuneration from re-invested businesses other than the subsidiaries or the parent company that the Company's President and Vice President received should be provided.

b. If the Company's president and vice president received related remuneration from re-invested businesses other than the subsidiaries, such remuneration shall be consolidated in Field E of the bracket table and the field name shall be changed to "parent company and all re-invested businesses."

c. Remuneration is the compensation, rewards (including employees, directors, and supervisors), and payments from performing duties at work received by the Company's President and Vice President for serving as director, supervisor, or manager in a re-invested business other than the subsidiaries or the parent company.

* The content of remuneration as disclosed in this table is different from the concept under the Income Tax Act, which is for disclosure only and not for taxation purpose.

(VI) Remuneration to Top 5 officials with the highest remuneration of the Company - the name and how the remuneration is paid shall be disclosed separately: (Note 1)

December 31, 2025 Unit: NTD thousand

Title	Name	Salaries (A) (note 2)		Pension and severance pay (B)		Bonus and special expenditure, etc. (C) (note 3)		Amount of remuneration to employees (D) (note 4)				Ratio of the total of A, B, C and D to net income after tax (%) (note 6)		Remuneration from investees other than subsidiaries or from the parent company (Note 7)
								The Company		All companies listed in the financial statements (Note 5)				
		The Company	All companies listed in the financial statements (note 5)	The Company	All companies listed in the financial statements (note 5)	The Company	All companies listed in the financial statements (note 5)	Amount of cash	Amount of stock	Amount of cash	Amount of stock	The Company	All companies listed in the financial statements	
Vice President	Gotoda Katsuhiko	1,994	1,994	-	-	338	338	-	-	-	-	2,332	2,332	None.
The President	Sheng Shao-Lan	1,982	1,982	-	-	332	332	-	-	-	-	2,314	2,314	None.
Vice President	Shih Po-Sheng	1,884	1,884	-	-	320	320	-	-	-	-	2,204	2,204	None.
Vice President	Wang You-Lang	1,817	1,817	-	-	310	310	-	-	-	-	2,127	2,127	None.
Deputy General Manager	Chiang Chen -Ming	1,522	1,522	-	-	260	260	-	-	-	-	1,782	1,782	None.

Note1: The so-called "Top 5 department heads with the highest remuneration" refer to managers in the Company. As for the criteria for determining if someone is a manager, the scope of application for the term "manager" as specified in the Taiwan Finance Certificate III No. 0920001301 letter dated March 27, 2003 from the Securities and Futures Bureau, Ministry of Finance. As for the rules for determining "Top 5 with the highest remuneration", it is based on the sum of salary, retirement and pension, bonus and special expenditure of all companies

included in the Consolidated Financial Statement and the employee remuneration received as the managers in the Company (that is, the sum of A, B, C, and D) and the highest five are chosen. If a director is also one of the department heads mentioned above, this table and the table (1-1) above should be completed.

Note2: The salary, differential pay, and severance pay of the Top 5 department heads with the highest remuneration in the most recent year.

Note3: The various types of bonuses, rewards, transportation, special expenditure, various allowances, dormitory, and company cars, among other supplies in kind paid to Top 5 department heads with the highest remuneration in the most recent year and other rewards. When houses, automobiles, and other transportation tools or expenses that are specific to individuals are provided, the nature and cost of the assets provided, the actual or market-value-based rental, the cost of gasoline, and other payments shall be disclosed. If a driver is assigned, too, please also indicate in the note related compensation payable by the Company to the driver, which, however, is not included as part of the remuneration. In addition, the value of compensation recognized according to IFRS 2 “share-based payment”, including employee stock option certificate, restricted employee shares, and shares subscribed upon increased capital in cash, shall be included in the calculation of remuneration, too.

Note4: Employee remuneration (including stock and cash) distributed to Top 5 department heads with the highest remuneration in the past year. If it is impossible to estimate the value planned to be distributed this year, follow the actual value distributed in the most recent year and calculate proportionally and Table 1-3 shall be completed, too.

Note5: The total value of the various types of remunerations paid to Top 5 department heads with the highest remuneration of the Company by all companies (including the Company) included in the Consolidated Statement shall be disclosed.

Note6: After-tax net profit refers to that shown in the parent company-only or individual financial statement in the most recent year.

Note7:
a. For this field, the value of related remuneration from re-invested businesses other than the subsidiaries or the parent company that the Top 5 department heads with the highest remuneration of the Company received shall be specified. (If none, indicate “N/A”.)
b. Remuneration is the compensation, rewards (including employees, directors, and supervisors), and payments from performing tasks received by the Company’s Top 5 department heads with the highest remuneration of the Company for serving as director, supervisor, or manager in a re-invested business other than the subsidiaries or the parent company.

* The content of remuneration as disclosed in this table is different from the concept under the Income Tax Act, which is for disclosure only and not for taxation purpose.

(VII) Names of Managers Entitled to Remuneration to Employees and Distribution Status: None

December 31, 2025

	Title (Note 1)	Name (Note 1)	Amount of stock	Amount of cash	Total	Ratio of sum to net profit after tax (%)
Managers	The President	Sheng Shao-Lan	-	-	-	-
	Vice President	Gotoda Katsuhiko				
	Vice President	Shih Po-Sheng				
	Vice President	Wang You-Lang				
	Associate of Financial Dept.	Lu Kuan-Yi				

Note1: Individual names and titles shall be disclosed yet the distribution of profits may be disclosed in a summary.

Note2: Employee remuneration (in stock and in cash) distributed to managers as approved by the Board of Directors in the most recent year. The Company adopts the International Financial Reporting Standard. After-tax net profit refers to that shown in the Parent Company-only Financial Statements in the most recent year. 2024 saw deficits after tax and hence it is not applicable.

Note3: The scope of application for managers is based on the Taiwan Finance Certificate III No. 0920001301 letter dated March 27, 2003. It is as follows:

(1) President and equivalent
(2) Vice President and equivalent
(3) Assistant Vice President and equivalent
(4) Head of Financial Dept.
(5) Head of Accounting Department
(6) Other people entitled to manage affairs and sign on behalf of the Company

(VIII) Analysis of the proportion of total remuneration paid to the Company's directors, President and Vice President by the Company and all the companies listed in the consolidated financial statements in the most recent two years to the Net Income After Tax in the Parent Company-only Financial Statements

Unit: NT$thousand; %

Item / Year	Total remuneration Paid to Directors, President, and Vice Presidents		Ratio of sum to net profit in the Parent-Company only Financial Statements	
	The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements
2023	7,067	7,067	-	-
2024	8,877	8,877	-	-
2025	8,977	8,977		

Note: 2024 and 2023 saw deficitis after tax.

(IX) Policies, standards and packages for payment of remuneration as well as the procedures followed for determining remuneration, and their linkages to business performance and future risk.

In cases of profits for the year, the Company shall set aside 6% to be the remuneration to employees and no more than 2% to be that to directors. However, where the Company still has accumulated losses, amount shall be reserved for making up the accumulated loss first. The remuneration to employees may be in the form of stock or cash and the recipients may be affiliated employees meeting certain criteria that are to be set by the Board of Directors. The distribution of remuneration to employees and that to directors shall be supported by approval from a majority of attending directors that account for two-thirds or more of all directors in the meeting and shall be presented during the shareholders' meeting.

The remuneration to the Company's directors is based on the above-said requirements. That is, no more than 2% is to be set aside with profits of the current year minus accumulated deficits as the remuneration to directors and it may only be distributed after it is reported during the Shareholders' Meeting.

Due to the fact that the Company has been suffering deficits over the past few years, no remuneration to directors has been distributed. In other words, actual remuneration distributed in excess of the above-said upper limit did not occur and therefore no abnormality or over-paid conditions occurred, either.

The remuneration to the President and the Vice President(s) in the most recent two years consists of salary and bonus, which are based on the applicable requirements in the Personnel Rules of the Company. The remuneration to employees, on the other hand, has not been distributed, either, due to the deficits borne by the Company over the past few years.

II. Corporate Governance Practices

(I) Information on the Operational Status of the Board of Directors

The Board of Directors met a total of 7 times (A) on 2025, including 2 meetings in the previous term and 4 meetings in the current term . The attendance of each director is summarized below：

Title	Name	Number of times actually attending (observing) (B)	Attendance by proxy	Attendance (B/A)(%)	Remarks
Chairman	Sheng Shao-Lan	7	0	100.00%	Re-elected on June 26, 2024; should attend 7 meetings.
Director	Wu Yung-Chuan	3	0	42.86%	Re-elected on June 26, 2024; should attend 7 meetings.
Director	Shih Po-Sheng	7	0	100.00%	First elected on June 26, 2024; should attend 7 meetings.
Independent Director	Chen Kuang	7	0	100.00%	Re-elected on June 26, 2024; should attend 7 meetings.
Independent Director	Tsung Jui-Yao	7	0	100.00%	Re-elected on June 26, 2024; should attend 7 meetings.
Independent Director	Liang Chiang-Wei	7	0	100.00%	Re-elected on June 26, 2024; should attend 7 meetings.
Independent Director	Peng, Ming-Hsiu	7	0	100.00%	First elected on June 26, 2024; should attend 7 meetings.

Additional information:

1. If the operations of the Board of Directors is under any of the circumstances below, the date of the board meeting, the session, the content of the proposal, all independent directors' opinions, and the Company's response to said opinions shall be specified.
   (1) Matters specified in Article 14-3 of the Securities and Exchange Act.

   (2) In addition to the aforementioned issues, other resolutions of the Board with adverse or qualified opinions from the Independent Directors with recorded or written declaration.

The Board	Content of the motions	Resolution	Objection or reservation by independent directors
The 5th meeting of the 12th term 2025.03.14	Whether or not there is "disguised funds financing that needs to be declared as funds lent to others" for the Company's accounts receivable.	The proposal was approved as is unanimously.	None.
	Proposal for the Assessment of the Effectiveness of the Internal Control System and the Statement on Internal Control for Fiscal Year 2024.	The proposal was approved as is unanimously.	None.
	Proposal to Amend Certain Provisions of the Company's "Article of Incorporate"	The proposal was approved as is unanimously.	None.
The 6th meeting of the 12th term 2025.03.31	Proposal for Loss Covering in 2024.	The proposal was approved as is unanimously.	None.
The 7th meeting of the 12th term	Whether or not there is "disguised funds financing that needs to be declared as funds lent to others" for the Company's accounts receivable.	The proposal was approved as is unanimously.	None.

The Board	Content of the motions	Resolution	Objection or reservation by independent directors
2025.05.14	Proposal on the Appointment, Remuneration, and Independence Evaluation of the Certified Public Accountant for the Company's Financial Report from the First Quarter of 2024.	The proposal was approved as is unanimously.	None.
	The private placement of common shares approved at the 2025 Annual General Meeting has expired and will not be continued.	The proposal was approved as is unanimously.	None.
	Proposal for the Private Placement of Common Shares by the Company.	The proposal was approved as is unanimously.	None.
	Proposal for Loss Covering.	The proposal was approved as is unanimously.	None.
	Proposal for Consideration of the Company's Directors' Remuneration Structure and Standards	The proposal was approved as is unanimously.	None.
	Proposal for Consideration of the Company's Management's Remuneration Structure and Standards	The proposal was approved as is unanimously.	None.
	Proposal for Consideration the distribution of directors' remuneration and employee remuneration for the 2024 fiscal year.	The proposal was approved as is unanimously.	None.
	Proposal for Salary Adjustment Plan for Our Company's Managers in 2025.	The proposal was approved as is unanimously.	None.
The 8th meeting of the 12th term 2025.06.27	Proposal for our company establishes credit lines with our banks.	The proposal was approved as is unanimously.	None.
	Appointment of the Company's Chief Financial Officer and Chief Accountant.	The proposal was approved as is unanimously.	None.
	Proposal for Change of internal audit supervisor in company.	The proposal was approved as is unanimously.	None.
	Proposal for Changes in the Company's Spokesperson and Acting Spokesperson.	The proposal was approved as is unanimously.	None.
	Proposal for Change of corporate governance executive	The proposal was approved as is unanimously.	None.
	Proposal to Starting from the second quarter of 2025, our company plans to change the accounting firm that issued the financial statements.	The proposal was approved as is unanimously.	None.
The 9th meeting of the 12th term 2025.08.13	The company does not intend to process a loss compensation application for the first half of the fiscal year 2025.	The proposal was approved as is unanimously.	None.
	Whether or not there is "disguised funds financing that needs to be declared as funds lent to others" for the Company's accounts receivable.	The proposal was approved as is unanimously.	None.
The 10th meeting of the 12th term 2025.11.11	Whether or not there is "disguised funds financing that needs to be declared as funds lent to others" for the Company's accounts receivable.	The proposal was approved as is unanimously.	None.
	Proposal for the Change of the Company's Spokesperson.	The proposal was approved as	None.

The Board	Content of the motions	Resolution	Objection or reservation by independent directors
		is unanimously.	
	According to the letter from the Taiwan Stock Exchange Corporation (hereinafter referred to as the "TWSE"), "TWSE No. 11400132451", the internal control system design or implementation of Hung-Kuang Precision Industry Co., Ltd. (hereinafter referred to as "Hung-Kuang") has deficiencies and matters that should be handled accordingly.	The proposal was approved as is unanimously.	None.
	Revised certain clauses in the company's "Internal Control System Standards and Specifications"	The proposal was approved as is unanimously.	None.
	Proposal to Definition of the scope of the company's entry-level employees	The proposal was approved as is unanimously.	None.
The 11th meeting of the 12th term 2025.12.23	Proposal for the 2026 Annual Business Plan.	The proposal was approved as is unanimously.	None.
	Proposal for the 2026 Annual Audit Plan of the Internal Control System.	The proposal was approved as is unanimously.	None.
	Proposal on the Appointment, Remuneration, and Independence Evaluation of the Certified Public Accountant for the Company's Financial Reports Starting from the First Quarter of 2026.	The proposal was approved as is unanimously.	None.
	Proposal to Amend Internal control system standards and specifications"	The proposal was approved as is unanimously.	None.
	Proposal to Appointment of Information Security Chief."	The proposal was approved as is unanimously.	None.
	Company's 2024 Annual Managerial and Employee Compensation Distribution Plan.	The proposal was approved as is unanimously.	None.
	Our company has issued the 2025 annual bonus distribution plan for managers.	The proposal was approved as is unanimously.	None.

2. In the event of directors' recusal from proposals, the name of director, the content of proposal, the reasons for recusal, and the participation in voting shall be specified:

Name of Director	Content of the motions	Reason for the recusal	Participation in voting	Remarks
Sheng Shao-Lan Shih Po-Sheng Chen Kuang Tsung Jui-Yao Liang Chiang-Wei Peng, Ming-Hsiu	Proposal on Consideration of the Company's Directors' Remuneration Structure and Standards	Conflicting interest	Did not take part in voting	The 7th meeting of the 12th term 2025.5.14
Sheng Shao-Lan Shih Po-Sheng	Proposal on The current compensation structure and standards for managers of the	Conflicting interest	Did not take part in voting	The 7th meeting of the 12th

	company are detailed in the following explanation			term 2025.5.14
Sheng Shao-Lan Shih Po-Sheng	Proposal to consider the distribution of directors' remuneration and employee remuneration for the 2024 fiscal year.	Conflicting interest	Did not take part in voting	
Sheng Shao-Lan Shih Po-Sheng	Proposal on Salary adjustment proposal for our company's managers in 2025	Conflicting interest	Did not take part in voting	
Sheng Shao-Lan Shih Po-Sheng	Proposal on Our company has released the 2024 annual bonus distribution plan for managers.	Conflicting interest	Did not take part in voting	The 8th meeting of the 12th term 2025.6.27
Chen Kuang Tsung Jui-Yao Liang Chiang-Wei Peng Ming-Hsiu	Proposal on The remuneration of the company's independent directors.	Conflicting interest	Did not take part in voting	
Sheng Shao-Lan Shih Po-Sheng	Proposal on The distribution of managerial and employee compensation for the 2024 fiscal year.	Conflicting interest	Did not take part in voting	The 11th meeting of the 12th term 2025.12.23
Sheng Shao-Lan Shih Po-Sheng	Proposal on Our company has issued the 2025 annual bonus distribution plan for managers.	Conflicting interest	Did not take part in voting	

3. Information such as the evaluation cycle and duration, and scope, approach, and content of the evaluation that shall be disclosed by the Company regarding the self (or peer) review of the Board of Directors: On March 27, 2020, the Board of Directors approved the preparation of the “Board of Directors Self-review or Peer Review Guidelines” and began performance evaluations in 2020.

Frequency of evaluation	Period for evaluation	Scope of evaluation	Method of evaluation	Content of evaluation
Once a year	Completed before the end of the first quarter of the coming year.	The scope of evaluation of the Company’s Board of Directors includes the performance evaluations of the overall Board of Directors, individual directors and the functional committees.	The evaluation methods included internal board self-evaluation, board members’ and the functional committee’s self-evaluations. After these evaluations, the evaluation results were archived by the organizations discussing matters of	The Board of Directors performance evaluation covers the following five major aspects: 1. Involvement in corporate operations. 2. Improved decision-making quality of the Board of Directors. 3. Composition and structure of Board of Directors. 4. Election of its directors and continuing education for them. 5. Internal Control Measures included in the board director (self or peer) performance evaluation shall at least cover the following six major aspects: 1. Keeping track of corporate goals and missions. 2. Awareness of duties as a director. 3. Involvement in corporate operations. 4. Management of internal relations and communication. 5. Director’s professionalism and continuing education.

			the Company.	6. Internal control. Measures included in the functional committee performance evaluation shall at least cover the following five major aspects: 1. Involvement in corporate operations. 2. Awareness of the duties of the functional committee. 3. Improved decision-making quality of the functional committee. 4. Composition and election of members of functional committees. 5. Internal control.

4. Targets for enhancing the function of Board of Directors in current year and the in the most recent year, and implementation assessment: The Company already set up independent directors, the Audit Committee, and the Compensation and Remuneration Committee in June 2015 to help the Board of Directors by fulfilling their supervisory duties. Respective committees also periodically reported to the Board of Directors their activities and decisions. They help the Board of Directors make decisions through professional division of labor and super-independent stance.

(II) Information on the Operational Status of the Audit Committee

The Company's Audit Committee consists of all independent directors. It meets on a quarterly basis and communicates in writing with the CPAs to precisely supervise corporate operations and control risks.

Main responsibilities of the Company's Auditing Committee include:

1. Review financial statements for respective quarters.
2. Prepare or modify the internal control system and related
3. Review the validity of the internal control system
4. Matters involving the interests of the directors
5. Trading of major assets or derivatives
6. Major lending of funds, endorsements, or guarantees
7. Raising, issuance, or private placement of equity securities
8. Evaluation of the assignment, dismissal, compensation, and independence of CPAs
9. Appointment or dismissal of financial, accounting, or internal audit officer
10. Other important matters as specified by the Company or the competent authority

The Auditing Committee met a total of 7 times (A) in 2025, including 6 meetings in the previous term and 7 meetings in the current term. The attendance record of the independent directors is as follows：

Title	Name	Attendance in person (B)	Attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Independent Director	Chen Kuang	7	0	100.00%	Re-elected on June 26, 2024; should attend 7 meetings.
Independent Director	Tsung Jui-Yao	7	0	100.00%	Re-elected on June 26, 2024; should attend 7 meetings.
Independent Director	Liang Chiang-Wei	7	0	100.00%	Re-elected on June 26, 2024; should attend 7 meetings.

Independent Director	Peng, Ming-Hsiu	7	0	100.00%	First elected on June 26, 2024; should attend 7 meetings.

Additional information:

1. If the Audit Committee meets one of the following conditions, the date and session number of the meeting of the Audit Committee, proposal contents, independent directors' dissenting opinions, reservation, or major recommendations, the resolution made by the Audit Committee and the Company's reactions towards the Audit Committee's opinions shall be specified.
   (1) Matters specified in Article 14-5 of the Securities and Exchange Act: Not applicable.
   (2) In addition to the above issues, other issues not passed by the Auditing Committee but passed by the Board with the consent of more than two thirds of the Directors: Not applicable.
2. For the recusal upon conflicts of interest among independent directors, the name of the independent director, details of the proposal, reason for the recusal, and participation in the voting process or not shall be described: Not applicable.

3. Communication between independent directors and the Internal Audit Officer and CPAs:

   Communication method between independent directors and the Internal Audit Officer and CPAs

   (1) The Internal Audit Officer of the Company periodically reports the audit operations to the independent directors in the Audit Committee meeting and communicates with the members on the results included in the Audit Report and how the implementation status may be followed up.

   (2) The CPAs of the Company communicates with independent directors during the quarterly Audit Committee meeting based on the results from written review or audits of the Company's and its subsidiaries' financial statements or the review or audit findings.

4. Summary of historical communications between independent directors and the Internal Audit Officer

   The Company's internal audit reports are presented at both the Board of Directors and the Audit Committee meetings, with independent directors and relevant personnel fully engaged in communication. Additionally, upon completion, the internal audit reports and follow-up reports are submitted to each Audit Committee member for review by the end of the month following their completion.

5. Summary of Past Communications Between Independent Directors and Accountants

   The Certified Public Accountants fully communicated with the Audit Committee regarding the scope and findings of their audit. Additionally, the Company's Independent Directors have the right to investigate the Company's operations and financial status at any time, request reports from the Board of Directors or management, and contact the accountants as necessary.

Date (Session)	Focus of the communication
The 4th meeting of the 4th term 2025.03.14	Whether or not there is "disguised funds financing that needs to be declared as funds lent to others" for the Company's accounts receivable.
	Proposal for the Assessment of the Effectiveness of the Internal Control System and the Statement on Internal Control for Fiscal Year 2024.
	Proposal to Amend Certain Provisions of the Company's "Article of Incorporate"
The 5th meeting of the 4th term 2025.03.31	Proposal for Annual Business Report and Financial Report in 2024.
	Proposal for Loss Covering in 2024.
The 6th meeting of the 4th term 2025.05.14	Proposal on the Financial Report for the First Quarter of 2025.
	Whether or not there is "disguised funds financing that needs to be declared as funds lent to others" for the Company's accounts receivable.
	The private placement of common shares approved at the 2025 Annual General Meeting has expired and will not be continued.

	Proposal for the Private Placement of Common Shares by the Company.
	Proposal for Loss Covering.
The 7th meeting of the 4th term 2025.06.27	Appointment of the Company's Chief Financial Officer and Chief Accountant.
	Proposal for Change of internal audit supervisor in company.
	Proposal for Changes in the Company's Spokesperson and Acting Spokesperson.
	Proposal for Change of corporate governance executive
	Proposal to Starting from the second quarter of 2025, our company plans to change the accounting firm that issued the financial statements.
The 8th meeting of the 4th term 2025.08.13	Proposal on the Financial Report for the Second Quarter of 2025.
	The company does not intend to process a loss compensation application for the first half of the fiscal year 2025.
	Whether or not there is “disguised funds financing that needs to be declared as funds lent to others” for the Company’s accounts receivable.
The 9th meeting of the 4th term 2025.11.11	Proposal on the Financial Report for the Third Quarter of 2025.
	Whether or not there is “disguised funds financing that needs to be declared as funds lent to others” for the Company’s accounts receivable.
	Proposal for the Change of the Company's Spokesperson.
	According to the letter from the Taiwan Stock Exchange Corporation (hereinafter referred to as the "TWSE"), "TWSE No. 11400132451", the internal control system design or implementation of Hung-Kuang Precision Industry Co., Ltd. (hereinafter referred to as "Hung-Kuang") has deficiencies and matters that should be handled accordingly.
	Revised certain clauses in the company's "Internal Control System Standards and Specifications"
	Proposal to Definition of the scope of the company's entry-level employees
	Whether or not there is “disguised funds financing that needs to be declared as funds lent to others” for the Company’s accounts receivable.
The 10th meeting of the 4th term 2025.12.23	Proposal for the 2026 Annual Audit Plan of the Internal Control System.
	Proposal on the Appointment, Remuneration, and Independence Evaluation of the Certified Public Accountant for the Company’s Financial Reports Starting from the First Quarter of 2026.
	Proposal to Amend Internal control system standards and specifications”
	Proposal to Appointment of Information Security Chief.”
	Company's 2024 Annual Managerial and Employee Compensation Distribution Plan.
	Our company has issued the 2025 annual bonus distribution plan for managers.

(III) Continuing education of directors

Continuing education of directors for 2025 is as follows:

Title	Name	Date inaugurated	Date of training	Organizer	Name of course taken	Hours of training
Chairman	Sheng Shao-Lan	2024.06.26	2025.12.23	Taiwan Corporate Governance Association	Analysis of International IFRS Sustainable Disclosure Standards and Corresponding Corporate Response Strategies	3
Chairman	Sheng Shao-Lan	2024.06.26	2025.12.23	Taiwan Corporate Governance Association	IFRS18 "Representation and Disclosure of Financial Statements" Key Analysis	3
Director	Wu Yung-Chuan	2024.06.26	2025.12.23	Taiwan Corporate Governance Association	Analysis of International IFRS Sustainable Disclosure Standards and Corresponding Corporate Response Strategies	3
Director	Wu Yung-Chuan	2024.06.26	2025.12.23	Taiwan Corporate Governance Association	IFRS18 "Representation and Disclosure of Financial Statements" Key Analysis	3
Director	Shih Po-Sheng	2024.06.26	2025.12.23	Taiwan Corporate Governance Association	Analysis of International IFRS Sustainable Disclosure Standards and Corresponding Corporate Response Strategies.	3
Director	Shih Po-Sheng	2024.06.26	2025.12.23	Taiwan Corporate Governance Association	IFRS18 "Representation and Disclosure of Financial Statements" Key Analysis.	3
Independent Director	Chen Kuang	2024.06.26	2025.12.23	Taiwan Corporate Governance Association	Analysis of International IFRS Sustainable Disclosure Standards and Corresponding Corporate Response Strategies.	3
Independent Director	Chen Kuang	2024.06.26	2025.12.23	Taiwan Corporate Governance Association	IFRS18 "Representation and Disclosure of Financial Statements" Key Analysis.	3
Independent Director	Tsung Jui-Yao	2024.06.26	2025.10.31	Securities & Futures Institute	2025 Annual Insider Equity Transaction Legal Compliance Briefing.	3
Independent Director	Tsung Jui-Yao	2024.06.26	2025.12.23	Taiwan Corporate Governance Association	Analysis of International IFRS Sustainable Disclosure Standards and Corresponding Corporate Response Strategies.	3
Independent Director	Tsung Jui-Yao	2024.06.26	2025.12.23	Taiwan Corporate Governance Association	IFRS18 "Representation and Disclosure of Financial Statements" Key Analysis.	3
Independent Director	Liang Chiang-Wei	2024.06.26	2025.12.23	Taiwan Corporate Governance Association	Analysis of International IFRS Sustainable Disclosure Standards and Corresponding Corporate Response Strategies.	3
Independent Director	Liang Chiang-Wei	2024.06.26	2025.12.23	Taiwan Corporate Governance Association	IFRS18 "Representation and Disclosure of Financial Statements" Key Analysis.	3
Independent Director	Peng Ming-Hsiu	2024.06.26	2025.12.23	Taiwan Corporate Governance Association	Analysis of International IFRS Sustainable Disclosure Standards and Corresponding Corporate Response Strategies.	3
Independent Director	Peng Ming-Hsiu	2024.06.26	2025.12.23	Taiwan Corporate Governance Association	IFRS18 "Representation and Disclosure of Financial Statements" Key Analysis.	3

(IV) 2025 Liability Insurance for the Company’s Directors:

The insured	Insurance company	Coverage	Start/End dates of coverage
All Directors	CHUBB	US$ 3 million	2024.12.16~2025.12.16
All Directors	CHUBB	US$ 3 million	2025.12.16~2026.12.16

(V) The pursuit of corporate governance and the divergence from the Corporate Governance Best Practice Principles for TWSE/TPEx listed Companies, and the reasons

Items of evaluation	The operation			Variations from the Corporate Governance Best Practice Principles for TWSE/TPEx listed Companies, and the reasons
	Yes	No	Summary description	
I. Does the Company establish and disclose its corporate governance best-practice principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies?	V		The Corporate Governance Best Practice Principles are already disclosed on the corporate website.	They answer to the government's Best Practice Principles.
II. Shareholding structure and shareholders' rights				They answer to the government's Best Practice Principles.
(I) Does the Company establish internal operating procedures for handling shareholder suggestions, questions, disputes or lawsuits and implement the procedures?	V		(I) There is a specialist in the Company to address advice, concerns, and disputes of shareholders.	
(II) Does the Company have a list of major shareholders that have actual control over the Company and a list of ultimate owners of those major shareholders?	V		(II) The Company already authorized the Registrar of SinoPac Securities to take care of stock-related affairs in order to keep track of primary shareholders of the Company at all times.	
(III) Has the Company established and implemented risk management and firewall mechanisms with its associated enterprises?	V		(III) The Company has defined the Subsidiaries Governance Regulations, the Operating Procedure for Lending of Funds and Endorsement/Guarantee, and the Procedure for the Acquisition or Disposal of Assets, among others, in order to impose proper risk management control and set up the firewall.	
(IV) Has the Company established internal rules against insiders trading with undisclosed information?	V		(IV) The Company has established its operating guidelines for handling of internal information and for preventing against insider trading.	
III. Composition and Responsibilities of the Board of Directors				They answer to the government's Best Practice Principles.
(I) Has the Board of Directors developed diversification policies, substantial management goals and how are they enforced?	V		(I) The Company stated to have independent directors in 2015 for reinforced operations of the Board of Directors. The diversification policy is adopted for the composition of the Board of Directors. Directors are from different sectors, with different backgrounds (R&D, manufacturing, law, marketing, finance/accounting, among others). There are now 5 directors, including 2 independent directors.	
(II) Does the Company voluntarily establish other functional committees in addition to the Compensation and Remuneration Committee and the Audit Committee that are established as required by laws?	V		(II) Besides setting up the Compensation and Remuneration Committee and the Audit Committee, the Company will form other functional committees as needed to support corporate operations.	
(III) Has the Company established standards and method for evaluating the performance of the Board of Directors, and does the Company implement the performance evaluation periodically and submit results of the performance evaluation to the Board of Directors, and use them for reference while deciding compensation and rewards for individual directors and nominating them for a second term in office?	V		(III) The Company established its guidelines for self or peer reviews of the Board of Directors in March 2020. The annual performance evaluation takes place according to the evaluation procedure and indicators defined under the said guidelines at the end of each year and the evaluation results are to be brought forth during the Board of Directors meeting in the first quarter of the coming year. The Board of Directors performance evaluation items considered and defined by the Company covers five major domains and the evaluation of its members	

Items of evaluation	The operation			Variations from the Corporate Governance Best Practice Principles for TWSE/TPEx listed Companies, and the reasons
	Yes	No	Summary description	
(IV) Does the Company regularly implement assessments on the independence of CPAs?	V		covers six major domains. The executive unit collects related information of the activities engaged in by the Board of Directors and respective directors at the end of each year and distributes the "Board of Directors Performance Self-Assessment Questionnaire", the "Directors Self-Assessment Questionnaire", and the "Functional Committee Performance Self-Assessment Questionnaire" and then collects the completed questionnaires in order to record the results according to the scoring criteria for respective indicators and submit them to the Board of Directors for discussing possible improvements. The Board of Directors Self and Peer Reviews of 2023 were completed in the first quarter of 2024 and the results were reported to the Board of Directors on March 14, 2024. They will also be referred to while deciding the compensation and remuneration to respective directors and their nomination for subsequent terms. (IV) The Company has its Financial Dept. to evaluate the independence and suitability of its CPAs at least once a year against respective indicators. The evaluation results of 2023 were already submitted to the Audit Committee on December 28, 2022 and to the Board of Directors on December 28, 2022 and were approved. CPAs Chiang Cai-Yen and Hsieh Chih-Cheng of Pricewaterhouse Coopers (PwC) both fulfilled the independence and suitability criteria. Evaluation indicators: 1. No absence of replacement for seven years has occurred as of the latest certification. 2. No material financial interest with the authorizer. 3. Avoidance of any inappropriate relationship with the authorizer. 4. The CPA shall have his/her assistants precisely adhere to honesty, fairness, and independence. 5. No audits and certification may be done on the financial statements for the two years prior to practice. 6. The name of the CPA may not be used by any other person. 7. The CPA does not hold shares of the Company and its affiliates. 8. There are no money borrowings with the Company and its affiliates. 9. There are no joint investments or sharing of interests with the Company or its affiliates. 10. The CPA is not working part-time on a regular basis for the Company or its affiliates and receiving fixed compensation and remuneration. 11. The CPA is not involved in the managerial functions such as decision-making of the Company or its affiliates.	
IV. For TWSE/TPEx-listed companies, is there an exclusive (combined) unit or person for corporate governance to take charge of related matters (including without limitation providing directors and supervisors with materials required for them to carry out their tasks,	V		The Company has a specialist to take charge of corporate governance-related affairs. https://www.avision.com/motion.asp?menuid=10163&lgid=1&siteid=100407	They answer to the government's Best Practice Principles.

Items of evaluation	The operation: Yes	No	Summary description	Variations from the Corporate Governance Best Practice Principles for TWSE/TPEx listed Companies, and the reasons
taking care of Board of Directors’ meetings and shareholders’ meetings as required by law, registering the company and changing registered information, preparing minutes of Board of Directors’ meetings and shareholders’ meetings)?				
V. Does the Company establish the channels for communication with interested parties (including but not limited to shareholders, employees, customers and suppliers), and set up special space for interested parties on the official website, and properly respond to the important corporate social responsibility issues concerned by interested parties?	V		The Company has an exclusive section on its website to address questions from stakeholders. https://www.avision.com/motion.asp?menuid=10163&lgid=1&siteid=100407	They answer to the government’s Best Practice Principles.
VI. Does the Company appoint professional stock affairs agency to deal with the affairs of the Board of Shareholders?	V		The Company has authorized the Registrar of SinoPac Securities to handle stock-related affairs. https://www.avision.com/motion.asp?menuid=10163&lgid=1&siteid=100407	They answer to the government’s Best Practice Principles.
VII. Disclosure of Information				They answer to the government’s Best Practice Principles.
(I) Has the Company established a corporate website to disclose information regarding its financial, business and corporate governance status?	V		(I) The Company has set up an exclusive section on its website where information regarding its financial, business and corporate governance is disclosed.	
(II) Has the Company adopted other means for disclosure (such as the installation of a website in the English language, appointment of designated persons for the collection and disclosure of information on the Company, the implementation of ae spokesman system, and videotaping institutional investor conferences)?	V		(II) The Company does not have an English website yet now, but it has someone to take charge of collecting and disclosing information about the Company, enforcing the spokesperson system, and updating information on investor conferences on its Chinese website.	
(III) Does the Company publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline?		V	(III) The Company now announces and declares its annual financial reports within three months after the end of a fiscal year and announces and declares its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline.	
VIII. Is there any other essential information that would help understand the pursuit of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, the continuing education of directors and supervisors, the pursuit of a risk management policy and standard of risk assessment, the pursuit of a customer policy, and professional liability insurance coverage for the directors and supervisors)?	V		(I) Employee rights and employee care: Please refer to “Labor-Management Relations” herein. (II) Investor relations, supplier relations, and rights of stakeholders: Please refer to “Fulfillment of Social Responsibilities” herein. (III) Continuing education of directors: Please refer to “2023 Continuing Education of Directors” herein.” (IV) Implementation of risk management policies and risk measurement standards: Please refer to “Analysis and Assessment of Risk Matters” herein. “	They answer to the government’s Best Practice Principles.
IX. The state of corrective action taken in response to the corporate governance evaluation result announced by the Corporate Governance Center of the Taiwan Stock Exchange Corporation, and issues requiring special effort for improvement and related measures in the most recent year. According to the 2024 (10th session) Corporate Governance Evaluation results published by the Corporate Governance Center, our company was not included in the ranking. Going forward, we will continue to improve and strengthen areas that did not meet the evaluation criteria.				

(VI) Composition, Responsibilities, and Operation of the Compensation and Remuneration Committee

1. The composition of this Committee is determined by the Board of Directors. Among the 3 members, 1 will be the convener.
2. According to the Company's "Compensation and Remuneration Committee Organic Rules", the responsibilities of the Compensation and Remuneration Committee are:
   (1) Establish and periodically reflect upon the performance evaluation and remuneration policy, system, standards and structure for Directors and managers.
   (2) Regularly review and determine the compensation and remuneration of the directors and managers.

3. Profile of Members of the Compensation and Remuneration Committee
   The composition of this Committee is determined by the Board of Directors. Among the 3 members, 1 will be the convener. Their responsibilities are to define and regularly review policies, systems, standards, and structures related to the performance evaluation and the compensation and remuneration of directors and managers and periodically evaluate and determine the compensation and compensation of directors and managers. The composition of the Compensation and Remuneration Committee is as follows:

<table>
<tr><th>Identity</th><th>Criteria / Name</th><th>Professional Qualifications and Experience</th><th>Independence Status</th><th>The number of public companies where the person also holds positions in their remuneration committees.</th></tr>
<tr><td>Independent Director (Convener)</td><td>Tsung Jui-Yao</td><td rowspan="3">The Company's Remuneration Committee has 3 independent directors. For professional qualifications and experience of the committee members, please refer to (I) Profiles of the Directors on Page 11 of this annual report.</td><td rowspan="3">1. All independent directors of the Company satisfy the requirements for independence.
2. Whether the independent directors, their spouses or relatives within the second degree of kinship act as directors, supervisors or employees of the Company or its affiliates: No.
3. The number of shares held by the independent directors, their spouses or relatives within the second degree of kinship (or in others' names) and corresponding shareholding ratio in the Company: None.
4. Whether they serve as directors, supervisors or employees in those companies having specific relationships with the Company (for the appointment of independent directors for a public entity, refer to Subparagraph 5~8, Paragraph 1, Article 3 of the Measures to be followed: No.
5. Amount of remuneration obtained from the Company or its affiliates for rendering commercial, legal, accounting and other services in the most recent two years: Not applicable.</td><td>0</td></tr>
<tr><td>Independent Director</td><td>Chen Kuang</td><td>0</td></tr>
<tr><td>Independent Director</td><td>Peng Ming-Hsiu</td><td>0</td></tr>
</table>

4. Information on the Operational Status of the Compensation and Remuneration Committee

(1) Currently, the Company's Compensation and Remuneration Committee consists of 3 members. All of them meet the regulatory professionalism and independence criteria. Mr. Tsung Jui-Yao is the current convener and chairperson of meetings. The Committee meets at least twice a year.

(2) In 2025 and up to the date when this Prospectus was printed, the Committee already met 2 times (A). Eligibility and attendance of the members are as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Actual attendance rate (%) (B/A)(Note)	Remarks
Convener	Tsung Jui-Yao	4	0	100	
Members	Chen Kuang	4	0	100	
Members	Peng Ming-Hsiu	4	0	100	

(3) Matters being discussed by the Compensation and Remuneration Committee and the decisions made:

Date	Term	Content of the motions	Member opinions
2025.03.31	The 2nd meeting of the 6th term	- Review of the Compensation Structure and Standards for Directors and Supervisors of the Company. - Review of the Current Compensation Structure and Standards for Managers of the Company. - Review of the Distribution Plan for Directors' and Employees' Remuneration for the Year 2024. - Review of the Proposed Salary Adjustment Rate for Managers for the Year 2025.	Approved by all members
2025.06.20	The 3rd meeting of the 6th term	- Review of the remuneration proposal for the company's newly appointed managers	Approved by all members
2025.12.23	The 4th meeting of the 6th term	- Review on the Company's 2024 Annual Managerial and Employee Compensation Distribution Plan - Review on the Company's 2025 Annual Managers' Bonus Distribution Proposal.	Approved by all members
2026.03.31	The 5th meeting of the 6th term	- Review the remuneration structure and standards of the company's directors and supervisors. - Review the company's current manager compensation structure and standards. - Consideration of the proposed distribution of directors' and employees' compensation for the year 2025. - Review on the proposed salary adjustment range for the company's managers for 2025	Approved by all members

Additional information:

I. In the event that the Board of Directors does not adopt or revises advice from the Compensation and Remuneration Committee, the date, session number, details of proposals, decisions made by the Board of Directors, and how the Company addressed opinions from the Compensation and Remuneration Committee shall be stated (in the event that the compensation and remuneration approved by the Board of Directors are better than as advised by the Compensation and Remuneration Committee, the difference and the reason shall be specified): **Not applicable.**

II. For decisions made by the Compensation and Remuneration Committee, as long as there are members objecting or having their reservations that are recorded or stated in writing, the date of the Compensation and Remuneration Committee meeting, the session number, contents of the proposal, and how opinions from all members and from opposing members are handled should be described: **Not applicable**.

Note:

(1) If a member of the Remuneration Committee resigns before the end of the year, the date of resignation shall be indicated in the Remarks column, and their attendance (%) shall be calculated with the number of meetings attended by the member divided by the number of committee meetings held during their term of office.

(2) Before the end of the year, if there is an election of the committee members, the new and old members shall be entered, and the old, new, or re-elected status and the election date of each member shall be indicated in the Remarks column. The attendance (%) shall be calculated with the number of meetings attended by each member divided by the number of committee meetings held during their term of office.

(VII) Promotion of Sustainable Developments

Corporate Social Responsibility Best Practice Principles

The corporate social responsibility of the Company can be classified into the commitment to employees' welfare, commitment to the society and commitment to the environment.

1. Environmental protection, safety and health management

With regard to the promotion of environmental protection, safety and health activities of the Company, in addition to compliance with the relevant domestic regulatory requirements, the Company also adopts generally accepted international standards. The Company's environmental protection and occupational health and safety policies commit to fulfilling regulatory obligations, implementing risk management, achieving environmental and occupational health and safety goals, enhancing performance, and addressing global climate change trends. Prevention of pollution, promotion of employees' safety and health, protection of company assets, and provision of a working environment that ensures the welfare of all employees and local communities.

The Company has obtained the environmental management system (ISO 14001:2015) certification. For the safety and health management, in addition to satisfying the obligation for compliance with domestic related laws and regulations, the Company also upholds the continuous improvement philosophy according to the occupational safety and health management system (CNS(ISO) 45001:2018) to actively implement pollution prevent, energy and resource saving, waste reduction, safety and health management, fire explosion prevention and other hazards prevention, and also proposes and executes improvement solutions, in order to reduce potential environmental, safety and health risks.

The Company is committed to engage in understanding and communication with suppliers and contractors with respect to the environmental protection, safety and health issues, in order to encourage them to improve the environmental protection, safety and health performance. For contractors contracting high risk works, construction personnel are required to complete professional and technical certifications in order to perform works.

(1) Environmental protection

Greenhouse gas inspection and emissions reduction: The Company has established plans to satisfy future domestic and foreign requirements or regulations, and also cooperates and complies with such requirements. The plan can be mainly classified into:

a. Air and water pollution prevention;

b. Water resource saving;

c. Waste management resource recycle: Various control measures are implemented according to sources;

d. Organizational Greenhouse Gas Inventory and Emission Reduction: Implement an organizational greenhouse gas inventory and reduce emissions according to the environmental management system plan. Achieve a 2% reduction in the current year's carbon dioxide equivalent emissions (Scope 1 and Scope 2) compared to the previous year.

e. Other environmental protection related plans;

- The Company continues to promote “Green Purchase”.
- The Company continues to promote product qualifying Environmental Protection Agency’s Green Mark product certification and “Energy Star” mark certification.
- The Company utilizes the intranet and bulletin board to convey environmental protection related information and data, in order to increase the environmental protection awareness of employees, and to encourage employees to use office supplies or equipment equipped with the Green Mark.

f. Since 2009, the company has applied to the Environmental Protection Administration of the Executive Yuan for product environmental label usage certificates, and to date, a total of fourteen valid certificates at present.

g. Environmental protection regulatory compliance record: The Company had no record of violation of environmental protection laws for 2024 and 2025.

(2) Safety and health

a. Safety and health management**:** According to the occupational safety and health management system (CNS(ISO) 45001:2018) advanced management architecture, through the philosophy of Plan, Do, Check, Act (P-D-C-A) and continuous improvement, the objectives of prevention of accidents, promotion of employees' safety and health and protection of company assets are achieved.

- Establish accident response procedure, and establish safety management mechanism.
- Entrust professional institution to perform inspection periodically or annually.
- For health management, in addition to occupational health related matters, the Company also promotes workplace health promotional activities, and establishes company-level epidemic control organization, in order to implement epidemic control plan and anti-epidemic measures for major infectious diseases of SARS, Avian influenza, H1N1 and COVID-19, etc., in order to reduce operational risk.

b. Working environment and employee safety protection: The Company implements environmental protection, safety and health policies and is committed to the compliance with relevant laws, and also continues to promote pollution prevention, resource recycle and reuse, industrial waste reduction and reasonable use of resources, in order to jointly achieve a safe and comfortable working environment.

The Company's safety and health management operation method includes:

b-1. Hardware safety facilities used by the manufacturing, warehouse, factory affairs, information technology and general departments.

b-2. General safety management, training and audit.

b-3. Operating environment measurement (once every six months).

b-4. Emergency response.

b-5. Employee health promotion: The Company has obtained the Healthy Workplace Autonomous Certification Health Promotion Mark issued by the Health Promotion Administration in 2012, and the extension of the application was approved in 2024.

b-6. Supplier and contractor management.

Corporate social responsibility actual implementation status:

Direction	Status of implementation
Social welfare	1. The Company donates annually to the Avision Faith and Love Fund Charity Trust Account, helping the beneficiary organizations of the trust to achieve their related public welfare goals. 2. Organize various social welfare service events irregularly, such as blood donation. 3. Promote green environmental protection, waste classification and environmental symbiosis. 4. In response to the government's laws and regulations, the Group employs disabled employees according to the People with Disabilities Rights Protection Act.
Environmental protection	1. The office promotes electronic and paperless office operations, and employees are encouraged to use email, document electronic scanning for file saving method, in order to reduce the paper use quantity. 2. Logistics operation further uses packaging materials that are made of recyclable and regenerated materials in order to protect the environmental ecology.
Human rights	1. The Group values the rights and interests of stakeholders, and has established the stakeholders section on the Company's website, in order to provide proper communication platform. 2. For stakeholders, the Group actively understands the reasonable expectations and needs of the stakeholders. Regardless of questions, complaints or recommendations of internal/external issues for the economic, social and environmental aspects, the Group upholds the principle of good faith to handle such matters properly and provides feedback or improvement solution, in order to achieve effective communication. 3. Fulfill corporate social responsibilities and protect human rights. The Group fairly and equally treats and respects all employees, providing them with appropriate and safe work environment. On the premise of looking after employees, offer group insurances and related benefits beyond laws and regulations. On this year's consecutive national holidays, the Company will not arrange overtime work so that the employees will carry out their work more flexibly and effectively.

Sustainable Development Implementation Status and Reasons for Deviation from the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies”

<table>
<tr><th rowspan="2">Implementation Items</th><th colspan="3">Status of implementation (Note 1)</th><th rowspan="2">Reasons for Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary (Note 2)</th></tr>
<tr><td>I. Has the company established the governance structure for promoting the sustainable development, and has set up a unit that specializes (or is involved) in the promotion of sustainable development, and does the board of director authorize the senior management for handling such mater, and the supervision status of the board of directors?</td><td>V</td><td></td><td>The Company designates the Administrative Management Division to be the adjunct unit responsible for the implementation of sustainable development. In the future, the Company will continue to implement sustainable development.
<table>
<tr><th>Member</th><th>Task and Responsibility</th></tr>
<tr><td>Environmental safety and health</td><td>Integrate and promote the Company’s environmental protection, pollution control, safety and health, resource saving, relevant regulatory communication and greenhouse gas management related works.</td></tr>
<tr><td>Legal</td><td>Legal compliance, intellectual property, confidential information of the Company.</td></tr>
<tr><td>Human Resources</td><td>Talent recruitment and retention, salary and welfare, employee physical/mental health and safety, educational training and development, communication and interest/right protection, complaint filing mechanism.</td></tr>
<tr><td>Customer Service</td><td>Improve service quality and customer satisfaction, obtain customer trust, protect customer privacy.</td></tr>
<tr><td>Finance</td><td>Information disclosure, dividend policy, taxation related, proper handling of issues concerned by investors, assistance to enhance functions of the board of directors, focus on shareholders’ rights and interests.</td></tr>
<tr><td>Manufacturing</td><td>Manufacturing process related works, including hazardous substance management, resources; supplier management, green purchase management, conflict minerals.</td></tr>
<tr><td>Quality Assurance</td><td>Product quality and product recall management mechanism</td></tr>
<tr><td>R&D</td><td>Promote innovative works of green products related technical research and development.</td></tr>
</table></td><td>Comply with the provisions of the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.</td></tr>
</table>

Implementation Items	Status of implementation (Note 1)			Reasons for Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx
	Yes	No	Summary (Note 2)	
II. Has the Company conducted risk assessment on the environment, society and corporate governance issues related to the company's operation according to the materiality principle, and has the company established relevant risk management policy or strategy? (Note 3)	V		The Company has established the Sustainability Development Best Practice Principles, and report is provided to the board of directors periodically for review.	Comply with the provisions of the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.
III. Environmental issues				Comply with the provisions of the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.
(I) Has the Company established an appropriate environmental management system in accordance with its industrial characteristics?	V		(I) The Company has obtained the environmental management system (ISO 14001) certification, and actively proposes improvement solutions for pollution control, energy saving and waste reduction, etc. The Company has established the Taiwan Occupational Safety and Health Management System (TOSHMS) to perform the occupational safety and health management. In addition to the maintenance or improvement of operating environment to satisfy the safety and health requirements, the Company also implements workplace health improvement activities in order to promote the health improvement of employees.	
(II) Is the Company committed to achieving efficient use of resources, and using renewable materials that produce less impact on the environment?	V		(II) The Company is committed to the improvement of the source, increase the utilization of various resources, in order to achieve the goal of reduction of raw materials and wastes, thereby reducing environmental impacts.	
(III) Has the Company evaluated the climate change on the present and future potential risks and opportunities of the corporation, and has the company adopted responsive actions on climate related issues?	V		(III) The Company values the impacts of corporate change on the corporate and global environmental development, and is committed to the implementation of energy saving and carbon reduction measures. The design of the manufacturing process aims to reduce energy consumption as much as possible, and for all office operations, the Company continues to promote paperless operation in order to reduce energy waste and use. Through the Task Force on Climate-related Financial Disclosures (TCFD), the Company aims to effectively manage the risks and opportunities of climate change by implementing governance, strategies, risk management, and setting metrics and targets.	
(IV) Has the Company statistically analyzed the greenhouse gas emission, water usage and waste total weight over the past years, and has the company established policies for energy saving, carbon reduction, greenhouse emission reduction, reduction of water usage or other waste	V		(IV) Presently, the Company has statistically analyzed the greenhouse gas emissions, water usage and waste total weight over the past years, and the Company will improve progressively. In addition, the Company also records the establishment of policies for energy saving, carbon reduction, greenhouse emission reduction, reduction of water usage and records in the annual report as well as publishes on the Company's website annually. https://www.avision.com/motion.asp?siteid=100407&lgid=1&menuid=10194&manager=100567	

Implementation Items	Status of implementation (Note 1)			Reasons for Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx
	Yes	No	Summary (Note 2)	
management?				
IV. Social topics (I) Has the Company established relevant management policies and procedures in accordance with applicable laws and the international human rights conventions?	V		(I) The Company complies with labor related laws and international human rights conventions. In addition, the Company has established the work rules and relevant personnel management regulations with content specifying the protection of basic rights and interests of employees, including prohibition of child labor, gender equality, right to work and prohibition of any illegal discrimination.	Comply with the provisions of the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.
(II) Has the Company established and implemented reasonable employee welfare measures (including remuneration, leave and other welfare etc.), and has the company appropriately reflected the operation performance or outcome in the remuneration of employees?	V		(II) The Company has established the work rules and relevant personnel management regulations. The content of such rules and regulations include the basic wage, working hours, leave, pension payment, labor and health insurance payment, occupational disaster compensation etc. for employees of the Company in compliance with relevant regulations of the Labor Standards Act. In addition, the Company has established the Employee Welfare Committee. With the operation of the Welfare Committee generated via the employee election, various welfare affairs are handled. The remuneration policy of the Company is in positive correlation with the individual competency, contribution to the Company, personal performance and business operation.	
(III) Has the Company provided a safe and healthy work environment for employees, and implemented education on occupational safety and health for employees regularly?	V		(III) The Company provides a safe workplace to employees and ensures the compliance with relevant regulations. In addition, the Company has established the safety and health work rules in order to prevent occupational accidents. Emergency response drills are organized periodically (twice annually), and health examination for all employees is organized once every two years. The internal of the Company irregularly promotes various health improvement activities, such as weight reduction and aerobic exercise course, health seminar, and the Company also encourages employees to participate in various external sports and exercise activities, in order to protect the physical and mental health of employees.	
(IV) Has the Company established a plan for the training of effective career development and planning of employees?	V		(IV) The Company has established comprehensive education and training, in order to assist employees to develop diverse occupational competency.	
(V) Has the Company complied with laws and international standards concerning customer health and safety of products and services, customer privacy,	V		(V) The Company’s sales and labeling of products and services comply with relevant regulations and international standards. For products sold by the Company, declaration of conformity is issued according to the customer demands, including the compliance with international regulations and	

Implementation Items	Status of implementation (Note 1)			Reasons for Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx
	Yes	No	Summary (Note 2)	
marketing and labeling of products and services, and has the Company established policies and reporting procedure related to consumer right and benefit protection?			standards of CE, FCC, VCCI, UL and EU REACH regulations, RoSH environmental protection regulations, WEEE standard, EuP directive, halogen-free requirements. In addition, for customer privacy, the Company also complies with the non-disclosure agreement and the Personal Data Protection Act. Furthermore, the Company has established the customer service unit and stakeholders section in order to protect the rights and interests of consumer and to provide the complaint filing channel.	
(VI) Has the Company established supplier management policy, requested suppliers to comply with relevant regulations concerning the issues of the environmental protection, occupational safety and health or labor rights, and the implementation status thereof?	V		(VI) During purchase, the Company purchases from qualified suppliers in priority according to the requirements, and performs the procedures of price inquiry, comparison and negotiation, in order to ensure the reasonableness of the purchase price. The Company also maintains proper communication channel with suppliers in order to protect the reasonable rights and interests of both parties under the principle of mutual trust and benefits.	
V. Has the company stipulated standards or guidelines according to the internationally accepted report, prepared corporate social responsibility report etc. and reports for disclosing non-financial information of the Company? Is the aforementioned report subject to the validation or guarantee by a third-party accreditor?		V	(I) The Company publishes information related to the corporate social responsibilities on the Company's website, and relevant information of the actual operation status is disclosed on the Company's website and MOPS. https://www.avision.com/tw/about-avision/crs/plan/ (II) The sustainability report is prepared in accordance with the 2021 version of the GRI Sustainability Reporting Standards issued by Global Reporting Initiatives (GRI) and the "Operation Methods for the Preparation and Submission of Sustainability Reports by Listed Companies" issued by the Taiwan Stock Exchange.	Comply with the provisions of the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.
VI. When the Company establishes its own principles for sustainable development according to the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies", please describe the difference between its operation and the rules established: The Company has established the "Corporate Social Responsibility Best Practice Principles", and the present operation complies with relevant provisions of the principles established. The Company will continue to follow the requirements and essence of the "Corporate Social Responsibility Best Practice Principles" and ensure the joint implementation and execution of all employees of the Company.				
VII. Other important information to facilitate the understanding of the status of corporate social responsibility operation: The Company's website is updated with information related to the corporate sustainable development execution status.				

Note1: If the Implementation Status is selected as "Yes," please explain the key policies, strategies, measures taken and execution status; if Implementation Status is selected as "No," please explain deviation and reasons in the field of "Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons", and explain any relevant policy, strategy and measure planned for the future.

Note2: Materiality principle refers to relevant environment, society and corporate governance issues having material impacts on the investors and other interested parties of the Company.

Note3: For the disclosure method, please refer to the best practice reference example disclosed on the corporate governance center website of Taiwan Stock Exchange.

(VIII) Climate-Related Information of TWSE/TPEx Listed Company

<table>
<tr><th>Items</th><th colspan="5">Status of implementation</th></tr>
<tr><td>I. Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.</td><td colspan="5">1. Avision's Board of Directors oversees and manages the company's overall sustainability issues as well as climate-related risks and opportunities. It reviews quarterly or annual corporate sustainability performance governance and assesses the company's governance effectiveness and goal achievement on climate matters.

2. The Chairman, as the highest responsible person for sustainability-related issues, has established a cross-departmental Sustainability Promotion Task Force. This task force is responsible for identifying and assessing climate risks and opportunities, developing response strategies, and reporting sustainability-related proposals to the Board at least four times annually.</td></tr>
<tr><td rowspan="5">II. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).</td><td colspan="2">Risk Statement</td><td>Impact On The Process</td><td>Financial Impact</td><td>Coping Strategies</td></tr>
<tr><td rowspan="2">Transition Risk</td><td>Low-carbon goods replace existing products and services</td><td>Short term</td><td>・ reduce revenue</td><td>• Independently develop color printers/copiers and ASIC chips, dedicated to reducing raw material usage, modularizing and standardizing components, and enhancing compatibility. Product designs are easy to disassemble, recycle, and use environmentally friendly materials.
• In addition to offering traditional printer and scanner products, we are expanding our product line to include low-carbon solutions, such as energy-efficient printers and digital document management services, to meet the needs of different customer groups.</td></tr>
<tr><td>The cost of transition to low-carbon technologies</td><td>Medium term</td><td>・ Increased operating costs
・ Increase capital expenditure</td><td>• Through process research and development and improvement, we seek the optimal carbon emission reduction measures to lower overall process carbon emissions, achieving the best efficiency and effectiveness in resource utilization..</td></tr>
<tr><td>physical risk</td><td>The severity of extreme weather events such as typhoons and floods has increased</td><td>Short term</td><td>・ Increased operating costs</td><td>• Develop effective inventory management strategies to maintain appropriate stock levels, enabling the company to respond to supply chain disruptions and transportation blockages, thereby minimizing losses caused by disaster events.
• Employees are reminded to check that all doors and windows in the facility are properly secured during typhoons, and to conduct comprehensive typhoon preparedness inspections. At least one emergency response training and drill is held annually to ensure employees are familiar with assembly and evacuation procedures. The company continues to monitor typhoon warnings issued by the Central Weather Administration and takes necessary preparedness actions.</td></tr>
<tr><td>Opportunities (Energy</td><td>Participate in renewable</td><td>Short term</td><td>・ Increased operating costs</td><td>• Continue to pay attention to the status of the renewable energy trading market. In the future, when the government or customers require the use of renewable</td></tr>
</table>

<table>
<tr><th>Items</th><th colspan="5">Status of implementation</th></tr>
<tr><td rowspan="3"></td><td>sources)</td><td>energy projects and adopt energy-saving measures</td><td></td><td></td><td>energy, the corresponding amount of renewable energy will be purchased through relevant trading platforms.
• Prepare a budget and choose energy-saving products to replace old equipment, reduce electricity bills and reduce carbon emissions.</td></tr>
<tr><td>Opportunities (Resource Usage Efficiency)</td><td>Use more efficient production and distribution processes</td><td>Short term</td><td>・ Increase revenue
・ Reduce Operating Costs</td><td>• Continuously conduct energy efficiency assessments to understand energy usage across equipment, processes, and other areas.
• Collaborate with customers through Minimum Order Quantity (MOQ) arrangements to reduce the frequency of production line changeovers, thereby lowering the labor hours and energy consumption required for manufacturing.</td></tr>
<tr><td>Opportunities (Products and Services)</td><td>Develop and/or Expand Low-Carbon Products and Services</td><td>Short term</td><td>・ Increase revenue</td><td>• During the product design stage, continuous emphasis is placed on energy efficiency, the use of recycled plastic materials, and ensuring that products are easy to disassemble, repair, and replace parts.</td></tr>
<tr><td>III. Describe the financial impact of extreme weather events and transformative actions.</td><td colspan="5">The climate change risks and opportunities identified above have been comprehensively considered, including the likelihood and timing of climate risks and opportunities, and the extent of their impact on the company. The assessment should result in changes in operating income, operating costs, capital expenditures, etc.</td></tr>
<tr><td>IV. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</td><td colspan="5">The primary task of the Company's risk management function is to identify and evaluate various potential risks. Avision refers to the climate risks and opportunity factors recommended by TCFD, as well as the probability of occurrence, frequency, and possible impacts, to evaluate the most significant climate issues and identify Identify priority physical risks, transition risks and climate opportunities. In 2023, Avision convened a sustainable development promotion team and held educational training and workshops to help participating managers and colleagues understand the climate risks and opportunities related to Avision and prioritize them. In response to the risk opportunities identified above, we formulate and regularly review response strategies to prevent risks from occurring or reduce their impact, and report to senior executives for management and review of relevant disclosures.</td></tr>
<tr><td>V. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.</td><td colspan="5">The Company has not yet used scenario analysis to assess climate change risks.</td></tr>
<tr><td>VI. If there is a transition plan for managing climate-</td><td colspan="5">The Company has not yet formulated a transformation plan.</td></tr>
</table>

Items	Status of implementation
related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	
VII. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The Company does not use internal carbon pricing.
VIII. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	Greenhouse gas management: For five consecutive years starting from 2021, the carbon dioxide emission equivalent of each year (Scope 1 and Scope 2) will be reduced by 2% compared with the previous period. Energy use: For five consecutive years starting from 2021, annual electricity consumption will be reduced by 1.5%.
IX. Greenhouse gas inventory and assurance status (separately fill out in points 1-1 and 1-2 below).	The Company conducts greenhouse gas inventory on a voluntary basis and will comply with the requirements of the Corporate Governance 3.0 Sustainable Development Blueprint, complete and disclose greenhouse gas inventory and confirmation according to the schedule.

1-1 Recent Two-Year Company Greenhouse Gas Inventory and Assurance Status

1-1-1 Greenhouse Gas Inventory Information

Statement of Greenhouse Gas Emissions for the Last Two Years (metric tons CO2e), Intensity (metric tons CO2e per million dollars), and Data Coverage Scope.

Items	2024 年	2025 年
Scope 1 (tonCO2e)	89.0008	102.9221
Scope 2 (tonCO2e)	714.2331	664.7170
Total Greenhouse Gas Emissions (tonCO2e)	803.234	767.639
Greenhouse Gas Emission Intensity (tonCO2e/ million NTD)	1.94	0.79

Note 1: Direct emissions (Scope 1, i.e., emissions directly from sources owned or controlled by the company), energy indirect emissions (Scope 2, i.e., emissions from the consumption of purchased electricity, heat, or steam), and other indirect emissions (Scope 3, i.e., emissions from activities not owned or controlled by the company but are associated with its activities, excluding energy indirect emissions).

Note 2: The coverage scope for direct emissions and energy indirect emissions shall be in accordance with the schedule specified in Article 10, Paragraph 2 of this standard, while information on other indirect emissions may be voluntarily disclosed.

Note 3: Greenhouse gas inventory standards: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 published by the International Organization for Standardization (ISO).
Note 4: The intensity of greenhouse gas emissions may be calculated per unit of product/service or revenue, but at least data calculated based on revenue (in millions of New Taiwan Dollars) should be provided.
Note 5: The calculation method for Greenhouse Gas Emissions is activity data * emission factor * GWP value. The emission factors are referenced from the Ministry of Environment's Greenhouse Gas Emission Factor Management Table version 6.0.4, and the Global Warming Potential (GWP) values are taken from the IPCC's Fifth Assessment Report published in 2013.
Note 6: The boundaries for the Greenhouse Gas inventory include the Hsinchu operational plant, Avision's Xindian office, and the Xuecheng building dormitory.
Note 7: Greenhouse Gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and nitrogen trifluoride.

1-1-2 Greenhouse Gas Assurance Information

Provide an explanation of the assurance status for the most recent two years up to the date of the annual report printing, including the scope of assurance, assurance provider, assurance standards, and assurance opinions ：Avision has not yet conducted Greenhouse Gas assurance.

Note 1: In accordance with the schedule specified in Article 10, Paragraph 2 of this standard, if the company has not obtained a complete assurance opinion on greenhouse gases as of the printing date of the annual report, it should be noted as "Complete assurance information will be disclosed in the sustainability report." If the company has not prepared a sustainability report, it should be noted as "Complete assurance information will be disclosed on the Market Observation Post System," and complete assurance information should be disclosed in the subsequent year's annual report.
Note 2: Assurance providers should comply with the relevant provisions of the Taiwan Stock Exchange Corporation and the Taiwan OTC Exchange regarding assurance providers for sustainability reports.
Note 3: The disclosure content can refer to the best practice examples on the Corporate Governance Center website of the Taiwan Stock Exchange.

1-2 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans

Provide an explanation of the baseline year and its data for greenhouse gas reduction, reduction targets, strategies, specific action plans, and the status of achieving reduction targets.

Greenhouse Gas management	Starting from 2021, for five consecutive years, the comparison of carbon dioxide emission equivalents (Scope 1 and Scope 2) between the current period and the previous period will show a reduction of 2% annually.

Note 1: The schedule should be in accordance with the regulations specified in Article 10, Paragraph 2 of this standard.
Note 2: The baseline year should be the year in which the inventory is completed based on the boundaries of the consolidated financial statements. For example, according to the regulations specified in Article 10, Paragraph 2 of this standard, companies with capital exceeding 10 billion NT dollars should complete the inventory of the consolidated financial statements for the year 113. Hence, the baseline year is 113. If the company has completed the inventory of the consolidated financial statements earlier, it may use the earlier year as the baseline year. Additionally, the data for the baseline year may be calculated as a single year or as an average of several years.
Note 3: The disclosure content can refer to the best practice examples on the Corporate Governance Center website of the Taiwan Stock Exchange.

(IX) Ethical Corporate Management Practices, and Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons

Items of evaluation	Operation Status			Divergence from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx-listed Companies
	Yes	No	Summary description	
I. Establish ethical corporate management policy and solution			Ethical management and integrity are the most important business philosophies to Avision Inc.	Comply with the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.
(I) Has the Company stated in its Memorandum or external correspondence about the policies and practices it has to maintain business integrity? Are the board of directors and the management committed in fulfilling this commitment?	V		(I) The Employee Service Rules have specified that all employees must comply with the government laws and regulations with ethics and impartiality during the execution of job duties. In addition, the Company's Ethical Corporate Management Best Practice Principles also explicitly specifies the Company's ethical management policy and the requirements for the board of directors and management to be committed to the active implementation.	
(II) Has the Company established plans for the prevention of unethical practices, and has it specified the operation procedures, code of conduct, and punishment for violation, and system for disciplining and complaints in each plan, and have these plans been implemented with routine review and revision?	V		(II) To promote and implement ethical conducts, the Ethical Corporate Management Best Practice Principles of the Company are published on the Company's website as a basis for employees to inquire their personal conducts. In addition, report acceptance unit has been established. In case of any discovery of major violation or any likelihood of major damage to the Company, report is prepared immediately for informing independent directors, thereby implementing the unethical conduct plan.	
(III) Has the Company taken steps to prevent occurrences listed in the subparagraphs of Paragraph 2 of Article 7 of "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" or business conducts that are prone to integrity risks?	V		(III) To prevent occurrence of unethical conducts, the Ethical Corporate Management Best Practice Principles of the Company have specified preventive measures in detail.	
II. Implementation of ethical corporate management				Comply with the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.
(I) Has the Company evaluated the record of the counterparties on business ethics, and explicitly stated business integrity as an integral part of the contracts when entering into agreements with counterparties of trade?	V		(I) For unethical suppliers, customers and transaction parties with business dealings and subject to violation of ethics verified to be true, such matter is reported to the board of directors for resolution, and contract may be terminated or rescinded at any time.	

Items of evaluation	Operation Status			Divergence from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx-listed Companies
	Yes	No	Summary description	
(II) Has the Company established a dedicated (concurrent) unit under the board of directors and responsible for the promotion of ethical corporate management? Does this unit report its implementation status to the board of directors on a regular basis?	V		(II) Ethics and trust are important business philosophies to the Company. From board of directors to each department vice presidents, legal and human resource, etc., ethical management is promoted for different aspects, and all employees are required to abide by and comply with the corporate management best practice principles. The Company has established the report acceptance unit to handle unethical cases, in case where any director or senior officer is involved, it shall be reported to the independent directors.	
(III) Has the Company established policies for preventing conflicts of interest, provided appropriate channels for complaints, and properly implemented the such policies and channels?	V		(III) For any conduct of violation or conflict of interest, employees of the Company may report to the Administrative Management Division.	
(IV) Has the Company implemented effective accounting and internal control systems for the purpose of maintaining ethical operation? Are these systems reviewed by internal or external auditors on a regular basis?	V		(IV) The internal of the Company has established the supplier evaluation system, and the internal auditors perform audit periodically and prepare report for submitting to the board of directors, in order to eliminate the occurrence of unethical conducts.	
(V) Has the Company provided internal and external training on ethical management on a regular basis?	V		(V) The Company organizes education and training for directors, managers, internal employees of the Company periodically, and also invites counterparties engaging in business activities with the Company to participate in such education and training.	
III. Reporting system operation status of the Company (I) Has the Company established a substantive reporting and reward and punishment system and convenient channels for reporting, and appointed designated personnel for handling the targets of reports?	V		(I) To implement ethical management and to prevent conflict of interest, the Company has established the reporting system, and its content is as follows: 1. Establish reporting mailbox, direct line. 2. Designate report acceptance responsible personnel or unit (Administrative Management Division). 3. Reporting case acceptance, investigation process, investigation result and relevant document preparation records and preservation.	Comply with the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.

Items of evaluation	Operation Status			Divergence from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx-listed Companies
	Yes	No	Summary description	
(II) Has the Company implemented any standard procedures or confidentiality measures for handling reported misconducts? (III) Has the Company taken any measures for the protection of the informants or reporters from suffering undue treatment?	V V		4. Reporter reward and incentive measures. 5. Protect reporters from any improper treatment due to reporting matters. (II) The Company has established the reporting case investigation standard operation procedure and relevant confidentiality mechanism. In addition, during the new employee orientation, all employees are required to report to the management in case of discovery of any violation of policies and code of ethical conducts. (III) The Company keeps the reporter confidential without any information disclosure in order to protect the safety of reporters.	
IV. Enhance information disclosure (I) Has the Company disclose the content of the ethical operation guidelines and their implementation results on its website and the Market Observation Post System?	V		Disclose the “Ethical Corporate Management Best Practice Principles” established by the Company on the Company’s website. https://www.avision.com/tw/investor-relations/corporate-governance/	Comply with the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.
V. If the Company has established its own ethical corporate management best practice principles according to the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”, please specify the difference between its operation and the principles: The Company discloses the Ethical Corporate Management Best Practice Principles on the Company’s website, and requests employees to review these principles in order to use them as the basis for personal behaviors and conducts. The actual operation has no major difference from the principles.				
VI. Other important information that is helpful in understanding the corporate ethical management operation of the Company: (Such as, the Company has the corporate ethical management best practice principles amended, etc.) Please refer to “Employee Code of Conduct or Ethics” of the annual report.				

(X) Internal Control System Implementation Status

1. Declaration of Internal Control

公開發行公司內部控制制度聲明書

表示設計及執行均有效

(本聲明書於遵循法令規章部分採全部法令規章均聲明時適用)

虹光精密工業股份有限公司

內部控制制度聲明書

日期：115 年 3 月 11 日

本公司民國 114 年度之內部控制制度，依據自行評估的結果，謹聲明如下：

一、本公司確知建立、實施和維護內部控制制度係本公司董事會及經理人之責任，本公司業已建立此一制度。其目的係在對營運之效果及效率(含獲利、績效及保障資產安全等)、報導具可靠性、及時性、透明性及符合相關規範暨相關法令規章之遵循等目標的達成，提供合理的確保。

二、內部控制制度有其先天限制，不論設計如何完善，有效之內部控制制度亦僅能對上述三項目標之達成提供合理的確保；而且，由於環境、情況之改變，內部控制制度之有效性可能隨之改變。惟本公司之內部控制制度設有自我監督之機制，缺失一經辨認，本公司即採取更正之行動。

三、本公司係依據「公開發行公司建立內部控制制度處理準則」（以下簡稱「處理準則」）規定之內部控制制度有效性之判斷項目，判斷內部控制制度之設計及執行是否有效。該「處理準則」所採用之內部控制制度判斷項目，係為依管理控制之過程，將內部控制制度劃分為五個組成要素：1.控制環境，2.風險評估，3.控制作業，4.資訊與溝通，及5.監督作業。每個組成要素又包括若干項目。前述項目請參見「處理準則」之規定。

四、本公司業已採用上述內部控制制度判斷項目，評估內部控制制度之設計及執行的有效性。

五、本公司基於前項評估結果，認為本公司於民國114年12月31日的內部控制制度（含對子公司之監督與管理），包括瞭解營運之效果及效率目標達成之程度、報導係屬可靠、及時、透明及符合相關規範暨相關法令規章之遵循有關的內部控制制度等之設計及執行係屬有效，其能合理確保上述目標之達成。

六、本聲明書將成為本公司年報及公開說明書之主要內容，並對外公開。上述公開之內容如有虛偽、隱匿等不法情事，將涉及證券交易法第二十條、第三十二條、第一百七十一條及第一百七十四條等之法律責任。

七、本聲明書業經本公司民國115年03月11日董事會通過，經出席獨立董事 4 人及董事 3 人中，有 0 人持反對意見，餘均同意本聲明書之內容，併此聲明。

虹光精密工業股份有限公司

董事長： 簽章

總經理： 簽章

2. If the internal control system was reviewed by CPA, the CPA's review report shall be disclosed: **None**.

(XI) Major Resolutions Made by Shareholders' Meetings and Board Meetings in 2025 and up to the date of publication of the annual report

1. Important resolution of shareholders' meetings

Important resolutions of shareholders' meetings of the Company in 2025 and implementation status are described in the following:

(1) Adoption of 2024 annual business report and financial statements.

(2) Adoption of 2024 deficit compensation proposal.

(3) The Company intended to organize private placement for issuance of common stock shares.

Implementation status:

Approved through resolution. Completed the declaration at the MOPS and disclosed on the Company's website on the date of shareholders' meeting.

(4) Proposal for Amendments to certain articles of the Company's Articles of Association.

(5) Proposal to through the proposed capital reduction by the Company to offset losses.

2. Important resolutions of board of directors' meetings

The summary of important resolutions adopted by the board of directors of the Company from January 1, 2025 up to the date of publication of the annual report are as follows:

2025.03.14	1. Proposal for 2024 consolidated financial information. 2. Whether or not there is "disguised funds financing that needs to be declared as funds lent to others" for the Company's accounts receivable. 3. 2024 "Internal Control System Effectiveness Assessment" and "Internal Control System Statement". 4. Amendment to certain articles of the Company's "Articles of Association" 5. Proposal to convene the 2025 Annual General Meeting of Shareholders.. 6. Discussion of the Company's 2025 cash flow forecast.
2025.03.31	1. 2024 Annual Business Report and Financial Statements. 2. 2024 Loss Coverage Proposal. 3. Proposed Amendments to Matters Related to the 2025 Annual General Meeting of Shareholders.
2025.05.14	1. First quarter of 2025 financial report of the Company. 2. Whether or not there is "disguised funds financing that needs to be declared as funds lent to others" for the Company's accounts receivable. 3. Proposal to Discontinue the Private Placement of Common Shares Approved at the 2024 Annual General Meeting. 4. Proposal for the Company to Conduct a Private Placement of Common Shares. 5. Proposal for Execute a capital reduction to cover accumulated deficits 6. Proposal to Amend Matters Related to the 2025 Annual General Meeting. 7. Proposal to consider the salary structure and standards of the Company's directors. 8. Review the company's current manager compensation structure and standards (details as provided). 9. To consider the distribution of directors' remuneration and employee compensation for the Company's 2024 fiscal year. 10. Proposal on the Salary Adjustment Rate for the Company's Managers for the Year 2025.
2025.06.27	1. Proposal on Establishment of credit lines with banks. 2. Proposal on Appointment of the company's Chief Financial Officer and Chief Accountant. 3. Proposed change of the company's Internal Audit.

	4. Proposed change of the company's spokesperson and acting spokesperson. 5. Proposed change of the company's Chief Corporate Governance Officer. 6. Proposed change of the accounting firm issuing the company's financial statements, effective from the second quarter of 2025.
2025.08.13	1. Seceond quarter of 2025 financial report of the Company. 2. Proposal Not to Approve Loss Compensation for the First Half of Fiscal Year 2025. 3. Proposal to Establish Credit Lines with Banks. 4. Whether or not there is "disguised funds financing that needs to be declared as funds lent to others" for the Company's accounts receivable.
2025.11.11	1. Third quarter of 2025 financial report of the Company. 2. Whether or not there is "disguised funds financing that needs to be declared as funds lent to others" for the Company's accounts receivable. 3. Proposal on the Change of the Company's Spokesperson. 4. According to the letter from the Taiwan Stock Exchange Corporation (hereinafter referred to as the "TWSE"), "TWSE No. 11400132451", the internal control system design or implementation of Hung-Kuang Precision Industry Co., Ltd. (hereinafter referred to as "Hung-Kuang") has deficiencies and matters that should be handled accordingly. 5. Revise certain clauses in the company's "Internal Control System Standards and Specifications". 6. Proposal to Definition of the scope of frontline employees in this company
2025.12.23	1. 2026 Business plan. 2. Proposal for 2026 internal control system annual audit plan. 3. Proposal for Appointment, Remuneration, and Independence Evaluation of the Certified Public Accountants for Financial Report Audits Starting from the First Quarter of 2026. 4. Comparison table of revisions to internal control system standards and specifications. 5. Proposal for Appointment of an Information Security Chief at our company. 6. Proposal for Distribution of Managerial and Employee Compensation for the Company in 2024 7. The Company's 2025 Annual Managerial Bonus Distribution Plan.
2026.03.11	1. Proposal on the 2025 Unaudited Consolidated Financial Information. 2. Whether or not there is "disguised funds financing that needs to be declared as funds lent to others" for the Company's accounts receivable. 3. Proposal for the Company's 2024 "Internal Control System Effectiveness Assessment" and "Statement of the Internal Control System". 4. Proposal to convene the 2026 Annual General Meeting of Shareholders 5. Discussion of the Company's Cash Flow Forecast Statement for 2026 6. Proposal to capital reduction with cash payment date and retification material information. 7. Proposal to Overdue AR VISIONEER INC. progress tracking. 8. Proposal on Comparison Table of Revisions to Internal Control System Standards and Specifications. 9. Proposal to consider the salary structure and standards of the Company's directors. 10. Proposal to review the company's current manager compensation structure and standards, as detailed below. 11. Proposal to consider the distribution of directors' remuneration and employee remuneration for the 2025 fiscal year. 12. Proposal to consider the salary adjustment proposal for the 2026 fiscal year for the company's managers.
2026.03.26	1. 2025 Annual Business Report and Financial Statements 2. Proposal for 2025 deficit compensation. 3. Report on the implementation status of the Company's "Sound Operations Plan" in the fourth quarter of 2025. 4. Proposal to Discontinue the Private Placement of Common Shares Approved at the 2025 Annual General Meeting.
2026.04.29	1. Proposal on Our company intends to conduct a private placement of common stock. 2. Proposal on The Company proposes to update the grounds for convening its 2026 Annual General Meeting of Shareholders by adding "Private Placement of Ordinary Shares".

(XII) Summary of the adverse opinions from the directors on major decisions of the board in the most recent year and up to the date of publication of the annual report was printed, with record or in written declaration: None.

III. CPAS' Fee Information

(I) Independent Auditors' Fee

Amount Unit: NTD Thousand

Name of CPA Firm	Name of CPA	CPA Audit Period	Auditing Public Expense	Non-auditing Public Expense	Total	Remarks
PwC Taiwan	Hsieh Chih-Cheng Chiang Cheng-Han	2025.01.01~2025.03.31	675	25	700	Non-audit service fee: Business consulting service
EnWise CPAs & CO.	Liao, Nian-Jie Chen,Jing-Yi	2025.04.01~2025.12.31	3,964	464	4,428	Non-audit service fee: sustainability report 400 NT$ thousands, business consulting service 64 NT$ thousands
Deloitte Taiwan	Hsu,Chia-Ming	2025.01.01~2025.12.31	0	840	840	Non-audit service fee: transfer pricing report

(II) When the accounting firm is change, the amount of the audit fees before and after the change and reason thereof:

Item	2024	2025	Increase/Decrease Amount	Increase/Decrease Ratio
Audit Fees	5,600	4,639	(961)	(17.16%)
Reason for reduction：Due to internal management needs, the company changed its auditing firm in the second quarter of 2025. The Audit Committee and Board of Directors approved the appointment of Chien Chih United Certified Public Accountants for auditing and certification. The audit fees were negotiated with the firm according to procedure.				

(III) The audit certification expenditure has decreased by over 10% compared to that of the previous year: **Same as (II)**

IV. Information on replacement of CPAs:

(I)Regarding the predecessor accountant

Change Date	Jun.27th, 2025		
Reasons for replacement and explanations	Company internal management requirement		
This indicates that the appointor or accountant has terminated or declined the appointment.	Client / Situation	Accountant	Appointor
	Voluntarily terminate the appointment		
	No longer accepting (continuing) appointments		V
	Not Applicable		

<table>
<tr><td>Opinions and reasons for the latest audit reports (excluding unqualified opinions) issued within the last two years.</td><td colspan="3"></td></tr>
<tr><td rowspan="7">Do you have any disagreements with the issuer?</td><td rowspan="5">Yes</td><td rowspan="5"></td><td>Accounting principles or practices</td></tr>
<tr><td>Disclosure of financial reports</td></tr>
<tr><td>Scope or steps of verification</td></tr>
<tr><td>Others</td></tr>
<tr><td></td></tr>
<tr><td>None</td><td colspan="2">V</td></tr>
<tr><td colspan="3">Explaination</td></tr>
<tr><td>Other matters to be disclosed (sub-items 1.4 to 1.7 of Article 10, Section 6 of this Guideline)</td><td colspan="3">Not Applicable</td></tr>
</table>

(II) Regarding successor auditor

Name of CPA Firm	EnWise CPAs & CO.
Name of CPA	Liao, Nian-Jie、Chen,Jing-Yi
Date of Appointment	Approved by Bord of Director in Jun.27th ,2025
Accounting treatment methods or accounting principles for specific transaction and consultation regarding possible opinions on financial reports and their outcomes before appointment	None
Written opinion of the successor accountant on matters in which the successor accountant disagrees with the predecessor accountant	None

(III) Predecessor accountant's reply to items 1 and 2(3) of Article 10, Paragraph 6 of this Standard: None。

V. The Chairman, President, Chief Financial manager, or Accounting Manager, who has been employed by the CPA firm or its affiliates in the most recent one year: None

VI. Changes in the Equity of Directors, Managers, and Major Shareholders

(I) Equity Change Status

Unit: Shares

Title	Name	2025	Up to April 27, 2026

		Increase (decrease) for the number of shares held	Increase (decrease) for the number of shares pledged	Increase (decrease) for the number of shares held	Increase (decrease) for the number of shares pledged
Chairman/President	Sheng Shao-Lan	0	0	0	0
Director	Wu Yung-Chuan	0	0	0	0
Director/Vice President (Note 1)	Shih Po-Sheng	0	0	(21,000)	0
Independent Director	Liang Chiang-Wei	0	0	0	0
Independent Director	Chen Kuang	0	0	0	0
Independent Director	Tsung Jui-Yao	0	0	0	0
Independent Director	Peng Ming-Hsiu	0	0	0	0
Deputy General Manager	Chiang Chen -Ming	30,000	0	0	0
Chief Financial and Accounting Officer	Chen Shou-Ching	0	0	0	0
Chief Financial and Accounting Officer	Lu Kuan-Yi	9,000	0	6,000	0
Major Shareholders	Lo Hsiu-Chun	0	0	0	0

Note1: Chief Financial and Accounting Officer Chen Shou-Ching due to dismissal, resigned on August 15, 2025.

Note2: Since no share swap operation was carried out as of the publication date, the number of shares held is the number of shares before the capital reduction.

(II) Information on the counterpart of equity transfer being a related party: **None.**

(III) Equity pledge information **None.**

VII. Information on relationship among the top 10 shareholding ratio shareholders

Unit: Share; %

Name	Personal Shareholding		Holding of shares by spouse, underage children		Total shares held under the name of others		Information on the relations among the top 10 shareholders if anyone is a related party, a spouse, or a relative within second degree of kinship of another and their names		Remarks
	Shares	Ratio of shareholding	Shares	Ratio of shareholding	Shares	Ratio of shareholding	Title (or name)	Relation	
Lo Hsiu-Chun	21,370,178	9.85%	16,870,300	7.78%	-	-	Sheng Shao-Lan	Husband-wife	
							Sheng Shi-Chao	Mother-son	
Sheng Shao-Lan	16,870,300	7.78%	21,370,178	9.85%			Lo Hsiu-Chun	Husband-wife	
							Sheng Shi-Chao	Father-son	
Avision Faith and Love Fund Charity Trust Account Under Trust Custody of Bank SinoPac	10,325,886	4.76%			-	-	-	-	

Taiwan Mask Corporation	10,000,000	4.61%					-	-	
Chou Chung-Li	6,324,638	2.92%	-	-	-	-	-	-	
Wu Chih-Wen	4,951,663	2.28%	-	-	-	-			
Liaojie Investment Co., Ltd	3,000,000	1.38%	-	-	-	-	-	-	
Chen Lung	1,773,007	0.82%	-	-	-	-	-	-	
Liu Ta-Ming	1,636,638	0.75%	-	-	-	-	-	-	
Sheng Shi-Chao	1,382,006	0.64%	-	-	-	-	Lo Hsiu-Chun	Mother-son	
							Sheng Shi-Chao	Father-son	

Note: Since no share swap operation was carried out as of the publication date, the number of shares held is the number of shares before the capital reduction.

VIII. The quantity of shares, and combined with the proportion of overall shareholding held by the Company, Directors of the Company, managers, and business entities under the direct or indirect control of the Company on a particular investee company, the ratio of overall shareholding in combination in the calculation.

March 31, 2025 Unit: Share; %

Reinvestment Business	Investment by the Company		Investment by directors, supervisors, managers, or any companies controlled either directly or indirectly by the Company		Combined Investment	
	Shares	Shares Ratio	Shares	Shares Ratio	Shares	Shares Ratio
Avision International Inc.	38,546,389	100	－	－	38,546,389	100
Quantum Investment Co., Ltd.	2,550,000	100	－	－	2,550,000	100
Avision Development Inc.	8,390,475	100	－	－	8,390,475	100
Avision Brasil Ltda	Note	99	－	－	Note	99
Fortune Investments Ltd.	－	－	39,498,705	100	39,498,705	100
Avision Europe GmbH	－	－	Note	100	Note	100
Sunglow International Inc.	－	－	8,390,475	100	8,390,475	100
Avision (Suzhou) Co., Ltd.	－	－	Note	100	Note	100
Avision Digital Office Equipment (Shanghai) Trading Co., Ltd.	－	－	Note	100	Note	100
Avision Labs, Inc.	－	－	800,000	96	800,000	96
Suzhou Hongxin Microelectronics Co., Ltd.	－	－	Note	85	Note	85

Note 1: Shares not yet publicly issued.

Note 2: Since no share swap operation was carried out as of the publication date, the number of shares held is the number of share before the capital reduction.

Three. Fundraising Status

I. Capital and Shares

(I) Source of Equity

Unit: Shares; In New Taiwan Dollars

Year Month	Price of Issuance	Approved Share Capital		Paid-in Capital		Remarks			
		Shares	Amount	Shares	Amount	Source of Equity		Those who use assets other than cash to offset the share price	Others
1991.04	10	6,000,000	60,000,000	1,500,000	15,000,000	Establishment	15,000,000	None.	—
1991.08	10	6,000,000	60,000,000	3,767,000	37,670,000	Cash capital increase	22,670,000	None.	—
1991.10	10	6,000,000	60,000,000	5,100,000	51,000,000	Cash capital increase	13,330,000	None.	—
1992.12	10	6,000,000	60,000,000	6,000,000	60,000,000	Cash capital increase	9,000,000	None.	—
1995.05	10	10,000,000	100,000,000	10,000,000	100,000,000	Cash capital increase Earnings	20,000,000 20,000,000	None.	—
1996.09	10	60,000,000	600,000,000	30,000,000	300,000,000	Cash capital increase Earnings	20,000,000 180,000,000	None.	Note 1
1997.07	10	60,000,000	600,000,000	33,000,000	330,000,000	Capital increase from retained earnings	30,000,000	None.	Note 2
1998.05	10	60,000,000	600,000,000	49,290,000	492,900,000	Capital increase from retained earnings	162,900,000	None.	Note 3
1999.08	10	120,000,000	1,200,000,000	76,835,000	768,350,000	Capital increase from retained earnings	275,450,000	None.	Note 4
2000.03	10	120,000,000	1,200,000,000	84,335,000	843,350,000	Cash capital increase	75,000,000	None.	Note 5
2000.08	10	250,000,000	2,500,000,000	126,089,700	1,260,897,000	Capital increase from retained earnings	417,547,000	None.	Note 6
2011.06	10	250,000,000	2,500,000,000	183,631,900	1,836,319,000	Capital increase from retained earnings	575,422,000	None.	Note 7
2002.06	10	250,000,000	2,500,000,000	211,690,000	2,116,900,000	Capital increase from retained earnings	280,581,000	None.	Note 8
2003.06	10	250,000,000	2,500,000,000	216,240,000	2,162,400,000	Capital increase from retained earnings	45,500,000	None.	Note 9

Year Month	Price of Issuance	Approved Share Capital		Paid-in Capital		Remarks			
		Shares	Amount	Shares	Amount	Source of Equity		Those who use assets other than cash to offset the share price	Others
2004.06	10	250,000,000	2,500,000,000	221,160,000	2,211,600,000	Capital increase from retained earnings	49,200,000	None.	Note 10
2005.05	10	250,000,000	2,500,000,000	221,231,000	2,212,310,000	Capital increase	710,000	None.	Note 11
2005.08	10	250,000,000	2,500,000,000	222,981,950	2,229,819,500	Capital increase from retained earnings Capital increase Capital reduction	45,796,000 1,713,500 30,000,000	None.	Note 12
2005.11	10	250,000,000	2,500,000,000	221,145,850	2,211,458,500	Capital increase Capital reduction	12,059,000 30,420,000	None.	Note 13
2006.02	10	250,000,000	2,500,000,000	221,207,350	2,212,073,500	Capital increase	615,000	None.	Note 14
2006.05	10	250,000,000	2,500,000,000	217,332,700	2,173,327,000	Capital increase Capital reduction	2,793,500 41,540,000	None.	Note 15
2006.08	10	300,000,000	3,000,000,000	227,033,975	2,270,339,750	Capital increase from retained earnings Capital increase	95,000,000 2,012,750	None.	Note 16
2006.11	10	300,000,000	3,000,000,000	224,072,600	2,240,726,000	Capital reduction Capital increase	30,000,000 386,250	None.	Note 17
2007.03	10	300,000,000	3,000,000,000	224,088,100	2,240,881,000	Capital increase	155,000	None.	Note 18
2007.04	10	300,000,000	3,000,000,000	224,446,575	2,244,465,750	Capital increase	3,584,750	None.	Note 19
2007.08	10	300,000,000	3,000,000,000	228,043,000	2,280,430,000	Capital increase from retained earnings Capital increase	33,050,000 2,914,250	None.	Note 20
2007.11	10	300,000,000	3,000,000,000	228,108,750	2,281,087,500	Capital increase	657,500	None.	Note 21
2008.01	10	300,000,000	3,000,000,000	226,320,500	2,263,205,000	Capital increase Capital reduction	2,117,500 20,000,000	None.	Note 22
2008.05	10	300,000,000	3,000,000,000	226,554,600	2,265,546,000	Capital increase	2,341,000	None.	Note 23
2008.08	10	300,000,000	3,000,000,000	229,980,600	2,299,806,000	Capital increase	34,260,000	None.	Note 24

Year Month	Price of Issuance	Approved Share Capital		Paid-in Capital		Remarks			
		Shares	Amount	Shares	Amount	Source of Equity		Those who use assets other than cash to offset the share price	Others
2008.11	10	300,000,000	3,000,000,000	226,980,600	2,269,806,000	Capital reduction	30,000,000	None.	Note 25
2009.01	10	300,000,000	3,000,000,000	224,230,600	2,242,306,000	Capital reduction	27,500,000	None.	Note 26
2011.12	10	300,000,000	3,000,000,000	220,210,600	2,202,106,000	Capital reduction	40,200,000	None.	Note 27
2014.04	10	300,000,000	3,000,000,000	220,217,600	2,202,176,000	Capital increase	70,000	None.	Note 28
2014.05	10	300,000,000	3,000,000,000	220,221,350	2,202,213,500	Capital increase	37,500	None.	Note 29
2014.11	10	300,000,000	3,000,000,000	220,114,350	2,202,243,500	Capital increase	30,000	None.	Note 30
2015.04	10	300,000,000	3,000,000,000	220,225,850	2,202,258,500	Capital increase	15,000	None.	Note 31
2015.09	10	300,000,000	3,000,000,000	218,851,850	2,188,518,500	Capital reduction	13,740,000	None.	Note 32
2015.10	10	300,000,000	3,000,000,000	216,851,850	2,168,518,500	Capital reduction	20,000,000	None.	Note 33
2016.01	10	300,000,000	3,000,000,000	212,810,850	2,128,108,500	Capital reduction	40,410,000	None.	Note 34
2016.04	10	300,000,000	3,000,000,000	210,571,850	2,105,718,500	Capital reduction	22,390,000	None.	Note 35
2016.08	10	300,000,000	3,000,000,000	208,220,850	2,082,208,500	Capital reduction	23,510,000	None.	Note 36
2019.08	10	300,000,000	3,000,000,000	162,444,084	1,624,440,840	Capital reduction	457,767,660	None.	Note 37
2020.04	10	300,000,000	3,000,000,000	179,444,084	1,794,440,840	Private Placement	170,000,000	None.	Note 38
2021.07	10	300,000,000	3,000,000,000	189,444,084	1,894,440,840	Private Placement	100,000,000	None.	Note 39
2022.07	10	300,000,000	3,000,000,000	193,221,084	1,932,210,840	Private Placement	37,770,000	None.	Note 40
2022.10	10	300,000,000	3,000,000,000	213,221,084	2,132,210,840	Capital increase	200,000,000	None.	Note 41
2023.06	10	300,000,000	3,000,000,000	216,934,084	2,169,340,840	Private Placement	37,130,000	None.	Note 42
2026.03	10	300,000,000	3,000,000,000	60,000,000	600,000,000	Capital reduction	1,569,340,840	None	Note 43

Note 1: Approval of the present cash capital increase and capital increase by retained earnings of NT$200 million in accordance with the Securities and Futures Management Commission of Ministry of Finance (1996) Tai-Tsai-Zheng (I) No. 39775 Letter dated June 26, 1996, and the paid-in capital after the capital increase was NT$300 million.

Note 2: Approval of the present capital increase by retained earnings of NT$30 million in accordance with the Securities and Futures Management Commission of Ministry of Finance (1997) Tai-Tsai-Zheng (I) No. 47585 Letter dated June 17,1997, and the paid-in capital after the capital increase was NT$330 million.

Note 3: Approval of the present capital increase by retained earnings of NT$162.9 million in accordance with the Securities and Futures Management Commission of Ministry of Finance (1998) Tai-Tsai-Zheng (I) No. 44625 Letter dated May 20, 1998, and the paid-in capital after the capital increase was NT$492.9 million.

Note 4: Approval of the present capital increase by retained earnings of NT$275.5 million in accordance with the Securities and Futures Management Commission of Ministry of Finance (1999) Tai-Tsai-Zheng (I) No. 56960 Letter dated June 22, 1999, and the paid-in capital after the capital increase was NT$768.35 million.

Note 5: Approval of the present cash capital increase of NT$75 million in accordance with the Securities and Futures Management Commission of Ministry of Finance (1999) Tai-Tsai-Zheng (I) No. 106789 Letter dated December 28, 1999, and the paid-in capital after the capital increase was NT$843.35 million.

Note 6: Approval of the present capital increase by retained earnings of NT$417.047 million in accordance with the Securities and Futures Management Commission of Ministry of Finance (2000) Tai-Tsai-Zheng (I) No. 49146 Letter dated June 7, 2000, and the paid-in capital after the capital increase was NT$1.260897 billion.

Note 7: Approval of the present capital increase by retained earnings of NT$574.522 million in accordance with the Securities and Futures Management Commission of Ministry of Finance (2001) Tai-Tsai-Zheng (I) No. 130049 Letter dated May 16, 2001, and the paid-in capital after the capital increase was NT$1.836319 billion.

Note 8: Approval of the present capital increase by retained earnings of NT$280.581 million in accordance with the Securities and Futures Management Commission of Ministry of Finance (2002) Tai-Tsai-Zheng (I) No. 014542 Letter dated June 24, 2002, and the paid-in capital after the capital increase was NT$2.1169 billon.

Note 9: Approval of the present capital increase by retained earnings of NT$45.5 million in accordance with the Securities and Futures Management Commission of Ministry of Finance (2003) Tai-Tsai-Zheng (I) No. 0920126853 Letter dated June 20, 2003, and the paid-in capital after the capital increase was NT$2.1624 billion.

Note 10: Approval of the present capital increase by retained earnings of NT$49.2 million in accordance with the Securities and Futures Management Commission of Ministry of Finance (2004) Tai-Tsai-Zheng (I) No. 0930015514 Letter dated June 29, 2004, and the paid-in capital after the capital increase was NT$2.2116 billion.

Note 11: Approval of the present capital increase with conversion of share subscription warrants of NT$710 thousand in accordance with the Science Park Bureau (2005) Yuan-Shang-Zi No. 0940012980 Letter dated May 23, 2005, and the paid-in capital after the capital increase was NT$2.21231 billion.

Note 12: Approval of the present capital increase by retained earnings of NT$45.786 million in accordance with the Financial Supervisory Commission of Ministry of Finance (2005) Jin-Guan-Zheng-Yi-Zi No. 0940125256 Letter dated June 24, 2005, the approval of the capital reduction with treasury shares of NT$30 million in accordance with the Science Park Bureau (2005) Yuan-Tou-Zi No. 0940021996 dated August 16, 2005, the approval of the present capital increase with conversion of share subscription warrants of NT$1.7135 million in accordance with the Science Park Bureau (2005) Yuan-Shang-Zi No. 0940021846, and the paid-in capital after the capital increase was NT$2.2298195 billion.

Note 13: Approval of the capital reduction with treasury shares of NT$30.42 million in accordance with the Science Park Bureau (2005) Yuan-Tou-Zi No. 0940030096 dated November 2, 2005, the approval of the present capital increase with conversion of share subscription warrant in accordance with the Science Park Bureau (2005) Yuan-Shang-Zi No. 0940032083, and the paid-in capital after the capital increase was NT$2.2114585 billion.

Note 14: Approval of the present capital increase with conversion of share subscription warrants of NT$615 thousand in accordance with the Science Park Bureau (2006) Yuan-Shang-Zi No. 0950004188 Letter dated February 21, 2006, and the paid-in capital after the capital increase was NT$2.220735 billion.

Note 15: Approval of the capital reduction with treasury shares of NT$41.54 million in accordance with the Science Park Bureau (2006) Yuan-Shang-Zi No. 0950011531 Letter dated May 12, 2006, and the approval of the present capital increase with conversion of share subscription warrants of NT$2.7835 million, and the paid-in capital after the capital increase was NT$2.173327 billion.

Note 16: Approval of the present capital increase by retained earnings of NT$95 million in accordance with the Financial Supervisory Commission of Ministry of Finance (2006) Jin-Guan-Zheng-Yi-Zi No. 0950125941 Letter dated June 23, 2006, the approval of the present capital increase with conversion of share subscription warrants of NT$2.0125 million in accordance with the Science Park Bureau (95) Yuan-Shang-Zi No. 0950020664 dated August 9, 2006, and the paid-in capital after the capital increase was NT$2.27933975 billion.

Note 17: Approval of the capital reduction with treasury shares of NT$30 million in accordance with the Science Park Bureau (2006) Yuan-Shang-Zi No. 0950030727 Letter dated November 20, 2006, and the approval of the present capital increase with conversion of share subscription warrants of NT$386.225 thousand, and the paid-in capital after the capital increase was NT$2.240726 billion.

Note 18: Approval of the present capital increase with conversion of share subscription warrants of NT$155 thousand in accordance with the Science Park Bureau (2007) Yuan-Shang-Zi No. 0960004921 Letter dated March 1, 2007, and the paid-in capital after the capital increase was NT$2.240881 billion.

Note 19: Approval of the present capital increase with conversion of share subscription warrants of NT$3.58475 million in accordance with the Science Park Bureau (2007) Yuan-Shang-Zi No. 0960010208 Letter dated April 24, 2007, and the paid-in capital after the capital increase was NT$2.24446575 billion.

Note 20: Approval of the present capital increase with conversion of share subscription warrants of NT$2.91424 million in accordance with the Science Park Bureau (2007) Yuan-Shang-Zi No. 0960021298 Letter dated August 9, 2007, and the capital increase by retained earnings of NT$33.5 million, and the paid-in capital after the capital increase was NT$2.2843 billion.

Note 21: Approval of the present capital increase with conversion of share subscription warrants of NT$657.5 thousand in accordance with the Science Park Bureau (2007) Yuan-Shang-Zi No. 0960029845 Letter dated November 5, 2007, and the paid-in capital after the capital increase was NT$2.2281875 billion.

Note 22: Approval of the present capital increase with conversion of share subscription warrants of NT$2.1175 million in accordance with the Science Park Bureau (2007) Yuan-Shang-Zi No. 0960002030 Letter dated January 23, 2008, and the capital reduction of TN$20 million by and the paid-in capital after the capital increase and reduction was NT$2.263205 billion.

Note 23: Approval of the present capital increase with conversion of share subscription warrants of NT$2.341 million in accordance with the Science Park Bureau (2007) Yuan-Shang-Zi No. 0970012287 Letter dated May 8, 2008, and the paid-in capital after the capital increase was NT$2.265546 billion.

Note 24: Approval of the present capital increase with conversion of share subscription warrants of NT$260 thousand in accordance with the Science Park Bureau (2008) Yuan-Shang-Zi No. 0970022112 Letter dated August 11, 2008, and the capital increase by retained earnings of NT$34 million, and the paid-in capital after the capital increase was NT$2.299806 billion.

Note 25: Approval of the capital reduction of NT$30 million in accordance with the Science Park Bureau (2008) Yuan-Shang-Zi No. 0970031848 Letter dated November 18, 2008, and the paid-in capital after the capital reduction was NT$2.269806 billion.

Note 26: Approval of the capital reduction of NT$27.5 million in accordance with the Science Park Bureau (2009) Yuan-Shang-Zi No.

0980004941 Letter dated February 25, 2009, and the paid-in capital after the capital reduction was NT$2.242306 billion.

Note 27: Approval of the capital reduction of NT$40.2 million in accordance with the Science Park Bureau (2011) Yuan-Shang-Zi No. 1000038738 Letter dated December 22, 2011, and the paid-in capital after the capital reduction was NT$2.202106 billion.

Note 28: Approval of the capital increase of NT$70 thousand in accordance with the Zhu-Shang-Zi No. 1030009142 Letter dated April 2, 2014, and the paid-in capital after the capital increase was NT$2.202176 billion.

Note 29: Approval of the capital increase of NT$37.5 thousand in accordance with the Zhu-Shang-Zi No. 1030014350 Letter dated May 20, 2014, and the paid-in capital after the capital increase was NT$2.202135 billion.

Note 30: Approval of the capital increase of NT$30 thousand in accordance with the Zhu-Shang-Zi No. 1030033772 Letter dated November 20, 2014, and the paid-in capital after the capital increase was NT$2.2022435 billion.

Note 31: Approval of the capital increase of NT$15 thousand in accordance with the Zhu-Shang-Zi No. 1040010756 Letter dated April 20, 2015, and the paid-in capital after the capital increase was NT$2.2022586 billion.

Note 32: Approval of the capital reduction of NT$13.74 million in accordance with the Zhu-Shang-Zi No. 1040026333 Letter dated September 10, 2015, and the paid-in capital after the capital reduction was NT$2.1885185 billion.

Note 33: Approval of the capital reduction of NT$20 million in accordance with the Zhu-Shang-Zi No. 1040029161 Letter dated October 12, 2015, and the paid-in capital after the capital reduction was NT$2.1685185 billion.

Note 34: Approval of the capital reduction of NT$40.41 million in accordance with the Zhu-Shang-Zi No. 1050001864 Letter dated January 21, 2016, and the paid-in capital after the capital reduction was NT$2.12811085 billion.

Note 35: Approval of the capital reduction of NT$22.39 million in accordance with the Zhu-Shang-Zi No. 1050009229 Letter dated April 12, 2016, and the paid-in capital after the capital reduction was NT$2.1057185 billion.

Note 36: Approval of the capital reduction of NT$23.51 million in accordance with the Zhu-Shang-Zi No. 1050023335 Letter dated August 19, 2016, and the paid-in capital after the capital reduction was NT$2.1082285 billion.

Note 37: Approval of the capital reduction of NT$457.76766 million in accordance with the Zhu-Shang-Zi No. 1080023844 Letter dated August 16, 2019, and the paid-in capital after the capital reduction was NT$1.62444084 billion.

Note 38: Approval of the capital increase of NT$170 million in accordance with the Zhu-Shang-Zi No. 1090009459 Letter dated April 7, 2020, and the paid-in capital after the capital increase was NT$1.79444084 billion.

Note 39: Approval of the capital increase of NT$100 million in accordance with the Zhu-Shang-Zi No. 1100026872 Letter dated September 15, 2021, and the paid-in capital after the capital increase was NT$1.89444084 billion.

Note 40: Approval of the capital increase of NT$33.770 million in accordance with the Zhu-Shang-Zi No. 1110021953 Letter dated July 12, 2022, and the paid-in capital after the capital increase was NT$1.93221084 billion.

Note 41: Approval of the capital increase of NT$200 million in accordance with the Zhu-Shang-Zi No. 1110357814 Letter dated November 15, 2022, and the paid-in capital after the capital increase was NT$2.13221084 billion.

Note 42: Approval of the capital increase of NT$37.13 million in accordance with the Zhu-Shang-Zi No. 1120023058 Letter dated June 15, 2023, and the paid-in capital after the capital increase was NT$2.16934084 billion.

Note 43: Approval of the capital reduction of NT$1,569.34 million in accordance with the Zhu-Shang-Zi No. 1150009545 Letter dated March 25, 2026, and the paid-in capital after the capital reduction was NT$60 million.

(II) Share type

April 12, 2025 Unit: Share

Share type	Approved Share Capital			Remarks
	Outstanding share	Unissued share	Total	
Common share	216,934,084	83,065,916	300,000,000	This includes 195,879 treasury shares and 34,490,000 shares issued through private placement.

Note : Since no share swap operation was carried out as of the publication date, the number of shares held is the number of shares before the capital reduction.

(III) Information about the blanket declaration system: None.

(IV) Name list for the main shareholders

April 12, 2025

Share / Name of major shareholders	Number of shares held (shares)	Shares Ratio (%)
Lo Hsiu-Chun	21,370,178	9.85%
Sheng Shao-Lan	16,870,300	7.78%
Avision Faith and Love Fund Charity Trust Account Under Trust Custody of Bank SinoPac	10,325,886	4.76%
Taiwan Mask Corporation	10,000,000	4.61%
Chou Chung-Li	5,479,663	2.53%
Wu Chih-Wen	3,092,638	1.43%
Liaojie Investment Co., Ltd	3,000,000	1.38%
Chen Lung	1,773,007	0.82%
Liu Ta-Ming	1,698,000	0.78%
Sheng Shi-Chao	1,636,638	0.75%

Note: Since no share swap operation was carried out as of the publication date, the number of shares held is the number of share before the capital reduction.

(V) Explanation of the Company's dividend policy, implementation status and expected change condition

1. Present dividend policy

According to Article 27 of the Articles of Incorporation of the Company, when the Company has surplus earnings after the final account of a fiscal year, amount shall be appropriated to pay profit-seeking business taxes, make up accumulated losses, and set aside 10% as the legal reserve; however, when the legal reserve has reached the total paid-in capital, such restriction shall not be applied. In addition, special reserve is appropriated or reversed according to the regulatory requirements or shareholders' meeting resolution. For the remaining balance plus the accumulated undistributed earnings of previous year, limited to 5%~70%, the board of directors shall reach a resolution on the distribution proposal for submitting to the shareholders' meeting for approval on the distribution of shareholders' bonuses.

The industrial environment of the Company changes and the company's lifecycle is under the stable growth stage. Based on the consideration of the Company's future capital demand and long-term financial planning and seeking the maximum interest for shareholders, the Company's dividend policy will be made based on the future capital expense budge and capital demand status of the Company, in order to determine the share dividend and cash dividend distribution ratios. The Company's dividend policy complies with the aforementioned principles for the distribution; however, when there is distribution of cash dividends, the total of the cash dividend distribution shall be between

10% and 100% of the total dividends.

2. Implementation status: The present shareholders' meeting is proposed to not distribute dividends.
3. Explanation on expected major changes in the dividend policy: None.

(VI) Impact of the present distribution of bonus shares on the business performance and earnings per share of the Company: The Company is not required to disclose the 2025 financial forecast information, and the present shareholders' meeting is proposed to not distribute dividends; therefore, this is not applicable.

(VII) Remuneration to Employees and Directors

1. Information on the percentage or range of remuneration of employees and remuneration of directors in the Articles of Incorporation.

   In cases of profits for the year, the Company shall set aside 6% to be the remuneration to employees and no more than 2% to be that to directors. However, where the Company still has accumulated losses, amount shall be reserved for making up the accumulated loss first.

   The remuneration to employees may be in the form of stock or cash and the recipients may be affiliated employees meeting certain criteria that are to be set by the Board of Directors.

   The distribution of remuneration to employees and that to directors shall be supported by approval from a majority of attending directors that account for two-thirds or more of all directors in the meeting and shall be presented during the shareholders' meeting.
2. Status of distribution of remunerations of employees and directors with the retained earnings in 2024:

Unit: In New Taiwan Dollars

Unit: In New Taiwan Dollars	Status of distribution proposed by the board of directors	Status of actual distribution approved by the shareholders' meeting	Variation
I. Distribution status			
Directors' and supervisors' remuneration	-	-	None.
Employee remuneration in cash	-	-	None.
Employee remuneration in stock	-	-	None.
II. Earnings per share related information			
Original earnings per share	(7.01)	(7.01)	None.
Imputed earnings per share	(7.01)	(7.01)	None.

Note: As per the resolutions of the Company's Board of Directors on May 14, 2025 and the Shareholders' Meeting on June 26, 2025, regarding the loss incurred in 2024, no remuneration will be paid to employees and directors. Furthermore, the Company retrospectively calculated the number of shares used to offset the loss as of March 9, 2026.

3. Status of distribution of remunerations of employees and directors with the retained earnings in 2024:

   Due to the loss in 2024, according to the resolutions reached by the board of directors' meeting on May 14, 2025, no remuneration of employees and directors is to be distributed.

(VIII) Repurchase of the Company's shares

1. Up to the date of publication of the annual report, please refer to the following table on the status of the repurchase of the Company's shares: (referring to the ones already executed completely)

Session of repurchase	1st repurchase	2nd repurchase	3rd repurchase	4th repurchase	5th repurchase	6th repurchase	7th repurchase	8th repurchase
Purpose of repurchase	Direct transfer to employees	Cooperate with the employee share subscription warrant issuance and conversion	To safeguard the Company's credit and shareholders' rights	To safeguard the Company's credit and shareholders' rights	To safeguard the Company's credit and shareholders' rights	To safeguard the Company's credit and shareholders' rights	To safeguard the Company's credit and shareholders' rights	To safeguard the Company's credit and shareholders' rights
Period of repurchase	2002.10.09 ~2002.12.08	2003.03.11 ~2003.05.10	2005.05.20 ~2005.07.19	2006.08.15 ~2006.10.14	2007.08.28 ~2007.10.27	2008.07.07 ~2008.09.06	2008.09.10 ~2008.11.09	2008.11.03 ~2009.01.02
Range of repurchase price	NT$15~40	NT$14~30	NT$11~22	NT$15~30	NT$13~27	NT$11~20	NT$8.5~17	NT$7~14
Type and quantity of shares repurchased	Common share	Common share	Common share	Common share	Common share	Common share	Common share	Common share
	3,042,000 shares	4,154,000 shares	3,000,000 shares	3,000,000 shares	2,000,000 shares	3,000,000 shares	2,000,000 shares	750,000 shares
Amount of shares repurchased	NT$77,232,819	NT$89,089,989	NT$48,786,100	NT$60,288,558	NT$39,002,282	NT$37,562,154	NT$20,036,178	NT$5,560,896
Ratio of repurchased quantity over the predefined repurchase quantity (%)	61	83	100	100	67	100	100	25
Number of shares canceled and transferred	3,042,000 shares (Note 1)	4,154,000 shares (Note 2)	3,000,000 shares (Note 3)	3,000,000 shares (Note 4)	2,000,000 shares (Note 5)	3,000,000 shares (Note 6)	2,000,000 shares (Note 7)	750,000 shares (Note 7)
Cumulative number of the Company's shares held	0 shares	0 shares	0 shares	0 shares	0 shares	0 shares	0 shares	0 shares
Ratio of accumulated number of company shares held to total number of shares issued (%)	0	0	0	0	0	0	0	0

Session of repurchase	9th time	10th time	11th time	12th time	13th time	14th time	15th time	16th time
Purpose of repurchase	To safeguard the Company's credit and shareholders' rights	To safeguard the Company's credit and shareholders' rights	Transfer to employees	Transfer to employees	To safeguard the Company's credit and shareholders' rights	To safeguard the Company's credit and shareholders' rights	To safeguard the Company's credit and shareholders' rights	To safeguard the Company's credit and shareholders' rights
Period of repurchase	2011.08.05 ~2011.08.26	2011.08.30 ~2011.10.28	2012.07.20 ~2012.08.20	2012.08.31 ~2012.10.05	2015.09.08 ~2015.10.12	2015.11.09 ~2015.12.11	2015.12.31 ~2016.02.25	2016.05.10 ~2016.07.07
Range of repurchase price	NT$12~24	NT$9~21	NT$6.5~14	NT$7~14.5	NT$5~10.3	NT$5.4~11	NT$6~10	NT$6~10
Type and quantity of shares repurchased	Common share	Common share	Common share	Common share	Common share	Common share	Common share	Common share
	2,120,000 shares	1,900,000 shares	1,374,000 shares	2,000,000 shares	2,137,000 shares	1,904,000 shares	2,239,000 shares	2,351,000 shares
Amount of shares repurchased	NT$26,837,452	NT$22,510,138	NT$13,009,442	NT$19,637,740	NT$15,481,946	NT$14,134,277	NT$16,311,135	NT$16,370,619
Ratio of repurchased quantity over the predefined repurchase quantity (%)	71	63	69	100	43	63	75	78
Number of shares canceled and transferred	2,120,000 shares (Note 8)	1,900,000 shares (Note 8)	1,374,000 shares (Note 9)	2,000,000 shares (Note 10)	2,137,000 shares (Note 11)	1,904,000 shares (Note 11)	2,239,000 shares (Note 12)	2,351,000 shares (Note 13)
Cumulative number of the Company's shares held	0 shares	0 shares	0 shares	0 shares	0 shares	0 shares	0 shares	0 shares
Ratio of accumulated number of company shares held to total number of shares issued (%)	0	0	0	0	0	0	0	0

Note I: Share cancellation application has been completed on November 2, 2005, and the capital reduction and alternation registration have also been performed.

Note II: Share cancellation application has been completed on May 12, 2006, and the capital reduction and alternation registration have also been performed.

Note III: Share cancellation application has been completed on August 16, 2005, and the capital reduction and alternation registration have also been performed.

Note IV: Share cancellation application has been completed on November 20, 2006 and the capital reduction and alternation registration have also been performed.

Note V: Share cancellation application has been completed on January 23, 2008, and the capital reduction and alternation registration have also been performed.

Note VI: Share cancellation application has been completed on November 18, 2008, and the capital reduction and alternation registration have also been performed.

Note VII: Share cancellation application has been completed on February 25, 2009, and the capital reduction and alternation registration have also been performed.

Note VIII: Share cancellation application has been completed on December 22, 2011 and the capital reduction and alternation registration have also been performed.

Note IX: Share cancellation application has been completed on September 10, 2015, and the capital reduction and alternation registration have also been performed.

Note X: Share cancellation application has been completed on October 12, 2015, and the capital reduction and alternation registration have also been performed.

Note XI: Share cancellation application has been completed on January 21, 2016, and the capital reduction and alternation registration have also been performed.

Note XII: Share cancellation application has been completed on April 12, 2016 and the capital reduction and alternation registration have also been performed.

Note XIII: Share cancellation application has been completed on August 19, 2016, and the capital reduction and alternation registration have also been performed.

2. Up to the date of publication of the annual report, status on the Company's repurchase of the shares of the Company (currently being executed): None

II. Issuance of corporate bonds: None

III. Preferred share handling status: None

IV. Disclosure relating to overseas depository receipts: None.

V. Issuance of employee stock warrants

(I) Issuance of employee stock warrants

April 12, 2025

Type of employee stock warrants	1st repurchase	2nd repurchase	3rd repurchase	4th repurchase	5th repurchase	6th repurchase	7th repurchase	8th repurchase	9th repurchase	10th repurchase
Declaration effective date	2002.10.11	2003.06.24	2003.07.24	2006.12.27	2007.5.17	2011.05.26	2011.09.23	2015.12.03	2015.12.04	2021.04.20
Issuance (processing) date	1st time: 2002.12.30 2nd time: 2003.03.10 3rd time: 2003.06.24	2003.07.03	2003.08.21	2007.03.02	1st time: 2007.07.02 2nd time: 2007.08.27	1st time: 2011.06.21 2nd time: 2011.08.05 3rd time: 2011.08.31	1st time: 2011.11.24 2nd time: 2012.08.23			1st time: 2021.05.03 2nd time: 2021.11.10
Issuance unit	1st time: 1,000 units 2nd time: 3,500 units 3rd time: 500 units	4,154 units	8,000 units	3,000 units	1st time: 3,000 units 2nd time: 8,000 units	1st time: 4,000 units 2nd time: 2,000 units 3rd time: 5,000 units	1st time: 4,000 units 2nd time: 4,000 units			1st time: 6,000 units 2nd time: 4,000 units
Ratio of subscribable shares to total issued shares	—	—	—	—	—	—	-			1st time: 3.34% 2nd time: 2.11%
Subscription duration	—	—	—	—	—	—	-			1st time: 4.97 years 2nd time: 4.97 years
Exercise method	Issuance of new shares	With use of treasury shares	Issuance of new shares	Issuance of new shares	Issuance of new shares	Issuance of new shares	Issuance of new shares			Issuance of new shares
Period and ratio of subscription restriction (%)	Maximum exercisable subscription right ratio for stock warrants grant period (cumulative) 2 years after maturity 50% 3 years after maturity 75% 4 years after maturity 100%	Maximum exercisable subscription right ratio for stock warrants grant period (cumulative) 2 years after maturity 100%	Maximum exercisable subscription right ratio for stock warrants grant period (cumulative) 3 years after maturity 20% 4 years after maturity 40% 5 years after maturity 60% 6 years after maturity 80% 7 years after maturity 100%	Maximum exercisable subscription right ratio for stock warrants grant period (cumulative) 2 years after maturity 50% 3 years after maturity 75% 4 years after maturity 100%	Maximum exercisable subscription right ratio for stock warrants grant period (cumulative) 3 years after maturity 20% 4 years after maturity 40% 5 years after maturity 60% 6 years after maturity 80% 7 years after maturity 100%	Maximum exercisable subscription right ratio for stock warrants grant period (cumulative) 2 years after maturity 25% 3 years after maturity 50% 4 years after maturity 75% 5 years after maturity 100%	Maximum exercisable subscription right ratio for stock warrants grant period (cumulative) 2 years after maturity 25% 3 years after maturity 50% 4 years after maturity 75% 5 years after maturity 100%			Maximum exercisable subscription right ratio for stock warrants grant period (cumulative) 2 years after maturity 40% 3 years after maturity 70% 4 years after maturity 100%
Number of shares obtained after exercise of subscription right	—	—	—	—	—	—	—			—

Amount of the shares subscribed	—	—	—	—	—	—	—			—
Shares recovered and canceled due to employee resignation						—	-			1st time: 1,185 unit 2nd time: 814 unit
Number of shares not yet subscribed	—	—	—	—	—	—	-			1st time: 6,000 thousand shares 2nd time: 4,000 thousand shares
Subscription price per share of the unsubscribed shares	—	—	—	—	—	—	-			1st time: NT$14.35 2nd time: NT$14.35
Ratio of the number of unsubscribed shares to the number of issued and outstanding shares (%)	—	—	—	—	—	—	-			1st time: 80.25% 2nd time: 79.65%
Impact on shareholders' equity	Ratio of total number of shares issued was not high; therefore, the impact was minor	Treasury shares were repurchased for the issuance; therefore, the shareholders' equity was not affected	Ratio of total number of shares issued was not high; therefore, the impact was minor	Ratio of total number of shares issued was not high; therefore, the impact was minor	Ratio of total number of shares issued was not high; therefore, the impact was minor	Ratio of total number of shares issued was not high; therefore, the impact was minor	Ratio of total number of shares issued was not high; therefore, the impact was minor			Ratio of total number of shares issued was not high; therefore, the impact was minor

Note: For the 8th and 9th times, the approval of the Financial Supervisory Commission (FSC), Executive Yuan, has been approved. However, issuance was not yet made within one year from the service date of the notice of effective declaration.

(II) Names and subscription status of managers who have obtained employee stock options and of employees who rank among the top ten in terms of the number of shares to which they have subscription rights through employee stock warrants acquired, cumulative to the date of publication of the annual report:

Unit: thousand shares; NT$ thousand

<table>
<tr><th rowspan="2"></th><th rowspan="2">Title</th><th rowspan="2">Name</th><th rowspan="2">Number of subscription shares received in units</th><th rowspan="2">Ratio of the number of subscription share received to the number of issued and outstanding shares (%)</th><th colspan="4">Exercised</th><th colspan="4">Not yet exercised</th></tr>
<tr><th>Number of shares subscribed</th><th>Subscription price</th><th>Subscription amount</th><th>Ratio of the number of subscribed shares to the number of issued and outstanding shares (%)</th><th>Number of shares subscribed</th><th>Subscription price</th><th>Subscription amount</th><th>Ratio of the number of subscribed shares to the number of issued and outstanding shares (%)</th></tr>
<tr><td rowspan="4">Managers</td><td>The President</td><td>Sheng Shao-Lan</td><td rowspan="4">570</td><td rowspan="4">5.70%</td><td rowspan="4">0</td><td rowspan="4">0</td><td rowspan="4">0</td><td rowspan="4">0</td><td rowspan="4">570</td><td rowspan="4">14.35</td><td rowspan="4">0</td><td rowspan="4">5.70%</td></tr>
<tr><td>Vice President</td><td>Gotoda Katsuhiko</td></tr>
<tr><td>Vice President</td><td>Shih Po-Sheng</td></tr>
<tr><td>Vice President</td><td>Wang You-Lang</td></tr>
<tr><td rowspan="9">Employee</td><td>General Manager</td><td>Tan Wen-Chang</td><td rowspan="9">1,461</td><td rowspan="9">14.61%</td><td rowspan="9">0</td><td rowspan="9">0</td><td rowspan="9">0</td><td rowspan="9">0</td><td rowspan="9">1,461</td><td rowspan="9">14.35</td><td rowspan="9">0</td><td rowspan="9">14.61%</td></tr>
<tr><td>General Manager</td><td>Li Jen-Chih</td></tr>
<tr><td>General Manager</td><td>Chueh Chuang-Hua</td></tr>
<tr><td>General Manager</td><td>Yeh Liang-Wen</td></tr>
<tr><td>General Manager</td><td>Liao Chun-Chieh</td></tr>
<tr><td>General Manager</td><td>Hsu Ssu-Fu</td></tr>
<tr><td>General Manager</td><td>Li Chen-Chang</td></tr>
<tr><td>General Manager</td><td>Lin Ching-Ching</td></tr>
<tr><td>General Manager</td><td>Li I-Cheng</td></tr>
</table>

VI. Disclosure relating to restricted shares for subscription by employees:

April 12, 2025

Type of new restricted employee shares (Note 1)	First time of new restricted employee shares
Declaration effective date	June 27, 2014
Issue date (Note 2)	-
Number of new restricted employee shares issued	-
Price of Issuance	-
New restricted employee shares issued as a percentage of total number of shares issued	-
Vesting conditions for new restricted employee shares	-
Restricted rights of new restricted employee shares	-
New restricted employee share custody status	-
Handling method for employees failing to satisfy vesting conditions after new share assignment or subscription	-
Number of new restricted employee shares redeemed or repurchased	-
Number of released new restricted employee shares	-
Number of unreleased new restricted employee shares	-
Unreleased new restricted employee shares as a percentage of total number of shares Issued (%)	-
Impact on shareholders' equity	-

For the 2014 first time of employee restricted shares, approval from the Financial Supervisory Commission (FSC), Executive Yuan (Gin-Guan-Zheng-Fa-Zi No. 1030023434) has been obtained However, issuance was not yet made within one year from the service date of the notice of effective declaration.

Note1: The number of fields and columns can be adjusted according to the number of times of issuance.

Note2: For different issue dates, separate entries shall be provided.

VII. Mergers, acquisitions (including mergers, acquisitions and divisions): None.

VIII. Fund Utilization Plan Implementation Status：

The company did not conduct any fundraising activities during the year.

Four. Operation Overview

I. Business Content

(I) Business Scope

The business scope of the Company includes digital image processing equipment and the research, development, manufacturing and sales of relevant items.

1. Main contents
   (1) The Company is in the manufacturing industry of multi-function office machines, data storage and processing equipment, wired communication machines and optical instruments, and the main products include the following:
      a. Digital photocopy machine
      b. Multi-function office machine
      c. Electronic whiteboard
      d. Fast paper feeding/paging system
      e. Scanning module
      f. High resolution film/image scanner
      g. High-end printer
      h. Digital projector
      i. Fax machine and assemblies
      j. Optical engine/module
      k. Wi-Fi version of handheld mobile scanner
      l. Blood analyzer
      m. Capsule enteroscopy data reader
   (2) Technical consultation and service related to the aforementioned products.
   (3) Concurrent import and export trading businesses related to the business scope of the Company.

2. Business proportions are as shown in the table below

Unit:%

Product name	Important purpose	Business Proportions	
		2025	2024
Product revenue (including image scanner/digital office equipment/multi-function office machine)	Image inputs and computer peripheral data inputs for regular personal consumers and office consumers; image scanning parts for fax machine. Multi-function office machine integrated with the fictions of scanning, photocopy, printing and facsimile.	97	99
Service income		2	0
Other income		1	1
Total		100	100

3. Present product item

   Avision acts the “Digital Office Equipment Provider” as the key product development direction.

   The development, design and manufacturing of products focus on the improvement of office working efficiency. Present products can be generally classified into the following categories:

   (1) High-speed document scanner
   (2) Laser printer
   (3) Multi-function office machine

(4) Portable scanner and platform scanner

4. New products planned to be developed

(1) Smart photocopy machine

(2) Network type of document scanner

(3) Medical image related products

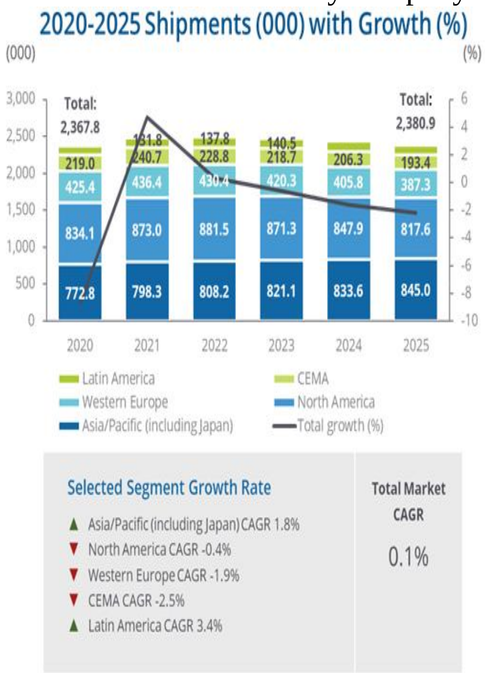
(4) Production scanner

(II) Industry Overview

1. Industry Current Status and Development

<u>Scanner</u>

In the recent years, scanner industry has been affected by the trend of paperless office and smart phone (capable of taking images of documents) such that the growth of the industry slows down or even declines. According to the predictions for different regional markets of the international market survey company IDC in 2021:



Scanners were one of the first computer peripheral products manufactured and exported by Taiwan worldwide. However, due to the environmental change of the industry and the multi-function office machines taking over some of the scanner product market, presently, there are only a few manufacturers in Taiwan continue to develop and manufacture scanners. The current industrial development trend is summarized in the following:

(1) The impact COVID-19 has caused changes to the office working style, and the demand for remote work, cloud and security continues to increase.

(2) The scanning function of mobile equipment of smart phones and tablet computers are integrating with greater number of application programs and business processes in various aspects and fields.

(3) Multi-function printer (MFP) becomes a widely used scanning tool, and its use focuses on more structured content.

(4) Digital transformation program integrating with the modern artificial intelligence (AI) technologies of Cloud and AI has become the focus for short and medium term investments.

(5) Some business items were suspended and re-allocated during the COVID-19 period. As

the budgets are relaxed, investment activities start again, and greater scale of document scanning and archive plan demands emerges.

(6) To cope with the change of greater environment, the future response strategies are:
- Cooperate with customers to implement digital file conversion strategy;
- Consider network and cloud equipment product;
- Introduce creative pricing model, including subscription;
- Further expand and actively seek cooperation with greater enterprises.

<u>Multi-function office machine and printer</u>

According to the “Worldwide Multifunction Peripheral Forecast 2021-2025” of the market survey company IDC in 2021:

For 2020-2025, the global MFP expected total output volume will decrease at the compound annual growth rate of -1.9%. Color ink jet multi-function machine will decrease at the compound annual growth rate of -2.3%. For 2020 to 2025, the mono-color multi-function machine will decrease at the compound annual growth rate of -1.8%, and the color multi-function machine will increase at the compound annual growth rate of 2.0%.

Market condition according to regions:

(1) The U.S. output volume is expected to decrease from 16.7 million units in 2020 to 13.7 million units in 2025, and the compound annual growth rate is -4.0%. The decrease is mainly due to the drop of the MFP market price to lower than US$100.

(2) The Western Europe output volume is expected to decrease from 16 million units in 2020 to 13.3 million units in 2025 at the compound annual growth rate of -3.6%. The ink jet and mono-color laser machines for the region indicates a decreasing trend greater than the growth of the color laser machine.

(3) The output volume for Asia Pacific region (including Japan) is expected to decrease from 25.5 million units in 2020 to 23.2 million units in 2024 at a compound annual growth rate of -1.9%, which is mainly due to the compound annual growth rate of -3.6% in China.

(4) The output volume for the rest of the world (ROW) is expected to increase from 16.7 million units in 2020 to 17.8 million units in2025 at a compound annual growth rate of 1.3%, which is mainly due to the compound annual growth rate of 3.1% in Latin

America and the compound annual growth rate of 3.4% in the Middle East and Africa (MEA).

(5) For the period from 2020 to 2025, the global MFP output value is expected to decrease at a compound annual growth rate of -1.3%; however, the average selling value (ASV) is expected to increase at a compound annual growth rate of 0.6%, which is mainly due to the unusual purchase demand during the pandemic period.

Market trend:

(1) Favorable factors
- COVID-19 accelerates the labor transformation for remote work;
- MFP replaces single-function printers in the market;
- The trend of mono-color MFP changing to color MFP.

(2) Unfavorable factors
- COVID-19 accelerates the change of printing habit;
- Market reaches saturation point.

(3) Key market development
- The most obvious and important market development is associated with the impact of COVID-19;
- COVID-19 pandemic has changed the IT purchase plan.

<u>Avision's planning and approach for printer market in China</u>

- According to the market scale in China analyzed by the aforementioned market survey company, the number of units currently in use is approximately 20~30 million units, and the models most widely used by the government units and state owned enterprises is the mono-color automatic double-side printer with the printing capacity of approximately 30 pages per minute, and the quantity of such model currently installed is approximately 10 million units. Since the useful lifetime of each printer is approximately five years, the quantity is approximately 2 million units per year.
- As China is currently promoting domestically manufactured information products, for laser printer products, all government units, financial, insurance and large institutions are likely to replace their printers and other computer peripheral products with Chinese brand products such that foreign brand products may be replaced completely.
- In China, Avision acts as a key technology provider and is also a printer component manufacturer and supplier. Accordingly, Avision engages with Chinese business operators in terms of product development/production/manufacturing for sale of products in China.
- The Company has negotiated cooperation with numerous China business operators, and the sale of products is originally expected to start in China. Although the sales remained stable in 2022, due to the pandemic, the purchase activities of customers postponed. Although the actual sales in the region of China for the whole year differed from the target originally set, the sales result still outperformed that in 2021. Presently, according to the demand information from customers, the printer business has returned back to the sales growth trend, and it is expected to continue to grow in 2025.

2. Correlation among upstream, midstream and downstream in the industry

Upstream: Combine with the optoelectronics Industry (CCD, CIS, Lens), printer manufacturers, electronic materials (PCB, PCBA, motor), IC industry (ASIC), plastic materials (chassis, belts), metal materials (screws, metal sheets), etc.

Midstream: Equipment manufacturers.

Downstream: Distributors, retailers.

3. Development trends of products and competition status: Please refer to “II. Market, Production, and Sales Overview”.

(III) Technology and Research and Development Overview

1. Research and development expenditure and outcome thereof in the most recent two years

(1) The ratios of R&D investment to revenue in the most recent two years were as follows:

Unit: NT$thousand; %

	2025	2024
Operating revenue	2,894,375	2,547,627
R&D expense	389,724	393,242
R&D ratio	13%	15%

Avision does not focus on the OEM business only but values the continuous investment in new products. Accordingly, regardless the annual revenue of the Company, the Company’s investment in R&D has never been cut or reduced. Despite the relatively low operating revenue in recent years, the overall R&D expense of Avision is approximately NT$390 million per year. The Company expects that the benefit of the R&D expense will be reflected in the future product development and to make contribution to business performance of the Company.

(2) R&D result

The Company is committed to the development of new products, and over the past years, the Company has received numerous awards from government related units (please refer to the section of Honors on page 6 of the annual report. The latest award received is the November 2019-AP30 high performance network printer “2020 Taiwan Excellence Award”.

(3) Intellectual property rights

Avision is a company that values “intellectual property rights” significantly. The Company requests all employees to sign the “Non-disclosure and Intellectual Property Right Agreement” and also implements internal education in the Company to request all employees to respect the intellectual property rights of others. Employees are required to use legitimate and legally authorized software and hardware, and it is prohibited to use or install any unauthorized software and hardware.

Company’s protection for intellectual property rights:

All copyrights, patent rights, trademark rights and any form of intellectual property rights of the Company are applied and maintained according to relevant regulatory requirements. For employees' technology and product innovations, the Company upholds the principle of intellectual property protection and enhancement of competitive advantages of the Company's product, in order to protect the R&D technologies of the Company with patent rights. Furthermore, trademark rights are also applied for different product names for planning and protection. Accordingly, the Company actively applies and obtains corresponding intellectual property continuously.

Outcome of Company's acquisition of intellectual property rights:
Presently, the Company's patent right and trademark right planning covers six continents, including Asia, Africa, North America, South America, Europe and Australia, and the number of intellectual property rights obtained continues to increase.

2. Future R&D strategy and direction

<u>Future R&D strategy</u>

- Continue to invest in R&D, implement autonomous R&D, and obtain patent rights to establish a solid technical foundation.
- Licensing the technology to external parties and forming strategic alliances to complement our technological shortcomings.

<u>Future R&D directions and plans</u>

● <u>Smart photocopy machine</u>

Avision has packaged the main features of office needs into this highly productive A3-size printer - integrating the functions of copying, printing, scanning, and emailing into a single machine. All features and processes are operated through an 8-inch clear and color touch screen, simplifying complex processes and improving the efficiency of mass file transfer and sharing!

● <u>Continuous upgrade of scanner product features</u>

In line with the completion of the next-generation chip development, several existing document/image scanner products have been upgraded and launched to the market.

- We have completed and released a production scanner with a scanning speed of over 120 pages per minute. Currently, we are actively developing
- Models based on the developed printers and copiers and following the company's product development plan to continuously introduce new models that meet customer needs and are competitive in the market.

(IV) Long-term and Short-term Business Development Plans

1. Short-term direction
   - Deepening customer relationships and establishing “partner” relationships in each region, and seeking strategic alliances.
   - Apart from Europe and America, expanding into new markets and acquiring new customers can also help diversify regional risks.
   - Actively deploying distribution channels in each region to expand sales channels.
   - Allying with channel distributors to stimulate self-copying business.

2. Long-term direction
   - Becoming the leading manufacturer of smart printers with the Greater China region as its hinterland.
   - Becoming the world-class leading manufacturer in the scanner industry.

II. Market, Production, and Sales Overview

(I) Market analysis

1. Main product sales region

Unit: NT$thousand; %

Region \ Year		2025		2024	
		Sales amount	Percentage (%)	Sales amount	Percentage (%)
Domestic sales - Taiwan		761,831	26.3	423,275	16.6
Export sales	USA	345,904	12.0	202,950	7.96
	Germany	52,411	1.80	107,967	4.24
	China	995,718	34.4	305,217	12.0
	Others	738,511	25.5	1,508,218	59.2
Total		2,894,375	100.0	2,894,375	2,547,627

2. Major competitors and market share

   There are not many domestic manufacturers engaged in the development and manufacturing of production scanners. Avision's main competitors in this area are companies from Japan and the United States. Since market research organizations have not conducted surveys on the market scale of digital office equipment or the market share of each manufacturer, it is impossible to calculate the relative share of the company's products. However, according to the sales channel data:

   (1) The company's market share in the annual procurement volume of banks in Taiwan financial institutions should exceed 50%;

   (2) Meanwhile, the market share of Avision products in other regions is also among the top three.

3. Future market supply, demand, and growth

   Multi-function printers (MFP) are categorized into laser and inkjet types according to their printing technology. In general, a multi-function device in the market refers to a product with two or more of the following features: scanning, copying, printing, and faxing. However, generally speaking, one of these two functions must be printing.

   Sales volume changes:

   According to the market research company IDC's "Worldwide Multifunction Peripheral Forecast 2021-2025," published in 2021:

Worldwide MFP Shipments, Value of Shipments, and ASV by Region, 2015-2025

	2020	2021	2022	2023	2024	2025	2020–2025 CAGR (%)
Shipments							
United States	16,746,595	17,288,497	15,950,939	15,211,970	14,440,817	13,650,982	-4
Western Europe	16,013,033	16,417,265	14,848,441	14,377,701	13,869,750	13,324,284	-3.6
APJ	25,515,414	26,372,190	25,906,960	25,208,034	24,200,077	23,185,935	-1.9
ROW	16,693,274	17,735,676	17,759,205	17,850,904	17,784,090	17,803,018	1.3
Worldwide	74,968,316	77,813,628	74,465,545	72,648,609	70,294,734	67,964,219	-1.9
Value of shipments ($M)							
United States	9,199.10	10,067.40	9,658.40	9,111.30	8,494.80	7,866.20	-3.1
Western Europe	7,183.50	7,737.90	7,123.10	6,834.40	6,735.00	6,594.50	-1.7
APJ	11,117.00	11,933.80	11,555.70	11,054.80	10,755.70	10,475.00	-1.2
ROW	4,907.40	5,335.20	5,300.70	5,342.70	5,338.80	5,352.40	1.8
Worldwide	32,407.00	35,074.30	33,637.90	32,343.20	31,324.40	30,288.10	-1.3
ASV ($)							
United States	549	582	606	599	588	576	1
Western Europe	449	471	480	475	486	495	2
APJ	436	453	446	439	444	452	0.7
ROW	294	301	298	299	300	301	0.4
Worldwide	432	451	452	445	446	446	0.6

Note: Data includes monochrome inkjet and high-speed inkjet units.

Source: IDC, 2021

For the period from 2020 to 2025, the global MFP output value is expected to decrease at a compound annual growth rate of -1.3%; however, the average selling value (ASV) is expected to increase at a compound annual growth rate of 0.6%, which is mainly due to the unusual purchase demand during the pandemic period.

The global ASV of monochrome laser MFPs decreased from $736 in 2019 to $601 in 2020, while that of color laser printers dropped from $3,153 to $2,773. Although both products were expected to rise in 2021 (monochrome laser at $622 and color laser at $2,930), they would not resume to the 2019 levels. The ASV changes were mainly due to the widespread office closure and implementation of remote work from home (WFH), leading to a decline in demand for higher-priced A3 printers predominantly used in office settings. Instead, WFH employees typically prefer to purchase desktop A4 laser MFPs.

In response to these external environmental changes, the company will take the following actions:

- Office equipment tends to emphasize efficiency and speed, and the company’s product development will prioritize meeting customer needs.
- Avision will prioritize enterprise information security in its product development, given the significant increase in printing convenience provided by the internet and mobile devices.
- The use of the product must comply with various green environmental protection and energy-saving regulations.
- Our objective is to pursue differentiation, enhance efficiency, fulfill professional requirements, and expand our market share in China through local production and partnerships.

(II) Important Purpose and Production Process for Main Products

The Company’s product usages are primarily categorized into:

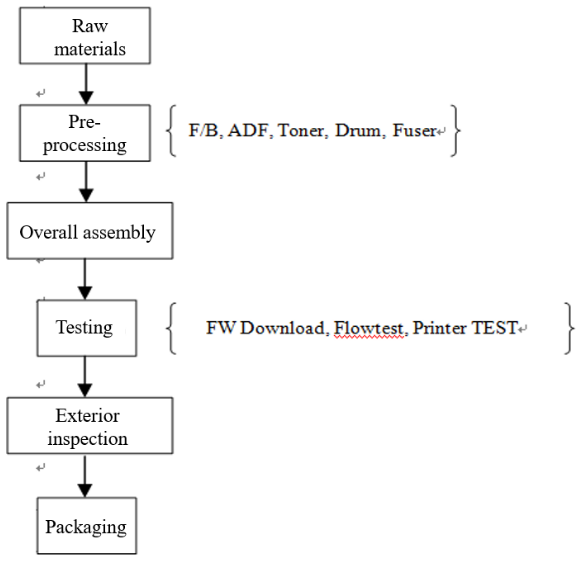
1. Printer and multi-function product

We offer products that combine multiple features, including printing, copying, scanning, faxing, and networking, to meet the diverse needs of our customers across different locations. Our product line includes both color and black-and-white models.

2. Document scanner

The high-priced models equipped with high-speed auto paper scanning are specifically designed for office use and are ideal for high-speed professional file storage applications. Portable paper-fed image scanners are also available, which can be easily carried along with a notebook computer.

Printers production process



(III) Supply of main raw materials

Product	Main raw material	Main suppliers	Availability
Image scanners and printers	Contact image sensor (CIS)	Lite-On Semiconductor Corp. Creative Sensor Inc. Atii	The main raw material sources are stable
	Transmission roller (Roller)	Rubbertek Industrial Co., Ltd. Rogers Taiwan Inc.	
	Combination power supply (PS)	Asian Power Devices Inc. FSP Technology Inc.	
	Charge-Coupled Device (CCD)	Toshiba	
	Printed circuit board (PCB)	New Heart Technology Co., Ltd. and Express Electronics Co., Ltd.	
	Application specific integrated circuits (ASIC)	Genesys Logic Inc. Nufront Technology Group Co., Ltd.	
	Combination motor (MOTOR)	MINEBEA、SHINANO	
	Capacitor/Inductor/Filter	Murata、Walsin Technology Corp.	
	Power control IC/Motor driver IC	Texas Instruments	

(IV) Names of any suppliers (clients) accounting for 10% or more of the total procurement (sales) amount in either of the most recent two years, along with their monetary amount and the percentage of total procurement (sales)

1. Major Customers Information for the Last Two Years

Unit: NT$thousand; %

	First quarter of 2026	2025	2024

Item	Name	Amount	Percentage accounted for to annual net sales (%)	Relation with the Issuer	Name	Amount	Percentage accounted for to annual net sales (%)	Relation with the Issuer	Name	Amount	Percentage accounted for to annual net sales (%)	Relation with the Issuer
1	K	252,078	37%	None	E	606,184	21%	None	K	734,175	29%	None
2	H	90,401	13%	None	D	430,892	15%	None	C	200,103	8%	None
3	B	63,970	9%	None	C	356,265	12%	None	A	172,514	7%	None
	Others	279,648	41%	None	Others	1,501,034	52%	None	Others	1,440,835	56%	None
	Net Sales	686,097	100%		Net Sales	2,894,375	100%		Net Sales	2,547,627	100%	

Note: List of suppliers accounting for 10% or more of the total procurements in the most recent two years, along with their monetary amount and the percentage of total procurement. Where the company is prohibited by contract from revealing the client name or where a trading counterpart is an individual person who is not a related party, they may be referred to by code.

2. Major Suppliers Information for the Last Two Years

Unit: NT$thousand; %

	First quarter of 2026				2025				2024			
Item	Name	Amount	Percentage accounted for to annual net purchases (%)	Relation with the Issuer	Name	Amount	Percentage accounted for to annual net purchases (%)	Relation with the Issuer	Name	Amount	Percentage accounted for to annual net purchases (%)	Relation with the Issuer
1	Others	415,523	100%	None.	Others	1,938,624	100%	None.	Others	1,393,364	100%	None.
	Net purchase amount	415,523	100%		Net purchase amount	1,938,624	100%		Net purchase amount	1,393,364	100%	

Note: List of suppliers accounting for 10% or more of the total procurements in the most recent two years, along with their monetary amount and the percentage of total procurement. Where the company is prohibited by contract from revealing the client name or where a trading counterpart is an individual person who is not a related party, they may be referred to by their code.

III. Employee profiles in the most recent two years

Year		2026.03.31	2025	2024
Number of Employees	Direct personnel	78	78	78
	Indirect personnel	428	428	444
	Management personnel	128	128	125
	Total	634	630	648
Average age		41.76	41.72	40.5
Average service tenure		12.59	12.39	11.21
Education distribution ratio	Doctoral degree	0.00%	0.00%	0.00%
	Master’s degree	18.3%	17.78%	17.59%
	College	53.63%	53.97%	54.63%
	High school	23.5%	23.65%	23.46%
	Lower than high school	4.57%	4.60%	4.32%

IV. Information on environmental protection expenditure

(I) The Company has not incurred any pollution disputes or penalty losses in the most recent year up to the date of publication of the annual report.

(II) Future countermeasures and potential expenditures

The Company has obtained the ISO 14001 international certification for environmental management systems and continues to promote pollution prevention, resource recycling, industrial waste reduction, and the rational use of energy. Establishing green supply chain partnerships across upstream, midstream, and downstream operations is one of our business philosophies that focuses on corporate sustainability and building long-term partnerships with customers and society. According to the requirements of the Taiwan Occupational Safety and Health Management System (TOSHMS), we continue to promote occupational safety and health operations to mitigate risks and enhance overall operational performance. The Company complies with all relevant laws and regulations when managing waste and sewage management expenses. Process changes will be subject to risk assessment results and then given reasonable expenditures based on financial considerations.

V. Labor-Management Relations

(I) The following outlines the company's employee welfare measures, retirement systems, and implementation thereof, as well as labor-management agreements and measures taken to protect employee rights:

1. Employee welfare measures

The Company has established the Employee Welfare Committee with the aim of enhancing employee relationships and morale. The Committee is responsible for organizing various employee welfare activities. To finance these activities, 2% of the capital was initially set aside at its establishment, along with 0.1% of monthly revenue, 0.5% of employee salaries, and a percentage from scrap income are allocated as welfare funds for the Employee Welfare Committee's in organizing various events.

The Employee Welfare Committee consists of 18 members, including 2 permanent members appointed by the company and the rest nominated by each department to run for election. Elections are held once a year and the newly elected members will hold a meeting to elect the chairman of the Commission, secretary-general, and other cadres. The current welfare measures promoted by the Welfare Committee are as follows:

(1) Birthday party/year-end party (spring festival banquet).

(2) Distribution of festive gifts and gift certificates.

(3) Employee birthday/maternity/wedding cash gift.

(4) Subsidies for employee club activities.

(5) Employee subsidy application for occupational injury or illness/funeral condolences/emergency relief.

(6) Scholarship application for employee and employee's children.

2. Retirement system and implementation

(1) The Company

The Company has established a retirement plan that applies to the old pension mechanism (Labor Standards Act), where the labor pension is allocated monthly based on the total salary and is deposited into an exclusive account in the name of the Labor Pension Reserve Supervision Committee at the Bank of Taiwan. This deposit complies with legal requirements and is estimated and reviewed before the end of each year. The full amount is appropriated before the end of March of the following year under the regulations of the labor pension reserve. In response to the implementation of IAS 26 Accounting and Reporting by Retirement Benefit Plans, the Company has commissioned an actuary to issue an actuarial valuation report on the labor pension reserve. For the new pension mechanism (Labor Standards Act), the labor pension is allocated monthly at no less than 6% of the salary to the individual labor account at the Bureau of Labor Insurance.

(2) Subsidiary in China

a. Pension contribution policy

As per mainland China's regulations, the company and individual are required to contribute 23.38% and 10.5%, respectively, of their monthly salary to a government-designated account.

b. Retirement age: ①Statutory retirement age (gradually postpone): from January 1st, male employees and female employees whose original statutory retirement age was 55. The statutory retirement age is postponed by one month for every four months. The ages will be gradually postponed to 63 and 58 respectively. Female employees whose original statutory retirement age was fifty. The statutory retirement age is postponed by one month for every two months，gradually postponed until age 55. If the state has other provisions, those provisions shall prevail.②Flexible retirement (voluntary, nationwide): conditions for in advance retirement (maximum 3 years): those who have paid pension insurance for 15 years or more and are not younger than the original statutory age (men ≥ 60, female workers ≥ 50, female cadres ≥ 55); conditions for postponed retirement (maximum 3 years): agreement reached with the company; the company cannot force retirement.

c. Required years of pension contribution.

According to the regulations of mainland China, to be eligible for the pension, one must have paid the basic pension insurance premiums for at least 15 years and met the required payment period for medical insurance account (20 years for males and 25 years for females). The pension includes the funds in both the pension account and the medical account. The contribution to the pension fund of subsidiaries in China is made in full in compliance with the regulations of the mainland.

(3) Other overseas subsidiaries

The retirement system for the Company's other overseas subsidiaries is managed following local government regulations.

3. Labor-management agreement

The Company has always attached importance to various welfare and benefits, providing an excellent working environment and emphasizing bilateral communication with employees to establish a harmonious labor relationship. In line with the belief in unity and win-win cooperation between labor and management, we hold a quarterly labor-management meeting following the Labor Standards Act and relevant laws and promote communication and exchange of opinions between labor and management with respect for employees.

(II) Employee education and training

We encourage our employees to innovate constantly and improve the quality of our human resources through educational training. This enhances our competitiveness and enables each employee to become an Avision fellow with talent, virtue, ability, and all-out effort. In 2025, the Company conducted a total of 510 hours of educational training, with a training expense of approximately NT$468 thousand. The main training contents are as follows:

1. Diversified educational training courses: It includes newcomer education/professional skills education/comprehensive training programs, environmental safety and health education, etc.
2. Knowledge sharing platform: Employees can access new knowledge through the knowledge-sharing area to enhance learning and communication and can access information anytime with just a click, allowing them to learn immediately.
3. E-Learning video platform: The company has set up a training video database for employees to learn online with immediate access to supplement the professional knowledge required.
4. English and Japanese language courses: Professional foreign language teachers are hired to teach at the company, and the expense is fully subsidized by the company. Employees can choose language courses based on their proficiency level.
5. Library: The company is equipped with a “library,” which regularly adds periodicals and books to its collection. Additionally, there are DVDs and other audio-visual materials available for employees to borrow and enjoy.

(III) Employee Code of Conduct or Ethics

To ensure all employees understand the ethical concept and code of conduct, the Company has specially formulated the “Key of Avision” to provide guidance for all employees. The code of conduct for Avision fellows are:

1. Open
   (1) No rights must be bound to employees through contractual means.
   (2) The supervisor’s door is always open to Avision fellows, and each supervisor must address the treatment of employees’ opinions or appeals as the top priority.
   (3) Bilateral communication: Avision’s top priority is to engage in effective bilateral communication and obtain mutual agreement before formulating any policies, systems, or measures.
   (4) Take an open-minded approach to accept the opinions given by the supervisor/colleagues and eliminate self-centeredness.

2. Autonomy
   (1) With full supervisory authority and appropriate hierarchical responsibilities, employees have full autonomy to make decisions and take action.
   (2) The starting point of formulating any employee-related system/procedure or regulation is to inspire employees' sense of honor so that they can work more flexibly and effectively and exert their potential as a prerequisite.
3. Respect
   (1) Regardless of rank/gender/education, all employees must receive the same respect: Implement "respect for individuals" throughout the management system to create an enlightened work environment worth engaging in.
   (2) Opportunities for the full development in areas of personal expertise: Avision pursues an excellent position in both technology and business management. To achieve this goal, we must value our work team, give each professional worker full play, and create mutual respect among team members.

(IV) Labor disputes

The Company has not experienced any labor disputes or controversies in the most recent year up to the date of publication of the annual report. The Company's supervisors at all levels communicate with employees at all times and hold regular (quarterly) labor-management meetings to discuss, coordinate, and resolve opinions from all parties. As a result, labor relations are harmonious, and the company has not suffered any losses due to labor disputes. We anticipate harmonious labor relations in the future.

(V) Preventive measures for working environment and employee safety

The Company pushes forward the ISO 14001 environmental management system, which has been certified by DNV, demonstrating the Company's determination to environmental protection, green supply chains, and green products. In the internal operations, we have introduced green design concepts such as energy-saving, easy assembly and disassembly during the product design phase, enabling our products to be green and environmentally friendly from the very beginning. Through appropriate energy management, reasonable production processes, and proper waste management, we have achieved significant and excellent environmental performance.

The Company believes that our employees are our most important asset and adheres to relevant occupational safety and health regulations. We adopt risk management techniques to categorize and manage industrial safety and health risks, continuously developing and establishing the Company's safety and health management system based on the national standard CNS15506 (TOSHMS). With the support of senior executives and all employees, there have been no disability or injury incidents. We have also initiated workplace health promotion activities in consultation or cooperation with health and medical units and have been awarded the certification of health workplace with Health Promotion Label from the Health Promotion Administration to maintain and support employees' physical and mental well-being. To reduce operational risks and ensure business continuity and sustainability, we have implemented the Business Continuity Management System (ISO 22301).

Since the Company's IPO, we have not been accused or penalized by the competent authorities regarding environmental protection or occupational safety and health issues.

(VI) Complaint procedures for illegal (including corruption) and unethical behavior

In case of a suspected violation of the "Code of Service," colleagues have the right and obligation to report it to management or the relevant units. We will protect and prevent those colleagues and related personnel who report violations or participate in the investigation process from unfair treatment.

1. Whistleblowing must be made in writing and specify the following information: the name, department, and position of the complainant; the name, department, and position of the respondent; and the date of occurrence and specific details.
2. Whistleblowing channels: Employee communication hotline/employee communication mailbox/written submission.

VI. Information Security Management

(I) The information security risk management framework, information security policy, specific management plans, and resources dedicated to information security management are as follows:

1. Information security policy

   Avision is committed to comprehensively enhancing information security awareness among all employees and establishing an information security environment to ensure the confidentiality, integrity, and availability of the Company's trade secrets and operational information. This effort aims to improve operational efficiency and quality, comply with relevant laws and regulations, gain customer trust, fulfill commitments to shareholders, and ensure the continuous operation and sustainable development of the Company's critical business.

2. Information security enhancement measures

   To enhance information security measures, Avision continuously invests in manpower and software/hardware resources. The Company has implemented hardware (Firewall) and software (Anti-Spam, Anti-virus, EDR) at network gateways and endpoints to conduct strict inspections and protections, blocking potential internal and external attacks. In terms of manpower allocation, the Information Technology Department is responsible for maintaining information security software and hardware, ensuring that related configuration files and sample files are kept up to date.

   Management also deeply recognizes that information security is the responsibility of every employee. Therefore, the Information Technology Department is tasked with periodically conducting information security education and training for employees. This year, a total of six sessions have been implemented, including:

   a. Social engineering attack (phishing email) case promotion
   b. Personal data backup operation
   c. Intellectual Property Rights Protection Measures

   At the same time, to effectively verify the improvement in employees' information security awareness and their response to security incidents, we are evaluating the implementation of social engineering drills and information security incident disaster drills as part of our ongoing efforts to strengthen information security measures.

(II) Losses due to major information security incidents in the recent year: **None.**

VII. Major contracts

Nature of contracts	Contract party	Term	Main contents	Restrictive covenants
Sales contract	A	Since 2020	Development, manufacturing, and sales of document scanners	Confidentiality clause Order management Warranty and maintenance services
Sales Agreement	B	Since 2022	Manufacturing and sales of printers	Confidentiality clause Order management Warranty and maintenance services
IP LICENSE AGREEMENT	D	2022	Chip development licensing	Confidentiality clause Licensing scope
IP usage and ASIC design service agreement	E	2021	Chip development licensing	Confidentiality clause Licensing scope
Distributor agreement	8 domestic and international distributors	One-year contract, a new contract will be signed by mutual agreement upon the expiration	Distribution licensing for Avision's self-branded products	Confidentiality clause Restrictions on distribution areas Product maintenance and warranty Product and warranty liability

Five. Financial Status and Financial Performance Review Analysis & Risk Matters.

I. Financial Status

Main reasons for the variation in the assets, liabilities, and shareholders' equity in the most recent two years

Unit: NTD thousand

Item \ Year	2025	2024	Variation	
			Difference	%
Current Assets	1,691,964	1,212,809	479,155	40%
Property, plant, and equipment	397,315	426,932	-29,617	-7%
Intangible asset	11,650	18,486	-6,836	-37%
Other assets	392,166	206,614	185,552	90%
Total Assets	2,493,095	1,864,841	628,254	34%
Current liability	1,661,275	1,320,297	340,978	26%
Non-current liabilities	271,307	164,851	106,456	65%
Total liabilities	1,932,582	1,485,148	447,434	30%
Share capital	2,169,341	2,169,341	0	0%
Capital surplus	109,311	107,438	1,873	2%
Retained earnings	(1,682,987)	(1,736,112)	53,125	-3%
Other equities	(30,233)	(155,861)	125,628	-81%
Treasury shares	(6,669)	(6,669)	0	0%
Non-controlling interests	1,750	1,556	194	12%
Total Equity	560,513	379,693	180,820	48%

Description of major changes: (at least 20% of variance and an amount involved in the variance of NTD 20 million and above)

(1) Increase in Current Assets: Due to cash and accounts receivable increase.

(2) Increase in Other Assets: Attributable to **Non-current financial assets at fair value through other comprehensive income**.

(3) Increase in Total Assets: Due to current assets and other assets increase.

(4) Increase in Current Liabilities: Due to short-term debt and account payable increase.

(5) Increase in Non Current Liabilities: Due to other non current liabilities increase.

(6) Increase in Total Liabilities: Due to non current liabilities more increase than prior year.

(7) Increase in Retained Earnings and Total Equity: Due to operating income and **Non-current financial assets at fair value through other comprehensive income increase**.

II. Financial Performance

Main reason for the changes in the operating income, operating net profit, and pre-tax net profit over the most recent two years

Unit: NTD thousand

Item \ Year	2025	2024	Difference	Difference ratio (%)
Operating revenue	2,894,375	2,547,627	346,748	14%
Operating profit margin	883,860	322,163	561,697	174%
Operating loss	63,025	(381,542)	444,567	-117%
Non-operating income and expense	(1,946)	(17,071)	15,125	-89%
Net loss before tax	61,079	(398,613)	459,692	-115%
Tax (expenses) gains	(17,929)	(27,818)	9,889	-36%
Current period net loss	43,150	(426,431)	469,581	-110%
Net amount of other combined gains or losses	135,797	(196)	135,993	-69384%
Total comprehensive income in the current period	178,947	(426,627)	605,574	-142%
Analysis and Description of Changes in the Increase/Decrease (at least 20% of variance and an amount involved in the variance of NTD 20 million and above) (1) Increase in Gross Profit: Benefited from sales more high gross profit produt. (2) Increase in Operating Income: Due to operating expenses remain little change, but operating income substantial increase, thus generating operating profit. (3) Increase in Operating Income before Tax: Due to gross profit increase and expenses no more change with prior year. (4) Increase in Operating Income after Tax: Due to gross profit increase and expenses no more change with prior year. (5) Increase in Other Comprehensive Income: Due to Financial Assets Measured at Fair Value through Other Comprehensive Income fair value increase.				

III. Cash flows of the most recent year

1. Analysis of changes in cash flows over the most recent year:

Unit: NTD thousand

Item \ Year	2025	2024	Variation	
			Difference	Difference ratio (%)
Operating activities	139,861	72,253	67,608	93.57
Investing activities	(58,228)	(60,664)	2,436	4.02
Financing activities	111,158	(183,857)	295,015	160.46

Clarification:

(1) Increase in Net Cash Inflows from Operating Activities: Mainly due to increased accounts payable.

(2) Increase in Net Cash Inflows from Investment Activities: Due to decrease Property, Plant and Equipment.

(3) Increase in Net Cash Inflows from Financing Activities: Due to short-term debt increase.

2. Plan for improving insufficient liquidity: Not applicable
3. Cash liquidity analysis for the coming year

Unit: NTD thousand

Cash balance at start of the period (1)	Expected net cash flows from operating activities throughout the year (2)	Expected cash flows of investments and financing activities throughout the year (3)	Cash flow surplus (deficit) amount (1)+(2)+(3)	Remedial measures for cash flow deficit	
				Investment Plan	Wealth management plan
561,806	56,578	(92,250)	526,134	-	-

IV. Influence of major capital expenditures on financial business in the most recent year: None.

V. Reinvestment policy in the most recent year and the main reasons for its profit or loss, improvement plan, and investment plan for the coming year

1. Reinvestment policy for the most recent year:

The Company has already defined the Subsidiaries Supervision and Management Guidelines for companies that it invests in and subsidies will be managed accordingly. Major subsidiaries send back financial and operational statements to the main office the following month to facilitate discussion and analysis and to enhance the overall investment performance and protect the rights of shareholders. The Company will carefully evaluate the investment plan from a long-term strategic perspective in order to cope with the future market and the demand for expansion of the production capacity and to continue reinforcing global competitive advantages.

2. Main reasons for their profit or loss and improvement plans for the coming year:

Unit: NTD thousand; Shares

Reinvestment Business	Gains or losses recognized for 2025	Cause of profit or deficit	Improvement plan	Investment plan for the next year
Avision International Inc.	124,291	Recognize losses of second-tier Avision (Suzhou) and Shanghai Avision	-	None.
Avision Development Inc.	23,782	Recognize losses of 2nd-tier subsidiary Avision Labs, Inc.	-	None.
Avision Brasil Ltda	(7,037)	Maintaining the market is the primary purpose in the beginning if the operation is yet to come of scale.	-	None.
Quantum Investment Co., Ltd.	24,307	Recognize losses of Subsidiary Avision Europe GmbH	-	None.
Fortune Investments Ltd.	124,291	Recognize losses of Subsidiary Avision (Suzhou) and Shanghai Avision	-	Note 1
Avision Europe GmbH	24,307	Reversal of Bad Debt Expenses for the Current Period	-	None.

Reinvestment Business	Gains or losses recognized for 2025	Cause of profit or deficit	Improvement plan	Investment plan for the next year
Sunglow International Inc.	23,782	Recognize losses of Subsidiary Avision Labs, Inc.	-	None.
Avision Labs, Inc	23,782	Benefiting from market order	-	None.
Avision (Suzhou) Co., Ltd.	121,411	Benefiting from market order	-	Note 1, Note2
Avision Digital Office Equipment (Shanghai) Trading Co., Ltd.	2,880	Benefiting from market order	-	Note 1
Suzhou Hongxin Microelectronics Co., Ltd.	(3,369)	It primary function is technology research and development; it has not yet reached the stage of monetization.	Monetization after the technology is developed	Note 2

Note 1: In the first quarter of 115, the profits of Avision Digital Office Equipment (Shanghai) Trading Co., Ltd. were remitted back to Fortune Investments Ltd. and Fortune Investments Ltd. reinvested US$2.2 million in Avision (Suzhou) Co., Ltd.

Note 2: Avision (Suzhou) Co., Ltd. is still evaluating its future investment plans for Suzhou Hongxin Microelectronics Co., Ltd.

VI. Analysis and Evaluation of Risk Matters over the Most Recent Year up to the Date the Annual Report was Printed

(I) The effects that interest rate, exchange rate fluctuations, and inflation have on the profits and losses of the Company as well as the future countermeasures.

(1) Changes in interest rates

The interest income and interest expenditure of the Company for 2025 were, respectively, NTD 1,731 thousand and NTD 26,187 thousand, accounting for 0.05% and 0.90%, respectively, of the net operating income; the fluctuating interest rate does not impact the overall profitability of the Company much. As operating income increases and the demand for funds drops, however, the Company will not only continue to maintain optimal relations with corresponding banks in order to obtain funds at a relatively low cost but also properly manage borrowings from banks and continue to lower the amount borrowed in order to minimize the risk of interest rate change in the future.

(2) Exchange rate risk

The exchange gains of the Company for 2025 came to NTD 15,916 thousand, accounting for 0.55% of the net operating income. The Company purchases and sells mainly in US Dollars. In Mainland China, on the other hand, CNY is adopted as the primary bookkeeping currency in order to minimize the impacts the exchange rate fluctuations have on the Company’s gains or losses. As far as foreign currency funds management is concerned, besides adequately retaining the foreign currency positions of sales income in order to pay off accounts payable in foreign currency and to accomplish natural hedging, the Finance Department of the Company is also proactively collecting information about exchange rates, paying attention to changes in the primary currency on the international exchange market so as to keep track of the exchange rate and to minimize the impacts that the fluctuating exchange rate has on the gains or losses of the Company.

(3) Inflation

The Company closely monitors fluctuating market prices and maintains optimal interactions with suppliers and customers in order to avoid significant impacts of inflation on the Group.

(II) Policies for engaging in high-risk and high-leverage investments, fund loans to others, endorsements, and derivative products; main reason for profit or loss; and future countermeasures.

(1) Policies on high-risk and high-leverage investments, the main reason for profit or loss, and countermeasures in the future:

The Company focuses on its main scope of operation and, in honor of the principles of being conservative and robust, never engages itself in high-risk and high-leverage investments.

(2) Policies on lending funds to others, endorsements/guarantees, and derivative products; the main reason for profit or loss; and countermeasures in the future:

The Company has defined applicable regulations such as the "Operating Procedure for Lending of Funds and Endorsement/Guarantee" and the "Operating Procedure for Trading Derivatives" to be followed as needed for related operations in order to ensure maximum interests of the Company. As of the date the Annual Report was printed, the Company and its subsidiaries had only lent funds to the Company and its subsidiaries.

(III) Future R&D plan and estimated R&D expenses

Avision will continue to invest resources in the following projects in order to maintain the core competitive advantages of the Company.

- A4 Self-service copiers and various auxiliary self-service printing/copying cloud management programs
- Development of APPs for the network and cloud
- Image processing chips of the new generation
- Development of information management and safety printing and management software to go with the introduction of the smart copier

The R&D plan expected to take place in 2026 is generally as follows:

1. Continue to introduce smart copiers based on the product development roadmap of the Company
2. Introduce conforming black-and-white laser printing engines based on the product development roadmap
3. Continue to enhance the scanning/image processing speed and digital office equipment features
4. High-speed document scanner

R&D Budget Forecast

The Company's R&D expenditure mainly consists of investments in the development of future products and is not necessarily proportional to the amount of sales for the current year. Avision believes that only proactive devotion to research and development is the key to keeping the Company competitive and the only way to maintain the existing strengths of the Company. As such, R&D expenditure is never delayed as a result of undesirable external settings at Avision. The total R&D expenditure of Avision in 2025 is equivalent to that in prior years.

(IV) The influence of the changes in important policies and regulatory environment at home or abroad on the Company’s financial business, and countermeasures

The Company complies with national policies and regulatory requirements. Related units closely monitor important changes in policies and laws and adjust the Company’s internal systems and operating activities accordingly to ensure that the Company is working smoothly.

(V) The influence of changes in technology (including cyber security risks) and the industry on the Company's financial business and countermeasures

The market for scanners is seeing is declining. The Company therefore is speeding up the development of printers and multi-function business machines. The R&D unit of the Company will also closely monitor possible impacts brought about by technological and industrial changes on the Company. Meanwhile, the R&D unit reinforces the development of high value-added and highly profitable products to boost further diversification and advancement of corporate products in order to secure profit-making sources. So far, no technological and industrial changes have impacted the financial operations of the Group.

(VI) The effects that corporate image have on corporate crisis management and the countermeasures:

The Company is known for its righteous corporate image and enforces optimal risk control. As of the date the Annual Report was printed, no impacts on corporate risk management as a result of altered corporate images had occurred; the corporate image has been optimal.

(VII) Estimated benefits and potential risks of M&A and countermeasures: None.

(VIII) Expected benefits and possible risks of the expansion of plants and countermeasures: This did not happen.

(IX) Risks of supplier or client concentration and countermeasures:

Most of the purchases/sales clients of the Company are well-known domestic and international businesses. Besides maintaining optimal relations with existing customers and suppliers, the Company is proactively seeking new sources of customers and developing new products in an effort to diversify sales customers. As far as the purchases/sales of the most recent year is concerned, no risk of focused purchases/sales had occurred.

(X) The influence of massive transfer or replacement of shares by the directors or shareholders each holding more than 10 % of the shares issued by the Company, the risk thereof, and countermeasures: None.

(XI) The effects and risks that operating rights changes have to the Company as well as the countermeasures: None.

(XII) Litigation or non-litigation incidents of the Company and its directors, President, substantial person-in-charge, shareholders holding more than 10% of shares, and affiliates: This did not happen.

(XIII) Other important risks and countermeasures:

(1) Information technology security risk and management measures

In order to ensure the confidentiality, integrity, and usability of the IT assets that belong to the Company (including physical hardware/software facilities, data, information, staff, and service) and to comply with applicable regulatory requirements so that they are free of intention or accidental internal and external threats and that corporate business operations are not interrupted, the "Information Security Policy and Management Guidelines" are prepared. Information security management covers 13 information security management matters in order to avoid improper use, destruction, loss, or disclosure due to negligence, intentionally, or as a result of natural disasters and possible resultant risks and hazards for the Company.

Management measures:

a. The "Information and Communication Security Management Task Force" should review and revise this policy and such revisions are subject to approval by the senior executives before they are enforced in order to ensure that the policy meets current demand.
b. Respective departmental officers shall spontaneously communicate this security policy and all information security-related requirements and demand that their subordinates understand and follow them accordingly.
c. All employees shall follow the requirements set forth herein.
d. Temporary workers, contractors, and contract service providers are all responsible for abiding this safety policy.
e. All employees are responsible for reporting discovered information security accidents or weaknesses through an appropriate reporting system.
f. Any behavior that jeopardizes information security shall be subject to proper discipline or legal action.
g. Related information security measures or regulations shall be compliant with current regulatory requirements.

(2) Impacts of COVID-19 and countermeasures

COVID-19 impacted the supply chain of IT products, which will probably expedite the transfer and diversification of the supply chain. It also poses the risk of adjusting the global economy downwards over the long term.The Company will continue to closely monitor macro-environmental changes, flexibly adjust the organization and business operation, and also reinforce its working capital at the same time to cope with various changes.

(3) Adjustment of supplier strategy and countermeasures

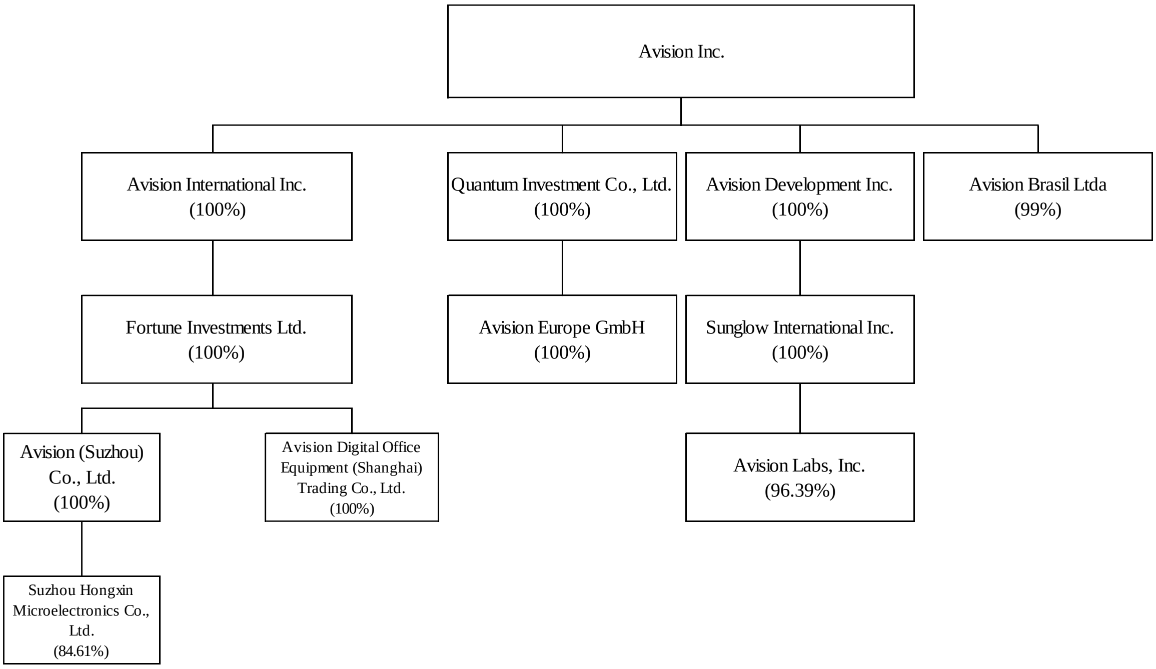
The international environment and geographical conflicts led to the required cooperation in the supply chain strategy. The Company will adequately integrate and adjust resources and expedite the growths of other suppliers as well as add competitive suppliers and products to maximize the efficacy for the Company.

VII. Other material issues: None.

Six. Special Disclosures

I. Affiliated Enterprises Related Information

(I) Affiliate organization chart



1. Investments made by the Company

December 31, 2025
Unit: USD/EUR/CNY; Share

Affiliate	Shares Ratio	Number of shares held		
Avision International Inc.	100.00%	Common share	38,546,389 shares	
Fortune Investments Ltd.	100.00%	Common share	39,498,705 shares	
Avision Development Inc.	100.00%	Common share	8,390,475 shares	
Sunglow International Inc.	100.00%	Common share	8,390,475 shares	
Avision Labs, Inc.	96.39%	Preference share	800,000 shares	
Avision Brasil Ltda	99.00%	Cash	USD1,675,526.79	
Avision (Suzhou) Co., Ltd.	100.00%	Cash Equipment	USD 38,639,689 USD 2,360,311	
Avision Digital Office Equipment (Shanghai) Trading Co., Ltd.	100.00%	Cash	USD 200,000	
Suzhou Hongxin Microelectronics Co., Ltd.	84.61%	Cash	RMB 23,000,000	
Quantum Investment Co., Ltd.	100.00%	Common share	2,550,000 shares	
Avision Europe GmbH	100.00%	Cash	EUR 50,000	

Note: Since no share swap operation was carried out as of the publication date, the number of shares held is the number of shares before the capital reduction.

2. Investments in the Company by subsidiaries

Quantum Investment Co., Ltd. holds shares in the Company; as of December 31, 2025, the total number of shares held came to 195,879.

3. Investments between subsidiaries: None.

(II) Basic information of each affiliates

December 31, 2025
Unit: NTD/ USD/EUR/CNY

Enterprise name	Date of establishment	Address	Paid-in Capital	Main business or production items
Avision International Inc.	1999.10.05	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa.	USD 38,546,389	Investment
Fortune Investments Ltd.	1999.10.08	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa.	USD 39,498,705	Investment
Avision Development Inc.	2001.06.26	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa.	USD 8,390,475	Investment
Sunglow International Inc.	2001.06.26	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa.	USD 8,390,475	Investment
Avision Labs, Inc.	2003.09.03	6815 Mowry Avenue, Newark, CA 94560, United States	USD 1,642,241	Sale and maintenance service of scanners
Avision (Suzhou) Co., Ltd.	1999.12.03	No. 9, Suhong West Road, Suzhou Industrial Park	USD 41,000,000	Scanners and multifunction printers
Avision Digital Office Equipment (Shanghai) Trading Co., Ltd.	2002.08.05	A-D, Unit #6, No. 20, Sucui Road, Waigaoqiao Free Trade Zone, Shanghai	USD 200,000	International trade
Suzhou Hongxin Microelectronics Co., Ltd.	2021.07.01	Suite 405, Building 1, 3E Industrial Park at No. 18, Chunyao Road, Caohu Street, Suzhou	RMB23,000,000	R&D and sales of wafer
Quantum Investment Co., Ltd.	2000.09.15	2F.-13, No. 67, Gaocui Rd., Xiangong Vil., East Dist., Hsinchu City	NTD 25,500,000	Investment
Avision Europe GmbH	2009.02.05	Bischofstr. 101, 47809 Krefeld, Germany	EUR 50,000	Maintenance service of scanners
Avision Brasil Ltda	2010.12.17	Rua Flórida, 1670 - CJ 22 - Ed. Palmares- Berrini - São Paulo, Brasil - CEP: 04565-904	USD 1,675,527	Maintenance of scanners and multifunction printers

Note: Since no share swap operation was carried out as of the publication date, the number of shares held is the number of shares before the capital reduction.

(III) Information on the same shareholders who are presumed to have control and affiliation relations: None.

(IV) Industries covered in the scope of operation of affiliates as a whole: The Company and its affiliates are dealing with research, development, production, manufacture, and sale of fax machine components, electronic white boards, high-resolution negatives/image scanners, rapid paper-feeding/paging systems, among others, and a small number of affiliates focus on investment and share-holding business.

(V) Information on directors, supervisors, and president of affiliates

December 31, 2025

Unit: USD/EUR/CNY; Share; %

Enterprise name	Title	Name or representative	Shareholding		
			Shares		Shares Ratio
Avision International Inc.	Director (Chairman)	Sheng Shao-Lan	Common share	38,546,389 shares	100%
Fortune Investments Ltd.	Director (Chairman)	Sheng Shao-Lan	Common share	39,498,705 shares	100%
Avision Development Inc.	Director (Chairman)	Sheng Shao-Lan	Common share	8,390,475 shares	100%
Sunglow International Inc.	Director (Chairman)	Sheng Shao-Lan	Common share	8,390,475 shares	100%
Avision Labs, Inc.	President	Sheng Shao-Lan	Preference share	800,000 shares	96.39%
Avision (Suzhou) Co., Ltd.	Director (Chairman)	Sheng Shao-Lan	Cash Equipment	USD 38,639,689 USD 2,360,311	100%
Avision Digital Office Equipment (Shanghai) Trading Co., Ltd.	Director (Chairman)	Sheng Shao-Lan	Cash	USD 200,000	100%
Quantum Investment Co., Ltd.	Chairman (President)	Sheng Shao-Lan	Common share	2,550,000 shares	100%
Avision Europe GmbH	Manage Director	William Kuo	Cash	EUR 50,000	100%
Avision Brasil Ltda	Manage Director	Adriano,Fabio Akioi	Cash	USD1,675,527	99%
Suzhou Hongxin Microelectronics Co., Ltd.	Director (Chairman)	Wang Tse-Wu	Cash	RMB 19,460,000	84.61%

Note : Since no share swap operation was carried out as of the publication date, the number of shares held is the number of shares before the capital reduction.

(VI) 2025 Operational Overview of Respective Affiliates

(Unit: NTD thousand)

Enterprise name	Paid-in Capital	Total assets	Total liabilities	Net value	Operating revenue	Operating profit	Current profit and loss (after tax)	Earnings Per Share (NTD) (After-tax)
Avision Inc.	2,169,341	2,160,912	1,602,149	558,763	969,298	(188,467)	42,943	0.72
Avision International Inc.	1,273,978	1,197,111	0	1,197,111	0	0	124,291	Note 2
Fortune Investments Ltd.	1,302,973	1,196,655	0	1,196,655	0	0	124,291	Note 2
Avision (Suzhou) Co., Ltd.	1,352,321	2,453,793	1,403,764	1,050,029	2,404,476	156,010	121,411	Note 2
Avision Digital Office Equipment (Shanghai) Trading Co., Ltd.	6,943	166,654	19,673	146,981	121,743	892	2,880	Note 2
Avision Development Inc.	273,442	27,684	0	27,684	0	0	23,782	-
Sunglow International Inc.	273,429	27,672	0	27,672	0	0	23,782	-
Avision Labs, Inc.	49,386	91,181	62,569	28,612	313,018	28,112	24,672	Note 2
Quantum Investment Co., Ltd.	25,500	46,482	9	46,473	0	(39)	24,307	9.53
Avision Europe GmbH	2,379	96,412	63,257	33,155	309,350	31,620	24,295	Note 2
Avision Brasil Ltda.	49,798	9,925	11,409	(1,484)	16,210	(10,786)	(7,109)	Note 2
Suzhou Hongxin Microelectronics Co., Ltd.	98,855	5,428	674	4,754	0	(3,726)	(3,981)	Note 2

Note 1: Exchange rate: USD/NTD=31.43; RMB/NTD=4.496; BRL/NTD=5.7124; EUR/NTD=36.90

Note 2: Limited company; Therefore, it is not applicable.

(VII) Consolidated Financial Statements of Affiliates

The entities required to be included in the preparation of the consolidated financial statements of related parties are the same as those that should be included in the parent-subsidiary consolidated financial statements in accordance with IFRS 10. The relevant disclosures required in the consolidated financial statements of related parties have all been disclosed in the parent-subsidiary consolidated financial statements.

II. Private placement of securities in the most recent year up to the publication date of this annual report: None.

III. Other matters requiring supplementary information: None.

IV. Matters with important impacts on shareholders' equity or prices of securities as indicated in Article 36 Paragraph 3 Subparagraph 2 of the Act over the past year up to the date the Annual Report was printed shall also be specified one by one: None.

Avision Inc.

Chairman：Sheng Shao-Lan

A vision of your office

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