

Stock Code: 5392



ABICO AVY

ABICO AVY CO., LTD.

2025 Annual General Shareholders' Meeting

Agenda Handbook

Meeting Time: June 20, 2025

**Place: 15 F., No. 99, Fuxing N. Rd., Songshan Dist., Taipei City,
Taiwan**

Type: Physical meeting

ABICO AVY CO., LTD.
2025 General Shareholders' Meeting
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(Translation – In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.)

I. Meeting Procedure

ABICO AVY CO., LTD.

Procedure for the 2025 Annual General Shareholders' Meeting Procedure

1. Call the Meeting to Order

2. Chairperson Remarks

3. Management Presentation

4. Proposals

5. Discussion

6. Questions and Motions

7. Adjournment

II. Meeting Agenda

ABICO AVY CO., LTD.

2025 Annual General Shareholders' Meeting Agenda

Time: 9:00 a.m. on Friday, June 20, 2025

Place: 15 F., No. 99, Fuxing N. Rd., Songshan Dist., Taipei City, Taiwan (Convention Center)

Type: Physical meeting

Call the Meeting to Order. (Report on the number of shares present or represented at the meeting)

Chairperson Remarks

1. Management Presentations

Proposal 1: 2024 Business Report

Proposal 2: Audit Committee's Review Report on the 2024 Financial Statements

Proposal 3: 2024 Employees' and Directors' Remuneration Proposal

Proposal 4: Distribution of 2024 Earnings in Cash Dividends

2. Proposals

Proposal 1: Adoption of the 2024 Business Report and Financial Statements

Proposal 2: Adoption of the Proposal for Distribution of 2024 Earnings

3. Discussion

Proposal 1: Amendment to the Company's Articles of Incorporation

Proposal 2: Capitalization of 2024 Earnings and Issuance of New Shares

4. Questions and Motions

5. Adjournment

Management Presentations

Report No. 1

2024 Business Reports

Explanation:

The 2024 Business Report is provided in Attachment I, on pages 8 to 10.

Report No. 2

Audit Committee's Review Report on the 2024 Financial Statements

Explanation:

The 2024 Audit Committee's Review Report is provided in Attachment II, on page 11.

Report No. 3

2024 Employees' and Directors' Remuneration Proposal

Explanation:

Pursuant to Article 20 of the company's Articles of Incorporation, 2024 employees' remuneration and directors' remuneration are as follows:

- (1) The amount of employee remuneration is NT\$3,278,525.
- (2) The amount of director remuneration is NT\$614,723.
- (3) The aforementioned employee and director remuneration will be distributed entirely in cash.

Report No. 4

Distribution of 2024 Earnings in Cash Dividends

Explanation:

1. Pursuant to Article 20 of the Company's Articles of Incorporation, the Board of Directors was authorized to determine the distribution of dividends and bonuses, in whole or in part, in the form of cash. The resolution has been approved by the Board and is hereby reported to the shareholders' meeting.
2. A total of NT\$33,791,794 in cash dividends will be distributed from the distributable earnings of prior years, with an estimated cash dividend of approximately NT\$0.2 per share. Amounts will be calculated to the nearest dollar;

fractional amounts less than one dollar will be disregarded and aggregated into the Company's other income.

3. The above proposal has been approved by the Board of Directors. The record date for dividend distribution and other related matters will be determined separately. In the event that the number of outstanding shares changes due to share buybacks, capital increases in cash, or other factors, resulting in an adjustment to the dividend per share, the Chairman is authorized to make such adjustments accordingly.

Proposals

Proposal 1: (Proposed by the board of directors)

Adoption of the 2024 Business Report and Financial Statements

Explanation:

- (1) The Company's 2024 Business Report has been duly prepared, reviewed by the Audit Committee, and approved by the Board of Directors.
- (2) For details of the Business Report, please refer to Attachment I, on pages 8 to 10 of this Manual.
- (3) The parent company only financial statements and the consolidated financial statements of the Company for the year 2024 have been audited by Certified Public Accountants Ms. Juanlu Man-Yu and Ms. Feng Min-Chuan of PricewaterhouseCoopers Taiwan. The audited financial statements were submitted to the Audit Committee for review, and no discrepancies were found. The Audit Committee has issued a review report accordingly.
- (4) For the Independent Auditors' Report, Balance Sheet, Statement of Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows for the year 2024, please refer to Attachment III on pages 12 to 40 of this Manual.

Resolution:

Proposal 2: (Proposed by the board of directors)

Adoption of the Proposal for Distribution of 2024 Earning

Explanation:

- (1) The Company's 2024 Earnings Distribution Proposal has been reviewed by the Audit Committee and approved by the Board of Directors.
- (2) For details of the Earnings Distribution Table, please refer to Attachment IV on page 41 of this Manual.

Resolution:

Discussion

Proposal 1: (Proposed by the board of directors)

Amendment to the Company's Articles of Incorporation

Explanation:

In accordance with the Executive Yuan Announcement No. 11300069631 dated August 7, 2024, and Article 14, Paragraph 6 of the Securities and Exchange Act, the Company proposes to amend its Articles of Incorporation.

A comparison table showing the original and amended provisions is provided in Attachment V on page 42 for shareholders' reference.

Resolution:

Proposal 2: (Proposed by the board of directors)

Capitalization of 2024 Earnings and Issuance of New Shares

Explanation:

- (1) To support the Company's future development, it is proposed to appropriate NT\$76,031,550 from the distributable earnings for the year 2024 to be distributed as stock dividends, by issuing 7,603,155 new shares at a par value of NT\$10 per share. The shares will be allocated to shareholders in proportion to their shareholdings as recorded in the shareholder register on the record date for stock dividend distribution. Approximately 45 shares will be distributed for every 1,000 shares held. Any fractional shares resulting from the distribution may be combined into whole shares by the shareholders within five days from the commencement date of the book closure period for the ex-rights date, through the Company's stock agent. Any shares not consolidated or remaining fractional shares shall be paid in cash at par value in accordance with Article 240 of the Company Act (amounts less than NT\$1 will be rounded down). The shareholders' meeting shall authorize the Chairman to negotiate with specific persons to purchase such shares at par value. For shareholders who opt for stock dividends via book-entry transfer, the proceeds from fractional shares less than one share will be deemed as handling fees for the transfer.

- (2) The rights and obligations of the new shares issued through capitalization of earnings shall be identical to those of the existing shares.
- (3) Upon approval of this proposal by the shareholders' meeting, the Board of Directors shall be authorized to determine the record date, distribution date, and any other matters relating to the capital increase and issuance of new shares.
- (4) In the event of any subsequent changes in the total number of outstanding shares resulting from the repurchase of the Company's shares, cash capital increases, or other factors, the shareholders' meeting shall authorize the Chairman to adjust the distribution ratio based on the actual number of outstanding shares on the record date.
- (5) This proposal is hereby submitted for resolution.

Resolution:

Questions and Motions

Adjournment

III. Attachment

Attachment I: Business Report

ABICO AVY CO., LTD. 2024 Business Report

First of all, we would like to extend our sincere appreciation to all shareholders for taking the time out of your busy schedules to attend this year's Annual Shareholders' Meeting. On behalf of the Company, I wish to express our highest gratitude for your continued support and encouragement.

The 2024 operating performance and the 2025 business outlook are hereby presented as follows:

1. Operating Performance for 2024:

2024	Unit: NTD in thousand	
Item	Consolidated	Standalone
Operating Revenue	9,433,375	60,577
Gross Profit	1,511,678	56,478
Operating Expenses	1,486,688	48,897
Operating Income (loss)	24,990	7,581
Non-operating Income and Expenses-Net	248,591	29,507
Income tax income (expense)	(165,399)	(7,398)
Net Income (Loss) for the period	108,182	29,690

Note: The financial figures presented above for the year have been duly audited and attested by CPAs.

2. Budget implementation: N/A.

3. Analysis of financial income and expenditure and profitability:

2024	Unit: NTD in thousand	
Item	Consolidated	Standalone
Financial Income and Expenditure	Operating Revenue	9,433,375
	Gross Profit	1,511,678
	Net Income (Loss) for the period	108,182
		29,690

2024

Unit: NTD in thousand

	Item	Consolidated	Standalone
Profitability	Return on Assets (%)	1.29	0.83
	Return on Equity (%)	1.39	0.52
	Operating Profit to Paid-in Capital Ratio (%)	1.48	0.45
	Pre-tax Profit to Paid-in Capital Ratio (%)	16.19	2.20
	Net Profit Margin (%)	1.15	49.01
	Earnings per Share (NT\$)	0.18	0.18

Note: The financial figures presented above for the year have been duly audited and attested by CPAs.

4. Research and Development Status

In response to the advent of the AI and robotics era, ABICO AVY continues to leverage Group-wide resources to actively explore the latest trends in AI and robotic applications. In addition to accelerating the adoption of AI-driven robotic automation in production processes—aimed at enhancing both efficiency and precision—the Company has also taken steps to participate in the robotics industry by collaborating with external partners in the development of related components. These initiatives are part of our forward-looking strategy to lay a solid foundation for future product lines.

In the existing automotive components segment, the global trend toward energy conservation and carbon reduction has positioned green energy as a key industry driver. In light of this, the Company not only provides modular and integrated solutions for current automotive electrification systems but also works closely with major car manufacturers on the development of components for the next generation of new energy vehicles, aiming to deliver higher-value products to customers.

5. Business Outlook for 2025

The recent introduction of new U.S. tariff policies in March and April 2025, along with fluctuations in the U.S. dollar exchange rate, has led to increased uncertainty in the global economic landscape. In response, ABICO AVY has adopted a more conservative operating approach to mitigate external risks. The Company also continues to closely monitor and manage its cash position to ensure

resilience amid potential economic shifts.

While the performance of the Group's operational sites varies across regions in response to local economic conditions, the automotive components business remains the central focus of our manufacturing operations and continues to demonstrate stable growth. With the rise of AI and robotics, the Group has identified this field as a strategic development priority and aspires to become a leading player in this emerging sector.

Looking ahead, the Group will remain agile in responding to industry trends, continuously refine its strategic direction, and strive to enhance profitability. We are committed to maximizing shareholder value and sincerely appreciate the continued support and guidance from our shareholders.

Wishing all our shareholders good health and every success in all endeavors.

Chairman: Tong, Chun-Jen

General Manager: Hu, Shiang-Chi

Chief Accounting Officer: Lee, Hui-Chu

Attachment II: Audit Committee's Review Report

ABICO AVY CO., LTD. Audit Committee's Review Report

The Board of Directors has prepared the Company's 2024 Business Report, standalone and consolidated financial statements, and the proposal for distribution of earnings. The financial statements have been audited by PWC Taiwan, and an independent auditors' report has been issued accordingly.

The Audit Committee has duly reviewed the aforementioned Business Report, financial statements, and earnings distribution proposal in accordance with Article 14-5 of the Securities and Exchange Act and Article 219 of the Company Act, and found no discrepancies. This report is hereby respectfully submitted for your review.

To

2025 Annual General Meeting of Shareholders ABICO AVY CO., LTD.

Convener of the Audit Committee: Wang, Jieh-Chen

March 24, 2025

Attachment III: Independent auditors' audit report and 2024

Financial Statements

Accountant's Audit Report

(114) -Cai-Sheng-Bao No. 24005347

To ABICO AVY CO., LTD.,

Audit opinion

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

In our opinion, based on our audits and the reports of the other auditors (see Other Matters), the parent company only financial statements referred to above present fairly, in all material respects, the financial position of ABICO AVY CO., LTD. as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for audit opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, are most important to our audit of the parent company only financial statements of ABICO AVY CO., LTD. for the year ended December 31, 2024. These matters were addressed in our audit of the parent company only financial statements as a whole, and in forming our audit opinion. We do not express a separate opinion on these matters.

The key audit matters of the parent company only financial statements of ABICO AVY CO., LTD. for the year ended December 31, 2024 are as follows:

The accounting policies of ABICO AVY CO., LTD. for investments accounted for using the equity method, are described in Note 4(11) of the Notes to the parent company only financial statements. For the description of the accounting items, please refer to Note 6(5) of the Notes to IKKA Holdings (Cayman) Ltd., JABON INTERNATIONAL CO., LTD., EKEEN PRECISION CO., LTD. and ABICO NetCom Co., Ltd., that are directly or indirectly owned by ABICO AVY CO., LTD. and are the Group's major operating entities for manufacturing and sales. The financial position and financial performance of these companies have a significant impact on the financial statements of ABICO AVY CO., LTD. and its subsidiaries. Therefore, we have identified the evaluation of the investment balances of these companies accounted for using the equity method as one of the most important matters to be audited, and have also included the assessment of an allowance for inventory valuation losses and the assessment of an allowance for losses on accounts receivable as the key audit matters of ABICO AVY CO., LTD. The key audit matters of these companies are summarized as follows:

Assessment of expected credit loss on accounts receivable

Description

IKKA Holdings (Cayman) Ltd., JABON INTERNATIONAL CO., LTD., EKEEN PRECISION CO., LTD., and ABICO NetCom Co., Ltd. operate in major markets including Taiwan, Mainland China, Hong Kong, Japan, Vietnam, and Malaysia, among others. If significant customers experience financial difficulties, payment delays, or defaults, the risk of uncollectible notes and accounts receivable may increase. At each balance sheet date, the companies assess whether there is objective evidence of expected credit losses on an individual basis, based on the overdue status of the receivables, historical transaction records, subsequent collections, the financial condition of the customers, and other forward-looking factors, based on which the provision for expected credit losses is estimated based on this evaluation.

Given the materiality of the notes and accounts receivable balances and the large number of customers involved, along with the subjectivity inherent in management's assessment of the allowance for expected credit losses, this area requires significant judgment. Accordingly, we have identified the evaluation of the allowance for expected credit losses as a key audit matter.

Corresponding audit procedures

This matter involves multiple entities audited by our firm and other auditors. The procedures performed to evaluate the adequacy of the allowance for doubtful accounts related to overdue and individually significant notes and accounts receivable are specified below:

1. Obtaining overdue aging schedules used by management to assess expected credit loss rates, confirming consistent logic in the data source, and testing the accuracy of the underlying aging information.
2. Obtaining the defaults statue of notes and accounts receivable and evaluate the reasonableness of applying a provision matrix to estimate expected credit losses.
3. Obtaining subsequent collection records for individually significant notes and accounts receivables to assess the occurrence of expected credit losses and verify the appropriateness of the related provision.
4. For accounts receivable that were past due or had indicators of impairment, assessing the recoverability based on historical collection experience, discussions with management, and supporting documentation.

Assessment of an allowance for inventory valuation losses

Description

IKKA Holdings (Cayman) Ltd., JABEON INTERNATIONAL CO., LTD., EKEEN PRECISION CO., LTD. and ABICO NetCom Co., Ltd. are primarily engaged in the manufacturing and sales of transmission components, powder metallurgy, automotive components and business machine components. Due to rapid technological changes and intense market competition, these inventories are subject to a higher risk of impairment, obsolescence, or physical damage. For inventories normally sold, the net realizable value is determined based on selling and purchase prices in the ordinary course of business during a recent period prior to the balance sheet date. For inventories exceeding a certain age threshold or individually identified as obsolete or damaged, the net realizable value is estimated based on historical data regarding inventory turnover and discount rates applied in similar circumstances.

Given the large volume of inventory items and the diversity of data sources used to determine net realizable value, and considering that the evaluation of obsolete or damaged inventory often involves significant management judgment, we have determined that the assessment of the allowance for inventory valuation losses constitutes a key audit matter.

Corresponding audit procedures

This matter involves multiple entities audited by our firm and other auditors. The procedures performed to evaluate the measurement of net realizable value of inventories and the appropriateness of the allowance for valuation losses on inventories are specified below:

1. Based on our understanding of the Company's operations and characteristics, evaluating the appropriateness and consistency of the policy for recognizing inventory valuation

losses across comparative reporting periods.

2. Understanding the process of inventory management, reviewing the annual inventory plan and participating in the annual inventory plan to assess the effectiveness of management's procedures for identifying and managing obsolete or damaged inventory.
3. Obtaining aging reports for various inventory items, testing the correctness of its calculation logic and to confirm that obsolete inventory items over a certain age have been included in the statement.
4. Obtaining statements of net realizable value of inventories, confirming the consistency of the calculation methodology, and performing sample tests on sales and purchase prices for selected inventory items by tracing them to supporting documentation.

Other matters: Reference to other accountants' audits

As stated in Note 6(5) to the parent company only financial statements, certain investee companies accounted for using the equity method, which are included in the financial statements of ABICO AVY CO., LTD were audited by other auditors. Therefore, our opinion on the parent company only financial statements, insofar as it relates to the amounts included for those investees, is based solely on the reports of the other auditors. As of December 31, 2024 and 2023, the carrying amounts of the investments accounted for using the equity method in the aforementioned companies were NT\$950,409 and NT\$1,024,434, representing 12% and 14% of the total assets of the parent company only financial statements, respectively. For the years ended December 31, 2024 and 2023, the Company recognized its share of loss from those investees under the equity method in the amounts of NT\$80,324 and NT\$61,296, respectively, which accounted for (217%) and (106%) of the parent company only profit (loss) before tax.

Responsibilities of the management and the governing bodies for the parent company only financial statements

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

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

Those charged with governance, including Audit Committee, are responsible for overseeing the financial reporting process of ABICO AVY CO., LTD.

Auditor's responsibilities for the audit of the parent company only financial statements

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

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

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

10. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within ABICO AVY CO., LTD. to express an opinion on the parent company only financial statements. We are responsible for directing, supervising, and performance of the audit and remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that the personnel of our firm who are subject to independence requirements have complied with the Code of Professional Ethics for Certified Public Accountants in the Republic of China with respect to independence, and we communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, the related safeguards.

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

PricewaterhouseCoopers Taiwan

Feng, Min-Chuan

CPA:

Juanlu, Man-Yu.

Former Securities and Futures Bureau, Financial Supervisory Commission, Executive Yuan

Approval Document No: Jin-Guan-Zheng-VI No. 0960038033
Former Financial Supervisory Commission (FSC)

Approval Document No: Jin-Guan-Zheng-Zi No. 0990058257

March 24, 2025

ABICO AVY CO., LTD.
Parent Company Only Balance Sheet
As at December 31, 2024 and 2023

Assets	Note	December 31, 2024		December 31, 2023		Unit: NT\$ thousand
		Amount	%	Amount	%	
Current assets						
1100 Cash and cash equivalents	6(1)	\$ 102,895	1	\$ 220,747	3	
1110 Financial assets at fair value through profit or loss - current	6(2)	31,238	-	32,898	1	
1180 Accounts receivable - related parties	6(4) and 7	51,800	1	24,564	-	
1210 Other receivables - related parties	7	43,671	1	12,000	-	
1220 Current income tax assets		-	-	84	-	
1410 Prepayments		1,087	-	21,933	-	
1470 Other current assets		975	-	133	-	
11XX Total current assets		231,666	3	312,359	4	
Non-current assets						
1510 Financial assets at fair value through profit or loss - non-current	6(2)	162,571	2	186,004	3	
1517 Financial assets at fair value through other comprehensive income - non-current	6(3)	621,645	8	534,232	7	
1550 Investments accounted for using the equity method	6(5)	7,062,819	87	6,317,434	86	
1600 Property, plant and equipment	6(6)	774	-	996	-	
1755 Right-of-use assets	6(7) and 7	2,563	-	1,393	-	
1780 Intangible assets	6(8)	888	-	-	-	
1840 Deferred income tax assets	6(20)	1,600	-	1,600	-	
1900 Other non-current assets		1,430	-	50	-	
15XX Total non-current assets		7,854,290	97	7,041,709	96	
1XXX Total Assets		\$ 8,085,956	100	\$ 7,354,068	100	

(continued)

ABICO AVY CO., LTD.
Parent Company Only Balance Sheet
As at December 31, 2024 and 2023

Unit: NT\$ thousand

Liabilities and equity	Note	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
Current liabilities					
2100 Short-term borrowings	6(9)	\$ 960,000	12	\$ 561,000	7
2150 Notes payable		1,356	-	2,713	-
2200 Other payables		53,980	1	46,612	1
2230 Current income tax liabilities		6,514	-	9,613	-
2280 Lease liabilities - current	7	1,132	-	1,396	-
2320 Current portion of long-term liabilities	6(10)	950,000	12	150,000	2
2399 Other Current liabilities - others		200	-	205	-
21XX Total current liabilities		1,973,182	25	771,539	10
Non-current liabilities					
2540 Long-term borrowings	6(10)	240,000	3	1,000,000	14
2570 Deferred income tax liabilities	6(20)	14,809	-	10,781	-
2580 Lease liabilities - non-current	7	1,454	-	-	-
25XX Total non-current liabilities		256,263	3	1,010,781	14
2XXX Total Liabilities		2,229,445	28	1,782,320	24
Equity					
Share Capital	6(12)				
3110 Ordinary share capital		1,689,590	21	1,689,590	23
Capital surplus	6(13)				
3200 Capital surplus		2,636,543	32	2,599,661	35
Retained earnings	6(14)				
3310 Legal reserve		424,656	5	392,518	5
3320 Special reserve		377,076	5	271,778	4
3350 Unappropriated retained earnings		817,269	10	1,000,992	14
Other equity					
3400 Other equity		(82,909)	(1)	(377,077)	(5)
3500 Treasury shares	6(12)	(5,714)	-	(5,714)	-
3XXX Total Equity		5,856,511	72	5,571,748	76
Significant contingent liabilities and unrecognized contractual commitments	9				
3X2X Total Liabilities and Equity		\$ 8,085,956	100	\$ 7,354,068	100

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

Chairman: Tong, Chun-Jen

Manager: Hu, Shiang-Chi

Chief Accounting Officer: Lee, Hui-Chu

ABICO AVY CO., LTD.
Parent Company Only Statement of Comprehensive Income
For the Years Ended December 31, 2024 and 2023

Items	Note	(Except for earnings per share, expressed in NT dollars)				Unit: NT\$ thousand	
		2024		2023			
		Amount	%	Amount	%		
4000 Operating revenue	7	\$ 60,577	100	\$ 39,365	100		
5000 Operating costs	6(19) and 7	(4,099)	(7)	(4,919)	(12)		
5900 Gross profit		56,478	93	34,446	88		
Operating Expenses	6(19) and 7						
6200 Administrative expenses		(48,897)	(81)	(51,522)	(131)		
6000 Total operating expenses		(48,897)	(81)	(51,522)	(131)		
6900 Operating income (loss)		7,581	12	(17,076)	(43)		
Non-operating income and expenses							
7100 Interest income	6(15)	1,824	3	3,721	9		
7010 Other income	6(16)	15,362	25	16,603	42		
7020 Other gains and losses	6(17)	(24,231)	(40)	63,304	161		
7050 Finance costs	6(18) and 7	(43,213)	(71)	(34,430)	(88)		
7070 Equity in earnings of subsidiaries, affiliates and joint ventures recognized under the equity method	6(5)						
		79,765	132	25,821	66		
7000 Total non-operating income and expenses		29,507	49	75,019	190		
7900 Profit Before Tax		37,088	61	57,943	147		
7950 Income tax expense	6(20)	(7,398)	(12)	(1,991)	(5)		
8200 Net profit for the period		\$ 29,690	49	\$ 55,952	142		
Other comprehensive income							
8316 Unrealized gains (losses) on equity instruments at fair value through other comprehensive income	6(3)						
		\$ 37,280	61	\$ 184,421	469		
8330 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method-items that will not be reclassified to profit or loss							
		39,084	64	50,577	128		
8349 Income tax relating to items that will not be reclassified to profit or loss	6(20)						
		(4,474)	(7)	1,606	4		
8310 Total items that will not be reclassified to profit or loss							
		71,890	118	236,604	601		

(continued)

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

Chairman : Tong, Chun-Jen

Manager: Hu, Shiang-Chi

Chief Accounting Officer: Lee, Hui-Chu

ABICO AVY CO., LTD.
Parent Company Only Statement of Comprehensive Income
For the Years Ended December 31, 2024 and 2023

Items	Note	Unit: NT\$ thousand (Except for earnings per share, expressed in NT dollars)			
		2024		2023	
		Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of foreign financial statements	211,892	350	(78,024)	(198)
8360	Total items that may be reclassified subsequently to profit or loss	211,892	350	(78,024)	(198)
8300	Other comprehensive income (net)	<u>\$ 283,782</u>	<u>468</u>	<u>\$ 158,580</u>	<u>403</u>
8500	Total comprehensive income for the period	<u>\$ 313,472</u>	<u>517</u>	<u>\$ 214,532</u>	<u>545</u>
9750	Basic earnings per share	6(21)	\$ 0.18	\$ 0.33	
9850	Diluted earnings per share	6(21)	\$ 0.18	\$ 0.33	

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

Chairman : Tong, Chun-Jen

Manager: Hu, Shiang-Chi

Chief Accounting Officer: Lee, Hui-Chu

ABICO AVY CO., LTD.
Parent Company Only Statement of Changes in Equity
For the Years Ended December 31, 2024 and 2023

Unit: NT\$ thousand

	Note	Retained earnings					Other equity			Treasury share	Total equity
		Ordinary share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income			
2023											
Balance as at January 1, 2023		\$ 1,699,640	\$ 2,596,552	\$ 392,518	\$ 575,656	\$ 426,729	(\$ 295,583)	\$ 23,805	(\$ 29,773)	\$ 5,389,544	
Net profit for the period		-	-	-	-	55,952	-	-	-	55,952	
Other comprehensive income for the period		-	-	-	-	5,819	(78,024)	230,785	-	158,580	
Total comprehensive income for the period		-	-	-	-	61,771	(78,024)	230,785	-	214,532	
Appropriation and distribution of 2022 earnings:	6(14)										
Special reserve		-	-	-	(303,878)	303,878	-	-	-	-	
Cash dividends		-	-	-	-	(50,989)	-	-	-	(50,989)	
Adjustment to capital surplus from dividends distributed to subsidiaries	6(13)		297	-	-	-	-	-	-	297	
Transfer of unclaimed dividends to capital surplus	6(13)	-	138	-	-	-	-	-	-	138	
Cancellation of treasury shares	6(12)(13)	(10,050)	(14,009)	-	-	-	-	-	24,059	-	
Disposal of equity instruments measured at fair value through other comprehensive income	6(3)	-	-	-	-	197,806	-	(197,806)	-	-	
Changes in equity in subsidiaries and associates	6(13)	-	(12,528)	-	-	1,543	-	-	-	(10,985)	
Disposal of equity instruments measured at fair value through other comprehensive income by subsidiaries and associates		-	-	-	-	60,254	-	(60,254)	-	-	
Difference between acquisition or disposal price and carrying amount of subsidiaries' equity	6(13)	-	29,211	-	-	-	-	-	-	29,211	
Balance as at December 31, 2023		\$ 1,689,590	\$ 2,599,661	\$ 392,518	\$ 271,778	\$ 1,000,992	(\$ 373,607)	(\$ 3,470)	(\$ 5,714)	\$ 5,571,748	

ABICO AVY CO., LTD.
Parent Company Only Statement of Changes in Equity
For the Years Ended December 31, 2024 and 2023

Unit: NT\$ thousand

	Note	Retained earnings					Other equity			Treasury share	Total equity
		Ordinary share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income			
2024											
Balance as at January 1, 2024		\$ 1,689,590	\$ 2,599,661	\$ 392,518	\$ 271,778	\$ 1,000,992	(\$ 373,607)	(\$ 3,470)	(\$ 5,714)	\$ 5,571,748	
Net profit for the period		-	-	-	-	29,690	-	-	-	29,690	
Other comprehensive income for the period		-	-	-	-	(540)	211,892	72,430	-	283,782	
Total comprehensive income for the period		-	-	-	-	29,150	211,892	72,430	-	313,472	
Appropriation and distribution of 2023 earnings:	6(14)	-	-	-	-	-	-	-	-	-	
Legal reserve		-	-	32,138	-	(32,138)	-	-	-	-	
Special reserve		-	-	-	105,298	(105,298)	-	-	-	-	
Cash Dividends		-	-	-	-	(50,688)	-	-	-	(50,688)	
Adjustment to capital surplus from dividends distributed to subsidiaries		-	295	-	-	-	-	-	-	295	
Transfer of unclaimed dividends to capital surplus	6(13)	-	18	-	-	-	-	-	-	18	
Changes in equity in subsidiaries and associates	6(13)	-	36,649	-	-	(14,903)	-	-	-	21,746	
Disposal of equity instruments measured at fair value through other comprehensive income by subsidiaries and associates		-	-	-	-	(9,846)	-	9,846	-	-	
Difference between acquisition or disposal price and carrying amount of subsidiaries' equity	6(13)	-	(80)	-	-	-	-	-	-	(80)	
Balance as at December 31, 2024		\$ 1,689,590	\$ 2,636,543	\$ 424,656	\$ 377,076	\$ 817,269	(\$ 161,715)	\$ 78,806	(\$ 5,714)	\$ 5,856,511	

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

ABICO AVY CO., LTD.
Parent Company Only Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

	Note	For the Year Ended December 31, 2024	For the Year Ended December 31, 2023	Unit: NT\$ thousand
Cash flows from operating activities				
Net profit before tax for the period		\$ 37,088	\$ 57,943	
Adjustments				
Income and expense items				
Depreciation expense (including right-of-use assets)	6(6)(7)(19)	2,756	2,418	
Amortization expense	6(8)(19)	25	-	
Interest income	6(15)	(1,824)	(3,721)	
Dividend income	6(16)	(15,362)	(16,603)	
Losses (gains) on financial assets at fair value through profit or loss	6(17)	35,710	(57,585)	
Interest expense	6(18)	43,213	34,430	
Share of profit of subsidiaries and associates accounted for using the equity method	6(5)	(79,765)	(25,821)	
Share-based compensation cost		64	199	
Losses on disposals of investments	6(17)	-	90	
Changes in assets/liabilities relating to operating activities				
Net change in assets related to operating activities				
Financial assets at fair value through profit or loss		(10,617)	29,502	
Accounts receivable (including related parties)		(27,236)	(24,553)	
Other receivables (including related parties)		(31,751)	12,000	
Prepayments		20,846	(19,428)	
Other current assets		(842)	60	
Net change in liabilities related to operating activities				
Notes payable		(1,339)	145	
Other payables		6,848	3,350	
Other current liabilities		(5)	34	
Cash outflows from operations		(22,191)	(7,540)	
Interest received		1,824	3,721	
Dividend received		49,628	77,083	
Interest paid		(42,693)	(34,049)	
Income tax paid		(10,859)	(1,062)	
Net cash (outflow) inflow from operating activities		(24,291)	38,153	
Cash flows from investing activities				
Acquisition of financial assets at fair value through other comprehensive income		(70,120)	(171,464)	
Disposal of financial assets at fair value through other comprehensive income		19,987	296,700	
Acquisition of investments accounted for using the equity method	6(5)	(516,904)	(229,070)	
Disposal of investments accounted for using the equity method	6(5)	-	30,969	
Return of capital from investees accounted for using the equity method	6(5)	32,353	-	
Acquisition of property, plant and equipment	6(6)	(286)	(1,037)	
Acquisition of intangible assets	6(8)	(913)	-	
(Increase) Decrease in other non-current assets		(1,380)	1,150	
Net cash outflow from investing activities		(537,263)	(72,752)	

(continued)

ABICO AVY CO., LTD.
Parent Company Only Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

	Note	For the Year Ended December 31, 2024	For the Year Ended December 31, 2023	Unit: NT\$ thousand
Cash flows from financing activities				
Increase in short-term borrowings		\$ 399,000	\$ 53,500	
Proceeds from long-term borrowings		390,000	1,150,000	
Repayment of long-term borrowings		(350,000)	(1,150,000)	
Repayments of lease liabilities		(2,228)	(2,170)	
Cash dividends paid	6(14)	(50,688)	(50,989)	
Dividend received		57,618	39,192	
Net cash inflow from financing activities		<u>443,702</u>	<u>39,533</u>	
Net (decrease) increase in cash and cash equivalents during the period		(117,852)	4,934	
Cash and cash equivalents at beginning of period	6(1)	<u>220,747</u>	<u>215,813</u>	
Cash and cash equivalents at end of period	6(1)	<u>\$ 102,895</u>	<u>\$ 220,747</u>	

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

Chairman : Tong, Chun-Jen

Manager: Hu, Shiang-Chi

Chief Accounting Officer: Lee, Hui-Chu

Accountant's Audit Report

(114) Financial Audit Report No. 24005924

To ABICO AVY CO., LTD.,

Audit opinion

We have audited the accompanying consolidated balance sheets of ABICO AVY CO., LTD. and its subsidiaries (collectively referred to as the "Group") as of December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity, and cash flows for the years then ended, as well as the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (refer to the "Other Matter" section), the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Group as of December 31, 2024 and 2023, and its financial performance and cash flows for the years then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), IFRIC interpretations, and SIC interpretations, as endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for audit opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the Generally Accepted Auditing Standards in the Republic of China. Our responsibilities under those standards are further described in the section "Auditors' Responsibilities for the Audit of the Consolidated Financial Statements." We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of the other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of

the consolidated financial statements as a whole and in forming our audit opinion thereon. We do not provide a separate opinion on these matters.

The key audit matter identified in our audit of the consolidated financial statements of ABICO AVY CO., LTD. and its subsidiaries for the year ended December 31, 2024 is as follows:

Assessment of expected credit loss on accounts receivable

Description

The accounting policy for impairment of notes and accounts receivable is disclosed in Note 4(11) to the consolidated financial statements; the estimates and assumptions involving uncertainty in determining the impairment of financial assets are disclosed in Note 5(2); and further details of notes and accounts receivable are provided in Note 6(5).

As of December 31, 2024, the balances of notes and accounts receivable and the related allowance for expected credit losses amounted to NT\$1,985,734 thousand and NT\$13,050 thousand, respectively.

The Group's major customers are located in Taiwan, Mainland China, Hong Kong, Japan, Vietnam, and Malaysia. The risk of non-collection increases if customers experience significant financial difficulties, delays in payment, or defaults. The Group assesses whether there is objective evidence of expected credit losses on an individual basis at each balance sheet date. The assessment includes the past due status, historical payment behavior, subsequent collection, financial condition of customers, and forward-looking information to estimate the required allowance for credit losses.

Given the materiality of notes and accounts receivable, the broad customer base, and the inherent judgment involved in evaluating the expected credit losses, we identified this area as a key audit matter.

Corresponding audit procedures

This matter involves multiple consolidated entities that were audited by our firm and other auditors. The procedures performed to evaluate the adequacy of the allowance for expected credit losses on overdue and individually significant notes and accounts receivable are summarized below:

1. Obtaining overdue aging schedules used by management to assess expected credit loss rates, confirming consistent logic in the data source, and testing the accuracy of the underlying aging information.
2. Obtaining the defaults statue of notes and accounts receivable and evaluate the reasonableness of applying a provision matrix to estimate expected credit losses.

3. Obtaining subsequent collection records for individually significant notes and accounts receivables to assess the occurrence of expected credit losses and verify the appropriateness of the related provision.
4. For accounts receivable that were past due or had indicators of impairment, assessing the recoverability based on historical collection experience, discussions with management, and supporting documentation.

Assessment of an allowance for inventory valuation losses

Description

The accounting policy for inventory valuation is disclosed in Note 4(14) to the consolidated financial statements; the related accounting estimates and assumptions involving measurement uncertainty are described in Note 5(2); and further details of inventory are presented in Note 6(6). As of December 31, 2024, the balances of inventory and the allowance for inventory valuation losses amounted to NT\$1,426,427 thousand and NT\$201,833 thousand, respectively.

The Group primarily manufactures and sells transmission components, powder metallurgy products, automotive parts, and business machine components. Due to rapid technological advancements and intense market competition, inventories are subject to higher risk of write-downs, obsolescence, or damage. For inventories sold in the ordinary course of business, the net realizable value is determined based on recent selling prices and purchase costs during a specified period prior to the balance sheet date. For inventories that have aged beyond a certain threshold or are individually identified as obsolete or damaged, the net realizable value is estimated based on historical data regarding clearance rates and discounting levels.

Given the Group's wide range of inventory items and the large volume of data required to assess the net realizable value of each item, together with the significant management judgment involved—particularly for obsolete or damaged inventory—we have identified the assessment of allowance for inventory valuation losses as a key audit matter for the current year.

Corresponding audit procedures

This matter involved multiple consolidated entities audited by us and other auditors. The audit procedures performed to evaluate the measurement of the net realizable value of inventories and the adequacy of the allowance for inventory valuation losses included the following:

11. Assessed the appropriateness and consistency of the Group's inventory valuation allowance policy across reporting periods, based on our understanding of the Group's operations and industry characteristics.

12. Obtained an understanding of the Group's inventory management processes, reviewed the annual stocktaking plan, and participated in the year-end physical inventory count to evaluate the effectiveness of management's identification and control over obsolete or damaged inventories.
13. Obtained inventory aging reports, tested the accuracy of the aging logic, and verified that inventory items exceeding the obsolescence threshold were properly included.
14. Reviewed reports on the net realizable value of inventory items, assessed the consistency of the valuation methodology, and performed sampling procedures to verify selected inventory items' selling and purchase prices against supporting documents.

Other matters: Reference to other accountants' audits

The financial statements of certain subsidiaries included in the consolidated financial statements of ABICO AVY CO., LTD. and its subsidiaries, namely JABON INTERNATIONAL TECHNOLOGY CO., LTD., EKEEN PRECISION CO., LTD., ABILITY COMMUNICATIONS CO., LTD., as well as certain investees accounted for using the equity method, were audited by other auditors whose reports have been furnished to us. Accordingly, our opinion on the consolidated financial statements, insofar as it relates to the amounts included for these entities, is based solely on the reports of the other auditors. As of December 31, 2024 and 2023, the total assets (including investments accounted for using the equity method) of the aforementioned entities amounted to NT\$4,045,289 thousand and NT\$4,064,169 thousand, respectively, representing 26% of the consolidated total assets for both years. The operating revenues of these entities for the years ended December 31, 2024 and 2023 amounted to NT\$3,834,446 thousand and NT\$3,652,607 thousand, respectively, representing 41% and 39% of the consolidated operating revenues. For the year ended December 31, 2023, the Group recognized a share of comprehensive loss of NT\$17,352 thousand from the aforementioned equity-method investees, representing (8%) of the consolidated total comprehensive income or loss..

Other matters: Parent company only financial statements

ABICO AVY CO., LTD. has also prepared the parent company only financial statements for the years ended December 31, 2024 and 2023. We have also issued unmodified audit opinions (including an Other Matter paragraph) on those financial statements, which are available for reference.

Responsibilities of the management and the governing bodies for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), IFRIC interpretations, and SIC interpretations as endorsed and made effective by the Financial Supervisory Commission (FSC) of the Republic of China. Management is also responsible for designing, implementing, and maintaining internal control relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the Consolidated Financial Statements

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

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of

internal control.

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

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

We also provide those charged with governance with a statement that the personnel of our firm who are subject to independence requirements have complied with the Code of Professional Ethics for Certified Public Accountants in the Republic of China with respect to independence, and we communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, the related safeguards.

We determined the key audit matters based on our communications with those charged with governance in the audit of the Group's consolidated financial statements for the year ended December 31, 2024. We have described these matters in our auditor's

report unless law or regulation precludes public disclosure or, in extremely rare circumstances, we determine that a matter should not be communicated because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers Taiwan

Feng, Min-Chuan

CPA:

Juanlu, Man-Yu.

Former Securities and Futures Bureau, Financial Supervisory Commission, Executive Yuan

Approval Document No: Jin-Guan-Zheng-VI No. 0960038033

Former Financial Supervisory Commission (FSC)

Approval Document No: Jin-Guan-Zheng-Zi No. 0990058257

March 24, 2025

ABICO AVY CO., LTD. and Subsidiaries
Consolidated Balance Sheets
As at December 31, 2024 and 2023

Unit: NT\$ thousand

	Assets	Note	31 December 2024		31 December 2023	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 4,199,982	27	\$ 3,564,069	23
1110	Financial assets at fair value through profit or loss - current	6(2)	1,084,917	7	1,539,286	10
1136	Financial assets at amortized Cost – current	6(4) and 8	193,643	1	164,787	1
1150	Notes receivable	6(5)	101,771	1	65,617	1
1170	Accounts receivable	6(5)	1,839,112	12	1,982,919	13
1180	Accounts receivable - related parties	6(5) and 7	31,801	-	56,581	-
1200	Other receivables		47,151	-	35,446	-
130X	Inventories	6(6)	1,224,594	8	1,347,375	9
1410	Prepayments		153,586	1	186,359	1
1470	Other current assets		62,817	-	81,960	1
11XX	Total current assets		<u>8,939,374</u>	<u>57</u>	<u>9,024,399</u>	<u>59</u>
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	192,786	1	230,595	1
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	730,250	5	701,183	5
1535	Financial assets at amortized cost - non-Current	6(4) and 8	520,385	3	413,168	3
1550	Investments accounted for using the equity method	6(7)	1,675,153	11	935,443	6
1600	Property, plant and equipment	6(8) and 8	2,581,548	16	2,688,960	18
1755	Right-of-use assets	6(9) and 7	647,732	4	778,252	5
1760	Investment property	6(10)	57,751	-	57,970	-
1780	Intangible assets	6(11)	190,566	1	162,275	1
1840	Deferred income tax assets	6(29)	116,650	1	188,871	1
1900	Other non-current assets	6(12)	125,392	1	157,648	1
15XX	Total non-current assets		<u>6,838,213</u>	<u>43</u>	<u>6,314,365</u>	<u>41</u>
1XXX	Total Assets		<u>\$ 15,777,587</u>	<u>100</u>	<u>\$ 15,338,764</u>	<u>100</u>

(continued)

ABICO AVY CO., LTD. and Subsidiaries
Consolidated Balance Sheets
As at December 31, 2024 and 2023

Unit: NT\$ thousand

Liabilities and Equity	Note	31 December 2024		31 December 2023	
		Amount	%	Amount	%
Current liabilities					
2100 Short-term borrowings	6(13) and 8	\$ 2,531,189	16	\$ 2,442,283	16
2130 Contract liabilities - current	6(23)	62,437	-	81,893	-
2150 Notes payable		143,514	1	145,741	1
2170 Accounts payable	7	1,238,525	8	1,298,814	8
2200 Other payables	6(15)	675,654	4	739,045	5
2230 Current income tax liabilities		88,649	1	104,320	1
2280 Lease liabilities - current	7	156,739	1	151,114	1
2320 Current portion of long-term liabilities	6(16) and 8	1,056,068	7	277,089	2
2399 Other current liabilities - others		33,367	-	48,767	-
21XX Total current liabilities		5,986,142	38	5,289,066	34
Non-current liabilities					
2530 Bonds payable	6(14)	97,790	1	-	-
2540 Long-term borrowings	6(16) and 8	704,986	4	1,491,771	10
2570 Deferred income tax liabilities	6(29)	297,145	2	314,374	2
2580 Lease liabilities - non-current	7	404,363	3	553,058	4
2600 Other non-current liabilities	6(17) and 7	224,832	1	214,235	1
25XX Total non-current liabilities		1,729,116	11	2,573,438	17
2XXX Total Liabilities		7,715,258	49	7,862,504	51
Equity attributable to shareholders of the parent					
Share Capital	6(19)				
3110 Ordinary share capital		1,689,590	11	1,689,590	11
Capital surplus	6(20)				
3200 Capital surplus		2,636,543	17	2,599,661	17
Retained earnings	6(21)				
3310 Legal reserve		424,656	3	392,518	2
3320 Special reserve		377,076	2	271,778	2
3350 Unappropriated retained earnings		817,269	5	1,000,992	6
3400 Other equity		(82,909)	(1)	(377,077)	(2)
3500 Treasury shares	6(19)	(5,714)	-	(5,714)	-
31XX Total Equity attributable to shareholders of the parent		5,856,511	37	5,571,748	36
36XX Non-controlling interests	6(22)	2,205,818	14	1,904,512	13
3XXX Total Equity		8,062,329	51	7,476,260	49
Significant contingent liabilities and unrecognized contractual commitments	9				
Significant events after the end of the financial reporting period	11				
3X2X Total Liabilities and Equity		\$ 15,777,587	100	\$ 15,338,764	100

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

Chairman : Tong, Chun-Jen

Manager: Hu, Shiang-Chi

Chief Accounting Officer: Lee, Hui-Chu

ABICO AVY CO., LTD. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2024 and 2023

Unit: NT\$ thousand

(Except for earnings per share, expressed in NT dollars)

Items	Note	2024		2023	
		Amount	%	Amount	%
4000 Operating revenue	6(23) and 7	\$ 9,433,375	100	\$ 9,420,948	100
5000 Operating costs	6(6)(28) and 7	(7,921,697)	(84)	(7,892,316)	(84)
5900 Gross Profit		1,511,678	16	1,528,632	16
Operating expenses	6(27) and 7				
6100 Selling expenses		(491,022)	(5)	(554,704)	(6)
6200 Administrative expenses		(920,111)	(10)	(878,748)	(9)
6300 Research and development expense		(81,009)	(1)	(104,130)	(1)
6450 Expected credit impairment gains	12(2)	5,454	-	20,912	-
6000 Total Operating expenses		(1,486,688)	(16)	(1,516,670)	(16)
6900 Operating income		24,990	-	11,962	-
Non-operating income and expenses					
7100 Interest income	6(24)	93,566	1	89,510	1
7010 Other income	6(25))	50,253	1	80,043	1
7020 Other gains and losses	6(26) and 7	139,884	1	151,893	1
7050 Finance costs	6(27) and 7	(115,063)	(1)	(108,088)	(1)
7060 Shares of profit or loss of associates and joint ventures recognized under the Equity Method	6(7)				
		79,951	1	5,900	-
7000 Total non-operating income and expenses		248,591	3	219,258	2
7900 Profit Before Tax		273,581	3	231,220	2
7950 Income tax expense	6(29)	(165,399)	(2)	(113,439)	(1)
8200 Net profit for the period		\$ 108,182	1	\$ 117,781	1
Other comprehensive income					
Items that will not be reclassified to profit or loss					
8311 Gains (losses) on remeasurements of defined benefit plans		\$ 1,940	-	\$ 5,424	-
8316 Unrealized gains (losses) on equity instruments at fair value through other comprehensive income	6(3)				
		43,198	1	189,724	2
8320 Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method		39,131	-	50,737	1
8349 Income tax relating to items that will not be reclassified to profit or loss	6(29)	(6,544)	-	1,493	-
8310 Total items that will not be reclassified to profit or loss		77,725	1	247,378	3
Items that may be reclassified subsequently to profit or loss					
8361 Exchange differences on translation of foreign financial statements		310,585	3	(163,793)	(2)
8399 Income tax relating to items that will be reclassified	6(29)	(8,811)	-	6,561	-
8360 Total items that may be reclassified subsequently to profit or loss		301,774	3	(157,232)	(2)
8300 Other comprehensive income (net)		\$ 379,499	4	\$ 90,146	1
8500 Total comprehensive income for the period		\$ 487,681	5	\$ 207,927	2
Profit attributable to:					
8610 Shareholders of the parent		\$ 29,690	-	\$ 55,952	-
8620 Non-controlling interests		78,492	1	61,829	1
		\$ 108,182	1	\$ 117,781	1
Total comprehensive income attributable to:					
8710 Shareholders of the parent		\$ 313,472	3	\$ 214,532	2
8720 Non-controlling interests		174,209	2	(6,605)	-
		\$ 487,681	5	\$ 207,927	2

(continued)

ABICO AVY CO., LTD. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2024 and 2023

Unit: NT\$ thousand

(Except for earnings per share, expressed in NT dollars)

	Items	Note	2024		2023	
			Amount	%	Amount	%
9750	Basic earnings per share	6(30)	\$	0.18	\$	0.33
	Basic earnings per share					
9850	Diluted earnings per share	6(30)	\$	0.18	\$	0.33
	Diluted earnings per share					

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

Chairman: Tong, Chun-Jen

Manager: Hu, Shiang-Chi

Chief Accounting Officer: Lee, Hui-Chu

ABICO AVY CO., LTD. and Subsidiaries
Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2024 and 2023

Unit: NT\$ thousand

Note	Equity attributable to owners of the parent											Non-controlling interests	Total Equity		
	Retained earnings						Other equity								
	Ordinary share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares	Total						
2023															
Balance as at January 1, 2023	\$ 1,699,640	\$ 2,596,552	\$ 392,518	\$ 575,656	\$ 426,729	(\$ 295,583)	\$ 23,805	(\$ 29,773)	\$ 5,389,544	\$ 2,066,769	\$ 7,456,313				
Net profit for the period	-	-	-	-	55,952		-	-	55,952	61,829	117,781				
Other comprehensive income for the period	-	-	-	-	5,819	(78,024)	230,785	-	158,580	(68,434)	90,146				
Total comprehensive income for the period	-	-	-	-	61,771	(78,024)	230,785	-	214,532	(6,605)	207,927				
Appropriation and distribution of 2022 earnings:															
Special reserve	-	-	-	-	(303,878)	303,878	-	-	-	-	-				
Cash dividends	-	-	-	-	-	(50,989)	-	-	-	(50,989)	-	(50,989)			
Adjustment to capital surplus from dividends distributed to subsidiaries	6(20)	-	297	-	-	-	-	-	-	297	-	297			
Transfer of unclaimed dividends to capital surplus	6(20)	-	138	-	-	-	-	-	-	138	-	138			
Cash dividends distributed by subsidiaries	6(22)	-	-	-	-	-	-	-	-	-	(83,667)	(83,667)			
Cancellation of treasury shares	6(19)(20)	(10,050)	(14,009)	-	-	-	-	-	24,059	-	-	-			
Share-based payment transactions	-	-	-	-	-	-	-	-	-	-	251	251			
Disposal of equity instruments measured at FVOCI	-	-	-	-	197,806	-	(197,806)	-	-	-	-	-			
Disposal of equity instruments at FVOCI by subsidiaries and associates	-	-	-	-	60,254	-	(60,254)	-	-	-	-	-			
Changes in equity in subsidiaries and associates	6(20)	-	(12,528)	-	-	1,543	-	-	-	(10,985)	578	(10,407)			
Difference between acquisition or disposal price and carrying amount of subsidiaries' equity	6(20)	-	29,211	-	-	-	-	-	-	29,211	-	29,211			
Changes in non-controlling interests	6(22)	-	-	-	-	-	-	-	-	-	(72,814)	(72,814)			
Balance as at December 31, 2023	<u>\$ 1,689,590</u>	<u>\$ 2,599,661</u>	<u>\$ 392,518</u>	<u>\$ 271,778</u>	<u>\$ 1,000,992</u>	<u>(\$ 373,607)</u>	<u>(\$ 3,470)</u>	<u>(\$ 5,714)</u>	<u>\$ 5,571,748</u>	<u>\$ 1,904,512</u>	<u>\$ 7,476,260</u>				

(continued)

ABICO AVY CO., LTD. and Subsidiaries
Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2024 and 2023

Unit: NT\$ thousand

Note	Equity attributable to owners of the parent										Non-controlling interests	Total Equity		
	Retained earnings					Other equity								
	Ordinary share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares	Total					
2024														
Balance as at January 1, 2024	\$ 1,689,590	\$ 2,599,661	\$ 392,518	\$ 271,778	\$ 1,000,992	(\$ 373,607)	(\$ 3,470)	\$ 5,714	\$ 5,571,748	\$ 1,904,512	\$ 7,476,260			
Net profit for the period	-	-	-	-	29,690	-	-	-	29,690	78,492	108,182			
Other comprehensive income	-	-	-	-	(540)	211,892	72,430	-	283,782	95,717	379,499			
Total comprehensive income for the period	-	-	-	-	29,150	211,892	72,430	-	313,472	174,209	487,681			
Appropriation and allocation of surplus in 2023:														
Legal reserve	-	-	32,138	-	(32,138)	-	-	-	-	-	-			
Special reserve	-	-	-	105,298	(105,298)	-	-	-	-	-	-			
Cash dividends	-	-	-	-	(50,688)	-	-	-	(50,688)	-	(50,688)			
Adjustment to capital surplus from dividends distributed to subsidiaries	6(20)	295	-	-	-	-	-	-	295	-	295			
Transfer of unclaimed dividends to capital surplus	6(20)	18	-	-	-	-	-	-	18	-	18			
Cash dividends distributed by subsidiaries	6(22)	-	-	-	-	-	-	-	-	(108,512)	(108,512)			
Share-based payment transactions	-	-	-	-	-	-	-	-	-	2,434	2,434			
Disposal of equity instruments at FVOCI by subsidiaries and associates	-	-	-	-	(9,846)	-	9,846	-	-	-	-			
Changes in equity of subsidiaries and associates	6(20)	36,649	-	-	(14,903)	-	-	-	21,746	264,821	286,567			
Difference between acquisition or disposal price and carrying amount of subsidiaries' equity	6(20)	-	(80)	-	-	-	-	-	(80)	(31,646)	(31,646)			
Changes in non-controlling interests	6(22)	-	-	-	-	-	-	-	-	(31,646)	(31,646)			
Balance as at December 31, 2024	\$ 1,689,590	\$ 2,636,543	\$ 424,656	\$ 377,076	\$ 817,269	(\$ 161,715)	\$ 78,806	(\$ 5,714)	\$ 5,856,511	\$ 2,205,818	\$ 8,062,329			

ABICO AVY CO., LTD. and Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

	Note	For the Year Ended December 31, 2024	Unit: NT\$ thousand For the Year Ended December 31, 2023
Cash flows from operating activities			
Net profit before tax for the period		\$ 273,581	\$ 231,220
Adjustments			
Income and expense items			
Depreciation expense (including right-of-use assets and investment property)	6(8)(9)(10)(28)	609,478	703,481
Amortization expense	6(11)(28)	11,575	13,436
Expected credit impairment (gains) losses	12(2)	(5,454)	(20,912)
Interest income	6(24)	(93,566)	(89,510)
Dividend income	6(25)	(21,154)	(28,179)
(Gains) on disposal of property, plant and equipment	6(26)	(5,739)	(28,428)
Losses on disposal of intangible assets	6(26)	103	-
(Gains) losses on disposal of investments	6(26)	(12,524)	140
Gain on lease modification	6(9)(26)	(18,568)	(1,150)
Gain on financial assets and liabilities at fair value through profit or loss	6(26)	(15,611)	(82,180)
Impairment loss	6(26)	3,080	10,026
Interest expense (including lease liabilities and amortization of bond discount)	6(27)	115,063	108,088
Share of profit of investments accounted for using the equity method	6(7)	(79,951)	(5,900)
Reclassification of other non-current assets to expenses		46	-
Changes in assets/liabilities relating to operating activities			
Net change in assets related to operating activities			
Financial assets at fair value through profit or loss		514,251	(125,828)
Notes receivable		(37,199)	(4,395)
Accounts receivable (including related parties)		141,730	(9,084)
Other receivables		(41,696)	42
Inventories		131,405	159,424
Prepayments		39,658	(53,446)
Other current assets		(11,925)	(68,477)
Other non-current assets		11,141	2,051
Net change in liabilities related to operating activities			
Contract liabilities		(19,456)	8,752
Notes payable		5,016	26,731
Accounts payable (including related parties)		(54,935)	126,052
Other payables		(35,384)	(15,818)
Other current liabilities		10,671	(13,834)
Other non-current liabilities		(12,731)	(742)
Cash inflows from operations		1,400,905	841,560
Interest received		93,566	89,510
Dividend received		58,169	89,880
Interest paid		(92,144)	(88,760)
Income tax paid		(129,165)	(149,388)
Net cash inflow from operating activities		<u>1,331,331</u>	<u>782,802</u>

(continued)

ABICO AVY CO., LTD. and Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

	Note	For the Year Ended December 31, 2024	Unit: NT\$ thousand For the Year Ended December 31, 2023
Cash flows from investing activities			
Increase in financial assets measured at amortized cost		(\$ 93,932)	(\$ 16,164)
Acquisition of financial assets at fair value through other comprehensive income		(115,505)	(209,619)
Disposal of financial assets at fair value through other comprehensive income		75,854	313,709
Acquisition of investments accounted for using the equity method	6(7)	(514,187)	(31,154)
Proceeds from disposal of investments accounted for using the equity method	6(7)	14,411	-
Acquisitions of subsidiaries (net of cash acquired)	6(32)	4,349	1,018
Net cash effect from disposal of subsidiaries	6(33)	(1,675)	16,545
Acquisition of property, plant and equipment	6(33)	(458,946)	(140,030)
Disposal of property, plant and equipment		67,541	53,169
Acquisition of intangible assets	6(11)	(5,171)	(5,732)
Disposal of intangible assets		73	-
Increase in other non-current assets		(62,650)	(142,933)
Net cash outflow from investing activities		(1,089,838)	(161,191)
Cash flows from financing activities			
Increase in short-term borrowings	6(34)	225,636	83,426
Decrease in short-term bills payable	6(34)	- (29,985)
Proceeds from long-term borrowings	6(34)	59,563	1,362,892
Repayment of long-term borrowings	6(34)	(67,369)	(1,558,191)
Proceeds from issuance of convertible bonds	6(34)	251,250	-
Repayments of lease liabilities	6(34)	(170,208)	(186,414)
Increase (decrease) in other non-current liabilities		28,956	(2,175)
Changes in non-controlling interests	6(22)	(33,405)	(75,093)
Cash dividend paid	6(21)	(50,688)	(50,989)
Cash dividends paid to non-controlling interests by subsidiaries	6(22)	(108,512)	(83,667)
Net cash inflow (outflow) from financing activities		135,223	(540,196)
Effect of exchange rate changes on cash and cash equivalents – decrease		259,197	(20,133)
Net increase in cash and cash equivalents during the period		635,913	61,282
Cash and cash equivalents at beginning of year	6(1)	3,564,069	3,502,787
Cash and cash equivalents at end of year	6(1)	<u>\$ 4,199,982</u>	<u>\$ 3,564,069</u>

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

Chairman: Tong, Chun-Jen

Manager: Hu, Shiang-Chi

Chief Accounting Officer: Lee, Hui-Chu

Attachment IV: Earnings Distribution Table

ABICO AVY CO., LTD.
Earnings Distribution Table
Year 2024

(Unit: NTD \$)

Items	Total
Beginning retained earnings	812,867,628
Other comprehensive income (loss) recognized under the equity method	(540,026)
Share of profit or loss of associates and joint ventures accounted for using the equity method	(24,748,616)
Adjusted retained earnings	787,578,986
Add: Net income after tax for the current year	29,690,074
Less: Appropriation of 10% to legal reserve	(440,143)
(Appropriation to)/Reversal of special reserve	294,167,276
Earnings available for distribution	1,110,996,193
Less: Dividends to shareholders	
Cash dividends–NT\$0.20 per share	33,791,794
Stock dividends–NT\$0.45 per share	76,031,550
Ending retained earnings	1,001,172,849

Explanation:

Cash dividends of NT\$0.20 per share and stock dividends of NT\$0.45 per share will be distributed. Cash dividends shall be calculated and paid to the nearest whole NT\$1; any amount less than NT\$1 shall be rounded down, and the total of such rounding differences shall be recognized as the Company's other income.

Should the total number of outstanding shares change due to share repurchases, cash capital increases, or other factors, thereby affecting the dividend or stock distribution ratios, it is proposed that the shareholders' meeting authorize the Chairman to adjust the stock distribution ratio, and that the Board of Directors authorize the Chairman to adjust the cash dividend ratio accordingly.

Upon approval of the earnings distribution proposal by the shareholders' meeting, the Board of Directors shall be authorized to determine the record date, distribution date of stock dividends, and other related matters.

Chairman: Tong, Chun-Jen

Manager: Hu, Shiang-Chi

Chief Accounting Officer: Lee, Hui-Chu

Attachment V: Comparison Table of the Articles of Incorporation Before and After Amendment

ABICO AVY CO., LTD.

Comparison Table of Amendments to the Articles of Incorporation

Articles Amended	Current Articles	Explanation
<p>Article 20: If the Company makes a profit in a fiscal year, it shall allocate employee remuneration and directors remuneration as follows. However, when the Company still has a cumulative deficit, it shall reserve an amount to offset it first.</p> <p>I. Not higher than 1.5% for directors' remuneration.</p> <p>II. Not lower than 8% and not higher than 12% for employee remuneration, <u>of which at less than 20% shall be distributed to grassroots employees.</u></p> <p>When the employee remuneration in the preceding paragraph is paid out in cash or stock, the recipients may include employees of the controlling company or subsidiaries who meet certain criteria, in addition to the Company's employees. The applicable rules are formulated by the Board of Directors as delegated. Where the Company makes a profit for a fiscal year, the profit shall be first used for paying taxes as required by law, offsetting a cumulative deficit, setting aside 10% of the remaining profit as a legal reserve unless it has reached the total amount of the Company's paid-in capital, setting aside an amount for or reversing a special reserve in accordance with the laws and regulations or the competent authority's regulations, and then any remaining profit, together with any undistributed retained earnings from the prior period, shall be adopted by the Company's Board of Directors as the basis for making a</p>	<p>Article 20: If the Company makes a profit in a fiscal year, it shall allocate employee remuneration and directors remuneration as follows. However, when the Company still has a cumulative deficit, it shall reserve an amount to offset it first.</p> <p>I. Not higher than 1.5% for directors' remuneration.</p> <p>II. Not lower than 8% and not higher than 12% for employee remuneration.</p> <p>When the employee remuneration in the preceding paragraph is paid out in cash or stock, the recipients may include employees of the controlling company or subsidiaries who meet certain criteria, in addition to the Company's employees. The applicable rules are formulated by the Board of Directors as delegated. Where the Company makes a profit for a fiscal year, the profit shall be first used for paying taxes as required by law, offsetting a cumulative deficit, setting aside 10% of the remaining profit as a legal reserve unless it has reached the total amount of the Company's paid-in capital, setting aside an amount for or reversing a special reserve in accordance with the laws and regulations or the competent authority's regulations, and then any remaining profit, together with any undistributed retained earnings from the prior period, shall be adopted by the Company's Board of Directors as the basis for making a</p>	<p>This amendment is made to comply with the requirements set forth in the Financial Supervisory Commission's Order No. 1130385442 dated November 8, 2024, which stipulates that listed and OTC companies with earnings in a fiscal year shall allocate employee remuneration or adjust salaries for grassroots employees in accordance with the distribution ratios prescribed in the Articles of Incorporation. Accordingly, this provision has been amended to align with the regulatory requirement.</p>

Articles Amended	Current Articles	Explanation
<p>distribution proposal after an appropriate amount is reserved for business needs. The proposal shall then be resolved at the shareholders' meeting for the distribution of shareholder dividends.</p> <p>In accordance with Special reserve appropriated, the Company shall first provide the same amount of Special reserve as in the previous Unappropriated retained earnings before the distribution of earnings. If there is still a shortfall, then Item, other than the current net profit after tax, shall be included in the current unappropriated retained earnings.</p>	<p>distribution proposal after an appropriate amount is reserved for business needs. The proposal shall then be resolved at the shareholders' meeting for the distribution of shareholder dividends.</p> <p>In accordance with Special reserve appropriated, the Company shall first provide the same amount of Special reserve as in the previous Unappropriated retained earnings before the distribution of earnings. If there is still a shortfall, then Item, other than the current net profit after tax, shall be included in the current unappropriated retained earnings.</p>	
<p>All or part of the dividends and bonuses payable, capital surplus, or legal reserve shall be paid out in cash with majority approval at a board meeting attended by over two-thirds of the directors, which shall be reported to the shareholders' meeting, while the provisions in the preceding paragraph that a resolution by the shareholders meeting shall be required do not apply.</p> <p>The Company's dividend policy shall be implemented based on its business plan, future capital expenditure plans, budget, and capital needs, to meet shareholders' needs for cash inflows and ensure market competitiveness, of which cash dividends to be paid out shall not be lower than 10% of the total dividends to be paid out to shareholders.</p>	<p>All or part of the dividends and bonuses payable, capital surplus, or legal reserve shall be paid out in cash with majority approval at a board meeting attended by over two-thirds of the directors, which shall be reported to the shareholders' meeting, while the provisions in the preceding paragraph that a resolution by the shareholders meeting shall be required do not apply.</p> <p>The Company's dividend policy shall be implemented based on its business plan, future capital expenditure plans, budget, and capital needs, to meet shareholders' needs for cash inflows and ensure market competitiveness, of which cash dividends to be paid out shall not be lower than 10% of the total dividends to be paid out to shareholders.</p>	
<p>Article 23: The Articles of Incorporation was formulated on December 23, 1994. The 1st amendment was made on March 14,</p>	<p>Article 23: The Articles of Incorporation was formulated on December 23, 1994. The 1st amendment was made on March 14,</p>	<p>Update the date of amendment</p>

Articles Amended	Current Articles	Explanation
<p>1995. The 2nd amendment was made on August 21, 1995. The 3rd amendment was made on May 25, 1996. The 4th amendment was made on December 27, 1997. The 5th amendment was made on May 8, 1998. The 6th amendment was made on June 25, 1999. The 7th amendment was made on May 31, 2000. The 8th amendment was made on June 22, 2001. The 9th amendment was made on June 28, 2002. The 10th amendment was made on November 17, 2003. The 11th amendment was made on June 11, 2004. The 12th amendment was made on June 15, 2006. The 13th amendment was made on June 13, 2007. The 14th amendment was made on June 13, 2008. The 15th amendment was made on June 16, 2009. The 16th amendment was made on June 18, 2010. The 17th amendment was made on June 11, 2014. The 18th amendment was made on June 18, 2015. The 19th amendment was made on June 21, 2016. The 20th amendment was made on June 13, 2017. The 21st amendment was made on March 27, 2019. The 22nd amendment was made on June 12, 2019. The 23rd amendment was made on June 12, 2020. The 24th amendment was made on July 15, 2021. The 25th amendment was made on June 14, 2022. The 26th amendment was made on June 21, 2024. <u>The 27th amendment was made on June 20, 2025.</u></p>	<p>1995. The 2nd amendment was made on August 21, 1995. The 3rd amendment was made on May 25, 1996. The 4th amendment was made on December 27, 1997. The 5th amendment was made on May 8, 1998. The 6th amendment was made on June 25, 1999. The 7th amendment was made on May 31, 2000. The 8th amendment was made on June 22, 2001. The 9th amendment was made on June 28, 2002. The 10th amendment was made on November 17, 2003. The 11th amendment was made on June 11, 2004. The 12th amendment was made on June 15, 2006. The 13th amendment was made on June 13, 2007. The 14th amendment was made on June 13, 2008. The 15th amendment was made on June 16, 2009. The 16th amendment was made on June 18, 2010. The 17th amendment was made on June 11, 2014. The 18th amendment was made on June 18, 2015. The 19th amendment was made on June 21, 2016. The 20th amendment was made on June 13, 2017. The 21st amendment was made on March 27, 2019. The 22nd amendment was made on June 12, 2019. The 23rd amendment was made on June 12, 2020. The 24th amendment was made on July 15, 2021. The 25th amendment was made on June 14, 2022. The 26th amendment was made on June 21, 2024.</p>	

IV. Appendix

Appendix I: Rules of Procedure for Shareholder Meetings

ABICO AVY CO., LTD. Rules of Procedure for Shareholders' Meetings

Article 1

To establish an excellent governance system for the Company's shareholders' meeting, improve the supervisory function, and strengthen the management function, these Rules are formulated in accordance with the provisions of Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Article 2

Unless otherwise stipulated by laws or regulations, the rules of procedure for the Company's shareholders' meeting shall be governed by these Rules.

Article 3

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

Changes to the method of convening the shareholders' meeting shall be subject to a resolution by the Board of Directors and shall be made no later than before the notice of the shareholders' meeting is sent.

Thirty days before the Company convenes a general shareholders' meeting or 15 days before an extraordinary shareholders' meeting, the Company shall prepare electronic files of the meeting notice, proxy form, information on proposals for ratification, matters for discussion, election or dismissal of directors or supervisors, and other matters on the shareholders' meeting agenda and upload them to the Market Observation Post System (MOPS). Meanwhile, 21 days before the Company convenes a general shareholders' meeting or 15 days before an extraordinary shareholders' meeting, it shall prepare an electronic file of the shareholders' meeting agenda handbook and the supplementary materials and upload them to the MOPS. However, a publicly listed company, with the paid-in capital amounting to NT\$10 billion or more at the end of the most recent fiscal year or the total shareholding ratio of foreign capital and capital from China reaching 30% or more as per the shareholder register for the general shareholders' meeting held in the most recent fiscal year, shall upload such an electronic file 30 days before the general shareholders' meeting. Fifteen days before the Company convenes a shareholders' meeting, it shall prepare the shareholders' meeting agenda handbook and supplementary materials and make them available for the shareholders to obtain and review at any time. In addition, the handbook shall be displayed at the Company and its professional shareholder service agency.

The Company shall provide said handbook and supplementary materials mentioned in the preceding paragraph to the shareholders on the day of the shareholders' meeting in the following methods:

- I. When a physical shareholders' meeting is convened, such materials shall be

distributed on-site at the shareholders' meeting.

- II. When a physical shareholders' meeting is convened, supplemented by a video conference, such materials shall be distributed on-site at the shareholders' meeting, and an electronic file of such materials shall be uploaded to the video conference platform.
- III. When a shareholders' meeting is convened by video conference, an electronic file of such materials shall be sent to the video conference platform.

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and the public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of the removal of the non-compete clause for the directors, capitalization of earnings, capitalization of legal reserve, dissolution, merger, or demerger of the Company, or any matter in each subparagraph under Article 185, paragraph 1 of the Company Act; Articles 26-1 and 43-6 of the Securities and Exchange Act, and Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, shall be set out and the essential contents explained in the notice of the shareholders' meeting. None of the above matters may be raised by an extempore motion. Where an election of all directors and their inauguration date shall be stated in the notice of the shareholders' meeting, after the completion of the re-election in said meeting, such inauguration date may not be altered by any extempore motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of outstanding shares may submit to the Company a proposal for discussion at an annual general meeting of shareholders. The number of items so proposed is limited only to one, and no proposal containing more than one item will be included in the meeting agenda. A shareholder's proposal in alignment with any circumstance under any subparagraph of Article 172-1, paragraph 4 of the Company Act may not be included in the meeting agenda by the Board of Directors. A shareholder may propose a recommendation for urging the Company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before a general shareholders' meeting is held, the Company shall publicly announce its acceptance of shareholders' proposals in writing or by electronic means and the location and time period for their submission; the period for acceptance of shareholders' proposals may not be fewer than 10 days.

Each of such proposals is limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the annual general meeting of shareholders and take part in the discussion of the proposal.

Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results and shall list in the meeting notice the proposals that conform to the provisions of this article. At the

shareholders meeting the Board of Directors shall explain the reasons for any shareholders' proposals not included in the agenda.

Article 4

For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

Each shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company at least five days before the date of the shareholders' meeting. When a duplicate proxy form is served, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy form.

Once a proxy form is received by the Company, if the shareholder wishes to attend the shareholders' meeting in person or to exercise their voting rights in writing or by electronic means, a written proxy rescission notice shall be filed with the Company two days prior to the date of the shareholders' meeting, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

Once the proxy form is received by the Company, in the case that the shareholder intends to attend the shareholders' meeting by video conference, a written proxy rescission notice shall be filed with the Company two days prior to the date of the shareholders' meeting, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

Article 5

The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to independent directors' opinions with respect to the place and time of the meeting.

When the Company convenes a shareholders' meeting by video conference, it is not subject to the restriction on the venue of the meeting under the preceding paragraph.

Article 6

The Company shall state, in the meeting notice, the sign-in time and place for shareholders, solicitors, and proxies (hereinafter referred to as "shareholders"), and other matters that shall be noted.

The time at which shareholders' sign-in begins, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The sign-in location place shall be clearly marked and staffed with a sufficient number of suitable personnel. When the shareholders' meeting is convened by video conference, the sign-in process shall begin on the video conference platform 30 minutes before the meeting commences. Shareholders who have completed the sign-in shall be deemed to have attended the shareholders' meeting in person.

Shareholders shall attend the shareholders' meetings with their attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attendance presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for

verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting agenda handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, ballots shall also be furnished.

When the government or a juridical person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juridical person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting.

If the shareholders' meeting is convened by video conference, shareholders who wish to attend by video conference should register with the Company two days prior to the shareholders' meeting.

If the shareholders' meeting is convened by video conference, the Company shall upload the meeting agenda handbook, annual report, and other relevant materials to the video conference platform at least 30 minutes prior to the start of the meeting and continue to disclose them till the end of the meeting.

Article 6-1

When the Company convenes the shareholders' meeting by video conference, the information below shall be stated in the meeting notice:

- I. Shareholders' methods of participating in the video conference and exercising their rights.
- II. The response to the obstacles to the video conference platform or to the participation in the video conference due to natural disasters, incidents, or other force majeure events shall include at least the following:
 - (I) The time and the date of the next meeting when the meeting needs to be postponed or resumed as such obstacles cannot be resolved.
 - (II) Shareholders who did not register to participate in the original shareholders' meeting by video conference shall not participate in the meeting to be postponed or resumed.
 - (III) When a physical shareholders' meeting is convened, supplemented by a video conference, if the video conference cannot continue, after the number of shares in attendance through the video conference is deducted, the total number of shares in attendance at the physical shareholders' meeting reaches the number as required by law, the shareholders' meeting shall continue. For shareholders participating by video conference, the number of their shares shall be included in the total number of shares in attendance, and they shall be deemed to abstain for all motions resolved at the shareholders' meeting.
 - (IV) The handling method in the event that the resolution results of all motions have been announced, while extempore motions have not been resolved.
- III. When a shareholders' meeting is to be convened by video conference, appropriate alternatives to shareholders who have difficulty participating in the meeting by video means shall be specified.

Article 7

If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. When the Chairman is on leave or unable to exercise the powers as the chair for any reason, the Vice Chairman shall chair the meeting on his behalf. Where there is no such a position as Vice Chairman or the Vice Chairman is on leave or unable to exercise the powers as the chair for any reason, the Chairman shall appoint one of the managing directors to act as the chair. Where there is no such a position as managing director, the Chairman shall appoint one of the directors to act as the chair. Where the Chairman fails to make such a designation, the managing directors or directors shall select from among themselves one person to serve as the chair.

When a managing director or director serves as the chair, as referred to in the preceding paragraph, the director shall have held that position for six months or more with great understanding of the Company's financial position and business conditions. The same shall apply for a representative of a juridical person director to serve as the chair.

It is advisable that shareholders' meetings convened by the Board of Directors be chaired by the Chairman in person and attended by a majority of the directors, at least one Independent Director in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders' meeting is convened by a party with power to convene other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

The Company may appoint its attorneys, CPAs, or relevant persons retained by it to attend a shareholders' meeting in a non-voting capacity.

Article 8

The Company shall make an uninterrupted audio and video recording of the entire process of the shareholders' meeting from shareholders' sign-in, the proceedings of the meeting, and the process of voting and vote counting.

The audio and video recording in the preceding paragraph shall be kept for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

If a shareholders' meeting is convened by video conference, the Company shall keep records of shareholders' registration, sign-in, questions raised, and voting and the Company's vote counting results and retain the records, while making an uninterrupted audio and video recording of the entire video conference.

The above-mentioned materials and audio and video recordings shall be properly kept by the Company during the period of its existence, and the audio and video recordings shall be provided to those who are entrusted to handle the video conference affairs for storage.

If a shareholders' meeting is convened by video conference, the Company is advised to make an audio and video recording of the back-end interface of the video conference platform.

Article 9

Attendance at shareholders' meetings shall be calculated based on numbers of shares. The

number of shares in attendance shall be counted according to the shares indicated in the sign-in book or the sign-in cards handed in and the sign-in record on the video conferencing platform plus the number of shares whose voting rights are exercised in writing or by electronic means.

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

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If attending shareholders still represent less than one third of the total number of issued shares after two postponements, the chair shall declare the meeting adjourned.

If a shareholders' meeting is convened by video conference, the Company shall also declare the meeting adjourned on the video conference platform. If there are not enough shareholders representing at least one third of issued shares attending the meeting after two postponements, tentative resolutions may be passed in accordance with Article 175, paragraph 1 of the Company Act. Shareholders shall be notified of the tentative resolutions, and another shareholders' meeting will be convened within one month. If a shareholders' meeting is convened by video conference, shareholders who wish to attend by video conference shall re-register with the Company in accordance with Article 6.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of outstanding shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 10

If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on the proposals on the agenda one by one (including extempore motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution by the shareholders' meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene other than the Board of Directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions), except by a resolution by the shareholders' meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders to continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extempore motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 11

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, their shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech is not in alignment with the subject on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes; however, if the shareholder's speech violates the rules or exceeds the scope of the motion, the chair may have the shareholder stop the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juridical person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

If a shareholders' meeting is convened by video conference, shareholders who participate by video conference may ask questions in text on the video conference platform after the chair calls the meeting to order and before the chair declares the meeting adjourned. The number of questions raised by each shareholder for each motion shall not exceed two, each question shall be limited to 200 words, and the provisions of paragraphs 1 to 5 shall not apply.

If such questions in the preceding paragraph are not in violation of the regulations or not outside the scope of the motions, it is advisable to disclose such questions on the video conference platform.

Article 12

Voting at shareholders' meetings shall be calculated based on numbers of shares.

With respect to resolutions by a shareholders' meeting, the number of shares held by a shareholder without voting rights shall not be calculated as part of the total number of outstanding shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item and may not exercise voting rights as a proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders. With the exception of a trust enterprise or a stock affairs agency approved by the competent securities authority, when one person is concurrently appointed as a proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three

percent of the voting rights represented by the total number of outstanding shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Company holds a shareholders' meeting, it shall adopt the exercise of voting rights by electronic means and may adopt the exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder's exercise of voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived their rights with respect to the extempore motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extempore motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company at least two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After shareholders exercise their voting rights in writing or by electronic means, if they wish to attend the shareholders' meeting in person or by video conference, they shall serve a declaration of intent to retract the voting rights already exercised under the preceding paragraph two days before the shareholders' meeting in the same manner in which the voting rights were exercised; otherwise the voting rights exercised in writing or by electronic means shall prevail. If the shareholder exercises the voting right in writing or by electronic means and appoints a proxy with a proxy form to attend the shareholders' meeting, the voting right exercised by the attending proxy at the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a vote by the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered on the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Scrutineers and vote counting personnel for the voting on proposals shall be appointed by the chair, provided that all scrutineers be shareholders of the Company.

Vote counting for proposals or elections at a shareholders' meeting shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been

completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and recorded.

When a shareholders' meeting is convened by video conference, shareholders participating by video conference shall vote on various motions and election(s) on the video conference platform after the chair calls the meeting to order. They shall complete the voting before the chair declares the voting closed, otherwise they shall be deemed to have waived their voting rights.

When a shareholders' meeting is convened by video conference, after the chair declares the voting closed, the votes shall be counted at one go, and the voting and election results shall be announced.

If a shareholders' meeting is convened, along with a video conference held at the same time, shareholders who have registered to attend the shareholders' meeting by video conference in accordance with Article 6, intend to attend the physical shareholders' meeting in person, shall rescind the registration in the same manner as the registration two days before the shareholders' meeting, otherwise they can only attend the shareholders' meeting by video conference.

Those who exercise their voting rights in writing or by electronic means without retracting their declaration of intention and participate in the shareholders' meeting by video conference shall not exercise their voting rights on the same motions, propose amendment to the same motions, or exercise their voting rights for revised motions, except for extempore motions.

Article 14

The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and those who lost the election and the numbers of votes each candidate won.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the scrutineers and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 15

Matters relating to the resolutions by a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

Said distribution may be announced through the MOPS. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of votes won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of the Company.

When a shareholders' meeting is convened by video conference, the minutes of the

shareholders' meeting shall contain the start and end time of the shareholders' meeting, the method of convening the meeting, the names of the chair and the minute taker, as well as the response method and the response situation when any natural disasters, accidents, or other force majeure events have obstructed the video conference platform or the participation in the video conference in addition to the matters that shall be recorded in accordance with the preceding paragraph.

When a shareholders' meeting is convened by video conference, the Company shall proceed as per the preceding paragraph and shall specify the alternative measures provided to shareholders who have difficulty participating in the video conference in the minutes of the shareholders' meeting.

Article 16

The Company shall, on the day of the shareholders' meeting, compile a statistical statement in the prescribed format and disclose the number of shares solicited by the solicitor, the number of shares represented by the proxies, and the number of shares in attendance in writing or by electronic means clearly on site at the shareholders' meeting. When a shareholders' meeting is convened by video conference, the Company shall upload the aforementioned information to the video conference platform at least 30 minutes before the start of the meeting and continue to disclose it till the end of the meeting.

When a shareholders' meeting is convened by video conference, when the chair calls the meeting to order, the total number of shares in attendance shall be disclosed on the video conference platform. The same shall apply if the total number of shares and voting rights in attendance are counted during the meeting.

If any resolutions by the shareholders' meeting are material information as stipulated by laws and regulations or Taiwan Stock Exchange (Taipei Exchange), the Company shall upload the content to the MOPS prior to a deadline.

Article 17

Staff handling administrative affairs of a shareholders' meeting shall wear an identification badge or an armband.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification badge or an armband, reading "Proctor."

At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extempore motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 19

When a shareholders' meeting is convened by video conference, the Company shall immediately disclose the voting results and election results of various motions on the video conference platform in accordance with the regulations, and shall continue to disclose for at least 15 minutes after the chair declares the meeting adjourned.

Article 20

When a shareholders' meeting is convened by video conference, the chair and the minute taker shall be at the same location in Taiwan, and the chair shall disclose the address of the place when calling the meeting to order.

Article 21

When a shareholders' meeting is convened by video conference, the Company may allow shareholders to perform a simple test of the connection before the meeting commences and provide relevant services immediately before and during the meeting to assist with any technical communication problems.

When a shareholders' meeting is convened by video conference the chair shall, when calling the meeting to order, announce that there is no need for postponement or resumption of the meeting as stipulated in Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies; and that the requirement on the date of the meeting postponed or resumed within five days due to any natural disasters, accidents, or other force majeure events that have obstructed the video conference platform or the participation in the video conference for more than 30 minutes under Article 182 of the Company Act shall not apply before the chair declares the meeting adjourned.

In the event of any incident in the preceding paragraph that caused the meeting to be postponed or resumed, shareholders who have not registered to participate in the original shareholders' meeting by video conference shall not participate in the meeting postponed or resumed.

For the meeting to be postponed or resumed under paragraph 2, shareholders who have registered to participate in the original shareholders' meeting by video conference and have completed the registration but fail to participate in said meeting, the number of shares in attendance and the voting rights and voting rights for elections exercised at the original shareholders' meeting shall be included in the total number of attending shareholders' shares, voting rights, and voting rights for elections at the meeting postponed or resumed.

When a shareholders meeting is postponed or resumed in accordance with paragraph 2, the motions for which the voting and counting of votes have been completed and the voting results or the list of elected directors or supervisors have been announced, do not need to be discussed or resolved again.

When the Company convenes a shareholder's meeting, supplemented by a video conference, if the video conference cannot continue as under paragraph 2, after the number of shares in attendance through the video conference is deducted, the total number of shares in attendance at the physical shareholders' meeting reaches the number as required by law, the shareholders' meeting shall continue. There is no need to postpone or resume the meeting in accordance with paragraph 2.

When the meeting shall continue as in the preceding paragraph, for shareholders participating by video conference, the number of their shares shall be included in the total number of shares in attendance; however, they shall be deemed to abstain for all motions resolved at the shareholders' meeting.

When the Company postpones or resumes the meeting in accordance with paragraph 2, it shall handle the relevant matters in accordance with the provisions set forth in Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies, and relevant preparations shall be made as per the date of the original shareholders' meeting and the provisions of this article.

Based on the period under Article 12, second-half paragraph and Article 13, paragraph 3 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies; Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall postpone or resume the shareholders' meeting at a date as per paragraph 2.

Article 22

When the Company convenes a shareholders' meeting by video conference, it shall provide appropriate alternatives to shareholders who have difficulty attending the shareholders' meeting by video conference.

Article 23

These Rules and all amendments thereto shall be enforced upon approval by a shareholders' meeting.

Appendix II: Articles of Incorporation (Before Amendment)

ABICO AVY CO., LTD.
Articles of Incorporation
General Provisions

Article 1: The Company is incorporated in accordance with the Company Act and named 能率創股份有限公司.

The English name is ABICO AVY CO., LTD.

Article 2:

- I. The Company engages in the research, development, manufacturing, and sale of the products below:
 - (1) Microwave and millimeter-wave receivers for satellites.
 - (2) Personal computer wireless communication systems.
 - (3) Local area networks and wireless communication systems.
 - (4) Two-way pagers.
 - (5) Manufacturing, processing, and trading of various aluminum alloy and plastic die-casted products and molds.
 - (6) The Company concurrently engages in import and export related to its business.
- II. F401021 Restrained Telecom Radio Frequency Equipment and Materials Import.
- III. CC01070 Wireless Communication Mechanical Equipment Manufacturing.
- IV. CC01080 Electronics Components Manufacturing.
- V. F119010 Wholesale of Electronic Materials.
- VI. F401010 International Trade.
- VII. CA04010 Surface Treatments.
- VIII. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1: The Company may provide endorsements or guarantees for business needs or as per investees' needs as per the Operating Procedures for Endorsements and Guarantees.

Article 3: If the Company is a shareholder with limited liability of another company, its total investment is not subject to the limit of 40% of the paid-in capital as stipulated in Article 13 of the Company Act.

Article 4: The Company is headquartered in Taipei City and may set up subsidiaries or branches at home and abroad with the resolution adopted by the Board of Directors and the approval of competent authorities.

Article 5: (Deleted)

Chapter 2 Shares

Article 6: The Company's total authorized capital is NT\$3 billion, which is divided into 300 million shares with a par value of NT\$10 per share, which may be issued in tranches by the Board of Directors as delegated. Of the above capital, NT\$100 million is reserved for the exercise of stock warrants, preference shares with warrants, or corporate bonds with warrants.

Article 6-1: In accordance with the Company Act, the employees to whom the employee stock warrants are granted may include employees of the controlling company or subsidiaries

who meet certain criteria; the Board of Directors are delegated to decide on the terms and methods of the subscription. If the Company intends to issue employee stock warrants at a subscription price lower than the market price, it shall issue the warrants only with the approval by the resolution of the shareholders' meeting in accordance with applicable regulations.

Article 6-2: If the Company intends to transfer its shares repurchased to employees at a price lower than the average repurchase price, the transferees may include employees of the controlling company or subsidiaries who meet certain criteria. The criteria and method of subscription shall be determined by the Board of Directors, and the shares shall only be transferred with the approval by the resolution of the shareholders' meeting in accordance with applicable regulations.

Article 6-3: If the Company intends to issue restricted stock awards and transfer them to employees, the transferees may include employees of the controlling company or subsidiaries who meet certain criteria. The criteria and method of subscription shall be determined by the Board of Directors, and the awards shall only be issued with the approval by the resolution of the shareholders' meeting in accordance with applicable regulations.

Article 7: The Company may be exempted from printing stock certificates and shall register with the centralized securities depository enterprise when issuing shares.

Article 8: The change of name and transfer of shares shall be suspended within 60 days before a general shareholders' meeting, within 30 days before an extraordinary shareholders' meeting, or within 5 days before the record date of payout of dividends, bonuses, or other benefits.

Chapter 3 Shareholders' Meeting

Article 9: There are annual general and extraordinary shareholders' meetings. The Board of Directors shall convene the general meeting once a year within six months after the end of each fiscal year as per law. Extraordinary meetings may be convened at any time as needed as per law.

The Company may convene a shareholders' meeting by video conference or in other methods as announced by the central competent authority. The criteria, operating procedures, and other matters to be complied with for convening a shareholders' meeting by video conference shall be governed by the competent authority's regulations if otherwise provided.

Article 10: Any shareholder who is unable to attend a shareholders' meeting for any reason shall appoint a proxy to attend the meeting by presenting a proxy form (signed or sealed by the shareholder) printed by the Company, indicating the scope of the authorization. With the exception of a trust enterprise or a stock affairs agency approved by the competent securities authority, when one person is concurrently appointed as a proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3% of the voting rights represented by the total number of outstanding shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 11: Each of the Company's shareholders shall be entitled to one vote for each share held unless otherwise stipulated by the Company Act and other applicable laws and regulations.

Article 12: Unless otherwise provided by the Company Act, resolutions by a shareholders' meeting shall be adopted by more than half of the voting rights represented by shareholders at such a meeting attended by shareholders representing more than half of the total

outstanding shares.

Chapter 4 Board of Directors and Audit Committee

Article 13: The Company shall have 9 directors on the board. The term of office is 3 years. The shareholders' meeting shall elect such directors from candidates with the legal capacity, and they can be re-elected.

Of said number of the Company's directors, the number of independent directors shall not be fewer than three and shall not be fewer than one-fifth of the total number of directors. Directors shall be elected through a candidate nomination system by the shareholders' meeting from a list of director candidates.

The professional qualifications, restrictions on shareholdings and positions held concurrently, nomination and appointment methods, and other matters to be complied with for independent directors shall be governed by the applicable regulations of the competent securities authority.

The total shareholding of all directors shall be governed by the regulations of the competent securities authority.

Article 13-1: The Company has established an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act, and the committee is formed by all independent directors.

The responsibilities assumed by supervisors as stipulated by the Company Act, the Securities and Exchange Act, and other laws shall be shouldered by the Audit Committee.

The Audit Committee's structure, responsibilities, rules of procedure, and other matters to be complied with shall be handled in accordance with the competent securities authority's applicable regulations.

Article 14: The resolution by the Board of Directors, unless otherwise provided by the Company Act, shall be adopted by a majority vote at a board meeting attended by more than half of the directors. Directors who are unable to attend a board meeting may issue a proxy form to entrust other directors to attend on their behalf, but each director can be a proxy for only one director.

Article 15: The Board of Directors is formed by directors and shall elect a Chairman from among the directors by a majority vote at a meeting attended by over two-thirds of the directors; the Vice Chairman may be elected in the same procedure; they shall implement all the Company's affairs in accordance with laws, regulations, as well as the resolutions adopted by the shareholders' meeting and the Board of Directors

Article 16: When the Chairman is on leave or absent or cannot perform his duties for any cause, the acting Chairman shall be handled in accordance with Article 208 of the Company Act. When a board meeting is to be convened, the reasons shall be stated in a meeting notice, which shall then be sent to all directors at least seven days in advance. However, in the event of an emergency, a board meeting may be convened at any time. The notice referred to in the preceding paragraph may be sent in writing or by fax or email.

Article 17: The Board of Directors is delegated to determine the remuneration to directors based on their involvement in the Company's operations, the values of their contributions, and the general standard in the industry.

The Company may purchase liability insurance for directors during their terms of office based on the scope of their duties.

Chapter 5 Managers

Article 18: The Company may engage managers, whose appointment, dismissal, and remuneration

shall be handled in accordance with Article 29 of the Company Act.

Chapter 6 Accounting

Article 19: The Company's fiscal year starts from January 1 and ends on December 31 each year. The Board of Directors shall prepare (1) a business report, (2) financial statements , and (3) a statement of earning distribution or deficit compensation at the end of each fiscal year and submit them to the general shareholders' meeting for ratification.

Article 20: If the Company makes a profit in a fiscal year, it shall allocate employee remuneration and directors remuneration as follows. However, when the Company still has a cumulative deficit, it shall reserve an amount to offset it first.

- I. Not higher than 1.5% for directors remuneration;
- II. Not lower than 8% and not higher than 12% for employee remuneration.

When the employee remuneration in the preceding paragraph is paid out in cash or stock, the recipients may include employees of the controlling company or subsidiaries who meet certain criteria, in addition to the Company's employees. The applicable rules are formulated by the Board of Directors as delegated.

Where the Company makes a profit for a fiscal year, the profit shall be first used for paying taxes as required by law, offsetting a cumulative deficit, setting aside 10% of the remaining profit as a legal reserve unless it has reached the total amount of the Company's paid-in capital, setting aside an amount for or reversing a special reserve in accordance with the laws and regulations or the competent authority's regulations, and then any remaining profit, together with any undistributed retained earnings from the prior period, shall be adopted by the Company's Board of Directors as the basis for making a distribution proposal after an appropriate amount is reserved for business needs. The proposal shall then be resolved at the shareholders' meeting for the distribution of shareholder dividends.

In accordance with Special reserve appropriated, the Company shall first provide the same amount of Special reserve as in the previous Unappropriated retained earnings before the distribution of earnings. If there is still a shortfall, then Item, other than the current net profit after tax, shall be included in the current unappropriated retained earnings.

All or part of the dividends and bonuses payable, capital surplus, or legal reserve shall be paid out in cash with majority approval at a board meeting attended by over two-thirds of the directors, which shall be reported to the shareholders' meeting, while the provisions in the preceding paragraph that a resolution by the shareholders meeting shall be required do not apply.

The Company's dividend policy shall be implemented based on its business plan, future capital expenditure plans, budget, and capital needs, to meet shareholders' needs for cash inflows and ensure market competitiveness,

of which cash dividends to be paid out shall not be lower than 10% of the total dividends to be paid out to shareholders.

Chapter 7 Supplementary Provisions

Article 21: (Deleted)

Article 22: Matters not specified in the Articles of Incorporation shall be handled in accordance with the Company Act.

Article 23: The Articles of Incorporation was formulated on December 23, 1994. The 1st

amendment was made on March 14, 1995. The 2nd amendment was made on August 21, 1995. The 3rd amendment was made on May 25, 1996. The 4th amendment was made on December 27, 1997. The 5th amendment was made on May 8, 1998. The 6th amendment was made on June 25, 1999. The 7th amendment was made on May 31, 2000. The 8th amendment was made on June 22, 2001. The 9th amendment was made on June 28, 2002. The 10th amendment was made on November 17, 2003. The 11th amendment was made on June 11, 2004. The 12th amendment was made on June 15, 2006. The 13th amendment was made on June 13, 2007. The 14th amendment was made on June 13, 2008. The 15th amendment was made on June 16, 2009. The 16th amendment was made on June 18, 2010. The 17th amendment was made on June 11, 2014. The 18th amendment was made on June 18, 2015. The 19th amendment was made on June 21, 2016. The 20th amendment was made on June 13, 2017. The 21st amendment was made on March 27, 2019. The 22nd amendment was made on June 12, 2019. The 23rd amendment was made on June 12, 2020. The 24th amendment was made on July 15, 2021. The 25th amendment was made on June 14, 2022. The 26th amendment was made on June 21, 2024.

ABICO AVY CO., LTD.

Chairman: Tong Chun-Jen

Appendix III: Current Shareholding of Directors

Shareholding of All Directors and Statutory Minimum Requirement

I. The statutory percentage and number of shares to be held by all current directors are as follows:

The total number of the Company's issued ordinary shares is 168,958,990 shares.

In accordance with relevant regulations, all directors shall collectively hold no fewer than 10,137,539 shares.

II. As of April 22, 2025, the book closure date for the 2025 Annual General Shareholders' Meeting, the number of shares held by all directors is set out in the table below:

Title	Name	Number of shares held as recorded in the shareholder register on the book closure date	
		Number of shares	%
Chairman	ABICO INTERNATIONAL CO.,LTD. Representative: Tong, Chun-Jen	22,095,328	13.08%
Director	ABICO INTERNATIONAL CO.,LTD. Representative: Tong, Chun-Yi	22,095,328	13.08%
Director	ABICO INTERNATIONAL CO.,LTD. Representative: Hu, Shiang-Chi	22,095,328	13.08%
Director	ABICO INTERNATIONAL CO.,LTD. Representative: Tong, Ching-Hsi	22,095,328	13.08%
Director	ABICO INTERNATIONAL CO.,LTD. Representative: Huang, Li-An	22,095,328	13.08%
Director	Yunchen Investment Co., Ltd. Representative: Yang, Chao-Yu	606,740	0.36%
Independent Director	Wang, Jieh-Chen	0	0
Independent Director	Ou, Xiu-Ci	0	0
Independent Director	Kao, Feng-Ming	0	0

Note: Since the Company has established an Audit Committee, the statutory shareholding requirement for supervisors is not applicable. Pursuant to Article 2 of the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the minimum required shareholding shall be calculated based on 80% of the number specified in Paragraph 2 of the same article.

Appendix IV: Impact of the Current Gratis Share Distribution on the Company's Operating Performance, Earnings Per Share, and Shareholders' Return on Investment

I. The impact of the bonus share issuance on the Company's operating performance, earnings per share, and return on shareholders' investment:

The Company's earnings per share for fiscal year 2024 were NT\$0.18. The distribution of bonus shares and dividends for the year is based on the earnings distribution plan approved by the Board of Directors on March 24, 2025. The stock dividend of approximately NT\$0.45 per share is appropriated from the distributable earnings accumulated in prior years. The Company has not disclosed any financial forecast for fiscal year 2024. Pursuant to the Ministry of Finance Letter No. 0037 dated February 1, 2001, such information is not required to be disclosed.

Questions and Motions

Adjournment