

TWSE:8261



**Advanced Power Electronics Co., Ltd.**

**2026 Annual Shareholders' Meeting  
Meeting Agenda  
(Translation)**

**May 27, 2026**

*Note to Readers:*

*If there is any discrepancy between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese version shall prevail.*

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## **1. Call Meeting to Order**

**2. Meeting Agenda**

**Advanced Power Electronics Co., Ltd.**  
**2026 Annual Shareholders' Meeting**  
**Meeting Agenda**  
**(Translation)**

Type of Meeting : Physical Meeting

Time: 9:00 a.m., Thursday, May 27, 2026

Place: At Xizhi IFG U-Town, first go to 4F, Building D, then take the elevator to the  
17th floor

(17-10F, No. 93, Section 1, Xintai 5th Road, Xizhi District, New Taipei City)

1. Chairman's Address

2. Report Items

- (1). The 2025 Business Report
- (2). The 2025 Audit Committee Report
- (3). The Distribution of the 2025 Employees' Compensation.
- (4). The Distribution of the 2025 Directors' Compensation.
- (5). The 2025 Related Party Transactions Report.
- (6). Revision to Ethical Corporate Management Best Practice Principles.

3. Ratification Items

- (1). To approve the 2025 Business Report and Financial Statements.
- (2). To approve the Proposal for the Distribution of the 2025 Retained Earnings.

4. Discussion Item

- (1). To approve revisions to Procedures for Acquisition or Disposal of Assets.

5. Election Item

- (1). To elect the Company's 11th term of Directors.

6. Other Proposal

- (1). To approve the lifting of director of non-competition restrictions.

7. Special Motion

8. Meeting Adjourned

## **Report Items**

### **1. The 2025 Business Report**

The 2025 Business Report ,please refer to Attachment I.

### **2. The 2025 Audit Committee Report**

The 2025 Audit Committee Report ,please refer to Attachment II.

### **3. The Distribution of the 2025 Employees' Compensation Notes:**

- (1) Article 22 of the Company's Articles of Incorporation promulgate that if the Company has profits in a fiscal year, it shall distribute no less than 3% of net profits as Employees' Compensation. The Company should distribute no less than 5% of the employee compensation specified in the preceding item to non-executive employees.
- (2) The Company's employees' compensation for 2025 was approved by resolution of the Board of Directors. The total amount appropriated was NT\$42,380,000, of which no less than 5% was distributed to non-executive employees, and the amount was NT\$2,119,000. The entire amount will be distributed in cash.

### **4. The Distribution of the 2025 Directors' Compensation Notes:**

- (1) Article 22 of the Company's Articles of Incorporation promulgate that if the Company has profits in a fiscal year, it shall distribute not more than 3% of net profits as Directors' Compensation.
- (2) The Company's directors' compensation for 2025 was approved by resolution of the Board of Directors. The total amount appropriated was NT\$23,868,349, and the entire amount will be distributed in cash.

### **5. The 2025 Related Party Transactions Report**

#### **Explanatory Notes:**

- (1) According to Article 17 of the Company's Corporate Governance Best Practice Principles, all transactions shall follow fair and reasonable principles, and non-arm's length transactions shall be strictly prohibited.
- (2) The 2025 Related Party Transactions Report, please refer to Attachment III.

**6. Revision to Ethical Corporate Management Best Practice Principles.**

- (1) In order to implement a corporate culture of integrity and in response to relevant amendments to laws and regulations, the Board of Directors has approved the Ethical Corporate Management Best Practice Principles, which is hereby reported to the Shareholders' Meeting.
- (2) Ethical Corporate Management Best Practice Principles Before and After Revision, please refer to Attachment IV.

## **Ratification Items**

### **1. To approve the 2025 Business Report and Financial Statements. (Proposed by the Board of Directors)**

#### **Explanatory Notes:**

- (1) The Company's 2025 Financial Statements, including Balance Sheets, Statements of Comprehensive Income, Statements of Changes in Equity, and Statements of Cash Flows, were audited by independent auditors, Mr. Wen-Ling Liu and Mr. Chih-Feng Yu, of Deloitte & Touche and was approved by the Board of Directors on February 25, 2026.
- (2) 2025 Business Report, and Independent Auditors' Report, the aforementioned Financial Statements, please refer to Attachment I, V and VI.

#### **Resolution:**

### **2. To approve the Proposal for the Distribution of the 2025 Retained Earnings. (Proposed by the Board of Directors)**

#### **Explanatory Notes:**

- (1) The Company's 2025 Earnings Distribution Table was approved by the meeting of the Board of Directors on February 25, 2026.
- (2) The Company's 2025 net income was NT\$678,955,887. (please refer to Attachment VII for the 2025 Earnings Distribution Table)
- (3) It is proposed that cash dividends from retained earnings paid to shareholders of NT\$594,391,965. Common stockholders will receive cash dividends of NT\$ 5 per share. The dividend will be paid in cash with calculation rounded down to the nearest one NTD (any amount below one NTD will be discarded). The remaining fraction will be incorporated into other income of the Company.
- (4) It is proposed that Chairman of the Board be authorized to set a record date for distribution after shareholders' meeting. Should the Company's capital position change before record date of ex-cash dividend, requiring adjustments in the cash distribution ratio, it is proposed that Chairman of the Board be authorized to manage the change in the cash distribution ratio and to proceed on the relevant matters.

#### **Resolution:**

**Discussion Item**

- 1. To approve revisions to Procedures for Acquisition or Disposal of Assets.  
(Proposed by the Board of Directors)**

**Explanatory Notes:**

- (1) Pursuant to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies, and in line with adjustments to the Company's operating structure, certain provisions of these Procedures are hereby revised.
- (2) Procedures for Acquisition or Disposal of Assets Before and After Revision, please refer to Attachment VIII.

**Resolution:**

## **Election Item**

### **1. To elect the Company's 11th term of Directors. (Proposed by the Board of Directors)**

#### **Explanatory Notes:**

- (1) The 10th term of the Company's directors and independent directors expires on May 17th, 2026. The 11th term of the directors and independent directors should be elected at the 2026 Annual Shareholders' Meeting.
- (2) It is defined in Article 15 of the Company's Articles of Incorporation that 7 directors (including 3 independent directors) shall be elected according to the candidate nomination system. Shareholders shall elect Directors from the list of Director Candidates. The term for elected Directors is three years, starting from May 27th, 2026 to May 26th, 2029. The 10th term of Directors will be dismissed on the date the new directors are elected.
- (3) The election of directors is in accordance with the Company's Regulations of Directors Election.
- (4) The list of director candidates (including independent directors) for this election reviewed and approved by the 2nd meeting of the 10th Board of Directors of the Company in 2026. Please refer to Attachment IX.

#### **Resolution:**

## **Discussion Item**

- 1. To approve the lifting of director of non-competition restrictions.  
(Proposed by the Board of Directors)**

### **Explanatory Notes:**

- (1) According to Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and to obtain its approval
- (2) In order to obtain the expertise and relevant experience of the Company's directors, in accordance with Article 209 of the Company Act. Hence it is proposed to the shareholders' meeting to release the non-competition restrictions for the directors and their representatives in accordance with the laws.
- (3) For candidates of directors (including independent directors) who concurrently hold other positions in the company, please refer to Attachment X .

### **Resolution:**

**Special Motion**

**Meeting Adjourned**

# ATTACHMENT

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**Advanced Power Electronics Co., Ltd.  
Business Report**

Dear Shareholders,

Thank you for taking the time to attend the 2026 Annual General Meeting of Advanced Power Electronic Co., Ltd. Looking back at 2025, our company's consolidated net operating revenue reached NTD 3.104 billion, representing a 6.37% increase compared with the previous year.

Although the semiconductor industry continued to be affected by external factors such as adjustments in tariff policies, developments in international trade negotiations, and changes in the geopolitical environment, the company enhanced its overall profitability compared with the previous year by optimizing its product portfolio, strengthening collaboration with key suppliers and major customers, and implementing effective operating expense control and operational risk management measures. As a result, the company recorded a net profit after tax of NTD 680 million in 2025, driving earnings per share (EPS) to NTD 5.73.

The implementation results of the 2025 business plan and the business plan for the current year are summarized as follows:

**1. Operating Results for 2025**

**(1) Implementation Results of the Business Plan**

In 2025, the company continued to implement various business initiatives. Through adjustments to the product portfolio, strengthened cost control measures, and improvements in operational efficiency, operating revenue increased compared with the previous year, and gross profit also improved. These results demonstrate that the execution of the company's business plans has gradually begun to yield positive outcomes.

In response to rapid changes in global trade policies and tariff measures, as well as uncertainties such as exchange rate fluctuations, the company continues to adopt a prudent market and product deployment strategy. The company focuses on application areas with high medium- to long-term demand visibility and actively captures growth opportunities driven by increasing demand for high-efficiency power solutions in AI data centers, electric vehicles, and consumer electronics markets.

Overall, in 2025 the company and its subsidiaries recorded consolidated net operating revenue of NTD 3.104 billion, gross profit of NTD 1.16 billion, and net profit after tax of NTD 680 million. Earnings per share (EPS) after tax reached NTD 5.73, all of which were higher than the results in 2024.

**(2) Budget Execution**

The company and its subsidiaries did not issue any external financial forecasts for 2025.

### (3) Analysis of Financial Income and Expenditures and Profitability

		In Thousands of New Taiwan Dollars
Item		2025
Financial income and expenditure	Operating revenues	3,104,313
	Gross profit from operations	1,160,548
	Net profit	680,080
	Net profit attributable to owners of the parent	678,956
Profitability	Return on assets (%)	10.57
	Return on equity (%)	11.79
	Pre-tax income as a % of paid-in capital	70.41
	Net income margin (%)	21.91
	Earnings per share (NT\$)	5.73

### (4) Research and Development Status

For high-voltage Power MOSFETs, the company has carried out process optimization to improve EMI performance in power supply applications and has completed the development of the fourth-generation 600V/650V high-voltage process technology platform. In addition, the company has introduced third-generation semiconductor GaN technology. This year, development mainly focuses on the 650V/700V/900V D-mode platform, while the key focus for SiC MOSFETs is on the 750V/1200V platform.

At the same time, in response to the high-performance thermal management requirements of AI servers, data centers, next-generation gaming consoles, and basic communication equipment, the company has developed a series of 30V–200V N-channel and P-channel Power MOSFET products. These products are designed for applications such as high-speed DC fans and high-flow pumps used in liquid cooling systems, and are tailored to meet the requirements of different design architectures, thereby providing customers with comprehensive solutions.

## 2. Summary of the 2026 Business Plan

### (1) Business Strategy

To capture long-term growth momentum while reducing the impact of short-term economic fluctuations, the company will not only continue to optimize its product portfolio but also actively expand into application markets with strong growth potential. These include AI data center cooling applications, industrial automation and variable frequency drives, and automotive electrification, with the aim of gradually increasing the revenue contribution from high-margin and high-technology-barrier products.

At the same time, the company will continue to strengthen its collaboration with major customers by participating in product platform specification discussions and providing technical support and application solutions, thereby reinforcing long-term partnership foundations. In terms of supply chain management, the company maintains diversified sourcing and backup mechanisms for key materials and processes, while strengthening quality management and change control procedures to reduce operational risks and ensure a stable supply.

## **(2) Expected Sales Volume and Basis**

The company and its subsidiaries are primarily engaged in the research, development, production, testing, and sales of power semiconductor Power MOSFETs. These products are widely used in various electrical and electronic systems, including automotive, consumer electronics, and industrial automation applications, such as personal computers, switching power supplies, cooling fans, motor drives, and battery management systems. Based on market demand and business development plans, the company and its subsidiaries expect the annual sales volume in 2026 to reach approximately 1.447 billion units.

## **(3) Key Production and Sales Policies**

The company plans its capacity allocation and inventory levels based on market demand visibility and customer order conditions, with the primary objective of maintaining stable supply and flexible delivery schedules. In terms of sales strategy, the company focuses on key customers and major application markets. Taking into account the characteristics of different regional markets, the company adopts a parallel approach of direct supply and distribution channels in order to diversify market concentration risks.

In view of the continuing uncertainties in the international trade environment—including the impact of U.S. tariff policies on raw material costs, cross-border logistics arrangements, and certain customers' procurement decisions—the company will continue to closely monitor changes in trade policies and regulations across different countries. The company will also mitigate potential impacts on overall operations by adjusting sourcing strategies, flexibly arranging production and shipment locations, and negotiating pricing and delivery terms with customers. In addition, with respect to supply chain management, the company maintains diversified sourcing and backup mechanisms for key materials and processes, while continuously strengthening quality management and change control procedures. These measures are intended to respond to changes in the external environment and ensure stable production and sales operations.

At the same time, through diversified collaboration with the company's major shareholders, Foxconn Group and Yageo Group, in areas such as product design, process optimization, and sales channels, the company will further establish a comprehensive semiconductor industry chain and expand the depth and breadth of its sales network. This will enhance the company's operational scale and market competitiveness, thereby continuing to drive overall business growth.

**(4) Future Development Strategies and the Impact of External Competitive Environment, Regulatory Environment, and Overall Economic Conditions**

As major global semiconductor manufacturers continue to expand their investments in the power device sector, market competition is becoming increasingly intense, with rising price pressures and higher technological barriers. The company will continue to maintain its competitiveness through product differentiation, process optimization, and long-term collaboration with key customers. At the same time, in response to the broader business environment, factors such as global economic cycles, geopolitical developments, exchange rate fluctuations, and supply chain changes may affect industry demand and the company's operations. The company will adopt prudent capital expenditure and production and sales planning strategies, while strengthening supply chain management and risk control mechanisms to respond to changes in the external environment and to maintain stable operations and long-term development.

Finally, we would like to express our sincere gratitude to all shareholders for your long-standing support and encouragement. On behalf of Advanced Power Electronic Co., Ltd., we extend our deepest appreciation to all shareholders.

Wishing you all good health and every success.

Chairman	Tie-Min Chen
Manager	Chia-Shuai Chang
Chief Accounting Officer	Mei-Ying Tan

**Audit Committee Review Report**

The Board of Directors has prepared the Company's 2025 Business Report, Financial Statements, and the Proposal for profit appropriation. The CPA firm of Deloitte & Touche were retained to audit the Company's Financial Statements and have issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and Proposal for profit appropriation have been reviewed and determined to be correct and accurate by the Audit Committee of the Company in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, I hereby submit this Report.

**Advanced Power Electronics Co., Ltd.**

Chairman of the Audit Committee



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February 25, 2026

## Attachment III

### Advanced Power Electronics Co., Ltd. The 2025 Related Party Transactions Report

Related party transactions for 2025 have been disclosed in the parent company only and consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The related transactions are as follows:

#### 1.Sales of goods:

Unit: In Thousands of New Taiwan Dollars

Related Parties	Related Party Categories	Amount	Percentage of Sales of goods	Accounts Receivable Balance	Percentage of Total Notes Receivable and Accounts Receivable
Yageo Corporation	Substantive related party	569	0.02%	212	0.03%
Ko-E Electronic (Hong Kong) Ltd.	Substantive related party	128	0.00%	52	0.01%

Transaction terms are similar to those for ordinary customers.

#### 2.Purchases of goods:

Unit: In Thousands of New Taiwan Dollars

Related Parties	Related Party Categories	Amount	Percentage of Purchases of goods	Accounts Payable Balance	Percentage of Total Notes Payable and Accounts Payable
Hon Young Semiconductor Co., Ltd	Substantive related party	41	0.00%	-	-

Transaction terms are similar to those for ordinary customers.

#### 3.Others:

Unit: In Thousands of New Taiwan Dollars

Account	Related Parties	Related Party Categories	Amount
Other receivable	XSemi Corporation	Investors with significant influence	188
Operating expenses	YAGEO Foundation	Substantive related party	3,000

4.Acquisition and Disposal of Assets: None.

5.Loaning Funds to Others: None.

6.Endorsement & Guarantee: None.

**Advanced Power Electronics Co., Ltd.**

**Comparison Table for Ethical Corporate Management Best Practice Principles Before and After Revision**

Amended Provision	Original Provision	Notes
<p>Article 7 The scope of the Prevention Programs  The Company <u>shall establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct</u>, and establish its prevention programs, <u>and review their adequacy and effectiveness on a regular basis</u>. The prevention programs shall at least include preventive measures against the following:</p> <ol style="list-style-type: none"> <li>1. Offering and acceptance of bribes.</li> <li>2. Illegal political donations.</li> <li>3. Improper charitable donations or sponsorship.</li> <li>4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.</li> <li>5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.</li> <li>6. Engaging in unfair competitive practices.</li> <li>7. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.</li> </ol>	<p>Article 7 The scope of the Prevention Programs  The Company shall analyze and assess on a regular basis business activities within its business scope which are at a higher risk of being involved in unethical conduct, and establish its prevention programs. The prevention programs shall at least include preventive measures against the following:</p> <ol style="list-style-type: none"> <li>1. Offering and acceptance of bribes.</li> <li>2. Illegal political donations.</li> <li>3. Improper charitable donations or sponsorship.</li> <li>4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.</li> <li>5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.</li> <li>6. Engaging in unfair competitive practices.</li> <li>7. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.</li> </ol>	<p>This provision is amended to comply with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.</p>

Amended Provision	Original Provision	Notes
<p>Article 8 Promises and executions</p> <p>The Company and its Business Groups <u>shall request their directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy</u>, and shall clearly specify in their rules and external documents and on the company website the ethical corporate management policies and the commitment by the board of directors <u>and senior management</u> on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.</p> <p><u>The ethical management policy, statement, commitment and implementation mentioned in the preceding paragraphs and retain said information properly.</u></p>	<p>Article 8 Promises and executions</p> <p>The Company and its Business Groups shall clearly specify in their rules and external documents and on the company website the ethical corporate management policies and the commitment by the board of directors and senior management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.</p>	<p>This provision is amended to comply with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.</p>
<p>Article 17 Organization and responsibility</p> <p>The directors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.</p> <p>To achieve sound ethical corporate management, the Company shall establish a dedicated unit that is</p>	<p>Article 17 Organization and responsibility</p> <p>The directors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.</p> <p>To achieve sound ethical corporate management, the Company shall establish a dedicated unit that is</p>	<p>This provision is amended to comply with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.</p>

Amended Provision	Original Provision	Notes
<p>under the board of directors and in assisting the board of directors and the management to formulate, supervise and implement ethical corporate management policies and guidelines for conduct, mainly in charge of the following matters, and report to the board of directors regularly <u>(at least once a year)</u>:</p> <ol style="list-style-type: none"> <li>1. Assisting in incorporating ethics and moral values into the Company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.</li> <li>2. <u>Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, adopting accordingly</u> programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business.</li> <li>3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.</li> <li>4. Promoting and coordinating awareness and educational</li> </ol>	<p>under the board of directors and in assisting the board of directors and the management to formulate, supervise and implement ethical corporate management policies and guidelines for conduct, mainly in charge of the following matters, and report to the board of directors regularly:</p> <ol style="list-style-type: none"> <li>1. Assisting in incorporating ethics and moral values into the Company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.</li> <li>2. Adopting programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business.</li> <li>3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.</li> <li>4. Promoting and coordinating awareness and educational activities with respect to ethics policy.</li> <li>5. Developing a whistle-blowing system and ensuring its operating</li> </ol>	

Amended Provision	Original Provision	Notes
<p>activities with respect to ethics policy.</p> <p>5. Developing a whistle-blowing system and ensuring its operating effectiveness.</p> <p>6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.</p>	<p>effectiveness.</p> <p>6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.</p>	
<p>Article 20 Accounting and internal control</p> <p>The Company shall establish effective accounting systems and internal control systems for business activities which may be at a higher risk of being involved in unethical conduct, not have under-the-table accounts or maintain secret accounts, and conduct reviews from time to time so as to ensure that the design and enforcement of the systems will continue to be effective. The internal audit unit of the Company <u>shall, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans, including auditees, audit scope, audit items, audit frequency, etc., and examine accordingly the compliance with the prevention programs; the preceding paragraph shall be reported to senior management and the ethical management dedicated unit.</u> The internal audit unit may engage a</p>	<p>Article 20 Accounting and internal control</p> <p>The Company shall establish effective accounting systems and internal control systems for business activities which may be at a higher risk of being involved in unethical conduct, not have under-the-table accounts or maintain secret accounts, and conduct reviews from time to time so as to ensure that the design and enforcement of the systems will continue to be effective. The internal audit unit of the Company shall devise relevant audit plans and examine accordingly the compliance with the prevention programs. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary. The results of examination shall put down in writing in the form of an audit report to be submitted to the board of directors.</p>	<p>This provision is amended to comply with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.</p>

Amended Provision	Original Provision	Notes
<p>certified public accountant to carry out the audit, and may engage professionals to assist if necessary. The results of examination shall put down in writing in the form of an audit report to be submitted to the board of directors.</p>		
<p>Article 23 Whistleblowing system</p> <p>The Companies shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following:</p> <ol style="list-style-type: none"> <li>1. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel of the Company to submit reports.</li> <li>2. Dedicated personnel or unit appointed to handle the whistle-blowing system. Any tip involving a director or senior management shall be reported to the independent directors or the Audit Committee. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.</li> <li>3. <u>Follow-up measures to be adopted depending on the severity of the circumstances after investigations of cases reported are completed. Where necessary, a case shall be reported to the competent authority or referred to the judicial authority.</u></li> </ol>	<p>Article 23 Whistleblowing system</p> <p>The Companies shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following:</p> <ol style="list-style-type: none"> <li>1. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel of the Company to submit reports.</li> <li>2. Dedicated personnel or unit appointed to handle the whistle-blowing system. Any tip involving a director or senior management shall be reported to the independent directors or the Audit Committee. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.</li> <li>3. Documentation of case acceptance, investigation processes, investigation results, and relevant documents.</li> <li>4. Confidentiality of the identity of whistle-blowers and the content of reported cases, and an undertaking</li> </ol>	<p>This provision is amended to comply with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.</p>

Amended Provision	Original Provision	Notes
<p>4. Documentation of case acceptance, investigation processes, investigation results, and relevant documents.</p> <p>5. Confidentiality of the identity of whistle-blowers and the content of reported cases, and an undertaking regarding anonymous reporting.</p> <p>6. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.</p> <p>7. Whistle-blowing incentive measures.</p> <p>When material misconduct or likelihood of material impairment to the Company comes to their awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors in written form.</p>	<p>regarding anonymous reporting.</p> <p>5. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.</p> <p>6. Whistle-blowing incentive measures.</p> <p>When material misconduct or likelihood of material impairment to the Company comes to their awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors in written form.</p>	
<p>Article 27 Enforcement</p> <p>The Principles of the Company shall be implemented after the board of directors grants the approval, and shall be sent to the independent director and report at a shareholders' meeting. The same procedure shall be followed when the Principles have been amended.</p> <p>When the Company submits its Principles to the board of directors for discussion pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. Any objections or</p>	<p>Article 27 Enforcement</p> <p>The Principles of the Company shall be implemented after the board of directors grants the approval, and shall be sent to the independent director and report at a shareholders' meeting. The same procedure shall be followed when the Principles have been amended.</p> <p>When the Company submits its Principles to the board of directors for discussion pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. Any objections or</p>	<p>The description regarding the promulgation time and procedures of the amended provisions has been supplemented by adding the relevant date.</p>

Amended Provision	Original Provision	Notes
<p>reservations of any independent director shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.</p> <p><u>The Principles were implemented after being approved by the shareholders' meeting on May 25, 2015.</u></p> <p><u>The first amended by the Board of Directors on February 25, 2026.</u></p>	<p>reservations of any independent director shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.</p> <p>The Principles adopted by the Board meeting on March 30, 2015.</p>	

**REPRESENTATION LETTER**

The entities that are required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2025 are all the same as those included in the consolidated financial statements of Advanced Power Electronics Co., Ltd. and its subsidiaries prepared in conformity with the International Financial Reporting Standard 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates is included in the consolidated financial statements of Advanced Power Electronics Co., Ltd. and its subsidiaries. Hence, we did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

Advanced Power Electronics Co., Ltd.

Tie-Min Chen  
Chairman

February 25, 2026



**勤業眾信**

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## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Advanced Power Electronics Co., Ltd.

### **Opinion**

We have audited the accompanying consolidated financial statements of Advanced Power Electronics Co., Ltd. and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and the related notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

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

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2025 are stated as follows:

### Validity of Revenue

The Group's primary source of revenue is generated from design and sales of power semiconductors (Power MOSFETs). Due to the revenue recognition has inherently higher fraud risks and the management may be under pressure to achieve financial goals. Therefore, we identified the validity of the revenue derived from these distributors with significant sales growth and material amount has been identified as a key audit matter.

The main audit procedures that we performed to assess the validity of the revenue are as follows:

1. We understood the designed and tested operating effectiveness of internal control and confirmed the validity of revenue recognition.
2. We sampled the transaction documents related to revenue, including sales order, shipping, customs documents, and verified cash collections which have related to revenue derived from the above-mentioned customers and verified the reasonableness of revenue recognition.

### **Other Matter**

We have also audited the parent company only financial statements of Advanced Power Electronics Co., Ltd. as of and for the years ended December 31, 2025 and 2024 on which we have issued an unmodified opinion.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease its 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.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and 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 and is related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Wen-Ling Liu and Chih-Feng Yu.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China  
February 25, 2026

Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language auditors' report and consolidated financial statements shall prevail.*

**ADVANCED POWER ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEET**  
(In Thousands of New Taiwan Dollars)

	December 31, 2025		December 31, 2024	
	Amount	%	Amount	%
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents (Notes 4 and 6)	\$ 1,318,850	20	\$ 662,988	11
Financial assets at fair value through profit or loss (Notes 4 and 7)	-	-	490,459	8
Financial assets at amortized cost (Notes 4 and 9)	2,693,064	40	2,347,434	38
Notes receivable (Notes 4 and 10)	366	-	12,981	-
Accounts receivable (Notes 4, 10 and 25)	824,113	12	785,937	12
Other receivables (Notes 4, 10 and 25)	42,292	1	43,142	1
Current tax assets (Note 4)	1,460	-	2,153	-
Inventories (Notes 4 and 11)	786,246	12	520,956	8
Other current assets	4,617	-	894	-
Total current assets	<u>5,671,008</u>	<u>85</u>	<u>4,866,944</u>	<u>78</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss (Notes 4 and 7)	173,278	3	194,968	3
Financial assets at fair value through other comprehensive income (Notes 4 and 8)	116,247	2	139,961	2
Financial assets measured at amortized cost (Notes 4 and 9)	126,307	2	195,584	3
Property, plant and equipment (Notes 4 and 12)	432,104	6	441,776	7
Right-of-use assets (Notes 4 and 13)	7,705	-	9,240	-
Other intangible assets, net (Note 4)	4,373	-	2,803	-
Deferred tax assets (Notes 4 and 20)	46,917	1	46,691	1
Other non-current assets (Note 14)	73,590	1	342,461	6
Total non-current assets	<u>980,521</u>	<u>15</u>	<u>1,373,484</u>	<u>22</u>
<b>TOTAL</b>	<u>\$ 6,651,529</u>	<u>100</u>	<u>\$ 6,240,428</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable (Note 25)	\$ 446,551	7	\$ 387,799	6
Other payables (Note 16)	151,415	2	136,167	2
Current tax liabilities (Note 4)	95,807	2	61,907	1
Lease liabilities (Notes 4 and 13)	4,712	-	4,571	-
Other current liabilities	14,456	-	27,992	1
Total current liabilities	<u>712,941</u>	<u>11</u>	<u>618,436</u>	<u>10</u>
<b>NON-CURRENT LIABILITIES</b>				
Deferred tax liabilities (Notes 4 and 20)	4,090	-	10,285	-
Lease liabilities (Notes 4 and 13)	1,637	-	4,632	-
Total non-current liabilities	<u>5,727</u>	<u>-</u>	<u>14,917</u>	<u>-</u>
Total liabilities	<u>718,668</u>	<u>11</u>	<u>633,353</u>	<u>10</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT (Notes 4 and 18)</b>				
Common stock	1,188,784	18	1,184,432	19
Capital surplus	3,015,419	45	3,005,869	48
Retained earnings				
Legal reserve	324,675	5	268,153	4
Special reserve	75,416	1	63,566	1
Unappropriated earnings	1,399,930	21	1,167,805	19
Total retained earnings	<u>1,800,021</u>	<u>27</u>	<u>1,499,524</u>	<u>24</u>
Other equity interests	( 71,429 )	( 1 )	( 81,652 )	( 1 )
Total equity attributable to owners of the parent	5,932,795	89	5,608,173	90
<b>NON-CONTROLLING INTERESTS</b>				
Total equity	<u>5,932,861</u>	<u>89</u>	<u>5,607,075</u>	<u>90</u>
<b>TOTAL</b>	<u>\$ 6,651,529</u>	<u>100</u>	<u>\$ 6,240,428</u>	<u>100</u>

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

**ADVANCED POWER ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 25)	\$ 3,104,313	100	\$ 2,918,407	100
OPERATING COSTS (Notes 11, 19 and 25)	<u>1,943,765</u>	<u>63</u>	<u>2,084,475</u>	<u>72</u>
GROSS PROFIT FROM OPERATIONS	<u>1,160,548</u>	<u>37</u>	<u>833,932</u>	<u>28</u>
OPERATING EXPENSES (Notes 19 and 25)				
Selling and marketing expenses	84,743	3	87,776	3
General and administrative expenses	154,428	5	138,496	5
Research and development expenses	<u>137,508</u>	<u>4</u>	<u>134,027</u>	<u>4</u>
Total operating expenses	<u>376,679</u>	<u>12</u>	<u>360,299</u>	<u>12</u>
PROFIT FROM OPERATIONS	<u>783,869</u>	<u>25</u>	<u>473,633</u>	<u>16</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	75,809	3	60,075	2
Other income	7,072	-	6,275	-
Other gains and losses, net (Notes 4 and 19)	( 29,192)	( 1)	139,932	5
Gains arising from derecognition of financial assets measured at amortized cost (Notes 4 and 9)	1,085	-	-	-
Finance costs (Notes 4 and 19)	( <u>1,617</u> )	<u>-</u>	( <u>148</u> )	<u>-</u>
Total non-operating income and expenses	<u>53,157</u>	<u>2</u>	<u>206,134</u>	<u>7</u>
PROFIT BEFORE INCOME TAX	837,026	27	679,767	23
INCOME TAX EXPENSE (Notes 4 and 20)	<u>156,946</u>	<u>5</u>	<u>113,807</u>	<u>4</u>
NET PROFIT	<u>680,080</u>	<u>22</u>	<u>565,960</u>	<u>19</u>

(Continued)

**ADVANCED POWER ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	\$ 5,072	-	(\$ 12,570)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations	( 486)	-	640	-
Other comprehensive income (loss) (after tax)	4,586	-	( 11,930)	-
TOTAL COMPREHENSIVE INCOME	<u>\$ 684,666</u>	<u>22</u>	<u>\$ 554,030</u>	<u>19</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the parent	\$ 678,956	22	\$ 565,220	19
Non-controlling interests	1,124	-	740	-
	<u>\$ 680,080</u>	<u>22</u>	<u>\$ 565,960</u>	<u>19</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the parent	\$ 683,502	22	\$ 553,370	19
Non-controlling interests	1,164	-	660	-
	<u>\$ 684,666</u>	<u>22</u>	<u>\$ 554,030</u>	<u>19</u>
EARNINGS PER SHARE (Note 21)				
Basic earnings per share	<u>\$ 5.73</u>		<u>\$ 4.80</u>	
Diluted earnings per share	<u>\$ 5.69</u>		<u>\$ 4.75</u>	

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

**ADVANCED POWER ELECTRONICS CO., LTD. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

**(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Parent						Other Equity Interests			Non-controlling Interests	Total Equity		
	Common Stock	Capital Surplus	Retained Earnings			Foreign Currency Translation Reserve	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Unearned Employee Benefits	Total				
			Legal Reserve	Special Reserve	Unappropriated Earnings							Total	Total
BALANCE, JANUARY 1, 2024	\$ 1,178,905	\$ 3,001,320	\$ 235,110	\$ 75,774	\$ 918,146	\$ 1,229,030	(\$ 4,169)	(\$ 59,397)	(\$ 33,010)	(\$ 96,576)	\$ 5,312,679	(\$ 1,758)	\$ 5,310,921
Distribution of 2023 earnings													
Legal reserve	-	-	33,043	-	( 33,043 )	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	( 12,208 )	12,208	-	-	-	-	-	-	-	-
Cash dividends -NT\$ 2.5 per share	-	-	-	-	( 294,726 )	( 294,726 )	-	-	-	( 294,726 )	-	-	( 294,726 )
Exercise of disgorgement of short-swing profits	-	1,956	-	-	-	-	-	-	-	-	1,956	-	1,956
Profit (Loss) for the nine months ended December 31, 2024	-	-	-	-	565,220	565,220	-	-	-	-	565,220	740	565,960
Other comprehensive income (loss) for the nine months ended December 31, 2024	-	-	-	-	-	-	720	( 12,570 )	-	( 11,850 )	( 11,850 )	( 80 )	( 11,930 )
Total comprehensive income (loss) for the nine months ended December 31, 2024	-	-	-	-	565,220	565,220	720	( 12,570 )	-	( 11,850 )	553,370	660	554,030
Employee share options issued by the Company	8,047	22,291	-	-	-	-	-	-	-	-	30,338	-	30,338
Compensation cost of employee share options	-	1,042	-	-	-	-	-	-	-	-	1,042	-	1,042
Compensation cost of employee restricted shares	-	-	-	-	-	-	-	-	3,514	3,514	3,514	-	3,514
Cancellation of employee restricted shares	( 2,520 )	( 20,740 )	-	-	-	-	-	-	23,260	23,260	-	-	-
BALANCE, DECEMBER 31, 2024	1,184,432	3,005,869	268,153	63,566	1,167,805	1,499,524	( 3,449 )	( 71,967 )	( 6,236 )	( 81,652 )	5,608,173	( 1,098 )	5,607,075
Distribution of 2024 earnings													
Legal reserve	-	-	56,522	-	( 56,522 )	-	-	-	-	-	-	-	-
Special reserve	-	-	-	11,850	( 11,850 )	-	-	-	-	-	-	-	-
Cash dividends -NT\$ 3.2 per share	-	-	-	-	( 379,018 )	( 379,018 )	-	-	-	-	( 379,018 )	-	( 379,018 )
Profit (Loss) for the nine months ended December 31, 2025	-	-	-	-	678,956	678,956	-	-	-	-	678,956	1,124	680,080
Other comprehensive income (loss) for the nine months ended December 31, 2025	-	-	-	-	-	-	( 526 )	5,072	-	4,546	4,546	40	4,586
Total comprehensive income (loss) for the nine months ended December 31, 2025	-	-	-	-	678,956	678,956	( 526 )	5,072	-	4,546	683,502	1,164	684,666
Employee share options issued by the Company	4,752	12,511	-	-	-	-	-	-	-	-	17,263	-	17,263
Compensation cost of employee share options	-	331	-	-	-	-	-	-	-	-	331	-	331
Compensation cost of employee restricted shares	-	-	-	-	-	-	-	-	2,267	2,267	2,267	-	2,267
Cancellation of employee restricted shares	( 400 )	( 3,292 )	-	-	-	-	-	-	3,692	3,692	-	-	-
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	559	559	-	( 559 )	-	( 559 )	-	-	-
BALANCE, DECEMBER 31, 2025	\$ 1,188,784	\$ 3,015,419	\$ 324,675	\$ 75,416	\$ 1,399,930	\$ 1,800,021	(\$ 3,975)	(\$ 67,454)	\$ -	(\$ 71,429)	\$ 5,932,795	\$ 66	\$ 5,932,861

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

## ADVANCED POWER ELECTRONICS CO., LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars)

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	\$ 837,026	\$ 679,767
Adjustments for:		
Depreciation expense	37,152	38,918
Amortization expense	5,786	4,999
Net gain on financial instruments at fair value through profit or loss	( 1,323)	( 39,083)
Finance costs	1,617	148
Net gain arising from derecognition of financial assets measured at amortized cost	( 1,085)	-
Interest income	( 75,809)	( 60,075)
Dividend income	( 6,235)	( 4,902)
Compensation costs of employee share options	2,875	4,556
Loss on decline in market value and obsolete and slow-moving inventories	789	41,058
Unrealized (gain)/loss on foreign currency exchange	43,100	( 93,547)
Lease modification loss	-	65
Changes in operating assets and liabilities:		
Notes receivable	12,615	( 8,077)
Accounts receivable	( 70,573)	84,486
Other receivables	( 4,180)	785
Inventories	( 266,079)	190,867
Prepayments	40,167	38,702
Other current assets	( 76)	192
Notes payable	-	( 290)
Accounts payable	71,881	14,887
Other payables	12,659	4,746
Other current liabilities	( 13,536)	5,633
Net cash inflows generated from operating activities	626,771	903,835
Interest received	80,575	58,536
Interest paid	( 1,617)	( 148)
Income taxes paid	( 128,774)	( 118,468)
Net cash generated from operating activities	576,955	843,755

(Continued)

## ADVANCED POWER ELECTRONICS CO., LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at fair value through other comprehensive income	\$ 28,144	\$ -
Purchase of financial assets at amortized cost	(5,067,334)	(3,998,384)
Proceeds from sale of financial assets at amortized cost	4,784,856	3,447,197
Purchase of financial assets at fair value through profit or loss	( 70,000)	(1,180,000)
Proceeds from sale of financial assets at fair value through profit or loss	583,472	895,154
Acquisition of property, plant and equipment	( 19,571)	( 14,853)
Increase in refundable deposits	( 3,013)	-
Decrease in refundable deposits	217,315	145,971
Payments for intangible assets	( 7,365)	( 4,443)
Other dividend received	<u>6,235</u>	<u>4,902</u>
Net cash (used in)/generated from investing activities	<u>452,739</u>	<u>( 704,456)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	( 6,474)	( 5,487)
Cash dividends paid	( 379,018)	( 294,704)
Proceeds from exercise of employee share options	17,263	30,338
Proceeds from exercise of disgorgement of short-swing profits	<u>-</u>	<u>1,956</u>
Net cash used in financing activities	<u>( 368,229)</u>	<u>( 267,897)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND EQUIVALENTS	<u>( 5,603)</u>	<u>20,487</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	655,862	( 108,111)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>662,988</u>	<u>771,099</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$1,318,850</u>	<u>\$ 662,988</u>
The accompanying notes are an integral part of the consolidated financial statements.		(Concluded)



**勤業眾信**

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**INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Advanced Power Electronics Co., Ltd.

**Opinion**

We have audited the accompanying parent company only financial statements of Advanced Power Electronics Co., Ltd. (the “Company”), which comprise the parent company only balance sheets as of December 31, 2025 and 2024, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including material accounting policy information.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the accompanying parent company only financial position of the Company as of December 31, 2025 and 2024, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2025.

These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the parent company only financial statements for the year ended December 31, 2025 are stated as follows:

#### Validity of Revenue

The Company's primary source of revenue is generated from design and sales of power semiconductors (Power MOSFETs). Due to the revenue recognition has inherently higher fraud risks and the management may be under pressure to achieve financial goals. Therefore, we identified the validity of the revenue derived from these distributors with significant sales growth and material amount has been identified as a key audit matter.

The main audit procedures that we performed to assess the validity of the revenue are as follows:

1. We understood the designed and tested operating effectiveness of internal control and confirmed the validity of revenue recognition.
2. We sampled the transaction documents related to revenue, including sales order, shipping, customs documents, and verified cash collections which have related to revenue derived from the above-mentioned customers and verified the reasonableness of revenue recognition.

#### **Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements**

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

In preparing the parent company only financial statements, management is responsible for assessing the Company'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 Company or to cease its operations, or has no realistic alternative but to do so.

Those charged with governance (including the audit committee) are responsible for overseeing the Company's financial reporting process.

#### **Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements**

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of

assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies

in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Wen-Ling Liu and Chih-Feng Yu.

Deloitte & Touche

Taipei, Taiwan

Republic of China

February 25, 2026

Notice to Readers

*The accompanying parent company only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and parent company only financial statements shall prevail.*

**ADVANCED POWER ELECTRONICS CO., LTD.**  
**PARENT COMPANY ONLY BALANCE SHEET**

(In Thousands of New Taiwan Dollars)

	December 31, 2025		December 31, 2024	
	Amount	%	Amount	%
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents (Notes 4 and 6)	\$ 1,279,027	19	\$ 639,948	10
Financial assets at fair value through profit or loss (Notes 4 and 7)	-	-	490,459	8
Financial assets at amortized cost (Notes 4 and 9)	2,690,464	41	2,343,434	38
Notes receivable (Notes 4 and 10)	366	-	12,981	-
Accounts receivable (Notes 4, 10 and 25)	828,067	12	787,708	13
Other receivables (Note 4)	42,279	1	43,123	1
Inventories (Notes 4 and 11)	1,448	-	2,140	-
Other current assets (Note 25)	786,246	12	520,956	8
Total current assets	<u>3,787</u>	<u>-</u>	<u>18,631</u>	<u>-</u>
	<u>5,631,684</u>	<u>85</u>	<u>4,859,380</u>	<u>78</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss (Notes 4 and 7)	87,978	1	117,248	2
Financial assets at fair value through other comprehensive income (Notes 4 and 8)	90,562	1	87,401	1
Financial assets measured at amortized cost (Notes 4 and 9)	126,307	2	195,584	3
Investments accounted for using equity method (Notes 4 and 12)	147,548	2	138,420	2
Property, plant and equipment (Notes 4 and 13)	432,104	7	441,776	7
Right-of-use assets (Notes 4 and 14)	4,742	-	9,240	-
Other intangible assets, net (Note 4)	4,373	-	2,803	-
Deferred tax assets (Notes 4 and 20)	46,917	1	46,691	1
Other non-current assets (Note 15)	<u>71,541</u>	<u>1</u>	<u>342,126</u>	<u>6</u>
Total non-current assets	<u>1,012,072</u>	<u>15</u>	<u>1,381,289</u>	<u>22</u>
<b>TOTAL</b>	<u>\$ 6,643,756</u>	<u>100</u>	<u>\$ 6,240,669</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable (Note 25)	\$ 446,479	7	\$ 387,727	6
Other payables (Note 16)	149,318	2	134,095	2
Current tax liabilities (Note 4)	95,807	2	61,907	1
Lease liabilities (Notes 4 and 14)	3,172	-	4,571	-
Other current liabilities	<u>10,420</u>	<u>-</u>	<u>21,217</u>	<u>1</u>
Total current liabilities	<u>705,196</u>	<u>11</u>	<u>609,517</u>	<u>10</u>
<b>NON-CURRENT LIABILITIES</b>				
Deferred tax liabilities (Notes 4 and 20)	4,090	-	10,285	-
Lease liabilities (Notes 4 and 14)	1,637	-	4,632	-
Guarantee deposits	38	-	38	-
Credit balance of investments accounted for using equity method (Notes 4 and 12)	<u>-</u>	<u>-</u>	<u>8,024</u>	<u>-</u>
Total non-current liabilities	<u>5,765</u>	<u>-</u>	<u>22,979</u>	<u>-</u>
Total liabilities	<u>710,961</u>	<u>11</u>	<u>632,496</u>	<u>10</u>
<b>EQUITY (Notes 4 and 18)</b>				
Common stock	<u>1,188,784</u>	<u>18</u>	<u>1,184,432</u>	<u>19</u>
Capital surplus	<u>3,015,419</u>	<u>45</u>	<u>3,005,869</u>	<u>48</u>
Retained earnings				
Legal reserve	324,675	5	268,153	4
Special reserve	75,416	1	63,566	1
Unappropriated earnings	<u>1,399,930</u>	<u>21</u>	<u>1,167,805</u>	<u>19</u>
Total retained earnings	<u>1,800,021</u>	<u>27</u>	<u>1,499,524</u>	<u>24</u>
Other equity interests	<u>( 71,429 )</u>	<u>( 1 )</u>	<u>( 81,652 )</u>	<u>( 1 )</u>
Total equity	<u>5,932,795</u>	<u>89</u>	<u>5,608,173</u>	<u>90</u>
<b>TOTAL</b>	<u>\$ 6,643,756</u>	<u>100</u>	<u>\$ 6,240,669</u>	<u>100</u>

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

## ADVANCED POWER ELECTRONICS CO., LTD.

### PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 25)	\$ 3,102,175	100	\$ 2,917,047	100
OPERATING COSTS (Notes 11,19 and 25)	<u>1,943,491</u>	<u>63</u>	<u>2,084,346</u>	<u>71</u>
GROSS PROFIT FROM OPERATIONS	<u>1,158,684</u>	<u>37</u>	<u>832,701</u>	<u>29</u>
OPERATING EXPENSES (Notes 19 and 25)				
Selling and marketing expenses	95,775	3	99,067	3
General and administrative expenses	147,642	5	134,148	5
Research and development expenses	<u>137,227</u>	<u>4</u>	<u>134,016</u>	<u>5</u>
Total operating expenses	<u>380,644</u>	<u>12</u>	<u>367,231</u>	<u>13</u>
PROFIT FROM OPERATIONS	<u>778,040</u>	<u>25</u>	<u>465,470</u>	<u>16</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	75,673	3	59,951	2
Other income (Note 25)	3,994	-	4,049	-
Other gains and losses, net (Notes 4 and 19)	( 26,871)	( 1)	107,521	4
Gains arising from derecognition of financial assets measured at amortized cost (Notes 4 and 9)	1,085	-	-	-
Finance costs (Notes 4 and 19)	( 1,616)	-	( 149)	-
Share of profit of subsidiaries and associates accounted for using equity method	<u>5,597</u>	<u>-</u>	<u>42,185</u>	<u>1</u>
Total non-operating income and expenses	<u>57,862</u>	<u>2</u>	<u>213,557</u>	<u>7</u>
PROFIT BEFORE INCOME TAX	835,902	27	679,027	23
INCOME TAX EXPENSE (Notes 4 and 20)	<u>156,946</u>	<u>5</u>	<u>113,807</u>	<u>4</u>
NET PROFIT	<u>678,956</u>	<u>22</u>	<u>565,220</u>	<u>19</u>

(Continued)

**ADVANCED POWER ELECTRONICS CO., LTD.**

**PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME**

**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

**(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	2025		2024	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	\$ 3,161	-	\$ 94	-
Share of other comprehensive income (loss) of subsidiaries and associates accounted for using equity method	1,911	-	( 12,664)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations	( 943)	-	1,350	-
Share of other comprehensive income (loss) of subsidiaries and associates accounted for using equity method	417	-	( 630)	-
Other comprehensive income (loss) (after tax)	4,546	-	( 11,850)	-
TOTAL COMPREHENSIVE INCOME	<u>\$ 683,502</u>	<u>22</u>	<u>\$ 553,370</u>	<u>19</u>
EARNINGS PER SHARE (Note 21)				
Basic earnings per share	<u>\$ 5.73</u>		<u>\$ 4.80</u>	
Diluted earnings per share	<u>\$ 5.69</u>		<u>\$ 4.75</u>	

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

**ADVANCED POWER ELECTRONICS CO., LTD.**  
**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**  
(In Thousands of New Taiwan Dollars)

	Common Stock	Capital Surplus	Retained Earnings				Other Equity Interests			Total	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Foreign Currency Translation Reserve	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Unearned Employee Benefits		
BALANCE, JANUARY 1, 2024	\$ 1,178,905	\$ 3,001,320	\$ 235,110	\$ 75,774	\$ 918,146	\$ 1,229,030	( \$ 4,169 )	( \$ 59,397 )	( \$ 33,010 )	( \$ 96,576 )	\$ 5,312,679
Distribution of 2023 earnings											
Legal reserve	-	-	33,043	-	( 33,043 )	-	-	-	-	-	-
Special reserve	-	-	-	( 12,208 )	12,208	-	-	-	-	-	-
Cash dividends -NT\$ 2.5 per share	-	-	-	-	( 294,726 )	( 294,726 )	-	-	-	-	( 294,726 )
Exercise of disgorgement of short-swing profits	-	1,956	-	-	-	-	-	-	-	-	1,956
Profit for the year ended December 31, 2024	-	-	-	-	565,220	565,220	-	-	-	-	565,220
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	-	720	( 12,570 )	-	( 11,850 )	( 11,850 )
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	565,220	565,220	720	( 12,570 )	-	( 11,850 )	553,370
Employee share options issued by the Company	8,047	22,291	-	-	-	-	-	-	-	-	30,338
Compensation cost of employee share options	-	1,042	-	-	-	-	-	-	-	-	1,042
Compensation cost of employee restricted shares	-	-	-	-	-	-	-	-	3,514	3,514	3,514
Cancellation of employee restricted shares	( 2,520 )	( 20,740 )	-	-	-	-	-	-	23,260	23,260	-
BALANCE, DECEMBER 31, 2024	1,184,432	3,005,869	268,153	63,566	1,167,805	1,499,524	( 3,449 )	( 71,967 )	( 6,236 )	( 81,652 )	5,608,173
Distribution of 2024 earnings											
Legal reserve	-	-	56,522	-	( 56,522 )	-	-	-	-	-	-
Reversal of special reserve	-	-	-	11,850	( 11,850 )	-	-	-	-	-	-
Cash dividends -NT\$ 3.2 per share	-	-	-	-	( 379,018 )	( 379,018 )	-	-	-	-	( 379,018 )
Profit for the year ended December 31, 2024	-	-	-	-	678,956	678,956	-	-	-	-	678,956
Other comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	-	-	( 526 )	5,072	-	4,546	4,546
Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	678,956	678,956	( 526 )	5,072	-	4,546	683,502
Employee share options issued by the Company	4,752	12,511	-	-	-	-	-	-	-	-	17,263
Compensation cost of employee share options	-	331	-	-	-	-	-	-	-	-	331
Compensation cost of employee restricted shares	-	-	-	-	-	-	-	-	2,544	2,544	2,544
Cancellation of employee restricted shares	( 400 )	( 3,292 )	-	-	-	-	-	-	3,692	3,692	-
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	559	559	-	( 559 )	-	( 559 )	-
BALANCE, DECEMBER 31, 2025	\$ 1,188,784	\$ 3,015,419	\$ 324,675	\$ 75,416	\$ 1,399,930	\$ 1,800,021	( \$ 3,975 )	( \$ 67,454 )	\$ -	( \$ 71,429 )	\$ 5,932,795

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

## ADVANCED POWER ELECTRONICS CO., LTD.

### PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	\$ 835,902	\$ 679,027
Adjustments for:		
Depreciation expense	37,019	38,885
Amortization expense	5,786	4,999
Net gain on fair value changes of financial assets at fair value through profit or loss	( 3,721)	( 6,347)
Finance costs	1,616	149
Net gain arising from derecognition of financial assets measured at amortized cost	( 1,085)	-
Interest income	( 75,673)	( 59,951)
Dividend income	( 2,932)	( 2,566)
Compensation costs of employee share options	2,875	4,556
Share of (gain)/loss of subsidiaries and associates accounted for using equity method	( 5,597)	( 42,185)
Loss on decline in market value and obsolete and slow-moving inventories	789	41,058
Unrealized (gain)/loss on foreign currency exchange	42,826	( 93,149)
Lease modification loss	-	65
Changes in operating assets and liabilities:		
Notes receivable	12,615	( 8,077)
Accounts receivable (related parties included)	( 72,669)	86,908
Other receivables	( 3,916)	1,043
Inventories	( 266,079)	190,867
Prepayments	58,734	38,666
Other current assets	( 76)	174
Notes payable	-	( 290)
Accounts payable (related parties included)	71,895	14,862
Other payables (related parties included)	12,634	5,413
Other current liabilities	( 10,797)	244
Net cash inflows generated from operating activities	640,146	894,351
Interest received	80,169	58,154
Interest paid	( 1,616)	( 149)
Income taxes paid	( 128,775)	( 118,466)
Net cash generated from operating activities	<u>589,924</u>	<u>833,890</u>

(Continued)

**ADVANCED POWER ELECTRONICS CO., LTD.**

**PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

**(In Thousands of New Taiwan Dollars)**

	2025	2024
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at amortized cost	(\$ 5,067,334)	(\$ 3,998,384)
Proceeds from sale of financial assets at amortized cost	4,783,456	3,446,797
Purchase of financial assets at fair value through profit or loss	( 60,000)	( 1,180,000)
Proceeds from sale of financial assets at fair value through profit or loss	583,450	895,154
Acquisition of property, plant and equipment	( 19,571)	( 14,853)
Increase in refundable deposits	( 1,302)	-
Decrease in refundable deposits	217,317	145,899
Payments for intangible assets	( 7,365)	( 4,443)
Other dividend received	<u>2,932</u>	<u>2,566</u>
Net cash (used in)/ generated from investing activities	<u>431,583</u>	<u>( 707,264)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of the principal portion of lease liabilities	( 4,923)	( 5,487)
Cash dividends paid	( 379,018)	( 294,704)
Proceeds from exercise of employee share options	17,263	30,338
Acquisition of Equity in a Subsidiary	( 10,170)	-
Proceeds from exercise of disgorgement of short-swing profits	<u>-</u>	<u>1,956</u>
Net cash used in financing activities	<u>( 376,848)</u>	<u>( 267,897)</u>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND EQUIVALENTS</b>	<u>( 5,580)</u>	<u>20,446</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>( 120,825)</u>	<u>95,272</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<u>639,948</u>	<u>760,773</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>\$ 1,279,027</u>	<u>\$ 639,948</u>

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

(Concluded)

**Advanced Power Electronics Co., Ltd.**

**2025 Earnings Distribution Table**

Unit: New Taiwan Dollars

Item	Amount
Unappropriated retained earnings as of December 31, 2024	720,414,745
Net income of 2025	678,955,887
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	558,820
Legal reserve appropriation (10%)	(67,951,471)
Reversal of special reserve	3,987,718
Retained earnings available for distribution	1,335,965,699
Appropriation:	
Cash dividends (NT\$ 5)	594,391,965
Balance of unappropriated retained earnings	741,573,734

Chairman : Tie-Min Chen

Manager: Chia-Shuai Chang

Chief Accounting Officer: Mei-Ying Tan

## Attachment VIII

### Advanced Power Electronics Co., Ltd.

#### Comparison Table for Procedures for Acquisition or Disposal of Asset Before and After Revision

Draft Amendment	Current Articles	Explanatory Notes
<p>Article 5 Operating procedures</p> <p>1. omitted.</p> <p>2. Acquisition and disposal of assets</p> <p style="padding-left: 20px;">(1). <u>Authorization limits and levels:</u>  <u>The authorization limits and levels shall be handled in accordance with the Company's regulations on hierarchical responsibility and levels of authority.</u></p> <p style="padding-left: 20px;">(2). <u>Executing units:</u>  <u>The execution shall be carried out by the user department or the relevant responsible units in accordance with the approved content.</u></p>	<p>Article 5 Operating procedures</p> <p>1. omitted.</p> <p>2. Acquisition and disposal of assets</p> <p style="padding-left: 20px;">(1). <del>The Company may delegate the chairman or President to decide such matters when the purpose of acquisition or disposal is for short term fund allocation (including but not limited to the transaction of local government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds which are issued by domestic securities investment trust companies). The daily or a single transaction from NTS 100 to 500 million shall be approved by the chairman; the daily or a single transaction is less than NTS 100 million shall be approved by the President. Such matters subject to ratifications at the next board meeting.</del></p> <p style="padding-left: 20px;">(2). <del>The Company may delegate the amount and levels of authority to decide such matter when acquisition or disposal is for other assets, and real property, plants and equipment: the transaction is NTS 3 million or less shall be approved by the head of unit; for the transaction exceeding NTS 3 million to NTS 6 million shall be approved by the President; for the transaction exceeding NTS 6 million to NTS 10 million shall be approved by the chairman. The transaction exceeding NTS 10 million shall be approved by both the chairman and the board of directors beforehand.</del></p>	<p>Amend in accordance with the company's practical operation.</p>
<p>Article 16 Supplementary provisions</p> <p>The Procedures shall be effective from the date it is approved by the Shareholders' Meeting. The same applies in case of</p>	<p>Article 16 Supplementary provisions</p> <p>The Procedures shall be effective from the date it is approved by the Shareholders' Meeting. The same applies in case of</p>	<p>Amended the revision date.</p>

Draft Amendment	Current Articles	Explanatory Notes
<p>revision.  The Procedures adopted by the shareholders' meeting on June 8, 2000, and the first Amendment on June 5, 2001, the second Amendment on June 18, 2002, the third Amendment on June 10, 2003, the fourth Amendment on June 15, 2012, the fifth Amendment on May 14, 2014 , the sixth Amendment on May 19, 2016, the seventh Amendment on May 17, 2017, the eighth Amendment on May 16, 2019 <u>and the ninth Amendment on May 27, 2026.</u></p>	<p>revision.  The Procedures adopted by the shareholders' meeting on June 8, 2000, and the first Amendment on June 5, 2001, the second Amendment on June 18, 2002, the third Amendment on June 10, 2003, the fourth Amendment on June 15, 2012, the fifth Amendment on May 14, 2014 , the sixth Amendment on May 19, 2016, the seventh Amendment on May 17, 2017 and the eighth Amendment on May 16, 2019.</p>	

## Advanced Power Electronics Co., Ltd.

## List of Director Nominees

Record Date: March 29, 2026

Type of Nominee	Name of Nominee	Education	Experience	Current Position	Number of Shares Held (Unit: Shares)
Director	Tie-Min Chen	Honorary Doctorate of Engineering, National Cheng Kung University Honorary Doctorate of Management, National Sun Yat-sen University Bachelor degree of Engineering Science, National Cheng Kung University	President of Yageo Group	Founder and Chairman of YAGEO Corporation Chairman of Tong Hsing Electronic Ind., Ltd. Chairman of XSEMI Corporation Chairman of Kuo-Shin Investment Co., Ltd. Vice Chairman of uPI semiconductor corp. Chairman of TMC Family Heritage Chairman of Advanced Power Electronics Co., Ltd.	0
Director	Future Technology Consulting, Inc. Representative: Fu-Chi Teng	Executives Program, Graduate School of Business Administration, National Chengchi University	Chairman of Tainet Communication System Corp.	Vice Chairman of Advanced Power Electronics Co., Ltd. Chairman of Future Technology Consulting, Inc. Representative of Juridical person director, Tainet Communication System Corp. Representative of juridical person director, Future Technology Consulting (B.V.I.), Inc. Representative of juridical person director, Perfect Prime Ltd. (SAMOA) Representative of juridical person chairman, Green Power Semiconductor Co., Ltd. President and Representative of juridical person director, OPC Microelectronics Co., Ltd.	3,169,899

Type of Nominee	Name of Nominee	Education	Experience	Current Position	Number of Shares Held (Unit: Shares)
				Representative of juridical person director, Fuhong Investment Co., Ltd. Independent Director of Technology Unlimited Corp. Director of Data Image Corporation Independent Director of Caswell, Inc. Representative of juridical person chairman, St. John's star Venture Capital Co., Ltd. Director of Nccu Star Venture Capital Co., Ltd. Director of Ntust Star Venture Capital Co., Ltd. Representative of juridical person chairman of Chengchi of Star Venture Capital Co., Ltd.	
Director	XSemi Corporation Representative: Mei-Ying Tan	Master of Laws (LL.M.), School of Law, Soochow University B.A. in Accounting, Tamkang University	Senior Auditor, BDO Taiwan	Representative of juridical person director, Seaward Electronics Corp. (Cayman) Representative of juridical person director and general manager, Shenzhen Fucheng Electronics Co., Ltd. Representative of juridical person director, Green Power Semiconductor Co., Ltd. Representative of juridical person director, OPC Microelectronics Co., Ltd. Representative of juridical person chairman, Fuhong Investment Co., Ltd.	35,000,000
Director	Ying-Shi Huang	Master degree in Accounting of National Chung Cheng University Bachelor degree in Accounting of Tunghai University	Senior Director of Hon Hai Precision Industry Co., Ltd. Director of Hewlett-Packard Development Company, L.P. Director of Systex	Chairman of Healthconn Corp. Chairman of Altus Technology Inc., Chairman of Socle Technology Corp. Chairman of Foxconn New energy Automobile Industry Development (Henan) Co., LTD. Chairman of SolidEdge Solution Inc Chairman of FARBOT TECH INC., Chairman of FAROBOT INC.	0

Type of Nominee	Name of Nominee	Education	Experience	Current Position	Number of Shares Held (Unit: Shares)
			<p>Corporation Senior Director of EY Transaction Advisory Services Inc.</p>	<p>Chairman of GENCONN BIOTECH CO., LTD. Chairman of HORIZON PLUS Co., Ltd. Chairman of OMNIGUIDER INC. Chairman of HONG-QI MECHATRONICS (ANHUI) CO., LTD. Chairman of BIG INNOVATION COMPANY LTD. Chairman of FIH CO., LTD. Chairman of Intellex Works Co., LTD. Chairman of PowerX Semiconductor Corporation Director of ShunSin Technology Holdings Limited Director of Foxtron Vehicle Technologies Co., Ltd. Director of Pan-International Industrial Corp. Director of LONG TIME TECH. CO., LTD. Director of Linker Vision Co., Ltd. Director of iCana Ltd Director of XSemi Corporation Director of Batt. Cycle Materials Co., Ltd. Director of Beijing Hengyu Electric Vehicle Rental Co., Ltd. Director of FOXCONN INNOVATION INDUSTRY DEVELOPMENT GROUP CO, Ltd. Director of Foxconn New Energy Battery (Zhengzhou) Co., Ltd. Director of Hon Young Semiconductor Corporation Director of Qingdao New Core Technology Co., Ltd. Director of Pollux Technologies, Inc. Director of Foxconn EV Netherlands Holdings Director of Foxconn EV Technology Inc.</p>	

Type of Nominee	Name of Nominee	Education	Experience	Current Position	Number of Shares Held (Unit: Shares)
				Director of MIH Consortium Director of TAISIC MATERIALS CORP. Director of Foxconn Fukuyama Technologies Co., Ltd.(FFT) Director of MEMS CORE CO. LTD Director of Indigo Technologies Inc.	
Independent Director	Pao-Shi Sheng	Bachelor degree of Economics, University of California, Berkeley	General Manager, Hoan Pharmaceuticals Ltd.	Chairman of Union Chemical & Pharmaceutical Co., Ltd. Chairman of Zhuoya Co., Ltd. Chairman of Rui Bao Xin Investment Co., Ltd. Chairman of Baolei Management Consulting CO., LTD. Chairman of Yisheng Co., Ltd. Chairman of TANVEX BIOLOGICS CORPORATION Chairman of Baolei Co., Ltd. Chairman of Bora Management Consulting Co., Ltd. Chengyuan Co., Ltd. Chairman of Jia Xi International Co., Ltd. Chairman of Bao En International Co., Ltd. Chairman of Baolei International CO., LTD. Chairman of TWi Pharmaceuticals, Inc. Chairman of Synpac-kingdom pharmaceutical Co., Ltd. Legal Representative of Wonders company Ltd. Chairman of Bora Pharmaceutical and Consumer Health Inc. Chairman of Bora Health Co., Ltd. Chairman and General Manager of Bora Pharmaceutical Co., Ltd.	0

Type of Nominee	Name of Nominee	Education	Experience	Current Position	Number of Shares Held (Unit: Shares)
				Director of LIBO PHARMA CORP. Chairman of Sunway Biotech Co., Ltd. Director of Jesper Co., Ltd. Chairman of Bora Pharmaceutical and Consumer Health Inc. Director of Wellpool Co., Ltd. Independent Director, GAMANIA DIGITAL ENTERTAINMENT CO., LTD Independent Director, Advanced Power Electronics Co., Ltd. Director of BIONET Therapeutics Corp.	
Independent Director	Stephen Tso	M.S. & Ph.D., Materials Science & Engineering, University of California, Berkeley  B.S., Physics, National Taiwan University	Senior Vice President & CIO, TSMC Chairman and CEO, TSMC Solid State Lighting and TSMC Solar President, Wafertech Senior Vice President, Operation, TSMC Senior Vice President, Worldwide Sales & Marketing, TSMC Vice President, R&D, TSMC General Manager, CVD Division, Applied Materials Fab Manager, Vice President, Fab Operations, SGS-	Independent Director , AOPEN Incorporated Independent Director , Winbond Electronics Corporation Director of YE SIANG ENTERPRISE CO., LTD.	0

Type of Nominee	Name of Nominee	Education	Experience	Current Position	Number of Shares Held (Unit: Shares)
			Thomson Member of Technical Staff, Engineering Manager, Texas Instruments		
Independent Director	Chien-Wei Chen	EMBA of Taiwan-Fudan University EMBA of National Taiwan University of Science and Technology Bachelor degree of Industrial Engineering and Management of National Taiwan University of Science and Technology	Supervisor of E-Elements Technology Co. Ltd. Director of Ennoconn Corporation Committee Member of Compensation of Chaintech Technology Corporation	President of Technology Unlimited Group Chairman of Technology Created Medicine Corporation Chairman of IOTU CORPORATION Chairman of Sparkle Computer Co., Ltd. Representative of juridical person director of Rigo Global Co., Ltd. Independent Director, Aewin Technologies Co., Ltd. Director of Uwin Resource Regeneration Inc. Director of ALCOR MICRO, CORP. Director of EGIS TECHNOLOGY INC. Director of Taiwan Star Venture Investment Co., Ltd Independent Director, Inmax Holding Co., Ltd Independent Director, Advanced Power Electronics Co., Ltd.	0

## Advanced Power Electronics Co., Ltd.

## Other Positions Held by Director (Including Independent Director)

## Nominees

Title	Name	Concurrent Positions in Other Companies
Director	Tie-Min Chen	<p>Founder and Chairman of YAGEO Corporation  Chairman of Tong Hsing Electronic Ind., Ltd.  Chairman of XSEMI Corporation  Chairman of Kuo-Shin Investment Co., Ltd.  Vice Chairman of uPI semiconductor corp.  Chairman of TMC Family Heritage</p>
Director	<p>Future Technology Consulting, Inc.  Representative:  Fu-Chi Teng</p>	<p>Chairman of Future Technology Consulting, Inc.  Representative of Juridical person director, Tainet Communication System Corp.  Representative of juridical person director, Future Technology Consulting (B.V.I.), Inc.  Representative of juridical person director, Perfect Prime Ltd. (SAMOA)  Representative of juridical person chairman, Green Power Semiconductor Co., Ltd.  President and Representative of juridical person director, OPC Microelectronics Co., Ltd.  Representative of juridical person director, Fuhong Investment Co., Ltd.  Independent Director of Technology Unlimited Corp.  Director of Data Image Corporation  Independent Director of Caswell, Inc.  Representative of juridical person chairman, St. John's Star Venture Capital Co., Ltd.  Director of Nccu Star Venture Capital Co., Ltd.  Director of Ntust Star Venture Capital Co., Ltd.  Representative of juridical person chairman of Chengchi of Star Venture Capital Co., Ltd.</p>
Director	<p>XSEMI Corporation  Representative:  Mei-Ying Tan</p>	<p>Representative of juridical person director, Seaward Electronics Corp. (Cayman)  Representative of juridical person director and general manager, Shenzhen Fucheng Electronics Co., Ltd.  Representative of juridical person director, Green Power Semiconductor Co., Ltd.  Representative of juridical person director, OPC Microelectronics Co., Ltd.  Representative of juridical person chairman, Fuhong Investment Co., Ltd.</p>
Director	Ying-Shi Huang	<p>Chairman of Healthconn Corp.  Chairman of Altus Technology Inc.,  Chairman of Socle Technology Corp.</p>

Title	Name	Concurrent Positions in Other Companies
		<p>Chairman of Foxconn New energy Automobile Industry Development (Henan) Co., LTD.  Chairman of SolidEdge Solution Inc  Chairman of FARBOT TECH INC.,  Chairman of FAROBOT INC.  Chairman of GENCONN BIOTECH CO., LTD.  Chairman of HORIZON PLUS Co.,Ltd.  Chairman of OMNIGUIDER INC.  Chairman of HONG-QI MECHATRONICS (ANHUI) CO., LTD.  Chairman of BIG INNOVATION COMPANY LTD.  Chairman of FIH CO., LTD.  Chairman of Intellex Works Co., LTD.  Chairman of PowerX Semiconductor Corporation  Director of ShunSin Technology Holdings Limited  Director of Foxtron Vehicle Technologies Co., Ltd.  Director of Pan-International Industrial Corp.  Director of LONG TIME TECH. CO., LTD.  Director of Linker Vision Co., Ltd.  Director of iCana Ltd  Director of XSemi Corporation  Director of Batt. Cycle Materials Co., Ltd.  Director of Beijing Hengyu Electric Vehicle Rental Co., Ltd.  Director of FOXCONN INNOVATION INDUSTRY DEVELOPMENT GROUP CO, Ltd.  Director of Foxconn New Energy Battery (Zhengzhou) Co., Ltd.  Director of Hon Young Semiconductor Corporation  Director of Qingdao New Core Technology Co., Ltd.  Director of Pollux Technologies, Inc.  Director of Foxconn EV Netherlands Holdings  Director of Foxconn EV Technology Inc.  Director of MIH Consortium  Director of TAISIC MATERIALS CORP.  Director of Foxconn Fukuyama Technologies Co., Ltd.(FFT)  Director of MEMS CORE CO. LTD  Director of Indigo Technologies Inc.</p>
Independent Director	Pao-Shi Sheng	<p>Chairman of Union Chemical &amp; Pharmaceutical Co., Ltd.  Chairman of Zhuoya Co., Ltd.  Chairman of Rui Bao Xin Investment Co., Ltd.  Chairman of Baolei Management Consulting CO., LTD.</p>

Title	Name	Concurrent Positions in Other Companies
		Chairman of Yisheng Co., Ltd. Chairman of TANVEX BIOLOGICS CORPORATION Chairman of Baolei Co., Ltd. Chairman of Bora Management Consulting Co., Ltd. Chengyuan Co., Ltd. Chairman of Jia Xi International Co., Ltd. Chairman of Bao En International Co., Ltd. Chairman of Baolei International CO., LTD. Chairman of TWi Pharmaceuticals, Inc. Chairman of Synpac-kingdom pharmaceutical Co., Ltd. Legal Representative of Wonders company Ltd. Chairman of Bora Pharmaceutical and Consumer Health Inc. Chairman of Bora Health Co., Ltd. Chairman and General Manager of Bora Pharmaceutical Co., Ltd. Director of LIBO PHARMA CORP. Chairman of Sunway Biotech Co., Ltd. Director of Jesper Co.,Ltd. Chairman of Bora Pharmaceutical and Consumer Health Inc. Director of Wellpool Co., Ltd. Independent Director, GAMANIA DIGITAL ENTERTAINMENT CO., LTD Director of BIONET Therapeutics Corp.
Independent Director	Stephen Tso	Independent Director , AOPEN Incorporated Independent Director , Winbond Electronics Corporation Director of YE SIANG ENTERPRISE CO., LTD.
Independent Director	Chien-Wei Chen	President of Technology Unlimited Group Chairman of Technology Created Medicine Corporation Chairman of IOTU CORPORATION Chairman of Sparkle Computer Co., Ltd. Representative of juridical person director of Rigo Global Co., Ltd. Independent Director, Aewin Technologies Co., Ltd. Director of Uwin Resource Regeneration Inc. Director of ALCOR MICRO, CORP. Director of EGIS TECHNOLOGY INC. Director of Taiwan Star Venture Investment Co., Ltd Independent Director, Inmax Holding Co., Ltd

## **APPENDIX**

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**Advanced Power Electronics Co., Ltd.  
Rules and Procedures of Shareholders' Meeting**

- Article 1      Applicable principles  
The rules and Procedures of shareholders' Meeting, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in the Rules and Procedures.
- Article 2      Convening a shareholders' meeting and notification
1. Except where prescribed by laws and regulations, the Board of Directors shall convene shareholders' meetings.  
The Company shall, pursuant to resolution adopted by a majority of vote of a meeting of the board of directors attended by two-thirds or more of all the directors, convene a virtual-only shareholder meeting.
  2. All shareholders shall be notified 30 days in advance of an annual general meeting. Those shareholders who hold less than 1,000 shares of registered stock may be notified 30 days in advance by means of posting a public announcement on the Market Observation Post System website. All shareholders shall be notified 15 days in advance when an extraordinary general meeting is convened. Those shareholders who hold less than 1,000 shares of registered stock may be notified 15 days in advance by means of posting a public announcement on the Market Observation Post System website.  
The time and method of the public announcement mentioned in the foregoing paragraph, the main items stated in the meeting handbook, and other compliance requirements shall in all cases be as prescribed by the "Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Handbooks of Public Companies."  
This Company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review. For physical shareholders meetings, to be distributed on-site at the meeting. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.  
For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.
  3. The subject of the meeting shall be explicitly stated in notices and public announcements. When the relevant parties grant their consent, notification may be performed using electronics means.
  4. The election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, or any other issues prohibited by law from being proposed as special motions in the shareholders meeting shall be stated as the causes of convention

and shall not be proposed as special motions in the meeting.

5. Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

Article 3 Handling of proposals made before the shareholders' meeting

1. Shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of the Company may propose to the Company a proposal in written for discussion at the Meeting, but only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda. The board of directors shall not include a proposal into the agenda if the proposal falls under any clause set forth in Company Act Article 172-1, Paragraph 4. Provided a shareholder proposal for urging the corporation to promote public interests or fulfill its social responsibilities may still be included in the agenda by the board of directors. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.
2. Prior to the date on which share transfer registration is suspended before the convention of the Meeting, the Company shall give a public notice announcing, the place and the period for shareholders to submit proposals for discussions at the Meeting; and the period for accepting such proposals shall not be less than ten (10) days.
3. The number of words of a proposal to be submitted by a shareholder shall be limited to no more than three hundred (300) words, and any proposal containing more than 300 words shall not be included in the agenda of the Meeting. The shareholder who has submitted a proposal shall attend, in person or by a proxy, the Meeting where his proposal is to be discussed and shall take part in the discussion of such proposal.
4. The Company shall, prior to preparing and delivering the Meeting notice, inform the proposal submitting shareholders of the results of the proposal, and shall list in the Meeting notice the proposals conforming to the requirements set out in this rule. With regard to the proposals submitted by shareholders but not included in the agenda of the Meeting, the cause for exclusion of such proposals and explanation shall be made by the board of directors at the Meeting to be convened.

Article 4 The exercise of voting rights and attendance by proxy

1. 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.
2. A 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 before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.
3. After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person, via video conferencing, or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5 Location and time of meeting

The Meeting shall be held at the premises of Company or at a place that is both convenient for shareholders to attend and suitable for holding the Meeting. The Meeting

shall start not earlier than 9:00 a.m. or later than 3:00 p.m.

Article 6 Registration of shareholders for attendance

1. The Company shall specify in the shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted shall be at least 30 minutes prior to the time the meeting commences.

For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders who complete registration will be deemed to be attending the shareholders meeting in person.

2. Shareholders and their proxies shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.

3. The Company shall set up a registration desk for the registration of the shareholders or proxies to the meeting by presenting the attendance sign-in cards.

4. This Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

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

6. In the event of a virtual shareholders meeting, shareholders who wish to attend the meeting online shall register with the Company at least two days before the meeting date.

7. In the event of a virtual shareholders meeting, the Company shall upload the meeting agenda, annual report, and other relevant materials to the virtual meeting platform at least 30 minutes before the meeting starts and shall keep them available until the meeting concludes.

Article 6-1 To convene a virtual shareholders meeting, the Company shall include the following particulars in the shareholders meeting notice:

1. How shareholders attend the virtual meeting and exercise their rights.

2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:

A. To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.

B. Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.

C. In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

D. Actions to be taken if the outcome of all proposals have been announced and

extraordinary motion has not been carried out.

3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified. Except in the circumstances set out in Article 44-9, paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the shareholders shall at least be provided with connection facilities and necessary assistance, and the period during which shareholders may apply to the company and other related matters requiring attention shall be specified.

Article 7 Chairman, personnel attending in a non-voting capacity

1. The Chairman shall serve as chairman of a shareholders' meeting convened by the Board. If the Chairman has taken leave of absence or cannot attend for some reason, the Chairman shall designate one director to act in his stead. If the Chairman has not designated anyone to act as chairman, the directors shall jointly elect one from among themselves to serve as meeting chairman.
2. If a shareholders' meeting has been convened by a person with convening powers other than the Board of Directors, the convener shall serve as the chairman. If there are two or more conveners, they shall jointly elect one from among themselves to serve as the chairman.
3. The company may designate commissioned lawyers, certified public accountants, or other relevant personnel to attend the shareholders' meeting in a non-voting capacity.

Article 8 Audio or video recording of shareholders' meeting

1. The Company, beginning from the time it accepts shareholder attendance registrations, shall make an audio or video recording of the entire proceedings of the shareholders' meeting, and shall preserve the recording for at least one year. If, however, a shareholder initiates a lawsuit in accordance with Article 189 of the Company Act, such a recording shall be preserved until the conclusion of the lawsuit.
2. If a shareholders' meeting is held via video conference, the company shall continuously and uninterruptedly record and videotape the entire meeting.

Article 9 Calculation of number of shares present, holding of meeting

1. The calculation of attendance to shareholders' meeting of the Company shall be based on the quantity of shares being represented. The number of shares present shall include the quantity of shares represented by the shareholders present as stated in the attendance book and sign-in cards and the number of shares registered via the video conference platform, the quantity of shares represented through electronic voting. There shall be no double counting of the shares for shareholders present in the meeting but elect to exercise their voting rights through electronic voting.
2. The chairman shall call the Meeting to order at the time scheduled for the Meeting provided that the number of shares represented by the shareholders present at the Meeting reaches the specified quorum. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairman may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chairman shall declare the meeting adjourned.  
In the event of a virtual shareholders' meeting, the Company shall also announce the meeting adjournment on the virtual meeting platform.
3. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article

175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month.

In the event of a virtual shareholders' meeting, shareholders intending to attend the meeting online shall register with the Company.

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

#### Article 10 Discussion of proposals

1. The Board shall determine the agenda of a shareholders' meeting if it has convened that meeting. Votes shall be cast on each separate proposal in the agenda. The meeting shall proceed in accordance with the agenda. The agenda may not be changed without a resolution of the shareholders' meeting.
2. If a shareholders' meeting has been convened by some person with convening powers other than the Board, the regulations of the foregoing paragraph shall still apply.
3. The chairman may not arbitrarily announce adjournment in the absence of a resolution to that effect before the conclusion of deliberation of items (including special motions) on the agenda determined as prescribed in the two foregoing paragraphs. If the chairman announces adjournment in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders selecting a person to serve as chairman and continue the meeting with the consent of shareholders representing a majority of voting rights present.
4. The chairman must provide opportunities for adequate explanations and discussion in connection with proposals, revised proposals and special motions submitted by shareholders. The chairman may announce an end of discussion and put the motion to a vote when he considers it has reached the extent for making a resolution.

#### Article 11 Speaking

1. Before speaking, an attending shareholder or proxy shall first fill out a speaking slip specifying therein the major points of his or her speech, his or her shareholder account number (or attendance pass number), and account name. The chairman shall determine speaking order.
2. An attending shareholder or proxy who only submits a speaking slip but fails to actually speak shall be deemed to have not spoken. If the content of a shareholder's speech is inconsistent with that stated on his or her speaking slip, the content actually spoken shall take precedence.
3. Except with the consent of the chairman, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chairman may terminate the speech.
4. Other shareholders may not interfere with a speaking shareholder or proxy without obtaining the consent of the chairman and the speaking shareholder or proxy. The chairman shall stop anyone who violates this rule.
5. When a government or juristic shareholder sends two or more representatives to attend the shareholders' meeting, the shareholder may designate only one person to speak on each occasion.
6. The chairman may personally respond, or designate another relevant person to do so, after a shareholder has spoken.
7. If a shareholders' meeting is convened by video conference, shareholders participating by video shall be allowed to ask questions by text on the video conference platform after the chair announces the meeting and before the meeting is adjourned, and the

number of questions per motion shall not exceed one, and each time shall be limited to 200 words, not subject to Article 8. If the aforesaid question does not violate the regulations or is within the scope of the motion, it is appropriate to disclose the question on the video conference platform of the shareholders' meeting for public information.

Article 12 Calculation of number of voting shares, recusal system

1. Votes at shareholders' meetings shall be calculated on the basis of number of shares.
2. When votes are taken on resolutions, the number of shares held by shareholders without voting rights shall not be included in the total number of issued shares.
3. A shareholder may not vote on a matter, and may not appoint another shareholder to exercise his or her voting rights, if the shareholder's conflict of interest with regard the motion may be detrimental to the company's interests.
4. In the foregoing paragraph, the number of voting rights that may not be exercised shall not be calculated among the total voting rights of the shareholders in attendance.
5. With the exception of trust enterprises and agents of stock affairs approved by the competent authority in charge of securities, a single person acting as the proxy for two or more shareholders may exercise voting rights not exceeding 3% of the voting rights of total issued shares. Any excess voting rights shall not be counted.

Article 13 Voting on resolutions

1. 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.
2. When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt 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 exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.
3. 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 before 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.
4. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or via video conferencing, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.
5. 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 chairman or a person designated by the chairman shall first

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

6. When there is an amendment or an alternative to a proposal, the chairman 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.
7. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chairman, provided that all monitoring personnel shall be shareholders of the Company.
8. Vote counting for shareholders meeting proposals or elections 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 a record made of the vote.
9. When the Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.
10. In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.
11. When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.
12. When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 14 Matters concerning elections

1. The proposal for the election of directors in the shareholders meeting shall be processed in compliance with the Directors Election Regulations of the Company and the result of which shall be announced on the scene immediately, including the names of those elected as directors and the numbers of votes with which they were elected.
2. In the process of aforementioned proposal for election, the monitoring personnel shall keep the ballots cast on the site together, affix their signatures or seals to the package, and forward the package to the Company for retention of at least one year, or as long as the conclusion of legal action instituted pursuant to Article 189 of the Company Act, where applicable.

Article 15 Meeting minutes and signing

1. The deliberation conducted at a shareholders' meeting shall be recorded in the meeting minutes. The chairman shall sign or affix his or her seal to the minutes. The minutes shall be issued to all shareholders within 20 days after the shareholders' meeting. The production and distribution of minutes may be performed using electronic means.
2. The release of the minutes of meeting on record as aforementioned may be announced

by the Company through posting at MOPS.

3. The minutes shall record the year, month, day, and place of the meeting, the name of the chairman, the resolution method, a summary of deliberation, and the results of deliberation (including the number of voting rights) , and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes of shareholders' meetings must be preserved for as long as the company is in existence.
4. Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.
5. When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.

#### Article 16 Public announcements

1. The company shall, on the day of the shareholders' meeting, compile a statistical table in prescribed format of the number of shares obtained by solicitors and by consigned agents on the day of the shareholders' meeting. This table shall be clearly displayed in the meeting venue.
2. In the event a virtual shareholders meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting. During the Company virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.
3. If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

#### Article 17 Maintenance of order

1. Personnel in charge of running a shareholders' meeting shall wear identification badges or armbands.
2. The chairman may ask disciplinary or security personnel to help maintain order at a meeting. Such personnel shall wear identification badges or armbands bearing the words "disciplinary personnel" when maintaining order at a meeting.
3. The meeting premises shall be equipped with loudspeaker equipment. The chairman may stop any shareholder speaking with loudspeaker equipment other than that arranged for by the Company.
4. The chairman may instruct disciplinary or security personnel to ask that any shareholder who violates the meeting rules of procedure and fails to heed a warning from the chairman, or impedes the progress of the meeting and fails to heed a call for restraint, to leave the premises.

#### Article 18 Intermission, resumption

1. The chairman may announce an intermission at an appropriate time during a shareholders' meeting. The chairman may also temporarily suspend a shareholders' meeting in the event of Force Majeure, and, if the circumstances permit, shall

announce the time at which the meeting will resume.

2. If the meeting premises can no longer be used for the shareholders' meeting before the conclusion of deliberation of motions on the agenda (including special motions), the shareholders may make a resolution to seek another venue and continue the meeting.
3. In accordance with Article 182 of the Company Act, a shareholders' meeting may make a resolution to postpone the meeting until or resume the meeting at some other time within 5 days.

Article 19 Disclosure of information at virtual meetings

In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

Article 20 Location of the chair and secretary of virtual-only shareholders meeting

When the Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

Article 21 Handling of disconnection

1. In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.
2. For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.
3. For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.
4. During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.
5. When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.
6. Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from

voting on all proposals on meeting agenda of that shareholders meeting.

7. When postponing or resuming a meeting according to the second paragraph, this Corporation shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

8. For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and 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, this Corporation shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.

Article 22 When convening a virtual-only shareholders meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online. Except in the circumstances set out in Article 44-9, paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the shareholders shall at least be provided with connection facilities and necessary assistance, and the period during which shareholders may apply to the company and other related matters requiring attention shall be specified.

Article 23 Supplementary provisions

These Rules and Procedures shall be effective from the date it is approved by the Shareholders' Meeting. The same applies in case of revision.

These Rules and Procedures adopted by the shareholders' meeting on June 18, 2002, and the first Amendment on June 10, 2003, the second Amendment on June 15, 2012, the third Amendment on May 16, 2019, the fourth Amendment on June 15, 2020, the fifth Amendment on July 30, 2021, the sixth Amendment on May 29, 2025.

**Advanced Power Electronics Co., Ltd.**

**The Articles of Incorporation**

- Chapter I General Provisions
- Article 1 The Company shall be incorporated as a company, under the Company Act of the Republic of China. The name of the Company shall be 富鼎先進電子股份有限公司, which shall be written in English as “Advanced Power Electronics Corp.” (hereinafter referred to as “the Company”).
- Article 2 The scope of business of the Company shall be:
1. CC01080 Electronic Parts and Components Manufacturing.
  2. F113020 Wholesale of Household Appliance.
  3. F213010 Retail Sale of Household Appliance.
  4. I501010 Product Appearance Designing.
  5. I301010 Software Design Services.
  6. I599990 Other Designing (Electronic component design, IC design, semiconductor design).
  7. IZ99990 Other Industry and Commerce Services Not Elsewhere Classified (Electronic component, IC, electronic test service ).
  8. F119010 Wholesale of Electronic Materials.
  9. F219010 Retail Sale of Electronic Materials.
  10. ZZ99999 Any other business (other than those approved by the relevant authorities) not prohibited or restricted by law.
- Article 3 The Company shall have its registered head office in Hsinchu County and shall, where necessary and with a resolution to do so by the Board of Directors, set up branch offices either within or outside the territory of the Republic of China.
- Article 4 The total amount of the Company’s reinvestment shall not be subject to the restriction as provided in Article 13 of the Company Act. Any matters regarding the reinvestment shall be resolved in accordance with the resolutions of the Board of Directors if there is any business needs.
- Article 4-1 The Corporation may provide endorsement and guarantee and act as a guarantor. Unless otherwise provided by the relevant laws, rules and regulations, the Company may handle endorsement and guaranty affairs in accordance with the Operation Procedures for the Endorsement and Guaranty of the Company.
- Chapter II Shares
- Article 5 The total registered capital stock of the Company shall be Two Billion New Taiwan Dollars (NT\$2,000,000,000), divided into Two Hundred million (200,000,000) shares with a par value of Ten New Taiwan Dollars (NT\$10) per share. Any unissued shares shall be issued as common shares or preferred shares, where necessary, upon the approval of the Board.
- Seven million fifty hundred thousand shares of the above total capital stock of the Company shall be retained for the issuance of employee stock options.
- Article 5-1 For issuance of employee stock options where the price is less than the closing price of the Company shares on the date of issuance, or where the price of the

treasury stocks to be transferred to the employees is less than the average price of the repurchased shares, shareholders representing the majority of the issued shares shall be present and approval by at least 2/3 of the presenting shareholders shall be required.

Article 6 The share certificates of the Company shall bear the shareholders' names, be signed or sealed by the director representing the Company, and legalized by the bank which is competent to certify shares under the laws before they are issued. When issuing new shares, the Company may print a share certificate in respect of the full number of shares to be issued at that time. Shares issued by the Company may also be exempt from printing of share certificates, and the Company shall arrange for such shares to be recorded by a centralized securities custodian institution.

Article 7 Registration of share transfers shall be suspended for a 60-day period immediately prior to a regular meeting of the shareholders; for a 30-day period immediately prior to a special meeting of the shareholders; and for a 5-day period immediately prior to the record date for distribution of dividend, bonuses or other benefits.

Article 8 Any affair with regard to the shares of the Company shall be handled in accordance with the Guidelines for Handling Stock Affairs by a Public Issuing Company promulgated by the competent regulatory authority.

### Chapter III Shareholders' Meeting

Article 9 Shareholders' meetings shall be of two types: regular meeting and special meeting.

The regular meeting of shareholders shall be convened within six months after close of each fiscal year, unless otherwise approved by the competent authority for good cause shown. Special meetings shall be convened when necessary in accordance with the relevant laws, rules and regulations.

Article 9-1 The shareholders holding one percent (1%) or more of the total number of outstanding shares of the company may propose to the company a proposal for discussion upon written or email at a regular shareholders' meeting, provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda. Any affair shall be handled in accordance with the Company Act and relevant regulations.

Article 9-2 When the company plans to cancel the public offering of shares, a resolution of the shareholders meeting shall be submitted.

Article 9-3 The shareholders' meeting of the company may be held by means of visual communication network or other methods promulgated by the central competent authority.

Article 10 A shareholder is entitled to appoint a proxy to attend and vote on behalf of the shareholder at a shareholders' meeting by completing and submitting to the Company a form prescribed by the Company stating the scope of authorization. Unless otherwise provided by Article 177 of The Company Act, measures

concerning use of proxy shall be governed by Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies Regulations promulgated by the competent regulatory authority.

Article 11 Unless otherwise provided by the related laws and regulations, shareholders of the Company shall be entitled to one vote for each share held at the shareholders' meeting.

Article 12 Unless otherwise provided by the relevant laws, rules and regulations, shareholders' meetings may be held if attended by shareholders in person or by proxy representing more than one half of the total issued and outstanding capital stock of the Company, and resolutions shall be adopted at the meeting with the concurrence of a majority of the votes held by shareholders present at the meeting.

Article 13 Where a shareholders' meeting is convened by the Board of Directors, the chairman of the Board of Directors shall act as the chairman of the shareholders' meeting.

In case the Chairman of the Board of Directors is on leave or absent or cannot exercise his power and authority for any cause, the vice chairman shall act on his behalf. In case there is no designation by the Chairman, the Directors shall designate one of the directors to act on his behalf. Where a shareholders' meeting is convened by a person with authority other than the Board of Directors, such convener shall act as the chairman of the shareholders' meeting. Where there are two (2) or more conveners, the chairman of the meeting shall be elected amongst such conveners.

Article 14 Resolutions at a shareholders' meeting shall be recorded in a meeting minute signed by or affixed with the personal seal of the chairman. The meeting minute shall be distributed to all the shareholders of the Company by public announcement made through the MOPS within 20 days after the shareholders' meeting.

Chapter IV Directors , Audit Committee and Managerial Officers

Article 15 There shall be 5 to 7 Directors of the Company. Among the directors, there shall be no less than 3 independent directors. The election of Directors and independent Directors is adopted by candidate nomination system. The tenure of the offices of the Directors shall be 3 years and the Directors shall be eligible for re-elections. The ratio of the total share held by all directors shall comply with the requirements of the governing agency of securities. The Company may purchase liability insurance for directors with respect to their liabilities resulting from exercising their duties during their terms of occupancy.

Article 15-1 The Board of Directors' meeting shall be convened the Chairman of the Board of Directors, upon written notice mailed to all the other Directors, at least seven days, unless in case of urgent circumstances, prior to the date of the meeting, specifying the date and place of the meeting and its agenda. The notice of the Board meetings may be made and delivered by email or facsimile. The independent directors shall together constitute the Audit Committee. The Audit Committee shall exercise their powers and other relevant matters in accordance with the relevant laws, regulations of the Securities and Exchange Act.

- Article 16 If one third of the offices of the Directors become vacant, the Board shall convene a special meeting of the shareholders within 60 days to re-elect and re-appoint Directors to fill the vacancies. The tenure of offices so filled shall be the balance of the term of the relevant offices.
- Article 17 The Chairman shall be elected respectively from amongst the Directors by a simple majority of the Directors present at the Board meetings attended by at least two thirds of all the Directors, and if necessary, one of them may also elect from among themselves in the same manner as the Vice Chairman of the Board of Directors. The Chairman shall have the right to execute in the name and on behalf of the Company.  
In his/her absence or unable to exercise his/her powers, any one of the Directors shall be acting for him/her according to Article 208 of the Company Act.
- Article 18 Except as otherwise provided in the relevant laws or this Articles of Incorporation, any resolution of a Board of Directors' meeting shall be adopted at a meeting which at least general majority of the directors attend and at which meeting a general majority of the directors present vote in favor of such resolution.
- Article 18-1 In case any of the directors cannot attend the meeting for any cause whatsoever, he/she may designate the other directors to act on his/her behalf and such agent shall present the proxy setting forth the vested power of the purpose of the meeting each time. However, each agent shall only accept one appointment from the directors.
- Article 19 Regardless gain or loss of the financial status of the Company, the remuneration and compensation of the directors shall be determined by the Board of Directors based on the participation and the contribution of each director in the business operation of the Company without exceeding the Company's highest level.
- Article 20 The Company shall have one (1) president and several executive vice presidents whose appointment, dismissal and remuneration shall be by Article 29 of Company Act hereof.
- Chapter V Accounting
- Article 21 At the end of each fiscal year, the Board of Directors shall prepare the related reports and proposals to be submitted to the Audit Committee 30 days prior to the regular shareholders' meeting for acknowledgement. The reports resolved by the Board of Directors shall be submitted to the regular shareholders' meeting for acceptance.
- Article 22 In an annual profit-making year, the Company should distribute no less than 3% of profit as employees' compensation, no less than 5% of the employee compensation specified in the preceding item shall be allocated for distribution to non-executive employees, and not more than 3% of profit shall be distributed as Directors' compensation. The Company should by a resolution adopted by a majority vote at a meeting of the Board of Directors, have the profit distributable as employees' compensation in the preceding paragraph distributed in the form of share or in cash; and report at the regular shareholders' meeting.

However, that if the Company has any accumulated losses, an amount to offset should be reserved in advance and the abovementioned compensations will be made from the remaining profits.

Article 23 After the Company has paid all taxes due at the end of each fiscal year, the Company shall make up its accumulated losses and set aside ten percent (10 %) earning as a statutory revenue reserve before distribution of earnings, except when the accumulated amount of such legal reserve equals to the Company's total authorized capital.

The Company may also set aside or reverse special reserve(s) according to the relevant laws, rules and regulations.

The total amount of the remaining amount, along with the accumulated retained earnings from the previous year, the Board of Directors may prepare a proposal to distribute such profit, and submit to the shareholders' meeting for approval.

In consideration of the growth period of the Company and in conjunction with capital needs in future and long-term financial planning in addition to satisfaction to shareholders with respect to the needs of cash flow, it has been decided that cash dividend for distribution to shareholders as shareholder's dividend under the abovementioned shall not be lower than 10% of the total dividend. However, the type and ratio of the distribution can be adjusted according to the resolution of the regular shareholders' meeting, depending on the actual profit and capital status of the year.

Chapter VI Supplementary Provisions

Article 24 The internal organization of the Corporation and the detailed procedures of business operation shall be determined by the Board of Directors.

Article 25 In regard to all matters not provided for in these Articles of Incorporation, the Company Act and the relevant laws, rules and regulations shall govern.

Article 26 These Articles of Incorporation are agreed to and signed on July 6, 1998 by all the promoters of the Corporation, and the first Amendment was approved by the shareholders' meeting on July 31, 1998 ;

The second Amendment on September 21, 1998 ;

The third Amendment on June 30, 1999 ;

The fourth Amendment on September 17, 1999 ;

The fifth Amendment on November 3, 1999 ;

The sixth Amendment on June 8, 2000 ;

The seventh Amendment on June 18, 2002 ;

The eighth Amendment on June 10, 2003 ;

The ninth Amendment on June 10, 2003 ;

The tenth Amendment on June 16, 2005 ;

The eleventh Amendment on June 6, 2006 ;

The twelfth Amendment on June 6, 2008 ;

The thirteenth Amendment on June 10, 2009 ;

The fourteenth Amendment on June 17, 2010 ;

The fifteenth Amendment on June 9, 2011 ;  
The sixteenth Amendment on June 15, 2012 ;  
The seventeenth Amendment on June 20, 2013 ;  
The eighteenth Amendment on January 17, 2014 ;  
The nineteenth Amendment on May 14, 2014 ;  
The twentieth Amendment on May 19, 2016 ;  
The twenty-first Amendment on May16, 2019 ;  
The twenty-second Amendment on May 18, 2023 ;  
The twenty-three Amendment on May 29, 2024 ;  
The twenty-four Amendment on May 29, 2025.

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**Advanced Power Electronics Co., Ltd.  
Regulations of Directors Election**

- Article 1 To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.
- Article 2 Except where prescribed by laws and regulations or the Articles of Incorporation of Advanced Power Electronics Co., Ltd. (herein referred to as "the Company"), the election of directors shall in all cases be conducted in accordance with these Regulations.
- Article 3 The election of this Company's directors shall take into consideration the overall composition of the board of directors. Board members shall possess the knowledge, skills, and qualifications required to perform their duties. The board as a whole shall possess the following abilities:
1. Ability to judge business operations;
  2. Accounting and financial analysis capability;
  3. Administrative and management ability;
  4. Crisis management ability;
  5. Industry knowledge;
  6. International market outlook;
  7. Leadership skills; and
  8. Decision-making ability.
- Article 4 Directors (including independent directors) shall be elected in accordance with the Articles of Incorporation of the Company and the resolution of the Board on the number of directors. More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.
- Article 5 The qualifications and selection of the Company's independent directors shall comply with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".
- Article 6 Directors (including independent directors) shall be elected employing the candidate nomination system and procedures prescribed in Article 192-1 of the Company Law.
- Article 7 The election of directors shall adopt a disclosed cumulative voting method. Each share represents a weighted number of voting rights equivalent to the number of directors to be elected; such voting rights may be exercised to collectively elect a single candidate or may be distributed among several candidates.
- Article 8 The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
- Article 9 Independent directors and non-independent directors of the Company shall be elected at the same time and the votes shall be calculated separately. Candidates who get more votes representing corresponding voting rights shall be elected directors in the order of number of ballots received. If two or more persons have received the same number of voting rights, and the number of persons would exceed the prescribed number of

available seats, the persons with the same number of voting rights shall draw lots to decide election; the chairman shall draw lots on behalf of any selected persons who are not present.

Article 10 The Company shall prepare a ballot box for on-site voting in the shareholders' meeting. The chairman of the meeting shall appoint a number of watchers for monitoring the voting and a number of counting officers to read and count the votes. The watchers shall open the ballot box publicly to make sure it is empty. The watchers shall be shareholders of the Company.

Article 11 When the persons to be elected are shareholder, the voters shall fill in the name and shareholder account number in the ballot; when the persons to be elected are natural persons, the voters shall fill in the name and ID card number of the person in the ballot. When the persons to be elected are juristic persons or government agency, the voters shall fill in the full name of the juristic person or government agency, or the full name of the juristic person or government agency and its representative in the ballot. Where there are multiple representatives, the names of each respective representative shall be filled in.

Article 12 If any of the followings applies to on-site voting in shareholders' meeting, the ballot shall be counted as invalid:

1. The ballot was not placed into the ballot box.
2. The ballot was not prepared as prescribed in these regulations.
3. The ballot was blank when placed into the ballot box.
4. Handwriting is illegible or has been altered.
5. The account name or personal name of the candidate entered in the ballot is inconsistent with the information recorded in the shareholder register or does not match the information on the candidate's identity card.
6. Other text was entered aside from the candidate's account name, personal name, shareholder account number, business tax identification number, national identification number, and the number of voting rights allotted.
7. The name of the candidate entered in the ballot coincides with that of another person, but a shareholder number, business tax identification number, or national identification number was not entered for identification purposes.
8. Fail to fill in the requirements in the remarks column of the ballot.
9. The total number of voting rights exercised by the voters exceeds the total number of voting rights the voters entitled to.
10. The number of candidates nominated exceeds the mandatory number of seats for election.

Article 13 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, shall be announced by the chair on the site.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel 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 ballots shall be retained until the conclusion of the litigation.

Article 14 These Rules and Procedures shall be effective from the date it is approved by the Shareholders' Meeting. The same applies in case of revision.

These Regulations adopted by the shareholders' meeting on May 19, 2016, and the first Amendment on May 16, 2019.

**Advanced Power Electronics Co., Ltd.**

**Shareholdings of All Directors**

1. As of March 29, 2026, the Company had a total of 118,878,393 outstanding shares.
2. According to Article 26 of the Securities and Exchange Act, the minimum number of shares to be held by the entire directors is 8,000,000 shares.
3. As of the date for book closure for this shareholders' meeting, the shareholding of each individual and entire directors stipulated in the shareholders roster is as follows:

Record Date: March 29, 2026

Title	Name	Shares	Percentage
Chairman	Tie-Min Chen	0	0%
Vice Chairman	Future Technology Consulting, Inc. Representative: Fu-Chi Teng	3,169,899	2.67%
Director	XSemi Corporation Representative: Chia-Shuai Chang	35,000,000	29.44%
Director	Ying-Shis Huang	0	0%
Independent Director	Pao-Shi Sheng	0	0%
Independent Director	Nai-Jen Yeh	0	0%
Independent Director	Chien-Wei Chen	0	0%
Total		38,169,899	32.11%