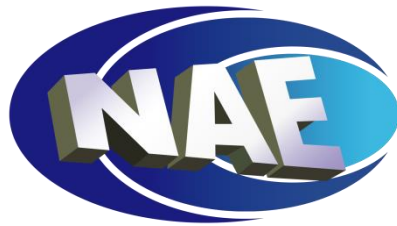


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NEW ADVANCED ELECTRONICS TECHNOLOGIES CO., LTD.

NEW ADVANCED ELETRONICS TECHNOLOGIES CO., LTD.

Year 2025

Annual Report

Published on May 22, 2026

Enquiry of this annual report: <http://mops.twse.com.tw>

The company's website: <https://naeaudio.com>

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- V. The name of the trading place where the overseas securities are listed for trading and the way to inquire information about the overseas securities: none
- VI. Company website: <https://www.naeaudio.com>

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One. Report to Shareholders

Dear shareholders,

Thanks for your coming, advising, and long-term support, I would like to express my highest respect on behalf of all my colleagues.

In 2025, the global consumer electronics market experienced a slow recovery due to factors such as US tariffs, geopolitical disturbances, slower-than-expected interest rate cuts by major global economies, and rising prices of key electronic components driven by strong AI demand. In particular, US tariff policies and sharp fluctuations in the US dollar exchange rate put pressure on the consumer electronics supply chain. Through the concerted efforts of all employees, NAE actively adjusted its production capacity allocation. The consolidated operating revenue in 2025 reached NT\$1,675,949 thousand dollars which was an increase of 5.68% compared to the year 2024. The earnings per share in 2025 was NT\$0.04, an decrease of 94.87% compared to the year 2024. The following report will report on the business results for the year 2025, the business plan for the year 2026, the future company development strategy and the impacts from external competition environment, regulatory environment and overall business environment.

I. Business results report of year 2025

(I) Business plan and implementation results:

In 2025, the company's consolidated operating revenue amounted to NT\$1,675,949 thousand dollars, the consolidated operating income amounted to NT\$35,918 thousand dollars; the after-tax net loss amounted to NT(\$15,987) thousand dollars and the consolidated comprehensive loss amounted to NT(\$48,162) thousand dollars. Representing an increase NT\$90,111 thousand dollars (5.68%) of consolidated operating revenue, an increase NT\$20,499 thousand dollars (132.95%) of consolidated operating income, a decrease NT\$35,788 thousand dollars (180.74%) of after-tax net profit and a decrease NT\$109,048 thousand dollars (179.10%) of consolidated comprehensive income over 2024.

(II) Budget implementation:

The company did not reveal 2025 financial budget, however, the overall sales budget was achieved well, but factors such as U.S. tariffs and exchange rate fluctuations may affect the achievement of overall operating performance budget.

(III) Analysis of financial income and profitability:

Unit: NT\$1,000 ; %

(Except for earnings per share in dollars)

Item		2025	2024
Financial revenue and expenditure	Consolidated Operating Net Revenue	1,675,949	1,585,838
	Consolidated Operating Gross Profit	333,530	273,763
	Consolidated Operating Income	35,918	15,419
	Consolidated After-tax Net Profit	(15,987)	19,801
	Consolidated Comprehensive Income (Loss)	(48,162)	60,886
Profitability	Return on Assets (%)	0.33	2.25

Item		2025	2024
	Return on Equity (%)	(1.80)	2.16
Percentage of paid-up capital (%)	Operating Income	10.16	4.36
	Net Profit Before-tax	(1.14)	11.88
	Net Profit Margin (%)	(0.95)	1.24
	Earnings Per Share(dollars)	0.04	0.78

(IV) Research development status:

The consolidated R&D expenses in 2025 amounted to NT\$48,289 thousand dollars, an increase of NT\$8,282 thousand dollars compared to NT\$40,007 thousand dollars in 2024, accounting for 2.88% of the consolidated operating net revenue.

Through close cooperation with brand owners and suppliers and recruiting industry professionals, the Company has continued to accumulate R&D strength and manufacturing capabilities for speakers, we also actively invest in new product development and are committed to providing comprehensive product solutions for international audio product brands.

II. 2026 annual business plan summary

(I) Business policy:

The company will continue to strengthen its R&D and manufacturing capabilities in audio products, while actively seeking collaboration with strategic partners to create new business opportunities and achieve steady growth. We are committed to becoming a leading professional audio product manufacturer, fulfilling the corporate social responsibilities, and creating satisfying value for all shareholders.

(II) Expected sales volume and its basis:

The Company's main products are professional speakers, speaker units and related parts and accessories. We have close OEM/ODM cooperation with many international well-known brands. Through actively investing in research and development of product and manufacturing process, provide customers with one-stop services from design and development to manufacturing in the fields of structure, acoustics, electronics and software, as well as a global production capacity and sales network to enhance our competitiveness. Recently, we have entered the field of audio-visual amplifier (AVR) production, sales and development, in order to increase customers' product choices and strive to achieve stable sales growth.

(III) Important production and marketing policies:

1. Stabilize the supply chain, strengthen quality standards, and earn customers' trust.
2. Strengthen production management to improve capacity efficiency and manufacturing capabilities.
3. Actively invest in new product development and expand customer base, and strive for niche orders.

III. Future company development strategy, impact from external competition environment, regulatory environment and overall business environment

(I) Impact of external competitive environment and strategies:

North America, Europe, and Japan are the primary consumer markets for professional speaker products globally. The manufacturing of professional speakers is a labor- and capital-intensive industry, mainly based on OEM/ODM production. The supply chain is mainly concentrated in China and Southeast Asia, resulting in intense price competition. With the continuous advancement of technology, audio products are evolving toward increased intelligence, multifunctionality, and miniaturization. Faced with cross-industry competition from consumer electronics and related OEM manufacturers, the company will continue to recruit and cultivate talent in various acoustics-related fields, actively strengthen our R&D and manufacturing capabilities, and enhance product quality, functionality, and smart features through collaboration with leading brand partners and suppliers. At the same time, the company is proactively seeking opportunities to enter niche audio product markets.

(II) Impact of regulatory environment and strategies:

Corporate sustainability is an important issue at present. In the face of the regulations on environmental protection, energy usage, human rights, occupational safety and health, and corporate governance in the main operating countries, the company will continue to optimize product and process design, gradually implement the net zero carbon emission policy, improve talent training and employee care policies, strengthen the company's internal control system and employees' awareness of occupational safety and compliance.

(III) Impact of the macroeconomic environment and strategies:

In the face of global trade disputes, potential supply chain restructuring due to interest rate and monetary policies of major economies, and geopolitical risks, which may lead to supply chain restructuring, reshuffling of brand owners and manufacturers, rising operating costs, and an overall economic slowdown, the company leverages its global sales network and production bases to provide customers with flexible and timely comprehensive services. At the same time, we are committed to developing high value-added products and services, strengthening partnerships with customers, and enhancing overall profitability.

Looking ahead to 2026, despite the many challenges in the overall environment, NAE will continue to maintain its foothold through comprehensive talent training programs, strengthening R&D and manufacturing capabilities, flexible procurement and production strategies, actively exploring new customer sources and seeking opportunities to enter niche products, and strengthening corporate governance, in order to continue to grow steadily after the overall economic variables are eliminated. At the same time, NAE will also fulfill its corporate sustainability responsibilities, continue to invest in corporate sustainability, environmental protection, social inclusion and corporate governance, and practice the role of corporate citizenship in pursuit of a sustainable future.

To all shareholder

All's well that ends well

Chairman:
Hsing, Chia-Chen

General manager:
Hsing, Chia-Chen

Accounting Director:
Li, Jhih-Sian

Two. Corporate Governance Report

I. Information on the company's directors, independent directors, general manager, deputy general managers, deputy assistant general managers, and the supervisors of all the company's divisions and branch units

(I) Information of directors

April 30, 2026 / Unit : Shares ; %

Job title	Citizenship or Registered address	Name	Gender Age	Select (as of) Date	Term	First time selected Date	When selected as A stake		Now Shares held		Shares held by Spouse and children of minor age		In the name of others A stake		Main education and experience	Currently hold concurrent post in the company and other companies	If has a spouse or a relative within the second degree of kinship among other, directors or supervisors			Note
							Shares held	Holding ratio	Shares held	Holding ratio	Shares held	Holding ratio	Shares held	Holding ratio			Job title	Name	Relationship	
Chairman of the board of directors	R.O.C.	Tai Hong Asset Management Co., Ltd.	-	2024.6.27	3 years	2021.7.29	6,317,000	17.88	6,317,000	17.88	-	-	-	-	None	None	None	None	None	
	R.O.C.	Representative: Hsing, Chia-Chen	Female 61-65			2018.8.29	1,463,925	4.14	1,463,925	4.14	-	-	5,421,000 (Note 2)	15.34	Education: EMBA of National Sun Yat-Sen University	Note 3	Representative of director/ Representative of director	Huang, Tse-Lin /Huang, Chen-Ting	Son /Daughter	Note 9
Director	R.O.C.	Tai Hong Asset Management Co., Ltd.	-	2024.6.27	3 years	2021.7.29	6,317,000	17.88	6,317,000	17.88	-	-	-	-	None	None	None	None	None	
	R.O.C.	Representative: Huang, Tse-Lin	Male 26-30			2018.11.28	850,000	2.40	850,000	2.40	-	-	-	-	Note 4	Note 4	Representative of Chairman / Representative of director	Hsing, Chia-Chen / Huang, Chen-Ting	Mother / Sister	
Director	R.O.C.	Tai Hong Asset Management Co., Ltd.	-	2024.6.27	3 years	2021.7.29	6,317,000	17.88	6,317,000	17.88	-	-	-	-	None	None	None	None	None	
	R.O.C.	Representative: Huang, Chen-Ting	Female 31-35			2018.8.29	850,000	2.40	850,000	2.40	-	-	-	-	Education: Queen Mary, University (London, UK)	Note 5	Representative of Chairman / Representative of director	Hsing, Chia-Chen / Huang, Tse-Lin	Mother / Brother	
Director	R.O.C.	New Advanced Asset Management Co., Ltd.	-	2024.6.27	3 years	2021.7.29	6,114,000	17.30	6,114,000	17.30	-	-	-	-	None	None	None	None	None	
	R.O.C.	Representative: Wang, Chen-Wen	Male 71-75			2018.11.28	181,710	0.51	180,710	0.51	-	-	-	-	Education: National Chia-Yi Industrial Vocational High School	Vice chairman of OXTOP (Dongguan) Electronics Co., Ltd.	None	None	None	
Director	R.O.C.	New Advanced Asset Management Co., Ltd.	-	2024.6.27	3 years	2021.7.29	6,114,000	17.30	6,114,000	17.30	-	-	-	-	None	None	None	None	None	
	R.O.C.	Representative: Lack(Note1)																		
Independent director	R.O.C.	Fang, Chih-Min	Male 66-70	2024.6.27	3 years	2021.7.29	-	-	-	-	-	-	-	-	Note 6	Note 6	None	None	None	
Independent director	R.O.C.	Wu, Gang-Kui	Male 61-65	2024.6.27	3 years	2018.11.28	-	-	-	-	-	-	-	-	Education: Master of information management, I-Shou University	Wu, Gang-Kui law firm lawyer	None	None	None	

Job title	Citizenship or Registered address	Name	Gender Age	Select (as of) Date	Term	First time selected Date	When selected as A stake		Now Shares held		Shares held by Spouse and children of minor age		In the name of others A stake		Main education and experience	Currently hold concurrent post in the company and other companies	If has a spouse or a relative within the second degree of kinship among other, directors or supervisors			Note
							Shares held	Holding ratio	Shares held	Holding ratio	Shares held	Holding ratio	Shares held	Holding ratio			Job title	Name	Relationship	
Independent director	R.O.C.	Zhang, Zhong-Yuan	Male 46-50	2024.6.27	3 years	2018.11.28	-	-	-	-	-	-	-	-	Note 7	CFO of Friendwell Hotel Co., Ltd.	None	None	None	
Independent director	R.O.C.	Chen,Nai-Rong	Male 46-50	2024.6.27	3 years	2024.6.27	15,000	0.04	15,000	0.04	-	-	-	-	Education: Soochow University Department of Economics	Note 8	None	None	None	

Note 1 : The representative of corporate director passed away on January 4, 2026.

Note 2 : The total shares held by Nae Technologies, Inc. and Hongzhen Asset Management Co., Ltd..

Note 3 : General Manager of the company, Chairman of New Advanced Electronics Technologies (Hong Kong), Chairman of New Advanced Electronics Technologies (Vietnam), Chairman of Advanced Sound Technologies, Inc., Chairman of OXTOP (Dongguan) Electronics Co., Ltd., Chairman of Jensen Electronics (Dongguan) Co., Ltd., Chairman of Tai Hong Asset Management Co., Ltd., Chairman of New Advanced Asset Management Co., Ltd., Chairman of Nae Technologies, Inc., Chairman of Hongzhen Asset Management Co., Ltd..

Note 4 : Main education : Kingston University (London, UK).

Main experience : Executive Assistant to General Manager and Marketing Department Manager of the Company.

Currently hold concurrent post in the company and other companies : Deputy general manager of the Company, Director of Tai Hong Asset Management Co., Ltd., Supervisor of New Advanced Asset Management Co., Ltd., Nae Technologies, Inc., Ltd. and Hongzhen Asset Management Co., Ltd..

Note 5 : Chairman Executive Assistant and Corporate Governance Officer of the Company, Director of Tai Hong Asset Management Co., Ltd., New Advanced Asset Management Co., Ltd. and NAE Technologies, Inc.,

Note 6 : Main education : Doctor of University of Maryland.

Main experience : Professor of department of business administration, National Sun Yat-Sen University

Currently hold concurrent post in the company and other companies : Independent director of Yen Sun Technology Corp, Jong Shyn Shipbuilding Co., Ltd. and Walrus Pump Co., Ltd., Adjunct Professor of department of business administration, National Sun Yat-Sen University, 12th Senior Advisor of Taiwan Excellent Brand Association.

Note 7 : Main education : Department of Accounting, National Chengchi University.

Main experience : CPA Taiwan, Assistant manager of PwC, Internal auditor of Hanpin Electron Co., Ltd., CFO of Ezfly International Travel Agent Co., Ltd., CFO of American Hotel Group Co., Ltd. Taiwan Branch(Cayman).

Note 8 : Deputy general manager of Investment Research Department of Hongda Investment Co., Ltd., Director of Hiroca Holdings Ltd., Director of Glory Material Co., Ltd., Director of Semisils Applied Materials Corp., Ltd., Director of Syner-g Technology Co., Ltd.,

Note 9: When the Chairman of the Board of Directors and the President or equivalent (top manager) are the same person or spouses or primary relatives, the reason, rationality, necessity, and relevant information of future improvement measures (such as increasing the number of independent directors, and more than half of the directors shall be non-concurrent employees or managers) shall be stated:

The Chairman of the Board of Directors is also the President of the Company in order to improve the operating efficiency and decision execution. However, to strengthen the independence of the Board of Directors, the Company has been actively training suitable candidates internally. In addition, the Chairman of the Board of Directors also closely communicates with the directors about the Company's operation and policies to achieve corporate governance. An additional independent director has been added in the 14th session director re-election to enhance the function of the Board of Directors and strengthen the supervision function. At present, the Company has the following specific measures in place:

- (1) The current four independent directors have expertise in the fields of financial accounting and law, and can effectively play the role of supervision.
- (2) The Company arranges the directors to attend professional director courses from external institutions such as the Securities & Futures Institute every year to improve the operation efficiency of the Board of Directors.
- (3) Independent directors can fully discuss and provide suggestions to the Board of Directors in each functional committee for the implementation of corporate governance.
- (4) More than half of the directors of the Board of Directors are not concurrent employees or managers.

1. Major shareholders of the legal director:

April 30, 2026

Name of legal person shareholder	The principal shareholder of a corporate shareholder
Tai Hong Asset Management Co., Ltd.	Hsing, Chia-Chen(41.14%)、Huang, Tse-Lin(39.79%)、Huang, Chen-Ting(19.07%)
New Advanced Asset Management Co., Ltd.	Huang, Tse-Lin(51.07%)、Hsing, Chia-Chen(29.31%)、Huang, Chen-Ting(19.62%)

2. Disclosure of information on the professional qualifications of directors and the independence of independent directors:

Condition Name	Professional qualifications and experience	Independence situation	Concurrently number of independent directors of other public companies
Hsing, Chia-Chen Chairman	<ul style="list-style-type: none"> Professional qualifications : Business operations, factory manufacturing management, finance/accounting, with more than 30 years of experience required in company business. Main experience : Please refer to the information of directors in this annual report (page 4). None of the conditions of Article 30 of the Company Act. 	Not applicable.	0
Huang, Tse-Lin Director	<ul style="list-style-type: none"> Professional qualifications : Marketing, with more than 5 years of experience required in company business. Main experience : Please refer to the information of directors in this annual report (page 4). None of the conditions of Article 30 of the Company Act. 		0
Huang, Chen-Ting Director	<ul style="list-style-type: none"> Professional qualifications : Finance/accounting, with more than 5 years of required experience in company business. Main experience : Please refer to the information of directors in this annual report (page 4). None of the conditions of Article 30 of the Company Act. 		0

Condition Name	Professional qualifications and experience	Independence situation	Concurrently number of independent directors of other public companies
Wang, Chen-Wen Director	<ul style="list-style-type: none"> ● Professional qualifications : Enterprise operation management, factory manufacturing management, with more than 5 years of experience required in company business. ● Main experience : Please refer to the information of directors in this annual report (page 4). ● None of the conditions of Article 30 of the Company Act. 		0
Fang, Chih-Min Independent director	<ul style="list-style-type: none"> ● Professional qualifications : Enterprise operations management, marketing, with more than 5 years of required experience in company business ● Main experience : Please refer to the information of directors in this annual report (page 4). ● None of the conditions of Article 30 of the Company Act. 	<p>All independent directors meet the following conditions :</p> <p>1. Comply with Article 14-2 of the Securities and Exchange Act and the relevant provisions of "Regulations on the establishment of independent directors of public companies and matters to be followed".</p>	3
Wu, Gang-Kui Independent director	<ul style="list-style-type: none"> ● Professional qualifications : Law, with more than 5 years of required experience in company business ● Main experience : Please refer to the information of directors in this annual report (page 4). ● None of the conditions of Article 30 of the Company Act. 	<p>2. I (or in the name of others), my spouse and minor children collectively hold 15,000 shares of the company, representing for 0.04% of the shares.</p> <p>3. None of remuneration received from providing business, legal, financial, accounting and other services to the company or its affiliates in the last two years.</p>	0
Zhang, Zhong-Yuan Independent director	<ul style="list-style-type: none"> ● Professional qualifications : Finance/accounting, with more than 5 years of required experience in company business. ● Main experience : Please refer to the information of directors in this annual report (page 5). ● None of the conditions of Article 30 of the Company Act. 		0

Condition Name	Professional qualifications and experience	Independence situation	Concurrently number of independent directors of other public companies
Chen,Nai-Rong Independent director	<ul style="list-style-type: none"> Professional qualifications : Business, with more than 5 years of required experience in company business. Main experience : Please refer to the information of directors in this annual report (page 5). None of the conditions of Article 30 of the Company Act. 		0

3. Diversity and Independence of the Board of Directors :

(1) Diversity of the Board of Directors :

The election of the Company's board should take into consideration not only basic criteria, values (such as gender, age and culture , etc.), professional knowledge and competence (such as professional background, skills, industrial experience , etc.), but also individual ethical conduct and reputation as leaders. Board members should generally possess the knowledge, skills, and qualities necessary to perform their duties. Overall, all members of the board of directors should have abilities such as operational judgment, accounting and financial analysis, business management, crisis management, product knowledge, international market understanding, leadership, and decision-making skills.

①The implementation of Board member diversity policy is as follows:

Job title	Chairman	Director			Independent director			
Name	Hsing, Chia-Chen	Huang, Tse-Lin	Huang, Chen-Ting	Wang, Chen-Wen	Fang, Chih-Min	Wu, Gang-Kui	Zhang, Zhong-Yuan	Chen,Nai-Rong
Gender	Female	Male	Female	Male	Male	Male	Male	Male
Age	61-65	26-30	31-35	71-75	66-70	61-65	46-50	46-50
Professional Background								
Business	V	V	V	V	V		V	V
Finance/ Accounting	V		V				V	
Law						V		
Marketing	V	V			V			
Operation manufacturing	V			V	V			
Others								
Professional skills and industrial experience								
Operational Judgment	V	V	V	V	V	V	V	V
Accounting and financial analysis skills	V		V				V	
Management ability	V		V	V	V	V	V	V

Crisis management ability	V	V	V	V	V	V	V	V
Industrial Knowledge	V	V	V	V				
International View	V	V		V	V	V	V	V
Leadership	V	V		V	V	V	V	V
Decision - making ability	V			V	V	V	V	V
Business -developing	V	V						

②The management objective for director diversity is as follow:

Management objectives	Achievements
1. The overall board members should cover all levels of professional background, professional skills and industry experience.	Achieved
2. Directors of each gender account for more than one-third (inclusive) of the board of directors.	Achieved (December 31, 2025)
3. Directors with relevant industry experience of the company account for more than half (inclusive) of the board of directors.	Achieved
4. The term of office of independent directors shall not exceed three terms.	Achieved

(2) Independence of the Board of Directors :

The Company originally had 9 directors, 4 of whom were independent directors, accounting for 44% of all directors. After the death of a corporate director representative on January 4, 2026, the Company now has 8 directors, 4 of whom are independent directors, accounting for 50% of all directors; three directors are relatives within the second degree of kinship, which complies with the provision of Securities and Exchange Act, Article 26-3, Paragraph 3 and 4.

(II) Information of the general manager, deputy general manager, assistant manager and the supervisors of all the company's divisions and branch units

April 30, 2026 / Unit : Shares ; %

Job title	Nationality	Name	Gender	Select (on) any Date	A stake		Spouse and children of minor age holding shares		Holding shares in the name of another person		Main education and experience	Currently holding other company positions	If has a spouse or a relative within the second degree of kinship among general managers			Note
					Shares held	Holding ratio	Shares held	Holding ratio	Shares held	Holding ratio			Job title	Name	Relationship	
The general manager	R.O.C.	Hsing, Chia-Chen	Female	2020.1.2	1,463,925	4.14	-	-	5,421,000 (Note 1)	15.34	Education: EMBA of National Sun Yat-Sen University	Note 2	Deputy general manager	Huang, Tse-Lin	Son	Note6
													Corporate governance officer	Huang, Chen-Ting	Daughter	
Deputy general manager	R.O.C.	Huang, Tse-Lin	Male	2023.3.23	850,000	2.40	-	-	-	-	Education: Kingston University (London, UK) Experience: Executive Assistant to General Manager and Marketing Department Manager of the Company	Note 3	The general manager	Hsing, Chia-Chen	Mother	
													Corporate governance officer	Huang, Chen-Ting	Sister	
Corporate governance officer	R.O.C.	Huang, Chen-Ting	Female	2024.8.13	850,000	2.40	-	-	-	-	Education: Queen Mary, University (London, UK)	Note 4	The general manager	Hsing, Chia-Chen	Mother	
													Deputy general manager	Huang, Tse-Lin	Brother	

Job title	Nationality	Name	Gender	Select (on any Date	A stake		Spouse and children of minor age holding shares		Holding shares in the name of another person		Main education and experience	Currently holding other company positions	If has a spouse or a relative within the second degree of kinship among general managers			Note
					Shares held	Holding ratio	Shares held	Holding ratio	Shares held	Holding ratio			Job title	Name	Relationship	
Chief financial officer	R.O.C.	Li, Jhih-Sian	Male	2024.8.13	5,000	0.01	-	-	-	-	Education:Department of Accounting,National Chung Hsing University. Experience: Manager of the Audit Department of PwC Taiwan, Audit office manager of the Company	None	None	None	None	
Materials department manager	R.O.C.	Hsing, Pin-Ling	Female	2021.7.1	477,000	1.35	-	-	-	-	Education:Kaohsiung Municipal Kaohsiung Senior Business Vocational School	Note 5	The general manager	Hsing, Chia-Chen	Sister	
Management department manager (Information Security officer)	R.O.C.	Tsao, Ting-Wei	Male	2020.11.9 (2023.11.10)	-	-	-	-	-	-	Education:Department of information management, He chun institute of technology Experience:Information manager of Nae Technologies, Inc.	None	None	None	None	
Internal audit officer	R.O.C.	Li, Ming-Chin	Male	2024.11.12	-	-	-	-	-	-	Education:Master of Accounting, National Kaohsiung University Of Applied Sciences. Experience: Director of Finance Department of Harmony Electronics Corporation.	None	None	None	None	

Note 1 : The total shares held by Nae Technologies, Inc. and Hongzhen Asset Management Co., Ltd..

Note 2 : Chairman of New Advanced Electronics Technologies (Hong Kong), Chairman of New Advanced Electronics Technologies (Vietnam), Chairman of Advanced Sound Technologies,Inc., Chairman of OXTOP (Dongguan) Electronics Co., Ltd., Chairman of Jensen Electronics (Dongguan) Co., Ltd., Chairman of Tai Hong Asset Management Co., Ltd., Chairman of New Advanced Asset Management Co., Ltd., Chairman of Nae Technologies, Inc., Chairman of Hongzhen Asset Management Co., Ltd..

Note 3 : Director of Tai Hong Asset Management Co., Ltd., Supervisor of New Advanced Asset Management Co., Ltd., Nae Technologies, Inc., Ltd. and Hongzhen Asset Management Co., Ltd..

Note 4 : Director of Tai Hong Asset Management Co., Ltd., New Advanced Asset Management Co., Ltd. and Nae Technologies, Inc., Ltd..

Note 5 : Director of OXTOP (DONGGUAN) Electronics Co., Ltd., Supervisor of Tai Hong Asset Management Co., Ltd, Director of New Advanced Asset Management Co., Ltd..

Note 6 : When the Chairman of the Board of Directors and the President or equivalent (top manager) are the same person or spouses or primary relatives, the reason, rationality, necessity, and relevant information of future improvement measures (such as increasing the number of independent directors, and more than half of the directors shall be non-concurrent employees or managers) shall be stated:

The Chairman of the Board of Directors is also the President of the Company in order to improve the operating efficiency and decision execution. However, to strengthen the independence of the Board of Directors, the Company has been actively training suitable candidates internally. In addition, the Chairman of the Board of Directors also closely communicates with the directors about the Company's operation and policies to achieve corporate governance. An additional independent director has been added in the 14th session director re-election to enhance the function of the Board of Directors and strengthen the supervision function. At present, the Company has the following specific measures in place:

- (1)The current four independent directors have expertise in the fields of financial accounting and law, and can effectively play the role of supervision.
- (2)The Company arranges the directors to attend professional director courses from external institutions such as the Securities & Futures Institute every year to improve the operation efficiency of the Board of Directors.
- (3)Independent directors can fully discuss and provide suggestions to the Board of Directors in each functional committee for the implementation of corporate governance.
- (4)More than half of the directors of the Board of Directors are not concurrent employees or managers.

II. Remuneration paid during the most recent fiscal year to directors (including independent directors), supervisors, the general manager, and assistant general managers

1. Remuneration for directors and independent directors

Unit: NT \$1000 ; %

Job title	Name	Director's Remuneration								The total amount of A, B, C and D and their proportion to the net profit after tax		Relevant Remuneration Received by Directors Who Are Also Employees								The total amount of seven items A, B, C, D, E, F and G and their proportion to the net profit after tax		Compensation Paid to Directors from Non-consolidated Affiliates or Parent Company				
		Remuneration (A)		Retirement pension (B)		Director's remuneration (C)		Business execution costs (D)				Salary, bonus and special expenses (E)		Retirement pension (F)		Employee compensation (G)										
		The company	All companies in financial reports	The company	All companies in financial reports	The company	All companies in financial reports	The company	All companies in financial reports			The company	All companies in financial reports	The company	All companies in financial reports	The company		All companies in financial reports					The company	All companies in financial reports		
										Cash amount	Amount of stock					Cash amount	Amount of stock									
Chairman	Tai Hong Asset Management Co., Ltd Representative: Hsing, Chia-Chen	0	0	0	0	50	50	15	15	2,152	2,152	5,600	5,600	0	0	0	0	0	0	11,943	14,036	0				
Director	Tai Hong Asset Management Co., Ltd Representative: Huang, Tse-Lin	0	0	0	0			15	15			2,625	2,625	108	108	0	0	0	0						0	
Director	Tai Hong Asset Management Co., Ltd Representative: Huang, Chen-Ting	0	0	0	0			18	18			1,400	1,400	58	58	0	0	0	0						0	
Director	New Advanced Asset Management Co., Ltd. Representative: Wang, Chen-Wen	0	0	0	0	50	50	15	15			0	2,093	0	0	0	0	0	0				0			0
Director	New Advanced Asset Management Co., Ltd. Representative: Wang, Cong-Zhi (Note)	0	0	0	0			9	9			0	0	0	0	0	0	0	0				0			0
Independent director	Fang, Chih-Min	480	480	0	0	0	0	12	12					0	0	0	0	0	0				0			0
Independent director	Wu, Gang-Kui	480	480	0	0	0	0	18	18			0	0	0	0	0	0	0			0					
Independent director	Zhang, Zhong-Yuan	480	480	0	0	0	0	15	15			0	0	0	0	0	0	0			0					
Independent director	Chen, Nai-Rong	480	480	0	0	0	0	15	15			0	0	0	0	0	0	0			0					

Job title	Name	Director's Remuneration								The total amount of A, B, C and D and their proportion to the net profit after tax		Relevant Remuneration Received by Directors Who Are Also Employees						The total amount of seven items A, B, C, D, E, F and G and their proportion to the net profit after tax		Compensation Paid to Directors from Non-consolidated Affiliates or Parent Company
		Remuneration (A)		Retirement pension (B)		Director's remuneration (C)		Business execution costs (D)				Salary, bonus and special expenses (E)		Retirement pension (F)		Employee compensation (G)				
		The company	All companies in financial reports	The company	All companies in financial reports	The company	All companies in financial reports	The company	All companies in financial reports	The company	All companies in financial reports	The company	All companies in financial reports	The company	All companies in financial reports	The company		All companies in financial reports		
Cash amount	Amount of stock															Cash amount	Amount of stock			
<p>1. Please state the remuneration policy, system, standards, and structure of the independent directors, and state the relevance with the amount of remuneration according to the responsibility, risk, time invested, and other factors: The remuneration of the Company's independent directors shall be reviewed by the remuneration and nomination committee to the extent of each director's participation in the Company's operation and the value of the contribution, and the proposal shall be submitted to the Board of Directors for resolution after considering the Company's operation performance and the general level of payment of the same industry.</p> <p>2. Except the sheet disclosed above, remuneration received by company directors for their services in the most recent year. (For example, serving as a consultant for non-employees of the parent company/financial report of all companies/reinvested businesses, etc.): None.</p>																				

Note : Passed away on January 4, 2026.

2. Remuneration for general manager and deputy general manager(Note)

Unit: NT \$1,000 ; %

Job title	Name	Remuneration (A)		Retirement pension (B)		Bonuses and Special expenses and so on (C)		Employee compensation amount (D)				The total amount of the four items A, B, C and D and their proportion to the net profit after tax (%)		Compensation Paid to Directors from Non-consolidated Affiliates or Parent Company
		The company	All companies in financial reports	The company	All companies in financial reports	The company	All companies in financial reports	The company		Finance report all companies in		The company	All companies in financial reports	
								Cash amount	Stock amount	Cash amount	Stock amount			
The general manager	Hsing, Chia-Chen	2,400	2,400	0	0	3,200	3,200	0	0	0	0	5,600 452.34%	5,600 452.34%	0
Deputy general manager	Huang, Tse-Lin	1,875	1,875	108	108	750	750	0	0	0	0	2,733 220.76%	2,733 220.76%	0
Corporate governance officer	Huang, Chen-Ting	1,000	1,000	58	58	400	400	0	0	0	0	1,458 117.77%	1,458 117.77%	0
Chief financial officer	Li, Jhih-Sian	1,200	1,200	73	73	500	500	0	0	0	0	1,773 143.21%	1,773 143.21%	0

Note : The Company's "managers" who meet the requirements of the Ministry of Finance Securities and Futures Management Commission's Letter No. 0920001301 dated March 27, 2003 are the general manager, deputy general manager, corporate governance officer and chief financial officer.

3. Name and distribution of managers who distribute employee compensation

The company's employee remuneration distribution plan of 2025 was approved by the board of directors on March 3, 2026. The entire amount will be distributed in cash to the company's junior employees and will not be distributed to managers.

4. Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, supervisors, general managers, and assistant general managers, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance.

(1) Analysis of the proportion of the total remuneration paid to directors, supervisors, general manager and deputy general managers of the Company to the net profit after tax in the recent two years:

Unit: NT \$1,000; %

Title	The year in 2024				The year in 2025			
	The total amount of fees		Net profit after tax		The total amount of fees		Net profit after tax	
	The company	All companies in financial reports	The company	All companies in financial reports	The company	All companies in financial reports	The company	All companies in financial reports
Directors	2,126	2,126	7.71	7.71	2,152	2,152	173.83	173.83
The general manager	4,600	4,600	16.68	16.68	5,600	5,600	452.34	452.34
Deputy general manager	2,400	2,400	8.70	8.70	2,733	2,733	220.76	220.76

(2) Explanation of remuneration policies, standards and packages, the procedure for determining remuneration, and its linkage to operating performance

The compensation of Directors include salary, remuneration and honorarium. According to the Company's Articles of Association and the provisions of procedures for compensation disbursement of directors and independent directors, the director salary is determined by the board of directors based on the participation level and contribution value of individual in the management of the company, as well as the industry standard. The independent directors are compensated with a fixed monthly director salary and do not receive director remuneration. For a profitable fiscal year, the company shall appropriate not more than 5% of the profit as director remuneration. For any year, the director remuneration is subject to the approval of majority vote by resolution of the remuneration and nomination committee and board of directors meeting attended by two thirds of the Directors before reporting to the shareholders' meeting. The honorarium is determined by referring to industry standard and the actual claims made by directors.

The remuneration of the general manager and deputy general manager includes salary, bonus and employee remuneration, which is based on the position held, responsibilities and operating performance, while also taking into account factors such as the amount of remuneration, payment method, the company's future risks, and industry standards, and approved by the remuneration and nomination committee and the board of directors.

The Company's directors' remuneration for 2025 increased by NT\$ 26 thousands compared to 2024, mainly due to the addition of one independent director in June 2024, which had not yet been in office for a full year, resulting in lower monthly fixed directors' remuneration. The Company's general manager and deputy general manager remuneration for 2025 increased by NT\$ 1,333 thousands compared to 2024, mainly due to the increase in bonuses linked to the overall operating performance evaluation results due to the expansion of business scope in 2025.

III. Implementation of corporate governance

(I) Operations of the board of directors

The 14th board of directors held 5 (A)meetings in 2025. The attendance of directors is as follows :

Job Title	Name	Attendance (Presence) in Person (B2)	Attendance by Proxy	Attendance (Presence) Rate (%) (B2/A2)	Note
Chairman	Tai Hong Asset Management Co., Ltd. Representative: Hsing, Chia-Chen	4	1	80%	
Director	Tai Hong Asset Management Co., Ltd. Representative: Huang, Tse-Lin	4	1	80%	
Director	Tai Hong Asset Management Co., Ltd. Representative: Huang, Chen-Ting	5	0	100%	
Director	New Advanced Asset Management Co., Ltd. Representative: Wang, Cong-Zhi	2	3	40%	
Director	New Advanced Asset Management Co., Ltd. Representative: Wang, Chen-Wen	5	0	100%	
Independent director	Fang, Chih-Min	3	2	60%	
Independent director	Wu, Gang-Kui	5	0	100%	
Independent director	Zhang, Zhong-Yuan	5	0	100%	
Independent director	Chen,Nai-Rong	5	0	100%	

Other matters to be recorded :

- I. Should any of the following circumstances occur at the Board of Directors meeting, the date of the board meeting, term, proposal content, opinions of all independent directors and the Company's handling of such opinions, should be specified:
- (I) Article 14 (3) of the Securities Exchange Act: The Company has established an audit committee. For matters listed in Article 14-5 of the Securities and Exchange Act include the matters listed in Article 14-3 of the Securities and Exchange Act, please refer to the information on the operation of the Audit Committee in this annual report (page 19).
- (II) Other matters of the board of directors which are subject to objection or reservation by the independent directors and which are recorded or stated in writing, other than the matters previously set fort: None.
- II. If directors recuse the execution of the bill of interest, directors shall state the name of the director, the content of the bill, the reasons reasons for recusal at the request of interest and participation in the voting:

The Board of Directors meeting	Name of Directors	Content of Proposal	Reason for Recusal and Participation in Voting	Result of Voting
5 th meeting, 14 th session March 13, 2025	Hsing, Chia-Chen, Huang, Chen-Ting, Huang, Tse-Lin, Wang, Chen-Wen	The company's remuneration distribution plan for directors and employee of 2024.	Due to conflict of interest.	Approved by all other directors present.
6 th meeting, 14 th session May 2, 2025	Hsing, Chia-Chen, Wu, Gang-Kui, Zhang, Zhong-Yuan Chen,Nai-Rong	The company has formulated the "Sustainability Development Committee Organization Regulations" and established the Sustainability Development Committee.	Due to conflict of interest.	Approved by all other directors present.

8 th meeting, 14 th session November 11, 2025	Hsing, Chia-Chen, Huang, Chen-Ting, Huang, Tse-Lin	Renting of 8F-4, Asia Business Centre in Kaohsiung.	Due to conflict of interest.	Approved by all other directors present.
9 th meeting, 14 th session December 18, 2025	Hsing, Chia-Chen, Huang, Chen-Ting, Huang, Tse-Lin, Wang, Chen-Wen	The company's 2025 year manager year-end bonus case.	Due to conflict of interest.	Approved by all other directors present.
9 th meeting, 14 th session December 18, 2025	Hsing, Chia-Chen, Huang, Chen-Ting, Huang, Tse-Lin, Wang, Chen-Wen	The special allowance case of the chairman of the company.	Due to conflict of interest.	Approved by all other directors present.

III. Evaluation cycles, evaluation periods, evaluation scopes, evaluation methods and evaluation procedures, etc. for evaluating the performance of the company's board of directors and members are disclosed as below:

Assessment cycles	Assessment period	Assessment range	Assessment methods	Assessment contents	Score /Assessment result
Implement once a year	From January 1, 2025 to December 31, 2025	Board of Directors	Internal self-evaluation of the board of directors	1. Involvement in the company's operations 2. Enhancement in decision-making quality of the board 3. Board composition and structure 4. Election and continued education of directors 5. Internal control	4.5/Well
Implement once a year	From January 1, 2025 to December 31, 2025	Individual board members	Self-evaluation of board members	1. Understanding of the company's goals and missions 2. Acknowledgement of a director's responsibilities 3. Involvement in the company's operations 4. Management and communication of internal relations 5. Professionalism and continued education of directors 6. Internal control	4.8/Well

IV. Evaluation of the objectives and execution of strengthening the functions and power of the board of directors in the current and the most recent years:

1. The Company has established a Remuneration Committee and an Audit Committee in accordance with the law. In order to implement sustainable development goals such as environmental protection, social responsibility and corporate governance, the Company established a Sustainable Development Committee on May 2, 2025.
2. To strengthen the functions of the functional committees, the Company has revised the "Organizational Regulations of the Compensation Committee" and renamed it the "Compensation and Nomination Committee".
3. To enhance corporate value, the Company disclosed operational strategies and business plans and prepared a Corporate Value Enhancement Plan from an investor's perspective. The plan was approved and announced by the Board of Directors on November 11, 2025.
4. The Company has appointed four independent directors with professional backgrounds in business, finance/accounting, law, marketing, and operations. All independent directors participate in the functional committees to assist the Board of Directors in fulfilling their supervisory responsibilities.
5. The Company has purchased directors and key officers liability insurance to protect the Company's directors and key officers from liability risks incurred when performing their duties.
6. In order to enhance the professional knowledge of directors and corporate governance-related

personnel, the Company arranges relevant training courses for directors every year, and fully subsidizes corporate governance-related personnel to participate in training. The 2025 directors' training situation has been disclosed on the Market Observation Post System website in accordance with the law. For the 2025 corporate governance-related personnel training situation, please refer to Employee education and Training (page 85) of this annual report.

7. In order to enhance information transparency, the Company voluntarily discloses the attendance and important resolutions of the Board of Directors and various functional committees on the Company's website, and sets up "Investor", "Stakeholders" and "Sustainable Development" on the company website.

(II) Annual key tasks and implementations of the Audit Committee

1. The audit committee of the company is composed of all independent directors. Its main responsibilities are to assist the board of directors in oversight, and have achieved the following objectives:

- (1) Fair representation of the company's financial statements.
- (2) Selection (dismissal) of certified accountants and assessment of their independence.
- (3) Effective implementation of the company's internal control.
- (4) The company follows relevant laws and regulations.
- (5) Management and control of existing or potential risks of the company.

2. Annual key tasks of the Audit Committee are as follows:

- (1) Establish or amend the internal control system in accordance with Article 14-1 of the Securities and Exchange Law.
- (2) Assessment of the effectiveness of the internal control system.
- (3) In accordance with Article 36-1 of the Securities and Exchange Act, formulate or amend the procedures for the acquisition or disposal of assets, dealing in derivatives, lending funds to others, or endorsing or providing guarantees for others.
- (4) Matters involving the interests of directors themselves.
- (5) Significant asset or derivative product transactions.
- (6) Significant capital loan, endorsement or guarantee.
- (7) Raising, issuing or private placement of equity securities.
- (8) Appointment, dismissal or remuneration of certified public accountants.
- (9) Appointment and removal of financial, accounting or internal audit supervisors.
- (10) Annual and quarterly financial reports signed or stamped by the chairman, general manager and accounting director.
- (11) Other major matters stipulated by the company or the competent authority.

3. The implementations status of Audit committee:

The 3rd audit committee held 5 (A)meetings in 2025. The attendance of independent directors is as follows :

Job Title	Name	Attendance (Presence) in Person (B)	Attendance by Proxy	Attendance (Presence) Rate (%) (B/A)	Note
Independent director (convener)	Fang, Chih-Min	3	2	60%	
Independent director	Wu, Gang-Kui	5	0	100%	
Independent director	Zhang, Zhong-Yuan	5	0	100%	
Independent director	Chen,Nai-Rong	5	0	100%	

Other matters to be recorded:

I. In case of any of the following circumstances in the operation of the audit committee, the Audit Committee meeting date, period, proposal content, content of objections, reserved comments or major suggestions made by independent directors, results of the Audit Committee resolution, and the Company's handling of the Audit Committee opinions should be described:

(I)The matters listed in Article 14(5) of the Securities Exchange Act.

Audit Committee	Motion Contents and Resolution Results
<p>4th meeting, 3th session March 13, 2025</p>	<p>1. Appointment of certified accountants. 2. The company's 2024 business report and financial statements. 3. Distribution of capital surplus. 4. 2024 surplus earnings distribution proposal. 5. The company's 2024 annual internal control system statement. 6. The company's fund loan to New Advanced Electronics Technologies (Vietnam). 7. Amendment of the Company's Articles of Incorporation. 8. Amendment of the Company's Standard Operating Procedure for Handling Demands by Directors.</p> <p>Opinions of Review Committee members: No objection or reservation. The Company's treatment of the Audit Committee's opinion: Not applicable. Result of the resolution: It was adopted after the Chairman's consultation with all members present.</p>
<p>5th meeting, 3th session May 2, 2025</p>	<p>1. Reporting on the company's consolidated financial report for the first quarter of 2025. 2. Proposal of earnings distribution for the first quarter of 2025. 3. Application for credit quota with CTBC Bank. 4. Application for credit quota with Shin Kong Commercial Bank. 5. Application for credit quota with E.SUN Bank. 6. Formulate the Company's "Sustainability Development Committee Organization Regulations" and established the Sustainability Development Committee. 7. Formulate the Company's Procedures for Preparation and Verification of Sustainability Reports. 8. The company cancels endorsement guarantee for New Advanced Electronics Technologies (Hong Kong).</p> <p>Opinions of Review Committee members: No objection or reservation. The Company's treatment of the Audit Committee's opinion: Not applicable. Result of the resolution: It was adopted after the Chairman's consultation with all members present.</p>
<p>6th meeting, 3th session August 12, 2025</p>	<p>1. Reporting on the company's consolidated financial report for the second quarter of 2025. 2. Proposal of earnings distribution for the second quarter of 2025. 3. Amendment of the Company's Sustainability Development Committee Organization Regulations. 4. The company's endorsement guarantee for OXTOP (DONGGUAN) Electronics Co., Ltd. 5. The company's fund loan to OXTOP (DONGGUAN) Electronics Co., Ltd. 6. Application for credit quota with Mega International Commercial Bank.</p> <p>Opinions of Review Committee members: No objection or reservation. The Company's treatment of the Audit Committee's opinion: Not applicable. Result of the resolution: It was adopted after the Chairman's consultation with all members present.</p>
<p>7th meeting, 3th session November 11, 2025</p>	<p>1. Reporting on the company's consolidated financial report for the third quarter of 2025. 2. Proposal of earnings distribution for the third quarter of 2025 3. The company has added an endorsement guarantee for New Advanced Electronics Technologies (Vietnam). 4. The company has added fund loan to New Advanced Electronics Technologies (Vietnam). 5. Application for credit quota with CTBC Bank. 6. Renting of 8F-4, Asia Business Centre in Kaohsiung. 7. Define the scope of the company's entry-level employees 8. Amendment of the Company's Payroll Cycle. 9. Amendment of the Company's Organizational Regulations of the Compensation Committee.</p>

	<p>10. The Company's "Compensation Committee" to be renamed "Compensation and Nomination Committee".</p> <p>11. Formulate the Company's "Corporate Value Enhancement Plan".</p>
	<p>Opinions of Review Committee members: No objection or reservation.</p> <p>The Company's treatment of the Audit Committee's opinion: Not applicable.</p> <p>Result of the resolution: It was adopted after the Chairman's consultation with all members present.</p>
8 th meeting, 3 th session December 18, 2025	<p>1. The Company's 2026 Business Plan.</p> <p>2. The Company's 2026 Internal Audit Plan.</p> <p>3. The Company cancels endorsement guarantee for New Advanced Electronics Technologies (Vietnam).</p> <p>4. Amendment of the Company's Procedures for Handling Material Inside Information.</p>
	<p>Opinions of Review Committee members: No objection or reservation.</p> <p>The Company's treatment of the Audit Committee's opinion: Not applicable.</p> <p>Result of the resolution: It was adopted after the Chairman's consultation with all members present.</p>

(II) Other than the matters mentioned in the preceding paragraph, other matters that have not been approved by the audit committee but have been agreed by more than two-thirds of all the directors: None.

II. The independent director shall state the name of the independent director, the content of the bill, the reasons for recusal at the request of interest, and the participation in the voting: None.

III. The communication between the independent director and the internal audit supervisor and the accountant (including the major issues, methods and results of the communication on the company's financial and business conditions).

(I) The independent directors and the audit office manager may contact each other by email, telephone, or meeting at any time as necessary, and may convene a meeting at any time in case of any major abnormal event. The communication channels are multiple and smooth. The audit office manager of the company shall submit an audit report or follow-up report of the previous month to each independent director for review every month, and the independent directors shall give feedback or opinions if necessary. There is no significant abnormality in the audit results of 2025, and the independent directors have no objection.

(II) The independent auditor of the Company reports to the independent directors on the audit or review of the financial statements. Usually the independent directors and the independent auditor contact each other by email, telephone, or meeting as necessary. The independent directors of the company and the independent auditor have good communication channels.

(III) A summary of the communication among the independent directors and the audit office manager and the independent auditor during 2025 is as follows:

Date	Communication mode	Object of communication	Matter of communication	Communication results
March 13, 2025	Audit Committee	Internal audit officer Independent auditor	1. Internal audit report. 2. 2024 statement of internal control system. 3. 2024 annual individual financial report and consolidated financial report. 4. Audit quality (AQI) report.	Independent directors have no opinion or suggestion.
May 2, 2025	Audit Committee	Internal audit officer Independent auditor	1. Internal audit report. 2. Consolidated financial report for the first quarter of 2025.	Independent directors have no opinion or suggestion.
August 12, 2025	Audit Committee	Internal audit officer Independent	1. Internal audit report. 2. Consolidated financial report for the second quarter of	Independent directors have no opinion or

		auditor	2025.	suggestion.
November 11, 2025	Audit Committee	Internal audit officer Independent auditor	1. Internal audit report. 2. Consolidated financial report for the third quarter of 2025. 3. Communication with the governance during the 2025 annual financial statement audit planning stage.	Independent directors have no opinion or suggestion.
December 18, 2025	Audit Committee	Internal audit officer	2026 internal audit plan	Independent directors have no opinion or suggestion.

IV. Evaluation cycles, evaluation periods, evaluation scopes, evaluation methods and evaluation procedures, etc. for evaluating the performance of the company's audit committee and members are disclosed as below:

Assessment cycles	Assessment period	Assessment range	Assessment methods	Assessment contents	Score /Assessment result
Implement once a year	From January 1, 2025 to December 31, 2025	Audit committee	Internal self-evaluation of the audit committee	1. Involvement in the company's operations 2. Acknowledgement of the audit committee's responsibilities 3. Enhancement in decision-making quality of audit committee 4. Audit committee composition and member selections 5. Internal control	4.8/Well

(III) The differences between corporate governance operations and Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons for these differences:

Evaluation of project	Operation situation			Summary description	The differences between corporate governance operations and Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons for these differences
	Yes	No			
I. Does the Company set and disclose corporate governance code of practice according to corporate governance practice principles for TWSE/GTSM-Listed companies?	✓			The company had formulated the Corporate Governance Best Practice Principles which had been published on the company's website and public information observatory.	No difference
II. The company's equity structure and shareholders' equity					No difference
(I) Has the company set internal operating	✓			(I) The company has set up spokespersons, acting	

Evaluation of project	Operation situation			The differences between corporate governance operations and Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons for these differences
	Yes	No	Summary description	
<p>procedures to deal with shareholder proposals, doubts, disputes and litigation matters, and does it implement these in accordance with its procedures?</p> <p>(II) Does the Company have a list of those who ultimately control the major shareholders of the Company?</p>	✓		<p>spokespersons, stock affairs and appeal window , and has dedicated personnel to deal with shareholders' suggestions or disputes and other issues.</p> <p>(II) The Company has established a stock affair unit and engaged a stock transfer agency through the information on shareholding changes in the previous month voluntarily provided by directors, managers and major shareholders at the beginning of each month, the declaration mechanism for substantial share acquisitions and the shareholder register on the day when transfers are stopped, The Company can actually grasp the list of major shareholders and their ultimate controllers.</p>	
<p>(III) Does the Company establish its risk management mechanism and firewalls involving related enterprises?</p>	✓		<p>(III) According to the company's " The operating procedures of financial business between related parties " and relevant operation procedures of internal control system.</p>	
<p>(IV) Has the Company set internal standards to prohibit the use of undisclosed insider information to trade securities on the market?</p>	✓		<p>(IV) (1) The Company has established "Procedures for Handling Material Inside Information and Preventing Insider Trading" to regulate the securities trading activities of insiders.</p>	

Evaluation of project	Operation situation			The differences between corporate governance operations and Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons for these differences
	Yes	No	Summary description	
			(2)The Company's " Corporate Governance Best Practice Principles " stipulates that directors may not trade the Company's shares during the closed period of thirty days prior to the announcement of the annual financial report and fifteen days prior to the announcement of each quarterly financial report. The Company also notifies each director of the closed period prohibiting the trading of the Company's shares after the scheduled date for submission of each financial report to the Board of Directors for resolution.	
III. Composition and duties of the board of directors (I) Does the Board of Directors set and implement a diversification policy?	✓		(I) The Corporate Governance Best-Practice Principles of the Company provides that diversity factor should be taken into consideration for the Board's composition. Appropriate guidelines on diversity should be structured to accommodate its functioning, operational model and development needs. Board members should be in general equipped with the necessary knowledge, competences and literacy for performing their duties. Please see the section on	No difference

Evaluation of project	Operation situation			The differences between corporate governance operations and Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons for these differences
	Yes	No	Summary description	
(II) Has the Company establish other functional committees besides the Compensation Committee and Audit Committee?	✓		Diversity and Independence of the Board of Director in the annual report (page 8). (II) 1. In order to achieve the goals of sustainable development in environmental protection, social responsibility, and corporate governance, the Company established a Sustainability Committee on May 2, 2025. The committee consists of the chairman of the board and four independent directors. Its responsibilities are as follows: (1) Formulate, promote, and strengthen the Company's sustainability policies, annual plans, and strategies. (2) Review, track, and revise the implementation and effectiveness of sustainability initiatives. (3) Supervise the disclosure of sustainability-related information and review the sustainability report. (4) Oversee the implementation of the Company's sustainability code of conduct and other sustainability-related tasks as resolved by the Board of Directors. 2. To enhance the functions of the Board of Directors and strengthen the management mechanism, the Company restructured	

Evaluation of project	Operation situation			The differences between corporate governance operations and Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons for these differences
	Yes	No	Summary description	
(III) Has the company established its performance evaluation method and mode for the Board of Directors, and	✓		<p>a Remuneration and Nomination Committee on November 11, 2025. The Committee is composed of all independent directors, and its new responsibilities are as follows:</p> <p>(1) To formulate standards for the professional knowledge, skills, experience, gender diversity, and independence required for Board members, and senior managers, and to identify, review, and nominate candidates for directors and senior managers accordingly.</p> <p>(2) To construct and develop the organizational structure of the Board of Directors and its committees, conduct performance evaluations of the Board of Directors, its committees, directors, and senior managers, and assess the independence of independent directors.</p> <p>(3) To formulate and periodically review the director training programs and the succession plan for directors and senior managers.</p>	

Evaluation of project	Operation situation			The differences between corporate governance operations and Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons for these differences
	Yes	No	Summary description	
<p>reported the results of the performance evaluation to the Board of Directors, and applied them as the reference for individual directors' remuneration and nomination for term renewal?</p> <p>(IV) Does the company regularly evaluate the independence of the CPA?</p>	✓		<p>company's website and public information observatory. According to the company's board of directors performance evaluation method, the board of directors should conduct an internal board performance evaluation at least once a year. It may also appoint an external professional independent agency or an external team of experts and scholars performs the evaluation, and the results of the board's performance evaluation will be used as a reference for selecting and nominating directors, as well as setting the salary and remuneration of individual directors.</p> <p>(IV) According to the "Corporate Governance Best Practice Principles," the audit committee annually evaluates the independence and competency of the CPA with reference to the Audit Quality Indicators (AQIs). The results of the annual evaluation are consistent with the independence and competency standards presented to the Audit Committee and the Board of Directors for review and approval on March 13, 2025. Please see page 32 of this Annual Report for</p>	

Evaluation of project	Operation situation			The differences between corporate governance operations and Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons for these differences
	Yes	No	Summary description	
			more information on evaluation indicators.(note)	
IV. Has the listed and OTC company allocated competent and an appropriate number of corporate governance personnel, and appointed a corporate governance director to be responsible for corporate governance-related affairs? (including but not limited to providing information required for director/supervisor's operations, convening board/shareholder meetings in compliance with the law, apply for/change company registry, and producing meeting minutes of board/shareholder meetings)?	✓		<p>The company's board of directors passed a resolution on August 12, 2024, appointing the Chairman Executive Assistant, Huang, Chen-Ting as the top executive in charge of corporate governance-related matters, and her main responsibilities are as follows:</p> <ol style="list-style-type: none"> 1. Handle matters related to meetings of the board of directors, audit committee, remuneration committee and shareholders' meeting according to law. 2. Prepare the minutes of the board of directors, audit committee, remuneration committee and shareholder meetings. 3. Assist directors in their appointment and continuing education. 4. Provide the information required by the directors to execute their duties. 5. Assist directors to comply with laws and regulations. <p>The training details of the company's corporate governance officer of 2025 are on page 85 of this annual report.</p>	No difference

Evaluation of project	Operation situation			The differences between corporate governance operations and Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons for these differences
	Yes	No	Summary description	
V. Does the Company establish communication channels and dedicate section for stakeholder on its website to respond to important issues of corporate social responsibility concerns?	✓		The company has spokesmen and acting spokesmen, and set up a special area for stakeholders on the company's website to establish a good communication channel with stakeholders, and has appropriate responses to stakeholders .	No difference
VI. Has the company appointed a professional stock affairs agency for shareholders affairs?	✓		The company appointed professional stock agency - Maga securities co., LTD.	No difference
VII. Information disclosure (I) Does the Company set up website to disclose financial operations and corporate governance information? (II) Has the Company adopted other measures (such as English website, a designated person responsible for the collection and disclosure of information, implementation of the spokesman system, the legal entities announcements uploaded to website, etc.) to disclose information? (III) Has the company announced and reported the annual financial	✓ ✓ ✓		(I) The company has a website https://www.naeaudio.com to introduce the company and related businesses; In accordance with the regulations of the competent authority, the financial information has been announced and reported at the open information observatory. (II) The company has set up websites, and has set up a spokesman system, which is responsible for the company's external communication. (III) The Company has completed all the financial statements and operation	No difference

Evaluation of project	Operation situation			The differences between corporate governance operations and Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons for these differences
	Yes	No	Summary description	
statements within two months after the end of the fiscal year, and announced and reported the first, second, and third quarter financial statements and the operation of each month ahead of the required time limit?			announcement within the time limit prescribed by the competent authority.	
VIII. Does the Company have other important information for better understanding the Company's corporate governance system (including but not limited to interests and rights of employees, care for employees, relation with investors, relation with suppliers, relation with interested parties, continuing education of directors and supervisors, execution of risk management policies and risk measuring standards, execution of customer policies, liability insurance for the Company's directors and supervisors)?	✓		<p>(I) The company has set up staff welfare committee in accordance to the law to allocate staff welfare funds.</p> <p>(II) The Company has established relevant regulations, including the "Work Rules," "Occupational Safety and Health Guidelines," "Measures for Prevention, Complaint, and Disciplinary Actions of Workplace Sexual Harassment," "Salary Management Measures," and the "Employee Rewards and Disciplinary Measures." In addition, the Company has set up appeal Window and holds regular labor-management meetings to protect employees' rights and interests.</p> <p>(III) The company has established the "The operating procedures of financial business between related parties", so that each related party of the</p>	No difference

Evaluation of project	Operation situation			The differences between corporate governance operations and Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons for these differences
	Yes	No	Summary description	
			<p>company can avoid the situation of conflict of interest.</p> <p>(IV) Information on directors' training: disclosed in the corporate governance area of the open information observatory (http://mops.twse.com.tw)</p> <p>(V) The company has covered liability insurance for all directors and officers.</p>	

IX. Please specify the measures adopted by the Company to improve the items listed in the corporate governance review result from Taiwan Stock Exchange's Corporate Governance Center and the improvement plans for items yet to be improved.

1. According to the corporate governance evaluation results for 2024, the improvement measures undertaken in 2025 are as follows:

- (1)The company creates an English-language website that includes information related to finance, business, and corporate governance.
- (2)Set up a dedicated (or concurrent) unit responsible for promoting sustainable development. Based on the principle of materiality, conduct risk assessments related to company operations, formulate relevant risk management policies, and have the Board of Directors oversee the promotion of sustainable development, with disclosures made on the company's website and in the annual report.
- (3)Referencing international human rights conventions, formulate policies to protect human rights and implement concrete management plans, with relevant policies and implementation status disclosed on the company's website or in the annual report.
- (4)Disclose on the company's website or in the annual report the integrity management policy approved by the Board of Directors, specifying concrete practices and preventive measures against unethical conduct, along with an explanation of implementation status.

2. Important strengthening measures:

- (1)A written policy has been established to govern financial and business matters between this corporation and its related parties. The policy includes management procedures for transactions such as purchases and sales of goods, procedures for acquisition or disposal of assets, etc., and relevant major transactions should be submitted to the board of directors for approval and submitted to the shareholders' meeting for approval or report.
- (2)The Company has established internal regulations prohibiting directors, employees, and other insiders from trading securities based on undisclosed material information, and has disclosed these regulations and the implementation status on the Company's website.
- (3)Disclose the Company's greenhouse gas emissions in Category I and Category II for the past two years on the Company's website or in the Annual Report.

Evaluation of project	Operation situation			The differences between corporate governance operations and Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons for these differences
	Yes	No	Summary description	
<p>(4)The Company discloses the categories and annual emissions of Scope 3 greenhouse gases for the past year on the Company’s website or in the annual report.</p> <p>(5)The Company shall establish a Personal Data Protection Policy and disclose the policy content and its implementation status on the Company’s website or in the annual report.</p>				

Note: CPA’s Competence and Independence Assessment

Evaluation Items	Evaluation Result	Compliant with Competence and Independence
Scope I: Profession		
1.Do the senior auditors have sufficient audit experience to carry out the audit work?	Yes	Yes
2.Do the CPA and the senior auditors receive sufficient training every year to continuously acquire professional knowledge and skills?	Yes	Yes
3.Does the firm maintain enough senior human resources?	Yes	Yes
4.Does the firm have enough professionals to support the audit team?	Yes	Yes
Scope II: Quality Control		
1.Is the CPA's workload too heavy?	No	Yes
2.Is the input of audit team members in each audit stage appropriate?	Yes	Yes
3.Does the EQCR CPA devote enough time to review audit cases?	Yes	Yes
4.Does the firm have sufficient manpower on quality control to support the audit team?	Yes	Yes
Scope III: Independence		
1.Does the CPA have a direct or significant indirect relation with the Company and associates and joint ventures in financial interests?	No	Yes
2.Does the CPA have any financing or guarantee with the Company or its directors?	No	Yes
3.Does the CPA have a close business relationship or potential employment relationship with the Company?	No	Yes
4.Does the CPA provide non-audit services or fee which could impact the independence auditing process for the Company?	No	Yes
5.Does the CPA have kinship with the Company's directors, supervisors, managerial officers or any post with significantly influences on the auditing work?	No	Yes
6.Does the CPA declare the Statement of Independent?	Yes	Yes
7.Does the total number of years that the audit case has been included in the firm's annual financial report impact its independence?	No	Yes
Scope IV: Monitor		
Is the accounting firm's quality control and audit cases implemented in accordance with relevant laws and regulations?	Yes	Yes
Scope V: Creativity		
Does the firm implement it’s committed to enhancing the quality of audits, improving innovative capabilities, and strategic planning?	Yes	Yes

- (IV) If a company has set up a remuneration committee, it shall disclose its composition, responsibilities and operation:

The Company established the Remuneration Committee and formulated its organizational charter in accordance with the "Securities and Exchange Act" and the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter." To strengthen the functions of the Company's functional committees, the Board of Directors resolved on November 11, 2025 to amend the Organizational Rules of the Remuneration Committee and renamed it the Remuneration and Nomination Committee. The responsibilities of the Remuneration and Nomination Committee is to to maintain a professional and objective position in seeking, reviewing, and nominating candidates for directors and managerial officers of the Company, as well as to evaluate and establish the remuneration policy and system for the Company's directors and executive officers and make recommendations to the Board of Directors for reference.

1. The members of the company's remuneration and nomination committee are as follows:

Title	Name	Conditions	Professional qualifications and experience	Independence situation	Number of members who are concurrently members of the compensation and remuneration committees of other public offering companies
Independent director(Convenor)	Fang, Chih-Min	Please refer to the disclosure information on professional qualifications of directors and independence of independent directors in this annual report (pages 6 to 8).			3
Independent director	Wu, Gang-Kui				0
Independent director	Zhang, Zhong-Yuan				0
Independent director	Chen, Nai-Rong				0

2. Information about the operation of the company's remuneration and nomination Committee is as follows:

- (1) The company has four members of the remuneration and nomination Committee.
- (2) The term of the remuneration and nomination committee members: The term is June 27, 2024 to June 26, 2027. During 2025, the remuneration and nomination committee has held 2 meetings (A). The attendance of the members are as follows:

The 7th salary and remuneration committee held 2 (A)meetings in 2025. The attendance of independent directors is as follows :

Job title	Name	Attendance in Person (B)	Attendance by Proxy	Attendance Rate (%) (B/A)	Note
Convenor	Fang, Chih-Min	2	0	100%	
Member	Wu, Gang-Kui	2	0	100%	
Member	Zhang, Zhong-Yuan	2	0	100%	
Member	Chen, Nai-Rong	2	0	100%	

Other matters to be recorded:

- I. Proposals and resolutions of the remuneration and nomination committee of 2025:

Date	Content of Proposal	Result of Voting	Execution
March 13, 2025	The company's remuneration distribution plan for directors and employee of 2024.	Approved by all members present.	The resolution was submitted to the board of directors for approval and has been implemented in accordance with the resolution.

December 18, 2025	Review the company's 2026 salary and remuneration projects	Approved by all members present.	The resolution was submitted to the board of directors for approval and has been implemented in accordance with the resolution.
	The company's 2025 year manager year-end bonus case.	Approved by all members present.	The resolution was submitted to the board of directors for approval and has been implemented in accordance with the resolution.
	The special allowance case of the chairman of the company.	Approved by all members present.	The resolution was submitted to the board of directors for approval and has been implemented in accordance with the resolution.

II. If the board does not accept or amend what salary remuneration and nomination committee suggested, the date, period, content of the proposal, resolution of the board of directors, and the company's opinion on the compensation committee should be stated (For example, the salary paid by the board of directors is better than the salary compensation committee's recommendations, and the differences and reasons should be stated): None.

III. In the case of any objection or reservation made by a member to a decision of the remuneration and nomination committee, the date, period, contents of the proposal, all members' comments and the handling of the member's comments, if any, shall be clearly stated: None.

IV. Evaluation cycles, evaluation periods, evaluation scopes, evaluation methods and evaluation procedures, etc. for evaluating the performance of the company's remuneration and nomination committee and members are disclosed as below:

Assessment cycles	Assessment period	Assessment range	Assessment methods	Assessment contents	Score /Assessment result
Implement once a year	From January 1, 2025 to December 31, 2025	remuneration and nomination committee	Internal self-evaluation of the remuneration and nomination committee	1. Involvement in the company's operations 2. Acknowledgement of the remuneration committee's responsibilities 3. Enhancement in decision-making quality of remuneration committee 4. Remuneration committee composition and member selections 5. Internal control	4.8/Well

(V) Performance of corporate sustainable development and the differences between the Corporate Sustainable Development Best-Practice Principles for TWSE/TPE Listed Company and reasons.

Evaluation of project	Operation situation		Summary description	The differences between the Corporate Sustainable Development Best-Practice Principles for TWSE/TPE Listed Company and reasons.
	Yes	No		
I. Whether the company	✓		The Board of Directors of the	No difference

Evaluation of project	Operation situation			The differences between the Corporate Sustainable Development Best-Practice Principles for TWSE/TPE Listed Company and reasons.
	Yes	No	Summary description	
<p>establish a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, which is authorized by the board of directors to handle senior management, and the board of directors supervises the situation? (The listed companies should report the implementation status instead of compliance or explanation.)</p>			<p>company is the highest supervisory unit for the company to promote sustainable development. In order to achieve the goals of sustainable development in environmental protection, social responsibility, and corporate governance, the company established a Sustainable Development Committee on May 2, 2025. Its responsibilities are as follows:</p> <p>(1)Formulate, promote, and strengthen the Company's sustainability policies, annual plans, and strategies.</p> <p>(2)Review, track, and revise the implementation and effectiveness of sustainability initiatives.</p> <p>(3)Supervise the disclosure of sustainability-related information and review the sustainability report.</p> <p>(4)Oversee the implementation of the Company's sustainability code of conduct and other sustainability-related tasks as resolved by the Board of Directors.</p> <p>The Chairman and the General Manager's Office of the Company have formed a cross-departmental Corporate Sustainability Promotion and Risk Assessment Team, with the General Manager as the convener. The team consists of a cross-departmental Corporate Governance Team, a Environmental sustainability Team, a Social Inclusion Team, and a Sustainable Information Disclosure Team. The teams are responsible for planning and executing corporate sustainability-related operations and activities, and report to the Sustainability Committee and the Board of Directors at least once a year.</p>	

Evaluation of project	Operation situation			The differences between the Corporate Sustainable Development Best-Practice Principles for TWSE/TPE Listed Company and reasons.
	Yes	No	Summary description	
II. Does the company conduct risk assessment on environmental, social, and corporate governance issues related to the company's operation in accordance with the materiality principle, and formulate relevant risk management policies or strategies? (The listed companies should report the implementation status instead of compliance or explanation.)	✓		<p>Our company adheres to the GRI (Gain, Risk, Influence, and Responsibility) principle, communicating with internal and external stakeholders through multiple channels, including risk identification, risk analysis, risk response, risk monitoring, and information disclosure and communication.</p> <p>The risk assessment scope primarily covers our main operating and production locations, including Taiwan, China, and Vietnam. Based on the principles of materiality and financial significance, we conduct risk identification and assessment across aspects such as the company's operating environment, social and corporate governance. Details of risk assessments, management policies, and strategies are provided in Note 1 of this table (page 42~43).</p>	No difference
III. Environmental Issues				
(I) Whether the company has established an appropriate environmental management system according to its industrial characteristics?	✓		<p>At the points of product design, production processes and R&D design, construction of plant and installation of equipment, selection of suppliers, the Company has applied various pollution prevention and environmental protection regulations, and certification of ISO 9001 quality management systems. By constantly improving the pollution prevention infrastructure and energy conservation equipment, and adopting 100% RoHS certified raw material, the Company seeks to implement environmental sustainability.</p>	No difference
(II) Whether the company is committed to improving	✓		The company continues to promote the	No difference

Evaluation of project	Operation situation			The differences between the Corporate Sustainable Development Best-Practice Principles for TWSE/TPE Listed Company and reasons.
	Yes	No	Summary description	
energy efficiency and using recycled materials with low impact on the environment			concept of energy saving, and strengthen the promotion in daily operation management, such as waste sorting and recycling, not providing disposable tableware, electronic policy, lights out and air conditioning use regulations, in order to achieve effective use of resources.	
(III) Whether the company assess the current and future potential risks and opportunities of climate change for the company, and taken relevant countermeasures?	✓		The Company has performed short, medium and long-term risk and opportunity assessments on climate change. With regard to occurrences of typhoons, draughts, greenhouse effect and other extreme weather incidents, the Company proactively seeks to strengthen raw material management, and flexibility in production procedures and logistics to mitigate the impact of weather factors. The Company also seeks to implement energy conservation, carbon reduction and waste reduction measures to curtail negative influences caused by climate change. The Company's implementation of climate-related information is detailed on page 43~46 of this table (note 2).	No difference
(IV) Whether the company count greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulated policies for greenhouse gas reduction, water use reduction or other waste management?	✓		The Company regular collects information on electricity and water use, and total waste weight to implement the following policies: 1. Energy conservation: Light-out policy, sensor/LED lighting, air conditioning use restriction and paperless policy. 2. Increase the utilization rate of renewable energy: Actively evaluate various renewable energy solutions, including solar power, green electricity purchase plans, etc.	No difference

Evaluation of project	Operation situation			The differences between the Corporate Sustainable Development Best-Practice Principles for TWSE/TPE Listed Company and reasons.
	Yes	No	Summary description	
			<p>3. Pollution prevention: Install infrastructure for dust removal, waste water treatment, separation of oily water separation, waste tank, etc.</p> <p>4. Waste management: Elevate product design and optimize production processes to enhance yield and reduce waste generation. Process and upgrade trash material; effectively control waste collection, sorting, storage and transportation.</p> <p>5. Green procurement: The Company shall integrate energy efficient use as one of the criteria for supplier selection, equipment procurement, material selection, etc. In the future, the Company shall continue to increase the use of green products and recycled resources. Please refer to Note 2 of this table (page 43~46) and the company's sustainability report for relevant data and information.</p>	
IV. Social Issues				
(I) Whether the company has established relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	✓		<p>The Company conforms to the Universal Declaration of Human Rights, United Nations Global Compact (UNGC), basic principles and rights proposed by International Labor Organization, Labor Standards Act of ROC, Labor Law of the People's Republic of China, The Labor Code of The Socialist Republic of Vietnam, etc. so as to forestall any human rights violation. The management measures undertaken include:</p> <ol style="list-style-type: none"> 1. Child labor ban. 2. Forced labor ban. 3. Protection of employee rights to freedom of assembly and 	No difference

Evaluation of project	Operation situation			The differences between the Corporate Sustainable Development Best-Practice Principles for TWSE/TPE Listed Company and reasons.
	Yes	No	Summary description	
			<p>association.</p> <p>4. Opposition to discrimination, bullying and sexual harassment.</p> <p>5. Provision of a safe, hygienic and healthy work environment.</p> <p>6. Improvement of education and training mechanism.</p>	
(II) Whether the company has established and implemented reasonable employee welfare measures (including compensation, vacation, and other benefits), and appropriately reflected the operating performance or results in the employee compensation?	✓		The company offers employee benefits policies that are superior to those in the regulations. Employee compensation is highly linked to performance results. Various bonus items are assessed based on company operating performance and individual performance. Please refer to the labor relations section (page 84) and employee and director remuneration section (page 69) in this annual report.	No difference
(III) Whether the company has provided a safe and healthy working environment and regular safe and health education for employees?	✓		The Company provides employee health checks, and safety and health seminar in accordance with the Occupational Safety and Health Act and other regulations. For work environment wise, the Company has installed firefighting equipment and pollution prevention infrastructure, and performed drinking water inspection and elevator maintenance, etc. By having the Staff Benefit Committee collecting and passing employee opinion to the management regularly and organizing meeting for both parties, the Company maintains good communication with employees.	No difference
(IV) Whether the company has established effective career development training programs for employees?	✓		The company provides diverse and abundant learning channels and development resources, such as on-the-job training, classroom training, job guidance, and job rotation, to help employees continuously improve, expand their career development,	No difference

Evaluation of project	Operation situation			The differences between the Corporate Sustainable Development Best-Practice Principles for TWSE/TPE Listed Company and reasons.
	Yes	No	Summary description	
			actively strengthen talent development and training programs, enhance employees' professional skills and knowledge, increase the flexibility and value of their career development, thereby promoting corporate innovation, strengthening competitive advantages, and improving employee satisfaction and retention rates.	
(V) Does the company comply with the relevant laws and regulations and international standards on customer health and safety, customer privacy, marketing and labeling of products and services, and has it formulated relevant policies and complaint procedures to protect the rights and interests of consumers?	✓		The Company complies with the Restriction Of The Use Of Certain Hazardous Substances In Electrical And Electronic Equipment (RoHS), quality and specifications required by customers, and regulations governing product safety, consumer rights in different regions. The Company has also established complaint and group planning avenues to take charge of matters regarding consumer right and customer service.	No difference
(VI) Does the company have a supplier management policy that requires suppliers to follow the relevant regulations and their implementation in environmental protection, occupational safety, and human rights issues regarding health or labor?	✓		By examining the organization, quality management procedures, condition of equipment, labor conditions and effective quality and quantity or environmental certification of suppliers, the Company weighs in these factors in the selection of suppliers. The Company also requires the suppliers to submit certification for non-use of Substances of Concern (SOC); the Company also ensures the compliance of suppliers with regulations for environmental protection, occupational safety and health, and labor rights on a regular basis via supplier rating mechanism.	No difference
V. Has the company referenced the internationally accepted reporting standards or		✓	The company has established a sustainability disclosure team responsible for the preparation of the Sustainability Report. The 2024	No difference

Evaluation of project	Operation situation			The differences between the Corporate Sustainable Development Best-Practice Principles for TWSE/TPE Listed Company and reasons.
	Yes	No	Summary description	
guidelines for preparation of corporate sustainable reports and other reports that disclose the company's non-financial information? Are these disclosure reports confirmed or guaranteed by a third party verification unit?			Sustainability Report was completed and publicly released in August 2025. At the same time, the Company continues to invest in sustainability initiatives related to environmental protection, social responsibility, and corporate governance. The Company will arrange for third-party assurance or verification in accordance with the timelines stipulated by relevant regulations to enhance the reliability of the information disclosed.	
<p>VI. If the company has its own corporate social responsibility regulations in accordance with the Regulations of Practice for Corporate Social Responsibility of Listed Companies, please describe the difference between its operation and the regulations: The Company has established Sustainable Development Practice Principles and Procedures for Preparation and Verification of Sustainability Reports. For details regarding the Company's implementation of sustainable development, please refer to the Company's Sustainability Report or visit the Sustainability section on the Company's website.</p>				
<p>VII. Other important information that helps to understand the operation of corporate social responsibility: <u>Environmental Protection</u></p> <ol style="list-style-type: none"> 1. The Chashan plant in Dongguan, which is equipped with photovoltaic power generation facilities, was selected as a new important production base to increase the proportion of renewable energy use. 2. By centralizing office space and reducing the use of office space, the company aims to save 21,034 kWh of electricity and approximately 8.92 metric tons of CO₂e by 2025. <p><u>Social prosperity</u></p> <ol style="list-style-type: none"> 3. Fulfill social welfare responsibilities by donating to the 2025 RUN FOR FUTURE 4th Shunfa Gangdu Charity Road Run, Friends of Police Association and folk religious festivals. 4. Organize blood donation activities and participate in first aid teaching lectures. Being enthusiastic about public welfare also improves the basic medical knowledge of colleagues. 				

Note 1: Risk assessment, management policies or strategies

Aspect	Risk assessment topic	Risk management policies or strategies
Environment	Climate Change Response	<ul style="list-style-type: none"> ● Decentralize operations and production sites, suppliers, and logistics to enhance climate resilience.
	Greenhouse gas management	<ul style="list-style-type: none"> ● Implement energy conservation and carbon reduction initiatives. ● Invest in the research and development of carbon-reducing and energy-saving products and processes. ● Strictly comply with environmental regulations and raise environmental awareness among all employees.
	Energy Management	<ul style="list-style-type: none"> ● Implement energy conservation policies and improve energy efficiency. ● Adopt energy-saving designs for products and processes, and improve material utilization efficiency. ● Increase the proportion of renewable energy used. ● Strictly comply with energy regulations and raise energy conservation awareness among all employees.
Society/Employees	Occupational health and safety	<p>The company strictly adheres to the Occupational Safety and Health Act, has established a "Occupational Safety and Health Work Rules," and has appointed a Safety and Health Supervisor, a Safety Production Team, and a Fire Safety Team to plan and implement relevant operations and training courses. We hope that through these measures, we can ensure that every employee can work in a safe and healthy environment.</p>
	Talent attraction and retention	<p>Adhering to the principles of fairness and non-discrimination, we provide equal employment and development opportunities, while developing a highly competitive compensation strategy that references industry salary levels. In addition to providing basic protections in accordance with the Labor Standards Act and related laws, our company offers a variety of benefits, including year-end bonuses, employee compensation, holiday and special event perks, education and training subsidies, employee travel, and year-end party activities and provide assistances, aiming to create a friendly workplace environment and effectively attract and retain talent.</p>
	Talent cultivation	<p>We value talent development and provide diverse opportunities for growth. The company assists new employees in quickly integrating into the company through pre-employment training and enhances their professional skills and expands their functional capabilities through on-the-job training. Training content includes professional and general training, covering aspects such as management, legal compliance, and sustainability.</p> <p>In addition to cultivating professional skills, the company also encourages employees to develop management skills, enhance their legal compliance awareness, and integrate sustainability concepts into their work. We will arrange external training courses for employees according to their needs to strengthen their career development capabilities, hoping that every employee can become an outstanding talent with both professional expertise and a broad perspective.</p>
Corporate Governance	Information security	<p>Through planning (P), execution (D), inspection (C), and action (A), we ensure the integrity, confidentiality, security, and availability of information related to the Group's business, as well as the protection of personal data, and reduce the risks of theft, misuse, leakage, alteration, or destruction of information assets due to human error, intentional acts, or natural disasters.</p>

Product	Customer Service	<p>To provide customers with timely, high-quality, and multifaceted products and services, the company promises:</p> <ul style="list-style-type: none"> ● To establish complete product R&D and manufacturing capabilities, including product structure design, electronic hardware and software design, process design, wood processing, electronic component processing and assembly, and audio product assembly, providing customers with a one-stop service. ● To establish a sound supply chain management and quality management system to stably and promptly meet customer needs. ● To establish customer complaint and sales return or discount procedures, and cross-departmental teams to handle customer complaints promptly and formulate comprehensive improvement plans.
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Note2 : Climate-related information implementation status

Items	Execution
1. Describe board and management oversight and governance of climate-related risks and opportunities.	<p>The Company's Board of Directors is the highest supervisory body for climate change risk and opportunity management, responsible for reviewing and making major decisions regarding the climate change governance and management framework; and supervising the progress and results of transition strategies, greenhouse gas inventory and reduction plans, energy conservation and waste reduction, and other related issues.</p> <p>The Company's Board of Directors has established a Sustainability Committee, responsible for reviewing and tracking the formulation, implementation, and effectiveness of the Company's climate management policies, and reporting to the Board at least annually.</p> <p>The Chairman and General Manager's Office form a cross-departmental "Corporate Sustainability Promotion and Risk Assessment Team," convened by the General Manager. This team is the implementing unit for climate change risks and opportunities, responsible for closely monitoring climate data, environmental regulations and issues, international and industry trends, coordinating human resources and other resources, formulating and implementing plans and work related to climate change transition, greenhouse gas reduction, energy conservation and waste reduction, etc., and regularly reporting progress and results to the Sustainability Committee and the Board of Directors, enabling the Board to promptly grasp the Company's progress and response status on climate governance issues and the latest sustainability trends.</p>
2. Description on how the identified climate risks and opportunities impact the company's business, strategy and finances (short, medium, long-term).	<p>The climate risks, opportunities and impacts identified by the Company, please refer to Note 3 of this table (page 47~52).</p>
3. Description on the financial impact of extreme weather events and transformat	<p>(1) Extreme weather events:Typhoons, floods, droughts, and heat waves can impact the supply of raw materials, disrupt transportation and movement, damage equipment, and affect the quality of certain products. These factors can lead to reduced production and marketing efficiency; disrupt normal business operations, decrease revenue, and increase operating costs.</p> <p>(2) Transformative actions:Consider domestic and foreign governmental policies and regulations, the changing consumer market, technology transfer, and Corporate Social Responsibility in order to enhance energy efficiency, promote the use of renewable energy and material utilization, and invest in low-carbon product and process research and development. Although</p>

Items	Execution																						
ive actions.	it may increase the company's operating costs in the short term, it will help the company achieve stable growth and sustainable development in the medium to long term.																						
4. Description on how are climate risk identification, assessment, and management processes integrated into the overall risk management system?	<p>The Company's climate risk management process includes the identification of risks and opportunities, risk and opportunity assessment, response strategies and analysis of financial impact, strategy and target setting, as well as management and oversight.</p> <p>The risk assessment team analyzes the entire value chain, identifies climate risks and opportunities that may be faced in short, medium and long-term operations, including transition risks, physical risks and opportunities in terms of policies and regulations, resources and technology, and markets, and assesses the likelihood and impact of such risks and opportunities.</p> <p>The risk assessment team develops appropriate response strategies and actions for major risks and opportunities faced, and quantifies their financial impact. After analysis and discussion, the team clearly defines strategic actions, goals, and assigns responsible units or personnel, and continuously monitors the progress and results of the actions.</p>																						
5. If scenario analysis is used to assess resilience against climate change risks, the scenario, parameters, assumptions, analysis factors, and major financial impacts should be described.	The Company has not yet used the scenario analysis to evaluate the resilience in the face of climate change risks, but will implement this in the future based on actual needs.																						
6. If there is a transformation plan in response to the management of climate-related risks, describe the contents of the plan and the indicators and targets used to identify	<p>In order to proactively respond to the impacts of climate change, the company has set targets for two key climate indicators: "Energy Management" and "Greenhouse Gases." We have also set related education and training targets: at least two-thirds of our directors, managers, accounting supervisors (including their agents), and auditors (including their agents) must participate in at least three hours of climate and environmental sustainability-related training annually.</p> <p>The company's climate risk management indicators and targets are as follows:</p> <table border="1" data-bbox="359 1646 1540 2074"> <thead> <tr> <th data-bbox="359 1646 510 1713">Key Indicators</th> <th data-bbox="510 1646 662 1713">Timeframe</th> <th data-bbox="662 1646 813 1713">Years</th> <th data-bbox="813 1646 1540 1713">Target</th> </tr> </thead> <tbody> <tr> <td data-bbox="359 1713 510 1848" rowspan="2">Energy intensity</td> <td data-bbox="510 1713 662 1780">Short-term</td> <td data-bbox="662 1713 813 1780">2026~2027</td> <td data-bbox="813 1713 1540 1780">■ Energy intensity reduced by 1% per year</td> </tr> <tr> <td data-bbox="510 1780 662 1848">Medium-term</td> <td data-bbox="662 1780 813 1848">2028~2030</td> <td data-bbox="813 1780 1540 1848">■ Energy intensity reduced by 2% per year</td> </tr> <tr> <td data-bbox="359 1848 510 2074" rowspan="4">Proportion of renewable energy use</td> <td data-bbox="510 1848 662 1915" rowspan="2">Short-term</td> <td data-bbox="662 1848 813 1915">2026~2027</td> <td data-bbox="813 1848 1540 1915">■ The share of renewable energy use will increase by 1% annually</td> </tr> <tr> <td data-bbox="662 1915 813 1982">2028~2030</td> <td data-bbox="813 1915 1540 1982">■ The share of renewable energy use will increase by 2% annually</td> </tr> <tr> <td data-bbox="510 1982 662 2074" rowspan="2">Long-term</td> <td data-bbox="662 1982 813 2027">2035</td> <td data-bbox="813 1982 1540 2027">■ Renewable energy usage accounts for 30%</td> </tr> <tr> <td data-bbox="662 2027 813 2074">2040</td> <td data-bbox="813 2027 1540 2074">■ Renewable energy usage accounts for 50%</td> </tr> </tbody> </table>	Key Indicators	Timeframe	Years	Target	Energy intensity	Short-term	2026~2027	■ Energy intensity reduced by 1% per year	Medium-term	2028~2030	■ Energy intensity reduced by 2% per year	Proportion of renewable energy use	Short-term	2026~2027	■ The share of renewable energy use will increase by 1% annually	2028~2030	■ The share of renewable energy use will increase by 2% annually	Long-term	2035	■ Renewable energy usage accounts for 30%	2040	■ Renewable energy usage accounts for 50%
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	Long-term	2035	■ Renewable energy usage accounts for 30%																				
		2040	■ Renewable energy usage accounts for 50%																				

Items	Execution			
and manage physical risks and transformation risks.			2050	■ Net zero emissions, 100% renewable energy usage
	Greenhouse	Short-term	2026~2027	■ Carbon emissions per unit of revenue will decrease by 1% annually
	gas	Medium-term	2028~2030	■ Carbon emissions per unit of revenue will decrease by 2% annually
	reduction	Long-term	2035	■ Carbon emissions reduced by 30%
	(based on		2040	■ Carbon emissions reduced by 50%
2025)	2050		■ Net zero emissions	
7. If the internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.	The Company has not yet used the internal carbon pricing system as a planning tool and will implement this in the future based on actual needs.			
8. If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning period and the progress achieved each year shall be explained. If carbon offsets or RECs are used to achieve the relevant goals, the source and volume of carbon offsets or the number of RECs shall be	The company has set phased carbon reduction targets, covering direct and indirect emission sources in both Category 1 and Category 2. The company will regularly review the achievement of these targets through the Sustainability Working Group, revise the climate targets on a rolling basis, and confirm their effectiveness and suitability year by year, thus implementing the business philosophy of sustainable development.			

Items	Execution												
explained.													
<p>9. Greenhouse gas inventory and assurance: In order to decrease greenhouse gas emissions, we need to develop goals, strategies, and a specific action plan.</p>	<p>(1.) The company conducted greenhouse gas inventory and verification operations in accordance with the "Roadmap for Sustainable Development of Listed Companies" issued by the Financial Supervisory Commission in March 2022.</p> <p>(2.) Greenhouse gas inventory results for the most recent two years: Unit: metric tons CO2e/year</p> <table border="1" data-bbox="383 392 1497 533"> <thead> <tr> <th></th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Category 1: Direct Emissions</td> <td>406.6969</td> <td>516.9388</td> </tr> <tr> <td>Category 2: Indirect Energy Emissions</td> <td>3,680.3323</td> <td>4,798.0901</td> </tr> <tr> <td>Total Emission Equivalent</td> <td>4,087.0292</td> <td>5,315.0289</td> </tr> </tbody> </table> <p>Note :</p> <ul style="list-style-type: none"> ● Scope of audit: All entities included in the consolidated financial statements. ● The above information is from an internal audit and has not been verified by a third party. ● Due to capacity expansion at the Vietnam plant, the total greenhouse gas emissions equivalent in 2025 increased compared to 2024. <p>(3.) Please refer to Table 6 for greenhouse gas reduction targets.</p> <p>(4.) Greenhouse Gas Reduction Strategies and Specific Action Plans:</p> <ul style="list-style-type: none"> ● To fulfill energy management commitments and achieve set targets, continuously improve product and process design to enhance overall energy efficiency, and actively evaluate various renewable energy solutions, including solar power and green electricity purchase programs. ● Each plant will conduct immediate root cause analysis, responsibility review, and formulate remedial and follow-up improvement plans for rework or excessive energy consumption work orders. ● Management will conduct monthly statistics and analysis of electricity and petrochemical fuel consumption in each plant area. In exceptional cases, relevant departments will be immediately convened to develop improvement plans, and follow-up improvement will be tracked both internally and through the auditing unit. ● Management and finance departments will analyze the energy intensity of each plant area quarterly and report the results to management. The General Manager will convene cross-plant/department meetings to develop improvement plans, and follow-up improvement will be tracked through the auditing unit. 		2024	2025	Category 1: Direct Emissions	406.6969	516.9388	Category 2: Indirect Energy Emissions	3,680.3323	4,798.0901	Total Emission Equivalent	4,087.0292	5,315.0289
	2024	2025											
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Note 3 :

Risk/Opportunity Aspect		Risk/Opportunity Name	Impact period	Risk/Opportunity Description	Response measures	Financial impact
Transformation risks	Market	Rising raw material/energy costs	Short term (0-3 years)	In response to climate policies in various countries and the global market trend of low-carbon products, enterprises will inevitably take effective carbon reduction actions, such as using low-carbon materials and green electricity, investing in energy-saving and recycling equipment, and choosing green logistics. All of these will increase operating and production costs. For OEM/ODM manufacturers in the midstream of consumer electronics products, the impact of rising operating costs on overall profitability is particularly significant.	<ol style="list-style-type: none"> 1. Conduct greenhouse gas inventory checks in advance and formulate practical and scientific carbon reduction goals and actions. In addition to loudspeaker design and manufacturing, provide customers with comprehensive solutions by addressing carbon reduction issues and achievements, thereby increasing the added value of products and services and enhancing corporate reputation. 2. The company continues to invest in the research and development of carbon- 	<ol style="list-style-type: none"> 1. Carbon fees/taxes, greenhouse gas inventory/verification, low-carbon materials, renewable energy, environmental protection equipment, energy-saving processes and related talent training, etc., will increase operating costs and capital expenditures in NAE in the short, medium and long term. 2. Providing speaker brand owners with integrated solutions

Risk/Opportunity Aspect		Risk/Opportunity Name	Impact period	Risk/Opportunity Description	Response measures	Financial impact
				In response to the climate policies of various countries and the global market trend of low-carbon products, NAE's product and process design must break away from the traditional cost-driven thinking. By adopting low-carbon and environmentally friendly materials, investing in energy-saving and recycling equipment, and cultivating relevant talents and technologies, the overall product cost will inevitably increase.	reducing and energy-saving products and processes, and maintains close cooperative relationships with speaker brands to achieve mutual benefit in the process of responding to climate change.	for design, manufacturing, and carbon reduction can enhance product added value and corporate reputation, cater to the market trend of low-carbon products, help develop new customers and increase the loyalty of existing customers, and increase revenue.
Entity risk	Immediate	The severity of extreme weather events such as typhoons, floods, and heavy rainfall has increased.	Short term (0-3 years)	Extreme weather events such as typhoons, floods, droughts, and heat waves can affect the supply of raw materials, transportation and the flow of people, damage equipment and product quality, and even force	1. By dispersing operations and production sites, suppliers, and logistics, the impact of sudden extreme weather events on a single region can be avoided.	1. Extreme weather can cause a sudden drop in revenue and an increase in costs and expenses due to reduced or disrupted

Risk/Opportunity Aspect		Risk/Opportunity Name	Impact period	Risk/Opportunity Description	Response measures	Financial impact
				<p>shutdowns or relocations, which can reduce production and sales efficiency and affect the normal operation of business activities.</p>	<p>2. By strengthening factory and office infrastructure, investing in energy recycling equipment, and conducting disaster drills, NAE's resilience in the face of sudden climate events is enhanced.</p>	<p>operational and production efficiency.</p> <p>2. Decentralizing operations and production sites, dispersing suppliers and logistics, strengthening factory infrastructure, investing in energy recycling equipment, and replacing key production equipment and conducting disaster drills will lead to increased operating costs and capital expenditures for businesses in the short</p>

Risk/Opportunity Aspect		Risk/Opportunity Name	Impact period	Risk/Opportunity Description	Response measures	Financial impact
						and medium term. However, these measures can effectively enhance a company's resilience in the face of extreme weather and help it secure order transfers or capitalize on business opportunities arising from climate events in the long term.
Opportunity	Resource efficiency	Highly efficient transportation, distribution, and production processes	Medium term (3-5 years)	With the increasing frequency and severity of extreme weather events, the stability of obtaining limited resources is decreasing and the relative cost is increasing. Companies can benefit from improving the	1. The company reviews and plans improvements to inefficient processes and equipment or replacement plan by conducting greenhouse gas surveys and	1. Replacing high-energy-consuming processes and equipment, adjusting processes and capacity, changing

Risk/Opportunity Aspect		Risk/Opportunity Name	Impact period	Risk/Opportunity Description	Response measures	Financial impact
				supply of raw materials, production capacity and the flexibility and efficiency of sales and distribution, as well as adopting automated and energy-saving recycling equipment.	analyzing energy usage such as water and electricity. 2. The company reviews and develops ways to improve the efficiency of energy, human resources, capital and time utilization through departmental cost, profit and performance analysis.	production and marketing processes, and investing in automated and energy-saving recycling equipment, including personnel training and production learning curves, may increase operating costs and capital expenditures in the short term due to resource investment, but in the long term, it can increase production efficiency and reduce costs, attract potential new customers and

Risk/Opportunity Aspect	Risk/Opportunity Name	Impact period	Risk/Opportunity Description	Response measures	Financial impact
					<p>increase revenue.</p> <p>2. Improved efficiency in resource utilization and operational processes helps enhance operational stability and promotes the company's sustainable operation. In particular, it can minimize the negative impact of extreme weather or unforeseen events and even turn them into new business opportunities.</p>

(VI) Performance of ethical corporate management, and the difference from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons:

Review project	Operation situation			The differences between corporate governance operations and Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons for these differences
	Yes	No	Summary description	
<p>I. The formulation of integrity management policies and programs</p> <p>(I) Has the company established an ethical corporate management policy approved by the Board of Directors, and clearly stated the ethical corporate management policy and practice in the regulations and external documents, as well as the commitment of the Board of Directors and senior management to actively implement the policy?</p> <p>(II) Has the company established an evaluation mechanism for the risk of unethical conduct, regularly analyzed and evaluated the business activities with high risk of unethical conduct within its business scope, and formulated a plan for preventing unethical conduct accordingly, which at least covers the preventive measures for the conduct under paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”?</p>	<p>✓</p> <p>✓</p>		<p>(I) The company has established a regulations of conduct for ethical business practices, which clearly states the Company's integrity management policies and practices and regulates the commitment of directors, managers, employees, assignees or those with actual control to actively implement the integrity policy.</p> <p>(II) The Company establishes the following assessment mechanisms each year to address the risk of dishonest behavior:</p> <p>(1) The company has established a "Code of Ethical Conduct" to regulate all employees of the company to prevent conflicts of interest, avoid opportunities for personal gain, confidentiality, fair trade, protect and properly use company assets, and comply with laws and regulations, etc., and have established relevant disciplinary regulations, which are continuously communicated when new</p>	No difference

<p>(III) Has the company set out unethical conduct prevention plan procedures, conduct guidelines, and disciplinary and grievance systems for violations, implemented them, and regularly reviewed and revised the plan?</p>	<p>✓</p>		<p>colleagues take office and every year.</p> <p>(2) An appeal window has been set up to encourage all stakeholders to report any illegal acts or violations of the ethical code.</p> <p>(3) Irregular internal audits are conducted to examine compliance.</p> <p>(III) The company has established an integrity management procedure and behavior guideline to specifically regulate matters that the directors, managers, employees, assignees and persons with actual control over the Company and its subsidiaries should pay attention to when performing business. The Company has also established an effective internal control system, audit system, punishment regulations and complaint mechanism to ensure the implementation of integrity management.</p>	
<p>II. The implementation of integrity management</p> <p>(I) Has the company assessed the integrity records of its trading counterparties and specified the terms of good faith conduct in its contracts with its trading counterparties?</p> <p>(II) Has the company set up a special unit under the Board of Directors to promote ethical corporate management, and regularly (at least once a year) reported to the Board of Directors its ethical corporate management policy and unethical conduct</p>	<p>✓</p> <p>✓</p>		<p>(I) The company has provisions in its business contracts for conducts of good faith to avoid conducts of dishonesty.</p> <p>(II) The company provides appropriate channels to remind directors and managers of the potential conflicts of interest between the company and the company. The directors of the company are highly self-disciplined. They can make comments and answer questions about the</p>	<p>No difference</p>

<p>prevention plan, and supervised the implementation accordingly?</p>			<p>resolutions of the board of directors that are of interest to themselves or the legal persons they represent, and do not participate in the discussion and voting. They are also avoided when discussing and voting, and they are not allowed to act on behalf of other directors to exercise their voting rights.</p>	
<p>(III) Whether the company takes measures to protect the whistleblower from improper disposal due to the whistleblowing?</p>	✓		<p>(III) The company has channels to prevent conflicts of interest in daily life and for making regular representations.</p>	
<p>(IV) Has the company established an effective accounting system and internal control system for the implementation of ethical corporate management, and has the internal audit unit drawn up the relevant audit plan according to the assessment results of the risk of unethical conduct and checked the compliance with the plan to prevent unethical conduct, or entrusted the independent auditor to carry out the audit?</p>	✓		<p>(IV) The company established effective accounting system and internal control system and review them from time to time to ensure the design and implementation of the system to be continuously effective. Internal auditors and appointed accountants regularly check the compliance with the foregoing regulations and prepare audit reports to be submitted to the board of directors.</p>	
<p>(V) Whether the company regularly conducts internal and external education and training on integrity management?</p>	✓		<p>(V) The Company has established relevant regulations such as the "Code of Integrity Management", "Procedures for Ethical Management and Guidelines for Conduct" and "Code of Ethical Conduct", and has placed them on the company website for all stakeholders to refer to. The Company arranges relevant training courses for directors every year, conducts relevant publicity at employee meetings at</p>	

			least once a year, and fully subsidizes relevant employees to participate in training.	
III. The operation of the company's whistleblowing system				
(I) Whether the company has established a specific whistleblowing and reward system, established a convenient whistleblowing channel, and assigned appropriate persons to handle the whistleblowing?	✓		The company has an website to accept reports and provide channels for the appeal and relief of those who violate integrity and morality. If the directors and managers of the company violate the regulations of ethical conduct, the board of directors shall discuss disciplinary measures. Where an employee violates the regulations of ethical conduct, the chairman of the board shall decide on disciplinary measures. Those involved in moral violations may state their reasons at the board meeting, and the violators shall be recused when the board makes resolutions. The special unit is strictly confidential about the identity of the whistleblower and the content of the report, and let the staff know that the company will do its utmost to protect the safety of the whistleblower, and does not allow retaliation against the whistleblower in good faith.	No difference
(II) Whether the company established the investigation standard operating procedures, follow up measures to be taken after the investigation is completed and related confidentiality mechanisms for the matter to be reported?	✓			
(III) Whether the company takes measures to protect the whistleblower from improper disposal due to the whistleblowing?	✓			
IV. Strengthen information disclosure Whether the company has disclosed the contents of its regulations of ethics and the effectiveness of its promotion through its website and open information observatory?	✓		The company will disclose information related to business integrity on its website, in accordance with relevant laws and regulations, in the open information observatory and the annual report of the board of shareholders.	No difference
V. If the company has its own regulations of conduct in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please describe the difference between its operation and the regulations: No difference.				
VI. Other important information that helps to understand the company's integrity operation:				
(I) According to the Company's Rules and Procedures of Board Meetings, if a director or a juristic person that the director represents is an interested party in relation to an agenda item, the director shall state the important aspects of the interested party relationship at the meeting. When the relationship is likely to prejudice the interest of the Company, the director				

concerned shall not participate in discussion or voting and may not exercise voting rights as a proxy for another director. The director concerned should also recuse himself or herself from the discuss and the voting.

(II) The Company has formulated the Operating Procedures for Handling Material Inside Information and Preventing Insider Trading. Its directors, managers, employees and consultants should exercise due care of a good manager and fiduciary duties, act with honesty and integrity and sign confidentiality agreements. The directors, managers, employees and consultant who have learned about the Company's internal and material information may not divulge such information to others before the Company's spokesperson system speaks openly and formally to external parties.

(III) All the staff have signed the "regulations of ethics for employee business conduct".

(VII) Other important information sufficient to enhance the understanding of the operation of corporate governance may be disclosed together:

The company has formulated and implemented relevant standards such as the "Code of Corporate Governance Practice", "Code of Integrity Management", "Rules on the Scope of Responsibilities of Independent Directors" and "Code of Ethical Conduct", which can be inquired in the company's website (<http://www.naeaudio.com>).

(VIII) The implementation status of the internal control system shall disclose the following:

1. Internal control statement: It has been disclosed on the website of the Market Observation Post System. (<https://mops.twse.com.tw/mops/#/web/t06sg20>).
2. Those who entrust accountants to review the internal control system shall disclose the audit report of accountants: Not applicable.

(IX) Important decisions of the shareholders' meeting and the board of directors in the most recent year and up to the date of publication of the annual report:

1. Important resolutions of the general shareholders' meeting of 2025.

Date	Important resolutions	Execution
June 25, 2025	Adoption of the 2024 Business Report and Financial Statements	Approved
	Adoption of the 2024 Surplus Earnings Distribution Proposal	Approved
	Amendment of the Company's Articles of Incorporation	Approved

2. Important resolutions of the board of directors

Date	Important resolutions	Section 14-3 of the securities and exchange act	Opinions of independent directors and handling of opinions of the company	Resolution of the board of directors
March 13, 2025	1. Appointment of certified accountants.	V	None	All present directors agree
	2. The company's remuneration distribution plan for directors and employee of 2024.	V	None	All present directors agree
	3. The company's 2024 business report and financial statements.	V	None	All present directors agree
	4. Distribution of capital surplus.	V	None	All present directors agree
	5. 2024 surplus earnings distribution proposal.	V	None	All present directors agree
	6. The company's 2024 annual internal control system statement.	V	None	All present directors agree

Date	Important resolutions	Section 14-3 of the securities and exchange act	Opinions of independent directors and handling of opinions of the company	Resolution of the board of directors
	7. The company's fund loan to New Advanced Electronics Technologies (Vietnam).	V	None	All present directors agree
	8. Amendment to the Company's Articles of Incorporation	V	None	All present directors agree
	9. Amendment to the Company's "Standard Operating Procedures for Handling Directors' Requests."	V	None	All present directors agree
	10. Matters related to the 2025 annual general meeting of shareholders of the company.	V	None	All present directors agree
May 2, 2025	1. Reporting on the Company's consolidated financial report for the first quarter of 2025.	V	None	All present directors agree
	2. Proposal of earnings distribution for the first quarter of 2025.	V	None	All present directors agree
	3. Application for credit quota with CTBC Bank.	V	None	All present directors agree
	4. Application for credit quota with Shin Kong Commercial Bank.	V	None	All present directors agree
	5. Application for credit quota with E. Sun Bank.	V	None	All present directors agree
	6. Formulate the company's " Sustainable Development Committee Charter" and establishment of Sustainable Development Committee.	V	None	All present directors agree
	7. Formulate the company's " Sustainability report preparation and verification procedures."	V	None	All present directors agree
	8. The company cancels endorsement guarantee for New Advanced Electronics Technologies (Hong Kong).	V	None	All present directors agree
August 12, 2025	1. Reporting on the company's consolidated financial report for the second quarter of 2025.	V	None	All present directors agree
	2. Proposal of earnings distribution for the second quarter of 2025.	V	None	All present directors agree
	3. Amendment to the Company's Sustainability Development Committee Organization Regulations.	V	None	All present directors agree
	4. The Company's 2024 Sustainability Report.	V	None	All present directors agree
	5. The company's endorsement guarantee for OXTOP (DONGGUAN) Electronics Co., Ltd.	V	None	All present directors agree
	6. The company's fund loan to OXTOP (DONGGUAN) Electronics Co., Ltd.	V	None	All present directors agree
	7. Application for credit quota with Mega International Commercial Bank.	V	None	All present directors agree
November 11, 2025	1. Reporting on the Company's consolidated financial report for the third quarter of 2025.	V	None	All present directors agree
	2. Proposal of earnings distribution for the third quarter of 2025.	V	None	All present directors agree

Date	Important resolutions	Section 14-3 of the securities and exchange act	Opinions of independent directors and handling of opinions of the company	Resolution of the board of directors
	3. The company has added an endorsement guarantee for New Advanced Electronics Technologies (Vietnam).	V	None	All present directors agree
	4. The company has added fund loan to New Advanced Electronics Technologies (Vietnam).	V	None	All present directors agree
	5. Application for credit quota with CTBC Bank.	V	None	All present directors agree
	6. Renting of 8F-4, Asia Business Centre in Kaohsiung.	V	None	All present directors agree
	7. Define the scope of the company's entry-level employees.	V	None	All present directors agree
	8. Amendment of the Company's Payroll Cycle.	V	None	All present directors agree
	9. Amendment of the Company's Organizational Regulations of the Compensation Committee.	V	None	All present directors agree
	10. The Company's "Compensation Committee" to be renamed "Compensation and Nomination Committee".	V	None	All present directors agree
	11. Formulate the Company's "Corporate Value Enhancement Plan".	V	None	All present directors agree
December 18, 2025	1. The Company's 2026 Business Plan.	V	None	All present directors agree
	2. The Company's 2026 Internal Audit Plan.	V	None	All present directors agree
	3. The Company cancels endorsement guarantee for New Advanced Electronics Technologies (Vietnam).	V	None	All present directors agree
	4. Amendment of the Company's Procedures for Handling Material Inside Information.	V	None	All present directors agree
	5. Review the company's 2026 salary and remuneration projects.	V	None	All present directors agree
	6. The company's 2025 manager year-end bonus case	V	None	All present directors agree
	7. The special allowance case of the chairman of the company.	V	None	All present directors agree
March 3, 2026	1. Appointment of certified accountants.	V	None	All present directors agree
	2. The company's remuneration distribution plan for directors and employee of 2025.	V	None	All present directors agree
	3. The company's 2025 business report and financial statements.	V	None	All present directors agree
	4. 2025 surplus earnings distribution proposal.	V	None	All present directors agree
	5. The company's 2025 annual internal control system statement.	V	None	All present directors agree
	6. The company's fund loan to New Advanced Electronics Technologies (Vietnam).	V	None	All present directors agree

Date	Important resolutions	Section 14-3 of the securities and exchange act	Opinions of independent directors and handling of opinions of the company	Resolution of the board of directors
	7. The company's cash capital increase in New Advanced Electronics Technologies (Vietnam).	V	None	All present directors agree
	8. The Board of Directors of the Company authorizes directors to sign the audit report.	V	None	All present directors agree
	9. Proposal for adjustments to the salary of certain managers of the Company.	V	None	All present directors agree
	10. Matters related to the 2026 annual general meeting of shareholders of the company.	V	None	All present directors agree
May 5, 2026	1. Reporting on the Company's consolidated financial report for the first quarter of 2026.	V	None	All present directors agree
	2. Proposal of earnings distribution for the first quarter of 2026.	V	None	All present directors agree
	3. The company has added an endorsement guarantee for New Advanced Electronics Technologies (Vietnam).	V	None	All present directors agree
	4. Evaluation of the benefit of the subsidiary of the company, New Advanced Electronics Technologies (Vietnam).	V	None	All present directors agree
	5. Proposal for a cash capital increase through the issuance of common shares in 2026.	V	None	All present directors agree
	6. The company's 2026 cash capital increase employee stock subscription method.	V	None	All present directors agree
	7. Application for credit quota with CTBC Bank.	V	None	All present directors agree
	8. Application for credit quota with Shin Kong Commercial Bank.	V	None	All present directors agree
	9. Application for credit quota with E. Sun Bank.	V	None	All present directors agree
	10. Amendment to the Company's " Rules of Procedure for Shareholders Meetings."	V	None	All present directors agree

(X) In the most recent year and up to the date of the publication of the annual report, the directors or supervisors have different opinions on the important resolutions adopted by the board of directors and have recorded or made written statements, the main contents of which are: None.

IV. Information on CPA professional fees:

(I) Information on public accounting fees

Unit: NT \$1,000

Accounting firm name	Accountant name	Audit period	Audit fee	Non-audit fee	Total	Note
PWC Taiwan	Liao, A-Shen	Year 2025	2,320	810	3,130	Non-audit fee includes tax compliance auditing, transfer pricing reports and greenhouse gas inventory, etc.
	Wang, Chun-Kai					

(II) If the accounting firm is changed and the audit fee paid in the year of change is less than the audit fee paid in the year before the change: None.

(III) Audit fees reduced by more than 10% compared with the previous year: None.

V. **Information of the change of accountant**

(I) Regarding the Former CPA

Replacement Date	March 13,2025		
Replacement reasons and explanations	Due to internal restructuring at PwC firm,the CPAs of the company were changed starting January 1,2025.		
Describe whether the Company terminated or the CPA did not accept the appointment	Parties situation	CPA	Consignor
	Appointment terminated automatically	Not applicable	Not applicable
	Appointment rejected (discontinued)	Not applicable	Not applicable
Other issues(except for unqualified issues)in the audit reports within the last two years	None		
Is there any disagreement in opinion with the issuer	Yes		Accounting principles or practices
			Disclosure of financial statements
			Scope or procedure of auditing
			other
	None	V	
	Explanation		
Other disclosures(Matters that should be disclosed in accordance with Item 1-4 to 1-7,Subparagraph 6,Article 10 of the Regulations)	None		

(II)Regarding the Successor CPA

CPA firm	PwC Taiwan
Name of CPAs	CPA Liao, A-Shen and CPA Wang, Chun-Kai
Date of Appointment	March 13,2025
Prior to the Formal Engagement, Any Inquiry or Consultation on the Accounting Treatment or Accounting Principles for Specific Transactions, and the Type of Audit Opinion that Might be Rendered on the Financial Report	None

Written opinions from the successor CPAs that are different from those of the former CPAs	None
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(III)The reply of former CPAs on article 10.6.1 and article 10.6.2.3 of the standards : Not applicable.

- VI. **The company's chairperson, general manager, or any managerial officer in charge of finance or accounting matters who has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm:** None.

VII. During the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, any transfer of equity interests and/or pledge of or change in equity interests by a director, supervisor, managerial officer, or shareholder with a stake of more than 10%:

(I) Details of share changes:

Unit: Shares

Job title	Name	The year in 2025		As of April 30, 2026	
		The increase (decrease) in the number of shares held	The increase (decrease) in the number of pledged shares	The increase (decrease) in the number of shares held	The increase (decrease) in the number of pledged shares
Chairman , Director, Major shareholder	Tai Hong Asset Management Co., Ltd.	—	—	—	—
The general manager	Representative: Hsing, Chia-Chen	—	—	—	—
Deputy general manager	Representative: Huang, Tse-Lin	—	—	—	—
Corporate governance officer	Representative: Huang, Chen-Ting	—	—	—	—
Director, Major shareholder	New Advanced Asset Management Co., Ltd.	—	—	—	—
—	Representative: Wang, Cong-Zhi(Note)	—	—	N/A	N/A
—	Representative: Wang, Chen-Wen	—	—	—	—
Independent director	Zhang, Zhong-Yuan	—	—	—	—
Independent director	Wu, Gang-Kui	—	—	—	—
Independent director	Fang, Chih-Min	—	—	—	—
Independent director	Chen, Nai-Rong	—	—	—	—
Chief Financial Officer (Finance and Accounting Supervisor)	Li, Jih-Sian	—	—	—	—

Note : Passed away on January 4, 2026.

(II) The relative person of the equity transfer is a related person:None.

(III)The counterparty in any such transfer or pledge of equity interests is a related party: None.

VIII. Relationship information, if among the company's 10 largest shareholders any one is a related party, a spouse or a relative within the second degree of kinship of another:

April 13, 2026

Name	Shareholding		Spouse & minor current shareholding		Current shareholding by nominee arrangement		Name and relationship of the top 10 largest shareholders with parties, spouses, or relatives within the second degree of kinship		Note
	Shares held	Holding ratio	Shares held	Holding ratio	Shares held	Holding ratio	Name	Relationship	
Tai Hong Asset Management Co., Ltd. Representative: Hsing, Chia-Chen	6,317,000	17.88	—	—	—	—	None	None	—
	1,463,925	4.14	—	—	—	—	Huang, Chen-Ting / Huang, Tse-Lin	Daughter/ Son	—
New Advanced Asset Management Co., Ltd Representative: Hsing, Chia-Chen	6,114,000	17.30	—	—	—	—	None	None	—
	1,463,925	4.14	—	—	—	—	Huang, Chen-Ting / Huang, Tse-Lin	Daughter/ Son	—
Hongzhen Asset Management Co., Ltd. Representative: Hsing, Chia-Chen	3,033,000	8.58	—	—	—	—	None	None	—
	1,463,925	4.14	—	—	—	—	Huang, Chen-Ting / Huang, Tse-Lin	Daughter/ Son	—
Nae Technologies, Inc. Representative: Hsing, Chia-Chen	2,388,000	6.75	—	—	—	—	None	None	—
	1,463,925	4.14	—	—	—	—	Huang, Chen-Ting / Huang, Tse-Lin	Daughter/ Son	—
Capital Securities CORP. trusted custody of Lukfook securities investment account	1,558,509	4.41	—	—	—	—	None	None	—
Hsing, Chia-Chen	1,463,925	4.14	—	—	—	—	Huang, Chen-Ting / Huang, Tse-Lin	Daughter/ Son	—
Huang, Chen-Ting	850,000	2.40	—	—	—	—	Hsing, Chia-Chen / Huang, Tse-Lin	Mother/ Brother	—
Huang, Tse-Lin	850,000	2.40	—	—	—	—	Hsing, Chia-Chen / Huang, Chen-Ting	Mother/ Sister	—
Xu, Hong-Zhao	581,000	1.64	—	—	—	—	None	None	—
Shih,Shu-Zhen	489,000	1.38	—	—	—	—	None	None	—

IX. The total number of shares and total equity stake held in any single enterprise by the company, its directors and supervisors, managers, and any companies controlled either directly or indirectly by the company:

May 22, 2026

The name of the enterprise (Note1)	Investment by the company		Enterprise of directors, supervisors, managers and directly or indirectly controlled company		Comprehensive investment	
	Shares held	Holding ratio %	Shares held	Holding ratio %	Shares held	Holding ratio %
New Advanced Electronics Technologies (Hong Kong)	—	100%	—	—	—	100%
New Advanced Electronics Technologies (Vietnam)	—	100%	—	—	—	100%
Jensen Electronics (Dongguan) Co., Ltd.	—	100%	—	—	—	100%
Advanced Sound Technologes, Inc. (Note2)	—	80%	—	20%	—	100%

Note 1: The Company invests via equity method.

Note 2: Holds 100% of the capital contribution of OXTOP (DONGGUAN) Electronics Co., Ltd.

Three: Information on Capital Raising Activities

I. Capital and shares:

(I) Source of capital stock:

1. Formation process of capital stock:

May 22, 2026

Year / Month	Issue price	Authorized capital stock		Paid-up capital stock		Note		
		Shares held (1,000 shares)	Amount (NT \$1,000)	Shares held (1,000 shares)	Amount (NT \$1,000)	Source of capital stock	Using property other than cash as the capital stock	Other
1993.4	10	500	5,000	500	5,000	Incorporation by stock floatation	None	-
1999.12	10	800	8,000	800	8,000	Surplus to increase capital	None	-
2000.12	10	2,000	20,000	2,000	20,000	Surplus transferred capital increase: NT \$9,338,000 Cash transferred capital increase: NT \$2,662,000	None	Note 1
2001.12	10	3,000	30,000	3,000	30,000	Surplus transferred capital increase: NT \$8,691,000 Cash transferred capital increase NT \$1,309,000	None	Note 2
2002.11	10	4,187	41,870	4,187	41,870	Surplus and employee bonus transferred capital increase	None	Note 3
2003.11	10	5,000	50,000	5,000	50,000	Surplus to increase capital	None	Note 4
2004.8	10	8,000	80,000	8,000	80,000	Surplus and employee bonus transferred capital increase: NT \$ 11,050,000 Cash transferred capital increase NT \$18,950,000	None	Note 5
2005.8	10	35,000	350,000	14,790	147,900	Surplus and employee bonus transferred capital increase: NT \$18,000,000 Cash transferred capital increase NT \$49,900,000	None	Note 6
2006.10	10	35,000	350,000	17,700	177,000	Surplus and employee bonus transferred capital NT \$19,508,000 Capital reserve transferred capital increase NT \$ 9,592,000	None	Note 7
2008.2	16	35,000	350,000	20,060	200,600	Cash transferred capital increase	None	Note 8
2008.10	10	35,000	350,000	21,418	214,183	Surplus to increase capital	None	Note 9
2009.9	6.77	35,000	350,000	28,803	288,038	Corporate bond conversion	None	Note 10
2011.4	10	35,000	350,000	28,409	284,098	Capital reduction in Treasury stocks	None	Note 11
2014.5	9.02	35,000	350,000	28,631	286,312	Corporate bond conversion	None	Note 12
2014.10	9.02	35,000	350,000	28,964	289,641	Corporate bond conversion	None	Note 13
2015.1	10	35,000	350,000	17,333	173,326	Capital reduction	None	Note 14
2015.5	8	35,000	350,000	24,333	243,326	Private equity	None	Note 15
2015.9	13.86	35,000	350,000	26,321	263,207	Corporate bond conversion	None	Note 16

Year / Month	Issue price	Authorized capital stock		Paid-up capital stock		Note		
		Shares held (1,000 shares)	Amount (NT \$1,000)	Shares held (1,000 shares)	Amount (NT \$1,000)	Source of capital stock	Using property other than cash as the capital stock	Other
2016.10	10	35,000	350,000	13,160	131,603	Capital reduction	None	Note 17
2018.6	10.4	35,000	350,000	17,160	171,603	Private equity	None	Note 18
2018.12	10.5	35,000	350,000	21,160	211,603	Private equity	None	Note 19
2020.4	25.17	35,000	350,000	28,160	281,603	Private equity	None	Note 20
2020.4	25.02	35,000	350,000	32,160	321,603	Private equity	None	Note 20
2020.6	10	60,000	600,000	32,160	321,603	Increase of authorized capital	None	Note 21
2023.3	227.1	60,000	600,000	32,330	323,298	Corporate bond conversion	None	Note 22
2023.8	74.5	60,000	600,000	35,330	353,298	Cash capital increase	None	Note 23

Note 1: (90) No.09031644180

Note 3: Authorized no. 09132672500

Note 5: Authorized no. 09332620820

Note 7: Authorized no. 09533017970

Note 9: Authorized no. 09733285820

Note 11: Authorized no. 10031893420

Note 13: Authorized no. 10333755870

Note 15: Authorized no. 10433376210

Note 17: Gov authorized no. 10590831390

Note 19: Gov Industry Business no. 10757691410

Note 2: Authorized no. 09131531740

Note 4: Authorized no. 09233129020

Note 6: Authorized no. 09432680270

Note 8: Authorized no. 09731756520

Note 10: Authorized no. 09833040690

Note 12: Authorized no. 10333366870

Note 14: Authorized no. 10433024190

Note 16: Authorized no. 10433715680

Note 18: Gov authorized no. 10790932340

Note 20: Gov Industry Business no. 10948085910

Note 21: Kaohsiung City Government's Official Letter Economy-Business No. 10952135920

Note 22: Kaohsiung City Government's Official Letter Economy-Business No. 11150887810

Note 23: Kaohsiung City Government's Official Letter Economy-Business No. 11253033700

2. Type of stock:

April 13, 2026 / Unit: Shares

Type of stock	Authorized capital stock;			Note
	Circulating stock	Unissued stock	Total	
Common stock	35,329,862	24,670,138	60,000,000	Stock of OTC listed companies

3. General information of the declaration system: Not applicable.

(II) Major shareholders :

Name, number and ratio of shareholding held by a shareholder with a shareholding ratio of more than 5% or a shareholder with a shareholding ratio in the top ten:

April 13, 2026

Name of major shareholder	Shares held(Shares)	Percentage of shareholdings (%)
Tai Hong Asset Management Co., Ltd.	6,317,000	17.88
New Advanced Asset Management Co., Ltd	6,114,000	17.30
Hongzhen Asset Management Co., Ltd.	3,033,000	8.58
Nae Technologies, Inc.	2,388,000	6.75
Capital Securities CORP. trusted custody of Lukfook securities investment account	1,558,509	4.41
Hsing, Chia-Chen	1,463,925	4.14

Name of major shareholder	Shares held(Shares)	Percentage of shareholdings (%)
Huang, Chen-Ting	850,000	2.40
Huang, Tse-Lin	850,000	2.40
Xu, Hong-Zhao	581,000	1.64
Shih, Shu-Zhen	489,000	1.38

(III) Company dividend policy and implementation status:

1. Corporate dividend policy:

According to Article 20-1 of the Company's Articles of Incorporation, earnings shall be distributed and accumulated losses shall be offset at the end of each quarter. Where the Company records a profit in its quarterly accounts, it shall first pay all taxes and dues, offset its prior losses (including adjustment of undistributed earnings), estimate remunerations to employees and directors, and then set aside ten percent of earnings as a legal reserve. However, when the legal reserve amount is equal to the authorized capital, this shall not apply. If required by laws, a special reserve may be recognized or reversed. In case of remaining earnings, the Company may distribute the earnings along with cumulative undistributed earnings at the beginning of the period. The board shall propose earnings distributions. If earnings are to be distributed with the issuance of new shares, resolution from the shareholders' meeting is required.

To take into consideration of the Company's business environment and growth stage and to fund future capital requirements and long-term financial planning, the distribution of earnings should be conducted in the following manners: In consideration of the Company's business environment and growth stage and with a view to future capital requirements and long-term financial planning, the total of stock and cash dividends to shareholders shall not fall below 10% of the cumulative distributable earnings. This includes cash dividends no less than 10% of the total dividends.

According to the Company's board meeting attended by over two thirds of directors and the resolution by more than half of the attending directors, the dividends from earnings, capital reserve or legal reserve should be, in part or in all, distributed in cash, and reported to the shareholders' meeting. The requirement for resolution by the shareholders' meeting specified by the first paragraph of Article 20-1 of the Company's Articles of Incorporation shall not apply.

2. The proposed dividend distribution for the year 2025:

Unit: NT dollars

Quarter	Approval Date	Release Date	Cash Dividend Per Share (NT)	Total Cash Dividends (NT)
Quarter 1	2025/05/02	-	-	-
Quarter 2	2025/08/12	-	-	-
Quarter 3	2025/11/11	-	-	-
Quarter 4	2026/03/03	-	-	-
Total			-	-

(IV) The effect of the proposed free share placement at the shareholders' meeting on the company's operating performance and earnings per share: Not applicable.

(V) Remuneration of staff and directors:

1. The percentage or scope of remuneration for employees and directors prescribed in the Articles of Incorporation:

According to Article 20 of the Company's Articles of Incorporation, the Company shall allocate no less than 1% of its annual profit to employee compensation, with no less than half of that allocated to grass-roots employees, and no more than 5% to directors' compensation. However, when the company still has accumulated losses, it should reserve the amount in advance.

2. The basis for estimating the remuneration of employees and directors in the current period, the basis for calculating the remuneration of employees distributed in shares and the accounting treatment if there is any difference between the actual amount and the estimated amount: The employee remuneration and director remuneration for the current period are estimated based on the profit of the current year and in accordance with the percentage range stipulated in the Articles of the company. If the actual amount distributed is different from the estimated amount according to the resolution of the Board of Directors, it will be handled as a change in accounting estimate.

3. The distribution of compensation passed by the board of directors:

(1) Distribution of cash or stocks as remunerations to employees and directors. In event of discrepancy with the recognized annual expenses, it is necessary to disclose the difference in amount, reasons and accounting treatments:

The employee compensation and Director remuneration for 2025 were estimated based on a certain percentage of the profit for the year. The Board of Directors approved by resolution NT\$200 thousand and NT\$100 thousand for disbursements respectively, both of which, were made in cash, All employee compensation is paid to the company's grass-roots employees. The amount of remuneration to be distributed to employees and directors as resolved by the

board of directors is consistent with the amount recognized in the 2025 financial report.

(2) Value of employees' remunerations in stocks as a percentage of net incomes and as a percentage of total employees' remunerations during the period: Not applicable.

4. The actual distribution of the remuneration of employees and directors in the previous year (including the number, the amount and the share price of shares distributed), difference between which and the actual distribution of the remuneration of recognized employees and directors shall be specified of the number, the causes and the handling situation:

The actual distribution amount of employee and director remuneration for 2024 approved by the board of directors is consistent with the amount recognized in the 2024 financial report.

(VI) Situation of the company purchasing back the shares of the company:

None.

II. The company's issuance of corporate bonds:

(I) Corporate bonds: None.

(II) Convertible bonds: None.

(III) Exchangeable bonds: None.

(IV) Corporate bonds issued with shelf registration: None.

(V) Corporate bonds with attached warrants: None.

III. Preferred shares: None.

IV. Global depository receipts: None.

V. Employee share subscription warrants: None.

VI. New restricted employee shares: None.

VII. New shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: None.

VIII. Implementation of the company's capital allocation plans: None.

Four. Overview of Business Operation

I. Business content

(I) Business scope

1. The company is mainly engaged in:

- (1) Manufacturing of electrical appliances and A/V electronics.
- (2) Manufacturing of computer and its peripherals.
- (3) Manufacturing of electronic parts and components.
- (4) Wholesale of electrical appliances.
- (5) Wholesale of computer and transactional machinery and device.
- (6) Wholesale of electronic materials.
- (7) Mold manufacturing.
- (8) Wholesale of mold.
- (9) Retailing of mold.
- (10) Manufacturing of industrial plastic products.
- (11) Import of RF devices telecommunication control
- (12) In addition to the licensed ones, businesses not prohibited or restricted by business regulations may be operated.

2. The proportion of the main products:

Unit: NT\$1,000 ; %

Products	Operating sales in 2024	Proportion	Operating sales in 2025	Proportion
Speaker systems	1,502,909	94.77	1,596,940	95.29
Wall-mounted speakers	46,810	2.95	36,234	2.16
Others	36,119	2.28	42,775	2.55
Total	1,585,838	100.00	1,675,949	100.00

3. Current products or services of the Company:

Subwoofer, standing speakers, shelf speakers, outdoor speakers;, center-channel speakers, home theater systems, wall-mounted speakers and related parts and accessories.

4. New products to be developed:

- (1) Audio-visual amplifier(Audio/Video Receiver).
- (2) Design and planning of HDMI 2.1 eARC and receiver function on the Tx port.
- (3) Planning for microphone voice processing in smart speakers.
- (4) Design of a new series of high-power, sealed subwoofer speakers.
- (5) Integration of Wi-Fi modules with AirPlay 2, Spotify, and Chromecast.

(II) Industrial overview

1. Industrial status quo and development

Demand side

With technological advancements, increased disposable income due to economic growth, and the post-pandemic era driving the development of the stay-at-home economy, the rising demand for immersive home entertainment is the main driver of the home theater market's growth. Consumers are increasingly valuing the sound and visual effects of

movies in their living spaces. Furthermore, the growth of streaming platforms, games, and live sporting events has also strengthened the demand for high-performance home theater systems. Therefore, changes in lifestyle, including remote work and home leisure, have accelerated investment in home entertainment infrastructure. Coupled with advancements in audio and video technology, more and more people are pursuing immersive entertainment experiences, making home theater systems an important choice for consumers to enjoy high-quality, immersive movie-watching experiences at home. At the same time, consumers are more inclined to create holistic home entertainment solutions that meet their individual needs and lifestyles, prompting products to develop towards customized functions and modern aesthetic designs, driving the continued growth in demand for advanced home theater systems. According to a research report on the audio and visual electronics market issued by HTF Market Intelligence in January 2026, the global audio and visual electronics market will grow at a CAGR of 18.70% from 2025 to 2033, and the market size is expected to exceed US\$85.2 billion by 2033. As consumers increasingly value personalized and high-quality home entertainment experiences, the industry shows that it has the potential for continued expansion.

Supply side

In response to the impact of the US-China trade war and geopolitical tensions, and to meet the strategic needs of customers promoting "China+1", consumer electronics manufacturers have set up production bases in Southeast Asia. Among them, professional audio manufacturers mainly set up production bases in Vietnam and Indonesia. Faced with the uncertainty brought about by tariffs, the supply chain is on high alert, responding by increasing product added value, expanding new products and non-US markets, and adjusting global production capacity flexibly and elastically.

2. The correlation between upstream, midstream and downstream industries

As far as the supply chain for speakers and stereo components is concerned, the upstream consists of electronic parts manufacturing, metal processing, and wood product processing. These components are further processed by mechanical, electric engineering, acoustic and woodwork facilities for cabling, assembly and testing. Completed products are sold via internal or external channels to brands in the downstream.

Upstream(raw materials)	Midstream(where the Company operates)	Downstream(applications)
Electromagnets, wire loops and a variety of electronic components Connectors/wires manufacturing Metal stamping and electroplating Wood products processing Plastic products processing Synthetic plastics and resins	Speaker design, manufacturing and distribution	Audio/video entertainment Home appliances Automobiles other

3. Product development trend

(1) Technological integration with the electronics and digital systems

In the past, the development of the industry relied on breakthroughs in materials and forming technologies. The pace of changes was relatively slow. The evolution of technology and Internet, the popularity of smart, portable and wearable consumer electronic products, and the emergence of content streaming platforms over recent years have contributed to the significant change in consumers' demand for audio/video entertainment. To cater to consumers' demand for the sensory experience with audio/video entertainment, the speaker industry has changed, by offering different speaker systems to meet with the trend in the consumer electronics market. Hence,

the technological integration of stereo products and electronics/digital systems pursues multi-functionality, wireless, compactness, lightweight, and innovative designs.

(2) Products are increasingly digitalized, multi-functional, Internetized, smart, and Miniaturization.

Due to changing requirements from consumers, evolution of electronics products, and advancement of wireless transmission technology, HTiB (Home Theater in a Box) equipped with wireless functions has become the mainstream product in the marketplace. The wireless transmission feature opens up and integrates the home theater system to other mobile devices. Users may use the remote control function on the smartphone for the home theater system and access multimedia contents streamed via wireless transmission. Digitalization and Internetization have lowered the cost and made it a lot easier for consumers to access entertainment. This is a driver for higher sales of digital and consumer electronics products. As the supply chain of the smart home industry gradually matures and the voice interaction technology rapidly develops, speakers are becoming smarter and smaller.

As technology progresses, the innovation of consumer electronics continues. Lifestyle and entertainment are becoming smarter, increasingly multi-functional and convenient. Acoustic entertainment products are moving towards Internet-of-Things (IoT), smart voice assistance, multi-functionality and material design. To meet with the mega trend, most of the traditional acoustic component manufacturers have jumped on the bandwagon of electro-acoustic products. Branding is important in the consumer electronics market and consumers care about price-performance ratio. As a result, pricing power sits with brands. Meanwhile, large electronics contract manufacturers have entered the game. The cost-oriented strategy of the OEM business model means constant reduction of gross margin for manufacturers. In view of this, the Group has chosen to use its expertise in professional audio and related components as a foundation to actively expand into other professional audio product fields, such as audio-visual amplifiers (AVRs). Through product and technology development, technical cooperation with internationally renowned audio brands, and other means, the Group continues to improve product quality and integrate more technological functions into its products to enhance their added value..

4. Product competition

The speaker industry is labor-intensive and capital-intensive. It has a long history and has entered the maturity stage. Cluster effects are obvious, and manufacturers produce mainly on OEM/ODM orders. Price competition is fierce. Manufacturers achieve economies of scale with cheap labor, equipment expansion and technical standardizations and create profits via cost control or product differentiation.

The Group has been in the professional speakers field for more than 30 years. Through cooperation with internationally renowned speaker brands, the group seeks to boost competitiveness via optimization of personnel and manufacturing processes, full integration and production with scale. Effective reductions of production costs. Furthermore, by expanding into the production, sales, and development of audio-visual equipment, we provide customers with more professional audio products and services, thus establishing our position as a long-term supplier to brand owners and a leader in the industry.

(III) Technology and R&D overview

1. Research and development expenses invested in the recent years and on the published date of the annual report:

Unit: NT\$1,000 ; %

Items	Year	2025	2026
			First quarter
R&D expenses		48,289	13,495
Operation revenue		1,675,949	337,099
Percentage of R&D expenses in operation revenue(%)		2.88	4.00

2. Technologies or products successfully developed in the last five years:

Year	Items
2021	Subwoofer (Power 500W & 800W), high-end home theaters and smart audio products with DSP and support for HDMI, 5.1 Satellite Speaker Set
2022	Four-inch wireless active speaker system, Four new series of subwoofer speakers with power of 300W/400W/500W/800W, High-end home theater and smart audio products with DSP and support for HDMI and others, Satellite Speaker Set
2023	High-end active floor-standing subwoofer speakers (with narrow-profile enclosure containing DSP subwoofer, AMT aluminum ribbon tweeter, planar radiator, and long-throw subwoofer unit), New series of subwoofers (power upgraded to 1000W), 60W/65W/100W/150W high-end home speakers, 4-inch speakers (integrating HDMI ARC, BT5.3, USB Audio in active bookshelf design, 80W, wireless 2.4G subwoofer).
2024	High-performance reflex subwoofer speaker (10-inch 500W/ 12-inch 800W), High-performance sealed subwoofer speaker (10-inch 500W/ 12-inch 800W), All in one 4-inch bookshelf speaker, 12-inch long-throw woofer with PP diaphragm, 8-inch woofer with diaphragm, 2.4G TXRX wireless input kit.
2025	Integration and development design for Hi-Res Music Streamer, combining multi-room synchronized super control with 360-degree, no-dead-angle playback design. High-end mini bookshelf speakers support Auracast. High-end subwoofer (with 1000W ultra-high power, equipped with DSP digital signal processor and integrated app control functionality.) High-end home theater and smart audio. Built-in WISA wireless transmission technology series speakers.

(IV) Long- term and short-term business development plans

1. Short-term development plan

(1) Marketing

- A. Seeking technology cooperation with famous brands and professional suppliers in Europe, the U.S. and Japan and providing customized and fully integrated services in order to establish long-term relationships as a supplier.
- B. Offering of other professional audio product solutions and comprehensive sales services including product development, professional and technical consultation, real-time delivery and after-sales service, to enhance customers' satisfaction and stickiness.

- C. Establishment of overseas sales units, collaborating with customers for their procurement model, offering of real-time services in the proximity in order to boost market shares.

(2) Production

- A. Through global capacity allocation, flexibly adjust production methods and locations to meet customer demands.
- B. Increase capacity for key and niche processes, such as SMT and Painting lines.
- C. Deepen the cooperative relationship with key component suppliers, increase the proportion of on-site procurement of raw materials, and stabilize the supply and quality of raw materials.
- D. Continuously optimizing product structure and production processes, enhancing production technology capabilities and automation levels, establishing product material consumption and labor standards, and reducing unnecessary waste.

(3) Operations and financials

- A. Development of a comprehensive HR system to recruit talents in R&D, production, quality control and management.
- B. Proactive business development, close cooperation with suppliers, working with shareholders and financial institutions based on mutual trust and mutual benefit, in order to continue the improvement of financial metrics in liquidity and profitability.

(4) R&D

- A. Adherence with product planning and requirements from customers, in order to develop products and deploy manufacturing processes.
- B. Continuously developing new products and improving the performance of existing products, such as adding multifunctionality, incorporating advanced technology, and increasing power output, and proactively proposing new product development product upgrade plans to cooperative clients.

2. Long-term development plan

(1) Marketing

- A. Establishment of long-term, stable, and close-knit relations and collaboration in technology, supply, and marketing with internationally renowned brands. Smart systems such as demand analysis, sales data, real-time inventory, and transportation scheduling to accurately forecast customers' demand and prepare in advance, in order to shorten delivery lead-times and help customers to gain market shares.
- B. Deployment of comprehensive databases for the industry and products, offering of real-time and complete advice in product development and after-sales service to customers.
- C. By leveraging the advantages of existing speaker products, combining new audio-visual amplifier products, and upstream and downstream partnerships, we can deepen existing customer relationships and develop potential customers.

(2) Production

- A. Implementation of ISO quality management flows to ensure quality consistency with standardized production procedures.
- B. Gradual reduction of dependence on extensive labor through automation, smart equipment and manufacturing process transformation.

C. Increasing the proportion of renewable energy and green materials usage, continuously optimizing product structure and production processes, and achieving gradual reduction of greenhouse gas emissions.

(3) Operations and financials

A. Establishment of a comprehensive talent development system for in acoustics, electronics, machinery and management.

B. Continued improvement of the Company's health and financial structure, in order to distribute steady dividends.

C. Leverage of the Company's industry leadership to secure strategic alliances with advantageous peers or players in other sectors.

D. Implement corporate sustainable actions such as environmental protection, social inclusion and corporate governance, and fulfill corporate social responsibility.

(4) R&D

Strengthening the research and development team, actively investing in niche, low-carbon product development, and product performance optimization, and proactively presenting new product concepts and suggestions to cooperative clients.

II. Market and production / sales overview

(I) Market analysis

1. Sales area of major products

Unit: NT\$1,000 ; %

Sales area \ Year		2024		2025	
		Amount	Percentage(%)	Amount	Percentage(%)
Domestic sales		-	-	-	-
Export sales	United States	1,273,884	80.33	1,265,834	75.53
	Japan	158,440	9.99	259,214	15.47
	Canada	134,490	8.48	129,619	7.73
	Others	19,024	1.20	21,282	1.27
Total net revenue		1,585,838	100.00	1,675,949	100.00

2. Market shares

The group has been engaged in professional audio production for more than 30 years, established cooperation with multiple internationally renowned brands. The group has established leadership in the professional speaker manufacturing field. Although there is currently a lack of relevant data to objectively measure the Company's market share. However, with the increase in the Group's product selection in the future and the deepening of cooperation with many internationally renowned audio product brands, the Group's position in the professional audio product market will be better demonstrated.

3. Supply and demand and future growth

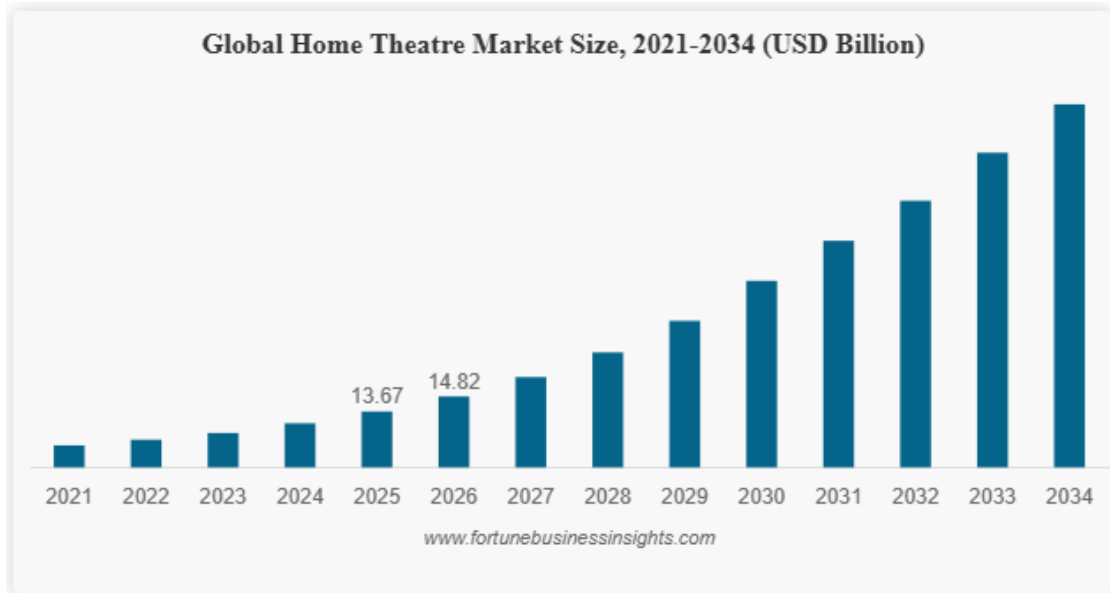
(1) Demand and growth

Listening to music is one of the main purposes consumers purchase stereo products for. The electro-acoustic products offering sound quality and high fidelity satisfy people's needs for appreciation of fine details in music and enjoyment of a great auditory experience. As the number of online music users keeps growing around the world, consumers' demand for speakers is lasting and straightforward. The in-depth

development of online music in program styles, communication formats, and content quality is raising the bar for audio products quality and functionality.

Driven by technological advancements and changing consumer preferences for home entertainment theater equipment, the global home theater market is projected to reach US\$13.67 billion in 2025, according to the FORTUNE BUSINESS INSIGHTS (April 2026) report. It is expected to grow from US\$14.82 billion in 2026 to US\$28.29 billion in 2034, representing a CAGR of 8.42%. The main sales markets are North America, Asia Pacific, and Europe.

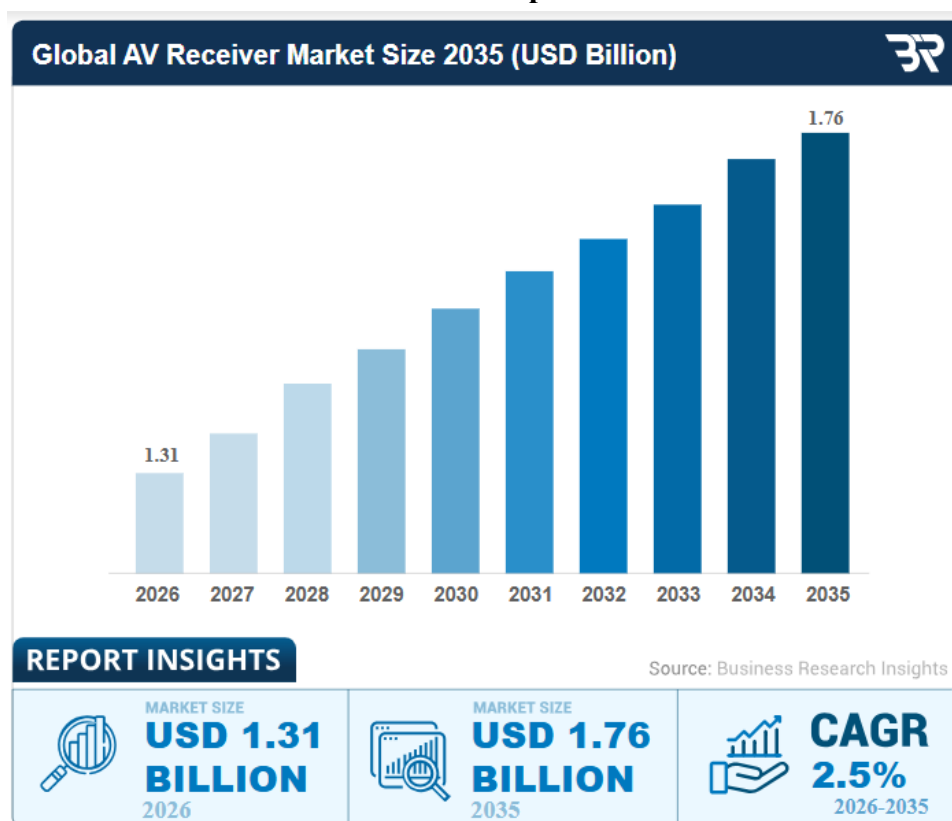
Global Home Theater Market Size



Source: FORTUNE BUSINESS INSIGHTS (2026.04) Home Theatre Market Size, Share & Industry Analysis, 2026-2034

According to a research report released by Business Research Insights in April 2026, the global audio-visual amplifier (AVR) market is projected to reach \$1.31 billion in 2026 and \$1.76 billion by 2035, representing a CAGR of 2.5% from 2026 to 2035. With the increasing demand for seamless integration with the smart home ecosystem, AVRs are incorporating cutting-edge features such as HDMI 2.1, eARC (enhanced audio return channel), and compatibility with voice assistants. These innovations not only improve user convenience but also give the system a future competitive edge, echoing the growing trend of connected home entertainment systems.

Global Audio-Visual Amplifier Market Size



Source: Business Research Insights, Av Receiver Market Size, Share, Growth and Industry Analysis, 2026-2035

(2) Supply and growth

A. High market share concentration of speaker brands and manufacturers

The speaker industry has established a global division of labor. European and American companies are engaged in branding, design, sales & marketing. Manufacturers from Japan, Korea and China are responsible for R&D and production. In recent years, manufacturers have set up production bases in Southeast Asia. Speaker brand companies focus on branding, operations and manufacturing, and compete against each other in distribution, marketing, creative design, and core technology in the global market. In this regard, international players have advantages. Speaker companies from the U.S., Germany and Japan have well-developed channel resources, brand equity managed over time, leading core technologies, extensive operational experience and powerful brand influence. They collectively have the lion's share of the global market for mid-end and high-end speakers. The market concentration is relatively high. The specialist speaker companies with strong brands and market shares in the global market include Bowers & Wilkins, Harman Kardon, JBL, Bose, Sony, Klipsch, Dynaudio, and Paradigm.

Furthermore, M&As among brand companies as a way to boost competitiveness are commonplace. For example, In 2025, Harman Kardon, a subsidiary of Samsung, announced the acquisition of Sound United, the parent company of brands such as Bowers & Wilkins, Denon, and Polk Audio. Against the backdrop of M&A activities, speaker brands continue to adjust the ecosystem of their suppliers by electing the leaders of technological capability, capacity scale and product quality. As a result, the concentration is also increasing among speaker manufacturers.

B. Enterprises accelerate production base outside China

The speaker manufacturing industry has entered the maturity stage after years of development. The competitiveness of speaker manufacturers primarily depends on clientele resources, production scale, R&D capability, and delivery timeliness. This is particularly the case in the mid-end and high-end segments. With previously cheap labor, land incentives, and transportation accessibility, the industry has clustered in Guangdong, China. It is now the main producer and exporter of speakers, with over 70% industry players in the province.

In recent years, due to the impact of the U.S.-China trade war, tech war, tariffs, and geopolitical tensions along with rising labor, land, and other production costs in China, many major consumer electronics brands have adopted an "Out of China" strategy to reduce supply chain risks. In response to customer demands, OEM/ODM manufacturers have increasingly established key production bases in Southeast Asian countries, where production costs are lower and advantages such as tax incentives and demographic dividends are present.

4. Competitive niche

The group controls activities from product R&D to marketing. The analysis of competitive niches is as follows:

(1) Long-term and stable cooperation with famous international brands

With professional capability and extensive experience, the Group provides integrated services to speaker brands from product design & development to manufacturing. Known for excellent product quality and comprehensive after-sales service, the group is well recognized by many renowned international speaker brands and has established strong partnerships in product R&D and supplies. Therefore, it is difficult for competitors to challenge the group's market position.

(2) Economies of scale

The group is a specialist speaker producer and distributor which has over three decades of experience in speaker products. With the R&D and manufacturing capabilities, we are able to meet the requirement from leading brands about product quality, quantity and delivery. With economies of scale in raw material procurement and product manufacturing, the Group can effectively control costs and maintain profits.

(3) Providing comprehensive professional audio products and services

Based on its extensive experience in loudspeaker manufacturing, the Group is actively expanding into the production and development of audio-visual amplifiers (AVRs) to provide professional audio brands with a wider range of product options.

(4) Strong R&D capability

The group cooperates closely with brands and suppliers, recruits and nurtures talents in acoustic components, electronics and machinery, continues to accumulate R&D and manufacturing capability in professional speakers, in order to provide products and total solutions to international speaker brands.

(5) Global coverage of sales and production allocations

The group has a sales offices in Taiwan and Hong Kong to offer real-time and comprehensive services by working with customers' procurement model. The group has production bases in China and Vietnam, and can adopt the most favorable production configuration for customer orders.

5. Positive and negative factors for development, and responding strategies

(1) Positive factors

A. Popularity of audio/video entertainment

Given the growing penetration of digital audio/video equipment and smart home systems, consumers are demanding for high-quality audio experience and surrounding sound effects of immediacy and authenticity, with the same effects as the movie theater in the comfort of homes. This is pushing up the demand for home theater and audio systems, and will benefit the Group's future development.

B. Effective Inflation Control, Stable Economic Growth, and Rising Per Capita Income

According to the International Monetary Fund (IMF) (April 2025), global economic growth rates for 2025 and 2026 are projected at 2.8% and 3.0%, respectively. The increase in per capita GDP and disposable income, along with the recent effective control of inflation across major global economies, all contribute to a favorable environment for the steady growth of demand in the professional speaker market.

C. Leading brands as the main customers

In the audio/video entertainment market, major brands from Europe, the U.S. and Japan are leading the way in product innovation and industry development. The Group maintains close-knit collaboration with many heavyweight international brands, by meeting brand requirements for production technology and catering to market needs with product development and optimization. All these strengths will help the Group's future development.

(2) Negative factors

A. Impact of US tariff policy

The global demand market for professional audio products is mainly in North America and Europe, with the United States being the largest single consumer. As a result of the global division of labor over the past few decades, the supply chain is mainly concentrated in China. The recent tariff policy issued by the United States has greatly affected the existing structure and layout of the professional audio supply chain.

Responding strategy

- a. Flexibly and promptly adjust order intake, production, and shipping schedules between the China and Vietnam facilities.
- b. Accelerate the implementation of plans to expand production capacity at the Vietnam facility to meet customer order demand.
- c. Develop new customers and new products to reduce dependency on a single market or client.

B. The issue of rising operational costs such as materials and labor

The professional speaker industry is labor and capital-intensive, with direct materials and labor costs accounting for a significant portion of overall manufacturing costs. Recently, factors such as trade disputes, geopolitical turmoil, the impact of the AI boom on material supply stability, environmental regulations, and energy supply issues have led to a stacking effect of costs including materials, labor, manufacturing, and marketing, resulting in an overall increase in operating costs and longer turnover cycles.

Responding strategy

- a. Through continuous R&D and technical cooperation with international brand manufacturers, optimizing the product structure and process, then improve the efficiency usage of materials, labor and equipment.
- b. Invest in the purchases and constructions of automation, energy saving, precision production and testing equipment to increase production capacity and reduce dependence on labor.
- c. Establishment of a robust human resource plan, including the accumulation of hands-on experience, development of professional competence, and transparency of benefits and promotions, in order to boost employees' loyalty and reduce staff turnovers, as well as to enhance human resource effectiveness and lower personnel costs.
- d. Proactively seek cooperation in stable storage and transportation.

C. Competition from consumer electronics products

Many traditional products are increasingly smarter, miniature and becoming Internet-of-Things (IoT), as a result of technological transformation and consumers' behavior change. The launch of Amazon Echo has redefined speakers as a product. Smart speakers are becoming the mainstream product by offering smart voice assistants, Internet-of-Things, all-in-one features. This has squeezed the demand for traditional speakers. The OEM model of production and distribution for smart speakers has attracted electronics manufacturing service (EMS) providers to the game. This has prompted traditional speaker manufacturers to enter the electro-acoustics field or the EMS market.

Responding strategy

Branding is important in the consumer electronics market and consumers care about price-performance ratio. As a result, pricing power sits with brands. Meanwhile, large electronics contract manufacturers have entered the competition. The cost-oriented strategy of the OEM business model means constant reduction of gross margin for manufacturers. Using its expertise in professional speaker and the relevant components, the Group engages in technology collaboration with international speaker brands via product and technology development. The Company consistently improves its product quality, integrates its products with more technological functions, and enhances product value-add so as to fortify the leading position of the Group in the speaker manufacturing industry.

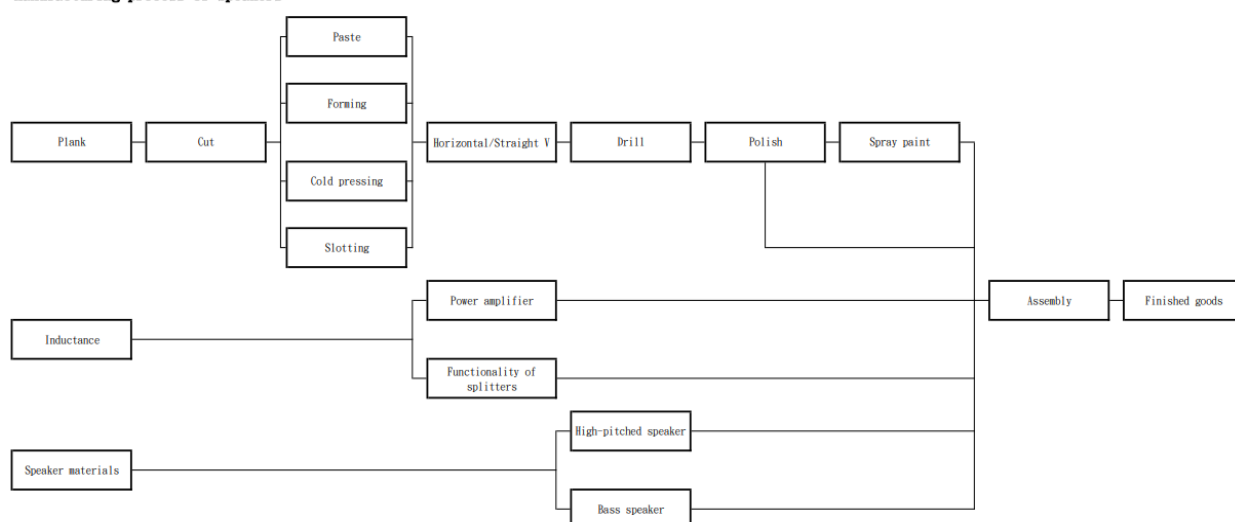
(II) Important use of the main products and production process

1. Main products and uses

Product category	Utilization
Speaker systems	Subwoofer, standing speakers, shelf speakers, center-channel speakers, surround speakers, home theater systems and outdoor speakers
Wall-mounted speakers	Speaker units
Others	Speaker accessories and others

2. Production and manufacturing process

Manufacturing process of speakers :



(III) Supply of main raw materials

Main materials	Sources	Supply status
MDF planks	China	Stable
Magnet, yoke, voice coil, bracket and other	China, Vietnam	Stable
SMD IC, passive components and other electronic components	United State, China	Stable

Due to consideration for quality, yields, delivery reliability and cost control, the Group chooses to work with quality suppliers on a long-term basis. Main materials come from a few suppliers to ensure stable and sufficient supplies.

(IV) In any of the previous two years of consolidated report, the name, the amount and the proportion of the client who accounted for more than 10% of the total amount of goods purchased(sold), and explain the reasons for the increase or decrease :

1. Information on major suppliers: There is no single supplier whose net purchasing amount exceeds 10% in 2024, 2025 and the first quarter of 2026 of the group.
2. Information on major sales customers:

Unit: NT \$1,000; %

Project	The year in 2024				The year in 2025				End of the first quarter in 2026			
	Name	Amount	Percentage of annual net sales [%]	Relationship with the issuer	Name	Amount	Percentage of annual net sales [%]	Relationship with the issuer	Name	Amount	Percentage of net sales as at the end of the preceding quarter of the current year [%]	Relationship with the issuer
1	B	1,212,268	76.44	None	B	1,208,505	72.11	None	B	256,581	76.11	None
2	A	158,440	9.99	None	A	202,089	12.06	None	A	43,908	13.03	None
	Others	215,130	13.57	None	Others	265,355	15.83	None	Other	36,610	10.86	None
	Net sales	1,585,838	100.00		Net sales	1,675,949	100.00		Net sales	337,099	100.00	

Reasons for increase or decrease:

In 2025, the sales amount to Customer A increased due to the increase in demand in the overall Asian market; in the first quarter of 2026, the sales amount to Customer B increased due to the increase in demand in the overall U.S. market.

III. The number of employees employed, average years of service, average age, and educational background distribution ratio for the 2 most recent fiscal years, and during the current fiscal year up to the date of publication of the annual report

Year		The year in 2024	The year in 2025	April 30, 2026
The number of employees (people)	Manager or above	37	36	39
	The general staff	143	174	211
	Production line staff	524	674	740
	Total	704	884	990
Average age (years-old)		40.01	39.93	39.99
Average length of service (years)		4.79	4.30	4.09
Educational attainment distribution ratio(%)	Doctor	—	—	—
	Master	0.71	0.90	0.81
	Associate	13.07	14.14	17.88
	High school	38.49	35.41	29.80
	Under senior high school	47.73	49.55	51.51

IV. Disbursements for environmental protection

Disclosure of loss due to environmental pollution in the most recent year and up to the date of publication of the annual report (including compensation and environmental protection audit results for violations of environmental laws and regulations, which should specify the date of the penalty, penalty number, violation of the law, violation of the law, and the content of the penalty), and the estimated amount and corresponding measures that may occur at present and in the future. If it is impossible to reasonably estimate, the fact that it is impossible to reasonably estimate should be explained:

As of the printing date of this annual report, the company has not incurred any losses or disposals due to environmental pollution. The company has always adhered to environmental regulations and advocated environmental protection. The likelihood of incurring losses or disposals due to environmental pollution in the future is considered minimal.

V. Labor Relations

- (I) The company's employee welfare measures, training, education, retirement system and its implementation, as well as the agreements between labor and management and the situation of various measures to safeguard employee rights.

1. Employee benefit plans

In addition to the basic protections provided by the Labor Standards Act and related regulations, our company's employee welfare measures also include:

- (1) Year-end bonuses and employee rewards.
- (2) Bonuses for festivals, wedding, childbirth, and birthday.
- (3) Education and training subsidies.
- (4) Employee trips.
- (5) Year-end party lucky draw, tea and gift, gatherings, and various team-building activities.
- (6) Assistance for injuries, funerals, and emergencies.

2. Continuing education and training

The company's education and training system is divided into pre-service training and on-the-job training. It is hoped that every employee can learn about the company's operation situation and continuously strengthen their own professional skills after serving.

(1) Employee training in year 2025:

Job Title/Name	Teaching unit	Course name	Hours
Chief Financial Officer Li, Jhih-Sian	The institution of internal auditors-Chinese Taiwan	Seminar on Key Practices of Sustainability Information Management and Internal Control & Internal Audit.	6
	Accounting research and development foundation	Practical Analysis of Internal Control Management for Corporate Greenhouse Gas Inventories.	6
Accounting Supervisor Agent Cheng, Hsin-Yu	Accounting research and development foundation	IFRS 18 "Presentation and Disclosure in Financial Statements": Standards and Practical Analysis.	6
	The institution of internal auditors-Chinese Taiwan	How to Prevent Major Financial Frauds (Such as Asset Tunneling, Insider Trading, benefit transfer , Stock Price Manipulation, Irregular Transactions, and Financial Statement Fraud).	6
Internal audit officer Li, Ming-Chin	The institution of internal auditors-Chinese Taiwan	Practical Seminar on Corporate Contracts from an Operating Cycle Perspective.	6
		Discussing the New Positioning of Internal Auditing through Case Studies: The Intersection of Ethics and Law.	6
	Securities and Futures Institute	Impact of Employee Compensation Systems on Corporate Financial Statements.	3
		Corporate Governance under ESG.	3
All employees of the company	Internal Training	Laws and case analysis related to insider trading	1

(2) Continuing education and training related to managers' participation in corporate governance:

Job Title/Name	Teaching unit	Course name	Hours
General Manager Hsing. Chia-Chen	Securities and Futures Institute	Impact of Employee Compensation Systems on Corporate Financial Statements.	3
		Corporate Governance under ESG.	3
Deputy general manager Huang, Tse-Lin	Securities and Futures Institute	Impact of Employee Compensation Systems on Corporate Financial Statements.	3
		Corporate Governance under ESG.	3
Corporate Governance Officer Huang, Chen-Ting	Securities and Futures Institute	Impact of Employee Compensation Systems on Corporate Financial Statements.	3
		Corporate Governance under ESG.	3
	The institution of internal auditors-Chinese Taiwan	How to Prevent Major Financial Frauds (Such as Asset Tunneling, Insider Trading, benefit transfer , Stock Price Manipulation, Irregular Transactions, and Financial Statement Fraud).	6
		Practical Seminar on Corporate Contracts from an Operating Cycle Perspective.	6

Job Title/Name	Teaching unit	Course name	Hours
	Taipei Exchange	Seminar on Insider Shareholding Compliance for Emerging and OTC-listed Companies	3
Chief Financial Officer Li, Jhih-Sian	Securities and Futures Institute	Impact of Employee Compensation Systems on Corporate Financial Statements.	3
		Corporate Governance under ESG.	3

(3) Obtaining relevant certificates and licenses by personnel related to financial information transparency: None.

3. Retirement system and its implementation

The company allocates 6% of employees' salaries monthly to their individual accounts with the Labor Insurance Bureau, in accordance with the Labor Standards Act. To date, there have been no instances of overdue payments or fines related to retirement funds.

4. Agreement between labor and management and various protection measures of employee rights and interests

To safeguard the rights and interests of both labor and management and to foster harmonious labor relations, our company is committed to enhancing communication and coordination between labor and management to address issues. As a result, our labor relations have remained harmonious and cordial to date, with no significant labor disputes occurring.

(II) As of the printing date of the most recent annual report and the end of the fiscal year, there have been no losses incurred due to labor disputes or violations of labor laws, including the results of labor inspections. Therefore, there are no details regarding penalties, violation dates, violation regulations, or estimated amounts and corresponding measures disclosed in the report:

As of the printing date of this annual report and the end of the current fiscal year, the company has not incurred any losses due to labor disputes. The labor relations within the company have always been harmonious and cordial. The likelihood of significant losses arising from labor disputes in the future is considered minimal.

(III) Regulations of conduct or ethics for employees

1. The company has established a "Code of Ethics" and other related regulations as guidelines for employees to adhere to in their business conduct and ethical behavior. The main contents include:

- (1) Prevention of conflicts of interest
- (2) Avoidance of opportunities for personal gain
- (3) Confidentiality responsibilities
- (4) Fair trade practices
- (5) Protection and proper use of company assets
- (6) Compliance with laws and regulations
- (7) Encouragement to report any illegal or unethical behavior

2. To date, there have been no instances of employees violating significant codes of conduct and ethics.

(IV) Measures and implementation of employee personal safety and working environment protection:

1. The company has established a "Workplace Safety and Health Code" in accordance with the Occupational Safety and Health Act. We have appointed occupational safety and health management personnel responsible for planning, supervising, and implementing various occupational safety and health operations, as well as providing employees with occupational safety and health training.

2. The company has installed round-the-clock surveillance, facial recognition/password access control, and security systems to ensure the safety of both employees and company assets.
3. The company has flexibly adjusts the working hours of employees commuting from other counties and cities and provides taxi subsidies for commuting during extreme weather conditions to reduce the risk of occupational accidents.
4. The company has formulated a "Written Declaration Prohibiting Workplace Violence," which clearly defines patterns of workplace violence, prevention and handling measures, consultation and complaint channels, in order to establish a friendly workplace environment.

As of the most recent annual report printing date and the end of the current fiscal year, our company has not violated any occupational safety and health laws and regulations, nor have there been any significant occupational accidents or incidents of workplace violence.

VI. Information and communication security management

- (I) Information and communication security risk management framework, policy, specific management plan and resources invested in it.
 1. Information security risk management framework

The group has established an Information Security Team composed of 6 members from the information units of various important entities within the group. The team is coordinated by the Information Security Manager of our company and reports to the General Manager of our company. In 2025, the Group invested a total of NT\$1,228 thousand in information and security management related expenditures.
 2. Information security policy

Via the Plan-do-check-act (PDCA) cycle, the Company seeks to ensure the completeness, confidentiality, safety and usability of information pertaining to the scope of business of the Group, as well as personal information protection. The Company also seeks to lower risks of theft, misuse, leak, tampering or damage of information due to human error, sabotage or natural disasters, etc.
 3. Concrete management policies and resources invested in information security management
 - (1) For trainings held for new recruits and during cross-departmental routine meetings, information security shall be held to raise awareness on the topic. From time to time, phishing website simulation exercise shall be held to strengthen the information security awareness amongst employees.
 - (2) On a regular basis, the Company shall perform local, external and offsite backups to enable data recovery the soonest possible after exposure of corporate information to ransomware, accidental deletion and data damage.
 - (3) The Company has installed firewall and antivirus software according to different types of computers, and phased out or upgraded information equipment on a regular basis.
 - (4) Confidential electronic documents are encrypted, whilst paper documents are sealed or transferred using folders of designated colors.
 - (5) Engine rooms and key information equipment are linked to uninterruptible power system, provided with fire prevention equipment, and subject to access and storage control.
 - (6) For core operating system, disaster recovery exercise is held on a regular basis.
- (II) List the losses, possible impacts and countermeasures of major Information and communication security incidents in the most recent year and up to the date of publication of the annual report: None.

VII. Important Contracts:

Nature of contract	The parties concerned	Start/end date	Main content	Restrictive clauses
Land lease	Viglacera Corporation - JSC	November 20, 2019 to November 15, 2066	Plot CN2-3, Yen Phong Industrial Zone (Expansion Phase) land lease	-
House lease	KENNX Electronics (Dongguan) Ltd.	January 01, 2024 to February 28, 2034	NO.1, Weixing Road, Chashan Town, Dong Guan City, Guang Dong Province, China.	-

Five. Review and analysis of financial status and financial performance and risk issues

I. Financial status

Unit: NT\$1,000

Items \ Year	2024	2025	Difference	
			Amount	%
Current assets	1,076,658	951,691	(124,967)	(11.61)
Plant, property and equipment	486,046	518,476	32,430	6.67
Intangible assets	-	-	-	-
Other assets	450,329	442,407	(7,922)	(1.76)
Total assets	2,013,033	1,912,574	(100,459)	(4.99)
Current liabilities	847,058	629,398	(217,660)	(25.70)
Non-current liabilities	237,092	437,785	200,693	84.65
Total Liabilities	1,084,150	1,067,183	(16,967)	(1.57)
Share capital	353,298	353,298	-	-
Capital reserves	295,669	283,304	(12,365)	(4.18)
Retained earnings	165,820	144,093	(21,727)	(13.10)
Other equity	43,904	12,311	(31,593)	(71.96)
Non-controlling interest	70,192	52,385	(17,807)	(25.37)
Total equity	928,883	845,391	(83,492)	(8.99)

Analysis of change for at least 20% and at an amount higher than NT\$10 million.

- Current assets: The main reason is that the operating revenue in the fourth quarter of 2025 decreased compared with the same period in 2024, as well as the cash outflow of capital assets such as plants and equipment.
- Current liabilities and non-current liabilities: The main reason is that the company borrowed medium and long-term loans from banks to repay the fourth unsecured convertible bonds in Taiwan.
- Non-controlling interest: This is due to a decline in profits and a decrease in net assets of OXTOP (DONGGUAN) Electronics Co., Ltd.

II. Financial performance

(I) Comparison of operating results:

Unit: NT\$1,000

Items \ Year	2024	2025	Difference	
			Amount	%
Sales revenue	1,585,838	1,675,949	90,111	5.68
Operating costs	1,312,075	1,342,419	30,344	2.31
Net operating margin	273,763	333,530	59,767	21.83
Operating expenses	258,344	297,612	39,268	15.20
Operating profit	15,419	35,918	20,499	132.95
Non-operating income and expenses	26,585	(39,963)	(66,548)	(250.32)
Profit before income tax	42,004	(4,045)	(46,049)	(109.63)
Income tax expense	22,203	11,942	(10,261)	(46.21)
Profit for the year	19,801	(15,987)	(35,788)	(180.74)
Other comprehensive profit (loss)	41,085	(32,175)	(73,260)	(178.31)
Total comprehensive income for the year	60,886	(48,162)	(109,048)	(179.10)

Analysis of change for at least 20% and at an amount higher than NT\$10 million.

1. Net operating margin, Operating profit: The main reason is the optimization of the product portfolio and the adjustment of production capacity in 2025 and there were no one-time factory relocation and personnel expenses similar to those in 2024 this year.
2. Non-operating income and expenses: The decrease was mainly due to changes in exchange rates and net loss in foreign currency exchange in 2025.
3. Income tax expense: The decrease was mainly due to a decrease in profit in 2025.
4. Profit before income tax, Profit for the year: The decrease is the result of above point 1, 2 and 3.
5. Other comprehensive profit (loss): The decrease was mainly due to exchange rate fluctuations and the exchange loss from translation of financial statements of foreign operations in 2025.
6. Total comprehensive income for the year: The decrease is the result of above point 1, 2, 3 and 5.

(II) Expected sales volume and its basis, possible impact on the Company's future financial business and its response plan:

The group is principally engaged in the R&D design, production and trading of professional speaker systems, single speakers and related spare parts. We have close OEM/ODM cooperation with many international well-known brands. In addition to actively investing in product and process research and development, strengthening automated production and the layout of the Vietnam production base to enhance competitiveness, the company has also entered the field of audio-visual amplifier production, sales and development, striving to achieve stable sales growth.

(III) Impact on the company's future financial business: No significant impact.

(IV) Future Response Plan: Not applicable.

III. Cash flow

(I) Analysis of changes in cash flow in recent years

Unit: NT\$1,000

Project	2024	2025	Change in amount
Net cash flows from (used in) operating activities	(21,157)	110,719	131,876
Net cash flows from (used in) investing activities	(3,749)	(126,788)	(123,039)
Net cash flows from (used in) financing activities	(109,952)	(23,949)	86,003
Analysis of change: 1. Operating activities: The increase was mainly due to the decrease in accounts receivable. 2. Investing activities: The decrease was mainly due to the purchase of property, plant and equipment and the increase in prepayments for equipment. 3. Financing activities: Financing activities: The increase was mainly due to the repayment of the third secured convertible bonds in 2024.			

(II) Improvement plan of liquidity shortage: There is no liquidity shortage.

(III) Analysis of cash liquidity in the coming year (individual)

Unit: NT\$1,000

Cash at the beginning of the period Balance	Expected net cash flows from operating activities for the year	Expected net cash flows from investing and financing activities for the year	Expected cash gap	Planned to fill in the cash gap	
				Investment plan	Financial plan
119,663	(53,735)	56,485	122,413	Not applicable	Not applicable
1. Analysis of cash flow changes in 2026: Operating activities: Due to increased customer order demand, the company has increased its procurement of finished products and invested in the production, sales and development of audio-visual amplifiers, resulting in an overall increase in operating scale and daily operating expenses. Investing and financing activities: The company expects the majority funds to come from Cash Offering, which will be used to repay bank loans, investment subsidiaries and Replenish working capital. 2. Planned measures to meet the cash flow gap: Not applicable.					

IV. The impact of recent major capital expenditures on financial operations:None.

V. The re-investing policies in recent years, the main reasons for its profit or loss, the improvement plan and the investment plan for the coming year:

Unit: NT\$1,000

Investee	Investment policy	Investment Income(loss) recognized by the company for the year 2025	The main reason for profit or loss	Improved plan	Investing plan for the coming year
New Advanced Electronics Technologies (Hong Kong)	Long-term investment	(4,400)	Due to decrease in end-user demand for speakers products.	Actively develop new customers.	Depending on the operating conditions.
New Advanced Electronics Technologies (Vietnam)	Long-term investment	14,674	Due to the scale of operations.	None.	In response to the new production and sales of audio-visual amplifiers, we plan to increase investment as needed for operations.
Jensen Electronics (Dongguan) Co., Ltd.	Long-term investment	24,843	Benefit from the increase in shipments of speaker raw materials.	None.	Depending on the operating conditions.
Advanced Sound Technologes, Inc.	Long-term investment	(68,899)	Investment loss from OXTOP (DONGGUAN) Electronics Co., Ltd.	None.	Depending on the operating conditions.
OXTOP (DONGGUAN) Electronics Co., Ltd.	Long-term investment	(68,899)	Due to adjustments in production capacity layout, the company has not yet reached its economic operating scale.	Actively strive for customer orders.	Depending on the operating conditions.

VI. Analysis and assessment of risk issues in the recent year and as of the date of publication of the annual report

(I) The impact of interest rate, exchange rate changes and inflation on the Company's profit and loss and future countermeasures:

1. The impact of interest rate and exchange rate changes on the Company's profit and loss

and future countermeasures:

(1) Interest rate:

The group's consolidated interest expenses in 2025 and the first quarter of 2026 were NT\$28,257 thousand and NT\$7,637 thousand respectively, accounting for 1.69% and 2.27% of the consolidated operating income respectively. The group's consolidated interest income in 2025 and the first quarter of 2026 were NT\$5,691 thousand and NT\$424 thousand respectively, accounting for 0.34% and 0.13% of the consolidated operating income respectively. Generally speaking, the impact of changes in interest rates on the group's profit and loss is limited.

(2) Exchange rate:

The group's net foreign currency exchange gains (losses) in 2025 and the first quarter of 2026 were NT(\$21,483) thousand and NT\$5,838 thousand respectively, accounting for 1.28% and 1.73% of the consolidated operating income respectively. Overall, the exchange factor has not yet constituted a risk burden of the profit situation. The specific measures taken by the group in response to the risks arising from exchange rate changes on the company's profit and loss are as follows:

A. When Quotations and negotiating on prices, contact person take into consideration of the costs arising from exchange rate changes, in order to protect the Company's reasonable profits.

B. Natural hedge can mitigate the overall exchange rate risks via offsetting foreign-currency receivables from exports and foreign-currency payables due to procurement; foreign-currency deposits and loans; foreign-currency assets and liabilities.

C. Finance and accounting departments maintain close conversations with foreign exchange departments of financial institutions, in order to regularly collect information on currency movements, stay abreast of exchange rate trends and changes in Taiwan and overseas, and mitigate adverse effects caused by exchange rate fluctuations.

2. The impact of inflation on the Company's profit and loss and future countermeasures:

The basis of quotations by the group is to reflect the changes in the prices of raw materials, labor and other costs simultaneously. Therefore, inflation does not have material influence on the group.

(II) The policies for engaging in high-risk, high-leverage investment, lending capitals to others, endorsement guarantee and derivative commodity trading, the main reasons for profit or loss and the future countermeasures:

1. High-risk, high-leverage investment and derivative transactions.

The Group is mainly engaged in the design, research and development, manufacturing and trading of speakers, and does not engage in high-risk and high-leverage investments and derivative transactions.

2. Lending capitals to others, endorsement guarantee

(1) In 2025 and the first quarter of 2026, the company's fund loan objects were subsidiaries OXTOP (DONGGUAN) Electronics Co., Ltd. and New Advanced Electronics Technologies (Vietnam). The purpose of these fund loan was business transactions and short-term capital needs respectively. On December 31, 2025 and March 31, 2026, the actual amounts drawn down were NT\$0 thousand, NT\$59,717

thousand, NT\$0 thousand and NT\$63,990 thousand respectively. The transaction process is all handled in accordance with the company's " Management Procedures for Fund Loans to Others ", which should not have a major impact on the company's profit and loss.

- (2) In 2025 and the first quarter of 2026, the company's endorsement and guarantee objects were subsidiaries OXTOP (DONGGUAN) Electronics Co., Ltd. and New Advanced Electronics Technologies (Vietnam). The ending balances of the endorsement guarantees on December 31, 2025 and March 31, 2026 were NT\$125,720 thousand and NT\$125,720 thousand, NT\$127,980 thousand and NT\$127,980 thousand. The transaction process is handled in accordance with the company's " Management Procedures for Endorsement and Guarantee ", which should not have a major impact on the company's profit and loss.

(III) Future R&D plan and estimated investment in R&D:

The development of products and designs of the group has always been in line with the needs of customers and the market. It has been continuously improved through research and development and technical exchanges with brand owners. It also pays close attention to industry trends and future development, and develops products with market growth, future and potential. The annual investment R&D expenses are expected to be 2% to 4% of sales revenue.

(IV) The impact of changes in important domestic and international policies and laws on the Company's financial business and the corresponding countermeasures:

The group complies with domestic and foreign laws and regulations. Relevant departments shall assess the changes in important policies and laws, and recommend the corresponding countermeasures to support the adjustment of the Company's internal control system and operational activities, so as to comply with the requirements of the laws and regulations and reduce the impact on the Company's financial businesses. During the most recent year and as of the published date of the prospectus, there has been no events or matters with material influence on the financials or businesses of the company or its subsidiaries.

(V) The impact of technological innovation (including information and communication security risk) and industrial changes on the Company's financial businesses and the corresponding countermeasures:

The Company pays close attention to the development of technological trends and seeks to promote information of technological application, e.g. designated team takes charge of the maintenance, optimization and development of ERP and other operating systems; the Group provides database sharing and establishes entity-wide teleconferencing system and Voice over Internet Protocol (VoIP) to improve business cost reduction, and efficiency of decision making and execution; the Group has established entity-wide information security team to effectively lowers the information security risk via measures of PDCA cycle.

As technology progresses, consuming electronic products are developing towards intelligence, functional diversification and convenience, which is of positive benefit to the speaker market. Using its expertise in professional speaker and the relevant components, the group engages in technology collaboration with international speaker brands via product and technology development. The group consistently improves its product quality, integrates its products with more technological functions to effectively reduce industrial changes and the risks brought about by them.

Therefore, in the most recent year and up to the date of the annual report, technological innovation (including information and communication security risk) and industrial changes have no significant impact on the group.

(VI) The impact of changes in corporate image on corporate crisis management and the countermeasures:

The Company believes in reformation and innovation. Both ideas motivate the Company to engage in consistent improvement via R&D and technological collaboration with other brands so as to meet the largest target of the Company, which is to satisfy customer needs. As products are facing much vigorous competition and resources are limited nowadays, the Company puts in concerted effort to improve product quality and cost effectiveness to create optimal value for the Company itself, customers and shareholders. At the same time, the Company also seeks to fulfil corporate social responsibility and maintain good corporate image. As of the publication date of the annual report, there has been no significant incident that influences the corporate image of the Company negatively.

(VII) Expected benefits and possible risks for the merger and the corresponding countermeasures:

None.

(VIII) Expected benefits and possible risks for the plant expansion and the corresponding countermeasures: None.

(IX) Risks for concentrated purchase or sales of goods and corresponding countermeasures:

1. Risks and countermeasures of concentrated procurement.

The main raw materials of the group consist of medium-density fiberboard (MDF), magnet, yoke and other materials for fabricating the drivers of speakers, as well as surface-mount IC and passive components. There is no single supplier whose net purchasing amount exceeds 10% in 2025 and the first quarter of 2026 of the group. The group maintains more than two suppliers for each main raw material. Furthermore, the group has also maintained long-term and stable collaborative relationship with suppliers so as to mitigate the risk of material shortage and lower the negative influence arising from low quality material. Therefore, there should be no risk of concentration of purchases.

2. Risks and countermeasures of concentrated sales.

The main business of the Group comprises the design and R&D, manufacturing and sales of professional speakers. The Group has fostered close OEM/ODM collaborative relationship with many renowned international brands. Nevertheless, merger and acquisition are common amongst international electroacoustic businesses. The industry leaders tend to remain dominant. As such, the Group is exposed to the risk of concentrated sales. Apart from strengthening products and R&D capability of production process, the Company provides one-stop shop solutions to increase the customer loyalty. Meanwhile, via competitive advantage in product quality, increases product selection and collaborative relationship with upstream and downstream businesses, the Company proactively develops potential customers to lower the negative influence arising from concentrated sales.

(X) The impact of a large number of share transfer or replacement of the directors, supervisors or major shareholders holding more than 10% of the shares on the Company, the related risks and the corresponding countermeasures: None.

(XI) The impact of changes in management rights on the company, the related risks and the response countermeasures: None.

(XII) Litigation or non-litigation incidents shall state the major lawsuit, non-litigation or administrative dispute events determined by the company and the company's directors, supervisors, general manager, substantive person in charge, major shareholders holding more than 10% of the shares and subordinate companies or under jurisdiction; if the results have significant impact on the shareholders' equity or the price of the securities, provide the contentious facts, the amount of the subject matter, the commencement date of the lawsuit, the parties involved in the proceedings and the status as of the date of publication hereof: None.

(XIII) Other significant risks and the response countermeasures: None.

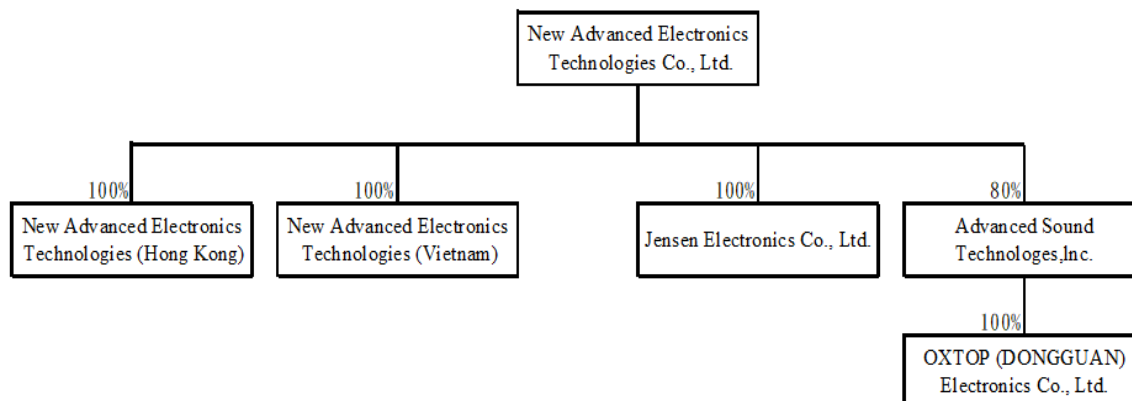
VII. Other important matters: None.

Six. Special Records

I. Information of Affiliated Companies

(I) Consolidated Operation Report of the Affiliates

1. Organization chart of affiliated enterprises



2. Information on affiliated enterprises

December 31, 2025 / Unit: NT\$1,000

Name	Date of establishment	Location	Paid-in capital	Main business items or production items
New Advanced Electronics Technologies (Hong Kong)	June 14, 2019	Suite 1003, 10Th FL., Ocean Center, Harbour City, 5 Canton Rd.,Tst, Kowloon, Hong Kong.	USD193	Design, research and development and trade of speakers
New Advanced Electronics Technologies (Vietnam)	November 13, 2019	Plot CN2-3, Yen Phong Industrial Zone (expansion phase), Yen Trung commune, Bac Ninh Province, Viet Nam	USD23,100	Manufacture of speakers
Jensen Electronics (Dongguan) Co., Ltd.	March 26, 2022	Suite 104, NO.1, WEIXING ROAD, CHASHAN TOWN, DONG GUAN CITY, GUANG DONG PROVINCE, CHINA.	USD250	Trading company
Advanced Sound Technologies, Inc.	January 14, 2013	Samoa	USD11,000	Holding company

Name	Date of establishment	Location	Paid-in capital	Main business items or production items
OXTOP (DONGGUAN) Electronics Co., Ltd.	May 31, 2007	NO.1, WEIXING ROAD, CHASHAN TOWN, DONG GUAN CITY, GUANG DONG PROVINCE, CHINA.	USD11,000	Manufacture of speakers

3. Information on the shareholders of the companies shall be concluded as the existence of the controlling and subordinate: None.
4. Industries Covered and Division of Responsibilities Within the Group's Overall Business Operations:
 - (I) The scope of business covered by the entire affiliated entity network includes the design and R&D, manufacturing and sales of speakers.
 - (II) The Company mainly takes charge of the group operation, product design and R&D, procurement and sales; New Advanced Electronics Technologies Company Limited (Hong Kong) mainly takes charge of product design and R&D, procurement and sales; New Advanced Electronics Technologies (Vietnam) and OXTOP (DONGGUAN) Electronics Co., Ltd. mainly take charge of production and manufacturing and Jensen Electronics (Dongguan) Co., Ltd. mainly takes charge of raw material trading.
5. Information on Directors, Supervisors, and Presidents of affiliates:

December 31, 2025 / Unit: NT\$1,000 ; %

Name of enterprise	Position title	Name or representative	Shareholding	
			Shares (Investment Amount)	(Shareholding Holding %) (Investment Holding %)
New Advanced Electronics Technologies (Hong Kong)	Director	Hsing, Chia-Chen	USD193(note)	100
New Advanced Electronics Technologies (Vietnam)	Director	Hsing, Chia-Chen	USD23,100(note)	100
Jensen Electronics (Dongguan) Co., Ltd.	Director	Hsing, Chia-Chen	USD250(note)	100
Advanced Sound Technologes, Inc.	Director	Hsing, Chia-Chen	USD8,800(note)	80
OXTOP (DONGGUAN) Electronics Co., Ltd.	Chairman	Hsing, Chia-Chen	USD8,800(note)	80
	Director	Hsing, Pin-Ling		
	Director	Wang, Chen-Wen		
	Supervisor	LU, Kai-Ning		

Note : Direct and indirect investment amount of NAE.

6. Affiliated enterprises' operational review:

December 31, 2025 / Unit: NT\$1,000

Company	Capital Stock (note1)	Assets (note1)	Liabilities (note1)	Net Worth (note1)	Net Revenues (note2)	Income (Loss) from Operation (note2)	Net Income (Loss) (note2)	Basic Earnings (Loss) Per Share
New Advanced Electronics Technologies (Hong Kong)	6,058	63,959	37,653	26,306	210,087	(14,005)	(4,400)	(note3)
New Advanced Electronics Technologies (Vietnam)	677,560	862,817	326,247	536,570	738,533	20,309	14,674	(note3)
Jensen Electronics (Dongguan) Co., Ltd.	7,858	144,258	77,333	66,925	311,231	44,213	32,444	(note3)
Advanced Sound Technologies, Inc.	345,730	261,924	-	261,924	-	(2)	(90,117)	(note3)
OXTOP (DONGGUAN) Electronics Co., Ltd.	345,730	584,998	327,826	257,172	948,983	(76,120)	(90,145)	(note3)

Note1 : Based on the exchange rate on December 31, 2025.

Note2 : Based on the average exchange rate for 2025.

Note3 : Not applicable for unissued shares.

(II) Consolidated financial declaration statement of affiliated enterprises and consolidated financial statement: It has been disclosed on the website of the Market Observation Post System.(https://mops.twse.com.tw/mops/#/web/t57sb01_q1).

(III) Affiliation report: It has been disclosed on the website of the Market Observation Post System.(https://mopsov.twse.com.tw/mops/web/t57sb01_q10).

II. Private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

III. Other matters that require additional description: None.

IV. Any of the situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

**NEW ADVANCED ELECTRONICS
TECHNOLOGIES CO., LTD.**

Chairman and General Manager : Hsing, Chia-Chen