

**NEW ADVANCED ELECTRONICS
TECHNOLOGIES CO., LTD.
PARENT COMPANY ONLY FINANCIAL
STATEMENTS AND INDEPENDENT AUDITORS’
REPORT
DECEMBER 31, 2025 AND 2024**

For the convenience of readers and for information purpose only, the auditors’ report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors’ report and financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR25000632

To the Board of Directors and Stockholders of New Advanced Electronics Technologies Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of New Advanced Electronics Technologies Co., Ltd. (the “Company”) as at December 31, 2025 and 2024, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2025 and 2024, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports

of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent company only financial statements of the current period are stated as follows:

Assessment of the balance of investments accounted for using equity method

For accounting policies on investments accounted for using equity method, please refer to Note 4(11). For details of investments accounted for using equity method, please refer to Note 6(4).

As of December 31, 2025, the balance of investments accounted for using equity method of the subsidiary held by the Company amounted to NT\$820,314 thousand. As the balance of the subsidiary's investments accounted for using equity method constituted 62% of the Company's total assets and was material to the parent company only financial statements, we consider the key audit matter of the subsidiary as one of the key areas of focus for this fiscal year's audit. Details are as follows:

Valuation of subsidiary's inventories

Description

The Company's subsidiary is mainly engaged in the manufacturing of speakers and related products. Inventories are stated at the lower of cost and net realisable value. As the amount of inventory is material, and the estimated amount of net realizable value involves

management's subjective judgement and a high degree of uncertainty, we consider valuation of subsidiary's inventories a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Compared financial statements to ascertain whether the provision policy on allowance for inventory valuation losses had been consistently applied and assessed the reasonableness of the provision policy.
2. Obtained an understanding of the inventory management processes, reviewed the annual physical count plan, and performed physical inventory observation to assess the effectiveness of judgement and control of obsolete or slow-moving inventory.
3. Obtained the Company's valuation reports of inventory, sampled and tested the estimation basis of the net realisable value with relevant information, including verifying the sales and purchase prices with supporting evidence, and recalculated and evaluated the reasonableness of the inventory valuation.

Responsibilities of management and those charged with governance for the parent company only financial statements

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

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

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

Auditors' responsibilities for the audit of the parent company only financial statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

Liao, A-Shen

Wang, Chun-Kai

For and on behalf of PricewaterhouseCoopers, Taiwan

March 3, 2026

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

NEW ADVANCED ELECTRONICS TECHNOLOGIES CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2025		December 31, 2024			
			AMOUNT	%	AMOUNT	%		
Current assets								
1100	Cash and cash equivalents	6(1)	\$	119,663	9	\$	143,630	10
1136	Current financial assets at amortised cost	6(2) and 8		3	-		16,435	1
1170	Accounts receivable, net	6(3)		274,828	21		420,538	28
1200	Other receivables			4,815	-		963	-
1210	Other receivables due from related parties	7		63,092	5		2,554	-
1410	Prepayments	7		7,207	-		3,131	-
1479	Other current assets, others			331	-		608	-
11XX	Current Assets			469,939	35		587,859	39
Non-current assets								
1550	Investments accounted for under equity method	6(4) and 7		820,314	62		893,587	59
1600	Property, plant and equipment	6(5)		304	-		511	-
1755	Right-of-use assets	6(6) and 7		6,687	1		7,337	-
1840	Deferred income tax assets	6(22)		31,547	2		31,202	2
1920	Guarantee deposits paid			678	-		672	-
15XX	Non-current assets			859,530	65		933,309	61
1XXX	Total assets		\$	1,329,469	100	\$	1,521,168	100

(Continued)

NEW ADVANCED ELECTRONICS TECHNOLOGIES CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2025		December 31, 2024	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(7)	\$ 180,000	14	\$ 80,000	5
2120	Current financial liabilities at fair value through profit or loss	6(8)	-	-	8,760	1
2180	Accounts payable - related parties	7	19,116	1	125,773	8
2200	Other payables	6(9)	14,220	1	18,270	1
2230	Current income tax liabilities		281	-	4,455	-
2280	Current lease liabilities	7	3,379	-	3,325	-
2320	Long-term liabilities, current portion	6(10)(11)	60,000	5	386,859	26
2399	Other current liabilities, others		135	-	123	-
21XX	Current Liabilities		277,131	21	627,565	41
Non-current liabilities						
2540	Long-term borrowings	6(11)	240,000	18	-	-
2570	Deferred income tax liabilities	6(22)	15,961	1	30,851	2
2580	Non-current lease liabilities	7	3,371	-	4,061	1
25XX	Non-current liabilities		259,332	19	34,912	3
2XXX	Total Liabilities		536,463	40	662,477	44
Equity						
	Share capital	6(12)				
3110	Share capital - common stock		353,298	27	353,298	23
	Capital surplus	6(10)(13)(14)				
3200	Capital surplus		283,304	21	295,669	20
	Retained earnings	6(14)				
3310	Legal reserve		54,753	4	51,995	3
3350	Unappropriated retained earnings		89,340	7	113,825	7
	Other equity interest					
3400	Other equity interest		12,311	1	43,904	3
3XXX	Total equity		793,006	60	858,691	56
3X2X	Total liabilities and equity		\$ 1,329,469	100	\$ 1,521,168	100

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

NEW ADVANCED ELECTRONICS TECHNOLOGIES CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

			Year ended December 31			
	Items	Notes	2025		2024	
			AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(15)	\$ 1,465,863	100	\$ 1,375,441	100
5000	Operating costs	7	(1,321,011)	(90)	(1,240,963)	(90)
5900	Net operating margin		144,852	10	134,478	10
	Operating expenses	6(20)(21)				
6100	Selling expenses		(29,229)	(2)	(28,303)	(2)
6200	General and administrative expenses		(45,434)	(3)	(43,250)	(3)
6300	Research and development expenses		(8,573)	(1)	(6,908)	(1)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	468	-	(535)	-
6000	Total operating expenses		(82,768)	(6)	(78,996)	(6)
6900	Operating profit		62,084	4	55,482	4
	Non-operating income and expenses					
7100	Interest income	6(16)	5,141	-	8,632	1
7010	Other income	6(17)	5,630	-	1,966	-
7020	Other gains and losses	6(8)(18)	(23,527)	(1)	24,525	2
7050	Finance costs	6(19) and 7	(11,817)	(1)	(11,490)	(1)
7070	Share of loss of associates and joint ventures accounted for using equity method	6(4)	(33,782)	(2)	(41,391)	(3)
7000	Total non-operating revenue and expenses		(58,355)	(4)	(17,758)	(1)
7900	Profit before income tax		3,729	-	37,724	3
7950	Income tax expense	6(22)	(2,491)	-	(10,145)	(1)
8200	Profit for the year		\$ 1,238	-	\$ 27,579	2
	Other comprehensive income					
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Other comprehensive income, before tax, exchange differences on translation	6(4)	(\$ 39,491)	(3)	\$ 47,780	4
8399	Total income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(22)	7,898	1	(9,556)	(1)
8300	Other comprehensive (loss) income for the year		(\$ 31,593)	(2)	\$ 38,224	3
8500	Total comprehensive (loss) income for the year		(\$ 30,355)	(2)	\$ 65,803	5
	Basic earnings per share	6(23)				
9750	Basic		\$ 0.04		\$ 0.78	
9850	Diluted		\$ 0.04		\$ 0.78	

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

NEW ADVANCED ELECTRONICS TECHNOLOGIES CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

				Retained Earnings		Financial statements translation differences of foreign operations	
	Notes	Share capital - common stock	Capital surplus	Legal reserve	Unappropriated retained earnings		Total equity
<u>2024</u>							
Balance at January 1, 2024		\$ 353,298	\$ 320,400	\$ 50,798	\$ 98,042	\$ 5,680	\$ 828,218
Profit for the year		-	-	-	27,579	-	27,579
Other comprehensive income for the year		-	-	-	-	38,224	38,224
Total comprehensive income		-	-	-	27,579	38,224	65,803
Appropriations and distribution of retained earnings of 2023:							
Legal reserve		-	-	1,197	(1,197)	-	-
Cash dividends	6(14)	-	-	-	(10,599)	-	(10,599)
Cash dividends from capital surplus	6(13)(14)	-	(24,731)	-	-	-	(24,731)
Balance at December 31, 2024		\$ 353,298	\$ 295,669	\$ 51,995	\$ 113,825	\$ 43,904	\$ 858,691
<u>2025</u>							
Balance at January 1, 2025		\$ 353,298	\$ 295,669	\$ 51,995	\$ 113,825	\$ 43,904	\$ 858,691
Profit for the year		-	-	-	1,238	-	1,238
Other comprehensive loss for the year		-	-	-	-	(31,593)	(31,593)
Total comprehensive income		-	-	-	1,238	(31,593)	(30,355)
Appropriations and distribution of retained earnings of 2024:							
Legal reserve		-	-	2,758	(2,758)	-	-
Cash dividends	6(14)	-	-	-	(22,965)	-	(22,965)
Cash dividends from capital surplus	6(13)(14)	-	(12,365)	-	-	-	(12,365)
Balance at December 31, 2025		\$ 353,298	\$ 283,304	\$ 54,753	\$ 89,340	\$ 12,311	\$ 793,006

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

NEW ADVANCED ELECTRONICS TECHNOLOGIES CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 3,729	\$ 37,724
Adjustments			
Adjustments to reconcile profit (loss)			
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	6(8)(18)	(5,656)	4,920
(Gain) loss on expected credit impairments	12(2)	(468)	535
Depreciation expense	6(5)(6)(20)	3,589	4,083
Amortization expense	6(20)	-	73
Interest expense	6(19)	11,809	11,222
Interest income	6(16)	(5,141)	(8,632)
Share of loss of subsidiaries, associates and joint ventures accounted for using equity method	6(4)	33,782	41,391
Gain on disposal of property, plant and equipment	6(18)	-	(6)
Loss on repurchase of convertible bonds	6(18)	10,039	-
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		146,178	(212,593)
Other receivables	(	(4,910)	53,966
Other receivables due from related parties		237	3,191
Prepayments	(	(4,076)	(267)
Other current assets-others		277	396
Changes in operating liabilities			
Accounts payable - related parties	(	(106,657)	29,531
Other payables	(	(4,474)	4,034
Other current liabilities, others		12	6
Cash inflow (outflow) generated from operations		78,270	(30,426)
Interest paid	(	(7,397)	(1,678)
Income tax paid	(	(14,002)	(19,299)
Net cash flows from (used in) operating activities		56,871	(51,403)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Decrease in financial assets at amortised cost-current		16,432	60,062
Increase in other receivables due from related parties	(	(59,717)	-
Acquisition of investments accounted for using equity method	6(4)	-	(3,175)
Acquisition of property, plant and equipment	6(5)	-	(114)
Proceeds from disposal of property, plant and equipment		-	6
(Increase) decrease in refundable deposits	(	(6)	748
Interest received		5,141	8,632
Net cash flows (used in) from investing activities	(	(38,150)	66,159
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(24)	165,000	50,000
Decrease in short-term borrowings	6(24)	(65,000)	(50,000)
Payments of lease liabilities	6(24)	(3,368)	(3,875)
Repayments of bonds	6(24)	(403,990)	(85,200)
Increase in long-term borrowings	6(24)	400,000	-
Decrease in long-term borrowings	6(24)	(100,000)	-
Cash dividends paid and cash dividends from capital surplus	6(14)	(35,330)	(35,330)
Net cash flows used in financing activities	(	(42,688)	(124,405)
Net decrease in cash and cash equivalents	(	(23,967)	(109,649)
Cash and cash equivalents at beginning of year		143,630	253,279
Cash and cash equivalents at end of year		\$ 119,663	\$ 143,630

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

NEW ADVANCED ELECTRONICS TECHNOLOGIES CO., LTD.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

(1) New Advanced Electronics Technologies Co., Ltd. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company is primarily engaged in research and development, manufacture and sales of speakers and related products.

(2) On September 15, 2004, the Company started public offering in Taiwan’s security trading market in accordance with the approval from the Securities and Futures Bureau. On January 28, 2008, the Company became listed on the Taipei Exchange.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These parent company only financial statements were authorised for issuance by the Board of Directors on March 3, 2026.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS[®]”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards that came into effect as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC effective from 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Specific provisions of Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1, 2026
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027(Note)
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Amendments to IAS 21, 'Translation to a Hyperinflationary Presentation Currency'	January 1, 2027

Note : The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

Except for the following, the above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

(2) Basis of preparation

- A. Except for the financial assets (including derivative instruments) at fair value through profit or loss, the parent company only financial statements have been prepared under the historical cost convention.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC[®] Interpretations, and SIC[®] Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The parent company only financial statements are presented in New Taiwan dollars, which is the Company's functional currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

- (a) The operating results and financial position of all the Company entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - i. Assets and liabilities presented in each balance sheet are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognised in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is an associate or joint arrangement, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Company retains partial interest in the former foreign associate or joint arrangement after losing significant influence over the former foreign associate, or losing joint control of the former joint arrangement, such transactions should be accounted for as disposal of all interest in these foreign operations.

(4) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (a) Assets that are expected to be realised, or are intended to be sold or consumed in the normal operating cycle;

- (b) Assets that are held primarily for the purpose of trading;
- (c) Assets that are expected to be realised within twelve months after the reporting period;
- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities for at least twelve months after the reporting period.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

- (a) Liabilities that are expected to be settled in the normal operating cycle;
- (b) Liabilities that are held primarily for the purpose of trading;
- (c) Liabilities that are due to be settled within twelve months after the reporting period;
- (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(5) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(6) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

- (a) The objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets; and
- (b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

D. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(7) Accounts receivable

A. Accounts receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or services.

- B. The short-term accounts receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.
- C. The Company's operating pattern of accounts receivable that are expected to be factored is for the purpose of receiving contract cash flow and selling, and the accounts receivable are subsequently measured at fair value, with any changes in fair value recognised in other comprehensive income.

(8) Impairment of financial assets

For financial assets at amortised cost, at each reporting date, the Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(9) Derecognition of financial assets

The Company derecognises a financial asset when one of the following conditions is met:

- A. The contractual rights to receive the cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows of the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Company has not retained control of the financial asset.

(10) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

(11) Investments accounted for using equity method /subsidiaries and associates

- A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Investments in subsidiaries are accounted for using equity method in these non-consolidated financial statements.

- B. Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Company are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise losses proportionate to its ownership.
- D. If the change in the share holding of the subsidiary does not result in the loss of control (transaction with non-controlling interests), it is treated as an equity transaction, that is, as a transaction with the owner. The difference between the adjustment amount of non-controlling interests and the fair value of the amounts paid or received is directly recognized as equity.
- E. Pursuant to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," profit (loss) of the current period and other comprehensive income in the non-consolidated financial statements shall be equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners' equity in the non-consolidated financial statements shall be equal to equity attributable to owners of the parent in the consolidated financial statements.

(12) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Property, plant and equipment are measured at cost model subsequently. Land is not depreciated. Other property, plant and equipment are depreciated using the straight-line method over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and

Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Machinery equipment	6 years
Furniture and fixtures	2~5 years
Miscellaneous equipment	2~8 years

(13) Leasing arrangements (lessee) — right-of-use assets/ lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable.

The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
- (a) The amount of the initial measurement of lease liability;
 - (b) Any lease payments made at or before the commencement date; and
 - (c) Any initial direct costs incurred by the lessee.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(14) Intangible assets

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 2 years.

(15) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(16) Borrowings

Borrowings comprise short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(17) Accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services.
- B. The short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(18) Financial liabilities at fair value through profit or loss

- A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges.
- B. At initial recognition, the Company measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Company subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(19) Convertible bonds payable

Convertible bonds issued by the Group contain conversion options (that is, the bondholders have the right to convert the bonds into the Company's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Company classifies the bonds payable upon issuance as a financial asset, a financial liability or an equity instrument in accordance with the contract terms. They are accounted for as follows:

- A. The embedded call options and put options are recognised initially at net fair value as 'financial assets or financial liabilities at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as 'gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss'.
- B. The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to 'finance costs' over the period of circulation using the effective interest method.
- C. The embedded conversion options which meet the definition of an equity instrument are initially recognised in 'capital surplus—share options' at the residual amount of total issue price less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.

- D. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.
- E. When bondholders exercise conversion options, the liability component of the bonds (including 'bonds payable' and 'financial assets or financial liabilities at fair value through profit or loss') shall be remeasured on the conversion date. The issuance cost of converted common shares is the total carrying amount of the abovementioned liability component and 'capital surplus—share options'.

(20) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(21) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

For the defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(22) Income taxes

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

(23) Share capital

Ordinary shares are classified as equity.

(24) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(25) Revenue recognition

The Company manufactures and sells speakers, portable power supplies and chargers. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the use to sell the products, and the Company has no unfulfilled obligation. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. The Company has no significant risk that such assumptions and estimates cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand	\$ 20	\$ 20
Demand deposits	97,391	61,647
Time deposits	<u>22,252</u>	<u>81,963</u>
	<u>\$ 119,663</u>	<u>\$ 143,630</u>

A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Company has no cash pledged to others.

(2) Financial assets at amortised cost

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current items:		
Restricted bank deposits	\$ 3	\$ 1,420
Pledged time deposits	-	6,819
Time deposits with maturity over three months	<u>-</u>	<u>8,196</u>
	<u>\$ 3</u>	<u>\$ 16,435</u>

- A. Interest income from time deposits is provided in Note 6(16).
- B. As at December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Company was \$3 and \$16,435, respectively.
- C. Details of the Company's financial assets at amortised cost pledged to others as collateral are provided in Note 8.
- D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposit are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(3) Accounts receivable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts receivable	\$ 275,104	\$ 421,282
Less: Allowance for uncollectible accounts	(276)	(744)
	<u>\$ 274,828</u>	<u>\$ 420,538</u>

- A. The ageing analysis of accounts receivable that were past due but not impaired is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Not past due	\$ 275,104	\$ 385,536
Up to 30 days	-	35,738
31 to 90 days	-	8
	<u>\$ 275,104</u>	<u>\$ 421,282</u>

The above ageing analysis was based on past due dates.

- B. As at December 31, 2025 and 2024, accounts receivable were all from contracts with customers. And as at January 1, 2024, the balance of receivables from contracts with customers amounted to \$208,689.
- C. As at December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the accounts receivable held by the Company was \$274,828 and \$420,538, respectively.
- D. The Company did not hold collateral as security for accounts receivable.
- E. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(4) Investments accounted for using equity method

	2025	2024
At January 1	\$ 893,587	\$ 884,023
Addition of investments accounted for using equity method	-	3,175
Share of profit or loss of investments accounted for using equity method	(33,782)	(41,391)
Exchange differences on translation of foreign financial statements	(39,491)	47,780
At December 31	<u>\$ 820,314</u>	<u>\$ 893,587</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Subsidiaries:		
New Advanced Electronics Technologies (Vietnam) Company Limited	\$ 536,570	\$ 559,048
New Advanced Electronics Technologies (Hong Kong) Company Limited	26,306	32,066
Jensen Electronics Company Limited	47,898	21,706
Advanced Sound Technologies, Inc.	209,540	280,767
	<u>\$ 820,314</u>	<u>\$ 893,587</u>

A. Details of the subsidiaries are provided in Note 4(3) in the Company's consolidated financial statements for the year ended December 31, 2025.

B. In January 2023, the Company increased the capital of New Advanced Electronics Technologies (Vietnam) Co., Ltd. for a cash consideration of \$3,175.

(5) Property, plant and equipment

	2025			
<u>Cost</u>	<u>Machinery and equipment</u>	<u>Furniture and fixtures</u>	<u>Miscellaneous equipment</u>	<u>Total</u>
Balance at January 1/ December 31	\$ 723	\$ 38	\$ 698	\$ 1,459
<u>Accumulated depreciation and impairment</u>				
Balance at January 1	(522)	(38)	(388)	(948)
Depreciation expense	(121)	-	(86)	(207)
Balance at December 31	(643)	(38)	(474)	(1,155)
Carrying amount at December 31	<u>\$ 80</u>	<u>\$ -</u>	<u>\$ 224</u>	<u>\$ 304</u>

	2024			
<u>Cost</u>	<u>Machinery and equipment</u>	<u>Furniture and fixtures</u>	<u>Miscellaneous equipment</u>	<u>Total</u>
Balance at January 1	\$ 723	\$ 114	\$ 638	\$ 1,475
Additions	-	-	114	114
Disposals	-	(76)	(54)	(130)
Balance at December 31	<u>723</u>	<u>38</u>	<u>698</u>	<u>1,459</u>
<u>Accumulated depreciation and impairment</u>				
Balance at January 1	(402)	(114)	(362)	(878)
Disposals	-	76	54	130
Depreciation expense	(120)	-	(80)	(200)
Balance at December 31	<u>(522)</u>	<u>(38)</u>	<u>(388)</u>	<u>(948)</u>
Carrying amount at December 31	<u>\$ 201</u>	<u>\$ -</u>	<u>\$ 310</u>	<u>\$ 511</u>

The Company did not have property, plant and equipment pledged as collateral and capitalized borrowing costs as a part of property, plant and equipment for the years ended December 31, 2025 and 2024.

(6) Leasing arrangements — lessee

A. The Company leases various assets including buildings and transportation equipment. Rental contracts are typically made for periods of 3~5 years. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Buildings	\$ 6,687	\$ 7,337
Machinery and equipment	-	-
	<u>\$ 6,687</u>	<u>\$ 7,337</u>
	<u>Year ended December 31, 2025</u>	<u>Year ended December 31, 2024</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Buildings	\$ 3,382	\$ 3,397
Machinery and equipment	-	486
	<u>\$ 3,382</u>	<u>\$ 3,883</u>

C. For the years ended December 31, 2025 and 2024, the additions to right-of-use assets were \$2,732 and \$8,469, respectively.

D. The information on profit and loss accounts relating to lease contracts is as follows:

	Years ended December 31,	
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 111	\$ 98
Expense on short-term lease contracts	710	166
	<u>\$ 821</u>	<u>\$ 264</u>

E. For the years ended December 31, 2025 and 2024, the Company's total cash outflow for leases amounted were \$4,189 and \$4,139, respectively.

(7) Short-term borrowings

	December 31, 2025	December 31, 2024
<u>Type of borrowings</u>		
Bank unsecured borrowings	\$ 180,000	\$ 80,000
Interest rate range	<u>2.15%~2.40%</u>	<u>2.15%</u>

Please refer to Note 6(19), for the interest expense recognised in profit or loss.

(8) Financial liabilities at fair value through profit or loss

Iteam	December 31, 2025	December 31, 2024
Current :		
Financial liabilities held for trading		
Options embedded in convertible bonds	\$ -	\$ 8,760

For the years ended December 31, 2025 and 2024, the Group recognised net profit (loss) amounting to \$5,656 and (\$4,920), respectively.

(9) Other payables

	December 31, 2025	December 31, 2024
Salary and bonus payable	\$ 8,727	\$ 7,805
Employees' compensation and directors' remuneration payable	1,100	2,862
Payables for service fees	1,025	1,495
Others	3,368	6,108
	<u>\$ 14,220</u>	<u>\$ 18,270</u>

(10) Bonds payable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current items:		
Bonds payable	\$ -	\$ 400,000
Less: Discount on bonds payable	-	(13,141)
	<u>\$ -</u>	<u>\$ 386,859</u>

A. The terms of the third domestic secured convertible bonds issued by the Company as approved by the regulatory authority are as follows:

- (a) The bonds were issued at \$600,000, 0%. The bonds mature three years from the issue date (April 21, 2021 ~ April 21, 2024) and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on April 21, 2021.
- (b) The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three month of the bonds issue before the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares. As of April 21, 2024, convertible bonds amounting to \$38,500 in total par value were requested for conversion into 170 thousand ordinary shares.
- (c) The conversion price of the bonds is set up based on the pricing model specified in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price is \$232.4 (in dollars) per share upon issuance. However, after the issuance of this convertible bond, except for the issuance (or private placement) of various securities with common stock conversion rights or stock options for the conversion of common shares or issuing new shares for employee bonus, if there is an increase in the common shares issued (or private placement) by the Company, the conversion price of the bonds shall be calculated on the base date in accordance with the provisions of the issuance regulations and subsequently adjusted based on the formula defined in the regulations, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. As of April 21, 2024, the conversion price was adjusted to \$201.8 (in dollars) per share.
- (d) The bondholders have the right to require the Company to redeem any bonds at the price of the bonds' face value plus 0.5006% (return rate of 0.25%) of the face value as interests upon two years from the issue date. As of April 21, 2024, the face value of the convertible bonds amounting to \$476,300 was required to be repurchased.

- (e) The Company may repurchase all the bonds outstanding in cash at the bonds' face value within 30 trading days after the following events occur: (i) the closing price of the Company common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three months of the bonds issue to 40 days before the maturity date, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months of the bonds issue to 40 days before the maturity date.
 - (f) Under the terms of the bonds, all bonds redeemed (including bonds repurchased from securities trading markets), matured and converted are retired and not to be sold and re-issued; all rights and obligations attached to the bonds are also extinguished.
 - (g) Regarding the issuance of convertible bonds, the equity conversion options amounting to \$10,111 were separated from the liability component and were recognised in 'capital surplus — share options' in accordance with IAS 32. As of April 21, 2024, the abovementioned 'capital surplus — share options' after exercising the conversion rights, put options and redemption at maturity and reversed amounted to \$0. The put options and call options embedded in bonds payable were separated from their host contracts and were recognised in 'financial assets or liabilities at fair value through profit or loss' in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective annual interest rate of the bonds after separation is 1.91%.
- B. The terms of the fourth domestic unsecured convertible bonds issued by the Company as approved by the regulatory authority are as follows:
- (a) The bonds were issued at \$400,000, 0%. The bonds mature three years from the issue date (May 11, 2023 ~ May 11, 2026) and will be redeemed in cash at face value within 10 trading days after the maturity date. The bonds were listed on the Taipei Exchange on May 11, 2023.
 - (b) The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three months of the bonds issue before the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
 - (c) The conversion price of the bonds is set up based on the pricing model specified in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price is \$98 (in dollars) per share upon issuance. However, after the issuance of this convertible bond, except for the issuance (or private placement) of various securities with common stock conversion rights or stock options for the conversion of common shares or issuing new shares for employee bonus, if there is an increase in the common shares issued (or private placement) by the Company, the conversion price of

the bonds shall be calculated on the base date in accordance with the provisions of the issuance regulations and subsequently adjusted based on the formula defined in the regulations, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. As of December 31, 2025, the conversion price was adjusted to \$88.7(in dollars) per share.

- (d) The bondholders have the right to require the Company to redeem any bonds at the price of the bonds' face value plus 1.0025% (yield to call of 0.5%) of the face value as interests upon two years from the issue date. As of December 31, 2025, the face value of the convertible bonds amounting to \$397,000 was required to be repurchased.
- (e) The Company may repurchase all the bonds outstanding in cash at the bonds' face value within 30 trading days after the following events occur: (i) the closing price of the Company common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three months of the bonds issue to 40 days before the maturity date, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months of the bonds issue to 40 days before the maturity date. In accordance with the terms of convertible bonds, the Company set the effective date for redemption on September 22, 2025 for the convertible bonds whose outstanding balance is less than 10% of total initial issue amount. In addition, the Company repurchased the convertible bonds outstanding in cash at the bonds' face value amounting to \$2,100.
- (f) Under the terms of the bonds, all bonds redeemed (including bonds repurchased from securities trading markets), matured and converted are retired and not to be sold and re-issued; all rights and obligations attached to the bonds are also extinguished.
- (g) Regarding the issuance of convertible bonds, the equity conversion options amounting to \$21,734 were separated from the liability component and were recognised in 'capital surplus—share options' in accordance with IAS 32. As of December 31, 2025, the balance of the abovementioned 'capital surplus - share options' which was reversed due to exercise of put options amounted to \$0. The call options and put options embedded in bonds payable were separated from their host contracts and were recognised in 'financial assets or liabilities at fair value through profit or loss' in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective interest rates of the bonds payable after such separation was 2.48%.

(11) Long-term borrowings

	Borrowing period and repayment term	Interest rate	Collateral	December 31, 2025
Long-term bank borrowings				
Unsecured borrowings	Borrowing period is from May 13, 2025 to May 13, 2027; interest is payable quarterly.	2.25%	None	\$ 300,000
Less: Current portion				(60,000)
				<u>\$ 240,000</u>

A. There were no such transactions as of December 31, 2024.

B. Interest expense on the Company's bank borrowings recognised in profit or loss is provided in Note 6(19).

(12) Share capital

A. As of December 31, 2025, the Company's authorised capital was \$600,000, consisting of 60 million shares of ordinary stock (including 2 million shares reserved for employee stock options), and the paid-in capital was \$353,298 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding are as follows:

	(Unit: in thousand shares)	
	2025	2024
At January 1 / December 31	<u>35,330</u>	<u>35,330</u>

B. The right and obligation of the Company's privately placed ordinary shares are the same as other issued ordinary shares, except for the restrictions on transfers and procedures that the Company shall submit an application for public offering where three full years have elapsed since the delivery date and for trading on the over-the-counter markets. The Company's privately placed ordinary shares issued in 2020 amounted to 11,000 thousand shares, and the issuance amount was 276,270. The privately placed ordinary shares were offered publicly, which was approved to be effective on July 5, 2024.

(13) Capital surplus

A. Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

2025					
	Additional paid -in capital	Difference between consideration and carrying amount of subsidiaries	Share options	Other	Total
At January 1	\$ 255,113	\$ 7,401	\$ 23,378	\$ 9,777	\$ 295,669
Cash distributed from capital surplus	(12,365)	-	-	-	(12,365)
Repayment of corporate bonds at maturity	-	-	(23,378)	23,378	-
At December 31	<u>\$ 242,748</u>	<u>\$ 7,401</u>	<u>\$ -</u>	<u>\$ 33,155</u>	<u>\$ 283,304</u>
2024					
	Additional paid -in capital	Difference between consideration and carrying amount of subsidiaries	Share options	Other	Total
At January 1	\$ 279,844	\$ 7,401	\$ 24,696	\$ 8,459	\$ 320,400
Cash distributed from capital surplus	(24,731)	-	-	-	(24,731)
Repayment of corporate bonds at maturity	-	-	(1,318)	1,318	-
At December 31	<u>\$ 255,113</u>	<u>\$ 7,401</u>	<u>\$ 23,378</u>	<u>\$ 9,777</u>	<u>\$ 295,669</u>

B. Details of cash dividend from capital surplus is provided in Note 6(14) C.

(14) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses (including adjusting unappropriated earnings), then 10% of the remaining amount shall be set aside as legal reserve. After setting aside or reversing a special reserve in accordance with related laws, the appropriation of the remaining earnings, shall be proposed by the Board of Directors and resolved by the shareholders as dividends to shareholders. As the Company operates in a volatile business environment and is in the growth stage, the residual dividend policy is adopted taking into consideration the Company's future capital requirement and longterm financial plans. The Company's distributable earnings as of the end of the period, if any, shall be appropriated as dividends, and cash dividends shall account for at least 10% of the total dividends distributed.
- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- C. On March 14, 2024, the Board of Directors resolved to distribute cash dividends of \$10,599 (NT\$0.3 (in dollars) per share) from the fourth quarter earnings of 2023 and cash dividends from capital surplus of \$24,731 (NT\$0.7 (in dollars) per share). The above earnings distribution was reported at the shareholders' meeting on June 27, 2024. On March 13, 2025, the Board of Directors resolved to distribute cash dividends of \$22,965 (NT\$0.65 (in dollars) per share) from the fourth quarter earnings of 2024 and cash dividends from capital surplus of \$12,365 (NT\$0.35 (in dollars) per share). The above earnings distribution was reported at the shareholders' meeting on June 25, 2025. On March 3, 2026, the Board of Directors resolved not to distribute earnings for the fourth quarter of 2025.

(15) Operating revenue

The Company recognises revenue at a point in time in the following major product lines and geographical regions:

		Years ended December 31,	
		2025	2024
Revenue from contracts with customers			
Sales revenue-speakers		\$ 1,465,863	\$ 1,375,441
		Years ended December 31,	
		2025	2024
Main business market			
America	\$	1,208,636	\$ 1,217,001
Japan		257,227	158,440
	\$	1,465,863	\$ 1,375,441

(16) Interest income

		Years ended December 31,	
		2025	2024
Interest income from bank deposits	\$	5,133	\$ 8,616
Other interest income		8	16
	\$	5,141	\$ 8,632

(17) Other income

		Years ended December 31,	
		2025	2024
Revenue from samples and models	\$	4,533	\$ 1,283
Others		1,097	683
	\$	5,630	\$ 1,966

(18) Other gains and losses

	Years ended December 31,	
	2025	2024
Gain on disposals of property, plant and equipment	\$ -	\$ 6
Net currency exchange (losses) gains	(19,124)	29,439
Net losses on financial assets (liabilities) at fair value through profit or gains (losses)	5,656 (	4,920)
Losses on repurchase of convertible bonds	(10,039)	-
Other	(20)	-
	<u>(\$ 23,527)</u>	<u>\$ 24,525</u>

(19) Finance costs

	Years ended December 31,	
	2025	2024
Interest expenses		
Bank borrowings	\$ 7,710	\$ 1,580
Convertible bonds	3,988	9,544
Lease liabilities	111	98
Other finance charges	8	268
	<u>\$ 11,817</u>	<u>\$ 11,490</u>

(20) Expenses by nature

	Years ended December 31,	
	2025	2024
Employee benefit expense	\$ 34,009	\$ 30,230
Depreciation expense on property, plant and equipment	207	200
Amortisation charges on right-of-use assets	3,382	3,883
Amortisation charges on intangible assets	-	73
	<u>\$ 37,598</u>	<u>\$ 34,386</u>

(21) Employee benefit expense

	Years ended December 31,	
	2025	2024
Pension costs	\$ 1,329	\$ 1,271
Short-term employee benefits	29,725	26,167
Other employee benefits	2,955	2,792
	<u>\$ 34,009</u>	<u>\$ 30,230</u>

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 1% for employees' compensation and shall not be higher than 5% for directors' remuneration, of which the amount of the employees' compensation shall be distributed in a ratio not lower than 50% as non-managerial employees' compensation. If the Company has an accumulated deficit, earnings should be reserved to cover deficit.

B. For the years ended December 31, 2025 and 2024, employees' compensation was accrued at \$200 and \$500, respectively; while directors' remuneration was accrued at \$100 and \$300, respectively. The aforementioned amounts were recognised in salary expenses.

The employees' compensation and directors' remuneration were estimated and accrued based on the profit of current year distributable for the year ended December 31, 2025 and a certain percentage. The employees' compensation and directors' remuneration resolved by the Board of Directors amounted to \$200 and \$100, respectively, and the employees' compensation will be distributed in the form of cash.

Employees' compensation and directors' remuneration of 2024 as resolved at the Board of Directors' meeting were in agreement with those amounts recognised in the profit or loss of 2024.

Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

C. The Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. The Company contributes monthly an amount of 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. For the years ended December 31, 2025 and 2024, the Company recognised pension costs in line with the pension act amounting to \$1,329 and \$1,271, respectively.

(22) Income tax

A. Components of income tax expense:

	Years ended December 31,	
	2025	2024
Current tax:		
Current tax on profits for the year	\$ 7,575	\$ 11,500
Tax on undistributed surplus earnings	93	9
Prior year income tax underestimation	2,160	184
Total current tax	9,828	11,693
Deferred tax:		
Origination and reversal of temporary differences	(7,337)	(1,548)
Income tax expense	\$ 2,491	\$ 10,145

B. The income tax (charge) / credit relating to components of other comprehensive income is as follows:

	Years ended December 31,	
	2025	2024
Currency translation differences	(\$ 7,898)	\$ 9,556

C. Reconciliation between income tax expense and accounting profit

	Years ended December 31,	
	2025	2024
Income tax calculated by applying statutory rate to the profit before tax	\$ 746	\$ 7,545
Expenses disallowed by tax regulation	(508)	2,407
Tax on undistributed earnings	93	9
Prior year income tax underestimation	2,160	184
Income tax expense	\$ 2,491	\$ 10,145

D. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	2025			
	At January 1	Recognised in profit or loss	Recognised in other comprehensive income	At December 31
Temporary differences				
— Deferred tax assets:				
Loss on long-term foreign equity investments accounted	\$ 31,202	\$ 345	\$ -	\$ 31,547
— Deferred tax liabilities:				
Gain on long-term foreign equity investments accounted	(17,605)	6,411	-	(11,194)
Unrealized exchange gain	(2,330)	581	-	(1,749)
Currency translation differences	(10,916)	-	7,898	(3,018)
	(30,851)	6,992	7,898	(15,961)
	\$ 351	\$ 7,337	\$ 7,898	\$ 15,586

	2024			
	At January 1	Recognised in profit or loss	Recognised in other comprehensive income	At December 31
Temporary differences				
— Deferred tax assets:				
Loss on long-term foreign equity investments accounted for using equity method	\$ 25,030	\$ 6,172	\$ -	\$ 31,202
Unrealized exchange loss	2,430	(2,430)	-	-
Others	1,971	(1,971)	-	-
	<u>\$ 29,431</u>	<u>\$ 1,771</u>	<u>\$ -</u>	<u>\$ 31,202</u>
— Deferred tax liabilities:				
Gain on long-term foreign equity investments accounted	(19,712)	2,107	-	(17,605)
Unrealized exchange gain	-	(2,330)	-	(2,330)
Currency translation differences	(1,360)	-	(9,556)	(10,916)
	<u>(21,072)</u>	<u>(223)</u>	<u>(9,556)</u>	<u>(30,851)</u>
	<u>\$ 8,359</u>	<u>\$ 1,548</u>	<u>(\$ 9,556)</u>	<u>\$ 351</u>

E. The Company's income tax returns through 2023 have been assessed and approved by the Tax Authority.

(23) Earnings per share

	Year ended December 31, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Earnings attributable to ordinary shareholders of the Company	<u>\$ 1,238</u>	<u>35,330</u>	<u>\$ 0.04</u>
<u>Diluted earnings per share</u>			
Earnings attributable to ordinary shareholders of the Company	\$ 1,238	35,330	
Employees' compensation	-	4	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 1,238</u>	<u>35,334</u>	<u>\$ 0.04</u>
	Year ended December 31, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Earnings attributable to ordinary shareholders of the Company	<u>\$ 27,579</u>	<u>35,330</u>	<u>\$ 0.78</u>
<u>Diluted earnings per share</u>			
Earnings attributable to ordinary shareholders of the Company	\$ 27,579	35,330	
Employees' compensation	-	10	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 27,579</u>	<u>35,340</u>	<u>\$ 0.78</u>

For the year ended December 31, 2024, the convertible bonds had anti-dilutive effect and thus were not included in the calculation of diluted earnings per share.

(24) Changes in liabilities from financing activities

	Short-term borrowings	Long-term borrowings	Lease liabilities	Corporate bonds payable	Liabilities from financing activities-gross
At January 1, 2025	\$ 80,000	\$ -	\$ 7,386	\$ 386,859	\$ 474,245
Changes in cash flow from financing activities	100,000	300,000	(3,368)	(403,990)	(7,358)
Changes in other non-cash items (Note 1)	-	-	2,732	17,131	19,863
At December 31, 2025	<u>\$ 180,000</u>	<u>\$ 300,000</u>	<u>\$ 6,750</u>	<u>\$ -</u>	<u>\$ 486,750</u>

	Short-term borrowings	Lease liabilities	Corporate bonds payable	Liabilities from financing activities-gross
At January 1, 2024	\$ 80,000	\$ 2,792	\$ 462,515	\$ 545,307
Changes in cash flow from financing activities	-	(3,875)	(85,200)	(89,075)
Changes in other non-cash items (Note 1)	-	8,469	9,544	18,013
At December 31, 2024	<u>\$ 80,000</u>	<u>\$ 7,386</u>	<u>\$ 386,859</u>	<u>\$ 474,245</u>

Note 1: Changes in other non-cash items were additions of lease liabilities and amortisation of discounts on bonds payable, loss on bonds payable repurchased and write-offs of put options.

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The Company is controlled by the Chairman, Hsing, Chia-chen, who owns 54.67% of the Company's shares. The remaining 45.33% of the shares are widely held.

(2) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Group</u>
Taihong Asset Management Co., Ltd. (Taihong Asset)	Other related party -substantial relationship (Note)
New Advanced Electronics Technologies (Hong Kong) Co., Ltd.	Subsidiary
New Advanced Electronics Technologies (Vietnam) Co., Ltd.	Subsidiary
OXTOP (DONG GUAN) Electronics Co., Ltd.	Subsidiary
Hsing, Chia-chen	Company's chairman

Note: The person-in-charge is the same person as the chairman of the company.

(3) Significant related party transactions

A. Purchases:

	Years ended December 31,	
	2025	2024
Purchases of goods:		
OXTOP (DONG GUAN) Electronics Co., Ltd.	\$ 654,019	\$ 994,057
New Advanced Electronics Technologies (Vietnam) Co., Ltd.	666,992	246,906
	<u>\$ 1,321,011</u>	<u>\$ 1,240,963</u>

Goods are purchased from related parties based on the transaction prices and payment terms agreed upon by both parties as there are no similar counterparties or transactions available.

B. Prepayments to suppliers (shown as prepayments)

	December 31, 2025	December 31, 2024
OXTOP (DONG GUAN) Electronics Co., Ltd.	<u>\$ 3,673</u>	<u>\$ -</u>

C. Payables to related parties

	Years ended December 31,	
	2025	2024
Accounts payable:		
OXTOP (DONG GUAN) Electronics Co., Ltd.	\$ -	\$ 97,870
New Advanced Electronics Technologies (Vietnam) Co., Ltd.	19,116	27,903
	<u>\$ 19,116</u>	<u>\$ 125,773</u>

The payables to related parties arise mainly from purchase transactions and are due 30 days end of month. The payables bear no interest.

D. The Company increased the capital of New Advanced Electronics Technologies (Vietnam) Company Limited in the amount of \$3,175 in January 2024. There were no such transactions for the year ended December 31, 2025.

E. Lease transactions—lessee

- (a) The Company leases buildings from Taihong Asset Management Co., Ltd. Rental contracts covered the period from July 2021 to June 2024 and July 2024 to June 2027, as well as May 2021 to April 2024 and May 2024 to April 2027, respectively. Rents are paid at the end of month.
- (b) The Company leases buildings from Hsing, Chia-chen. Rental contracts covering the period from December, 2020 to November, 2025 and December, 2025 to November, 2030, respectively. Rents are paid at the end of month.

(c) Acquisition of right-of-use assets

	Years ended December 31,	
	2025	2024
Hsing, Chia-chen	\$ 2,732	\$ -
Taihong Asset	-	8,469
	<u>\$ 2,732</u>	<u>\$ 8,469</u>

(d) Lease liabilities

(i) Outstanding balance:

	December 31,	
	2025	2024
Hsing, Chia-chen	\$ 2,690	\$ 525
Taihong Asset	4,060	6,861
	<u>\$ 6,750</u>	<u>\$ 7,386</u>

(ii) Interest expense

	Years ended December 31,	
	2025	2024
Hsing, Chia-chen	\$ 7	\$ 9
Taihong Asset	104	88
	<u>\$ 111</u>	<u>\$ 97</u>

F. Other receivables(including loans to related parties)

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
New Advanced Electronics Technologies (Vietnam) Co., Ltd.(Note 1 、 2)	\$ 60,775	\$ -
New Advanced Electronics Technologies (Hong Kong) Co., Ltd.(Note 2)	2,317	2,554
	<u>\$ 63,092</u>	<u>\$ 2,554</u>

Note 1:The ending balance of loans to related parties amounted to \$59,717. The loans are repayable within 1 year and no interest is charged.

Note 2:Other receivables mainly are salaries that were paid on behalf of others.

G. Provision of endorsements and guarantees

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
New Advanced Electronics Technologies (Vietnam) Co., Ltd.	\$ 125,720	\$ 65,570
OXTOP (DONG GUAN) Electronics Co., Ltd.	125,720	131,140
New Advanced Electronics Technologies (Hong Kong) Co., Ltd.	-	32,785
	<u>\$ 251,440</u>	<u>\$ 229,495</u>

(4) Key management remuneration

	<u>Years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 10,377	\$ 9,126
post employment benefits	108	108
	<u>\$ 10,485</u>	<u>\$ 9,234</u>

8. PLEDGED ASSETS

The Company's assets pledged as collateral are as follows:

	<u>Book value</u>		
<u>Pledged asset</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>Purpose</u>
Non-current financial assets at amortised cost	\$ 3	\$ 8,239	Performance guarantee and short-term borrowings

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

None.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce the debts.

The Company's strategy was to maintain a stable gearing ratio to monitor capital, and the gearing ratios were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Total liabilities	\$ 536,463	\$ 662,477
Total assets	\$ 1,329,469	\$ 1,521,168
Gearing ratio	40%	44%

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets at amortised cost		
Cash and cash equivalents	\$ 119,663	\$ 143,630
Financial assets at amortised cost	3	16,435
Accounts receivable	274,828	420,538
Other receivables (including related parties)	67,907	3,517
Guarantee deposits paid	678	672
	<u>\$ 463,079</u>	<u>\$ 584,792</u>
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	\$ -	\$ 8,760
Financial liabilities at amortised cost		
Short-term borrowings	180,000	80,000
Accounts payable (including related parties)	19,116	125,773
Other payables	14,220	18,270
Corporate bonds payable	-	386,859
Long-term bank borrowings (including current portion)	300,000	-
	<u>\$ 513,336</u>	<u>\$ 619,662</u>
Lease liability	<u>\$ 6,750</u>	<u>\$ 7,386</u>

B. Risk management policies

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise

potential adverse effects on the Company's financial position and financial performance.

To monitor and manage those risks, the Board of Directors make the related regulations to authorise management operating those activities under an acceptable risk, and ask the internal auditors who are directly under the Board of Directors to examine management's assessment regularly. If there is any abnormal situation, the internal auditors shall report to the Board of Directors immediately, and adopt appropriate corrective measures.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Exchange rate risk

- i. The Company operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company used in various functional currency, primarily with respect to the USD and VND. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury.
- iii. The Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2025		
	Foreign currency		Book value
	amount		
<u>(Foreign currency: functional currency)</u>	<u>(In thousands)</u>	<u>Exchange rate</u>	<u>(NTD)</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 14,442	31.43	\$ 453,918
<u>Non-monetary items</u>			
USD:NTD	7,504	31.43	235,846
RMB:NTD	10,653	4.50	47,898
VND:NTD	429,256,248	0.0013	536,570
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	599	31.43	18,838

	December 31, 2024		
	Foreign currency		Book value
	amount		
(Foreign currency: functional currency)	(In thousands)	Exchange rate	(NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 16,863	32.79	\$ 552,853
<u>Non-monetary items</u>			
USD:NTD	9,542	32.79	312,833
RMB:NTD	4,834	4.49	21,706
VND:NTD	414,109,913	0.0013	559,048
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	3,829	32.79	125,534

- iv. The total exchange (loss) gain, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2025 and 2024, amounted to (\$19,124) and \$29,439, respectively.
- v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	December 31, 2025		
	Degree of	Effect on	Effect on other
(Foreign currency: functional currency)	variation	profit or loss	comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	4,539	\$ -
<u>Non-monetary items</u>			
USD:NTD	1%	-	2,358
RMB:NTD	1%	-	479
VND:NTD	1%	-	5,366
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	188	-

	December 31, 2024		
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	5,529 \$	-
<u>Non-monetary items</u>			
USD:NTD	1%	-	3,128
RMB:NTD	1%	-	217
VND:NTD	1%	-	5,590
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	1,255	-

Price risk

The Company has no significant interest rate risk.

Cash flow and fair value interest rate risk

- i. The Group is exposed to cash flow risk of floating-rate assets held and floating-rate liabilities which expose the Group to cash flow interest rate risk. During 2025 and 2024, the Group's borrowings at variable rate were mainly denominated in New Taiwan dollars.
- ii. The Company's borrowings are measured at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.
- iii. If the borrowing interest rate had increased/decreased by 0.5% with all other variables held constant, pre-tax profit for the years ended December 31, 2025 and 2024 would have increased/decreased by \$2,250 and \$150, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms and contract cash flow of financial assets at amortised cost.

- ii. The Company manages their credit risk taking into consideration the entire Company's concern. Only those financial institutions with good credit standing are accepted as trading counterparties. According to the Company's credit policy, each local entity in the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.
- iii. The Company wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Company will continue executing the recourse procedures to secure their rights. On December 31, 2025 and 2024, the Company's written-off financial assets that are still under recourse procedures amounted to \$0.
- iv. Under IFRS 9, the Company applies the simplified approach to provide loss allowance for accounts receivable. The Company uses provision matrix to estimate lifetime expected credit loss which takes into consideration the customers' historical default records, actual financial conditions and future economic tendency. In accordance with the Company's historical experiences in relation to credit loss, no obvious difference on the loss types was identified among different customer groups, therefore, provision matrix has not been further classified based on customer groups. The Company estimates expected credit loss based on the past due date of accounts receivable.

If the contract payments were past due over 90 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition. The default occurs when the contract payments are past due over 365 days.

The Company wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Company will continue executing the recourse procedures to secure their rights

The Company adjusted provision matrix with the time value of money and the historical loss of accounts receivable and forecastability, which considered the economic condition of next year.

	Not past due	1~ 30 days past due	31~90 days past due	91~180 days past due	181~270 days past due	271~365 days past due	Total
Expected loss rate	0.1%	1%	5%	10%	25%	50%	100%

- v. The following indicators are used to determine whether the credit impairment of financial assets has occurred:

- (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
- (ii) Default or delinquency in interest or principal repayments.

- vi. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable and other receivables are as follows:

	Year ended December 31,	
	2025	2024
At January 1	\$ 744	\$ 209
(Reversal of) provision for impairment	(468)	535
At December 31	<u>\$ 276</u>	<u>\$ 744</u>

For the years ended December 31, 2025 and 2024, the impairment gain (loss) profit recognised on receivables from contracts with customers amounted to \$468 and (\$535), respectively.

(c) Liquidity risk

- i. The Company maintains financial flexibility using cash and bank borrowings. The table below analyses the Company's non-derivative financial liabilities based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial instruments

December 31, 2025

	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term borrowings	\$ 181,073	\$ -	\$ -	\$ -
Accounts payable	19,116	-	-	-
(Including related parties)				
Other payables	14,220	-	-	-
Lease liability	3,480	1,786	1,680	-
Long-term bank borrowings				
(including current portion)	66,131	242,152	-	-
	<u>\$ 284,020</u>	<u>\$ 243,938</u>	<u>\$ 1,680</u>	<u>\$ -</u>

Non-derivative financial instruments

December 31, 2024

	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term borrowings	\$ 80,403	\$ -	\$ -	\$ -
Accounts payable	125,773	-	-	-
(Including related parties)				
Other payables	18,270	-	-	-
Corporate bonds payable	400,000	-	-	-
Lease liability	3,432	2,904	1,210	-
	<u>\$ 627,878</u>	<u>\$ 2,904</u>	<u>\$ 1,210</u>	<u>\$ -</u>

- ii. The Company does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly different, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and accounts receivable that are expected to be factored are included in Level 2.

Level 3: Unobservable inputs for the asset or liability, and put and call options embedded in convertible bonds are included in Level 3.

B. Financial instruments not measured at fair value

(a) Financial assets and liabilities not measured at fair value, including the carrying amounts of (cash and cash equivalents, financial assets at amortised cost, accounts receivable, other receivables, guarantee deposits paid, short-term borrowings, accounts payable, other payables and lease liabilities) are approximate to their fair values.

There were no such transactions as of December 31, 2025.

	December 31, 2024			
	<u>Carrying Amounts</u>	<u>Fair Values</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial liabilities :				
Bonds payable	<u>\$ 386,859</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 389,320</u>

(b) The methods and assumptions of fair value estimate are as follows:

Bonds payable were valued using the binomial tree model.

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2024 is as follows:

(a) The related information of natures of the assets and liabilities is as follows:

There were no such transactions as of December 31, 2025.

<u>December 31, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Options embedded in convertible bonds (Note)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,760</u>	<u>\$ 8,760</u>

Note: Please refer to Note 6(10) for the value of the put and call options of convertible bonds issued by the Company.

(b) The methods and assumptions the Company used to measure fair value are as follows:

The fair value of financial instrument without active market is determined by using valuation techniques. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.

D. For the years ended December 31, 2025 and 2024, there was no transfer between Level 1 and Level 2.

E. The following chart is the movement of Level 3 for the years ended December 31, 2025 and 2024:

	Year ended December 31,	
	2025	2024
	Derivative instrument	Derivative instrument
At January 1	(\$ 8,760)	(\$ 3,840)
Conversion eliminated for the year	3,104	-
Recognised in profit or loss		
Listed as non-operating revenue and expenses	5,656	(4,920)
At December 31	<u>\$ -</u>	<u>(\$ 8,760)</u>
Movement of unrealised gain or loss in profit or		
loss of assets and liabilities held as at December 31	<u>\$ -</u>	<u>(\$ 4,920)</u>

F. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

There were no such transactions as of December 31, 2025.

Derivative	Fair value at	Valuation	Significant	Range	Relationship of
Instrument:	December 31, 2024	technique	unobservable input	(weighted average)	inputs to fair value
Options embedded in convertible bonds	\$ 8,760	Binomial Model	Price volatility rate	30.45%	The higher the price volatility, the higher the fair value

G. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

There were no such transactions as of December 31, 2025.

			December 31, 2024			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Derivative						
Instrument:						
Options embedded in convertible bonds	Price volatility rate	± 5%	\$ 1,600	(\$ 1,520)	\$ -	\$ -

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.
- D. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 3.
- E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None..
- F. Significant inter-company transactions during the reporting period: Please refer to table 4.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 5.

(3) Information on investments in Mainland China

- A. Basic information: Please refer to table 6.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 7.

14. SEGMENT INFORMATION

None.

NEW ADVANCED ELECTRONICS TECHNOLOGIES CO., LTD.

STATEMENT OF CASH AND CASH EQUIVALENTS

DECEMBER 31, 2025

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

<u>Items</u>	<u>Summary</u>	<u>Amounts</u>	<u>Note</u>
Cash on hand		\$ 20	
Demand deposits - NTD deposits		6,066	
- USD deposits	USD 2,823 thousand; exchange rate31.43	88,727	
- JPY deposits	JPY 11,872 thousand; exchange rate0.20	2,429	
- EUR deposits	EUR 5 thousand; exchange rate36.90	169	
Time Deposit - USD deposits	USD 708 thousand; exchange rate31.43	22,252	
	Periods from 3 month(s),		
	interest rate 3.27%~4.02%		
		<u>\$ 119,663</u>	

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NEW ADVANCED ELECTRONICS TECHNOLOGIES CO., LTD.

STATEMENT OF TRADE RECEIVABLES

DECEMBER 31, 2025

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

<u>Customer name</u>	<u>Amount</u>	<u>Note</u>
A Company	\$ 34,341	
B Company	215,422	
C Company	32	
D Company	<u>25,309</u>	
	275,104	
Allowance for bad debts	(<u>276</u>)	
	<u>\$ 274,828</u>	

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NEW ADVANCED ELECTRONICS TECHNOLOGIES CO., LTD.
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Name											Market price or net			
	Opening balance		Additions(Note)		Reductions(Note)		Ending balance			value per share			Collateral or pledged	Note
	Number of shares		Number of shares		Number of shares		Number of shares		%	Price				
	(per thousand share)	Amount	(per thousand share)	Amount	(per thousand share)	Amount	(per thousand share)	Ownership	Amount	(in dollar)	Total price			
New Advanced Electronics Technologies (Vietnam) Co., Ltd.	-	\$ 559,048	-	\$ -	-	(\$ 22,478)	-	100%	\$ 536,570	\$ -	\$ 536,570	None		
New Advanced Electronics Technologies (Hong Kong) Co., Ltd.	-	32,066	-	-	-	(5,760)	-	100%	26,306	-	26,306	None		
Jensen Electronics Co., Ltd.	-	21,706	-	26,192	-	-	-	100%	47,898	-	66,925	None		
Advanced Sound Technologies, Inc.	-	280,767	-	-	-	(71,227)	-	80%	209,540	-	206,105	None		
		<u>\$ 893,587</u>		<u>\$ 26,192</u>		<u>(\$ 99,465)</u>			<u>\$ 820,314</u>					

Note : Including additional i recognised gain (loss) on investment profit, realised (unrealised) profit or loss and Currency translation differences.

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NEW ADVANCED ELECTRONICS TECHNOLOGIES CO., LTD.
STATEMENT OF SHORT-TERM BORROWINGS
DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

<u>Nature</u>	<u>Description</u>	<u>Ending balance</u>	<u>Contract period</u>	<u>Range of interest rate</u>	<u>Credit line</u>	<u>Collateral</u>	<u>Note</u>
Unsecured borrowings	Mega International Commercial Bank Co., Ltd.	\$ 30,000	2025/12/12~2026/6/10	2.15%	\$ 50,000	None	
Unsecured borrowings	Mega International Commercial Bank Co., Ltd.	20,000	2025/10/29~2026/4/27	2.15%	50,000	None	
Unsecured borrowings	Shin Kong Bank Co., Ltd.	30,000	2025/8/26~2026/2/26	2.40%	150,000	None	
Unsecured borrowings	Shin Kong Bank Co., Ltd.	70,000	2025/8/14~2026/2/14	2.40%	150,000	None	
Unsecured borrowings	E.SUN Commercial Bank	<u>30,000</u>	2025/12/2~2026/4/1	2.30%	30,000	None	
		<u>\$ 180,000</u>					

Note: The credit line of the same bank is a common quota.

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NEW ADVANCED ELECTRONICS TECHNOLOGIES CO., LTD.
STATEMENT OF PAYABLES TO RELATED PARTIES
DECEMBER 31, 2025

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

The information on 'Payables to related parties ' is provided in Note 7(3).

NEW ADVANCED ELECTRONICS TECHNOLOGIES CO., LTD.

STATEMENT OF LONG-TERM BORROWINGS

DECEMBER 31, 2025

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

<u>Creditor</u>	<u>Description</u>	<u>Amount</u>	<u>Contract Period</u>	<u>Interest Rate</u>	<u>Collateral</u>	<u>Note</u>
CTBC Bank Co., Ltd.	Unsecured borrowings	\$ 300,000	2025/5/13~2027/5/13	2.25%	None	
	Less: Current portion	(60,000)				
		<u>\$ 240,000</u>				

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NEW ADVANCED ELECTRONICS TECHNOLOGIES CO., LTD.
STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2025
 (Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

<u>Items</u>	<u>Quantity</u>	<u>Amount</u>	<u>Notes</u>
Speakers	973 thousand PCS	\$ <u>1,465,863</u>	

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NEW ADVANCED ELECTRONICS TECHNOLOGIES CO., LTD.
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Items	Total	Note
Beginning inventory	\$ -	
Add: Net purchase for the year	1,321,011	
Ending inventory	-	
Cost of goods sold	<u>\$ 1,321,011</u>	

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NEW ADVANCED ELECTRONICS TECHNOLOGIES CO., LTD.
STATEMENT OF SELLING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
 (Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Items	Summary	Amount	Note
Entertainment expense		\$ 8,526	
Advertising expense		5,526	
Travel expense		4,928	
Service expense		4,434	
Wages and salaries		1,865	
Others (balance of each expense account has not exceeded 5% of the selling expenses)		3,950	
		\$ 29,229	

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NEW ADVANCED ELECTRONICS TECHNOLOGIES CO., LTD.
STATEMENT OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

<u>Items</u>	<u>Summary</u>	<u>Amount</u>	<u>Notes</u>
Wages and salaries		\$ 22,758	
Service expense		3,761	
Depreciation expense		2,537	
Travel expense		2,620	
Others (balance of each expense account has not exceeded 5% of the general and administrative expenses)		13,758	
		<u>\$ 45,434</u>	

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NEW ADVANCED ELECTRONICS TECHNOLOGIES CO., LTD.
STATEMENT OF RESEARCH AND DEVELOPMENT EXPENSES
DECEMBER 31, 2025

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Items	Summary	Amount	Notes
Service expense		\$ 3,059	
Wages and salaries		2,148	
lease payments		711	
Depreciation expense		525	
Others (balance of each expense account has not exceeded 5% of the general and administrative expenses)		2,130	
		<u>\$ 8,573</u>	

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NEW ADVANCED ELECTRONICS TECHNOLOGIES CO., LTD.
STATEMENT OF FINANCE COOST
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

The information on 'Finance costs' is provided in Note 6(19).

NEW ADVANCED ELECTRONICS TECHNOLOGIES CO., LTD.
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

By function By nature	Years ended December 31,					
	2025			2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expense						
Salaries and bonus	\$ -	\$ 26,771	\$ 26,771	\$ -	\$ 23,262	\$ 23,262
Labour and health insurance fees	-	2,086	2,086	-	1,947	1,947
Pension costs	-	1,329	1,329	-	1,271	1,271
Directors' remuneration	-	2,152	2,152	-	2,126	2,126
Others	-	1,671	1,671	-	1,624	1,624
Depreciation	-	3,589	3,589	-	4,083	4,083
Amortisation	-	-	-	-	73	73
Total	\$ -	\$ 37,598	\$ 37,598	\$ -	\$ 34,386	\$ 34,386

Note :

A. As of December 31, 2025 and 2024, the numbers of employees of the Company were both 29, respectively, and the numbers of non-employee directors were both 6.

B. (a) Average employee benefit expense in current year was \$1,385. Average employee benefit expense in previous year was \$1,222.

(b) Average employees salaries in current year was \$1,164. Average employees salaries in previous year was \$1,011.

(c) Adjustments of average employees salaries was 15.13%.

(d) The Company has no supervisors' remuneration for current and previous years as the Company sets up the audit committee.

(e) The Company's Remuneration Policy (including directors, supervisors, managers and employees): The directors' emoluments include transportation allowance and directors' remuneration distributed from earnings.

The transportation allowance paid to directors is determined based on their attendance to the Meeting of Board of Directors by reference to the pay levels in the same industry. The directors' remuneration distributed from earnings shall be proposed by the Board of Directors and approved at the shareholders' meeting in accordance with the Article 20 of the Company's Articles of Incorporation, and will be paid proportionally to each director based on the length of their tenure. The emoluments to the chairman, general manager, deputy general manager and department heads, including salaries, incentive payments and employee bonuses, etc., are determined based on their positions and assumed responsibilities by reference to the pay levels of the same position in the same industry, and shall be approved by the Remuneration Committee.

New Advanced Electronics Technologies Co., Ltd.
Loans to others
Year ended December 31, 2025

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2025 (Note 2)	Balance at December 31, 2025	Actual amount drawn down	Interest rate	Nature of loan (Note 3)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for uncollectible accounts	Collateral		Limit on loans granted to a single party (Note 4)	Ceiling on total loans granted (Note 4)	Footnote
0	New Advanced Electronics Technologies Co., Ltd.	New Advanced Electronics Technologies (Vietnam) Co., Ltd.	Other receivables from related parties	Y	\$ 94,290	\$ 94,290	\$ 59,717	-	Business relationship	\$ 666,992	-	\$ -	None	\$ -	\$ 317,202	\$ 317,202	
0	New Advanced Electronics Technologies Co., Ltd.	OXTOP (DONG GUAN) Electronics Co., Ltd.	Other receivables from related parties	Y	62,860	62,860	-	-	Business relationship	654,019	-	-	None	-	317,202	317,202	

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

- (1)The Company is ‘0’.
- (2)The subsidiaries are numbered in order starting from ‘1’.

Note 2: It refers to the loans to New Advanced Electronics Technologies (Vietnam) Co., Ltd. in the amount of USD 3,000 thousand and the loans to OXTOP (DONG GUAN) Electronics Co., Ltd. in the amount of USD 2,000 thousand. The amounts are translated into New Taiwan Dollars at the spot exchange rates of US\$1: NT\$31.43 prevailing at financial reporting date.

Note 3: The column of ‘Nature of loan’ shall fill in ‘Business transaction or ‘Short-term financing’.

Note 4: The total loans of the Company granted to others shall not exceed 40% of the Company’s net assets. Limit on the loans granted to a single party is as follows: (1) For business relationship, the total amount shall not exceed 40% of the Company’s net assets; the limit amount for a single party is the higher value of purchasing and selling between both parties during current year on the year of financing. Limit on loans to a single party with business transactions is the higher value of purchasing and selling during current year on the year of financing. (2) For short-term financing, the total amount shall not exceed 40% of the Company’s net assets; the limit amount for single party shall not exceed 10% of the Company’s net assets. For those loans granted to the Company’s subsidiaries (including indirectly invested second-tier subsidiary), the limit amount shall not exceed 40% of the Company’s net assets. The financing amount is the accumulated balance of the short-term financing.

New Advanced Electronics Technologies Co., Ltd.
Provision of endorsements and guarantees to others
Year ended December 31, 2025

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Company name	Party being endorsed/guaranteed	Limit on	Maximum	Outstanding endorsement/ guarantee	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
			Relationship with the endorser/ guarantor (Note 2)	endorsements/ guarantees provided for a single party (Note 3)	outstanding endorsement/ guarantee amount as of December 31, 2025									
0	New Advanced Electronics Technologies Co., Ltd.	New Advanced Electronics Technologies (Hong Kong) Company Limited	2	\$ 396,503	\$ 31,400	\$ -	\$ -	\$ -	3.96%	\$ 793,006	Y	N	N	
0	New Advanced Electronics Technologies Co., Ltd.	New Advanced Electronics Technologies (Vietnam) Co., Ltd.	2	396,503	62,860	-	-	-	7.93%	793,006	Y	N	N	
0	New Advanced Electronics Technologies Co., Ltd.	New Advanced Electronics Technologies (Vietnam) Co., Ltd.	2	396,503	125,720	125,720	97,168	-	15.85%	793,006	Y	N	N	
0	New Advanced Electronics Technologies Co., Ltd.	OXTOP (DONG GUAN) Electronics Co., Ltd.	2	396,503	125,720	125,720	-	-	15.85%	793,006	Y	N	Y	

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

- (1) The Company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:

- (1) Having business relationship.
- (2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
- (4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.
- (5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
- (6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
- (7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: (1) Ceiling on total amount of endorsements/guarantees provided by the Company shall not exceed 100% of the Company's net assets. Limit on cumulative amount of endorsements/guarantees provided to a single party shall not exceed 20% of the Company's net assets. For those endorsements/guarantees provided to the Company's parent company or subsidiaries (including indirectly invested second-tier subsidiary), the limit on endorsements/guarantees shall not exceed 50% of the Company's net assets.

- (2) For the companies having business relationship with the Company and thus being provided endorsements/guarantees, in addition to the aforementioned rules, limit on endorsements/guarantees provided to a single party shall not exceed the amount of business transaction with the Company in the current year (which is the higher between sales and purchases).
of the Company's net assets; limit on cumulative amount of endorsements/guarantees provided to a single party shall not exceed 20% of the Company's net assets. For those endorsements/guarantees provided to the Company's parent company or subsidiaries (including indirectly invested second-tier subsidiary), the limit on endorsements/guarantees shall not exceed 50% of the Company's net assets.
- (3) Ceiling on total amount of endorsement/guarantee provided by the Company and its subsidiaries to others shall not exceed 100% of the Company's net assets; limit on cumulative amount of endorsements/guarantees provided to a single party shall not exceed 20% of the Company's net assets. For those endorsements/guarantees provided to the Company's parent company or subsidiaries (including indirectly invested second-tier subsidiary), the limit on endorsements/guarantees shall not exceed 50% of the Company's net assets.

New Advanced Electronics Technologies Co., Ltd.
Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more
Year ended December 31, 2025

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

							Differences in transaction terms compared to third party transactions				Notes/accounts receivable (payable)	
Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction								Footnote	
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)		
New Advanced Electronics Technologies Co., Ltd.	OXTOP(DONG GUAN) Electronics Co., Ltd.	Other related party	Purchases	\$ 654,019	50%	Note	\$ -	-	\$ -	-		
New Advanced Electronics Technologies Co., Ltd.	New Advanced Electronics Technologies (Vietnam)	Other related party	Purchases	666,992	50%	Note	-	-	(19,116)	(100%)		
New Advanced Electronics Technologies (Hong Kong) Company Limited	OXTOP(DONG GUAN) Electronics Co., Ltd.	Sister company	Purchases	142,614	80%	Note	-	-	(11,683)	(43%)		
New Advanced Electronics Technologies (Vietnam) Co., Ltd.	Jensen Electronics Co.,Ltd.(Jensen)	Sister company	Purchases	291,677	46%	Note	-	-	(73,088)	(56%)		
New Advanced Electronics Technologies (Vietnam) Co., Ltd.	OXTOP(DONG GUAN) Electronics Co., Ltd.	Sister company	Purchases	175,227	28%	Note	-	-	(19,511)	(15%)		

Note: Credit term is determined based on the mutual agreement as there were no similar counterparties or products.

New Advanced Electronics Technologies Co., Ltd.
Significant inter-company transactions during the reporting periods
Year ended December 31, 2025

Table 4

Transactions amount between the parent company and subsidiaries or between subsidiaries reaching NT\$10 million is provided below:

Expressed in thousands of NTD
(Except as otherwise indicated)

				Transaction			
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets
0	New Advanced Electronics Technologies Co., Ltd.	OXTOP(DONG GUAN) Electronics Co., Ltd.	1	Purchases	\$ 654,019	30 days after monthly billings	39%
0	New Advanced Electronics Technologies Co., Ltd.	New Advanced Electronics Technologies (Vietnam) Co., Ltd.	1	Purchases	666,992	30 days after monthly billings	40%
0	New Advanced Electronics Technologies Co., Ltd.	New Advanced Electronics Technologies (Vietnam) Co., Ltd.	1	Accounts payable	19,116	30 days after monthly billings	1%
0	New Advanced Electronics Technologies Co., Ltd.	New Advanced Electronics Technologies (Vietnam) Co., Ltd.	1	Other receivables	60,775	-	3%
0	New Advanced Electronics Technologies Co., Ltd.	OXTOP(DONG GUAN) Electronics Co., Ltd.	1	Endorsements and guarantees	125,720	Note 4	7%
0	New Advanced Electronics Technologies Co., Ltd.	New Advanced Electronics Technologies (Vietnam) Co., Ltd.	1	Endorsements and guarantees	125,720	Note 4	7%
1	New Advanced Electronics Technologies (Hong Kong) Company Limited	OXTOP(DONG GUAN) Electronics Co., Ltd.	3	Purchases	142,614	30 days after monthly billings	9%
1	New Advanced Electronics Technologies (Hong Kong) Company Limited	OXTOP(DONG GUAN) Electronics Co., Ltd.	3	Accounts payable	11,683	30 days after monthly billings	1%
1	New Advanced Electronics Technologies (Hong Kong) Company Limited	New Advanced Electronics Technologies (Vietnam) Co., Ltd.	3	Purchases	36,400	30 days after monthly billings	2%
1	New Advanced Electronics Technologies (Hong Kong) Company Limited	New Advanced Electronics Technologies (Vietnam) Co., Ltd.	3	Accounts payable	15,494	30 days after monthly billings	1%
2	New Advanced Electronics Technologies (Vietnam) Co., Ltd.	Jensen Electronics Co.,Ltd.(Jensen)	3	Purchases	291,677	30 days after monthly billings	17%
2	New Advanced Electronics Technologies (Vietnam) Co., Ltd.	Jensen Electronics Co.,Ltd.(Jensen)	3	Accounts payable	73,088	30 days after monthly billings	4%
2	New Advanced Electronics Technologies (Vietnam) Co., Ltd.	OXTOP(DONG GUAN) Electronics Co., Ltd.	3	Purchases	175,227	30 days after monthly billings	10%
2	New Advanced Electronics Technologies (Vietnam) Co., Ltd.	OXTOP(DONG GUAN) Electronics Co., Ltd.	3	Accounts payable	19,511	30 days after monthly billings	1%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1)Parent company is ‘0’.
- (2)The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories:

- (1)Parent company to subsidiary.
- (2)Subsidiary to parent company.
- (3)Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: Base on the Company's ‘Operation Procedure for Provision of Endorsements and Guarantees to Other Parties’.

New Advanced Electronics Technologies Co., Ltd.
Information on investees (not including investees in Mainland China)
Year ended December 31, 2025

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025			Net profit (loss)	Investment income (loss)	Footnote
				Balance as at December 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value	of the investee for the	recognised by the Company	
									December 31, 2025 (Note 2(2))	December 31, 2025 (Note 2(3))	
New Advanced Electronics Technologies Co., Ltd.	New Advanced Electronics Technologies (Vietnam) Co., Ltd.	Vietnam	Manufacture of speakers	\$ 668,285	\$ 668,285	-	100	\$ 536,570	\$ 14,674	\$ 14,674	
New Advanced Electronics Technologies Co., Ltd.	New Advanced Electronics Technologies (Hong Kong) Company Limited	Hong Kong	Design, research and development and manufacture of speakers	5,778	5,778	-	100	26,306	(4,400)	(4,400)	
New Advanced Electronics Technologies Co., Ltd.	Advanced Sound Technologies, Inc.	Samoa	Holding company	244,182	244,182	-	80	209,540	(90,117)	(68,899)	

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

- (1) The columns of 'Investee', 'Location', 'Main business activities', 'Initial investment amount' and 'Shares held as at December 31, 2025' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column.
 - (2) The 'Net profit (loss) of the investee for the year ended December 31, 2025' column should fill in amount of net profit (loss) of the investee for this period.
 - (3) The 'Investment income (loss) recognised by the Company for the year ended December 31, 2025' column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period.
- When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

New Advanced Electronics Technologies Co., Ltd.
Information on investments in Mainland China
Year ended December 31, 2025

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Net income of investee as of 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2025 (Note 3)	Book value of investments in Mainland China as of December 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2025	Footnote
				Remitted to Mainland China	Remitted back to Taiwan								
Jensen Electronics Co.,Ltd.(Jensen)	Trading company	\$ 7,858	Note 1	\$ 7,858	\$ -	\$ -	\$ 7,858	\$ 32,444	100	\$ 24,843	\$ 47,898	\$ -	
OXTOP(DONG GUAN) Electronics Co., Ltd.	Manufacture of speakers	345,730	Note 2	276,584	-	-	276,584	(90,117)	80	(68,899)	209,540	-	
Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 5)										
New Advanced Electronics Technologies Co., Ltd.	\$ 284,442	\$ 284,442	\$ 507,234										

Note 1: Invested directly by Jensen Electronics Co.,Ltd.(Jensen) of USD 250 thousand.
Note 2: Through investing in Advanced Sound Technologes, Inc. in the third area by capital increase of USD 8,800 thousand, which then invested in the OXTOP (DONG GUAN) Electronics Co., Ltd.
Note 3: Based on investees’ financial statements audited by independent auditors.
Note 4: The numbers in this table are expressed in New Taiwan Dollar, except current profit (loss) for the year ended December 31, 2025 is translated using the average exchange rate of 31.18, amounts disclosed by investees in currencies other than NTD are translated using spot rate of 31.43 on December 31, 2025.
Note 5: Ceiling on investments in Mainland China imposed by the Investment Commission of the Ministry of Economic Affairs was the 60% of the net assets.

Table 7

New Advanced Electronics Technologies Co., Ltd.
Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas
Year ended December 31, 2025

Expressed in thousands of NTD
(Except as otherwise indicated)

	Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing				
Investee in Mainland China	Amount	%	Amount	%	Balance at December 31, 2025	%	Balance at December 31, 2025	Purpose	Maximum balance during the year ended December 31, 2025	Balance at December 31, 2025	Interest rate	Interest during the year ended December 31, 2025	Others
OXTOP(DONG GUAN) Electronics Co., Ltd.	(\$ 654,019)	(50)	\$ -	-	\$ -	-	125,720	Collateral of borrowings	\$ 62,860	\$ 62,860	-	\$ -	