



STOCK CODE  
2459

# AUDIX CORPORATION

## 2025 ANNUAL REPORT

Printed Date: April 15, 2026

Annual Report is available at Company Website: <http://www.audix.com>

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### Important Disclaimer

This is a translation of the 2025 Annual Report of AUDIX CORPORATION (The "Company"). This translation is intended for reference only and nothing else. The Company hereby disclaims any and all liabilities whatsoever for the translation. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

- I. The name, title, telephone number, and e-mail of the Company's spokesperson and acting spokesperson:

Spokesperson

Name: Chen, Liang-Teh

Title: Executive Vice President, Operation Management Division

Tel: (886)28797-6688

E-mail: dani\_chen@audix.com

Acting spokesperson

Name: Su, Wen-Yang

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- II. Address and telephone of the head office, branches and plants:

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- III. Name, address, website, and telephone number of the stock transfer agency:

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Address: 1F, No.95, Sec.2, Zhongxiao E. Rd., Taipei City, Taiwan (R.O.C.)

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Tel: (886)23393-0898

- IV. Name of the CPA and name, address, website, and telephone number of the accounting firm for financial statements in the most recent year:

Name of CPA: Yu, Chien-Ju, CPA; Hsu, Hsin-Min, CPA

Accounting firm name: Ernst & Young Taiwan

Address: 9F., No.333, Sec. 1, Keelung Rd., Taipei City, Taiwan (R.O.C.)

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- V. Name of overseas stock exchange and method for accessing information on overseas negotiable securities:

None

- VI. Company website: <http://www.audix.com>

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# Chapter 1. Letter to Shareholders

Dear shareholders,

The Group's consolidated net operating revenues in 2025 was NT\$4,908,087 thousand, a decrease of 5.04% compared with the consolidated net operating revenues of NT\$5,168,773 thousand in 2024; the income before income tax in 2025 was NT\$820,280 thousand, a decrease of 15.60% compared with the income before income tax of NT\$971,909 thousand in 2024. In 2025, the global economy is expected to demonstrate overall growth momentum driven by policy adjustments in major countries and the continued development of the technology sector. However, international tariff policies and geopolitical variables continue to create uncertainty for the global economic outlook. The revival of the Chinese market is proceeding cautiously. Competition is intensifying in some industries, while the operating environment remains challenging. The Group closely monitors changes in the external environment and proactively addresses various challenges, maintaining steady operations. We have generated profits exceeding half of par value for five consecutive years, demonstrating our consistent long-term profitability. In the future, we will continue to deepen our focus on core technologies and high value-added applications, building on our existing foundation while maintaining prudent risk management to create long-term, stable value for all shareholders, balancing growth and stability.

The Group's 2025 Business Report and 2026 Business Plan summary report are as shown below:

## I. The 2025 Business Report

### (I) Implementation Results of the 2025 Business plan

Unit: NT\$ thousand; %

Item	2025	2024	Increase (decrease) in amount	Increase (decrease) in percentage
Operating revenues	4,908,087	5,168,773	(260,686)	(5.04)
Operating costs	3,513,057	3,697,810	(184,753)	(5.00)
Gross profits	1,395,030	1,470,963	(75,933)	(5.16)
Operating expenses	750,244	705,787	44,457	6.30
Operating income	644,786	765,176	(120,390)	(15.73)
Income before income tax	820,280	971,909	(151,629)	(15.60)

(II) Budget execution: not applicable.

(III) Financial income and expenditure and profitability analysis

Item		2025	2024
Capital structure	Debt ratio (%)	34.84	37.32
	Long-term fund to property, plant and equipment ratio (%)	566.05	546.34
Liquidity	Current ratio (%)	280.19	266.11
	Quick ratio (%)	255.59	244.42
Profitability	Return on total assets (%)	6.30	6.33
	Return on equity (%)	9.20	9.82
	Net margin (%)	11.38	11.14
	Basic earnings per share (NT\$)	5.17	5.32

#### (IV) Research and development status

The main areas of research and development (R&D) are relay, transformer and coil, stamping parts, components and module assembly, plastic injection molding parts (VCM, CONNECTOR, etc.), molds, and automated equipment R&D, design and manufacturing.

## II. 2026 Business Plan

### (I) Operating Policy:

The Group will focus its resources on products with high growth in demand and wide applications, and will strive to introduce, produce, sell and build integrated solutions for related major components, and accelerate the improvement of production capacity of the manufacturing department to meet customer needs, as well as continuing to seek new component introduction and sales from partner companies and outsourcing companies.

### (II) Operating Objectives:

The Group's components are used in the lighting, household appliances, broadband wireless access, automotive electronics, industrial control, medical industry, IoT and optical communication industries, etc. As the industry evolves, the Group continue to introduce high value-added product lines and cooperate with platform suppliers to provide more complete solutions to customers and expand our services to customers in order to increase our revenue.

### (III) Important production and sales policies.

#### 1. For Channel Sales

##### (1) Networking Industry

The main applications in 5G cell are high-frequency magnetic components and signal reception steering motors. We are also an agent of a communication computing module for 4G/5G, automotive networking, and robotics applications.

##### (2) Display Industry

Dedicated to industrial, automotive and consumer application industries. Categorized functionally into RUGGED, MIP, MINI LED, OLED, ESL driver chips and interface conversion chips.

##### (3) New Energy Application Industry

In response to the market development trend of electric vehicles (EV) and servers, the Company is currently an agent for relay, IGBT, DIODE, SiC (silicon carbide) modules. In terms of heat dissipation, the Company is an agent for silicon nitride (Si<sub>3</sub>N<sub>4</sub>), Liquid metal phase change materials, Thermal Pad/Grease, CND, Graphene, alloy materials.

##### (4) Optical industry

For the optical communication market, the Company currently is an agent for non-sphere (100G, 400G) optical communication; for applications such as unmanned vehicles, robots, and video conferencing systems, the Company is also an agent for the Camera Module.

(5) Smart Home Appliance Industry

In response to the advent of artificial intelligence and energy-saving era, various home appliances are actively implementing AI/ECO functions. NIDEC's BRUSHLESS DC MOTOR that we resell is widely used in various home appliances. Such as: electric fans, cross-flow fans, air conditioners, dehumidifiers, air purifiers, washing machines.

(6) Medical Care Industry

In response to the market demand in China, the Company is an agent for SCINTILLATOR, which is widely used in medical computed tomography (CT), and can also be used in security inspection equipment. Micro-motors are widely used in various medical devices, such as water flossers, blood glucose meters, and microscopes, while chips can be used in ultrasound medical equipment; and Color Chart applications in AI image detection.

(7) Electronic material application

The Company acts as the agent of optical plastic film injection molding materials for smartphones, VR, AR, flexible packaging, and composite material applications. Our specificity in thermal products includes TIM materials such as graphene, liquid metal, V/C, thermal paste, thermal gel, and pads. For battery materials, we also sell Solid-State battery materials and lubricating oil products for motors.

2. For Production and Manufacturing

(1) Self-Developed Products

- A. Using the mold, molding, and stamping technologies of Audix Technology (Xiamen) and YUKA Precision (WuJiang), we develop high-end precision plastic parts and metal terminals for the information, communication, consumer electronics, and automotive markets, and for applications such as connectors, relays, voice coil motor modules, mobile device antennas, and hearing aids.
- B. We can develop insert molding products independently and further assemble them into Module or Solution Unit products according to customers' needs.
- C. We are engaged in the complete mold manufacturing chain, from mold design, processing, mold assembly, and mold test in a seamless way, to provide customers with the fastest and most reliable service.
- D. Based on the existing industrial coils and transformers, we are actively developing coils and transformers for network communication, car reversing radar, electric vehicle and lighting markets. At the same time, we also accept customers' requests to develop and manufacture customized products.
- E. We conduct R&D for automated production lines for in-vehicle transformers, replacing laborers with machines to reduce labor costs and achieve stable quality.

These include EP6 (ultrasonic sensing drive transformer), tire pressure monitoring system, filter coils for defoggers, instrumentation lighting, common mode inductors for power cords and LED lighting. Especially with the huge domestic automobile market in Mainland China, and with car reversing assist systems and tire pressure monitoring systems becoming standard equipment in automobiles, the Group's outlook for the in-vehicle transformer market is quite optimistic. Currently have 10 EP6 production lines to meet customer orders. Our main customers are the top five car panoramic camera/car reversing radar companies in the world, and our end customers are GM, HYUNDAI, HONDA, VOLKSWAGEN, BYD, Geely, GreatWall, etc.

## (2) Products Outsourced by Customers

- A. We enhance the competitiveness of products outsourced by customers in terms of cost, quality, and delivery time with the technology of self-developed products in order to obtain more opportunities for outsourcing.
- B. We appropriately adjust the products outsourced by customers to enhance profitability.
- C. We utilize the automatic production design and manufacturing technology of the equipment engineering department to gradually introduce the automatic production process to improve production capacity and profitability.
- D. At present, our outsourcing customers include well-known global companies such as FCL Components and MOLEX.

## (3) Product Design and Development Outsourced by Customers

The Group has been devoted to serving VCM (Voice Coil Motor) customers for a long time, and benefits from the increasing demand for multi-lens smartphones. The primary customers are major VCM (Voice Coil Motor) companies in the world/Mainland China, and our end customers are international brands such as APPLE and brands in Mainland China such as OPPO, VIVO, Xiaomi, HUAWEI, Honor, Lenovo and Transsion. In the future, we will actively expand into product applications beyond smartphones.

## 3. For Product Testing and Certification

- (1) We continue to expand the electromagnetic compatibility (EMC) testing and certification business for electrical and electronic products.

The scope of EMC control in advanced countries in the world is expanding, and the Bureau of Standards, Metrology and Inspection (BSMI) of Taiwan's Ministry of Economic Affairs (MOEA) is actively promoting the EMC certification system for products. Some developing and undeveloped countries are also introducing EMC certification, and the demand for EMC testing and certification services is expanding due to the continuous innovation of electrical and electronic products. The Group's Product Certification Business Unit has built complete EMC professional testing laboratories in Taiwan & Mainland China with a strong technical management team to provide customers with accurate and fast testing and certification services. The EMC testing building in Linkou was completed and started operations in 2012, which can provide more advanced, more comprehensive, and better quality EMC testing and certification environment for domestic and overseas customers, and we continued to build more EMC Chambers to meet the increasing testing demand and help customers to shorten the time to market.

- (2) We continue to expand the product safety testing and certification business of electrical and electronic products

Safety in the use of electrical and electronic products is vital to the lives and property of users, and countries around the world have set product safety technical indicators for the characteristics of their domestic use environment. The Group's Product Certification Business Unit has laboratories accredited by BSMI, MOEA of Taiwan ROC, UL of the U.S., CSA of Canada, TUV Rheinland of the E.U., Nemko of Norway, CNAS of China, JQA of Japan, etc., which are also CBTL laboratories accredited by IECCE and can help customers to obtain safety standard certification from various countries quickly and shorten the time to market. The laboratories in Taiwan and Mainland China have also

been accredited by S-JQA, PSE, and CBTL, making them to become the only Japan JQA-accredited laboratories in Taiwan & Mainland China, providing localized testing and certification services for domestic and foreign companies seeking outsourcing business opportunities from Japanese customers. In 2012, the Group's Shenzhen laboratory got accreditation by China CQC as a CBTL laboratory in Mainland China, which can conduct CB testing and issue reports. In 2021, the Shenzhen laboratory got China CNCA accreditation as a CCC testing laboratory and can conduct China Compulsory Certification Mark testing & reports, which will help domestic enterprises to obtain domestic and international safety standard certification quickly and shorten the time to market and expand business opportunities.

(3) We continue to develop integrated automatic EMC & RF testing software

The EMC testing software developed by the Group's Product Certification Business Unit is in a leading position in Taiwan and exported to major companies and laboratories in Korea and Mainland China. As the test software needs to be updated year by year compliance with the international standards, major manufacturers also need to purchase professional test software for their internal R&D needs or for their own testing needs for product quality improvement, and the market is growing steadily. In response to the demand for mandatory testing of digital TV performance in the E.U., the Group's Product Certification Business Unit has successfully developed a digital TV performance testing system that has been approved by the Taiwan Accreditation Foundation (TAF) and has been granted a patent in the Republic of China to protect the Group's expertise and prove that it meets international testing system standards. In addition, the Group's Product Certification Business Unit has developed the "electric field simulation three-board line field interference automatic test system" and the "mobile communication anti-suit police system" for 5G NR communications, "multi-antenna RF power analysis and measurement device," "wireless network traffic test device," "selective receiver test device" and the "Wi-Fi 6E direct and competitive protocol test device" in response to the recent development of new industries such as electric vehicles and 5G NR wireless communication. In addition to obtaining the patents in the Republic of China, the products have been successfully sold to domestic testing laboratories. The Group's Product Certification Business Unit will continue to actively pursue R&D of functional testing software and system environment requirements related to new areas.

(4) Testing Environment Engineering Services

With the continuing launches of new electrical and electronic products, customers need to set up their own testing laboratories for R&D purposes or to meet the time to market of their products or to ensure the quality of their products from mass production. The Group's Product Certification Business Unit has been working in this area for many years, and with self-developed integrated testing software to provide customers with one-stop technical services, it has established a certain market position and quality image in the industry. In addition, as Mainland China has become the world's factory, major international companies have moved in, and with strong domestic demand and the active promotion of the CCC certification system in Mainland China, the demand for national testing units and enterprises to establish their own testing environment is the driving force behind the growth of the Group's Product Certification Business Unit in this area.

(5) We actively enter into energy-saving and environmental protection technology services

The global awareness of environmental protection is on the rise and the demand for energy saving and carbon reduction is soaring. For example, the U.S. Environmental

Protection Agency has required that products such as computers, televisions, and photocopiers must obtain EPA certification starting in 2011. Taiwan's Environmental Protection Administration's Environmental Label and the Bureau of Energy's Energy Label also regulate products in this area, and the E.U., Mainland China, Japan, Korea, and Australia also have similar requirements, indicating the development of the green energy industry cannot be ignored. The Group's Product Certification Business Unit has been accredited by the U.S. Environmental Protection Agency as an EPA laboratory, and also accredited by the California Energy Commission's CEC. At the same time, the Group has undertaken a research project by the Industrial Technology Research Institute (ITRI) to conduct testing and data collection for energy-saving products selling in Taiwan, and has assumed corporate social responsibility for setting energy-saving standards for products in Taiwan. In addition, the Group's Product Certification Business Unit has purchased server energy-saving testing software and established energy and water saving testing equipment and capabilities for washing machines and secondary lithium batteries, and invested in the establishment of testing environments for RoHS and REACH. In addition, in view of the increasingly serious issue of air pollution, the Group's Product Certification Business Unit invested in the construction of the first privately operated PM 2.5 dedicated testing laboratory with technologies transferred from Industrial Technology Research Institute(ITRI), which was completed and started operations in 2018. In response to the inspection requirements of the BSMI, MOEA for regulated products subject to inspection, we have obtained the energy efficiency testing qualification of the new version of the standard for electric cookers and storage-type electric water heaters in 2019, and we further acquired the energy efficiency testing qualification of refrigerator products in 2021. In 2024, the Group obtained the laboratory designated for the dehumidifiers. In 2023, the Group's Product Certification Business Unit also obtained the CECP (Chian Energy Conservation Program) testing qualification for the Information Technology Equipment (ITE). In 2024, the Group obtained the qualification for the Mainland China Micro-Computer, Display CEL Energy Efficiency Recognition Laboratory. In 2025, the laboratory obtained accredited laboratory qualification for the new CEL energy efficiency and CECP energy saving standards for monitors in Mainland China.

- (6) The Group's Product Certification Business Unit has established a cell phone Specific Absorption Rate (SAR) testing laboratory, a Fully Anechoic Chamber for wireless communication products, and an antenna test (OTA/CTIA) testing laboratory in the Linkou EMC testing building to promote the wireless testing and certification business of handheld products, and actively develop the global certification channel for wireless communication products. We have successfully completed and gained practical experience in more than 100 countries or regions for international certification. At the same time, the technique service business group's laboratories in Shenzhen, Shanghai and Suzhou Wujiang will also simultaneously expand the testing and certification capabilities of wireless communication products, such as the cell phone Specific Absorption Rate (SAR) testing laboratory, Fully Anechoic Chamber for wireless communication products, and antenna test (OTA/CTIA) testing laboratories, which will help the Group to expand its testing and certification business.
- (7) The Group's Product Certification Business Unit has already invested in the high-power three-phase EMC testing capabilities for power supply products in the laboratories in Linkou and Suzhou Wujiang, which can conduct EMC testing and certification for high-power products such as AI servers or cloud servers and PV systems. In addition, Mainland China has become the world's largest automobile production and sales market, the Group's Product Certification Business Unit will also enter the area of vehicle electronic EMC testing in the coming years, which will be more conducive to the expansion of the Group's testing and certification business.

- (8) With the advancement of wireless communication technologies of new generations, IoT is also using 3G/4G (LTE)/5G NR, Wi-Fi, BT, NFC, RF ID, NB-IoT and other wireless transmission technologies for various communication service applications. As such, the Group's Product Certification Business Unit has established complete wireless communication testing laboratories and technologies in Taiwan and South and East China respectively. Starting from the second half of 2019, the Group has introduced the testing capability and certification status of NCC PLMN11 (NB-IoT) specification in Taiwan. In addition, in response to the new wireless communication network technology of 5G NR, the Group has also actively deployed and invested in the procurement of 5G NR related testing equipment and the construction of testing and certification capabilities in 2020. The Linkou laboratory of the Group's Product Certification Business Unit has obtained TAF ISO17025 & ISO17065 accreditation in 2020, and has been able to conduct strict mandatory standard testing and certification of electromagnetic radiation and radio frequency characteristics of 5G NR devices and products operating in the Sub-6GHz and millimeter wave bands (up to 260GHz) since 2021, and also follows the requirements of Taiwan NCC regulations to conduct strict review and certification of testing results. In 2016, the Shenzhen laboratory established the Japanese Telecommunications Business Law & Japan Radio Law (TBL & JRL) testing capabilities, and continued to update and upgrade the hardware and software testing equipment for 5G NR in 2020 and 2021, which can provide complete one-stop testing and certification services for cell phones, tablets and other handheld communication devices sold in Japan. In 2022, we obtained both US FCC and EU CE certifications, and expanded our wireless product testing services. In alignment with the announcement by Taiwan's Ministry of Digital Affairs regarding to the 6GHz band opening program, we applied for Taiwan's NCC Wi-Fi 6E/7 wireless product certification body in 2024, and The Japan TBL testing system was upgraded in 2025 to support dual-SIM emergency communication testing for 5G NR smartphones. We will continue to adapt to new developments in mobile communication and Wi-Fi technologies and products. Launching certification services across multiple countries will help drive our revenue growth.

I would like to take this opportunity to express our sincere appreciation for your long-term support and advice. With the efforts of all employees, the Group will uphold the spirit of "Initiative, Integrity, Innovation, Integration" to create further value for the Company and its shareholders.

Yours sincerely,

Chairman: Chung, Yuan-Kai

# Chapter 2. Corporate Governance Report

## I. Information on Directors & management team

### (I) Directors

#### 1. Information on Directors (1)

March 31, 2026

Title	Nationality or place of registration	Name	Gender	Age	Date elected	Term of office	Date first elected	Shares held when elected		Shares currently held		Shares currently held by spouse and minors		Shares held in the name of others		Major Experience and Education	Selected current positions at the Company and other Companies	Other officer or Director who is the spouse or a relative within the second degree of kinship		
								Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship
Chairman	R.O.C.	Chung, Yuan-Kai (Note 1)	Male	51-60	2025.05.29	3 years	2012.06.25	2,968,800	2.81%	2,968,800	2.81%	0	0%	0	0.00%	Master's Degree in Industrial Engineering, National Tsing Hua University Executive Vice President of the Manufacturing Business Division, Audix Corporation Manager, Asustek Computer Incorporation Deputy Manager, Acer Incorporated Assistant General Manager, Pegatron Corporation	The Company's General Manager Chairman of AHC Warehouse and Trading (Shenzhen), AHI Electronics Warehouse (Shanghai), Audix Technology (Xiamen), YUKA Precision (Wujiang), and Director of Toyo Kuni Electronics, Audix Hi-Tech Investment, Audix Technology (Shenzhen), Audix Technology (Shanghai), and Hongbao Investment Co., Ltd.	Director	Chung, Cheng-Hung	Father and son
Director	R.O.C.	Chen, Ching-Tsung	Male	71-80	2025.05.29	3 years	1998.04.15	756,722	0.72%	809,541	0.77%	203,670	0.19%	0	0.00%	Department of Economics Engineering, National Chiao Tung University (Renamed National Yang Ming Chiao Tung University in 2021) EMC Engineer of the U.S. NARTE International Certification	Chairman of Audix Technology Co., Audix Technology (Shenzhen), and Audix Technology (Shanghai)	—	—	—
Director	R.O.C.	Chung, Cheng-Huang	Male	81-90	2025.05.29	3 years	1987.06.01	7,532,965	7.13%	7,532,965	7.13%	1,893,559	1.79%	4,851,000	4.59%	Department of Economics, National Taiwan University Chairman, Audix Corporation Chairman, Ryotai Corporation General Manager, Ryotai Corporation Administrator, Taiwan Hitachi Electronics	The Company's President Chairman of Hongbao Investment Co., Ltd. Director of YUKA Precision (Wujiang), and JSIK Holding Co., Ltd.	Chairman	Chung, Yuan-Kai	Father and son
Director	R.O.C.	Lo, Chi-Hung	Male	81-90	2025.05.29	3 years	2002.06.10	1,715,793	1.62%	1,371,793	1.30%	1,291,509	1.22%	0	0.00%	Department of Economics, Chinese Culture University Manager, Tah Chung Steel Corp.	—	—	—	—
Director	R.O.C.	Chung, Yuan-Chi	Male	51-60	2025.05.29	3 years	2013.06.14	2,870,039	2.72%	2,870,039	2.72%	80,000	0.08%	0	0.00%	Master's Degree in Computer Science, National Chiao Tung University (Renamed National Yang Ming Chiao Tung University in 2021) MBA, Baruch College of the City University of New York Assistant VP of Toyo Kuni Electronics, Manager of Audix Corporation	Director of the Investment Business of the Company Director of Toyo Kuni Electronics, AHC Warehouse and Trading (Shenzhen), AHI Electronics Warehouse (Shanghai), Audix Hi-Tech Investment, Audix Technology (Wujiang), and YUKA Precision (Xiamen), and Hongbao Investment Co., Ltd.	Chairman	Chung, Yuan-Kai	Brothers
Director	R.O.C.	Chung, Yuan-Chi	Male	51-60	2025.05.29	3 years	2013.06.14	2,870,039	2.72%	2,870,039	2.72%	80,000	0.08%	0	0.00%	Master's Degree in Computer Science, National Chiao Tung University (Renamed National Yang Ming Chiao Tung University in 2021) MBA, Baruch College of the City University of New York Assistant VP of Toyo Kuni Electronics, Manager of Audix Corporation	Director of the Investment Business of the Company Director of Toyo Kuni Electronics, AHC Warehouse and Trading (Shenzhen), AHI Electronics Warehouse (Shanghai), Audix Hi-Tech Investment, Audix Technology (Wujiang), and YUKA Precision (Xiamen), and Hongbao Investment Co., Ltd.	Director	Chung, Cheng-Hung	Father and son

Title	Nationality or place of registration	Name	Gender Age	Date elected	Term of office	Date first elected	Shares held when elected		Shares currently held		Shares currently held by spouse and minors		Shares held in the name of others		Major Experience and Education	Selected current positions at the Company and other Companies	Other officer or Director who is the spouse or a relative within the second degree of kinship	
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name
Independent Director	R.O.C.	Lai, Ying-Che (Note 2)	Male 81-90	2025.05.29	3 years	2013.06.14	0	0.00%	0	0.00%	100,000	0.09%	0	0.00%	Department of Economics, National Taiwan University Representative in the Territory of the Republic of China, Niigata Seiki Co., Ltd. Taipei Branch (JAPAN)	Audit Committee Chair, Audit Corporation Remuneration Committee Chair, Audit Corporation	—	—
Independent Director	R.O.C.	Huang, Yun-Ju (Note 3)	Female 41-50	2025.05.29	3 years	2012.08.27	0	0.00%	0	0.00%	0	0%	0	0.00%	Master of Law, University of Southern California Attorney-at-Law, PwC Taiwan. Supervisor, China Great Wall Securities. Independent Director, Lifestyle Global Enterprise Inc. Independent Director, Genesis Technology, Inc.	Audit Committee Member, Audit Corporation Remuneration Committee Member, Audit Corporation Associate, Huang & Partners Law Office.	—	—
Independent Director	R.O.C.	Cheng, Su-Chen	Female 61-70	2025.05.29	3 years	2025.05.29	0	0.00%	0	0.00%	0	0%	0	0.00%	Taking University of Science and Technology Associate, Evertrust CPA Firm. Auditor, Crowe (TW) CPAs.	Audit Committee Member, Audit Corporation Remuneration Committee Member, Audit Corporation Managing Partner, Genesis & Co., CPA. Vice Chairman, Welfare Committee, Taipei CPA Association. Member, Public Policy Committee, National Federation of CPA Associations of the R.O.C.	—	—
Independent Director	R.O.C.	Liu, Ding-Kuo (Note 4)	Male 61-70	2025.05.29	3 years	2007.06.15	0	0.00%	0	0.00%	0	0%	0	0.00%	Department of Industrial Design, National Cheng Kung University Deputy General Manager, Audit Corporation.	Audit Committee Member, Audit Corporation Remuneration Committee Member, Audit Corporation	—	—

Note 1: Where the Chairman and General Manager or equivalent position (highest level managerial officer) is the same person, the spouse, or a first-degree relative, provide information on the reason, reasonableness, necessity, and counter measures (such as increasing the number of Independent Director seats and more than half of all Directors not concurrently serving as employees or managerial officers):

The Company's Chairman acts concurrently as the General Manager for the purpose of improving operating efficiency and decision execution so as to attain the best business performance for the Company. For the implementation of corporation governance, he fully communicates business status and strategic direction with all directors. In addition, in order to enhance the independence of the Board of Directors, a majority of directors do not serve as an employee or managerial officer of the Company. Four seats for independent directors have been set up to strengthen the competence of the Board and its function of supervision.

Note 2: Mr. Lai, Ying-Che was first elected as the supervisor of the Company on June 14, 2013 and resigned from duties on June 13, 2019 when the Company established the Audit Committee. He was elected as an independent director on June 17, 2022.

Note 3: Ms. Huang, Yun-Ju was first elected as an independent director of Lifestyle Global Enterprise Inc. on August 27, 2012. She was elected as an independent director of the Company on May 29, 2025.

Note 4: Mr. Liu, Ding-Kuo was first elected as a director of the Company on June 15, 2007 and resigned from duties on June 13, 2019 when the term of office of the Board of Directors expired and a general re-election was conducted. He was elected as an independent director on May 29, 2025.

2. Major shareholders of the corporate shareholders: None.

3. Principal shareholder of corporate shareholders with a juridical person as its major shareholder: None.

4. Information on Directors (2)

(1) Professional qualifications of Directors and independence information disclosure of Independent Directors

Name	Qualifications Professional qualifications and experience (Note 1)	Independence (Note 2)	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
Director			
Chung, Yuan-Kai	Promoted to Executive Vice President in 2016 and accepted the role as General Manager in 2020. In 2022, he took up the greater responsibilities as the Chairman. He is also concurrently the chairman and director of many sales channels, manufacturing and certification companies, such as, as a Chairman for AHC Warehouse and Trading (Shenzhen), AHI Electronics Warehouse (Shanghai), Audix Technology (Xiamen), Audix Technology (Wujiang), and YUKA Precision (Wujiang); and as a Director for Toyo Kuni Electronics, Audix HI-Tech Investment, Audix Technology (Shenzhen), and Audix Technology (Shanghai). He possesses experiences in product management and business management skills.	(5)(6)(8)(9)(11)	0
Chen, Ching-Tsung	He is currently a chairman of many certification companies, such as, as a Chairman for Audix Technology Co., Audix Technology (Shenzhen), and Audix Technology (Shanghai). Qualified for US NARTE EMC engineer certification, and possesses a good network in the certification industry, with a wealth of experiences and technical and business management skills.	(1)(3)(4)(5)(6)(7)(8)(9)(10)(11)	0
Chung, Cheng-Huang	Founder of Audix Corporation. Possesses experience in business establishment and management of listed company, with corporate business management skills. Currently the President of Audix Corporation and Director of YUKA Precision (Wujiang). Familiar web-based channel and the industrial developments of semiconductor components and possesses outstanding leadership and coordinating skills.	(5)(6)(7)(8)(9)(11)	0

Name \ Qualifications	Professional qualifications and experience (Note 1)	Independence (Note 2)	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
Lo, Chi-Hung	Previously served as the Chairman of LIHKONG Company and the Director of WELLBRIGHT METAL INDUSTRIAL CO., LTD. Possesses a wealth of industry experiences, network, and practical experiences in corporate business management.	(1)(2)(4)(5)(6)(7) (8)(9)(10)(11)	0
Chung, Yuan-Chi	Currently serving as the Finance Director of the Investment Business, Audix Corporation and as director of many sales channels and manufacturing companies, such as, as a Director for Toyo Kuni Electronics, AHC Warehouse and Trading (Shenzhen), AHI Electronics Warehouse (Shanghai), Audix HI-Tech Investment, Audix Technology (Wujiang), and YUKA Precision (Wujiang). Possesses professional skills in finance management, investment evaluation and judgement, operation management and corporate business management.	(5)(6)(7)(8)(9)(11)	0
Independent Director			
Lai, Ying-Che	Previously served as the representative in the Territory of the Republic of China, Niigata Seiki Co., Ltd. Taipei Branch (JAPAN). Possesses rich industrial experience, network, and practical experiences in corporate business management.	(1)(2)(3)(4)(5)(6) (7)(8)(9)(10)(11)	0
Huang, Yun-Ju	Licensed attorney and currently serving as a partner at Huang & Partners Law Office, formerly served as an attorney at PwC Legal. Previously served as a supervisor at China Great Wall Securities, and as an independent director of Lifestyle Global Enterprise Inc. and Genesis Technology, Inc. Possesses a strong legal background and extensive professional expertise, along with cross-industry board experience, and demonstrates a high level of professional judgment in corporate risk management, legal compliance, and board oversight.	(1)(2)(3)(4)(5)(6) (7)(8)(9)(10)(11)	0

Name	Qualifications Professional qualifications and experience (Note 1)	Independence (Note 2)	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
Cheng,Su-Chen	Licensed as a Certified Public Accountant and currently serving as the head of Genesis & Co., CPA, and serving as Deputy Director of the Welfare Committee of the Taipei City CPA Association and a member of the Public Policy Committee of the National Federation of CPA Associations of the R.O.C. Previously served as an associate at Evertrust CPA Firm and an auditor at Crowe (TW) CPAs. Possesses a strong professional background in finance, accounting, and auditing, with extensive practical experience. Is proficient in accounting standards, the preparation and auditing of financial statements, and relevant tax laws and regulations, and demonstrates a high level of professional judgment in corporate accounting and tax risk management, enhancement of financial transparency, and board oversight functions.	(1)(2)(3)(4)(5)(6) (7)(8)(9)(10)(11)	0
Liu,Ding-Kuo	Previously served as Deputy General Manager at Audix Corporation and possesses cross-functional practical experience across the channel business group, manufacture business group, and management division. Prior to his current role, he spent twenty years as a sales director in the channel business group, building expertise in market development and channel strategy. He then served three and a half years in the management division, gaining a strong understanding of corporate governance and operational processes. Following that, he dedicated eight years to the manufacture business group, deepening his knowledge of manufacturing operations and management practices. After reaching retirement age as stipulated by company policy, the Board of Directors assessed his professional background and the Company's corporate governance needs. Upon confirming his qualifications as an independent director, he was rehired to serve in that capacity.	(1)(2)(3)(4)(5)(6) (7)(8)(9)(10)(11)	0

Qualifications Name	Professional qualifications and experience (Note 1)	Independence (Note 2)	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
	Leveraging his deep understanding of the industry and company operations, he provides expert advice on matters such as manufacturing management, operational risks, and strategic planning, thereby assisting the Board in fulfilling its supervisory and strategic advisory duties.		

Note 1: Directors and Independent Directors above do not have any of the situations set forth in Article 30 of the Company Act.

Note 2: Independence:

- (1) Not an employee of the Company or any of its affiliates.
- (2) Not serving as a Director or Supervisor of the Company or any of its affiliates (not applicable to Independent Directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent).
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings.
- (4) Not a manager in (1) or not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of personnel in (2) and (3).
- (5) Not a Director, Supervisor or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the Company, or that ranks among the top 5 in shareholdings, or that designates its representative to serve as a Director or Supervisor of the Company under Article 27, paragraph 1 or 2 of the Company Act (not applicable to Independent Directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent).
- (6) If a majority of the Company's Director seats or voting shares and those of any other company are controlled by the same person: not a Director, Supervisor, or employee of that other company (not applicable to Independent Directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent).
- (7) If the Chairman, General Manager, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses: not a Director (or Governor), Supervisor, or employee of that other company or institution (not applicable to Independent Directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent).
- (8) Not a Director, Supervisor, officer, or shareholder holding 5% or more of the shares, of a specified company or institution that has a financial or business relationship with the Company (not applicable specific company or institution that holds more than 20% but less than 50% of the total number of issued shares of the Company and Independent Directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent).
- (9) Not a professional individual who, or an owner, partner, Director, Supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
- (10) Not having a marital relationship, or a relative within the second degree of kinship to any other Director of the Company.
- (11) Not a government agency, juristic person, or its representative set forth in Article 27 of the Company Act of the R.O.C.

## (2) The diversity and independence of the Board of Directors

### A. Diversity of the Board of Directors

The Company has already established the diverse policies under Article 20 of the Corporate Governance Best Practice Principles on the operation, operation model and development needs of the board member composition, including but not limited to the following standards for the two major aspects:

- a. Basic requirements and values: Gender, age, nationality and culture.
- b. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing technology), professional skills, and industrial experiences.

All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

- a. Ability to make operational judgments.
- b. Ability to perform accounting and financial analysis.
- c. Ability to conduct management administration.
- d. Ability to perform crisis management.
- e. Knowledge of the industry.
- f. An international market perspective.
- g. Ability to lead.
- h. Ability to make policy decisions.

To enhance the governance structure of the Board of Directors and implement board diversity policies, the Company, at the time of the 2025 board re-election, considered not only the directors' industry experience and management capabilities but also the diversity of their professional backgrounds. Specifically, the Company added directors with legal and CPA qualifications to enhance the Board's expertise and decision-making quality in areas such as legal compliance, financial oversight, and risk management.

Regarding gender diversity on the Board, the Company prioritizes increasing the proportion of female directors. At the 2025 director election, two female directors were successfully appointed, exceeding the statutory requirement of at least one director of each gender and achieving the established short-term goal, demonstrating the Company's commitment to gender equality.

Currently, the Board is composed of 78% men (7 members) and 22% women (2 members). In the future, the Company will continue to advance diversity on the Board of Directors, aiming for long-term representation of at least one-third of either gender on the Board. This will foster balanced representation and diverse perspectives, enriching decision-making and strengthening long-term competitiveness.

Implementation status of the diversity policy:

a. Basic composition:

Diversity items Names of directors	Nationality	Gender	With employee identity	Age (years)			Number of years served as independent director	
				60 and below	61-70	71 and above	Below 9 years	Over 9 years
Chung, Yuan-Kai	Taiwan (R.O.C.)	Male	✓	✓				
Chen, Ching-Tsung	Taiwan (R.O.C.)	Male				✓		
Chung, Cheng-Huang	Taiwan (R.O.C.)	Male	✓			✓		
Lo, Chi-Hung	Taiwan (R.O.C.)	Male				✓		
Chung, Yuan-Chi	Taiwan (R.O.C.)	Male	✓	✓				
Lai, Ying-Che	Taiwan (R.O.C.)	Male				✓	✓	
Huang, Yun-Ju	Taiwan (R.O.C.)	Female		✓			✓	
Cheng, Su-Chen	Taiwan (R.O.C.)	Female			✓		✓	
Liu, Ding-Kuo	Taiwan (R.O.C.)	Male			✓		✓	

b. professional background, professional knowledge and skills:

Diverse core items Names of directors	Business judgment	Accounting, finance and law	Business management	Crisis management	Industry knowledge	International market perspective	Leadership	Strategic decisions
Chung, Yuan-Kai	✓		✓	✓	✓	✓	✓	✓
Chen, Ching-Tsung	✓		✓	✓	✓	✓	✓	✓
Chung, Cheng-Huang	✓		✓	✓	✓	✓	✓	✓
Lo, Chi-Hung	✓		✓	✓	✓	✓	✓	✓
Chung, Yuan-Chi		✓	✓	✓		✓	✓	✓
Lai, Ying-Che	✓		✓	✓	✓	✓	✓	✓
Huang, Yun-Ju	✓	✓	✓	✓			✓	✓
Cheng, Su-Chen	✓	✓	✓	✓			✓	✓
Liu, Ding-Kuo	✓		✓	✓	✓	✓	✓	✓

- c. If the number of female directors currently accounts for less than one-third of the total number of directors, the reason and the corrective action plan shall be stated:  
The Company's Board of Directors currently has fewer than one-third female directors. The main reason is that the election of board members is based on professional experience and competence, with gender not being a determining factor. To improve gender diversity on the Board of Directors, the Company will actively seek and consider female candidates with outstanding professional backgrounds in future director elections. The Company will also gradually adjust the gender composition of the Board in accordance with the timeline required by relevant laws and regulations to ensure that female directors ultimately account for one-third of the Board.

B. Independence of the Board of Directors

- a. There are nine Directors sitting on the Company's Board of Directors (including four Independent Directors), where the number of Independent Directors consists of 44% of the Board members. These Independent Directors has issued the statement upon their inauguration declaring their compliance with the requirements prescribed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and Article 14-2 of the Securities and Exchange Act during the two years before being elected or during the term of office. The Company reviewed the independence of each Independent Director and issued the check list for Independent Directors' qualifications at their inauguration to ensure the compliance with provisions regarding independence.
- b. Among the Directors, the Chairman Chung, Yuan-Kai, Director Chung, Cheng-Hung and Director Chung, Yuan-Chi are relatives within the second degree of kinship. The remaining six Directors are not spouses or relatives within the second degree of kinship of each other. Therefore, it complies with Paragraph 3, Article 26-3 of the Securities and Exchange Act.

## (II) Information on management team

March 31, 2026

Title	Nationality	Name	Gender	On-board date	Shares held		Shares held by spouse and minors		Shares held in the name of others		Major Experience and Education	Selected current positions at other Companies	Other manager who is the spouse or a relative within the second degree of kinship	
					Shares	%	Shares	%	Shares	%			Title	Name
Chairman and General Manager	R.O.C.	Chung, Yuan-Kai (Note 1)	Male	2012.06.25	2,968,800	2.81%	0	0.00%	0	0.00%	Master's Degree in Industrial Engineering, National Tsing Hua University Executive Vice President of the Manufacturing Business Division, Audix Corporation Manager, Asustek Computer Incorporation Deputy Manager, Acer Incorporated Assistant General Manager, Pegatron Corporation	Chairman of AHC Warehouse and Trading (Shenzhen), AHI Electronics Warehouse (Shanghai), Audix Technology (Xiamen), Audix Technology (Wujiang), and YUKA Precision (Wujiang) Director of Toyo Kuni Electronics, Audix HI-Tech Investment, Audix Technology (Shenzhen), Audix Technology (Shanghai), and Hongbao Investment Co., Ltd.	-	-
Operation Management Division Executive Vice President	R.O.C.	Chen, Liang-Teh	Male	2007.02.01	92,000	0.09%	34,000	0.03%	0	0.00%	Department of Accounting, Tunghai University Manager, Deloitte Taiwan Vice President, Audix Corporation	Director of Audix Technology (Xiamen) Supervisor of Audix Technology Co., and WAVEGIS TECHNOLOGY CO., LTD.	-	-
Channel Business Division Executive Vice President	R.O.C.	Lin, Yi-Chao	Male	2010.02.01	8,800	0.01%	0	0.00%	0	0.00%	Department of Japanese, Soochow University Vice President, Audix Corporation	Director of Toyo Kuni Electronics, AHC Warehouse and Trading (Shenzhen), and WAVEGIS TECHNOLOGY CO., LTD. Supervisor of AHI Electronics Warehouse (Shanghai)	-	-
Channel Business Division Vice President	R.O.C.	Wu, Jung-Te	Male	2007.02.01	5,132	0.00%	513	0.00%	0	0.00%	Department of Electrical Engineering, Lunghwa Junior College of Industry (Renamed Lunghwa University of Science and Technology in 2001) Assistant General Manager, Audix Corporation	Supervisor of AHC Warehouse and Trading (Shenzhen)	-	-

Title	Nationality	Name	Gender	On-board date	Shares held		Shares held by spouse and minors		Shares held in the name of others		Major Experience and Education	Selected current positions at other Companies	Other manager who is the spouse or a relative within the second degree of kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship
Channel Business Division Vice President	R.O.C.	Liu, Chang-Der (Note 2)	Male	2025.06.02	30,000	0.03%	0	0.00%	0	0.00%	Master' s Degree in Power Mechanical Engineering, National Tsing Hua University Assistant General Manager, Primax Electronics Ltd. Assistant General Manager, Good Way Technology Co., Ltd. Senior Manager, Lite-On Technology Corporation Director, Philips & Lite-On Digital Solutions Corporation Director, SSSTC,Solid State Storage Technology Corporation Vice President, V Day Technology Co. Manager, Artec Electronics Corp.	-	-	-	
Operation Management Division Assistant General Manager	R.O.C.	Wang, Chia-Hsin	Male	2007.05.01	4	0.00%	0	0.00%	0	0.00%	Department of Public Finance and Taxation, Tamsui Junior College of Business Administration (Renamed Aletheia University in 1999) Manager, Audix Corporation	Director of YUKA Precision (Wujiang)	-	-	-
Manufacturing Business Division Assistant General Manager	R.O.C.	Huang, Shih-Tsun	Male	2018.02.08	0	0.00%	0	0.00%	0	0.00%	Ph.D. in Mechanical Engineering, Chung Yuan Christian University Manager, Audix Corporation	-	-	-	-
Operation Management Division Assistant General Manager and Corporate Governance Officer	R.O.C.	Su, Wen-Yang (Note 3)	Male	2020.07.31	22,000	0.02%	0	0.00%	0	0.00%	Department of Accounting, Tamkang University Deputy Manager, Deloitte Taiwan Internal Auditing Officer, Cipherlab Co., Ltd. Manager, Audix Corporation	-	-	-	-

Title	Nationality	Name	Gender	On-board date	Shares held		Shares held by spouse and minors		Shares held in the name of others		Major Experience and Education	Selected current positions at other Companies	Other manager who is the spouse or a relative within the second degree of kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship
Operation Management Division Assistant General Manager	R.O.C.	Chang, Shuo-Hsun (Note 4)	Male	2026.01.28	0	0.00%	0	0.00%	0	0.00%	Department of Business Administration, National Chung Cheng University Specialist, Newdigi Tech Inc. Supervisor, Teco Image Systems Co., Ltd. Deputy Manager, Bright Led Electronics Corp. Manager, Audix Corporation				

Note 1: Where the General Manager or equivalent position (highest level managerial officer) and the Chairman is the same person, the spouse, or a first-degree relative, provide information on the reason, reasonableness, necessity, and counter measures (such as increasing the number of Independent Director seats and more than half of all Directors not concurrently serving as employees or managerial officers):

The Company's Chairman acts concurrently as the General Manager for the purpose of improving operating efficiency and decision execution so as to attain the best business performance for the Company. For the implementation of corporation governance, he fully communicates business status and strategic direction with all directors. In addition, in order to enhance the independence of the Board of Directors, a majority of directors do not serve as an employee or managerial officer of the Company. Four seats for independent directors have been set up to strengthen the competence of the Board and its function of supervision.

Note 2: Mr. Liu, Chang-Der was appointed as Vice President on 2025.06.02.

Note 3: Mr. Su, Wen-Yang was promoted to Assistant General Manager on 2025.1.17.

Note 4: Mr. Chang, Shuo-Hsun was promoted to Assistant General Manager on 2026.01.28.

**(III) Remuneration paid to Directors, the General Manager and Vice Presidents in the most recent year**  
**1. Remuneration paid to Directors and Independent Directors**

Unit: NT\$ thousand

Title	Name	Director's remuneration						Compensation earned by a Director who is an employee of AUDIX or of AUDIX's consolidated entities				Sum of A, B, C, D, E, F and the sum as a % of net income		Compensation paid to Directors from non-consolidated affiliates or parent company			
		Base compensation (A)		Retirement allowance (B)		Compensation to Directors (C)		Business execution expense (D)		Salary, bonus and special allowance etc. (E)		Retirement allowance (F)			Employee's profit sharing bonus (G)		
		The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities		Cash	Stock	The Company
Director	Chung, Yuan-Kai			800	35	35	835	0.15%	3,440			1,100	1,100	5,375	0.99%	5,375	0.99%
	Chen, Chung-Tsung			1,200	35	35	1,235	0.24%	3,313			1,300	1,300	3,085	0.57%	5,848	1.07%
	Chung, Cheng-Huang	0	0	400	35	35	435	0.09%	1,800	0	0	500	0	2,735	0.50%	2,735	0.50%
	Lo, Chi-Hung			800	35	35	835	0.15%	0			0	0	835	0.15%	835	0.15%
	Chung, Yuan-Chi			800	35	35	835	0.15%	2,154			550	550	3,539	0.65%	3,539	0.65%
Independent Director	Lai, Wen-Hsien (Note 1)			0	10	10	10	0.00%						10	0.00%	10	0.00%
	Yeh, Sen (Note 1)			0	10	10	10	0.00%						10	0.00%	10	0.00%
	Tsai, Yang-Cheng (Note 1)			0	10	10	10	0.00%						10	0.00%	10	0.00%
	Lai, Ying-Che	0	0	800	35	35	835	0.15%	0	0	0	0	0	835	0.15%	835	0.15%
	Huang, Yun-Ju (Note 2)			800	25	25	825	0.15%						825	0.15%	825	0.15%
	Cheng, Su-Chen (Note 2)			800	25	25	825	0.15%						825	0.15%	825	0.15%
Liu, Ding-Kuo (Note 2)			800	25	25	825	0.15%						825	0.15%	825	0.15%	

1. Please state the policies, systems, standards, and structure of remuneration to Independent Directors, and the relations between the remuneration and the job responsibility, risk and engagement hours borne by the Independent Directors: The Company's Independent Directors' remuneration was set in accordance with Article 23 of the Company's Articles of Incorporation and Article 7 of the Articles of Association of the Remuneration Committee. Their remuneration was reviewed by the Remuneration Committee based on their degree of involvement in the Company's operation, contribution and standard payment made by industry peers, taking the Company's business performance, associated future risk, reasonableness and fairness into account, and submitted to the Board of Directors' Meeting for resolution.

2. In addition to disclosed above, compensation paid to Directors for services provided, such as advisory service provided not as an employee to parent company/companies included in the financial statements/investees under the parent company: None.

Note 1: At the 2025 annual shareholders' meeting, the entire Board of Directors was re-elected. Independent directors Lai, Wen-Hsien, Yeh, Sen, and Tsai, Yang-Cheng stepped down from their positions on May 29, 2025.

Note 2: At the 2025 annual shareholders' meeting, the entire Board of Directors was re-elected. Huang, Yun-Ju, Cheng, Su-Chen, and Liu, Ding-Kuo assumed office as independent directors on May 29, 2025.

## Range of remuneration for Directors

Range of remuneration paid to directors	Names of directors			
	Summation of the first 4 items (A+B+C+D)		Summation of the first 7 items (A+B+C+D+E+F+G)	
	The Company	All Consolidated Entities	The Company	All Consolidated Entities
Less than NT\$1,000,000	Chung, Yuan-Kai; Chung, Cheng-Huang; Lo, Chi-Hung; Chung, Yuan-Chi; Lai, Wen-Hsien; Yeh, Sen; Tsai, Yang-Cheng; Lai, Ying-Che; Huang, Yun-Ju; Cheng, Su-Chen; Liu, Ding-Kuo	Chung, Yuan-Kai; Chung, Cheng-Huang; Lo, Chi-Hung; Chung, Yuan-Chi; Lai, Wen-Hsien; Yeh, Sen; Tsai, Yang-Cheng; Lai, Ying-Che; Huang, Yun-Ju; Cheng, Su-Chen; Liu, Ding-Kuo	Lo, Chi-Hung; Lai, Wen-Hsien; Yeh, Sen; Tsai, Yang-Cheng; Lai, Ying-Che; Huang, Yun-Ju; Cheng, Su-Chen; Liu, Ding-Kuo	Lo, Chi-Hung; Lai, Wen-Hsien; Yeh, Sen; Tsai, Yang-Cheng; Lai, Ying-Che; Huang, Yun-Ju; Cheng, Su-Chen; Liu, Ding-Kuo
NT\$1,000,000 (incl.) – NT\$2,000,000 (excl.)	Chen, Ching-Tsung;	Chen, Ching-Tsung;	–	–
NT\$2,000,000 (incl.) – NT\$3,500,000 (excl.)	–	–	Chen, Ching-Tsung; Chung, Cheng-Huang	Chung, Cheng-Huang
NT\$3,500,000 (incl.) – NT\$5,000,000 (excl.)	–	–	Chung, Yuan-Chi	Chung, Yuan-Chi
NT\$5,000,000 (incl.) – NT\$10,000,000 (excl.)	–	–	Chung, Yuan-Kai	Chung, Yuan-Kai; Chen, Ching-Tsung
NT\$10,000,000 (incl.) – NT\$15,000,000 (excl.)	–	–	–	–
NT\$15,000,000 (incl.) – NT\$30,000,000 (excl.)	–	–	–	–
NT\$30,000,000 (incl.) – NT\$50,000,000 (excl.)	–	–	–	–
NT\$50,000,000 (incl.) – NT\$100,000,000 (excl.)	–	–	–	–
NT\$100,000,000 and above	–	–	–	–
Total	12	12	12	12

Note: At the 2025 annual shareholders' meeting, the entire Board of Directors was re-elected. Independent directors Lai, Wen-Hsien, Yeh, Sen, and Tsai, Yang-Cheng stepped down from their positions on May 29, 2025. Huang, Yun-Ju, Cheng, Su-Chen, and Liu, Ding-Kuo assumed office as independent directors on May 29, 2025.

2. Compensation paid to the General Manager and Vice Presidents (Remuneration to the Five Highest Remunerated Management Personnel)

Unit: NT\$ thousand

Title	Name	Salary (A)		Retirement allowance (B)		Bonus, and special allowance etc. (C)		Employee's profit sharing bonus (D)				Sum of A, B, C and D and the sum as a % of net income		Compensation received from non-consolidated affiliates or parent company
		The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company		All Consolidated Entities		The Company	All Consolidated Entities	
								Cash	Stock	Cash	Stock			
Chairman and General Manager	Chung, Yuan-Kai	2,940	2,940	0	0	500	500	1,100	1,100	0	0	4,540 0.83%	4,540 0.83%	0
Operation Management Division Executive Vice President	Chen, Liang-Teh	2,090	2,090	108	108	380	380	680	680	0	0	3,258 0.60%	3,258 0.60%	20
Channel Business Division Executive Vice President	Lin, Yi-Chao	2,072	2,072	108	108	350	350	660	660	0	0	3,190 0.58%	3,190 0.58%	20
Channel Business Division Vice President	Wu, Jung-Te	1,680	1,783	103	103	224	224	301	301	0	0	2,308 0.42%	2,411 0.44%	0
Channel Business Division Vice President	Liu, Chang-Der (Note 1)	793	793	57	57	0	0	27	27	0	0	877 0.16%	877 0.16%	0
Manufacturing Business Division Assistant General Manager	Huang, Shih-Tsun	1,572	1,572	76	76	220	220	275	275	0	0	2,143 0.39%	2,143 0.39%	0

Note 1: Mr. Liu, Chang-Der was appointed as Vice President on 2025.06.02.

**Range of Remuneration for the General Manager and Vice Presidents  
(top five highest-paid executives)**

Remuneration ranges of the General Manager and Vice Presidents (top five highest-paid executives)	Name of the General Manager and Vice Presidents (top five highest-paid executives)	
	The Company	All Consolidated Entities
Less than NT\$1,000,000	Liu, Chang-Der	Liu, Chang-Der
NT\$1,000,000 (incl.) – NT\$2,000,000 (excl.)	–	–
NT\$2,000,000 (incl.) – NT\$3,500,000 (excl.)	Chen, Liang-Teh; Lin, Yi-Chao; Wu, Jung-Te; Huang, Shih-Tsun	Chen, Liang-Teh; Lin, Yi-Chao; Wu, Jung-Te; Huang, Shih-Tsun
NT\$3,500,000 (incl.) – NT\$5,000,000 (excl.)	Chung, Yuan-Kai	Chung, Yuan-Kai
NT\$5,000,000 (incl.) – NT\$10,000,000 (excl.)	–	–
NT\$10,000,000 (incl.) – NT\$15,000,000 (excl.)	–	–
NT\$15,000,000 (incl.) – NT\$30,000,000 (excl.)	–	–
NT\$30,000,000 (incl.) – NT\$50,000,000 (excl.)	–	–
NT\$50,000,000 (incl.) – NT\$100,000,000 (excl.)	–	–
NT\$100,000,000 and above	–	–
Total	6	6

Note: Mr. Liu, Chang-Der was appointed as Vice President on 2025.06.02.

**3. Employee's profit sharing bouns paid to management team**

For the year ended December 31, 2025; Unit: NT\$ thousand

	Title	Name	Stock	Cash	Total	Total amount as a % of net income
Management Team	Chairman and General Manager	Chung, Yuan-Kai	0	3,741 (Estimated)	3,741 (Estimated)	0.69%
	Operation Management Division Executive Vice President	Chen, Liang-Teh				
	Channel Business Division Executive Vice President	Lin, Yi-Chao				
	Channel Business Division Vice President	Wu, Jung-Te				
	Channel Business Division Vice President	Liu, Chang-Der (Note 1)				
	Operation Management Division Assistant General Manager	Wang, Chia-Hsin				
	Manufacturing Business Division Assistant General Manager	Huang, Shih-Tsun				
	Operation Management Division Assistant General Manager and Corporate Governance Officer	Su, Wen-Yang (Note 2)				

Note 1: Mr. Liu, Chang-Der was appointed as Vice President on 2025.6.2.

Note 2: Mr. Su, Wen-Yang was promoted to Assistant General Manager on 2025.1.17.

4. Separately compare and describe total remuneration, as a percentage of net income stated in the parent company-only financial reports or individual financial reports, as paid by the Company and all other companies included in the consolidated financial statements during the past 2 fiscal years to Directors, General Manager and Vice Presidents, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

(1) Analysis of total remuneration, as a percentage of net income stated in the parent company-only financial reports or individual financial reports, as paid by the Company and all other companies included in the consolidated financial statements during the past 2 fiscal years to Directors, General Manager and Vice Presidents.

Unit: NT\$ thousand; %

Title	2024				2025			
	Total remuneration		As a % of net income		Total remuneration		As a % of net income	
	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities
Directors	6,515	6,515	1.16	1.16	7,515	7,515	1.38	1.38
General Manager and Vice Presidents	12,750	12,854	2.27	2.29	14,173	14,276	2.59	2.61
<p>1. The ratio of total directors' remuneration to net income after tax in 2025 increased compared to 2024, mainly due to an increase in directors' remuneration in 2025 and a decrease in net income after tax.</p> <p>2. The ratio of total remuneration of the General Manager and Vice Presidents to net income after tax in 2025 increased compared to 2024, mainly due to the addition of one Vice President in 2025 and a decrease in net income after tax.</p>								

(2) Remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

The Company has specified in Article 26 of its Articles of Incorporation that if the Company makes profits (the so-called profit refers to the net income before tax deducting the distribution of remuneration to employees and directors) for the year, an amount equivalent to not less than 2.5% and not more than 5% of the profits should be appropriated as remuneration to employees (of this amount, not less than 25% should be set aside as remuneration to staff at the grassroots level) and an amount equivalent to 3% or less of the profits appropriated as remuneration to directors. The amount to be contributed shall be reviewed by the Remuneration Committee, and then submitted to the Board of Directors for discussion and approval, and shall be reported to the Annual Shareholders' Meeting.

The Company's Directors' remuneration was based on the performance evaluation result of each individual Director in the "Rules for Performance Evaluation of Board of Directors" as a reference for evaluation. The aspect of evaluation including their understanding of the Company's core value, awareness of their duties and continual education, etc., and is also reviewed according to the degree of involvement in the Company's operation and value of contribution and standards of industry peers.

Executive officers' remuneration includes fixed salary, bonus and employee's profit sharing bonus, of which the salary is determined with reference to the salary standard table that specifies the subsidies and salary standard of personnel of each level prescribed in the human resource regulations of the Company. During their employment in the Company, salary is adjusted based on their degree of responsibility and contribution to the Company's operation and by taking the salary standard of industry peers into account; bonus and employee's profit sharing bonus are paid in compliance with the "Regulations Governing Salary and Bonus" and "Regulations Governing Performance Appraisal" and highly in correlation with the performance appraisal which covers two major aspects, "Awareness and Function of Role" and "Performance Management." The "Awareness and Function of Role" includes: venturing (such as seeking new business agency lines, and establishing new management policy), leadership (such as setting long-, mid- and short-term goals and leading subordinates to achieve and even go beyond goals); the "Performance Management" includes: execution ability (such as plan implementation and excellent budget achieving rate), management ability (actively improving sales and

non-operating income and caring about cost-benefit analysis), etc. The reasonable remuneration is paid with the consideration of aforementioned factors as well as overall business performance and division and individual performance.

The Company prudentially evaluates its remuneration to Directors and senior executive officers depending on actual business performance from time to time and adjusts properly in alignment with future business risk exposure in order to minimize possibility of and correlation with future risk and seek equilibrium between sustainable development and risk management.

## II. Implementation of corporate governance

### (I) Operations of the Board

The Board held 7 meetings (A) in the most recent year. The attendance record of directors is listed below:

Title	Name	Actual attendance (B)	By proxy	Actual attendance rate (%) [B/A]	Notes Board of Directors Re-election on May 29, 2025
Chairman	Chung, Yuan-Kai	7	0	100%	Re-elected
Director	Chen, Ching-Tsung	7	0	100%	Re-elected
	Chung, Cheng-Huang	7	0	100%	Re-elected
	Lo, Chi-Hung	7	0	100%	Re-elected
	Chung, Yuan-Chi	7	0	100%	Re-elected
Independent Director	Lai, Wen-Hsien	2	0	100%	Stepped down
	Yeh, Sen	2	0	100%	Stepped down
	Tsai, Yang-Cheng	2	0	100%	Stepped down
	Lai, Ying-Che	7	0	100%	Re-elected
	Huang, Yun-Ju	5	0	100%	Newly elected
	Cheng, Su-Chen	5	0	100%	Newly elected
	Liu, Ding-Kuo	5	0	100%	Newly elected

Other matters that require reporting:

- I. If any of the following circumstances occurs in the operation of the Board of Directors, the date, session, content of the motions, the opinions of all independent directors, and the Company's handling of independent directors' opinions shall be stated:
  - (I) Matters referred to in Article 14 -3 of the Securities and Exchange Act: The Company has established the Audit Committee and is therefore not subject to the requirements of Article 14-3 of the Securities and Exchange Act. Please refer to the "Operation of Audit Committee" section of this annual report for related information.
  - (II) Any matter about which an independent director expresses an objection or reservation that has been included in records or stated in writing other than those described above: None.
- II. Details, including names of directors, proposals, reasons for conflict of interest, and voting results, of circumstances where directors recused themselves due to conflict of interest:

Date of meeting (Session)	Agenda	Name of recused director
March 6 (1st meeting of 2025)	Nomination of Director candidates (including Independent Director candidates) for 2025 by the Board of Directors.	Chung, Yuan-Kai; Chen, Ching-Tsung; Chung, Cheng-Huang; Lo, Chi-Hung; Chung, Yuan-Chi; Lai, Ying-Che

Date of meeting (Session)	Agenda	Name of recused director		
March 6 (1st meeting of 2025)	To release of the newly elected Directors from the non-competition obligations.	Chung, Yuan-Kai; Chung, Cheng-Huang; Chung, Yuan-Chi		
June 13 (4th meeting of 2025)	Nomination of member candidates of the Company's 6th Remuneration Committee.	Lai, Ying-Che; Huang, Yun-Ju; Cheng, Su-Chen; Liu, Ding-Kuo		
August 1 (5th meeting of 2025)	Proposal of donation of NT\$500 thousand to the Hong Bao Charitable Foundation.	Chung, Yuan-Kai; Chung, Cheng-Huang; Chung, Yuan-Chi		
	Proposal of the Company's 2024 directors' remuneration distribution.	Chung, Yuan-Kai; Chen, Ching-Tsung; Chung, Cheng-Huang; Lo, Chi-Hung; Chung, Yuan-Chi; Lai, Ying-Che		
	Proposal of the Company's 2024 Executive officers' remuneration distribution.	Chung, Yuan-Kai; Chung, Cheng-Huang; Chung, Yuan-Chi		
December 26 (7th meeting of 2025)	Proposal of the Company's 2025 annual bonus distribution for executive officers.	Chung, Yuan-Kai; Chung, Cheng-Huang; Chung, Yuan-Chi		
<p>Reason for recusal: The directors recused themselves from the proposals above where they had a conflict of interest in accordance with Article 15 of the Company's "Rules of Procedure for Board of Directors' Meetings."</p> <p>Participation in voting: Directors with conflict of interest excused themselves lawfully. The proposals were passed as proposed unanimously after the chairperson consulted with all remaining attending directors.</p>				
<p>III. Implementation of self-evaluations by the Company's Board of Directors and Functional Committees:</p>				
Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation Criteria
Once a year	2024.11.01 -- 2025.10.31	Board of Directors	Self-evaluation of the Board of Directors	<ul style="list-style-type: none"> <li>● Participation in the Company's operation.</li> <li>● Improvement of the Board of Directors' decision-making quality.</li> <li>● Composition and structure of the Board.</li> <li>● Election and continuing education of directors.</li> <li>● Internal control.</li> </ul>

III. Implementation of self-evaluations by the Company's Board of Directors and Functional Committees:

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation Criteria
Once a year	2024.11.01 -- 2025.10.31	Individual board members	Self-evaluation of individual board members	<ul style="list-style-type: none"> <li>● Alignment with the goals and mission of the Company.</li> <li>● Knowledge of the directors' duties.</li> <li>● Participation in the Company's operation.</li> <li>● Management of internal relationship and communication.</li> <li>● Professionalism and continuing education of directors.</li> <li>● Internal control.</li> </ul>
		Functional Committees (Including Audit Committee and Remuneration Committee)	Self-evaluation of the Functional Committees	<ul style="list-style-type: none"> <li>● Participation in the Company's operation.</li> <li>● Knowledge of functional committee's duties.</li> <li>● Improvement of the functional committee's decision-making quality.</li> <li>● Composition and member election of the functional committee.</li> <li>● Internal control.</li> </ul>

The result of Board of Directors' and Functional Committees' performance evaluations were reported to the Board of Directors on December 26, 2025. The average score of the overall Board of Directors performance self-evaluation was 99.33. The average score of the self-evaluations of individual board member was 98. The Directors gave favorable scores, representing the good overall board operations. The average score of the performance self-evaluation of the Audit Committee was 98.75, and the average score of performance self-evaluation of the Remuneration Committee was 98.5. Both committees are in good operation and fully perform their duties. (The scores are out of 100)

IV. Evaluation of targets to enhance the role of the board and performance in the current year and last year:

- (I) To enhance the overall professionalism and diversity of the Board of Directors, at the time of the 2025 board re-election, the Company added directors with legal and CPA qualifications while also optimizing the gender structure by electing two female directors.
- (II) With regard to the issue that the Chairman concurrently serves as the President, the Company has added one additional seat of Independent Director to supervise the operation.
- (III) In order to improve the quality of Board decisions, professional lecturers were invited in 2025 to conduct a special lecture on "How the Board of Directors and Senior Executives Review ESG Reports: ESG Information Disclosure Guidelines." In addition, the Company continues to provide directors with practical, professional, and diverse continuing education courses to strengthen the overall effectiveness of the Board.

## (II) Operation of Audit Committee

1. The Audit Committee is composed of all Independent Directors and holds at least one meeting each quarter. The powers of the Audit Committee are as follows:
  - (1) The adoption of or amendments to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
  - (2) Assessment of the effectiveness of the internal control system.
  - (3) The adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.
  - (4) Matters in which a director is an interested party.
  - (5) Asset transactions or derivatives trading of a material nature.
  - (6) Loans of funds, endorsements, or provision of guarantees of a material nature.
  - (7) The offering, issuance, or private placement of any equity-type securities.
  - (8) The hiring or dismissal of a certified public accountant, or their compensation.
  - (9) The appointment or discharge of a financial, accounting, or internal auditing officer.
  - (10) Business Report and earnings distribution or loss make-up plan.
  - (11) Annual financial reports signed or stamped by the Chairman, Executive officer and accounting officer.
  - (12) Other material matters as may be required by the Company or by the competent authority.
2. Major matters discussed and reviewed by the Audit Committee in 2025 are as follows:
  - (1) Annual final accounting books (Business Report, financial statements and earnings distribution plan).
  - (2) Assessment of the effectiveness of the internal control system and audit plan.
  - (3) Policies related to internal control system.
  - (4) The hiring of certified public accountants and evaluation of CPA's independence and compensation.
  - (5) Matters in which a director is an interested party.
  - (6) Quarterly financial statements.

In the most recent year, the Audit Committee convened 4 meetings (A), and the attendance of independent directors in the meetings is as follows:

Title	Name	Actual attendance (B)	By proxy	Actual attendance rate (%) [B/A]	Note Board of Directors Re-election on May 29, 2025
Independent Director	Lai, Wen-Hsien	2	0	100%	Stepped down
	Yeh, Sen	2	0	100%	Stepped down
	Tsai, Yang-Cheng	2	0	100%	Stepped down
	Lai, Ying-Che	4	0	100%	Re-elected
	Huang, Yun-Ju	2	0	100%	Newly elected
	Cheng, Su-Chen	2	0	100%	Newly elected
	Liu, Ding-Kuo	2	0	100%	Newly elected

Other matters that require reporting:

I. Where the operation of the Audit Committee meets any of the following circumstances, the minutes concerned shall clearly state the meeting date, session, contents of motions, content of objections, reservations or material suggestions expressed by an Independent Directors, resolution of the Audit Committee meeting, and the Company's response to the Audit Committee's opinions:

(I) Operations in the year:

Date of meeting (Session)	Agenda	Matters listed in Article 14-5 of the Securities and Exchange Act	Opinion of Independent Director		Material suggestion of Independent Director
			No opinion	Objection or reservation	
March 6 (13th meeting of the 2nd term)	Passed the 2024 Business Report and financial statements and consolidated financial statements.	✓	✓		—
	Passed the evaluation of independence and competency and appointment of the Company's CPAs.	✓	✓		—
	Passed the 2024 Internal Control System Statement.	✓	✓		—
	Passed the 2024 earnings distribution plan.	✓	✓		—
May 5 (14th meeting of the 2nd term)	Passed the Consolidated Financial Statements for Q1 2025.		✓		—
August 1 (1st meeting of the 3rd term)	Passed the Consolidated Financial Statements for the first half of 2025.		✓		—
	Passed the donation of NT\$500 thousand to the Hong Bao Charitable Foundation.	✓	✓		—
November 7 (2nd meeting of the 3rd term)	Passed the 2026 Annual Audit Plan and filing of the list of internal auditors and deputies.	✓	✓		—
	Passed the amendment to the relevant provisions of the payroll cycle in the Company's "Internal Control System" and "Internal Audit Implementation Rules."	✓	✓		—
	Passed the Consolidated Financial Statements for Q3 2025.		✓		—
	Passed the appointment and compensation of the Company's CPAs.	✓	✓		—
	Passed the list of non-assurance services expected to be provided by Ernst & Young and its affiliates in 2026.		✓		—

Resolutions of the matters above: Passed as proposed unanimously after the chairperson consulted with all attending Independent Directors.

The Company's response to the Audit Committee's opinions: reporting to the Board of Directors' meeting and passed unanimously by all attending Directors.

(II) Other than those described above, any resolutions unapproved by the Audit Committee but passed by more than two-thirds of directors: None.

II. If Independent Directors recused from themselves from an agenda item in which they have a conflict of interest, specify the name of the independent director, agenda item, reason for recusal, and participation in voting: None.

III. Communication between Independent Directors and the internal auditing officer and CPAs (must include material matters of communication, methods, and results relating to the Company's financial and business conditions).

(I) Policy for communication between Independent Directors and internal auditing officer:

1. The internal auditing officer meets with Independent Directors at least once each quarter in the Audit Committee's Meeting, and reports on the implementation status of annual audit plan and follow-up of internal control defects with the audit report and follow-up report for any defects of the previous month submitted at the end of each month.

Independent Directors may communicate and discuss with internal auditing officer regarding the content of above-mentioned matters or at any time deemed necessary. Any material irregularity shall be reported to Independent Directors at any time.

2. There was no such irregularity described above in 2025. The communication between Independent Directors and the internal auditing officer is good.

(II) Policy for communication between Independent Directors and CPAs:

1. The Company's CPAs meet with Independent Directors at least once a year to report the result of review or audit concerning the financial statements and internal control of the Company and its foreign subsidiaries to the Independent Directors and communicate about amendments to laws and regulations that may affect the Company's accounts. For any material irregularity, a meeting may be held at any time.

2. There was no such irregularity described above in 2025. The communication between Independent Directors and CPAs is good.

3. The Audit Committee completes the audit report with reference to the CPA audited financial statements and audit report.

(III) Summary of communication between Independent Directors and internal auditing officer and CPAs in 2025:

(The summary of communication can also be found on the Company's website at <http://www.audix.com> by following the path: Audix Corporation's Website\About Audix\Corporate governance\Summary of Communication Between Independent Directors and internal auditing officer and CPAs.)

1. Summary of communication between Independent Directors and internal auditing officer in 2025:

Date	Communication method	Main Points of Communication	Opinion of Independent Director
March 6	Audit Committee	(1) Internal audit report for January and February 2025. (2) 2024 Internal Control System Statement.	No opinion
May 5	Audit Committee	Internal audit report for March and April 2025.	No opinion

Date	Communication method	Main Points of Communication	Opinion of Independent Director
June 13	Pre-meeting for the Board of Directors' meeting	Internal audit report for May 2025.	No opinion
August 1	Audit Committee	Internal audit report for June and July 2025.	No opinion
November 7	Audit Committee	(1) Internal audit report for August to October 2025. (2) 2026 annual internal audit plan. (3) List of internal auditors and deputies for 2026. (4) Amendments to the "Internal Control System" and "Internal Audit Implementation Rules"	No opinion
December 26	Pre-meeting for the Board of Directors' meeting	Internal audit report for November and December 2025.	No opinion

2. Summary of communication between independent directors and CPAs in 2025:

Date	Communication method	Main Points of Communication	Opinion of Independent Director
March 6	Audit Committee	(1) Matters discussed with the Corporate Governance Unit and management: independence of CPAs, content of the management representation letter, group audit scope, significant risks and key audit matters, execution and results of internal control testing, audit differences identified during the audit, and the expected audit opinion for the year 2024. (2) International Standard on Quality Management 1. (ISQM1/TWSQM1) (3) Update of laws and regulations governing securities. (4) IFRS updates (5) The latest news on Sustainability Disclosure Standards. (6) Introduction of the revisions to the 12th Corporate Governance Evaluation System.	No opinion

Date	Communication method	Main Points of Communication	Opinion of Independent Director
December 26	Meeting with CPAs	<ul style="list-style-type: none"> <li>(1) Group audit scope.</li> <li>(2) Significant risks and preliminary views on key audit matters.</li> <li>(3) Execution strategies for internal control test.</li> <li>(4) Project and schedule of the audit.</li> <li>(5) Relationships and transactions with related parties.</li> <li>(6) International CPA Code of Ethics.</li> <li>(7) Information on Audit Quality Indicators (AQIs).</li> <li>(8) The latest news on Sustainability Disclosure Standards.</li> </ul>	No opinion

(III) Corporate governance implementation status and deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons

Evaluation Item	Implementation status		Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	
I. Does the Company establish and disclose its corporate governance principles in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company has adopted the “Corporate Governance Best Practice Principles” and disclosed on the Company’s website and MOPS.
II. Shareholding structure & shareholders’ rights (I) Does the Company establish internal operating procedures for handling shareholders’ suggestions, questions, disputes or litigation and handled related matters accordingly?	✓		(I) The Company has set up the stock affairs personnel and spokesperson system, and the spokesperson or deputy spokesperson is responsible for handling shareholders’ suggestions, questions, disputes and litigation; in addition, the Company’s website also has a stakeholder section and a shareholders contact person for shareholders/investors to make suggestions or ask questions.
(II) Does the Company have a list of major shareholders that have actual control over the Company and a list of ultimate owners of those major shareholders?	✓		(II) The Company keeps track of the shareholding of directors, executive officers and major shareholders with more than 10% shares through the insider share transaction reporting system, and keeps track of the list of major shareholders and their ultimate controllers through the previous register of shareholders as much as possible.
(III) Does the Company establishes or implements some risk control and firewall mechanisms between the Company and its affiliates?	✓		(III) In order to ensure subsidiaries’ implementation of a sound business management system and compliance of their financial and business operations with its internal control system, the Company established the “Procedures for Supervision and Management of Subsidiaries”; the Company established the “Rules Governing Financial and Business Matters Between the Company and its Affiliated Enterprises” in 2023 to prevent non arm’s-length transactions and improper channeling of interests

Evaluation Item	Implementation status		Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	
			with respect to the purchase and sale of goods, the acquisition and disposal of assets, the provision of endorsements and guarantees, and loans of funds between the Company and its affiliated enterprises. The subsidiaries and affiliated enterprises have all complied with relevant regulations.
(IV) Does the Company establish internal rules against insiders trading with undisclosed information?	✓		(IV) The Company has established the “Procedures for Handling Material Inside Information and Preventing Insider Trading” and “Code of Ethical Conduct” to prohibit the insiders from utilizing the undisclosed information to trade securities and leaking such information to others so as to prevent others utilizing such information in securities trading. To further protect shareholder rights and realize shareholder equality, the Corporate Governance Best-Practice Principles, which encompasses internal regulations that prohibit insiders from trading company stocks with the unpublished finance and business information on the market.
III. Composition and responsibilities of the Board of Directors (I) Have diversification policies and specific management goals been formulated and implemented by the Board of Directors?	✓		(I) The Company has established the “Corporate Governance Best-Practice Principles” to stipulate the diversity of the Board composition, and that the Board shall formulate proper diversity policy in alignment with its operation, formation and development needs. Each board member shall have the necessary knowledge, skills, and experience to perform his/her duties in order to achieve the ideal corporate governance. Please refer to Page 14-16 for the implementation of Board diversity.
			No difference.

Evaluation Item	Implementation status		Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons															
	Yes	No																
(II) Does the Company voluntarily establish other functional committees in addition to the Remuneration Committee and Audit Committee?	✓	✓	Other functional committees will be set up depending on operational needs.															
(III) Does the Company establish standards and method for evaluating Board performance, conduct annual performance evaluations, submit performance evaluation results to the Board, and use the results as a basis for determining the remuneration and nomination of individual directors?	✓		<p>No difference.</p> <p>The Company has established the “Rules for Board of Directors Performance Assessments,” the evaluation scope includes the Board of Directors, individual board members and functional committees. The evaluation method may include the internal evaluation of the Board of Directors, the self-evaluation of the Board members, the self-evaluation of functional committees, entrusting external professional institutions or other appropriate methods. The evaluations are performed by the Company’s agenda working group on an annual basis, and the evaluation results are taken as reference for remuneration to individual directors and their nomination.</p> <p>The evaluation results for the period from November 1, 2024 to October 31, 2025 are as follows:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th>Item</th> <th>Total average score</th> <th>Evaluation grade</th> </tr> </thead> <tbody> <tr> <td>Board of Directors</td> <td style="text-align: center;">99.33</td> <td style="text-align: center;">Outstanding</td> </tr> <tr> <td>Board members</td> <td style="text-align: center;">98</td> <td style="text-align: center;">Outstanding</td> </tr> <tr> <td>Audit Committee</td> <td style="text-align: center;">98.75</td> <td style="text-align: center;">Outstanding</td> </tr> <tr> <td>Remuneration Committee</td> <td style="text-align: center;">98.5</td> <td style="text-align: center;">Outstanding</td> </tr> </tbody> </table>	Item	Total average score	Evaluation grade	Board of Directors	99.33	Outstanding	Board members	98	Outstanding	Audit Committee	98.75	Outstanding	Remuneration Committee	98.5	Outstanding
Item	Total average score	Evaluation grade																
Board of Directors	99.33	Outstanding																
Board members	98	Outstanding																
Audit Committee	98.75	Outstanding																
Remuneration Committee	98.5	Outstanding																

Evaluation Item	Implementation status		Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons																					
	Yes	No																						
(IV) Does the Company regularly evaluate the independence of CPAs?	✓		<p>(IV) The Company conducts regular review, once a year, of the independence and suitability of certified public accountants (CPAs). The evaluation outcomes along with the Audit Quality Indicators (AQIs) and the CPA Independence Declaration are submitted to the Audit Committee for review before reporting them to the Board of Directors for discussion and resolution.</p> <p>The evaluation for the most recent year on the independence and suitability of CPAs Chienju Yu and Hsinmin Hsu of Ernst &amp; Young was conducted on March 11, 2026. The abovementioned documents have been sent to the Audit Committee and Board of Directors for review and resolution which has been passed. The evaluation outcomes show that both CPAs have met the Company's independence evaluation standard to take up the role as the Company's CPAs.</p> <p>The independence evaluation includes 17 criteria listed as follows:</p> <table border="1"> <thead> <tr> <th colspan="3">I. Evaluation of CPA independence</th> </tr> <tr> <th>Evaluation Criteria</th> <th>Yes</th> <th>No</th> </tr> </thead> <tbody> <tr> <td>01. Does the CPA, or the spouse or a minor child thereof, not invest in Company?</td> <td>V</td> <td></td> </tr> <tr> <td>02. Does the CPA, or the spouse or a minor child thereof, not have loan or guarantees with the Company?</td> <td>V</td> <td></td> </tr> <tr> <td>03. Does the CPA or any of the engagement team members not hold shares of the Company or of any entity of the Group?</td> <td>V</td> <td></td> </tr> <tr> <td>04. Is the CPA or any of the engagement team members not a director, executive officer or in a key position of the Company to exert significant influence over the subject matter of the engagement?</td> <td>V</td> <td></td> </tr> <tr> <td>05. Is the CPA or any of the engagement team members not an agent of the Company's stocks or other securities?</td> <td>V</td> <td></td> </tr> </tbody> </table>	I. Evaluation of CPA independence			Evaluation Criteria	Yes	No	01. Does the CPA, or the spouse or a minor child thereof, not invest in Company?	V		02. Does the CPA, or the spouse or a minor child thereof, not have loan or guarantees with the Company?	V		03. Does the CPA or any of the engagement team members not hold shares of the Company or of any entity of the Group?	V		04. Is the CPA or any of the engagement team members not a director, executive officer or in a key position of the Company to exert significant influence over the subject matter of the engagement?	V		05. Is the CPA or any of the engagement team members not an agent of the Company's stocks or other securities?	V	
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Evaluation Item	Implementation status		Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons																
	Yes	No																	
		<p>meetings; assist in onboarding, continuous development, and legal compliance of directors; report the review result regarding whether independent directors' qualifications have complied with relevant laws and regulations during election and during their term of office to the board of directors; handle any changes to directors; regularly review and amend relevant regulations of the Company; implement the promotion of corporate governance and other matters related to corporate governance.</p> <p>List of continuing education in 2025 is as follows:</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Organizer</th> <th>Course name</th> <th>Hours</th> </tr> </thead> <tbody> <tr> <td>2025.8.1</td> <td>Taiwan Corporate Governance Association (TCGA)</td> <td>How the Board of Directors and Senior Executives Review ESG Reports: ESG Information Disclosure Guidelines</td> <td>3</td> </tr> <tr> <td>2025.8.11</td> <td>Business Council for Sustainable Development of Taiwan (BCSD Taiwan)</td> <td>CDP Training Course on the Analysis of the CDP Questionnaire in Relation to IFRS S2</td> <td>6</td> </tr> <tr> <td>2025.9.19</td> <td>Securities and Futures Institute (SFI Taiwan)</td> <td>Practical Implementation of Internal Controls for Sustainability Information Management</td> <td>3</td> </tr> </tbody> </table>	Date	Organizer	Course name	Hours	2025.8.1	Taiwan Corporate Governance Association (TCGA)	How the Board of Directors and Senior Executives Review ESG Reports: ESG Information Disclosure Guidelines	3	2025.8.11	Business Council for Sustainable Development of Taiwan (BCSD Taiwan)	CDP Training Course on the Analysis of the CDP Questionnaire in Relation to IFRS S2	6	2025.9.19	Securities and Futures Institute (SFI Taiwan)	Practical Implementation of Internal Controls for Sustainability Information Management	3	
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Evaluation Item	Implementation status		Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	
V. Does the Company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), and properly respond to corporate social responsibility issues of concern to the stakeholders?	✓		No difference.
VI. Does the Company designate a professional shareholder service agency to deal with shareholder affairs?	✓		No difference.
VII. Information disclosure (I) Does the Company establish a corporate website to disclose information regarding the company's financial, business and corporate governance status?  (II) Does the Company have other information disclosure channels (e.g. maintaining an English-language website, appointing responsible people to handle information collection and disclosure, creating a spokesperson system, webcasting investor conference on Company website)?	✓  ✓		No difference.

Evaluation Item	Implementation status		Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	
(III) Does the Company announce and report annual financial report certified by a CPA within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial report certified by a CPA, as well as monthly operation results, before the prescribed time limit?	✓	✓	The Company will prudently evaluate the feasibility of announcing and reporting the annual financial report within two months after the end of each fiscal year.
VIII. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, continuing education of directors and supervisors, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	✓		No difference.

Evaluation Item	Implementation status		Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	
			<p>Management Best-Practice Principles.” In addition, the Company has the legal unit and appoints the legal counsel to handle legal disputes.</p> <p>5. Continuing education of directors: The Company provides relevant continuing education information for Directors’ reference from time to time, and further arranges the continuing education courses at the institutions designated by competent authority for its directors. The information on continuing education of directors is disclosed on the Market Observation Post System to implement corporate governance policy.</p> <p>6. The Company has a set of procedures and internal regulations for its key management indicators, and assesses and manages its risk exposure accordingly.</p> <p>7. Implementation of customer policy: The Company has established the controlling measures for customer credit lines and maintained good customer relations while upholding the principle of ethic as adopted in the “Ethical Corporate Management Best-Practice Principles” to create profit and manage risk.</p> <p>8. Insurance purchased for directors: The Company has purchased liability insurance for its directors and reported to the Market Observation Post System lawfully. The most recent purchase of insurance is as follows: The renewal period is from 2025/6/15 to 2026/6/15, and the total amount insured is US\$7.5 million.</p>

IX. Specify the improvement of corporate governance with reference to the evaluation of corporate governance by the Corporate Governance Center of Taiwan Stock Exchange Corporation in the most recent year, and the measures prioritized for issues that require improvement.

1. The improvements made with reference to the 12th evaluation of corporate governance in 2025 are as follows:

No.	Evaluation indicator	Improvement made
1.1	Does the Company report the remuneration received by Directors at the annual shareholders' meeting, including the remuneration policy, individual remuneration details, and amounts?	The remuneration paid to Directors was reported at the annual shareholders' meeting on May 29, 2025.
1.6	Does the Company convene the annual shareholders' meeting before the end of May?	The 2025 annual shareholders' meeting was held on May 29, 2025.
2.6	Does the Board of Directors include at least one director of a different gender?	Two directors of different genders were elected at the time of the 2025 board re-election at the annual shareholders' meeting.
3.5	Does the Company upload the English version of the annual financial report 18 days before the Annual General Meeting of Shareholders is held? [If the interim financial report is disclosed in English within two months of the Chinese version filing deadline, one point will be added to the total score.]	Regarding the additional point requirement, the English version was prepared and uploaded for the 2025 interim financial report before the deadline. The quarterly reporting dates on the MOPS are as follows: Q1: July 14, 2025; Q2: October 9, 2025; Q3: January 9, 2026.
3.20	Does the Company voluntarily hold (or is invited to hold) at least two institutional investor conferences, disclose at least two complete video/audio recordings, and have an interval of at least three months between the first and second institutional investor conferences in the year of evaluation?	Investor conferences were held on August 19 and November 19, 2025, and links to the full meeting video recordings were disclosed.

No.	Evaluation indicator	Improvement made
4.2	Has the Company established a dedicated unit (or assigned a concurrent role) to promote ethical corporate management, responsible for formulating and overseeing the implementation of ethical management policies and preventative measures? Is the unit's operation and implementation disclosed on the Company's website and in its annual report, and is a report provided to the Board of Directors at least annually?	The implementation of ethical corporate management has been disclosed on the Company's website and in the annual report, and was reported to the Board of Directors on March 6, 2025.
4.24	Are the ESG reports prepared by the Company submitted to the Board of Directors for approval?	The 2024 ESG Report was submitted to the Board of Directors for approval on August 1, 2025.

2. The Company will prioritize improvements in the following areas identified in the first ESG evaluation, as described below:

No.	Evaluation indicator	Prioritized Matters for Improvement and Measures
E-2	Has the Company disclosed its Scope 1 and Scope 2 GHG emissions for the past two years?	The Company plans to disclose its Scope 1 and Scope 2 GHG emissions for the past two years on the ESG information platform.
E-3	Has the Company disclosed its Scope 3 GHG emissions by category for the past year?	The Company plans to disclose its Scope 3 GHG emissions by category and annual emissions for the past year on the ESG information platform.

No.	Evaluation indicator	Prioritized Matters for Improvement and Measures
S-6	Does the Company disclose details of its engagement with investors (e.g., through investor conferences, in-person visits, video conferences, phone calls, or emails), including key questions from investors and the Company's responses?	The Company is assessing the feasibility of disclosing key investor questions as well as its responses on the Company's website.
S-13	Has the Company established a personal data protection policy and disclosed its content and implementation status?	The Company plans to establish a personal data protection policy and provisionally intends to disclose its content and implementation status on the Company's website.
S-23	Has the Company disclosed employee turnover rates by gender and age for the past two years, and explained any trends and the reasons for the changes?	The "Social Inclusion" chapter of the ESG Report will disclose employee turnover rates by gender and age for the past two years, along with explanations of the trends and the reasons for the changes.

(IV) Composition of the Remuneration Committee and its operation

1. Information on Remuneration Committee members

Title	Qualifications Name	Professional qualifications and experience	Independence	Number of other public companies in which the member also serves as a member of their Remuneration Committee
Independent Director (Convener)	Lai, Ying-Che	Please refer to the Information on Directors (II) on Page 11.		0
Independent Director	Huang, Yun-Ju	Please refer to the Information on Directors (II) on Page 11.		0
Independent Director	Cheng, Su-Chen	Please refer to the Information on Directors (II) on Page 12.		0
Independent Director	Liu, Ding-Kuo	Please refer to the Information on Directors (II) on Page 12-13.		0

2. Duties of the Remuneration Committee

The Remuneration Committee shall exercise the due care of a good administrator in faithfully performing the following duties and making recommendations to the Board of Directors for its consideration. The main functions of the Committee are as follows:

- (1) Establish and periodically review the policies, systems, standards, and structure for the performance evaluation and remuneration of the Company's directors and managers.
- (2) Regularly evaluate and determine the remuneration of the Company's directors and managers.

3. Operations of Remuneration Committee

- (1) The Company's Remuneration Committee consists of four members.
- (2) Current term of office: The term of office is from June 13, 2025 to May 28, 2028. The Committee held 3 (A) meetings in the most recent year, and qualification of Committee members and their attendance are listed as follows:

Title	Name	Actual attendance (B)	By proxy	Actual attendance rate (%) [B/A]	Notes
Independent Director	Lai, Wen-Hsien (Convener, 5th Term)	1	0	100%	Stepped down
	Yeh, Sen	1	0	100%	Stepped down
	Tsai, Yang-Cheng	1	0	100%	Stepped down
	Lai, Ying-Che (Convener, 6th Term)	3	0	100%	Re-elected
	Huang, Yun-Ju	2	0	100%	Newly elected
	Cheng, Su-Chen	2	0	100%	Newly elected
	Liu, Ding-Kuo	2	0	100%	Newly elected

Other matters that require reporting:

- I. If the Board of Directors does not adopt, or amends, the Remuneration Committee's suggestions, please specify the meeting date, session, contents of motion, resolution of the board of directors, and the Company's handling of the Remuneration Committee's opinions (if the remuneration ratified by the board of directors is superior to that suggested by the Remuneration Committee, please specify the deviation and reasons thereof): None.
- II. For resolution(s) made by the Remuneration Committee with the Committee members voicing opposing or qualified opinions on the record or in writing, please state the meeting date, session, contents of motion, opinions of all members and the Company's handling of the said opinions: None.
- III. Remuneration Committee's meeting date, session, contents of motion, resolutions and the Company's handling of the Remuneration Committee's opinions for the most recent year are as follows:

Date of meeting (Session)	Agenda	Resolutions of Remuneration Committee's meeting
March 6 (9th meeting of the 5th Committee)	Passed the review of remuneration to Chairman and Directors.	Passed unanimously by all attending members.
	Passed the review of remuneration policy and system for executive officers.	
	Passed the proposal of 2024 directors' remuneration and employees' compensation distribution.	
	Passed the Company's 2024 remuneration to directors.	
August 1 (1st meeting of the 6th Committee)	Passed the proposal of the Company's 2024 directors' remuneration distribution.	
	Passed the proposal of the Company's 2024 executive officers remuneration distribution.	
December 26 (2nd meeting of the 6th Committee)	Passed the proposal of the Company's 2025 annual bonus distribution for executive officers.	

The Company's response to the Remuneration Committee's opinions: reporting to the Board of Directors' meeting and passed unanimously by all attending Directors.

(V) Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, the Reasons and Climate-related Information

1. Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons Thereof

Promote Item	Implementation status		Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	
I. Does the Company have a governance framework for promoting sustainable developments and a dedicated (or ad-hoc) sustainable development unit that is managed by senior management authorized by the Board of Directors, and how is the supervision of the Board?	✓		No difference.
II. Whether the Company conducts the risk assessment on the environment, society and corporate governance issues related to the Company's operation in accordance with the materiality principle, and adopts related risk management policies or strategies?	✓		Depending on the Company's operation and scale, it will establish such a framework.

Promote Item	Implementation status		Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	
III. Environmental issues (I) Has the Company established environmental policies suitable for the Company's industrial characteristics?	✓		No difference.

Promote Item	Implementation status		Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	
(II) Does the Company endeavor to upgrade the efficient use of available resources, and the use of environmentally friendly materials?	✓		(II) The Company endeavors to initiate environmental sustainability and implement relevant improvements. It increases the efficiency of the re-use of resources to achieve the goals of energy-saving, waste reduction and environmental protection, through the promotion and execution of a set of measures, including gradual replacement of high energy-consuming equipment, increase of the re-use rate of paper and packaging materials, priority in the procurement of highly efficient energy-saving equipment, installation of energy conservation controllers on various equipment, etc.
(III) Whether the Company assesses the potential risk and opportunity posed by climate changes to the enterprise, now and in the future, and takes countermeasures?	✓		(III) Climate change has become the most important issue in the world, and the Company will be significantly affected by the occurrence of any extreme climate event that may probably cause the price hike of raw materials and commodities and even negatively impact the supply. Therefore, the Company voluntarily examines issues such as energy saving, carbon reduction and greenhouse effect, and takes initiatives on the improvement of shipping processes and packaging materials to practically pursue energy conservation and carbon reduction. Moreover, with regard to the production and sale policies, the Company will introduce the new products tailoring the energy efficient lighting market and expand business to the field of energy-saving environmental technology and service.

Promote Item	Implementation status		Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	
(IV) Has the Company done the statistics on its annual greenhouse gas emission, water consumption and gross weight of waste for the past two years, and adopted policies for greenhouse gas reduction, water consumption reduction or management policy for other waste?	✓		<p>(IV) The Company's GHG self-inventory (including Scope 1, Scope 2, and part of Scope 3) decreased from 560 MtCO<sub>2</sub>e in 2024 to 524 MtCO<sub>2</sub>e in 2025, a reduction of approximately 6.43%; water consumption decreased from 4,061 tons in 2024 to 3,964 tons in 2025, a reduction of approximately 2.39%; waste increased from 0.9 tons in 2024 to 8.3 tons in 2025, an increase of approximately 822.22%. Waste increased significantly, mainly due to the removal of a larger volume of waste in 2025, including scrapped containers, furniture, computers, and sandbags, compared to only waste pallets removed in 2024. (there is also general household waste, with an average of 13.2 metric tons per year, and the change is not significant). The above statistical information, pertains to Audix Technology Corporation (Neihu Dist., Taipei City).</p> <p>Relevant measures taken to promote energy saving and carbon reduction and explanation:  In response to the government's energy-saving and carbon reduction initiatives, the data center of Taipei commercial buildings replaced its air-conditioning equipment with Level 1 energy-efficiency-certified products in February 2025, and it uses high-performance LED lighting fixtures. Additionally, the Company continues to promote paper reduction through the WorkFlow system, advocates for water and electricity conservation, and enforces waste classification and recycling practices. To further enhance energy efficiency, the Company maintains optimal temperature settings for air conditioning, ensuring a more sustainable and environmentally friendly workplace.</p>

Promote Item	Implementation status		Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	
<p>IV. Social issues</p> <p>(I) Does the Company have the relevant management policies and procedures stipulated in accordance with the relevant laws and regulations and international conventions on human rights?</p>	✓		No difference.
		<p>(I) The Company has established human rights policies and related management procedures in accordance with the applicable laws, regulations, and international human rights conventions. The specific implementation and governance details are as follows:</p> <ol style="list-style-type: none"> <li>1. Reference convention and scope of application The Company abides by the labor laws and regulations at its operating locations while adhering to international human rights standards such as the "Universal Declaration of Human Rights," the "United Nations Global Compact," and the "International Labour Organization Declaration on Fundamental Principles and Rights at Work." This policy applies to all employees and managers, and requires affiliated companies, suppliers, business partners, and other stakeholders to comply with it and work together to eliminate human rights abuses throughout the value chain.</li> <li>2. Responsible unit and management structure The Board of Directors provides the highest-level guidance for the Company's human rights protection efforts. The personnel and legal affairs units within the Business Management Department serve as the dedicated executing body, responsible for drafting human rights policies, implementing preventative measures, managing grievance channels, and regularly reviewing human rights risks and the effectiveness of management practices.</li> </ol>	

Promote Item	Implementation status		Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	
			<p>3. Specific management policies and procedures implementation The Company enforces the four management procedures below to protect human rights:</p> <p>(1) Diverse, inclusive, and equitable workplace: Implement non-discrimination and equal opportunity in employment, and ensure fairness in hiring, compensation, and promotion. Maternity protection and family leave are provided in accordance with the Act of Gender Equality in Employment, and a confidential complaint mechanism is in place to create a harassment-free environment.</p> <p>(2) Labor rights and labor relations communication: Forced labor is strictly prohibited, and working hours and leave are strictly regulated by law. Regular labor-management meetings are held to discuss employee welfare and promote harmonious labor-management relations through two-way communication.</p> <p>(3) Health, safety, and privacy protection: The Company holds regular drills and equipment maintenance activities. Employee health care initiatives include free health checkups, health seminars, and employee club activities. Meanwhile, the Company complies with the personal data protection laws and regulations, and strictly protects the privacy information of employees and stakeholders.</p>

Promote Item	Implementation status		Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	
(II) Whether the Company adopts and implements reasonable employee benefit policy (including remuneration, vacation and other benefits), and reflects the operating performance or results on the remuneration to employees adequately?	✓	<p>(4) Deepening human rights awareness and training: Standard training in the “Personal Data Protection Act,” sexual harassment prevention, occupational safety and health, CPR+AED first aid, and ethical conduct is provided to new and current employees to foster a healthy and positive workplace culture.</p> <p>In order to foster a positive work environment, and ensure fair and systematic management of employee remuneration, time off, and benefits, the Company establishes and implements the relevant management procedures.</p> <p>1. Remuneration system: According to Article 26 of the Articles of Incorporation, if the Company makes a profit (with profit referring to the net income before tax deducting the distribution of remuneration to employees and directors) for the year, between 2.5% and 5% of the profit should be appropriated as remuneration to employees (of this amount, more than 25% should be set aside as remuneration to entry-level employees). Systematically share operating results.</p> <p>The issuance of employee remuneration and bonuses is determined based on the Company’s annual operating profit, departmental goal achievement, and individual employee performance evaluations. The "Salary and Bonus Payment Procedures" and "Performance Evaluation Procedures" are in place to ensure fairness and consistency in bonus distribution. Through a three-tier linkage mechanism – aligning company, department, and individual performance – employee remuneration is closely tied to the company’s business results.</p>	No difference.

Promote Item	Implementation status		Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	
			<p>On March 11, 2026, the Board of Directors approved a cash bonus of NT\$19,500,000 for employees, of which NT\$4,875,000 was allocated to entry-level employees, in accordance with the Company's Articles of Incorporation, ensuring a profit-sharing system.</p> <p>2. Leave and welfare system: We have "Leave of Absence Management Procedures" in place to ensure employees' legal rights to various types of leave; and "Employee Welfare Procedures," providing a range of benefits. In addition, an employee welfare committee is established by law, and a fixed percentage of monthly revenue is allocated to welfare funds to support various employee benefits, ensuring the stability and continuous improvement of the welfare system.</p> <p>3. Workplace diversity and equality: The 2025 female employees account for 37.68% of total employees with a 2.39% compared to 2024. Currently, there are no female managers. In the future, we will continue to enhance systems and training programs to boost women's career advancement opportunities, thereby strengthening organizational diversity and long-term competitiveness.</p> <p>For other related employee benefits, retirement plans, and their implementation details, please refer to "Chapter 4. Business Overview – V. Labor relations" in the Company's annual report.</p>

Promote Item	Implementation status		Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	
(III) Whether the Company provides its employees with a safe and healthy work environment, and regularly implements employee safety and health education measures?	✓		No difference.
			<p>(III) The Company pays attention to the work environment and health of its employees, and carries out the following policies:</p> <ol style="list-style-type: none"> <li>1. It has adopted the “Procedures for Prevention, Complaint and Handling of Sexual Harassment at Workplace” to protect employment rights and provide a working environment that is free of sexual harassments and promotes gender equality.</li> <li>2. In compliance with the “Tobacco Hazards Prevention Act,” smoking is prohibited at the workplace.</li> <li>3. Measures including 24-hour security service, monthly maintenance of building mechanical system, annual inspection of firefighting equipment, biennial building public safety check, establishment of emergency notification mechanism and organization of fire safety courses for employees are implemented to ensure employee safety.</li> <li>4. The dedicated cleaning personnel clean and maintain the environment daily, and a reverse osmosis filtration system is installed and serviced quarterly to ensure drinking water safety, to ensure water health and safety in the pursuit of providing employees with a comfortable work environment.</li> <li>5. It has set up the Employee Welfare Committee lawfully that is responsible for organizing employee welfare such as annual employee travel and sporting contests, as well as scheduling various exercise courses and setting up exercise area with fitness equipment. Through regular exercises, employees can not only gain personal physical health but also de-stress.</li> </ol>

Promote Item	Implementation status		Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	
		<p>6. For a better understanding of employees' own health and early diagnosis and treatment, the Company also offers the free full body health checkup package to its employees once a year.</p> <p>7. For female employees with breastfeeding needs, an exclusive warm and comfortable breastfeeding room was also established.</p> <p>8. Automated External Defibrillators (AEDs) have been placed in the office building and are inspected and maintained semi-annually. Instructional video are also provided.</p> <p>There was no occupational accident causing injuries or disabilities reported or fire in 2025.</p>	
(IV) Has the Company established some effective career development training plan for employees?	✓	(IV) The Company has established the "Regulations for Employee Education and Training" for employees' career competency in order to align the development of human resource will business goal and yield a win-win situation. In terms of implementation, in addition to holding occasional in-person lectures or seminars, the Company promotes an "e-learning – digital learning platform" to create a learning environment free from geographical and time constraints. Recognizing the importance of talent development, the Company offers training programs tailored to employees at three stages – new hires, current employees, and those being promoted – covering both professional and general skills to enhance their expertise.	No difference.

Promote Item	Implementation status		Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	
(V) Does the Company comply with relevant laws and international standards in relation to customer health and safety, customer privacy, marketing, and labeling of products and services, and has it established relevant consumer or customer protection policies and grievance procedures?	✓		No difference.
(VI) Whether the Company adopts any specific suppliers' management policy demanding that the suppliers should comply with the related regulations governing environmental protection, occupational safety and health or laborers' human rights, and how the policy is implemented?		✓	In compliance with laws and regulations.
V. Whether the Company prepares the report disclosing the Company's non-financial information, such as a ESG report, based on the guidelines or directions for preparation of reports applicable internationally? Whether said report has been assured or guaranteed by a third-party certification unit?	✓		No difference.

VI. If the Company has established sustainable development principles based on “Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies,” please describe any discrepancy between the principles and their implementation:

The Company has not yet adopted the sustainable development principles; however, its implementation of the sustainable development principles described in this table and other relevant matters follows the provisions of the “Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” with no material deviation.

VII. Other important information to facilitate better understanding of the Company’s implementation of sustainable development:

Please refer to the Company’s annual ESG Report for information on the Company’s sustainable development operations and performance.

Company’s website: <http://www.audix.com>

Navigation path: Audix Corporation website > About Audix > Corporate Governance > ESG Report

Download link: [http://www.audix.com/tw/01\\_audix/01\\_page\\_detail.aspx?MainID=33&SID=96](http://www.audix.com/tw/01_audix/01_page_detail.aspx?MainID=33&SID=96)

2. Climate-related information

(1) Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.

The Board of Directors has established the “Sustainable Development Promotion Task Force,” chaired by the General Manager. Starting in 2025, the task force will report on sustainability initiatives to the Board of Directors annually.

Additionally, the “Environmental (E) Sustainability Promotion Team” is responsible for quarterly data consolidation related to greenhouse gas (GHG) reporting. The Vice Convener of the Sustainable Development Promotion Task Force will present updates to the Board of Directors at least once per quarter, covering GHG inventory and verification schedules. In terms of operating procedures, the Company has established relevant environmental management systems.

(2) Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).

The Company has identified the climate-related risks and opportunities in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and the industrial outlooks and international sustainable trends, and defined the impact period, which is short term for 3 years or less, mid-term for 3–5 years, and long term for more than 5 years. In addition, the Company further evaluates the observable and potential impact of climate change on the Company.

Type	Issue	Content	Operating and financial impacts	Duration of influence	Response strategy
Transition risks	Policy and regulatory risks	<p>In order to achieve the net zero target by 2050, the Company has faced or will face the following situations:</p> <ul style="list-style-type: none"> <li>● Compulsory disclosure of greenhouse gas emissions and introduction of energy management issues after verification.</li> <li>● The electricity structure actively develops renewable energy and low-carbon.</li> <li>● Carbon tax/carbon tax system.</li> <li>● Test and certification of compliance requirements.</li> </ul>	<ul style="list-style-type: none"> <li>● In compliance with the government's regulations, the Company has introduced greenhouse gas inventory and verification, and increased operating costs.</li> <li>● The future price increase trend of electricity tariff adjustment.</li> <li>● Replaced energy-saving products, and increased energy costs. In addition, if the Company does not understand the carbon tax system, it may be fined.</li> <li>● In order to accommodate the latest environmental protection regulations and carbon reduction policies of the government and international organizations, resources need to be invested in order to improve the testing and certification process, and increase the cost of compliance.</li> </ul>	Short-term	<ul style="list-style-type: none"> <li>● Systemized collection of greenhouse gas data and establishment of related management systems and operating guidelines.</li> <li>● Promote energy management and monitoring, improve the workflow, formulate energy-saving measures, and reduce energy consumption.</li> <li>● The Company is responsible for the research seminar of the unit participating in the carbon tariff, to ensure that the regulations are fully understood, and to continue to monitor the relevant legal system and policies of various countries.</li> <li>● Pay close attention to the countermeasures of various countries for climate change, and adjust them according to the new test standards and certification requirements to ensure compliance with the latest requirements.</li> </ul>
Transition risks	Market risk	<p>Risks associated with climate change:</p> <ul style="list-style-type: none"> <li>● Raw material supply issues.</li> <li>● The products and packaging materials are in line with the sustainability initiatives.</li> <li>● Consumers' demand for sustainable products and services is increasing.</li> </ul>	<ul style="list-style-type: none"> <li>● The supply of certain raw materials is limited, which affects the production and cost of products, and thus reduces revenue and increases operating costs.</li> <li>● Products and packaging materials must meet environmental requirements, which will increase R&amp;D and production costs.</li> <li>● The rise of the concept of</li> </ul>	Mid-term	<ul style="list-style-type: none"> <li>● The Company promotes a diversified supply chain to avoid excessive reliance on a single supplier or source, thereby mitigating supply risks associated with climate-related disruptions in specific areas.</li> <li>● In terms of suppliers, the Company has established stable cooperative relations, and reduced unit costs through bulk procurement of environmental materials and long-term cooperation. In terms of</li> </ul>

Type	Issue	Content	Operating and financial impacts	Duration of influence	Response strategy
			<p>sustainable development for the consumer public, failure to transform, test, and verify services, and failure to comply with the requirements of sustainable development may result in the loss of customers or market share.</p>		<p>human resources, recruit or train talent in related product development.</p> <ul style="list-style-type: none"> <li>● In response to the low-carbon products and services, the Company invests resources in the related agency lines, tests and verifies, in order to adjust in a timely manner in response to the emerging standards and specifications.</li> </ul>
Transition risks	Honorary risk	<p>Risks faced by consumers and investors due to increased awareness of climate change:</p> <ul style="list-style-type: none"> <li>● Enhance the stakeholders' awareness of sustainability.</li> <li>● Consequences of non-compliance with standards.</li> </ul>	<ul style="list-style-type: none"> <li>● If the Company does not actively respond to the risks of climate change, it may face pressure from consumers, investors and other stakeholders, and even damage its image, resulting in sales difficulties.</li> <li>● The failure to comply with new environmental protection regulations or standards in the test and verification will lead to customer or public concerns, impair the Company's reputation and affect its revenue.</li> </ul>	Long-term	<p>Formulate a sustainable development policy and regularly publish ESG reports to publicly announce the Company's efforts in response to climate change, so that stakeholders can understand the Company's sustainable development performance.</p>
Physical risks	Extreme weather and other immediate risks	<p>The risks faced by typhoons and flooding events with increased severity:</p> <ul style="list-style-type: none"> <li>● Supply chain and logistics interrupted, delivery delayed.</li> <li>● Facilities and merchandise damage.</li> <li>● Employees are absent from work.</li> </ul>	<ul style="list-style-type: none"> <li>● The extreme weather and natural disasters have affected the transportation and delivery of products, causing the supply chain to be interrupted and transportation costs to increase.</li> <li>● The certification facility and warehouse may be damaged by extreme weather, which may result in a decrease in revenue</li> </ul>	Short-term	<ul style="list-style-type: none"> <li>● Establish a flexible inventory strategy and diversify suppliers to respond to the risk of supply chain interruptions.</li> <li>● The Company has purchased relevant insurance to mitigate the risk of inventory losses.</li> <li>● If the employee is office staff, the Company has established the "Regulations Governing the Management of Work from Home" to</li> </ul>

Type	Issue	Content	Operating and financial impacts	Duration of influence	Response strategy
			<p>and an increase in maintenance costs and premiums.</p> <ul style="list-style-type: none"> <li>● The safety relationship of employees is unable to enable them to attend work, which affects the operation of the office and laboratory, which may lead to business interruption, affecting the continuity of customer service.</li> </ul>		<p>ensure that the employee can maintain productivity during the extremely hot and rainy days. If the person is a laboratory employee, the work hours and schedule are flexibly adjusted, or temporary accommodation is provided to ensure the safety of the employee.</p>
Physical risks	Long-term Risks	<p>Risks associated with changes in rainfall (water) patterns and a average temperature rise:</p> <ul style="list-style-type: none"> <li>● Flooding may lead to inventory damage and equipment malfunction.</li> <li>● Water resource shortage.</li> <li>● Increased heat load may shorten equipment lifespan and increase energy consumption.</li> </ul>	<ul style="list-style-type: none"> <li>● The product loss rate increased and the warehousing cost increased when flooding occurred, and the damage and repair cost of the testing and inspection equipment was high.</li> <li>● If a large amount of water resources is required for testing or verification, the shortage of water resources will affect the operation of the business, resulting in a decrease in revenue.</li> <li>● The rise in environmental temperature caused by climate change has reduced the service life of equipment, increased the frequency and cost of maintenance and replacement.</li> <li>● To maintain the appropriate temperature of the laboratory and testing facilities, it is necessary to increase the operation of the air conditioning and cooling system,</li> </ul>	Long-term	<ul style="list-style-type: none"> <li>● Enhance equipment protection by replacing sandbags with deployable flood barriers that can respond rapidly to heavy rain and flooding events. In terms of property insurance, coverage for water damage, etc. has been added.</li> <li>● In terms of water resource management, the Company will install water-saving equipment and promote water conservation. In the future, contingency plans will be established in response to the shortage of water resources.</li> <li>● Regarding temperature management, in addition to installing an air-conditioning energy-saving system and replacing the curtains with full-shade, flame-retardant curtains, the office building's exterior walls underwent a complete renovation in 2025. The dark-colored exterior finish was replaced with light-colored waterproof paint, which not only provides waterproofing but also reduces solar heat absorption. We will continue</li> </ul>

Type	Issue	Content	Operating and financial impacts	Duration of influence	Response strategy
Opportunities	Resource efficiency	<ul style="list-style-type: none"> <li>● Use of equipment that is more energy-efficient.</li> <li>● Reduce water consumption and water consumption.</li> <li>● Implemented digital and automated processes.</li> </ul>	<p>which leads to a significant increase in energy consumption and operating costs.</p> <ul style="list-style-type: none"> <li>● Reduce power consumption and water consumption to reduce operating costs.</li> <li>● Use digital platforms to reduce the demand for energy and resources in the office and operating process, and reduce operating costs.</li> </ul>	Short and Mid-term	<p>to implement energy conservation policies and promote energy-saving awareness.</p> <ul style="list-style-type: none"> <li>● We purchased a hybrid company car in 2025 to replace the existing gasoline-powered company car. The Company will also evaluate the procurement or introduction of equipment and systems that support energy conservation, efficiency enhancement, or carbon reduction in the future.</li> <li>● In terms of lighting equipment, the Company uses LED light tubes; in terms of air conditioning, the Company purchases chillers with Level 2 energy efficiency labels and Split-type air conditioners labeled as “Grade 1 Energy Efficiency”; in terms of other aspects, the Company installs variable frequency drive (VFD) energy-saving systems for cooling water pumps and related equipment.</li> </ul> <p>The Company continues to evaluate and replace equipment with energy-saving alternatives.</p> <ul style="list-style-type: none"> <li>● The water-saving equipment includes sensor-activated faucets, urinals with water-saving label certification, toilet tanks, and other devices.</li> <li>● The Company continues to accelerate and refine digital and automated processes, helping to reduce paper</li> </ul>

Type	Issue	Content	Operating and financial impacts	Duration of influence	Response strategy
Opportunities	Products and services	The demand for low-carbon, green energy technology and services is increasing.	As the world pays attention to the reduction of carbon emissions, it is necessary to rely on various low-carbon technologies and innovative solutions in the process of carbon reduction. The low-carbon and green energy business opportunities are used to expand market sales and increase operating revenues.	Mid and long term	<p>consumption in office operations; laboratory processes help reduce paper consumption, as well as manual operations and time during testing and certification.</p> <ul style="list-style-type: none"> <li>● In the future, the Company will move toward the goal of a paperless warehouse management system to reduce the carbon footprint.</li> <li>● To respond to the carbon reduction issue, the Company promotes green technology and low-carbon products. In addition to distributing recyclable eco-friendly packaging materials (laminated film), the new development of energy storage cabinet products (Silicon Valley Energy) is a green energy output, a solar/wind power storage system application for grid-connected power generation. The sales of green products can obtain a greater competitive advantage in the market.</li> <li>● As the global regulations on climate change continue to intensify, the products need to undergo testing and certification requirements of the local regulations and international standards. The Company has been expanding its business scope by providing certified services for environmentally friendly products.</li> <li>● The Company will continue to monitor market demand and low-carbon issues,</li> </ul>

Type	Issue	Content	Operating and financial impacts	Duration of influence	Response strategy
					and grasp the industry's pulse, in order to become more competitive in the market that places increasing emphasis on environmental issues.

- (3) Describe the financial impact of extreme weather events and transition measures.  
Please refer to item (2) above for the impact of extreme weather events and transition measures on the Company's financial performance.
- (4) Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.  
According to the TCFD recommendations, the Company uses climate-related risks (two types: transition and physical) as evaluation criteria. It also comprehensively observes domestic and foreign sustainable trends, industrial characteristics, and climate-related issues that are of greatest concern to the industry. Key and material climate risks are identified and selected based on their probability of occurrence and level of impact. Response strategies and planning are formulated based on the analysis and evaluation results. Please refer to Chapter 4, "Environmental Protection", of the 2025 ESG Report for more information.
- (5) If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.  
The Company has not yet conducted scenario analysis and assessment, and plans are still under consideration.
- (6) If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.  
The Company has not yet formulated a transition plan in response to the management of climate-related risks, and plans are still under consideration.
- (7) If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.  
The Company has not yet implemented internal carbon pricing, and plans are still under consideration.
- (8) If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.  
The Company has not yet used carbon credits or renewable energy certificates (RECs) as carbon reduction tools.  
The goals related to climate change are disclosed as follows: (The statistical information covers Audix Corporation (Neihu District, Taipei City))

- Carbon reduction target: Introduce the ISO 14064 Greenhouse Gas Inventory Mechanism, and establish related management systems and operating guidelines. The schedule of the disclosure and assurance planning is based on the “Sustainable Development Roadmap” published by the Financial Supervisory Commission. For details, please refer to item (9) below.
- The Company promotes various energy-saving and carbon reduction measures, aiming to reduce carbon emissions by 1% to 2% per year, and achieve net zero carbon emissions by 2050. The GHG emissions totaled 524 MtCO<sub>2</sub>e in 2025, a decrease of 6.43% from 2024. The decrease in power consumption is mainly due to the effectiveness of power-saving measures and the closure of the Tainan office in November 2024.
- Water conservation target: The Company is committed to enhancing all water conservation measures, in order to achieve the goal of reducing water consumption by 1% to 2% per year compared to the previous year. In 2025, total water consumption amounted to 3,964 metric tons, an decrease of 2.39% from 2024.
  - Waste reduction target: Establish a waste management system and reduce waste by treating waste in a correct and effective manner to reduce major environmental impacts caused by waste removal or disposal, and aim to achieve a reduction of at least 1% to 2% of weight per year compared to the previous year. The total weight of waste equivalent to 8.3 metric tons, representing an increase of 822.22% compared to 2024. The significant increase in waste is mainly due to the removal of waste pallets, and no other industrial waste. The main reason is that only waste pallets were removed in 2024, while more waste containers, furniture, computers, and sandbags were removed in 2025.

(9) Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).

1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

<p>Basic information of the Company</p> <p><input type="checkbox"/> Companies with capital of more than NT\$10 billion, the steel industry, and the cement industry.</p> <p><input type="checkbox"/> Companies with capital between NT\$5 billion and NT\$10 billion</p> <p><input checked="" type="checkbox"/> Companies with capital less than NT\$5 billion</p>	<p>At least the following should be disclosed as required by the FSC’s “Sustainable Development Roadmap for Listed Companies.”</p> <p><input checked="" type="checkbox"/> Parent company individual checkup</p> <p><input type="checkbox"/> Inventory of subsidiaries in the consolidated financial statements</p> <p><input type="checkbox"/> Parent company’s assurance</p> <p><input type="checkbox"/> Assurance of subsidiaries in the consolidated financial statements</p>
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1-1-1 Greenhouse Gas Inventory Information: Describe the emission volume (metric tons CO<sub>2</sub>e), intensity (metric tons CO<sub>2</sub>e/NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.

Total emissions (MtCO <sub>2</sub> e)		2025	2024
Scope 1	Gasoline	32.3588	35.6668
	Diesel fuel	-	0.0501
	Refrigerant dispersion	37.4000	37.2623
	Septic tank	-	0.0079
	Natural gas	-	0.3386
Scope 2	Externally purchased electricity	332.6532	365.1217
Scope 3	Employee commuting	34.6049	36.6423
	Business trip	0.1141	0.0330
	Products and services procured (tap water)	0.3764	0.4176
	Fuel and energy-related activities (excluding activities not included in Scope 1 or Scope 2)	86.3383	84.4243
Total GHG emissions		523.8457	559.9646
Turnover (in NTD millions)		844.282	856.475
GHG emission intensity (MtCO <sub>2</sub> e/\$1 million)		0.6205	0.6538

Explanation:

1. The boundary for GHG emissions here is defined as Audix Corporation (Neihu District, Taipei City). Energy-related data is also based on the actual payments made by Audix Corporation
2. The 2024 figures are based on the values verified by TUV NORD Taiwan, an external organization commissioned by the Company. The 2025 figures were obtained through the Company's self-assessment and have not been externally verified.
3. GHG emissions include carbon dioxide, methane, nitrous oxide, and hydrofluorocarbons.
4. The emission factors for Scope 1 and Scope 2 are mainly based on the GHG emission factors published by the Ministry of the Environment. Additionally, as the electricity emission factor for 2025 was not yet available at the time of self-inventory in 2025, the 2024 factor was used for purchased electricity: 0.474 kg CO<sub>2</sub>e/kWh in 2025.
5. Scope 3 emission factors are primarily sourced from the numbers provided on the Ministry of Environment's Product Carbon Footprint Information Network. For employees who commute by MRT, the carbon emission factor used will be that of Taipei Metro.
6. GWP values and refrigerant leakage rates are primarily based on figures from the IPCC AR6 report.
7. The Company previously leased an office in Tainan with natural gas service and septic tank drainage. As the facility was removed in November 2024, these two values were not available in 2025.
8. As the Company did not purchase diesel in 2025, this value was not available.
9. Scope 3 emission factors are primarily sourced from the numbers provided on the Ministry of Environment's Product Carbon Footprint Information Network. The carbon emission factor for employee commuting is based on that of the Taipei Metro.
10. For Scope 3 business travel, we calculate fuel consumption and carbon emissions only for employee-owned cars used for work, based on mileage.
11. The carbon emissions reduction in 2025 is primarily due to decreased electricity consumption, leading to lower Scope 1 and Scope 3 emissions (activities related to fuel and energy).

1-1-2 Greenhouse Gas Assurance Information: Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.

The Company, with capital of less than NT\$5 billion, will follow the timeline outlined in the Financial Supervisory Commission's "Sustainable Development Roadmap for Listed Companies" to disclose assurance of the parent company's individual GHG emissions for 2027 in 2028, and disclose assurance of GHG emissions for subsidiaries included in the consolidated financial statements for 2028 in 2029.

1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan: Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.

The Company is currently in the initial stages of GHG inventory. In the future, the Company will consider reduction targets and specific action plans once more emission data has been collected.

(VI) Implementation of ethical corporate management and deviations from the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof

Evaluation Item	Implementation status		Deviations from the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof
	Yes	No	
<p>I. Establishment of ethical corporate management policy and approaches</p> <p>(I) Has the company established an ethical corporate management policy that was approved by the Board of Directors, and declared its ethical corporate management policy and methods in its regulations and external documents, as well as the commitment of its Board and management to implementing the management policies?</p>	✓		<p>No difference.</p>
<p>(II) Does the company establish mechanisms for assessing the risk of unethical conduct, periodically analyze and assess operating activities within the scope of business with relatively high risk of unethical conduct, and formulate an unethical conduct prevention plan on this basis, which at least includes preventive measures for conduct specified in Article 7, Paragraph 2 of the “Ethical Corporate Management Best-Practice Principles” for TWSE /TPEX Listed Companies?</p>	✓		

Evaluation Item	Implementation status		Deviations from the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof
	Yes	No	
(III) Does the Company have a prevention program for any fraud stipulated, respective operating procedures, behavior guidelines, disciplinary actions, complaints system and to declare explicitly, implement substantively and also review and revise them periodically?	✓		(III) The Company adopted the “Ethical Corporate Management Best-Practice Principles” to help employees have a better understanding about the regulations and prevent unethical behaviors while conducting business. It also adopted the “Procedures for handling the reports of illegal or unethical behaviors or misconducts” to encourage the reporting of unethical behaviors by internal or external personnel, and set up the reporting section on its website as a channel. Dedicated personnel will handle in accordance with these procedures. Once misconducts of employees are verified, employees will be warned or punished in accordance with the “Regulations for Employee Reward and Punishment” and depending on the severity and materiality according to the “Ethical Corporate Management Best-Practice Principles”
II. Implementation of ethical corporate management (I) Does the company evaluate the ethical records of parties it does business with and stipulate ethical conduct clauses in business contracts?	✓		(I) The Company’s “Ethical Corporate Management Best-Practice Principles” clearly stipulates that before business dealings, the legitimacy of the counterparties and whether they are involved in unethical conduct should be taken into account, to avoid trading with those involved in unethical conduct. When entering into contracts with counterparties, the content of which shall include terms requiring compliance with ethical corporate management policies and that if the trading counterparty is involved in unethical conduct, the contract may be terminated or rescinded at any time. The legal unit should be notified of the contract and have the contract documents reviewed in accordance with their professional

Evaluation Item	Implementation status		Deviations from the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof
	Yes	No	
(II) Does the company have a unit that supports ethical management practices on a full-time basis under the Board of Directors, and reports the ethical management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors and oversees the operations?	✓		<p>knowledge. The rights and obligations of both parties should be clearly defined in the contract and the confidentiality clause should be signed.</p> <p>(II) For sound management of ethical corporate management, the “Governance (G) Sustainability Promotion Team” under the “Sustainable Development Promotion Task Force” is the designated unit responsible for the formulation and supervision of the implementation of ethical corporate management policies and prevention programs, and reports to the Board of Directors regularly (at least once a year). The dedicated unit has completed the 2024 ethical management operation report as approved by the Board of Directors on March 11, 2026. The implementation of 2025 is as follows:</p> <ol style="list-style-type: none"> <li>1. Intellectual Property Management The implementation progress is reported to the Board of Directors annually. The most recent report was submitted to the Board of Directors on November 7, 2025.</li> <li>2. Education and Training (1) The Company has offered E-learning courses to all relevant personnel from October 14 to October 28, 2025, and arranged the tests after the courses, the test had a minimum passing score of 60 points. The course covered anti-corruption and prevention (ethical management), common reasons for unethical conduct, and related preventive measures and response actions. A total of 65 people participated in the course for 1 hour, and 100% of test takers passed. In addition, the Company provided a streaming link non-employee directors for viewing.</li> </ol>
			No difference.

Evaluation Item	Implementation status		Deviations from the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof
	Yes	No	
		<p>(2) The Company has incorporated the above-mentioned awareness courses into the education and training materials for new employees.</p> <p>(3) The Company has assigned relevant personnel to participate in the “Legal Compliance Briefing on Insider Share Transactions” held by the Taiwan Stock Exchange.</p> <p>3. Whistleblowing system and whistleblower protection The Company has established the “Procedures for handling the reports of illegal or unethical behaviors or misconducts,” and set up the “Reporting Section” on the Company’s website to provide internal or external personnel to report any illegal or unethical acts or acts in violation of the Code of Ethical Conduct or the Ethical Corporate Management Best-Practice Principles, and has assigned dedicated personnel to handle the reports. No whistleblowing cases were received during the year.</p> <p>4. Insider Trading Prevention The internal control measures for stock trading are stipulated in the Company’s “Corporate Governance Best Practice Principles” which prohibit insiders from trading the Company’s shares held by them during the closed period of 30 days before the annual financial report is released and 15 days before the quarterly financial report is released. In addition, the Company’s shareholder services unit also reminds the directors and relevant personnel to comply with these guidelines before the aforementioned closed period.</p>	

Evaluation Item	Implementation status		Deviations from the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof
	Yes	No	
			5. Conflicts of Interest For information regarding the avoidance of Directors’ conflicts of interest, please refer to “Chapter 2. Corporate Governance Report – II. Implementation of corporate governance – (I) Operations of the Board” in the Company’s annual report.
(III) Does the Company have developed policies to prevent conflicts of interest, provided adequate channel for communication, and substantiated the policies?	✓		(III) In terms of conflicts of interest, an internal employee of the Company can report to his or her direct supervisor to prevent such conflicts. For a matter proposed in the Board of Directors’ meeting with conflict of interest, the principles of recusal shall apply, and personnel in interest shall not participate in the discussion and voting.
(IV) Does the company have effective accounting system and internal control systems set up to facilitate ethical corporate management, does the internal auditing unit formulate audit plans based on unethical conduct risk assessment results, and does it audit in compliance with the unethical conduct prevention plan or engage a CPA to perform the audit?	✓		(IV) In order to facilitate ethical management, the Company has established a set of effective accounting policy and internal control system, and the internal audit personnel carries out regular audit on the implementation of said policy and system. In addition, through the Company’s annual internal control self-evaluation, it can affirm the effectiveness of the design and performance of the said system.
(V) Does the Company organize internal or external training on a regular basis to maintain ethical management?	✓		(V) The Company prepares the online education and promotion course for ethical management and arrange regular employee education and training every year. Moreover, it also assigns relevant personnel to participate in external ethical management lectures for strengthening its ethical management policy. The following education and training were carried out in 2025:

Evaluation Item	Implementation status		Deviations from the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof
	Yes	No	
		<p>1. Internal</p> <p>From October 14 to October 28, 2025, e-learning courses were offered to all relevant personnel, and a post-course test was arranged, with a minimum passing score of 60 points required. The course covered anti-corruption and prevention (ethical management), common reasons for unethical conduct, and related preventive measures and response actions. A total of 65 participants completed a one-hour training session, with a 100% pass rate on the assessment. In addition, the Company provided a streaming link to non-employee directors for viewing.</p> <p>2. External</p> <p>The Company appointed two personnel to attend the “Legal Compliance Briefing on Insider Share Transactions” organized by the Taiwan Stock Exchange.</p>	
<p>III. Operation of whistle-blowing system</p> <p>(I) Whether the Company defines a specific whistle-blowing and reward system, and establishes some convenient whistle-blowing channel, and assigns competent dedicated personnel to deal with the situation?</p>	✓	<p>(I) The Company has established the specific “Procedures for handling the reports of illegal or unethical behaviors or misconducts,” and the “Code of Ethical Conduct” and “Ethical Corporate Management Best-Practice Principles” also define relevant provisions of whistle-blowing system. The Company also set up the reporting section on its website as an access for whistle blowing of any behaviors that are illegal or in violation of the “Ethical Corporate Management Best-Practice Principles” and “Ethical Corporate Management Best-Practice Principles” by internal and external personnel. Responsible personnel are assigned to investigate and handle specific issues, and relevant information will be disclosed on the Company’s website.</p>	No difference.

Evaluation Item	Implementation status		Deviations from the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof
	Yes	No	
(II) Does the company establish standard operating procedures for investigating reported cases, and does it take subsequent measures and implement a confidentiality mechanism after completing investigation?	✓	(II) Provided in the Company’s “Procedures for handling the reports of illegal or unethical behaviors or misconducts,” the procedures for handling the reporting cases include signing a non-disclosure agreement for the identity of whistle-blowers and report content and restricting access. The report, process of investigation and result shall all be recorded and saved, and once the case is verified, the Company shall review relevant internal control system and procedures and report corrective measures to the Board of Directors.	No difference.
(III) Has the Company adopted any measures to prevent the whistle-blowers from being abused after whistle-blowing?	✓	(III) According to the Company’s “Procedures for handling the reports of illegal or unethical behaviors or misconducts,” the identity of whistle-blowers shall be strictly kept secret to prevent the whistle-blowers from being abused after whistle-blowing.	
IV. Enhancing information disclosure Does the company disclose information regarding the company’s ethical corporate management principles and implementation status on its website and the Market Observation Post System?	✓	The Company has disclosed the “Ethical Corporate Management Best-Practice Principles” on its website and the Market Observation Post System, and its implementation on its website and annual report.	No difference.
V. If the company has established Ethical Corporate Management Principles in accordance with “Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies,” describe any difference with the principles and implementation status: The Company has established the “Ethical Corporate Management Best-Practice Principles,” and there is no deviation between actual operations and the Company’s Best-Practice Principles.			

Evaluation Item	Implementation status		Deviations from the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and reasons thereof
	Yes	No	
<p>VI. Other important information to facilitate a better understanding of the company’s implementation of ethical corporate management:</p> <ol style="list-style-type: none"> <li>1. The Company complies with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, laws and regulations for public companies or other laws and regulations governing business conducts as the basis to facilitate ethical corporate management.</li> <li>2. The Company has adopted the “Procedures for Handling Material Inside Information and Preventing Insider Trading” that prohibit directors, executive officers and employees leaking internal material information to others, and inquiring or collecting undisclosed internal material information that is irrelevant to his or her job from personnel who knows material information of the Company; any undisclosed internal material information of the Company acquired not from his or her duties shall not be disclosed to others.</li> <li>3. The Company has the “Corporate Governance Best Practice Principles” in place, and in order to further protect shareholder rights and realize shareholder equality, insiders are prohibited from trading stock before public announcements of financial and business information.</li> </ol>		Summary	

## Intellectual property management operations

To protect R&D outcomes, reduce operational risks, and enhance industrial competitiveness, the Company has established an "Intellectual Property Management Plan" aligned with its operational goals, with implementation progress reported to the Board of Directors at least annually. The specific management mechanisms and outcomes are as follows:

### (1) Intellectual property management strategy and protection mechanism

#### A. Trademark rights

In line with the Company's product marketing and multinational operations plans, we proactively register new trademarks and monitor similar marks in the market to prevent infringement and strengthen brand value.

#### B. Patents

Combine industry analysis with patent strategy deployment. Conduct patent searches and technology tracking with the help of external professional firms, proactively assess infringement risks, and ensure technological leadership while effectively defending against patent disputes.

#### C. Copyright

Implement an internal process for documenting the creative workflow, and conduct regular inventories to ensure copyright enforceability and protect assets.

#### D. Trade secrets

Through signing employee confidentiality agreements (covering both employment and post-employment periods), coupled with physical and system measures such as access control, information security, and document classification, we ensure compliance with the requirements of the "Trade Secrets Act;" and regular confidentiality training is provided to all employees.

### (2) Implementation status and specific results

The Company reports its intellectual property management plan and implementation results to the Board of Directors annually. The most recent report was made on November 7, 2025.

Each unit shall implement trade secret management according to its responsibilities and continuously strengthen controls, including measures to prevent non-competition, protect customer information confidentiality, prevent insider trading, and maintain information security. The relevant education, training, and outreach activities are as follows:

A. Insider trading prevention and ethical corporate management regulations: Online e-learning courses were held from October 14 to October 28, 2025 to reinforce employees' understanding of insider trading regulations, legal responsibilities, and the concept of ethical corporate management in order to strengthen corporate governance and legal compliance.

B. Information security control: The Company conducts information security awareness campaigns electronically on an unscheduled basis. Please refer to "Chapter 4. Business Overview – VI. Cybersecurity management" in the Company's annual report. From July 1 to July 11, 2025, e-learning online courses were also conducted to communicate the latest cybersecurity vulnerabilities and threats and emphasize the need for increased vigilance, thereby enhancing employees' information security awareness.

As of September 2025, the following is a list of the intellectual property rights obtained by the Company and its subsidiaries in Taiwan, Mainland China, and other major operating areas:

A. Trademark rights: A total of 17 registrations.

B. Patents: A total of 82 approvals for registration.

C. Copyrighted software: A total of 37 registrations.

(VII) Other significant information which may improve the understanding of corporate governance and operation

1. Material information is simultaneously disclosed on the Market Observation Post System and the Company's website to enhance the transparency of information and availability to investors.
2. The Company regularly holds investor conferences at least once a year, and the relevant materials of the investor conference are disclosed on the Company's website and the Market Observation Post System.

(VIII) Implementation of internal control system

1. Internal Control System Statement: Please refer to the MOPS.

Market Observation Post System (MOPS) > Individual Company > Corporate Governance > Company Regulations / Internal Control > Internal Control Statement Disclosure

Website: <https://mops.twse.com.tw/mops/#!/web/t06sg20>

2. If the company engages an accountant to examine its internal control system, disclose the CPA examination report: None.

(IX) Important resolutions adopted in shareholders' meetings and Board of Directors' meetings during the most recent year and up to the date of publication of the annual report:

1. Major resolutions of the shareholders' meeting and implementation

Date	Major resolutions	Implementation status
2025.5.29	<ol style="list-style-type: none"> <li>1. Acknowledgment of the 2024 annual final accounting books.</li> <li>2. Election of Directors (including Independent Directors) due to end of current term of office.</li> <li>3. Discussion of the amendment to the "Articles of Incorporation."</li> <li>4. To release the non-competition restriction on newly elected Directors.</li> </ol>	<ol style="list-style-type: none"> <li>1. The resolution was passed.</li> <li>2. The list of elected Directors is as follows: Directors: Chung, Yuan-Kai;Chen, Ching-Tsung; Chung, Cheng-Huang;Lou, Chi-Hung; Chung, Yuan-Chi Independent Directors: Lai, Ying-Che; Huang, Yun-Ju; Cheng, Su-Chen; Liu, Ding-Kuo The list was registered with the Ministry of Economic Affairs on August 4, 2025.</li> <li>3. The resolution was passed, and matters are being handled in accordance with the amended Articles of Incorporation, which were approved by and registered with the Ministry of Economic Affairs on August 4, 2025 and disclosed on the Company website.</li> <li>4. The resolution was passed, and the non-competition restriction on Directors Chung, Yuan-Kai, Chung, Cheng-Huang, and Chung, Yuan-Chi was released.</li> </ol>

## 2. Major resolutions of the Board of Directors

Date	Major resolutions
2025.3.6	<ol style="list-style-type: none"> <li>1. Passed the 2024 Internal Control System Statement.</li> <li>2. Passed the review of remuneration to Chairman and Directors examined by the Remuneration Committee.</li> <li>3. Passed the review of remuneration policy and system for executive officers examined by the Remuneration Committee.</li> <li>4. Passed the proposal of 2024 directors remuneration and employees compensation distribution.</li> <li>5. Passed the Company's 2024 remuneration to directors.</li> <li>6. Passed the 2024 Business Report and financial statements and consolidated financial statements.</li> <li>7. Passed the 2024 earnings distribution plan.</li> <li>8. Passed the 2025 business plan.</li> <li>9. Passed the evaluation of independence and competency and appointment of the Company's CPAs.</li> <li>10. Passed the amendments of the Company's "Articles of Incorporation".</li> <li>11. Passed the proposal of election of all Directors (including Independent Directors) due to end of current term of office.</li> <li>12. Passed the nomination of Director candidates (including Independent Director candidates) for 2025 by the Board of Directors.</li> <li>13. Passed the release of the newly elected Directors from the non-competition obligations.</li> <li>14. Passed related matters of convening the Company's 2025 annual shareholders' meeting.</li> </ol>
2025.5.5	<ol style="list-style-type: none"> <li>1. Passed the Consolidated Financial Statements for Q1 2025.</li> <li>2. Passed the application of credit facility to Far Eastern International Bank.</li> <li>3. Passed the application of credit facility to Cathay United Bank.</li> </ol>
2025.5.29	Passed the appointment of Chairman.
2025.6.13	Passed the appointment of the Company's sixth term of Remuneration Committee members.
2025.8.1	<ol style="list-style-type: none"> <li>1. Passed the Consolidated Financial Statements for the first half of 2025.</li> <li>2. Passed the donation of NT\$500 thousand to the Hong Bao Charitable Foundation.</li> <li>3. Passed the proposal of the Company's 2024 directors' remuneration distribution.</li> <li>4. Passed the proposal of the Company's 2024 executive officers and employees' remuneration distribution.</li> <li>5. Passed the Company's 2024 ESG Report.</li> </ol>
2025.11.7	1. Passed the 2026 Annual Audit Plan and filing of the list of internal auditors and deputies.

Date	Major resolutions
	2. Passed the amendment of the Company's Internal Control System and Internal Audit Implementation Rules. 3. Passed the Consolidated Financial Statements for Q3 2025. 4. Passed the appointment and compensation of the Company's CPAs.
2025.12.26	1. Passed the determination of the scope of staff at the grassroots level of the Company. 2. Passed the Company's 2025 annual bonus distribution for executive officers. 3. Passed the application of credit facility to Taishin Bank.
2026.3.11	1. Passed the 2025 Internal Control System Statement. 2. Passed the amendment of the Company's Internal Control System. 3. Passed the review of remuneration to Chairman and Directors examined by the Remuneration Committee. 4. Passed the review of remuneration policy and system for executive officers examined by the Remuneration Committee. 5. Passed the proposal of 2025 directors remuneration and employees compensation distribution (including remuneration for staff at the grassroots level). 6. Passed the Company's 2025 remuneration to directors. 7. Passed the 2025 Business Report and financial statements and consolidated financial statements. 8. Passed the 2025 earnings distribution plan. 9. Passed the 2026 business plan. 10. Passed the evaluation of independence and competency and appointment of the Company's CPAs. 11. Passed related matters of convening the Company's 2026 annual shareholders' meeting.

(X) Directors have dissenting opinions that have been noted in the record or declared in writing in connection with the material resolutions passed by the Board of Directors during the most recent year and up to the printing date of the annual report: None.

### III. Information on the professional fees of the attesting CPAs

Unit: NT\$ thousand

Name of accounting firm	Name of CPA	Audit period	Audit fee	Non-audit fee	Total	Remarks
Ernst & Young Taiwan	Yu, Chien-Ju	2025.01.01	3,760	910	4,670	Note 1
	Hsu, Hsin-Min.	~ 2025.12.31				
Whole Time & Co., CPAs	Chen, Chih-Kuang	N/A	–	20	20	Note 2

Note 1: Fees for the audit certification of corporate income tax filings, audit certification of undistributed earnings tax filings (including provisional filings), and transfer pricing report services.

Note 2: Agency fees for the re-election of directors, amendment of the Articles of Incorporation, and related agency services.

- (I) If the accounting firm is changed and the audit fees paid in the year of the replacement is less than that of the previous year, the amounts of the audit fees before and after the replacement and the causes shall be disclosed: None.
- (II) If the audit fees were reduced more than 10% from that of the prior year, the reduction amount, percentage and reasons for the reduction of audit fees shall be disclosed: None.

IV. Information on replacement of CPA: None.

V. The chairperson, president, financial or accounting manager of the company who had worked for the certifying accounting firm or its affiliated enterprise in the past year: None.

VI. Share transfer by Directors, managers and shareholders holding more than 10% interests and changes to share pledging by them in the most recent year and up to the printing date of the annual report:

(I) Changes in shareholdings of directors, managers, and shareholders holding more than 10% of shares: Please refer to the MOPS.

1. Share transfer: MOPS > Individual Company > Shareholding Changes / Securities Issuance > Share Transfer Inquiry > Post-Fact Insider Shareholding Declaration.

Website: [https://mops.twse.com.tw/mops/#/web/query6\\_1](https://mops.twse.com.tw/mops/#/web/query6_1).

2. Pledge of shares: MOPS > Individual Company > Shareholding Changes / Securities Issuance > Insider Pledge/Release of Pledge > Notice of Insider Pledge/Release of Pledge.

Website: [https://mopsov.twse.com.tw/mops/web/STAMAK03\\_1](https://mopsov.twse.com.tw/mops/web/STAMAK03_1).

(II) Transferees that are related parties:

Name	Reason for the transfer	Transaction date	Transferee	Relationship with the Transferee	Shares	Transaction price
Lo, Chi-Hung	Gifting	2025.4.23	Liao, Ling-Chu	Spouse	300,000	-
Lo, Chi-Hung	Gifting	2025.4.23	Chiang, Chin-Chieh	Grandfather and grandson	44,000	-

(III) Counterparties to the share pledges that are related parties: None.

VII. Information on relationship between any of the top ten shareholders (related party, spouse, or kinship within the second degree)

March 31, 2026; Unit: Share

Name	Shares held		Shares held by spouse and minors		Shares held in the name of others		Related party (between top 10 shareholders)		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
JSJK Holding Co., Ltd.	7,682,748	7.28%	0	0.00%	0	0.00%	Chung, Cheng-Hung	Responsible person is the same person	—
Chung, Cheng-Hung	7,532,965	7.13%	1,893,559	1.79%	4,851,000	4.59%	Kuo, Hsiu-Pao	Spouse	—
							Chung, Yuan-Kai	Father and son	
							Chung, Yuan-Chi	Father and son	
E.SUN Bank Trust Account – Chung, Cheng-Hung	6,000,000	5.68%	0	0.00%	0	0.00%	Chung, Cheng-Hung	Trustor	—
Hong Bao Investment Co., Ltd.	4,851,000	4.59%	0	0.00%	0	0.00%	Chung, Cheng-Hung	Responsible person is the same person	—
E.SUN Bank Trust Account – Kuo, Hsiu-Pao	4,000,000	3.79%	0	0.00%	0	0.00%	Kuo, Hsiu-Pao	Trustor	—
Chung, Yuan-Kai	2,968,800	2.81%	0	0.00%	0	0.00%	Chung, Cheng-Hung	Father and son	—
							Kuo, Hsiu-Pao	Mother and son	
							Chung, Yuan-Chi	Brothers	
Chung, Yuan-Chi	2,870,039	2.72%	80,000	0.08%	0	0.00%	Chung, Cheng-Hung	Father and son	—
							Kuo, Hsiu-Pao	Mother and son	
							Chung, Yuan-Kai	Brothers	
Deutsche Bank Managed SPDR® MSCI Emerging Markets	2,865,657	2.71%	0	0.00%	0	0.00%	—	—	—
Kuo, Hsiu-Pao	1,893,559	1.79%	7,532,965	7.13%	0	0.00%	Chung, Cheng-Hung	Spouse	—
							Chung, Yuan-Kai	Mother and son	
							Chung, Yuan-Chi	Mother and son	
Bank of Taiwan in custody for UOB-Kay (Hong Kong) Limited.	1,827,000	1.73%	0	0.00%	0	0.00%	—	—	—

VIII. The number of shares of the same invested company held by the Company, the Company's Directors, managers, and the businesses controlled directly or indirectly by the Company, and the consolidated shareholding ratio

December 31, 2025; Unit: shares; %

Reinvestment entities (Note)	Investment by the Company		Enterprise invested by Directors and managerial officers, and company controlled either directly or indirectly by the Company		Combined investment	
	shares	%	shares	%	shares	%
Audix Hi-Tech Investment Co., Ltd.	—	100.00	—	—	—	100.00
Toyo Kuni Electronics Co. Ltd.	—	100.00	—	—	—	100.00
Audit Technology Corporation	20,000,000	100.00	—	—	20,000,000	100.00
WaveGis Technology Co., Ltd.	2,887,786	38.16	139,404	1.84	3,027,190	40.00

Note: Investment accounted for using equity method.

# Chapter 3. Capital Overview

## I. Capital and shareholding

### (I) Source of capital

#### 1. Capital formation as of the printing date of the annual report: April 15, 2026

Year/ Month	Issue price (NT\$)	Authorized capital		Paid-in capital		Notes		
		Number of shareholding (share)	Amount (NT\$)	Number of shareholding (share)	Amount (NT\$)	Capital source	Offset by any property other than cash	Other
1999.07	10	100,000,000	1,000,000,000	46,200,000	462,000,000	Capital increase through earnings NT\$42 million	—	Note 1
2000.05	10	100,000,000	1,000,000,000	60,600,000	606,000,000	Capital increase through earnings NT\$144 million	—	Note 2
2001.05	10	100,000,000	1,000,000,000	76,800,000	768,000,000	Capital increase through earnings NT\$162 million	—	Note 3
2002.06	10	160,000,000	1,600,000,000	90,000,000	900,000,000	Capital increase through earnings NT\$132 million	—	Note 4
2003.07	10	160,000,000	1,600,000,000	95,156,173	951,561,730	NT\$51,561,730 converted from convertible corporate bonds	—	Note 5
2003.08	10	160,000,000	1,600,000,000	105,836,173	1,058,361,730	Capital increase through earnings NT\$106.8 million	—	Note 6
2003.10	10	160,000,000	1,600,000,000	109,455,597	1,094,555,970	NT\$31,874,240 converted from convertible corporate bonds and NT\$4,320,000 converted from employee stock warrants	—	Note 7
2004.01	10	160,000,000	1,600,000,000	110,124,238	1,101,242,380	NT\$4,114,410 converted from convertible corporate bonds and NT\$2,572,000 converted from employee stock warrants	—	Note 8
2004.04	10	160,000,000	1,600,000,000	110,897,603	1,108,976,030	NT\$7,343,650 converted from convertible corporate bonds and NT\$390,000 converted from employee stock warrants	—	Note 9
2004.08	10	160,000,000	1,600,000,000	110,926,811	1,109,268,110	NT\$52,080 converted from convertible corporate bonds and NT\$240,000 converted from employee stock warrants	—	Note 10
2004.08	10	160,000,000	1,600,000,000	108,650,811	1,086,508,110	Capital reduction through cancellation of treasury stock of NT\$22,760,000	—	Note 11
2004.10	10	200,000,000	2,000,000,000	119,324,955	1,193,249,550	Capital increase of NT\$106,741,440 through earnings	—	Note 12
2004.11	10	200,000,000	2,000,000,000	119,435,755	1,194,357,550	NT\$1,108,000 converted from employee stock warrants	—	Note 13
2005.01	10	200,000,000	2,000,000,000	119,516,155	1,195,161,550	NT\$804,000 converted from employee stock warrants	—	Note 14
2005.04	10	200,000,000	2,000,000,000	119,538,555	1,195,385,550	NT\$224,000 converted from employee stock warrants	—	Note 15
2005.07	10	200,000,000	2,000,000,000	120,286,610	1,202,866,100	NT\$6,742,550 converted from convertible corporate bonds and NT\$738,000 converted from employee stock warrants	—	Note 16

Year/ Month	Issue price (NT\$)	Authorized capital		Paid-in capital		Notes		
		Number of shareholding (share)	Amount (NT\$)	Number of shareholding (share)	Amount (NT\$)	Capital source	Offset by any property other than cash	Other
2005.09	10	200,000,000	2,000,000,000	126,271,104	1,262,711,040	Capital increase of NT\$59,844,940 through earnings	—	Note 17
2005.11	10	200,000,000	2,000,000,000	130,776,190	1,307,761,900	NT\$43,622,860 converted from convertible corporate bonds and NT\$1,428,000 converted from employee stock warrants	—	Note 18
2006.01	10	200,000,000	2,000,000,000	131,554,377	1,315,543,770	NT\$7,117,870 converted from convertible corporate bonds and NT\$664,000 converted from employee stock warrants	—	Note 19
2006.04	10	200,000,000	2,000,000,000	132,744,945	1,327,449,450	NT\$11,527,680 converted from convertible corporate bonds and NT\$378,000 converted from employee stock warrants	—	Note 20
2006.07	10	200,000,000	2,000,000,000	135,068,076	1,350,680,760	NT\$23,055,310 converted from convertible corporate bonds and NT\$176,000 converted from employee stock warrants	—	Note 21
2006.09	10	200,000,000	2,000,000,000	142,542,390	1,425,423,900	Capital increase of NT\$74,743,140 through earnings	—	Note 22
2006.10	10	200,000,000	2,000,000,000	143,349,988	1,433,499,880	NT\$5,471,980 converted from convertible corporate bonds and NT\$2,604,000 converted from employee stock warrants	—	Note 23
2007.01	10	200,000,000	2,000,000,000	144,740,614	1,447,406,140	NT\$10,936,260 converted from convertible corporate bonds and NT\$2,970,000 converted from employee stock warrants	—	Note 24
2007.04	10	200,000,000	2,000,000,000	145,065,569	1,450,655,690	NT\$1,947,550 converted from convertible corporate bonds and NT\$1,302,000 converted from employee stock warrants	—	Note 25
2007.07	10	200,000,000	2,000,000,000	148,680,404	1,486,804,040	NT\$34,082,350 converted from convertible corporate bonds and NT\$2,066,000 converted from employee stock warrants	—	Note 26
2007.08	10	200,000,000	2,000,000,000	152,510,610	1,525,106,100	Capital increase of NT\$38,302,060 through earnings	—	Note 27
2007.10	10	200,000,000	2,000,000,000	153,010,610	1,530,106,100	NT\$5,000,000 converted from employee stock warrants	—	Note 28
2008.08	10	250,000,000	2,500,000,000	157,075,769	1,570,757,690	Capital increase of NT\$40,651,590 through earnings	—	Note 29
2008.12	10	250,000,000	2,500,000,000	153,075,769	1,530,757,690	Capital reduction through cancellation of treasury stock of NT\$40,000,000	—	Note 30
2009.11	10	250,000,000	2,500,000,000	147,075,769	1,470,757,690	Capital reduction through cancellation of treasury stock of NT\$60,000,000	—	Note 31
2010.10	10	250,000,000	2,500,000,000	145,075,769	1,450,757,690	Capital reduction through cancellation of treasury stock of NT\$20,000,000	—	Note 32

Year/ Month	Issue price (NT\$)	Authorized capital		Paid-in capital		Notes		
		Number of shareholding (share)	Amount (NT\$)	Number of shareholding (share)	Amount (NT\$)	Capital source	Offset by any property other than cash	Other
2013.04	10	250,000,000	2,500,000,000	142,075,769	1,420,757,690	Capital reduction through cancellation of treasury stock of NT\$30,000,000	—	Note 33
2014.08	10	250,000,000	2,500,000,000	113,660,615	1,136,606,150	Capital reduction of NT\$284,151,540 in cash	—	Note 34
2015.09	10	250,000,000	2,500,000,000	112,460,615	1,124,606,150	Capital reduction through cancellation of treasury stock of NT\$12,000,000	—	Note 35
2015.12	10	250,000,000	2,500,000,000	107,300,615	1,073,006,150	Capital reduction through cancellation of treasury stock of NT\$51,600,000	—	Note 36
2019.03	10	250,000,000	2,500,000,000	105,900,615	1,059,006,150	Capital reduction through cancellation of treasury stock of NT\$14,000,000	—	Note 37
2020.09	10	250,000,000	2,500,000,000	105,595,615	1,055,956,150	Capital reduction through cancellation of treasury stock of NT\$3,050,000	—	Note 38

Note 1: Approved by the letter (1999) Tai-Cai-Zheng-(Yi) No. 62609 issued on July 8, 1999.

Note 2: Approved by the letter (2000) Tai-Cai-Zheng-(Yi) No. 42955 issued on May 18, 2000.

Note 3: Approved by the letter (2001) Tai-Cai-Zheng-(Yi) No. 125678 issued on May 10, 2001.

Note 4: Approved by the letter (2002) Tai-Cai-Zheng-(Yi) No. 134252 issued on June 24, 2002.

Note 5: Approved by the letter Jing-Shou-Shang-Zi No. 092012039750 issued on July 8, 2003.

Note 6: Approved by the letter Jing-Shou-Shang-Zi No. 09201241090 issued on August 11, 2003.

Note 7: Approved by the letter Jing-Shou-Shang-Zi No. 09201290050 issued on October 9, 2003.

Note 8: Approved by the letter Jing-Shou-Shang-Zi No. 09301001680 issued on January 13, 2004.

Note 9: Approved by the letter Jing-Shou-Shang-Zi No. 09301061700 issued on April 19, 2004.

Note 10: Approved by the letter Jing-Shou-Shang-Zi No. 09301144790 issued on August 3, 2004.

Note 11: Approved by the letter Jing-Shou-Shang-Zi No. 09301154240 issued on August 31, 2004.

Note 12: Approved by the letter Jing-Shou-Shang-Zi No. 09301197930 issued on October 18, 2004.

Note 13: Approved by the letter Jing-Shou-Shang-Zi No. 09301202670 issued on November 4, 2004.

Note 14: Approved by the letter Jing-Shou-Shang-Zi No. 09401008730 issued on January 17, 2005.

Note 15: Approved by the letter Jing-Shou-Shang-Zi No. 09401065800 issued on April 19, 2005.

Note 16: Approved by the letter Jing-Shou-Shang-Zi No. 09401144210 issued on July 27, 2005.

Note 17: Approved by the letter Jing-Shou-Shang-Zi No. 09401183570 issued on September 19, 2005.

Note 18: Approved by the letter Jing-Shou-Shang-Zi No. 09401219100 issued on November 4, 2005.

Note 19: Approved by the letter Jing-Shou-Shang-Zi No. 09501011720 issued on February 10, 2006.

Note 20: Approved by the letter Jing-Shou-Shang-Zi No. 09501072400 issued on April 21, 2006.

Note 21: Approved by the letter Jing-Shou-Shang-Zi No. 09501142000 issued on July 13, 2006.

Note 22: Approved by the letter Jing-Shou-Shang-Zi No. 09501210640 issued on September 18, 2006.

Note 23: Approved by the letter Jing-Shou-Shang-Zi No. 09501234990 issued on October 18, 2006.

Note 24: Approved by the letter Jing-Shou-Shang-Zi No. 09601016960 issued on January 24, 2007.

Note 25: Approved by the letter Jing-Shou-Shang-Zi No. 09601079910 issued on April 17, 2007.

Note 26: Approved by the letter Jing-Shou-Shang-Zi No. 09601173820 issued on July 25, 2007.

Note 27: Approved by the letter Jing-Shou-Shang-Zi No. 09601204790 issued on August 22, 2007.

Note 28: Approved by the letter Jing-Shou-Shang-Zi No. 09601259010 issued on October 22, 2007.

Note 29: Approved by the letter Jing-Shou-Shang-Zi No. 09701207640 issued on August 28, 2008.

Note 30: Approved by the letter Jing-Shou-Shang-Zi No. 09801001250 issued on January 9, 2009.

Note 31: Approved by the letter Jing-Shou-Shang-Zi No. 09801270780 issued on November 24, 2009.

Note 32: Approved by the letter Jing-Shou-Shang-Zi No. 09901240570 issued on October 28, 2010.

Note 33: Approved by the letter Jing-Shou-Shang-Zi No. 10201059880 issued on April 2, 2013.

Note 34: Approved by the letter Jing-Shou-Shang-Zi No. 10301169280 issued on August 14, 2014.

Note 35: Approved by the letter Jing-Shou-Shang-Zi No. 10401190820 issued on September 10, 2015.

Note 36: Approved by the letter Jing-Shou-Shang-Zi No. 10401255880 issued on December 4, 2015.

Note 37: Approved by the letter Jing-Shou-Shang-Zi No. 10801033280 issued on March 29, 2019.

Note 38: Approved by the letter Jing-Shou-Shang-Zi No. 10901170720 issued on September 16, 2020.

2. Type of shares

As of the printing date of the annual report: April 15, 2026; Unit: Share

Type of stock	Authorized capital			Notes
	Outstanding shares	Unissued shares	Total	
Name-bearer common shares	105,595,615	144,404,385	250,000,000	Listed shares

3. Information on shelf registration: None.

(II) List of major shareholders: Top 10 shareholders by shareholding

March 31, 2026

Name of major shareholder	Shares	Number of shares held	Shareholding percentage
JSJK Holding Co., Ltd.		7,682,748	7.28%
Chung, Cheng-Hung		7,532,965	7.13%
E.SUN Bank Trust Account – Chung, Cheng-Hung		6,000,000	5.68%
Hong Bao Investment Co., Ltd.		4,851,000	4.59%
E.SUN Bank Trust Account – Kuo, Hsiu-Pao		4,000,000	3.79%
Chung, Yuan-Kai		2,968,800	2.81%
Chung, Yuan-Chi		2,870,039	2.72%
Deutsche Bank Managed SPDR® MSCI Emerging Markets		2,865,657	2.71%
Kuo, Hsiu-Pao		1,893,559	1.79%
Bank of Taiwan in custody for UOB-Kay (Hong Kong) Limited.		1,827,000	1.73%

(III) Dividend Policy and Implementation

1. Dividend policy as defined in the Articles of Incorporation

According to Article 26-1 of the Company's Articles of Incorporation: If there is net income in the Company's annual final accounts, it should be applied in the order as shown below:

- (1) Payment of taxes.
- (2) Make up for accumulated losses (including the amount adjusted to undistributed earnings).
- (3) Setting aside 10% legal for reserve, except for when accumulated legal reserve has reached the Company's paid-in capital.
- (4) Appropriate or reverse special reserve in accordance with the regulations of the competent authority. When the Company provides for special reserve, if the "cumulative amount of net increase in fair value of investment properties in the prior period" and the "cumulative amount of net decrease in other equity in the prior period" are not sufficient, the same amount of special reserve should be provided from the prior period's undistributed earnings prior to the distribution of earnings. If the amount is not sufficient, the Company should further set aside from the current period's net profits after tax plus other items to be included in the current period's undistributed earnings.

- (5) The balance amount (referred to as “net income” hereinafter), if any, is to be distributed to shareholders along with the undistributed profit at the beginning of the same year according to the earnings distribution proposal of the Board of Directors, which shall be presented in the shareholders’ meeting for resolutions.

In the case of distributing dividends to shareholders in the preceding paragraph or distributing all or part of the legal reserve and additional paid-in capital in the form of cash, a resolution must be adopted by a majority vote at the Board meeting attended by two-thirds of the total number of Directors, and a report of such distribution shall be submitted to the shareholders’ meeting.

In terms of the Company’s dividend policy, the Company has the earnings distribution plan formed by taking into account the current and future development plans, capital needs, competition and changes in the industrial environment, shareholders’ interests, and the Company’s long-term financial planning. The Company’s annual shareholder dividends are for an amount not less than 50% of the net income.

The distribution of earnings in the preceding paragraph can be made in the form of cash dividends or stock dividends. In order to respond to the growth of innovative electronic technology and to acknowledge the Company’s entering a stable growth period currently, the distribution of earnings is given priority to cash dividends, and the distribution of stock dividends is also available. However, the distribution ratio of cash dividends shall not be less than 50% of the total dividends distributed in the current year.

2. Allocation of dividends proposed at the shareholders’ meeting in the current year: a cash dividend of NT\$4.2 per share from earnings.
3. Explanation for expected material change in dividend policy: There is no material change expected in the Company’s dividend policy.

- (IV) Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the shareholders’ meeting in the current year

Not applicable. There is no stock dividend distribution proposed in this shareholders’ meeting.

- (V) Compensation of employees and Directors

1. The percentages or scope with respect to employees’ and Directors’ compensation set forth in the Company’s Articles of Incorporation

Percentage: If the Company makes profits (the so-called profit refers to the net income before tax deducting the distribution of remuneration to employees and Directors) for the year, an amount equivalent to not less than 2.5% and not more than 5% of the profits should be appropriated as remuneration to employees (of this amount, not less than 25% should be set aside as remuneration to staff at the grassroots level) and an amount equivalent to 3% or less of the profits appropriated as remuneration to Directors.

Scope: Employee remuneration in the form of shares or cash may also be distributed to the employees of the controlled companies or subsidiaries who meet certain conditions, and the said conditions are to be determined by the Board of Directors.

2. The basis for estimating the amount of compensation for employees and Directors, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period.

If there is discrepancy between the actual distributed amount and the estimated figure, it is treated as change of accounting estimates, and the discrepancy is recognized as profit or loss in the following year.

3. Information on distribution of remuneration approved by the Board of Directors
  - (1) The amount of any employee's compensation and Directors' remuneration distributed in the form of cash or stock:
    - A. Employees compensation in cash: NT\$ 19,500,000. (of which NT\$4,875,000 was allocated as remuneration to staff at the grassroots level)
    - B. Employees compensation in stock: None.
    - C. Directors' Remuneration: NT\$ 7,200,000The aforementioned amount of the proposed distribution is the same as estimated in 2025.
  - (2) Amount of employee's compensation distributed in the form of stock and as a percentage of the after-tax profit provided in current year's parent company only financial statements and total employee compensation combined: None.
4. The actual distribution of employees' and Directors' compensation in the previous year (including distributed shares, amount and stock price), and, if there is any discrepancy between the actual distribution and the recognized employees' or Directors' compensation, additionally the discrepancy, cause, and how it is treated.

The Company's estimated employee compensation in 2024 was NT\$ 20,017,000, and the compensation to Directors was NT\$ 6,300,000. There is no difference between the estimated amount and the actual amount distributed.

(VI) Status of shares buyback: None.

II. Issuance of corporate bonds: None.

III. Issuance of preferred shares: None.

IV. Issuance of global depositary receipts (GDR): None.

V. Issuance of employee stock warrants: None.

VI. Issuance of new restricted employee shares: None.

VII. Mergers, acquisitions or issuance of new shares for acquisition of shares of other companies: None.

VIII. Financing plans and implementation: None.

# Chapter 4. Business Overview

## I. Business activities

### (I) Business Scope

#### 1. Main Content

- (1) C805050 Industrial Plastic Products Manufacturing.
- (2) C805070 Reinforced Plastic Products Manufacturing.
- (3) C805990 Other Plastic Products Manufacturing.
- (4) CB01010 Mechanical Equipment Manufacturing.
- (5) CB01990 Other Machinery Manufacturing.
- (6) CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing.
- (7) CC01060 Wired Communication Mechanical Equipment Manufacturing.
- (8) CC01070 Wireless Communication Mechanical Equipment Manufacturing.
- (9) CC01080 Electronics Components Manufacturing.
- (10) CC01110 Computer and Peripheral Equipment Manufacturing.
- (11) CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing.
- (12) CD01030 Motor Vehicles and Parts Manufacturing.
- (13) CE01010 General Instrument Manufacturing.
- (14) CQ01010 Mold and Die Manufacturing.
- (15) F113020 Wholesale of Electrical Appliances.
- (16) F118010 Wholesale of Computer Software.
- (17) F119010 Wholesale of Electronic Materials.
- (18) F218010 Retail Sale of Computer Software.
- (19) F219010 Retail Sale of Electronic Materials.
- (20) F401010 International Trade.
- (21) I301010 Information Software Services.
- (22) IF04010 Non-destructive Testing.
- (23) IZ09010 Management System Certification.
- (24) IZ99990 Other Industrial and Commercial Services.
- (25) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

## 2. Weighting of major product in 2025

Product	Weight (%)
Mold and mold injection	30.40%
Safety and Electromagnetic Compatibility (EMC) Testing	13.80%
Transformers	5.95%
Relays	5.75%
Medical equipment	4.33%
Home appliances	3.85%
Digital Camera	3.50%
Electronic paper	3.02%
Car equipment	2.90%
Smart wearables	2.85%
Automatic control	2.30%
Other	21.35%
Total	100.00%

## 3. The Company's current products (services) and application

Type of product	Application
Electronic components	Applications for products, such as 5G, medical detection components, LCD display panel and driver IC, industrial control, virtual meeting system, home appliances, automobile electronics, networking communication, server, and power supply.
Optical & Mechanical elements	Optical elements: Optical communication LENS/CAMERA MODULE/MINI LED. Panel elements: LCD displays for industrial control, POS, medical, gaming machines. Mechanical components: Relay, motor, transformer and coil, connector, stamping parts, plastic injection parts, magnetic components, switch button. Materials: Optical resin, heat dissipation, batteries, and medical materials.
Motor elements	Application in robots, instrument, automotive, gaming machines, and medical care.
Certification	Safety requirement testing and certification, electromagnetic compatibility testing and certification, energy efficiency testing and certification of electronic and electrical products, testing and certification of wireless and communication products (including 3G/4G/LTE/5G NR, Wi-Fi, BT, NB-IoT), handheld secondary Li-ion battery testing and certification, USB Type C product testing, software and hardware development service, design and construction of anechoic chambers and chemical testing service.

## (II) Industry overview

### 1. Current industry trends and future outlook

#### (1) Distribution and marketing

From an overall perspective, inventory levels are expected to return to normal or slightly elevated ranges for most items from the high levels seen in 2023, through the second half of 2024, and then move into a phase of selective restocking and project-based procurement in 2025. The market no longer demands broad-based growth, it is shifting toward a trend of highly differentiated development in terms of application and specifications. High-end products, particularly those for AI, automotive, and high-reliability industrial applications, are performing significantly better than general consumer products. In terms of the price environment, overall ASP pressure persists, but high-end, automotive-grade, special packaging, and power management items continue to have stronger pricing power. From the perspective of application analysis, the main growth drivers are AI/servers/data centers, automotive electronics (EV/ADAS/body control), industrial automation/IoT, consumer electronics (mobile phones, PCs, and home appliances), high-end VRM, power modules, DC-DC, high-speed connectors, optoelectronic components, power components, automotive-grade MLCC, relays, connectors, sensors, PLC, motor drives, sensors, industrial communication modules, camera modules, OIS, sensors, and PMIC.

#### (2) Manufacturing

In terms of the mobile phone industry, according to an IDC research report, global smartphone shipments reached 1.26 billion units in 2025. Despite the challenges of tariff fluctuations, supply chain disruptions, and persistent macroeconomic headwinds in multiple markets, the global smartphone market demonstrated remarkable resilience, ending 2025 with a solid 1.9% year-on-year growth.

#### (3) Product testing and certification

##### A. Testing and certification of electromagnetic compatibility (EMC), safety requirement (Safety) and energy efficiency (EPA)

Many advanced countries have expanded restriction coverage of EMC. The Bureau of Standards, Metrology and Inspection of the Ministry of Economic Affairs (BSMI) also actively facilitates the EMC certification system for products, whereas some developing and undeveloped countries are just starting to roll out the EMC certification. Due to continuous innovation of electronic and electrical products, the demand for EMC testing and certification of the market grows boundlessly.

The safety of electronic and electrical products is correlated to the lives and assets of users, so many countries have all established the safety specification indicators tailored to the characteristics of the local user environment.

As worsened global warming increases the awareness of energy saving and carbon reduction, countries have started to set the energy efficiency standards for local electronic and electrical products in order to reduce energy consumption or wastage, hence pushing the demand for energy efficiency testing and certification in the market.

##### B. Integrated automated testing software

The testing software needs to be updated each year following the international standards, major manufacturers have self-testing demand due to internal R&D

needs or due to the upgrade in product quality. This leads to the need to purchase professional testing software. The phenomenon of low birth rate has led to manpower issues of lack of entry-level testing engineers or experiences. It is not possible to conduct online testing in the short time, and testing has switched to using automated software to replace some of the manual control. The software market is oriented towards customization and automation. The market is predicted to present a steady growth trend.

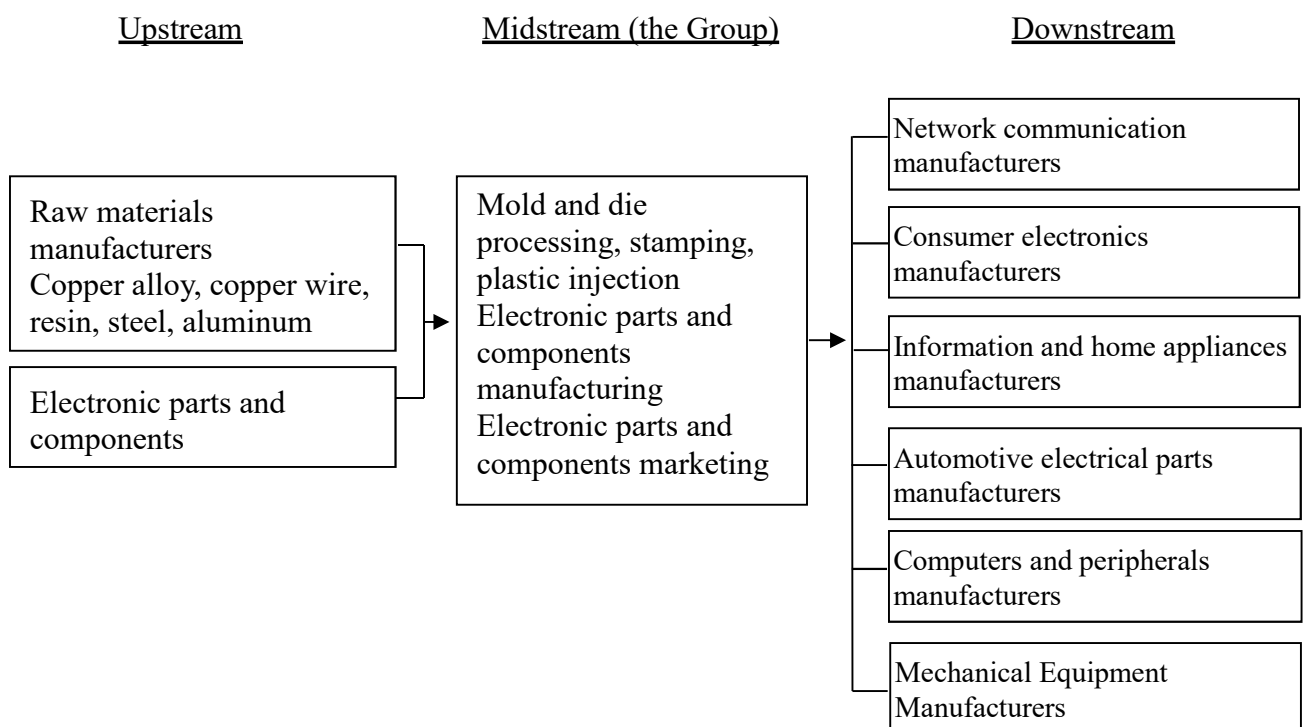
C. Testing environment engineering service

Following the continuous innovation of electronic and electrical products, clients have to conduct in house tests for R&D purpose or early market launch or quality assurance for mass production, so building an in-house testing laboratory is a must. China is now known as the world’s factory, so all world class enterprises have entered the market, plus the strong domestic demand and CCC certification system is quickly in place in China, the needs for building a self-owned testing environment of governmental testing units and private companies grow gradually.

2. Links between the upstream, midstream, and downstream segments of the industry

The Group’s upstream suppliers are domestic and foreign design companies or manufacturers of electronic, information and communication parts and components and some material manufactures who supply the required materials, parts and components for the Group’s manufacturing business.

The Group acts as a marketing agent or as a manufacturer of components mainly for supplying to the 3C industry in electronics and control, communications, medical and vehicle electronics. We also provide technical services to 3C industry in electromagnetic compatibility (EMC) testing and safety testing certifications. As an important part of the 3C industry supply chain, the correlation among the upstream, midstream and downstream of the industry is as shown in the figure below:



### 3. Development trends for products

#### (1) Distribution and marketing

Analysis for the agent products of the Group based on their application fields is as follows:

##### A. Industrial Control

The industrial control industry has entered the era of the AI-defined factory. In 2026, the industry will focus on four key trends: the widespread adoption of AI-defined factories, the use of digital twins, the standardization of time-sensitive networking (TSN) and communication upgrades, and energy management and ESG driving equipment updates.

AI inference chips are being integrated into PLCs, IPCs, and edge gateways, enabling factories to gain self-regulating, self-diagnosing, and self-optimizing capabilities. The combination of AI and sensors is driving strong demand for industrial-grade sensors. Digital twins are becoming standard, with full virtual-real synchronization across equipment, production lines, energy systems, and logistics. Upgrades to TSN and communication infrastructure are fueling demand for high-speed connectors, switches, and industrial communication ICs. Energy management and ESG initiatives are driving equipment updates, making factory energy monitoring, energy storage, and power dispatch standard requirements, which in turn increases the demand for high-voltage power supplies, power components, and current sensors. Furthermore, the EU, the United States, and Japan are raising energy efficiency standards.

##### B. Automotive electronics industry

The 2026 automotive electronics industry will focus on four key themes: the development of AI-defined vehicles, the continued increase in electrification penetration, the shift to central computing architectures for in-vehicle systems, and supply chain restructuring.

AI-defined vehicles are taking shape, with a significant increase in the penetration rate of in-vehicle AI SoCs and edge inference chips. Algorithm and computing power requirements for ADAS advanced autonomous driving have doubled, and in-vehicle voice, video, and driver monitoring system (DMS) are all becoming AI-driven. While the electrification penetration rate continues to rise, the focus is increasingly on “efficiency” and “cost.” SiC MOSFET/IGBT remains the primary focus, with strong demand for battery BMS, power modules, and thermal management ICs. In-vehicle architecture is evolving from distributed architecture and domain-centralized architecture to a central computing platform architecture. 2026 is expected to be a key year for the accelerated implementation of “central computing architecture.” The number of MCUs will decline, but the demand for high-end SoCs, domain controllers, and Ethernet switches will increase. Regarding supply chain restructuring, automotive-grade semiconductors remain tight, with strong demand for high-reliability components. Automotive-grade MLCCs, power components, sensors, and connectors continue to face tight supply and demand. Automotive certifications (AEC-Q and ISO 26262) are becoming essential requirements for suppliers.

##### C. Networking Industry

The networking industry has entered the era of the AI-Defined Network. In 2026, four core will shifts characterize the industry: global upgrades to high-speed networks driven by AI servers and data centers, the peak of Wi-Fi 7 mass production, accelerated implementation of 5G/5G-Advanced (5.5G), and AIOps (AI for IT Operations) becoming a standard feature for enterprise networks.

The surge in AI servers and data centers has catalyzed a comprehensive upgrade in high-speed networking, transitioning from 400G to rapid growth in 800G optical modules. Switch ASICs (e.g., Broadcom, Marvell) are entering next-generation high-bandwidth architectures. Wi-Fi 7 has reached a mass production peak as enterprise and home networks undergo major upgrades. Initially introduced in 2025, Wi-Fi 7 will become mainstream by 2026, with enterprise APs, home mesh systems, and industrial Wi-Fi fully shifting to this standard. The adoption of 5G/5G-Advanced (5.5G) is accelerating, bolstered by the low-cost 5G RedCap, which drives demand for IoT, industrial control, and wearables. 5G-Advanced provides higher bandwidth and lower latency, increasing the demand for Small Cells. Furthermore, AIOps has become standard for enterprise networks, enabling network automation, anomaly detection, and traffic forecasting. As enterprises adopt intelligent AI management, there is a heightened need for more edge computing and industrial-grade networking equipment.

#### D. Medical industry

The medical industry will enter the era of AI-defined healthcare in 2026, with four main focuses: AI healthcare, accelerated precision medicine, the shift of telehealth from a pandemic-driven model to a routine practice, and hospital automation as a key area for hospital investment.

AI healthcare will be fully implemented. AI image interpretation (X-ray, CT, MRI, and ultrasound) will become standard equipment in hospitals. AI-assisted diagnosis (cardiovascular, oncology, diabetes, kidney disease) will quickly become popular. Medical institutions will introduce AI workflows (registration, triage, medical record summary, and insurance claim). Precision medicine will accelerate. The cost of genetic testing will decrease and its popularity will increase. The demand for oncology targeted drugs and immunotherapy will grow, and bioinformatics and the cloud medical data platform will become basic infrastructure. Telehealth will shift from a pandemic-driven model to a routine practice. Management of chronic disease (diabetes, hypertension, and heart disease) will become the main focus. Wearable devices will be integrated with medical-grade sensors, and medical insurance will include telehealth benefits. Hospital automation will become a key hospital investment area. Medical logistics (pharmaceuticals and specimens) will be automated. Operating rooms, wards, and laboratories will be equipped with robots. Medical consumables tracking and asset management will be fully digitized.

#### (2) Manufacturing

The application fields of electronic elements and plastic injection products made by the Group are as follows:

- A. The electronic elements including relays, transformers and coils made by the Group are widely applied in all kinds of home appliances such as televisions, refrigerators, washing machines, air-conditioners, and air purifiers; office equipment, such as printers and fax machines; and automotive electronic products including LED lighting fixtures, parking sensors, electric windows, tire pressure monitoring system and charging module.
- B. The application for the precision plastic injection mold products manufactured by the Group is for the mobile phone cameras (Voice Coil Motor), antennas, vehicle touchpads, vehicle use relays and connectors, exterior case of medical components and so on products.
- C. Automotive market

According to the announcement by the China Association of Automobile Manufacturers, the total sales volume of automobiles in China in 2025 reached 34.40 million units, marking

a year-on-year growth of 9.4%. The annual sales volume of new energy vehicles totaled 16.49 million units, with a year-on-year growth of 28.2% and a market penetration rate of 48%. It is expected that total vehicle sales will reach 34.75 million units in 2026, a slight increase of 1%, and new energy vehicle penetration rate is expected to exceed 55%.

#### D. The mobile phone market

In terms of the mobile phone industry, according to an IDC research report, global smartphone shipments reached 1.26 billion units in 2025. Despite the challenges of tariff fluctuations, supply chain disruptions, and persistent macroeconomic headwinds in multiple markets, the global smartphone market demonstrated remarkable resilience, ending 2025 with a solid 1.9% year-on-year growth. However, under the influence of rising memory prices and limited supply, the market research firm Trendforce predicted that global smartphone shipments may decline by 2% in 2026, while Counterpoint also forecasts a yearly decline of 3%.

### (3) Product testing and certification

The Group is mainly engaged in safety requirement testing and certification, electromagnetic compatibility testing and certification, energy efficiency testing and certification of electronic and electrical products, international certification of electronic and electrical products, testing and certification of wireless and communication products, handheld secondary Li-ion battery testing and certification, USB Type C product testing, software and hardware development service, design and construction of anechoic chambers and chemical testing service.

#### A. Testing and certification of electromagnetic compatibility (EMC), safety requirement (Safety) and energy efficiency (EPA)

In recent years, the application of global communication network is expanded to the fields of the Internet of Things, Vehicle to everything, smart home, and smart factory due to the introduction of new technologies of 5G NR and Wi-Fi 6E/7. Meanwhile, electronic and electrical products in the information, audio and video, and home appliance segments continue to innovate. With the consideration of safety and environmental protection and energy conservation, many countries add the requirement of testing and certification of electromagnetic compatibility (EMC), safety requirement (Safety) and energy efficiency (EPA) which will likely to increase opportunities in the testing market.

#### B. Integrated automated testing software

In response to the innovation in electric vehicles and RF communication products and technologies, the corresponding international regulations have been updated, and the current testing software will need to be upgraded. While the testing time increases due to the amendments to the regulations, the Company provides the automation of integrated testing to reduce the testing time and optimize operational efficiency. The software market is anticipated to grow continuously.

#### C. Testing environment engineering service

In response to the Sino-U.S. trade war, when brand OEMs relocate their production sites to Southeast Asian countries or other global locations, the establishment of testing environment for R&D products and mass-produced items will be important consideration in factory construction. Meanwhile, as local electronic, electrical, and mechanical manufacturers in China increasingly demand a self-built testing environment in response to domestic CCC certification, the overall demand for such facilities is expected to rise.

#### 4. Product competition

##### (1) Distribution and marketing

Taiwan is a global center of the electronics industry. The vibrant development of the electronics industry has made Taiwan a significant player in the global industry chain. Given the niche of this growth, the distribution of electronic spare parts is becoming more important in the industry, but the competition is fierce. The main issue for distribution channels is how to enhance the Company's own capabilities to become a value-added supplier for downstream customers and how to integrate its own resources and capabilities and transform them into core capabilities in order to compete in the market and ensure the Company's own growth.

The Company will continue to introduce products that are future-oriented, high-quality, unique, and competitive in the market.

- A. Network communication: High-frequency magnetic components, signal direction motors, automotive V2X modules, 4G/5G modules and Optical communication LENS.
- B. Display: The main focus of our promotion is on automotive, industrial control, and medical; Mini LED/QLED automotive, backlight, resistive touch panels.
- C. Brushless DC motors: Nidec Corporation's brushless DC motors used in home appliances (air purifiers, vertical fans, dehumidifiers, air conditioners, etc.) have been sold to customers in Taiwan and the Greater China market.
- D. PLC, POWER MODULE used in INVERTER, SIC MOSFET/DIODE.
- E. Sensors: SENSOR sales such as HUMIDITY/FORCE/PRESSURE/UV/CO<sub>2</sub>, the competition in the market is fierce.
- F. Medical industry: Scintillators for CT, I.C. for handheld ultrasound, precision motors and AI image processing are applied in various examination equipment.
- G. Various materials: optical resin, heat dissipation materials, packaging materials, metal, solid-state battery materials, and regenerative cell medical consumables.

##### (2) Manufacturing

###### A. Relays

The Group's manufacturing business subsidiary has been commissioned by FCL Component Limited to produce power relays, which are applied in home appliances, commercial power supply, and mechanical equipment, since 1992. The demand for these relays is stable and unaffected by the economy fluctuations of any single market. Through complete selection of products and newly developed models to satisfy various design requirements of customers, and through the global marketing by FCL Component Limited, these products are sold globally whereas the sale and marketing in Taiwan and Mainland China is handled by the Distribution Business Division of the Group. Current major clients include Panasonic, Sony, Canon and Daikin of Japan, Samsung of Korea and major home appliance makers in Taiwan and China.

###### B. Transformers and Coils

Magnetic components, such as transformers, sensors and coils, can be applied widely and are essential to a lot of electronic system production. Coping with the change in global business environment and future development trend, The Group enters into the field of automotive electronics in the hope to produce various competitive products that help its client to meet the development trend of lightness, thinness, shortness and smallness, enhance competitive advantage and grow together with the accurate operational strategy, responsive team and the latest technology R&D.

C. Plastic injection products

Utilizing its precision molding to map and form a rapid industry chain so as to provide customers the fastest and the most convenient service and the most competitive price.

(3) Product testing and certification

The major companies providing services covering Safety Standard and Electromagnetic Compatibility (EMC) testing and certification in Taiwan are SPORTON INTERNATIONAL INC., BTL Inc. and Bureau Veritas. The Group's Product Certification Business Unit continues to provide technology upgrades and one-stop solution services. It has entered the market in China since the early days and has expanded to provide product testing and certification services to customers in China, Hong Kong, and Taiwan. Countermeasures in providing customers services in laboratory sites installation and testing systems are adopted to satisfy the needs of customers in the early phase for product research and development. This helps customers in managing the new product go-to-market schedule with better control. With international perspectives and competitive advantages, we are at a better position than other domestic competitors.

(III) Overview of Technology and R&D

1. Research and development

The future R&D will use the capacity from the R&D personnel and the technical support from cooperative companies for product development in precise plastic parts, transformer and automotive electronics, and in the industrial control field.

2. R&D expenses in the most recent two years

Unit: NT\$ thousand

Item	Year	2024	2025
R&D expenses		105,816	89,822
Operating revenue		5,168,773	4,908,087
R&D expenses as a percentage of revenue		2.05%	1.83%

3. Technologies or products successfully developed

(1) Manufacturing: The patents received during the most recent fiscal year are as follows:

Type of patent	Name of patent
Invention	Automated assembly line of automotive transformers.
	Online coil pre-welding tin equipment for voice coil motor's coil.
	A kind of twisting machine for automatically adjusting length of twisting thread.
	Automatic mold flow analysis system and method
	Continuous cutting and collecting equipment for products with terminals
	A double-sided imprinting mechanism for outer cover and its imprinting method
	A obverse and reverse identification mechanism for relay cover and its identification method

Type of patent	Name of patent
Invention	A type of loading and unloading mechanism of wire winding machine
	Intelligent mold flow analysis system and method
	A notch solder paste printing device for notched circuit boards
	A hot-disk soldering device for a type of hot-disk circuit board
	A type of circuit board solder paste for continue ink device
	A strip terminal press molding system
Utility model	A force testing institution
	A kind of twisting machine for automatically adjusting length of twisting thread.
	Continuous cutting and collecting equipment for products with terminals
	A double-sided imprinting mechanism for outer cover
	A obverse and reverse identification mechanism for relay cover
	A soldering mechanism for relay terminals
	An iron core with a stepped welded coating surface
	A type of loading and unloading mechanism of wire winding machine
	An injection mold screw thread starting point positioning mechanism
	A hot air control device for self-adhesive wire bonding equipment
	A triple ejector mechanism for injection molds
	A pulley mechanism for a winder tensioner to prevent copper wire detachment.
	A hot-disk soldering device for a type of hot-disk circuit board
	A notch solder paste printing device for notched circuit boards
	A type of circuit board tape feeding control mechanism
	A type of circuit board solder paste for continue ink device
	A type of demolding of side thread of female die
	A strip terminal press molding system
	A VCM motor to prevent dandruff after reliability testing
	A pressing gate mechanism applied to reel to reel insert mold injection process
	Injection mold inductive switch quick-change system
A micro-distance core-pull mechanism inside an injection mold	
A type of pre-loaded core relay winding mechanism	

- (2) Product testing and certification: The Group's testing and certification technologies and relevant certifications and utility model patents accredited by international laboratories and competent authority are as follows:
- A. Certificates for electromagnetic compatibility testing: Germany DakKS EMC, USA NIST NVLAP, USA FCC, Canada ISED, Taiwan TAF, Taiwan BSMI, Taiwan NCC, Japan VCCI, Japan JQA, China CNAS, Germany TUV Rheinland, Norway Nemko, South Africa SABS, Vietnam SDPPI, USA Dell, USA HP, Fujitsu Siemens, Japan Sony, USA Intel, Japan Yamaha.
  - B. Certificates for safety requirement testing: Taiwan TAF, Taiwan BSMI, USA UL, USA UL/Demko CBTL, CSA Canada, Germany TUV Rheinland, Germany TUV SUD PSB, Norway Nemko, Japan JQA, Japan JQA CBTL, China CQC CBTL.
  - C. Certificates for energy efficiency testing: Taiwan TAF, USA EPA, USA CEC, Germany TUV Rheinland, China CECP.
  - D. Accreditation from major laboratories: FCC/USA, NVLAP/USA, ISED/Canada, TAF, BSMI, NCC/Taiwan, UL CAP-E, UL-Demko CBTL, VCCI/Japan, C&S/Japan, JQA/Japan, JQA CBTL/Japan, CCC, CQC CBTL/China, DakKS/Germany, TUV Rheinland/Germany, Nemko/Norway, DNV/Norway, SABS/South Africa, SDPPI/Indonesia, Dell/USA, HP/USA, Intel/USA, Sony/Japan, Fuji Xerox/Japan, Fujitsu Limited/Japan, Yamaha/Japan, Lenovo/China, ASUS/Taiwan, Acer/Taiwan, Samsung/Korea, LG/Korea.
  - E. Patent certificates: Fully automatic fan energy-saving test system, automotive electronic components high current simulated magnetic field interference automatic test system, automatic electromagnetic anti-interference test system of audio-visual broadcasting equipment, automated audio-visual broadcasting device electromagnetic interference test system, mobile communication disaster prevention alarm and detection system, digital terrestrial and satellite receiver test system, wireless charging equipment interference test system, signal receiving equipment interference test system, broadband communication equipment conductive test device, automated automotive electronic components electric field simulated triple-platen line strength interference test system, multi-antenna radio frequency power analysis and measurement device, wireless network traffic testing device, selective receiver testing device and Wi-Fi 6E straight-line and competitive protocol testing device, MIMO wireless communication protocol analysis and measurement device.

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

##### 1. Short-term Development Plan

- (1) The current product line of the Group consists of semiconductor components, optical components, mechanism components, communication, optical and vehicle electronics with applications that are wide-ranging. We will actively expand our customer group services and continue to introduce new products to provide total solutions in increasing the Group's operating profits.
- (2) Continuing to explore business in the electromagnetic compatibility and safety requirement testing and certification of electronic and electrical products.
- (3) Continuing to develop the integrated automatic testing software.

- (4) Testing environment engineering service.
- (5) As the awareness for environmental protection increases, and the voice for energy conservation rises, it fervently engages in the environmental protection technology service.
- (6) Committed to the wireless testing and certification for handheld products and opening up the global channel of wireless communication products certification.
- (7) Engaging in the automotive electronic EMC testing field and LED lighting product testing and certification programs.
- (8) The testing and certification laboratory in South China of the Group's Certification Business Unit is seeking the additional qualification as the testing laboratory for CCC certification mark, a mandatory certification in Mainland China in the hope to provide its local and foreign customers the service that for tests conducted in one location, certificates can be issued in both Taiwan and China.
- (9) Continue to improve the process capability of integrated voice coil motor components and build a market entry barrier.
- (10) Introducing the transformers to Korea, Europe and electric vehicle market.
- (11) Expand the application of relay products in the industrial control field.
- (12) Enhance the QCDS capacity and expand the VCM market share.

## 2. Long-term Development Plans

- (1) Construct a more comprehensive R&D and market survey organization with an active introduction of new products and materials, focusing on new market development. Examples of the industries include photoelectric, EV, new energy, and other new market developments. There are expectations to increase the income and profits of the agent products and to provide customers with total solutions to assist them in shortening the design time frame for earlier mass production.
- (2) Investing in the development of automated equipment to improve production competitiveness.
- (3) Coping with a drastically changing industry and competition among clients, the Group will continue to break through current technology, cultivate talents, optimize precision instruments and equipment, explore new opportunities, increase self-development rate of products so as to streamline development and manufacturing in the hope of stable quality and reasonable price for its customer.
- (4) The Group has conducted the feasibility study on setting up new testing and certification laboratory in Chengdu, Chongqing, Wuhan and Xi'an and will be capable of providing effective local testing and certification service to clients in both Taiwan and China in a timely manner.
- (5) In the future, we will still uphold Audix's principle of "quality is the core and clients are our mentors" as its quality policy and make more products with higher precision.
- (6) Constantly pursuing perfection to strengthen corporate structure so as to continuously improve products and attain sustainability.
- (7) Aiming at becoming the best strategic partner of world-class manufacturers for design, manufacturing and service, and achieving the strategic development goal of being the global leader for design, manufacturing and service.

## II. Market, production and sales overview

### (I) Analysis of market

1. Areas where the main products are supplied: The Group's products are mostly sold to the U.S., Mexico and Asian markets such as Japan, Mainland China, Hong Kong and Southeast Asia.
2. The future supply and demand situation and growth of the market

#### (1) Distribution and marketing and manufacturing

The industry is shifting from distribution to technology & risk management. In 2026, distributors will face three structural changes: a complete shift in demand toward B2B high-reliability applications, an evolution of the distributor role, and a change in OEM strategy. The demand structure has completely shifted to B2B high-reliability applications. Consumer electronics are no longer the main driver, with servers, data centers, automotive electronics, industrial control, energy management, network communication, and medical electronics now fueling growth. Distributors are upgrading their role from selling materials to becoming technology and supply chain consultants. By 2026, their core value will no longer be price, but design-in & design-win support, alternative materials, and supply chain risk management – including export control, end-use verification, customer screening, and cross-border material source coordination. Changes in original manufacturers' strategies are shifting more responsibility to distributors, who are increasingly expected to handle inventory management, customer screening, compliance review, technical support, and project follow-up.

In 2026, distributors will have opportunities in AI, automotive, industrial control, networking, and medical sectors, which offer high reliability, long-lifecycle products, and strong gross profit margins. Design-in services, supply chain risk management, and compliance services will become new revenue streams, and cross-regional collaboration between Japan, Taiwan, and China will be a competitive advantage.

There are various challenges that distributors will still face in the future – including the ongoing standard product price war, increasing requirements for channel distributors to assume more inventory and compliance responsibilities, the upgrading of US-China technology controls, and growing customer demand for supply chain transparency. However, strong demand for automotive electronics, electric vehicles, industrial automation, and IoT/5G applications, coupled with the increased component demand driven by AI and data center infrastructure spending should make 2026 a year of continued sales growth.

Regarding the automotive and mobile phone markets related to manufacturing, the China Association of Automobile Manufacturers estimates that total vehicle sales will reach 34.75 million units in 2026, a 1% increase. The penetration rate of new energy vehicles is expected to exceed 55%. Trendforce, a market research firm, predicts that global smartphone shipments may decline by 2% in 2026 due to rising memory prices and limited supply. Counterpoint also forecasts a 3% annual decline.

## (2) Product testing and certification

Due to the advance of electronic technology, electronic and electrical products are rolled out rapidly and applied widely; however, the electromagnetic waves and safety requirements concern users' lives and property, and as the global environmental awareness increases, the electromagnetic compatibility and safety requirement testing and certification industry start to take key roles internationally. In addition to the U.S., Europe, Japan, Canada, Australia, and New Zealand that have already stipulated relevant regulations, Taiwan, Southeastern Asia and Mainland China have recently adopted such regulations, and, thereby, demand for electromagnetic compatibility and safety requirement testing and certification will continue to grow.

## 3. Competitive niche

### (1) Distribution and marketing and manufacturing

Although the Group is positioned in one of the most competitive industries, the Group addresses the niche market through the following businesses contents and operational models:

#### A. Comprehensive product portfolio

The Group is an agent of electronic components of Japan's PROTERIAL, JDI, KYOCERA, FCL, ALPSALPINE, Nidec Group, ORBRAY; Taiwan's IST, Inergy Technology, Full Crystal, Procer, HannStar, E-Tian; China's leading electronic manufacturers, Longxin, MeiG Smart Technology, and Sencoch Semiconductor. The applications are wide-ranging and complete including ASIC, MCU, LOGIC, LINEAR IC, vehicle electronics key components, diode, and various types of semiconductor, TFT LCM, transistor, touchpad, connector, relay, transformer and coils, brushless motor, voice coil motor, optical lenses, optical module, LED, and sensor. We also have self-production for plastic mold components. These can be provided to downstream industries as total solutions, winning a wider range of customer groups.

#### B. Core business integration and development

The Channel Business Group is responsible for marketing, and Manufacturing Business Group coordinates the subsidiary, Audix Technology (Xiamen) Co., Ltd. And the joint venture with YUWA Co., Ltd of Japan, YUKA Precision (Wujiang) Co., Ltd. To manufacture and provide support to downstream customers thereby fulfilling all kinds of demands from design, development, manufacturing to sale.

#### C. Warehouse logistics system covering Taiwan and Mainland China

The Group has more than 40 years of experience in warehouse logistics system in Taiwan with abundant professional knowledge and flexibility, and extends such a warehouse logistics system to Hong Kong and Japan. In China, it has also many years of practice in market and has been granted distribution rights by many represented manufacturers. As domestic manufacturers are migrating outward, the Group still manages the orders from downstream clients in different areas.

## (2) Product testing and certification

#### A. Fervently engaging in the environmental protection technology service Global

The global awareness of environmental protection is on the rise, and the demand for energy saving and carbon reduction is soaring. For example, the U.S. Environmental Protection Agency has required that products such as computers, televisions, and photocopiers obtain EPA certification starting in 2011. Taiwan's Environmental Protection Administration's Environmental Label and the Bureau of Energy's Energy

Label also regulate products in this area, and the E.U., Mainland China, Japan, Korea, and Australia also have similar requirements, indicating that the development of the green energy industry cannot be ignored. The Group's Product Certification Business Unit has been accredited by the U.S. Environmental Protection Agency as an EPA laboratory, and also accredited by the California Energy Commission's CEC. At the same time, the Group has undertaken a research project by the Industrial Technology Research Institute (ITRI) to conduct testing and data collection for energy-saving products selling in Taiwan and has assumed corporate social responsibility for setting energy-saving standards for products in Taiwan. In addition, the Group's Product Certification Business Unit has acquired server energy-saving testing software and established energy and water saving testing equipment and capabilities for washing machines and secondary lithium batteries, and invested in the establishment of testing environments for RoHS, REACH, and PM 2.5 air pollution control, in response to the standard inspection bureau's (Bureau of Energy, MOEA) mandatory energy efficiency inspection products. Based on this, the Group's certified business unit has continued to expand its testing capabilities to be able to extend its technical service fields, such as obtaining the China voluntary CECP energy saving certification laboratory qualification in 2023, and obtaining the Mainland China CEL energy efficiency certification laboratory qualification in 2024. In 2025, the laboratory obtained accredited laboratory qualification for the new CEL energy efficiency and CECP energy saving standards in Mainland China.

- B. The Group's Certification Business Unit has built up the testing equipment for the Specific Absorption Rate (SAR) for mobile phones, full anechoic chamber for wireless communication products, and testing lab for antenna testing (OTA/CTIA) at the Linkou EMC Testing Building striving for facilitating wireless testing and certification for handheld products and opening up the global channel of wireless communication products certification. It has completed over 80 cases of international certifications up to now. Meanwhile, the Shenzhen, Shanghai and Wujiang, Suzhou laboratories of the Certification Business Unit will simultaneously open up its capacity for the testing and certification of wireless communication products, such as the testing equipment for the Specific Absorption Rate (SAR) for mobile phones, full anechoic chamber for wireless communication products and testing lab for antenna testing (OTA/CTIA). In addition, since the second half of 2019, the Group's Product Certification Business Unit increased its NB-IoT telecom terminal equipment testing and NCC-related testing capabilities and licensing qualifications. In 2020, the Group invested in 5G NR communication technology testing and verification capabilities. From 2021, we will be able to carry out mandatory testing of 5G NR products operating in Sub-6GHz and millimeter-wave bands in multiple countries, including the U.S., E.U. countries, Japan, and Taiwan. The Linkou Laboratory of the Group's Product Certification Business Unit has been accredited by Taiwan's NCC to carry out testing of 5G NR products that meet the Taiwan PLMN and NCC's certification process. The Audix Technology Shenzhen Lab has already established the Japanese Telecommunications Business Law & Japan Radio Law (TBL & JRL) for 5G NR product testing that can provide complete one-stop testing and certification services for cell phones, tablets, and other handheld communication devices sold in Japan. The Group's testing business unit has, in 2021, begun to invest in the testing and certification capacity for the new Wi-Fi 6/6E communications technology. In 2022, we obtained the U.S. FCC and E.U. CE certifications and expanded our wireless product testing services. In line with the announcement by Taiwan's Ministry of Digital Affairs to utilize regarding the 6GHz band opening program, we obtained Taiwan's NCC Wi-Fi 6E/7 wireless product certification in 2024. Upgraded in 2025, the Japan TBL testing system will support dual-SIM emergency communication testing for 5G NR smartphones. The Company will also launch certification services across multiple countries in response to the emergence of new Wi-Fi 7 products, which will help expand the group's testing and certification business in the wireless communication domain.

- C. The laboratories in Linkou and Wujiang, Suzhou of the Group's Certification Business Unit have already built up the capacity of the EMC testing for high-power three-phase power supply products, and by which, it can carry out the EMC testing and certification for high-power products, such as AI servers or cloud servers and solar inverter equipment (PV system); as China becomes the largest automobile market in both manufacturing and sale, the Group's Certification Business Unit has also joined the field of automotive electronic EMC testing that further assists the Group's growth in the certification business. Meanwhile, following the trend of environmental and energy conservation, major developed countries in America and Europe as well as Taiwan, Japan, South Korea and Mainland China has banned the manufacturing and sale of incandescent bulbs whereas the energy-saving LED bulbs will come into mainstream. The Group has launched the testing and certification project for lighting products and established the capacity of safety requirement and EMC testing in the laboratories in Taiwan and China accredited by the UL of the U.S., JQA of Japan to fuel the overall performance.
- D. The testing and certification lab in South China of the Group's Certification Business Unit was qualified as the testing lab for the mandatory CCC certification market in China and will be able to provide local and foreign enterprises the service that for tests conducted in one location, certificates can be issued in both Taiwan and China. At the same time, following with the ease of regulations governing the testing and certification industry, the Group's Certification Business Unit has conducted the feasibility study on additional testing and certification laboratories in Chengdu, Chongqing, Wuhan, and Xi'an with the expectation to provide prompt local testing and certification service to clients in the Greater China area and expand its technical service in various areas and fields.

#### 4. Positive and negative factors for future development

##### (1) Positive factors

- A. Distributing and representing comprehensive and diverse products from world-class manufacturers.

These world-class manufactures roll out competitive products to meet market trends with their professional technique and R&D capacity, and market demand for these products is relatively stable. Products the Group carries cover all fields of electronics, such as information, optoelectronics, telecommunications, consumer electronics, energy storage, solar energy, automotive electronics, cloud applications, and medical care. Such a comprehensive and diverse product portfolio further increases the easiness for customers in procurement, reduces customers' inventory risks and saves time and costs.

- B. Automated manufacturing

The own equipment R&D department researches and develops the automated equipment suitable for the manufacturing system with the goal to improve production efficiency and quality yield, as well as reducing labor costs.

- C. Wide application in various industries and less influenced by the performance of any particular industry.

Application in many industries – The Group's three major business groups are involved in different industries and fields encompassing networking communication, automotive, medical care, new energy, and electromagnetic compatibility and safety requirement testing and certification, and are not impacted by the performance of any single industry or seasonal factors, thus, diversifying risk.

D. Overall advantage of integrated operation among three core businesses

The Channel Business Group is responsible for marketing, the Manufacturing Business Group is for manufacturing and the Product Certification Business Group provides safety requirement and electromagnetic compatibility testing and certification services. Through the integration, these three major business groups provide customers support for various needs.

(2) Industrial environment and countermeasures

Shorten and drastically changing product lifespan, short delivery schedule and strict transaction terms from the demand side resulting in minimal profit are common nowadays in the industry, and the Group's countermeasures are as follows:

- A. The logistics system, extended from Taiwan and constructed following clients' manufacturing and sale sites to ensure smoothness and efficiency of logistics, can meet the rapidly changing and short delivery schedule.
- B. Setting the revenue budget policy that seeks proper revenue growth and basic policy for pursuing reasonable profit to avoid customers with high risk and price-bargaining orders, and accepting orders following the internal control authorization process.
- C. To further enhance profitability, we will introduce new agent products as an addition to the new products.
- D. Investing in the development of automated equipment to improve production competitiveness.

(II) Key applications and production processes of main product lines:

1. Key applications of main product lines:

Type of product	Application or function
Electronic components	<ol style="list-style-type: none"> <li>1. Application in IT: Example, touchpads, game machines, LED display, power supply unit, server, industrial PC.</li> <li>2. Application in communication: Example, netcom products.</li> <li>3. For consumer electronics: air conditioners, brushless DC air purifiers, handheld ultrasound, small appliances.</li> <li>4. Application in automotive electrical parts industry: electronic products such as vehicle safety system, ADAS system, passive start passive entry system, and parking sensors.</li> </ol>
Relays	Used in the communication field, electrical equipment, automobiles, commercial power supplies and mechanical equipment.
Transformers and coils	Application in the electronic industry, network communication industry and automotive electronics industry. Include in high quality products of automotive electronics manufacturers such as parking sensors, power windows, tire pressure monitoring systems, and charger modules.
Precision molds	Mainly precision connectors, relays, hearing aids, voice coil motor modules, automotive parts and mobile device antenna.

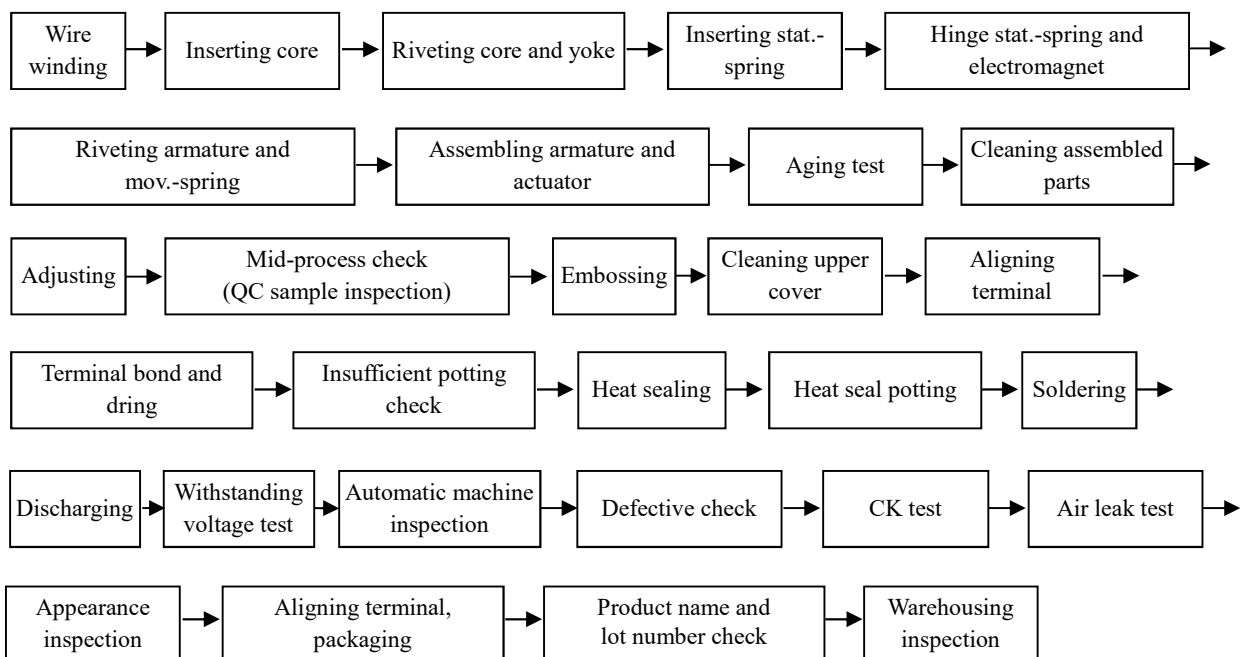
Type of product	Application or function
Integrated module	Combining the Company's abilities in precision molds, plastic injection molding and design and manufacturing of high quality electronic components with the electromechanical integration to provide customization service and module products that satisfy customers' needs.
Development and manufacturing of automated equipment	Mainly engaged in the automated manufacturing equipment for electronic products and equipment and jigs for automobile parts assembly.
Safety requirement certification	Service items: IT, power, audio and video, home appliances, lighting, medical, instrumentation, fans, gaming, and drone products.
Electromagnetic compatibility certification	Service items: engineering and medical products, audio products, home appliances, lighting products, information technology products, wireless and communication products, drone products.
Energy efficiency certification	Service categories: IT, power supply, audio and video, home appliance and fans, energy and water conservation and P.M. 2.5 air purifier.
Wireless communication product certification	Service items: 3G/4G (LTE)/5G NR, Wi-Fi, BT, NFC, RF ID, NB-IoT and other wireless communication products.
Development, design and application of software and hardware	Providing development service of standard EMC and RF measurement system and measurement system with special specification designated by customers.

## 2. Main production process

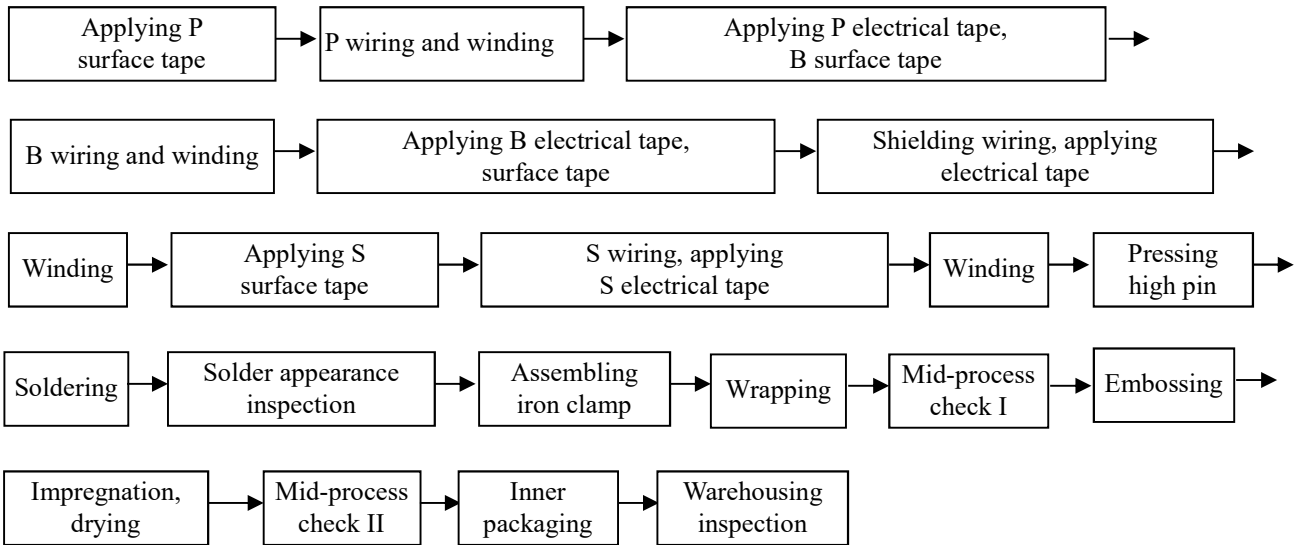
### (1) Manufacturing

The Group makes and sells relays, transformers and coils, connectors, stamping parts, and plastic injection parts, etc. And also sells them with agent products.

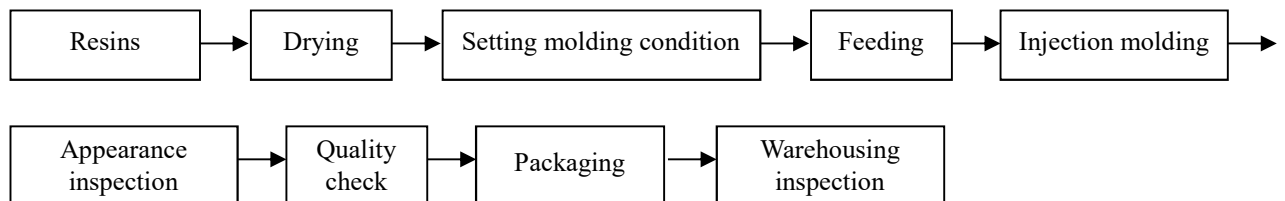
#### A. Relays



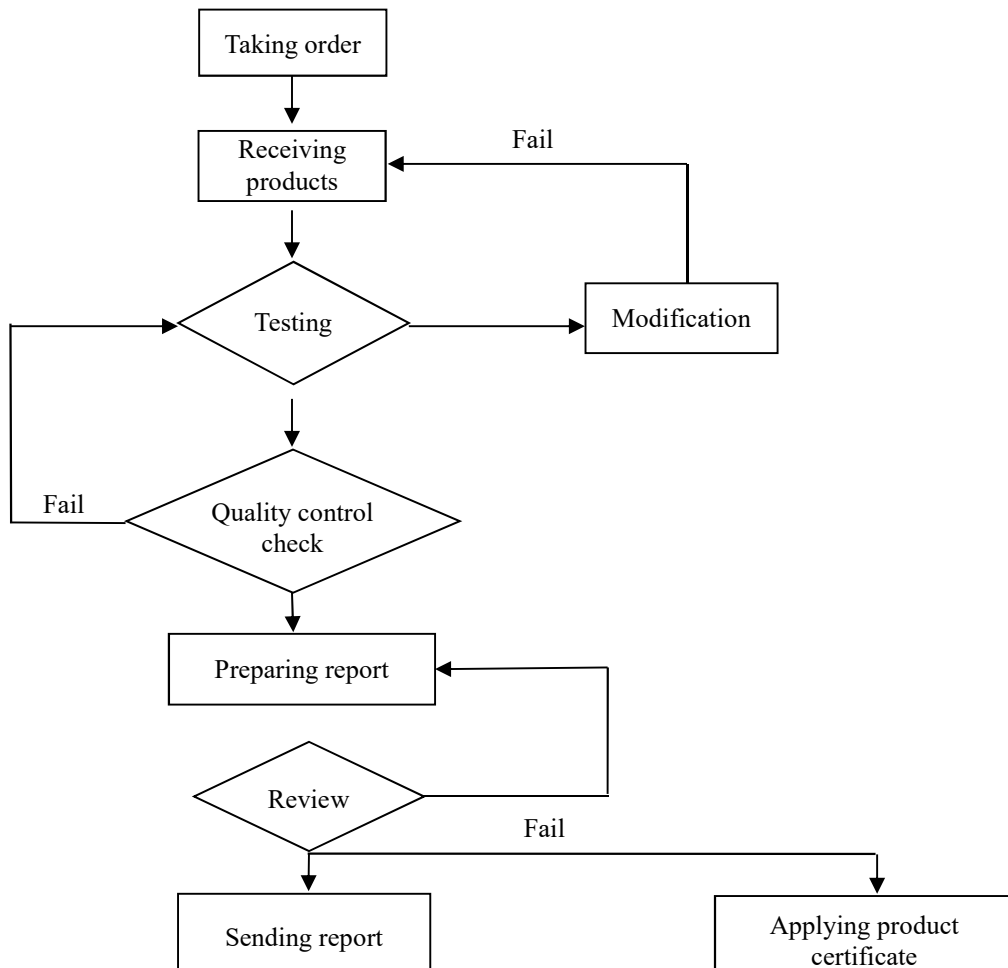
### B. Transformers and Coils



### C. Plastic injection products



(2) Product testing and certification: Process of electromagnetic compatibility and safety requirement testing and certification



### (III) Supply of major raw materials

The major raw materials of the Group consist of copper wire, copper plate, precious metal and resins which are supplied by high quality well-known vendors. The Group has long-term and stable relationship with those vendors to ensure ordered supply.

### (IV) Names of customers who accounted for more than 10% of the sales in the last two years, and sales as a percentage of total sales

#### 1. Customers that accounted for more than 10% of the total sales in the last two years

Unit: NT\$ thousand

Item	2024				2025			
	Name	Amount	Percentage of net sales (%)	Relationship with issuer	Name	Amount	Percentage of net sales (%)	Relationship with issuer
1	Customer M	763,302	14.77	None	Customer M	597,894	12.18	None
2	Other	4,405,471	85.23	None	Other	4,310,193	87.82	None
	Net sales	5,168,773	100.00	—	Net sales	4,908,087	100.00	—

Reason for increases or decreases: Change to the market demand.

#### 2. Major suppliers that accounted for more than 10% of the total purchase in the last two years: There were no suppliers accounting for more than 10% of the total purchase in the last two years.

### III. Employees

Year	2024			2025		
	Taiwan	Foreign subsidiaries	Total	Taiwan	Foreign subsidiaries	Total
Number of employees	216	1,801	2,017	212	1,879	2,091

Year		2024	2025
Number of employees	Direct labor	1,147	1,229
	Indirect labor	870	862
	Total	2,017	2,091
Average age		33.4	33.8
Average years of service		7.2	7.4
Education background	Ph.D.	0.05%	0.05%
	Master's	0.89%	0.77%
	College and University Graduate	35.75%	36.25%
	Senior High School	27.41%	29.64%
	Below Senior High School	35.90%	33.29%

#### IV. Information on environmental protection expenses

Energy conservation and carbon reduction have long been a key focus of the Group's efforts. In addition to gradually replacing building lighting with more energy-efficient LED lighting fixtures, we continue to optimize air conditioning and energy efficiency. This includes replacing the four old chillers in the Taipei commercial building with models that have Level 2 energy efficiency and use eco-friendly refrigerants, replacing the data center split air conditioners with Level 1 energy efficiency models, and introducing variable frequency control for the circulating water pump motors to save energy. We also prioritize the use of green, eco-friendly products and favor hybrid electric vehicles when purchasing new company vehicles, while promoting water and electricity conservation to cherish and protect resources, thereby fulfilling our social responsibility.

In terms of environmental management systems, ISO 14064-1 has been adopted and internal regulations have been formulated to conduct greenhouse gas inventories. The parent company's individual inventory information for 2025 was disclosed in accordance with the regulations of the Financial Supervisory Commission. Factories of the Group's Manufacturing Business are completing their environmental management systems and obtaining the ISO 14001 certification; the Group has incurred no losses, penalties, or compensation claims in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents.

#### V. Labor relations

(I) The Company's employee welfare measures, education, training, retirement system and implementation, as well as labor-management agreements and employee rights protection measures

##### 1. Employee welfare

- (1) In addition to the labor and health insurance required laws, the Company's employees are also covered by the group insurance.
- (2) Employee compensation and annual bonus are distributed based on the Company's annual performance or the degree of an employee's distribution.
- (3) The Company contributes employee pension to the special pension account at the Bank of Taiwan and the individual pension accounts of each employee at Labor Insurance Bureau in accordance with the "Labor Standards Act" and "Labor Pension Act," respectively.
- (4) The Company periodically contributes to the employee welfare fund which is managed and used by the Employee Welfare Committee.
- (5) Annual employee health check at health examination center is arranged annually and on the public leave with pay.
- (6) A cash gift is given on the month of an employee's birthday, and gift vouchers are distributed on three major holidays in addition to weddings and funerals.
- (7) Gifts equivalent to NT\$ 120,000 are given to employees who have completed five years of service. One employee received the gifts this year.
- (8) Outstanding employees will be selected for awarding of the Crystal Award and the rewards as an encouragement. There are 4 employees awarded for this year.
- (9) Large-scale employee travel is organized annually.
- (10) The Company has a lactation room to provide a friendly workplace, and employees are given time for breastfeeding in accordance with the law.

- (11) In response to governmental policy and for the purpose of employee care, it has established the “Regulations for Subsidy of Childcare,” and there are 2 children of the employees receiving the subsidies in the current year.

Subsidiaries’ employee welfare, continuing education, training and retirement systems are all in good order.

## 2. Continuing education and training

- (1) The Company organizes training for new employees, and the training courses encompass personal information protection and firefighting in addition to the Group’s operation, company rules and regulations and cyber security.
- (2) Each new employee is paired with one mentor for three to six months. Within the mentoring period, in addition to job skills, culture and work experience are also passed on to these newcomers in the hope that every employee can quickly adapt themselves to the workplace and achieve better performance on their positions with higher efficiency.
- (3) It has established the e-learning digital learning platform and introduced a set of courses for employees improving professional skills and competencies. Each business unit shall allocate a budget for education training needs annually for setting up a plan of annual education and training that offers periodic or aperiodic training courses.
- (4) If on-the-job training is insufficient, the Company will arrange general knowledge or professional competency courses instructed by professionals or invite industrial experts to give speeches on market trend analysis or introduction of new products. Also, employees may apply for external training based on personal learning needs which are fully subsidized by the Company.
- (5) The Employee Welfare Committee supports employees’ continuing education, and if an employee is pursuing a degree, he or she may apply for reward.

## 3. Retirement system and its implementation

- (1) Pension reserve is allocated monthly:

The Company applies the provisions with regard to pension in the “Labor Standard Act” and deposits pension reserve monthly at the special pension account under the name of the Pension Reserve Monitoring Committee for its reimbursement.

- (2) Individual pension accounts of each employee:

The Company applies the pension system set forth in the “Labor Pension Act,” and allocates not less than 6% of the monthly salary to the individual pension accounts of each employee at the Labor Insurance Bureau in accordance with the “Labor Pension Act.”

The pension system of each subsidiary is handled in accordance with local laws and regulations and is in good order.

## 4. Labor–management agreements

All measures in respect of labor–management relations comply with relevant laws and regulations with good implementation. Any addition or amendments related to labor–management relations shall be agreed with full negotiation and communication between both sides, and there is no material labor–management dispute.

## 5. Measures to preserve the rights and interests of employees

The Company’s measures to preserve the rights and interests of employees are in compliance with relevant laws and regulations with good operation.

6. Protective measures taken to ensure a safe working environment and maintain employees' personal safety

The Company cares about work environment' safety and employees' personal health and safety, so it takes measures including 24-hour security service, an automated external defibrillator (AED) is installed in the office building and arranges inspection and maintenance every six months, monthly maintenance of building mechanical system and lifting equipment, lawful annual inspection of firefighting equipment and biennial building public safety check, organization of related training and education, and establishment of emergency notification mechanism to protect employee safety and asset security. The Company designates dedicated cleaning personnel to keep internal neatness daily and performs annual large-scale environmental cleaning and disinfection inside and outside the building. Moreover, the Company also has the reverse osmosis systems that are maintained quarterly to provide safe drinking water. For a better understanding of employees' own health and early diagnosis and treatment, in addition to regular prescribed items by competent authority, the Company also allocates budget for employee health examination package. Furthermore, the Company has set up the exercise area and purchased exercise equipment to encourage employees to exercise during their off-hours and de-stress.

Although the Company has taken all possible measures in preserving work environment and employee safety, we will continue to progress in order to achieve the goal of zero accident at workplace.

7. Employee code of conduct

The Company has regulated and announced that during their service, employees shall comply with all laws and regulations as specified below:

- (1) Keep the Company's reputation, be a team player and perform duties loyally and with all efforts.
- (2) Do not be arrogant, greedy or lazy or behave to damage personal or the Company's reputation.
- (3) Absolutely keep the Company's secrets confidential.
- (4) Do not accept any gifts or treatments from clients or suppliers, and recuse in the event of any conflict of interests.
- (5) Except for the Company's business, employees should not use the name of the Company externally or seek benefits for themselves or others using their positions.
- (6) During their working hours, employees should not have any part-time job, and during their off-hours, they should not operate or serve a juristic person or an individual engaged in a similar business with the Company.

- (II) List any losses suffered by the company in the most recent fiscal years and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken.

On July 1, 2025, the Company was fined NT\$50,000 by the Taipei City Department of Labor for violating Paragraph 1, Article 24 of the Labor Standards Act according to Paragraph 1, Article 79 of the same Act (Penalty Letter Bei-Shi-Lao-Dong-Zi No. 11460099121). This was due to the fact that in the past, employees who applied for overtime were given time off in lieu of overtime pay. To rectify this issue promptly, the Company amended its internal policies in January 2025 so that all subsequent overtime applications would be processed in accordance with the labor laws and regulations for receiving overtime pay. Apart from the NT\$50,000 fine that has already been paid, there are currently no litigation cases or disputes over violations of the Labor Standards Act. After assessment, as the workflow has been finalized with an automated system lock-in, the risk of similar labor disputes in the future is extremely low. This is not expected to have a material impact on the Company’s business.

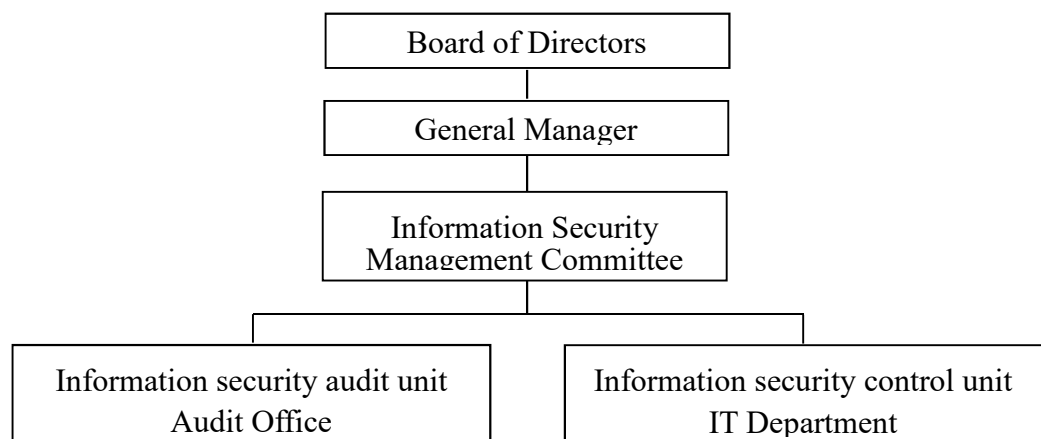
## VI. Cyber security management

- (I) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.

### 1. Cyber security risk management framework

- (1) The Company established the “Information Security Management Committee” in 2020, which consists of the IT Department and the Audit Office. The IT Department has one information supervisor and five professional information personnel; the Audit Office has one audit supervisor and full-time audit personnel. The IT Department and the Audit Office coordinate the formulation, implementation, risk management and compliance system inspection of information security and protection related policies. One convener is appointed for the Information Security Management Committee and assumed by the manager of IT Department. He or she should report relevant information security issues, improvement plan and execution result to the President periodically and brief to the Board of Directors regarding to the information security management plan and execution result at least twice a year.

- (2) Organization structure of Information Security Management Committee

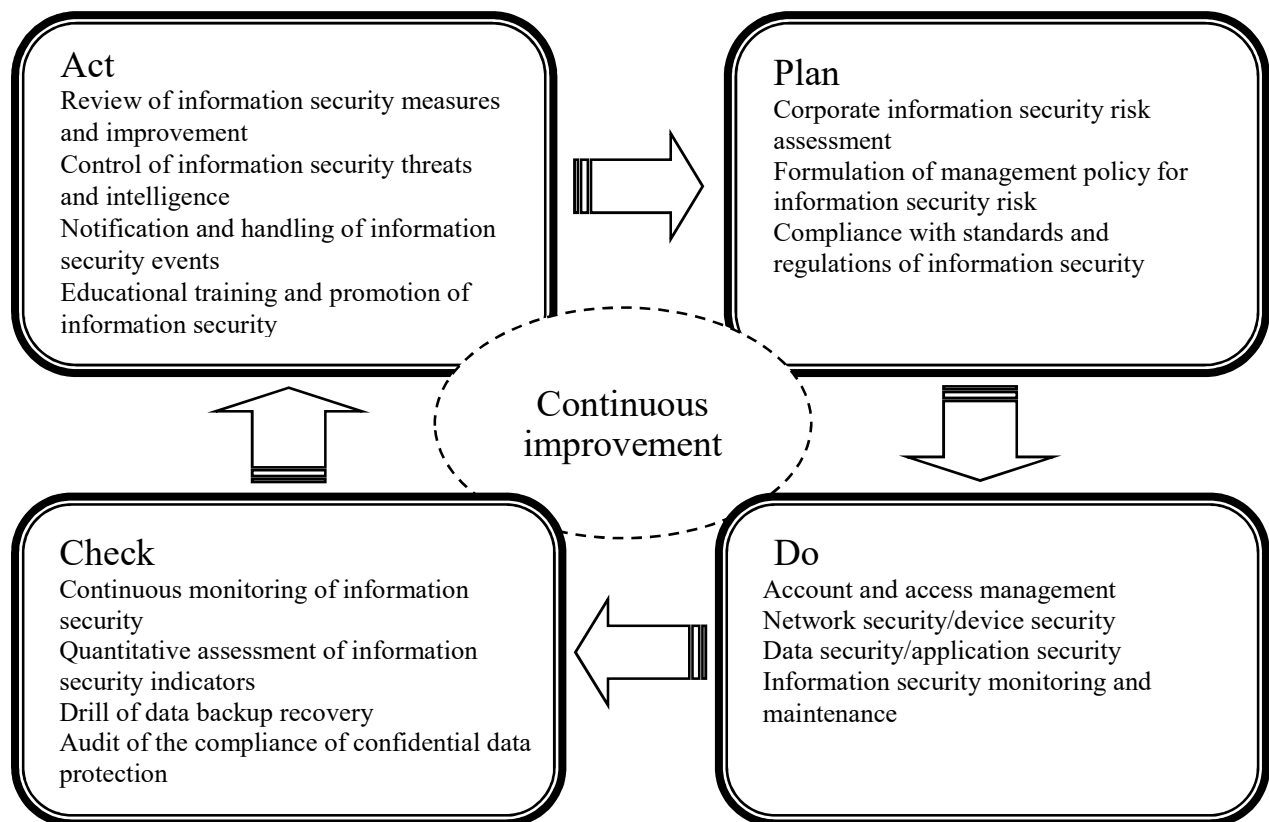


### 2. Cyber security policies

The Company’s information security policies are to integrate and enhance information security management system, and build an institutionalized, documented and systematic management mechanism. The information security management mechanism includes three aspects as follows:

- (1) System and regulations: Setting up multiple information security regulations to stipulate information security behaviors for internal and external personnel, regularly reviewing whether the system is suitable for the operational environment and adjusting accordingly.
- (2) Technology Application: In the prevention of various information security threats, the Company not only applies the multi-layer network framework, but also sets up multiple information security protection systems with prompt introduction of information security instruments to improve overall information environment security.
- (3) Promotion: Through reports in meetings, internal mails and information security education courses on the e-learning platform, enhancing awareness for information security of all employees.

Based on the PDCA management cycle, Plan-Do-Check-Act, reviewing the applicability of information security policy and preventive measures and practically implementing the goals of information security management to ensure the confidentiality, completeness and availability of the Company's information assets, as well as compliance with relevant laws and regulations, and preventing internal or external, intentional or unintentional threats, thereby protecting the rights and interests of employees or customers of the Company and achieving the following goals:



- (1) Implementation of Information security management policy.
- (2) Compliance with laws and regulations.
- (3) Strengthening resilience of information security.
- (4) Training IT personnel professional information security skills.
- (5) Achieving the indicator of effectiveness for information security management.

### 3. Specific management solutions

Network information security management	Data access management	Responsive recovery mechanism	Promotion and check
<ul style="list-style-type: none"> <li>● Strengthening the firewall and network access control.</li> <li>● Periodic virus scan for computer systems.</li> <li>● Access to various network services shall be carried out in accordance with the regulations for information management.</li> <li>● Periodic check for irregularity of network service.</li> <li>● Periodic review of computer network security control measures.</li> </ul>	<ul style="list-style-type: none"> <li>● Computer equipment shall be under the supervision of dedicated personnel and controlled with accounts and passwords.</li> <li>● Different levels of access shall be given by positions.</li> <li>● Access of resigned personnel shall be canceled.</li> <li>● Confidential and sensitive data shall be removed or overwritten before disposal.</li> <li>● Remote login requires proper authorization.</li> </ul>	<ul style="list-style-type: none"> <li>● Regular review of emergency plan.</li> <li>● Establishing system backup mechanism.</li> <li>● Annual recovery drill.</li> </ul>	<ul style="list-style-type: none"> <li>● Promoting concept of information security and enhancing employees' awareness of information security.</li> <li>● Having employees educated and trained about information security.</li> <li>● Requiring regular change of password for important systems.</li> <li>● Regular collection of intelligence regarding to information security.</li> <li>● Reporting on information security plan and execution progress in a Board of Directors' meeting at least twice a year.</li> </ul>

### 4. Investments in resources for cyber security management

In accordance with the "Information Security Control Guidelines for TWSE/TPEX Listed Companies," the Company has appointed a dedicated manager and dedicated personnel for information security.

The Company's initiative of information security measures in 2025 and execution result

Information security measures	Execution result
Promotion and training	<p>Information security training and advocacy topics are as follows:</p> <ul style="list-style-type: none"> <li>● Information security education and training: An annual information security training session and test were conducted for all employees, and 92% of employees passed the test.</li> <li>● Promotional emails: <ul style="list-style-type: none"> <li>(1) Trend Micro's "2025 Cybersecurity Annual Prediction Report" – Changes in Hacker Attack Techniques and Behaviors!</li> <li>(2) Hackers' Adaptations to Google Calendar Phishing Tactics.</li> <li>(3) Hackers Impersonated the Ministry of Finance and Launched Social Engineering Email Attacks Under the Guise of a Tax Investigation.</li> <li>(4) Preventing social engineering. Hackers Attack Using Website Impersonation Techniques.</li> <li>(5) Will My Account Be Hacked if I Accidentally Reply to a Spam Email? How to Respond?</li> <li>(6) SMS Phishing</li> </ul> </li> </ul>

Information security measures	Execution result
	<p>(7) New Trends in Social Engineering Attacks for 2025! Vishing and Deepfake AI Impersonation Attacks Are on the Rise.</p> <p>(8) How Did a Forgotten Software Update Server Become a Spy Tool? - Examining Cybersecurity Risks in Taiwan Through the “Sogou” Case.</p> <p>(9) A TPEX-Listed Company’s ICARES Medicus, Inc. Subsidiary Fell Victim to a Business Email Compromise (Bec) Scam, Resulting in an Estimated Loss of US\$1.4 Million.</p> <p>(10) Prevent Phishing Emails.</p> <p>(11) Increase Social Engineering Awareness! Impersonating a Supervisor Requesting Group Creation and Personal Information.</p> <ul style="list-style-type: none"> <li>● Social engineering drill.</li> <li>● Information security professional training: Designate the information security supervisor and information security personnel to conduct training.</li> <li>● Participated in meetings of the TWCERT/CC and the CISO to obtain the latest cybersecurity intelligence.</li> </ul>
Equipment and process system updates	<ul style="list-style-type: none"> <li>● Information equipment firmware update.</li> <li>● Process system updates</li> </ul>
Others	<ul style="list-style-type: none"> <li>● Official website and DC system disaster recovery drill.</li> <li>● Host Vulnerability Scanning.</li> </ul>

(II) List any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken

For the reporting and handling of information security incidents, the Company has defined the procedures for reporting and handling. Information security incidents are recorded by the IT unit, and, for significant information security incidents, reported to the President and handled immediately. After the IT unit eliminates and solves an information security incident within target process time, it shall conduct analysis on such an incident and take corrective measure to prevent recurrence.

The Company did not suffer any losses or fines due to significant cyber security incidents that have impact on the Company’s business in the most recent fiscal year and up to the annual report publication date.

## VII. Important contracts

Nature of contract	Party concerned	Start/end date of contract	Main Content	Restrictive clauses
Sales agency contract	Nidec Corp. (Japan)	(Note 1)	Sales agent of Nidec brushless motor related products	No special restriction
Letter of agency	MINEBEA (HONG KONG) LIMITED	2024.05.02~2029.03.31	Sensors and connectors	Taiwan and China regions
Letter of agency	Wuxi Sencoch Technology Co., Ltd.	2025.01.01~2027.01.01	Sensors	Taiwan and China regions
Authorized Distributor Agreement	Lontium Semiconductor Corporation	2025.02.01~2026.01.31	HDMI signal conversion related products	Taiwan and China regions
Distributor contract	MeiG Smart Technology Co., Ltd.	2025.05.01~2026.12.31	Wireless communication module	Taiwan and China regions
Distribution agreement	Shenzhen Sensing World Technology Co., Ltd.	2025.07.20~2026.07.19 (Automatically renews upon expiration)	Camera	Taiwan and Japan
Distributor contract	Integrated Solutions Technology, Inc.	2025.08.01~2025.12.31	Drive IC	Taiwan and China regions
Agency agreement	ONE-D TECH. LIMITED	2025.08.01~2026.07.31	Technology development and sales of electronic products	Taiwan and China regions
Distribution agreement	Shenzhen Gentone Materials Technology Co., Ltd.	2025.12.05~2027.12.04 (Automatically renews for an additional two years upon expiration)	Thermal management material	No special restriction

Note 1: An agency certificate has been obtained, but the certificate has no expiry date.

## Chapter 5. Review and Analysis of the Financial Position, Financial Performance, and Risk Management

### I. Financial position

Unit: NT\$ thousand

Year	2025	2024	Variation	
			Amount	%
Current assets	6,557,073	7,015,782	(458,709)	(6.54)
Property, plant and equipment	1,241,612	1,282,035	(40,423)	(3.15)
Intangible assets	3,281	5,418	(2,137)	(39.44)
Other assets	1,566,392	1,337,391	229,001	17.12
Total assets	9,368,358	9,640,626	(272,268)	(2.82)
Current liabilities	2,340,221	2,636,382	(296,161)	(11.23)
Non-current liabilities	923,269	961,325	(38,056)	(3.96)
Total liabilities	3,263,490	3,597,707	(334,217)	(9.29)
Capital stock	1,055,956	1,055,956	—	—
Capital surplus	181,895	181,895	—	—
Retained earnings	4,318,561	4,191,688	126,873	3.03
Other components of equity	162,240	219,677	(57,437)	(26.15)
Non-controlling interests	386,216	393,703	(7,487)	(1.90)
Total equity	6,104,868	6,042,919	61,949	1.03
<p>Analysis of changes in ratios (for variation over 20%):</p> <ol style="list-style-type: none"> <li>1. The decrease in intangible assets compared with the previous period mainly due to the decrease in the acquisition of intangible asset in the current period.</li> <li>2. The decrease in other components of equity compared with the previous period mainly due to the exchange losses from the financial statements conversion of foreign operating institutions.</li> </ol>				

## II. Financial performance

Unit: NT\$ thousand

Item	2025	2024	Increase (Decrease)	Variation %
Operating revenue	4,913,349	5,182,183	(268,834)	(5.19)
Less: Sales returns, discounts and allowances	(5,262)	(13,410)	(8,148)	(60.76)
Total operating revenue	4,908,087	5,168,773	(260,686)	(5.04)
Operating costs	3,513,057	3,697,810	(184,753)	(5.00)
Gross profit	1,395,030	1,470,963	(75,933)	(5.16)
Operating expenses	750,244	705,787	44,457	6.30
Net operating income	644,786	765,176	(120,390)	(15.73)
Non-operating income and expenses	175,494	206,733	(31,239)	(15.11)
Income before income tax	820,280	971,909	(151,629)	(15.60)
Income tax expense	261,617	396,361	(134,744)	(34.00)
Net income	558,663	575,548	(16,885)	(2.93)
Analysis of changes in ratios (for variation over 20%):				
1. The decrease in sales returns, discounts and allowances from the previous period was mainly due to the decrease in sales returns.				
2. The decrease in income tax expense compared with the previous period mainly due to the decrease in income tax for the repatriation of surplus in the current period.				

## III. Cash flows

### (I) Liquidity analysis for the most recent two years

Item	Year		Increase (Decrease) ratio
	2025	2024	
Cash flow ratio	18.40%	23.34%	(21.17%)
Cash flow adequacy ratio	107.33%	138.20%	(22.34%)
Cash reinvestment ratio	0.08%	1.91%	(95.81%)
Analysis of changes in ratios (for variation over 20%):			
The decrease in cash flow ratio, cash flow adequacy ratio, cash reinvestment ratio from the previous period was mainly due to the decrease in net cash flow from operating activities.			

(II) Cash liquidity analysis for the coming year

Unit: NT\$ thousand

Beginning Cash Balance ①	Estimated annual net cash flow from operating activities ②	Estimated annual cash outflow ③	Estimated cash surplus (deficit) ① + ② - ③	Remedial measures for estimated cash deficit	
				Investment plan	Financial plan
1,085,033	500,000	443,502	1,141,531	—	—
Analysis of changes in cash flow of the Company and its subsidiaries in the coming year: 1. Operating activities: estimated net cash inflow of NT\$500,000 thousand from operating activities. 2. Financing activities: estimated a cash outflow of approximately NT\$443,502 thousand for the distribution of cash dividend.					

IV. Effect of major capital spending on financial position and business operations in the most recent year

Unit: NT\$ thousand

Project	Actual or estimated source of fund	Total fund needed	Actual or estimated use of fund	
			2025	2026
Operating Equipment	Own capital	343,682	138,987	204,695

The capital expenditures listed above are able to increase market demand, improve production efficiency and quality, and increase the group's revenue.

V. Reinvestment policy in the most recent year, profit/loss analysis, improvement plan, and investment plan for the coming year

(I) Information on reinvestments for the past year: The Group's reinvestments accounted for using equity method are made with long-term strategy; for the year 2025, the profit of reinvestments accounted for using equity method was NTD622,145 thousand, which decreased in comparison to the previous year mainly due to decrease in operating profits of investees overseas.

(II) Investment plan for the coming year: As of the publication date of the annual report, the Group does not have any substantial investment plan; however, it will continue to evaluate the development trend of emerging industries to widen its investment portfolio. We will consider reinvesting in projects that complement or create synergies for the Group to lift overall performance.

VI. Analysis and assessment of risk items in the most recent year and up to the printing date of the annual report

(I) Impact of interest rate and exchange rate changes and inflation on Company's profit and response measures

1. Impact of interest rate changes in the most recent year on the Company's profit and response measures: The interest expense of the Company and its subsidiaries was NT\$50,114 thousand in 2025 which only accounted for 1.02% of operating revenue

in 2025, so the changes of interest rate does not have significant impact on the Company and its subsidiaries. Furthermore, the Company and its subsidiaries will adjust application of fund depending on the changes of interest rates and keep good relationship with banks in order to get good interest rate and then reduce interest expense.

2. The impact of exchange rate changes in the latest year on the Company's profit and loss and future response measures: In 2025, the Company and its subsidiaries recognized foreign exchange loss of NT\$4,654 thousand, accounting for 0.09% of operating income. Thus, changes in foreign exchange rates do not have a material impact on the Company. While facing the exchange risk, in addition to enhanced control of collection cycle for accounts receivable denominated in foreign currencies, the Company monitors the trend of exchange rates, properly adjusts its position in foreign currencies according to its future funding need and matches the sales and purchase denominated in the same currency to achieve natural hedging.
  3. Impact of inflation in the most recent year on the Company's profit and response measures: the Company pays close attention to fluctuations in market prices and maintains good interaction with suppliers and customers to avoid significant impact of inflation.
- (II) Policies of engaging in high-risk, high-leverage investments, lending to others, providing endorsement and guarantee, and derivatives transactions, profit/loss analysis, and future countermeasures.
1. The Company and its subsidiaries invest with the principle of stability and do not engage in high-risk high-leverage investments.
  2. The Company's and its subsidiaries' loans to other have been handled in accordance with the policy and measures provided in the "Regulations Governing Loaning of Funds."
  3. The Company and its subsidiaries do not provide endorsement and guarantee.
  4. The Company and its subsidiaries do not engage in derivatives transactions.

(III) Future R&D plans and expected R&D expenditure

The Company is mainly engaged in the sales and distribution of electronics and does not have any R&D activities, so it is not applicable; the future R&D plans and expected R&D expenditure of its subsidiaries engaged in manufacturing and product testing and certification are as follows:

1. Manufacturing business
  - (1) R&D expenses for molds and injection molding products are material, labor and manufacturing expenses during each stage of design and manufacturing of molds, sampling, and customer acceptance tailoring to customer demands.
  - (2) R&D expenses for electronic parts and components used in relays, coils, transformers, network switch interface modules are mainly material, labor and manufacturing expenses used in technology improvement for process improvement, quality enhancement, speed elevation and simplification of human resource allocation, and increase of self-made ratio of components.
2. Product testing and certification
  - (1) 4G high-quality VoLTE voice call measurement  
Voice communication is transmitted via network packets replacing traditional circuits, first realized with fourth-generation mobile communication technology, thereby increasing mobile phone EMC testing capability.

(2) Development of the FCC Automated Frequency Coordination (AFC) measuring system

The market share of Wi-Fi 6/6E/7 products is growing, and AFC has been added as a new testing requirement by the FCC.

(3) TAF cybersecurity EN303645 qualification application

The cybersecurity testing demand in the consumer IoT market is growing rapidly, leading to an expansion of cybersecurity TAF testing capability items.

(4) US military EMI testing MIL-STD-461G RE/CE

In response to changes in the global strategic environment, the EMI measurement capability for military-grade products has been increased.

3. The estimated R&D expense in the manufacturing business and product testing and certification for the year 2026 amounts to NT\$ 83,647 thousand.

(IV) Major changes in government policies and laws at home and broad and the impact on the Company's financial position and business activities

The group's law, finance, accounting and stock affair specialists are responsible for collecting important information regarding domestic and foreign markets and regulatory changes. In addition, in order to appropriately react to domestic and foreign changes and legal reforms, they consult with professionals whenever it is necessary.

(V) Impacts of technological changes (including information security risks) and industry changes on the Company's financials and response measures

Followed the generalization of new technologies, information security threats become multi-dimensional and complex attacks. Once an information security incident or data leak occurs, the Company may encounter the risk of fines and financial losses. In order to ensure security of information and communication systems and prevent potential risk, the Company has implemented various safety protection measures including:

1. Enacting proper risk management, including the safety requirements into the construction plan and selecting and supervising suppliers in a proper manner to implement the cyber security protection management.
2. Deploying defensive and detective measures for surveillance on information security, and through the intelligence collection and alarm, mastering any cyber security incidents.
3. With respect to information security risk control, the Information Security Management Committee's convener is responsible for follow-up and management, and if there is any significant risk issue, convener should immediately report to the President, propose countermeasures and act in a timely manner.
4. To prevent any material financial loss of the Company incurred by information security incidents, it also considers purchasing the "data protection insurance" to enhance its back-layer protection and prevent losses.

In addition, the Company and its subsidiaries engaged in the distribution and marketing of electronic parts and components, manufacturing and product testing and certification businesses, and strive to diversify its product portfolio and customer base, strengthen marketing channels and grasp market trend by keeping close partnership with clients and suppliers. As for industry characteristics, it focuses on the management of accounts receivable to sustain the stable business performance and diversify risk. New market demands derived from industrial changes may lead the Company and its subsidiaries to get the opportunities of new products and new businesses, and thus does not have any negative impact on the Company's and its subsidiaries' finance and business.

(VI) Impact of corporate image change on risk management and response measures

The Company upholds the sustainable principles of professionalism and integrity, and pays attention to corporate image and risk management. Currently, there is no foreseeable material crisis.

(VII) Expected benefits, potential risks and response measures of merger and acquisition: None.

(VIII) Expected benefits, potential risks and response measures of plant expansions: None.

(IX) Risks associated with over-concentration in purchase or sale and response measures

1. The Group's major supplier is ALPS, from whom the purchase accounted for 6.94% of the total purchase in 2025, as the Company and its subsidiaries are major agents of ALPS. Currently, the Company and its subsidiaries are trying to improve such over-concentration in purchase through product portfolio diversification and development of new product agencies.

2. The Group's major customer is Mitsumi Group, to whom the sales accounted for 12.18% of the total sales in 2025. Mitsumi is an excellent listed company that pays on time. The Group is trying to improve the over-concentration in sales currently.

(X) Impact of mass transfer of equity by or change of directors, supervisors, or shareholders holding more than 10% interest on the Company, associated risks and response measures.

The Company's directors and major shareholders are very optimistic about the Company's prospects because of its management team keeps profitability stably and strongly, so there has not been major quantity of shares transferred or changed hands by the directors and major shareholders in recent years. However, they may make appropriate shareholding planning based on personal investment and tax considerations. If directors or major shareholders have a large number of shares transferred or changed hands, they will fully communicate with the management team before they execute such transactions at the appropriate time. Thus, it shall not have adverse effects and risks on the Company's operation and shareholders' equity.

(XI) The effects that changes in management has on the Company as well as risk and responding measures.

The Company has a strong team of professional executive officers, and changes in management right will not affect the operations of the Group.

(XII) For litigious or non-litigious matters, state the major litigation, non-litigation or administrative litigation proceedings that has been determined or is still in litigation of the Company and the Company's directors, presidents, de facto responsible person, major shareholders with more than 10% shares, and subordinate companies. If the result may have material impacts on shareholders' equity or stock price, disclose the facts of the dispute, the amount of the subject matter, the commencement date of the lawsuit, the parties involved in the proceedings, and the handling as of the printing date of the annual report: None.

(XIII) Other major risks and response measures: None.

VII. Other important matters: None.

## Chapter 6. Special Items

I. Profiles of affiliates enterprises: Please refer to the MOPS.

Market Observation Post System (MOPS) > Individual Company > Electronic Document Download > Section for the Three Statements of Affiliated Enterprises

Website: [https://mopsov.twse.com.tw/mops/web/t57sb01\\_q10](https://mopsov.twse.com.tw/mops/web/t57sb01_q10)

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

III. Other matters that require additional description: None.

IV. Any events in the most recent year and up to the printing date of the annual report that had significant impacts on shareholders' right or security prices as stated in subparagraph 2, paragraph 3 of Article 36 of the Securities and Exchange Act of Taiwan: None.

Audix Corporation

Chairman: Chung, Yuan-Kai