



Action Electronics Co., LTD.

Handbook for the 2025 Annual Meeting of Shareholders

English Translation

Time of Meeting: 9:00 am on June 20 (Friday) ,2025

**Location of Meeting: No. 2, Sec. 1, Ren'ai Rd., Luzhu Dist., Taoyuan City
(Physical Shareholders Meeting)**

(Where any discrepancy arises between the English translation and Chinese version, the Chinese version prevail)

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Action Electronics Co., LTD.
Procedure for the 2025 Annual Meeting of Shareholders

- 1. Report of Number of Shares Represented by Attendees**
- 2. Meeting Commencement Announcement**
- 3. Chairperson's Address Report Items**
- 4. Report Items**
- 5. Ratification Items**
- 6. Discussion items**
- 7. Questions and Motions**
- 8. Adjournment**

Action Electronics Co., LTD.

Agenda of 2025 Annual Meeting of Shareholders

Time of Meeting: 9:00 am on June 20 (Friday) ,2025

**Location of Meeting:No. 2, Sec. 1, Ren'ai Rd., Luzhu Dist., Taoyuan City
(Physical Shareholders Meeting)**

I 、 Report items:

- (1) 2024 Business reports.
- (2) Audit Committee's report for 2024 audited financial reports.
- (3) 2024 distributable compensation for employees and directors.
- (4) Total endorsements/guarantees provided by the Company.

2、 Ratification items

- (1) 2024 Company's business reports and financial statements.
- (2) 2024 Earning Distribution of Proposal.

3、 Discussion items

- (1)To amend the Articles of Incorporation.
- (2)Discussion to approve the lifting of non-competition restrictions for Directors.

4、 Questions and Motions

5、 Adjournment

I 、 Report Items:

(1) Reports for Business status in 2024

2024 Business Report

Dear shareholders:

We extend our sincere appreciation to all the shareholders who attended our 2025 Annual Shareholders' Meeting and for your unwavering support and encouragement throughout the years.

In 2024, the global economic environment continue to face multiple challenges, including disadvantages of US-China competition escalation, geopolitical tension and the continuous impacts on wars, persistence of high inflation pressure, continuation of high interest rate policy, as well as weak global demand, which significantly limited to economical activities and further aggravated the business pressure encountered by each industry.

To face these challenges, the Company strictly adheres to the “specialized, simplified, and profitable” business strategy, and successfully realizes the increase of overall performance by all colleague’s hard work. As our subsidiaries in Taiwan has completed and closed the construction project and recognized revenue, the income of the Company increases by 63% in 2024 compared with 2023, which reaches the highest records for nearly 7 years.

The company adheres to the “specialized, simplified, and profitable” business strategy, devotes to expanding core business, improves operational efficiency, as well as focuses on high value-added market and product to ensure steady profits. Facing the Challenge of global economy, the Company will steadily react to the uncertainty, catch the opportunities, and continue to create value for shareholders, customers and employees The management results of 2024 and prospects for 2025 are reported as follows:

(I) 2024 Financial Results

1. The implementation results of business plan (consolidated financial report):

The operating income for the Company was NT\$2,495,322 thousand in 2024, which represents a 63% increase compared to NT\$1,526,678 thousand in 2023. For the year ended December 31, 2024, the income from operations was NT\$183,726 thousand and the net income after tax was NT\$183,726 thousand., which represents a 69% increase compared to NT\$108,993 thousand in 2023.

Unit: In NT\$ thousand

Item	2024	2023
Operating revenues	2,495,322	1,526,678
Operating Interests	242,480	106,197
Income (loss) before tax	258,353	150,184
Income (loss) after tax	183,726	108,993

2. Financial Receipts and Expenditures Analysis (consolidated financial report):

The Company's net cash inflow from operative activity is NT\$873,528 thousand, net cash outflow from investment activity is NT\$106,893 thousand, net cash outflow from funding activities is NT\$615,921 thousand in 2024; while its cash and cash equivalent has increased NT\$197,580 thousand, the balance of period-end cash and cash equivalent is NT\$950,186 thousand.

3. Return on Investment Analysis (consolidated financial report):

Item		2024	2023	
Return on Investment Analysis (%)	Return on Total Assets	4.02%	2.41%	
	Return on Total Equity	6.28%	3.86%	
	Percentage of Paid-in Capital	Operating Interests	8.75%	3.83%
		Income Before Tax	9.32%	5.42%
	Net Profit Margin	7.36%	7.14%	
	Earnings per Share After Tax	NT\$0.66	NT\$0.39	

4. Outline in research and development (consolidated financial report):

In 2024, the Company invests research and development expenditure of NT\$30,942 thousand, continuing to focus on promoting research and development of intellectual and innovative product, which shows high consideration and commitment to enterprise sustainability.

(II) 2025 Business Plan

1. Business strategies and strategic guidelines:

The Company adheres to the four guidelines, "collaboration", "innovation", "carbon reduction" and "sustainability", completely promotes business strategy.

- (1) Collaboration: In response to change of the times, the Company combines product development with market demands, enhances the collaboration with teams and partners, improves the efficiency, expands sales channel to achieve sales growth and

realize brand influence.

- (2) Innovation: The Company continues to optimize operation to improve efficiency, focus on innovative product technology, moves forward to intellectual process, and combines market demand to launch high-competitive product, and therefore improves product sales performance and market share.
 - (3) Carbon reduction: The Company optimizes internal process through digitalization to decrease the environment impacts, actively develop renewable resource, launch environmentally product, and enhance market competitiveness as well as sales performance to realize green business goal.
 - (4) Sustainability: The Company concerns the environment and society, develops talents, promotes enterprise ESG sustainability, and combine it with the Company's long-term development strategy to achieve sustainable growth and value creation.
2. Expected sales quantity and significant industrial selling policy

The main businesses of the Company and its subsidiaries include sales, installation, and servicing of electrical home appliances; the manufacturing and trading of automotive electronic products; warehousing and logistics services; as well as real estate sales and leasing.

- (1) Brand Management and Service Business Operation System: Kolin brand appliances has been deeply rooted in Taiwan market for over 60 years, it has independent after-sales service system, and becomes one of the famous appliance brand in Taiwan by means of the business mode integrated with sales and service. The company continues to apply intellectual technology, which not only improves the convenience of use and energy efficiencies, but also makes the customers' service experience more constant and quality. Through the quality product design, accurate logistics accessories and complete after-sales system, the Company makes consumers have a sense of thoughtful, and therefore enhance brand value and customer loyalty.
- (2) Automotive electronics manufacturing business system: modern consumers have increasing demand of wireless connection, personal entertainment and immerse experience, and make rear seat AV equipment moves toward with higher resolution, more intellectual and interconnective. As advances in smart cockpit and ADAS technology, in-car equipment need to strike a balance between entertainment and driver safety to secure driving safety. The Company actively cooperates with customer and technology enterprise to acceleratingly promote ADAS technology, expand market arrangement, and enhance the market share.
- (3) Asset Activation Business System: the Company successfully activates the asset and actively improves asset value as well as secures stable profits though our diversification

business strategy. The Company provides international- standard warehouse facilities and high-quality environments in Shanghai, continuing to create stable profitability for the group with a high rental rate. Former headquarter of Action Electronics Corporation has built two brand-new site office and factory building, devoting to increase the visibility of intellectual green architecture, and become the landmark architecture in this area. This architecture will shows the Company's concept of innovation and sustainability, in order to help the Company increase its brand image, competitive edge in market, and create more opportunity on business expansions in the future.

(III) Looking ahead to the Company's future and Facing the influence of external competition, regulatory environment, and overall business environment

1. Appliance market in Taiwan is super competitive. Local brand competition not only has been intensified, but also responded to positive arrangement from Japan, Korea, Europe and America as well as Chinese brand. In addition, compliance environment has been increasingly strict. The product has to comply with energy efficiency standard that Bureau of Energy, Ministry of Economic Affairs continuously improved, to fulfill the high concern of environmental and energy efficiency from domestic consumer. Under this market environment, the Company continues to promote innovations and changes, in order to enhance our competitive edge. In addition, the Company positively developed intellectual product to comply with the trend of energy conservation and carbon reduction and ensure the competitive advantage in the future.
2. With the help of innovation and expansion of automotive industrial technology, the automotive infotainment market scale increases year by year. Popularization of connected vehicle has further driven the market demand, and enhance the sales quantity of automotive monitor, especially rear seat entertain ant monitor has become standard equipment for most cars. However, global automotive electronics market competition has increasingly intense, each vendors positively expand their ADAS and Smart Cockpits technology and promote innovation and integration with infotainment system. Meanwhile, as every countries are increasingly strict to information security of in-vehicle infotainment system and data privacy regulation, product development has to take safety and compliance into consideration. In addition, trade tensions between China and the US continues to influence global supply chain strategy, forces automotive electronics industry to transfer to southeast Asia in an accelerating manner. The Company's production site in Malaysia will be helpful to decrease tariff risk and strengthen the competitive edge in ASEAN market. To adapt market changes, the Company will enhance the competitive edge on our products

through technological innovation, modular design and optimized user experience to seize the opportunity of sales growth in the future.

3. Looking ahead, we will continue to focus on the integration of resources from the Group's three major systems to strengthen the quality of our operations and enhance our brand competitiveness. As new technology constantly rolls out, and consuming demand continuously changes, the Company continues to develop professional talents and intensify technological and process innovation, in order to respond to the market challenge and horizontal competition. In addition, in response to the uncertainty of global economic fluctuation and the change of business cycle, the Company will implement stable business strategies, to ensure the income stably increases.

Best Regards,

Good Health and Well-Being

Action Electronics Co., Ltd.

President: Peng Ting-Yu

Manager: Peng Hsiu-Yun

Chief Accountant : May Huang

(2) 2024 Audit Report of Audit committee

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2024 Business Report Financial Statement, and proposal for allocation of earnings. The Financial Statements has been duly reviewed and approved PricewaterhouseCoopers, Taiwan. Wu Ren-Jie and Lin Ya-hui with the issuance of auditor's Report. The Business Report, Financial Statements, and earnings allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee. Per the regulation in Article 14-4 of Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

To:

2025 General Shareholders' Meeting of Action Electronics CO., LTD

Convenor of Audit Committee: Tang Peng Chin

Date: March 14, 2025

(3) Report of Distribution on Employee Bonus and Remuneration to Directors in 2024

Explanation:

1. According to Article 29 of the Company's Articles of Incorporation, where the Company has profit at the end of any fiscal year, it shall allocate no less than 1% of the profit as bonus to employees and no more than 3% of the profit as the remuneration to directors.

(1) Employees bonus is NT\$4,041,063.

(2) Remuneration to directors is NT\$4,041,063.

2. Employee Bonus and Remuneration to directors will be distributed by cash.

(4) Report on the endorsements/Guarantees

In NT\$ thousand

Endorsements / Guarantees	Party being endorsed/guaranteed		Limit on endorsement amount provided to each guaranteed party	Maximum balance for the period	Percentage of accumulated guarantee amount to net assets value per latest financial statements
	Company name	Relationship with the endorser/ Guarantor			
Action Electronics CO.,LTD	Far Year Construction CO., LTD	Subsidiary	2,200,000	1,200,000	39.49
Action ASIA Limited.	Action Industries (M) SDN. BHD.	Subsidiary Reinvestment company	87,546	87,546	2.88
Action Asia (SZ) Co., Ltd	Dede Technology (SHENZHEN) CO., LTD.	Associate	323,064	-	0.00

II、Ratification items:

Proposal 1 : 2024 Business Report and Financial Statements
(Proposed by Board of Directors)

Explanation:

(1) Action Company's Financial Statements, including the balance sheet, income statement, statement of changes in shareholders' equity, and statement of cash flows, were audited by independent auditors, Wu Ren-Jie and Lin Ya-hui of PricewaterhouseCoopers Taiwan Also Business Report and Final Statements have been approved by the Board and examined by the supervisors of Action Company.

(2) The 2024 Business Report pp. [3-7]., independent auditors' audit report, and the above-mentioned Financial Statements are attached in the Meeting Agenda, pp. [13-28].

Resolution:

Proposal 2 : 2024 Earning Distribution Proposal (Proposed by Board of Directors)

Explanation:

(1)The Board has adopted a Proposal for Distribution of 2024 Profits in accordance with the Company Act and Articles of Incorporation. Please refer to the 2024 Profit Distribution Table below.

Action Electronics CO., LTD

Profit Distribution Table

Year 2024

(Unit: In NT \$)

Items	Amount
Beginning retained earnings	\$ 3,845,440
Add: Recognition of remeasurements of the defined benefit plan in retained earnings	1,488,174
Net profit after tax	183,726,078
Earnings available for distribution	185,214,252
Less: 10% legal reserve	-18,521,425
Add: Reverse Special reserves	9,990,145
Distributable net profit	180,528,412
Distributable items:	
Dividend to shareholders	-110,862,998
Unappropriated retained earnings	\$ 69,665,414

(2)The Company proposed to distribute Cash dividends of NT\$0.4 Per share for 2024 which amounted to NT\$ 110,862,998 in total.

(3)1.After approval of the Annual Shareholders' Meeting, it is proposed that Chairman will be authorized to resolve the ex-dividend date and handle distribution affairs for cash dividend
2,Cash dividends paid to each individual shareholder will be rounded down to the nearest dollar. Fractional shares with a value less than one dollar are recognized as the Company's other income.

3. If the company repurchase stocks of the Company or convert or retire treasury stocks that give impacts on the outstanding shares number to make distribution rate /per stock change, the Company authorizes the chairman to adjust the distribution yield of shareholders according to the resolution for distribution amount and of actual outstanding share number in shareholders' meeting.

Resolution:

III 、 Discussion items:

Proposal 1 (Proposed by Boards of Directors)

Summary: To amend the Articles of Incorporation.

Explanation:

1. In accordance with laws and regulations, the company proposes to amend part of “Articles of Incorporation”.
2. A comparison table of the amended articles are available for examination.

Article No.	Amended Article	Current Article	Amendment Explanation
29	<p>If the Company makes a profit in the year (profit is defined as profit before taxation before the distribution of employee compensation and director's compensation), not less than 1% of employee compensation and not more than 3% of director's compensation shall be appropriated; independent directors shall not participate in the distribution.</p> <p><u>Not less than 1% of the employee compensation amount shall be appropriated as distribution of entry level employee compensation.</u> However, if the Company still has accumulated losses, the amount of compensation should be reserved in advance, and then the employees and directors' compensation shall be appropriated in accordance with the aforementioned percentages.</p> <p>(Paragraph 2 ~ Paragraph 4: omitted)</p>	<p>If the Company makes a profit in the year (profit is defined as profit before taxation before the distribution of employee compensation and director's compensation), not less than 1% of employee compensation and not more than 3% of director's compensation shall be appropriated; independent directors shall not participate in the distribution. However, if the Company still has accumulated losses, the amount of compensation should be reserved in advance, and then the employees and directors' compensation shall be appropriated in accordance with the aforementioned percentages.</p> <p>(Paragraph 2 ~ Paragraph 4: omitted)</p>	<p>The amendment is made in accordance with Article 14-6 of the Securities and Exchange Act.</p>
33	<p>Article 33: (Omitted)</p> <p>The fortieth amendment was made on June 26th, 2023.</p> <p><u>The forty-first amendment was made on June 20th, 2025.</u></p>	<p>Article 33: (Omitted)</p> <p>The fortieth amendment was made on June 26th, 2023.</p>	<p>Revision date added.</p>

Proposal 2 (Proposed by Boards of Directors)

Summary: Discussion to approve the lifting of non-competition restrictions for Directors.

Explanation:

1. Pursuant to Article 209 of the Company Act, any act of the Director falling within the scope of registered business of the Company for self or a third party shall explain to the Shareholders' Meeting the essential content of the acts and request for permission.
2. It is proposed to dismiss the company's directors, and the non-compete regulations shall limit, the situation of the directors holding positions in other companies are as follows:

Title	Name	Serving as Directors and Managers of Other Businesses
Director	Wen Yu Mei	Chairman, Jiang' Xi Ji'an Hua Yi Junior High School
Independent Director	Cheung Chi Yuen	Inspector of Conference Affairs, The Allied Association for Science Park Industries
		Vice Director, Feng Chia Technology Association

Resolution:

IV 、 Questions and Motions

V 、 Adjournment

Attachment (1)

ACTION ELECTRONICS CO., LTD. AND SUBSIDIARIES CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT DECEMBER 31, 2024 AND 2022

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

ACTION ELECTRONICS CO., LTD.

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2024, pursuant to “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises,” the entities that are required to be included in the consolidated financial statements of affiliates are the same as those required to be included in the consolidated financial statements of parent and subsidiary companies under International Financial Reporting Standard No. 10. Also, if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare separate consolidated financial statements of affiliates.

Hereby declare,

ACTION ELECTRONICS CO., LTD.

Representative: Peng Ting-Yu

March 14 , 2025

ACTION ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2024		December 31, 2023		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 950,186	21	\$ 752,606	15
1110	Current financial assets at fair value through profit or loss	6(2)	50,355	1	47,577	1
1120	Current financial assets at fair value through other comprehensive income	6(3)	71,579	2	76,042	1
1136	Current financial assets at amortised cost	6(1)	62,075	1	102,286	2
1170	Accounts receivable, net	6(4) and 7	149,013	3	180,063	4
1200	Other receivables		1,596	-	1,791	-
1210	Other receivables due from related parties	7	21,546	-	15,525	-
130X	Inventory	6(5) and 8	1,082,462	23	1,460,195	28
1410	Prepayments		80,771	2	99,898	2
1476	Other current financial assets	6(1)	1,971	-	148,223	3
1479	Other current assets, others		34,496	1	38,041	1
11XX	Current Assets		<u>2,506,050</u>	<u>54</u>	<u>2,922,247</u>	<u>57</u>
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	28,000	1	-	-
1550	Investments accounted for using equity method	6(6) and 8	578,362	12	570,345	11
1600	Property, plant and equipment	6(7) and 8	174,604	4	111,538	2
1755	Right-of-use assets	6(8)	44,629	1	49,240	1
1760	Investment property, net	6(10) and 8	1,017,275	22	1,178,146	23
1780	Intangible assets	6(11)	204,534	4	210,097	4
1840	Deferred income tax assets	6(27)	76,127	2	98,686	2
1900	Other non-current assets	8	14,252	-	14,810	-
15XX	Non-current assets		<u>2,137,783</u>	<u>46</u>	<u>2,232,862</u>	<u>43</u>
1XXX	Total assets		<u>\$ 4,643,833</u>	<u>100</u>	<u>\$ 5,155,109</u>	<u>100</u>

(Continued)

ACTION ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(12)	\$ 340,000	7	\$ 190,000	4
2130	Current contract liabilities	6(21)	357,681	8	547,228	11
2170	Accounts payable		153,175	3	208,813	4
2200	Other payables	6(14) and 7	175,546	4	179,920	3
2230	Current income tax liabilities		30,286	1	11,512	-
2250	Current provisions	6(15)	36,968	1	34,809	1
2280	Current lease liabilities		17,470	-	19,764	-
2320	Long-term liabilities, current portion	6(13)	122,868	3	819,635	16
2399	Other current liabilities, others	7	79,582	2	17,655	-
21XX	Current Liabilities		<u>1,313,576</u>	<u>29</u>	<u>2,029,336</u>	<u>39</u>
	Non-current liabilities					
2540	Non-current portion of non-current borrowings	6(13)	200,000	4	212,315	4
2550	Non-current provisions	6(15)	8,242	-	4,800	-
2570	Deferred tax liabilities	6(27)	32,118	1	38,763	1
2580	Non-current lease liabilities		26,833	1	28,757	-
2600	Other non-current liabilities	6(16)	24,616	-	29,442	1
25XX	Non-current liabilities		<u>291,809</u>	<u>6</u>	<u>314,077</u>	<u>6</u>
2XXX	Total Liabilities		<u>1,605,385</u>	<u>35</u>	<u>2,343,413</u>	<u>45</u>
	Equity					
	Equity attributable to owners of parent					
	Share capital	6(17)				
3110	Share capital - common stock		2,771,575	60	2,771,575	54
	Capital surplus	6(18)				
3200	Capital surplus		1,602	-	1,602	-
	Retained earnings	6(19)				
3310	Legal reserve		66,221	1	55,352	1
3320	Special reserve		440,379	9	366,594	7
3350	Unappropriated earnings		189,060	4	116,215	3
	Other equity interest	6(20)				
3400	Other equity interest		(430,389)	(9)	(499,642)	(10)
31XX	Equity attributable to owners of the parent		<u>3,038,448</u>	<u>65</u>	<u>2,811,696</u>	<u>55</u>
3XXX	Total equity		<u>3,038,448</u>	<u>65</u>	<u>2,811,696</u>	<u>55</u>
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		<u>\$ 4,643,833</u>	<u>100</u>	<u>\$ 5,155,109</u>	<u>100</u>

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

ACTION ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

		Year ended December 31				
		2024		2023		
Items	Notes	AMOUNT	%	AMOUNT	%	
4000	Sales revenue	6(21) and 7	\$ 2,495,322	100	\$ 1,526,678	100
5000	Operating costs	6(5)(26)	(1,910,159)	(76)	(1,103,735)	(72)
5900	Net operating margin		585,163	24	422,943	28
	Operating expenses	6(26)				
6100	Selling expenses		(139,802)	(6)	(128,628)	(9)
6200	General & administrative expenses		(174,167)	(7)	(167,275)	(11)
6300	Research and development expenses		(30,942)	(1)	(29,980)	(2)
6450	Impairment gain and reversal of impairment loss					
			2,228	-	9,137	1
6000	Total operating expenses		(342,683)	(14)	(316,746)	(21)
6900	Operating profit		242,480	10	106,197	7
	Non-operating income and expenses					
7100	Interest income	6(22)	15,370	1	13,526	1
7010	Other income	6(23) and 7	8,208	-	51,912	3
7020	Other gains and losses	6(24)	(13,086)	(1)	(2,462)	-
7050	Finance costs	6(25)	(16,391)	(1)	(10,885)	(1)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method	6(6)	21,772	1	(8,104)	-
7000	Total non-operating revenue and expenses		15,873	-	43,987	3
7900	Profit before income tax		258,353	10	150,184	10
7950	Income tax expense	6(27)	(74,627)	(3)	(41,191)	(3)
8000	Profit for the year from continuing operations		183,726	7	108,993	7
8200	Profit for the year		\$ 183,726	7	\$ 108,993	7

ACTION ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

Other comprehensive income						
Components of other comprehensive income that will not be reclassified to profit or loss						
8311	Gains (losses) on remeasurements of defined benefit plans	6(16)	\$ 1,860	-	(\$ 375)	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)	(13,686)	-	(35,723)	(2)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(27)	(371)	-	75	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		(12,197)	-	(36,023)	(2)
Components of other comprehensive income that will be reclassified to profit or loss						
8361	Exchange differences on translation	6(20)	104,136	4	(38,174)	(3)
8367	Unrealised gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	6(3)	(370)	-	-	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(27)	(20,827)	(1)	7,634	1
8360	Components of other comprehensive income that will be reclassified to profit or loss		82,939	3	(30,540)	(2)
8300	Other comprehensive income		<u>\$ 70,742</u>	<u>3</u>	<u>(\$ 66,563)</u>	<u>(4)</u>
8500	Total comprehensive income		<u>\$ 254,468</u>	<u>10</u>	<u>\$ 42,430</u>	<u>3</u>
	Profit, attributable to:					
8610	Owners of parent		<u>\$ 183,726</u>	<u>7</u>	<u>\$ 108,993</u>	<u>7</u>
	Comprehensive income attributable to:					
8710	Owners of parent		<u>\$ 254,468</u>	<u>10</u>	<u>\$ 42,430</u>	<u>3</u>
	Earnings per share (in dollars)	6(28)				
9750	Basic earnings per share		<u>\$ 0.66</u>		<u>\$ 0.39</u>	
9850	Diluted earnings per share		<u>\$ 0.66</u>		<u>\$ 0.39</u>	

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

ACTION ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Retained Earnings				Other equity interest			Total equity
		Share capital - common stock	Capital surplus, additional paid- in capital	Legal reserve	Special reserve	Total unappropriated retained earnings (accumulated deficit)	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	
2023									
Balance at January 1		\$ 2,771,575	\$ 1,602	\$ 45,893	\$ 242,116	\$ 202,434	(\$ 481,201)	\$ 47,822	\$ 2,830,241
Profit for the year		-	-	-	-	108,993	-	-	108,993
Other comprehensive income	6(20)	-	-	-	-	(300)	(30,540)	(35,723)	(66,563)
Total comprehensive income		-	-	-	-	108,693	(30,540)	(35,723)	42,430
Appropriation and distribution of 2022 retained earnings	6(19)								
Legal reserve appropriaed		-	-	9,459	-	(9,459)	-	-	-
Special reserve appropriaed		-	-	-	124,478	(124,478)	-	-	-
Cash dividends of ordinary share		-	-	-	-	(60,975)	-	-	(60,975)
Balance at December 31		\$ 2,771,575	\$ 1,602	\$ 55,352	\$ 366,594	\$ 116,215	(\$ 511,741)	\$ 12,099	\$ 2,811,696
2024									
Balance at January 1		\$ 2,771,575	\$ 1,602	\$ 55,352	\$ 366,594	\$ 116,215	(\$ 511,741)	\$ 12,099	\$ 2,811,696
Profit for the year		-	-	-	-	183,726	-	-	183,726
Other comprehensive income	6(20)	-	-	-	-	1,489	83,309	(14,056)	70,742
Total comprehensive income		-	-	-	-	185,215	83,309	(14,056)	254,468
Appropriation and distribution of 2023 retained earnings	6(19)								
Legal reserve appropriaed		-	-	10,869	-	(10,869)	-	-	-
Special reserve appropriaed		-	-	-	73,785	(73,785)	-	-	-
Cash dividends of ordinary share		-	-	-	-	(27,716)	-	-	(27,716)
Balance at December 31		\$ 2,771,575	\$ 1,602	\$ 66,221	\$ 440,379	\$ 189,060	(\$ 428,432)	(\$ 1,957)	\$ 3,038,448

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

ACTION ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 258,353	\$ 150,184
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(26)	64,946	61,914
Amortisation	6(26)	9,827	10,159
Expected credit gain		(2,228)	(9,137)
Gain on financial assets at fair value through profit or loss	6(24)	(1,813)	(1,732)
Interest expense	6(25)	16,391	10,885
Interest income	6(22)	(15,370)	(13,526)
Dividend income	6(23)	(304)	(4,941)
Share of (profit) loss of associates accounted for using the equity method	6(6)	(21,772)	(8,104)
Loss on disposal of property, plant and equipment	6(24)	780	8,687
Lease modifications	6(24)	(338)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets mandatorily measured at fair value through profit or loss		610	-
Accounts receivable		41,668	(94,853)
Other receivables		370	6,022
Other receivables - related parties		(6,021)	(1,569)
Inventories		621,347	(259,846)
Prepayments		19,742	(42,235)
Other current financial assets		146,252	(73,323)
Other current assets		4,678	(248)
Changes in operating liabilities			
Contract liabilities		(193,104)	185,505
Accounts payable		(55,638)	51,396
Other payables		(4,374)	4,220
Provisions		2,013	7,086
Net defined benefit liability		(3,604)	(1,804)
Other current liabilities		61,062	3,623
Cash inflow generated from operations		943,473	4,571
Interest received		15,370	13,526
Interest paid		(16,391)	(10,885)
Income taxes paid		(68,924)	(35,012)
Net cash flows from (used in) operating activities		873,528	(27,800)

(Continued)

ACTION ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2024	2023
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through other comprehensive income		(\$ 37,593)	\$ -
Decrease (Increase) in financial assets at amortised cost		44,468	(88,872)
Acquisition of property, plant and equipment	6(7)	(5,271)	(9,891)
Proceeds from disposal of property, plant and equipment		586	13,867
Acquisition of investment property	6(10)	(139,833)	(114,516)
Acquisition of intangible assets	6(11)	(694)	(1,222)
Decrease in refundable deposits		761	213
Increase in other non-current assets		(3,418)	(3,899)
Dividends received		34,101	4,941
Net cash flows used in investing activities		<u>(106,893)</u>	<u>(199,379)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings		1,250,000	920,000
Decrease in short-term borrowings	6(29)	(1,100,000)	(920,000)
Increase in long-term borrowings	6(29)	287,239	525,635
Decrease in long-term borrowings	6(29)	(996,321)	(200,000)
Payments of lease liabilities	6(29)	(26,030)	(25,451)
(Decrease) Increase in deposits received	6(29)	(3,093)	3,468
Cash dividends paid	6(19)	(27,716)	(60,975)
Net cash flows (used in) from financing activities		<u>(615,921)</u>	<u>242,677</u>
Effect of exchange rate changes		46,866	7,726
Net increase in cash and cash equivalents		197,580	23,224
Cash and cash equivalents at beginning of year		752,606	729,382
Cash and cash equivalents at end of year		<u>\$ 950,186</u>	<u>\$ 752,606</u>

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

ACTION ELECTRONICS CO., LTD.
PARENT COMPANY ONLY FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2024 AND 2023

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

ACTION ELECTRONICS CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023

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

Assets	Notes	December 31, 2024		December 31, 2023		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 135,636	3	\$ 124,611	4
1120	Current financial assets at fair value through other comprehensive income	6(2)	71,579	2	76,042	2
1180	Accounts receivable, net	6(3) and 7	46,372	1	96,605	3
1200	Other receivables	6(4) and 7	218,022	6	116,565	3
130X	Current inventories	6(5) and 8	149,072	4	311,310	9
1470	Other current assets		29,690	1	12,386	-
11XX	Total current assets		<u>650,371</u>	<u>17</u>	<u>737,519</u>	<u>21</u>
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(2)	28,000	1	-	-
1550	Investments accounted for using equity method	6(6)	2,102,961	56	2,299,040	66
1600	Property, plant and equipment	6(7) and 8	169,782	5	6,347	-
1755	Right-of-use assets	6(8) and 7	9,242	-	30,983	1
1760	Investment property, net	6(10) and 8	521,802	14	104,240	3
1780	Intangible assets	6(11)	203,603	6	209,256	6
1840	Deferred tax assets	6(27)	53,093	1	75,349	2
1900	Other non-current assets		6,578	-	9,505	1
15XX	Total non-current assets		<u>3,095,061</u>	<u>83</u>	<u>2,734,720</u>	<u>79</u>
1XXX	Total assets		<u>\$ 3,745,432</u>	<u>100</u>	<u>\$ 3,472,239</u>	<u>100</u>

(Continued)

ACTION ELECTRONICS CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Liabilities and Equity	Notes	December 31, 2024		December 31, 2023		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2100	Short-term borrowings	6(12)	\$ 340,000	9	\$ 190,000	6
2130	Current contract liabilities	6(21)	15,989	1	15,458	1
2180	Accounts payable	7	16,043	-	65,577	2
2200	Other payables	6(14) and 7	38,233	1	49,899	1
2250	Current provisions	6(15)	293	-	504	-
2280	Current lease liabilities	7	4,644	-	11,232	-
2320	Long-term liabilities, current portion	6(13)	-	-	60,000	2
2399	Other current liabilities, others		8,902	-	15,605	-
21XX	Total current liabilities		<u>424,104</u>	<u>11</u>	<u>408,275</u>	<u>12</u>
Non-current liabilities						
2540	Non-current portion of non-current borrowings	6(13)	200,000	5	200,000	6
2550	Non-current provisions	6(15)	156	-	169	-
2570	Deferred tax liabilities	6(27)	19,840	1	27,145	1
2580	Non-current lease liabilities	7	4,966	-	20,146	-
2600	Other non-current liabilities	6(6)(16)	57,918	2	4,808	-
25XX	Total non-current liabilities		<u>282,880</u>	<u>8</u>	<u>252,268</u>	<u>7</u>
2XXX	Total liabilities		<u>706,984</u>	<u>19</u>	<u>660,543</u>	<u>19</u>
Equity						
Share capital						
3110	Common stock	6(17)	2,771,575	74	2,771,575	80
Capital surplus						
3200	Capital surplus	6(18)	1,602	-	1,602	-
Retained earnings						
3310	Legal reserve	6(19)	66,221	2	55,352	2
3320	Special reserve		440,379	12	366,594	11
3350	Unappropriated retained earnings		189,060	5	116,215	3
Other equity interest						
3400	Other equity interest	6(20)	(430,389)	(12)	(499,642)	(15)
3XXX	Total equity		<u>3,038,448</u>	<u>81</u>	<u>2,811,696</u>	<u>81</u>
Significant contingent liabilities and unrecognised contract commitments						
Significant events after the balance sheet date						
3X2X	Total liabilities and equity		<u>\$ 3,745,432</u>	<u>100</u>	<u>\$ 3,472,239</u>	<u>100</u>

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

ACTION ELECTRONICS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023

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

	Items	Notes	Year ended December 31			
			2024		2023	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(21) and 7	\$ 518,817	100	\$ 575,953	100
5000	Operating costs	6(5)(26) and 7	(423,571)	(82)	(475,913)	(82)
5900	Gross profit from operations		<u>95,246</u>	<u>18</u>	<u>100,040</u>	<u>18</u>
	Operating expenses	6(26) and 7				
6100	Selling expenses		(90,086)	(17)	(112,225)	(19)
6200	Administrative expenses		(73,343)	(14)	(72,225)	(13)
6450	Impairment loss determined in accordance with IFRS 9		-	-	(4,888)	(1)
6000	Total operating expenses		<u>(163,429)</u>	<u>(31)</u>	<u>(189,338)</u>	<u>(33)</u>
6900	Net operating loss		<u>(68,183)</u>	<u>(13)</u>	<u>(89,298)</u>	<u>(15)</u>
	Non-operating income and expenses					
7100	Interest income	6(22) and 7	6,862	1	3,915	1
7010	Other income	6(23) and 7	39,914	8	21,834	4
7020	Other gains and losses	6(24)	499,389	96	(7,918)	(2)
7050	Finance costs	6(25) and 7	(12,098)	(2)	(10,462)	(2)
7070	Share of (loss) profit of associates and joint ventures accounted for using equity method	6(6)	<u>(271,913)</u>	<u>(53)</u>	<u>185,186</u>	<u>32</u>
7000	Total non-operating income and expenses		<u>262,154</u>	<u>50</u>	<u>192,555</u>	<u>33</u>
7900	Profit before income tax		<u>193,971</u>	<u>37</u>	<u>103,257</u>	<u>18</u>
7950	Income tax expense (benefit)	6(27)	<u>(10,245)</u>	<u>(2)</u>	<u>5,736</u>	<u>1</u>
8200	Profit for the year		<u>\$ 183,726</u>	<u>35</u>	<u>\$ 108,993</u>	<u>19</u>
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gains (losses) on remeasurements of defined benefit plans	6(16)	\$ 639	-	(\$ 105)	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(2)(20)	(13,686)	(2)	(35,723)	(6)
8330	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		978	-	(216)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(27)	<u>(128)</u>	<u>-</u>	<u>21</u>	<u>-</u>
8310	Components of other comprehensive income that will not be reclassified to profit or loss		<u>(12,197)</u>	<u>(2)</u>	<u>(36,023)</u>	<u>(6)</u>
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation	6(20)	104,136	20	(38,174)	(7)
8367	Unrealised gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	6(2)(20)	(370)	-	-	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(20)	<u>(20,827)</u>	<u>(4)</u>	<u>7,634</u>	<u>1</u>
8360	Components of other comprehensive income that will be reclassified to profit or loss		<u>82,939</u>	<u>16</u>	<u>(30,540)</u>	<u>(6)</u>
8300	Other comprehensive income		<u>\$ 70,742</u>	<u>14</u>	<u>(\$ 66,563)</u>	<u>(12)</u>
8500	Total comprehensive income		<u>\$ 254,468</u>	<u>49</u>	<u>\$ 42,430</u>	<u>7</u>
	Earnings per share (in dollars)	6(28)				
9750	Basic earnings per share		<u>\$ 0.66</u>		<u>\$ 0.39</u>	
9850	Diluted earnings per share		<u>\$ 0.66</u>		<u>\$ 0.39</u>	

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

ACTION ELECTRONICS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Retained Earnings					Other equity interest		Total equity
		Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	
2023									
Balance at January 1.		\$ 2,771,575	\$ 1,602	\$ 45,893	\$ 242,116	\$ 202,434	(\$ 481,201)	\$ 47,822	\$ 2,830,241
Profit for the year		-	-	-	-	108,993	-	-	108,993
Other comprehensive loss		-	-	-	-	(300)	(30,540)	(35,723)	(66,563)
Total comprehensive income		-	-	-	-	108,693	(30,540)	(35,723)	42,430
Appropriation and distribution of 2022 retained earnings	6(19)								
Legal reserve appropriaed		-	-	9,459	-	(9,459)	-	-	-
Special reserve appropriaed		-	-	-	124,478	(124,478)	-	-	-
Cash dividends of ordinary share		-	-	-	-	(60,975)	-	-	(60,975)
Balance at December 31.		\$ 2,771,575	\$ 1,602	\$ 55,352	\$ 366,594	\$ 116,215	(\$ 511,741)	\$ 12,099	\$ 2,811,696
2024									
Balance at January 1.		\$ 2,771,575	\$ 1,602	\$ 55,352	\$ 366,594	\$ 116,215	(\$ 511,741)	\$ 12,099	\$ 2,811,696
Profit for the year		-	-	-	-	183,726	-	-	183,726
Other comprehensive income		-	-	-	-	1,489	83,309	(14,056)	70,742
Total comprehensive income		-	-	-	-	185,215	83,309	(14,056)	254,468
Appropriation and distribution of 2023 retained earnings	6(19)								
Legal reserve appropriaed		-	-	10,869	-	(10,869)	-	-	-
Special reserve appropriaed		-	-	-	73,785	(73,785)	-	-	-
Cash dividends of ordinary share		-	-	-	-	(27,716)	-	-	(27,716)
Balance at December 31.		\$ 2,771,575	\$ 1,602	\$ 66,221	\$ 440,379	\$ 189,060	(\$ 428,432)	(\$ 1,957)	\$ 3,038,448

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

ACTION ELECTRONICS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023

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

	Notes	Year ended December 31	
		2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 193,971	\$ 103,257
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(26)	16,019	14,724
Amortisation	6(26)	9,019	9,345
Expected credit loss		-	4,888
Interest income	6(22)	(6,862)	(3,915)
Dividend income	6(23)	(304)	(4,941)
Interest expense	6(25)	12,098	10,462
Share of profit of subsidiaries and associates accounted for using the equity method	6(6)	271,913	(185,186)
Loss on disposal of property, plant and equipment	6(24)	991	8,578
Gain from disposal of investment property		(506,558)	-
Gain from lease modification	6(24)	(354)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		50,233	(47,213)
Other receivables		(1,261)	4,080
Inventories		110,318	7,243
Other current assets		(16,862)	2,348
Changes in operating liabilities			
Contract liabilities		531	12,433
Accounts payable		(49,534)	23,116
Other payables		(11,666)	(2,699)
Provisions		(224)	68
Net defined benefit liability		(4)	107
Other current liabilities		(6,703)	3,618
Cash inflow (outflow) generated from operations		64,761	(39,687)
Interest received		6,862	3,915
Dividends received		122,288	98,656
Interest paid		(12,098)	(10,462)
Income taxes paid		(16,691)	(5,583)
Net cash flows from operating activities		<u>165,122</u>	<u>46,839</u>

(Continued)

ACTION ELECTRONICS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023

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

	Notes	Year ended December 31	
		2024	2023
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assests measured at fair value through other comprehensive income	6(2)	(\$ 37,593)	\$ -
Acquisition of property, plant and equipment	6(29)	(1,093)	(2,370)
Disposal of property, plant and equipment	6(29)	905	13,866
Acquisition of intangible assets	6(11)	(290)	(263)
Acquisition of investment property	6(10)	(26,789)	(12,684)
Acquisition of investments accounted for using the equity method	6(6)	(200,000)	-
Proceeds from capital reduction of investments accounted for using equity method	6(6)	161,095	-
Increase in other receivables - related parties		(100,196)	(100,178)
Increase in other non-current assets		(865)	(474)
(Increase) Decrease in refundable deposits		(296)	1,100
Net cash flows used in investing activities		(205,122)	(101,003)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in long-term borrowings	6(30)	-	200,000
Decrease in long-term borrowings	6(30)	(60,000)	(100,000)
Increase in short-term borrowings	6(30)	1,250,000	920,000
Decrease in short-term borrowings	6(30)	(1,100,000)	(920,000)
Increase in other payables - related parties		-	(29,842)
Increase in guarantee deposits received	6(30)	(46)	(34)
Payments of lease liabilities	6(30)	(11,213)	(11,268)
Cash dividends paid		(27,716)	(60,975)
Net cash flows from (used in) financing activities		51,025	(2,119)
Net increase (decrease) in cash and cash equivalents		11,025	(56,283)
Cash and cash equivalents at beginning of year		124,611	180,894
Cash and cash equivalents at end of year		\$ 135,636	\$ 124,611

ACTION ELECTRONICS CO., LTD

Rules of Procedure for Shareholders Meetings

Approved by the shareholders meeting June 15th 2020

- Article 1 The Company's shareholders' meetings shall be executed according to this "Rules of Procedure for Shareholders Meetings", except as otherwise provided by laws, regulations, or the articles of incorporation,
- Article 2 The shareholders referred to in these rules refer to the shareholders themselves and the proxy entrusted by the shareholders to attend the shareholders' meeting.
- If the proxy authorized by the shareholders to attend is a legal person, the legal person may only designate one person to attend the shareholders meeting.
- For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.
- A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting. The proxy form shall be delivered to the Company five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.
- After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company two days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.
- Article 3 Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.
- Where re-election of all directors is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.
- Provided a shareholder proposal for urging the corporation to promote public interests or fulfill its social responsibilities may still be included in the agenda by the board of directors. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.
- Article 4 Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.
- If the proxy authorized by the shareholders to attend is a legal person, the legal person may only designate one person to attend the shareholders meeting.

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

Article 5 The venue for a shareholders meeting shall be the premises or factory of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.

Article 6 If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the chairperson shall appoint one of the directors to act as chair. Where the chairperson does not make such a designation, the directors shall select one person to serve as chair among themselves.

Article 7 The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. If the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act.

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

Article 8 If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting.

If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions raised by the shareholders. When the proposal has been discussed sufficiently enough to put it to a

vote, the chair may announce the discussion closed, call for a vote.

Article 9 (Deleted)

Article 10 If a shareholder proposes to count the number of people, the chairman may not accept it. When vote on the proposal, if a quorum has been reached, the proposal is still passed.

Article 11 Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her attendance card number, and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. Shareholders may put limitation of power in the power of attorney or other measures to the proxy, which the Company will not aware of. As a result, the speech or vote made by the proxy shall prevail.

Article 12 Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

Article 13 After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 14 (Deleted)

Article 15 If it is not a motion, it will not be discussed or voted on. When discussing a proposal, the chairman may announce the cessation of the discussion at an appropriate time and put it to vote. At the time of voting, if there is no objection after consultation by the chairman, the effect is the same as the voting.

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

Article 16 A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under the Company Act.

Article 17 The voting of the proposal shall be passed with the approval of a majority of the voting rights of the shareholders present, unless otherwise stipulated in the Company Act and the Articles of Association.

Article 18 Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. The results of the voting shall be reported on the spot and recorded.

Article 19 The Company may appoint its attorneys, certified public accountants, or related persons to attend a shareholders meeting. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

Article 20 The company shall record the entire process of the shareholders' meeting by audio

and/or video and keep it for at least one year.

- Article 21 The chair may direct the picketers or security personnel to help maintain order at the meeting place. When picketers or security personnel help maintain order at the meeting place, they shall wear an identification card or arm band with the word "Security"
- Article 22 The resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting. A copy of the meeting minutes shall be distributed to each shareholder within 20 days after the conclusion of the meeting. The distribution of meeting minutes mentioned above can be done by means of a public announcement. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted. , and a summary of the deliberations and their voting results. The minutes shall be retained for the duration of the existence of the Company. The sign-in book or sign-in card of the attending shareholders and the proxy's power of attorney shall be kept for one year.
- Article 23 When a meeting is in progress, the chair may announce a break based on time considerations.
- Article 24 Matters not stipulated in this rule shall be handled in accordance with the Company Act and the company's articles of association.
- Article 25 These rules will be implemented after approval by the shareholders' meeting, and the same applies when they are amended.

Appendix 2

ACTION ELECTRONICS CO., LTD

Articles of Incorporation

Chapter 1 General Provisions

Article 1 : The Company is incorporated as company limited under the Company Act of the Republic of China. The company name is Action Electronics CO., LTD.

Article 2 : The Company established its head office in Taoyuan City and may establish domestic and foreign branches, if necessary, by resolution of the Board of Directors.

Article 3 : The company's operations are as follows:

(1) Manufacturing, processing, trading, repair services, technology transfer and consulting services of the following products.

1. C399990 Other textile and product manufacturing
2. C802100 Cosmetics manufacturing
3. CB01020 Business Machine Manufacturing
4. CCO1030 Electrical and audio-visual electronic products manufacturing
5. CC01060 Wired Communication Machinery Equipment Manufacturing
6. CC01070 Wireless Communication Machinery Equipment Manufacturing
7. CC01080 Electronic Components Manufacturing
8. CC01101 Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing
9. CC01110 Computer and Peripheral Equipment Manufacturing
10. CE01030 Optical Instrument Manufacturing
11. CH01030 Stationery Manufacturing
12. E601010 Electrical Appliances Assembling
13. E604010 Machinery Installation
14. E701010 Telecommunications Engineering
15. EZ05010 Instrument and Meter Installation Engineering
16. EZ14010 Sports Field Equipment Engineering
17. F104110 Wholesale of cloth, clothing, shoes, hats, umbrellas and apparel products
18. F105050 Wholesale of furniture, bedding, kitchen appliances, and furnishings
19. F107030 Wholesale of cleaning products
20. F108031 Wholesale of medical equipment
21. F108040 Wholesale of cosmetics
22. F109070 Wholesale of culture, education, musical instruments, and educational products
23. F113010 Wholesale of machinery
24. F113020 Wholesale of electrical Appliance
25. F113030 Wholesale of precision instruments
26. F113050 Wholesale of computer and business machinery and equipment
27. F113070 Wholesale of telecommunications Equipment
28. F116010 Wholesale of photographic equipment
29. F119010 Wholesale of electronic materials
30. F207030 Retail cleaning product
31. F208031 Retail of medical equipment
32. F209060 Retail of cultural, educational, musical instruments, and educational products
33. F213010 Retail of electrical appliance
34. F213030 Retail of computer and business machinery and equipment

35. F213040 Retail of Precision Instruments
36. F213060 Retail of telecommunications equipment
37. F213080 Retail of mechanical appliances
38. F216010 Retail of photographic equipment
39. F219010 Retail of electronic materials
40. F401010 International Trade
41. I103060 Management Consulting
42. H703090 Real Estate Business
43. H703100 Real Estate Leasing
44. IG03010 Energy Technical Services
45. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 4 : The company may consider providing external guarantees based on the business required.

Article 5 : The Company's reinvestment amount may not be restricted by Article 13 of Company Act.

Article 6 : The method of Company's announcement shall be in accordance with Article 28 of Company Act.

Chapter 2 Capital and Stock

Article 7 : The total capital of the company is set at four billion and fifty million New Taiwan dollars, divided into four hundred and fifty million shares at ten dollars per share. The Company authorizes the board of directors to issue the share in installments. Eight million shares are reserved for the issuance of employee stock options.

Article 8 : The shares issued by the Company are registered share certificates and may be issued without printing a share certificate and shall be registered with the centralized securities depository.

Article 9 : The company's stock affairs are handled in accordance with "Regulations Governing the Administration of Shareholder Services of Public Companies" and relevant government laws and regulations.

Article 10 : The transfer of shares shall be closed within 60 days before the regular shareholders' meeting, or 30 days before the extraordinary shareholders' meeting or 5 days before the base date of the company's decision to distribute dividends and bonuses or other benefits.

Chapter 3 Shareholders' Meeting

Article 11 : Unless otherwise provided in the Company Act, a shareholders' meeting shall be convened by the Board of Directors.

There are two types of shareholders' meetings as follows

(1) Regular shareholders' meeting: The meeting shall be convened at least once a year.

(2) Interim meeting of shareholders: To be convened when necessary.

The preceding ordinary shareholders' meeting shall be held within six months after the end of each fiscal year. The shareholders holding less than 1,000 registered shares after IPO may be notified by public announcement.

Article 12 : Each shareholder of the company has one vote per share, except in the case where the shares do not have the right to vote as stipulated in Article 179 of the Company Act.

Article 13 : When shareholders are unable to attend the shareholders' meeting, they shall issue a power of attorney issued by the company stating the scope of authorization to entrust a proxy to attend the meeting. Measures for shareholders' entrusted attendance should be in accordance with Article 177 of the Company Act" and the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies"

Meetings” issued by the competent authority.

Article 14 : Unless otherwise stipulated by the Company Act and the Securities Exchange Law, the resolutions of the shareholders meeting shall be approved when attended shareholders representing more than half of the total number of issued shares, and more than half of the presented shareholders agree.

Chapter 4 Directors

Article 15 : The Company shall have eleven directors for a term of three years, who shall be re-elected by the shareholders' meeting for a term of three years and who are capable of acting. The number of shares held by all directors in the preceding paragraph shall not be less than the percentage prescribed by the competent securities authorities.

In the first paragraph, the number of independent directors shall not be less than three and not less than one-fifth of the number of directors. The professional qualifications, shareholdings, restrictions on part-time employment, nomination and election of independent directors and other matters to be followed shall be in accordance with the relevant regulations of the competent securities authorities.

In accordance with Article 192-1 of the Company Act, the Company shall adopt a candidate nomination system for the election of directors, and the shareholders shall elect them from the list of candidates. The method and public announcement of directors candidates shall be in accordance with Company Act and Securities and Exchange Act.

Article 16 : The board of directors shall be attended by more than two-thirds of the directors and agreed by more than half of the directors present. One person shall be elected as the chairman of the board, and one person may be elected as the vice chairman in the same manner according to business needs.

The chairman of the board of directors serves as the chairman of the shareholders' meeting and the board of directors' meeting internally, and represents the company externally. When the chairman asks for leave or cannot exercise his functions and powers for some reason and if there is vice chairman appointed, vice chairman should be act as the deputy chairman. If there is no vice chairman, or when the vice chairman also asks for leave or cannot exercise his functions and powers for some reason, the chairman shall appoint one director act as deputy chairman. If the chairman of the board of directors does not appoint any deputy chairman, the deputy chairman shall be elected from among the directors. If the meeting is convened by a convening person other than the board of directors, the chairman shall be the convening person. If there are two or more convening persons, the chairman should be elected from among the convening persons.

Article 17 : The convening of the board of directors' meeting shall notify the directors seven days in advance specifying the reasons for meeting. When there is an emergency, the meeting can be called at any time. The notification for convening on the preceding paragraph may be done in writing, fax or e-mail.

The resolutions of the board of directors should be agreed by more than half of the present directors with the meeting attended by more than half of the directors, unless otherwise provided by laws and regulations.

Article 18 : The board of directors' meeting is convened by the chairman of the board every three months, and the chairman will act as the meeting chairman.

Article 19 : Board meeting may be convened via videoconference. Directors participating in a meeting via videoconference is deemed to be present in person. If a director is unable to attend a board meeting for any reason, he/she may appoint another director to

attend the meeting by proxy, provided that the former proxy is limited to one person.

Article 20 : The board of directors' meeting shall be conducted with more than half of the directors present, unless otherwise stipulated by the Company Act and related laws and regulations, and its resolution shall be made with more than half of the presented directors' agree.

Article 21 : The Board of Directors shall have the following powers and duties:

(1) To formulate business policies and plans.

(2) To prepare capital increase or decrease.

(3) To prepare the appropriation of earnings.

(4) All resolutions shall be adopted by the board of directors, except for the matters the execution of which shall be effected pursuant the resolutions of the shareholders' meeting as required by Company Act or the Articles of Incorporation.

Article 22 : A by-election will be made when directors are vacant, but it may be exempted when the statutory quota of directors is sufficient. The succeeding directors' tenure after by-election shall be until the expiration of the original director's term.

Article 23 : In accordance with Article 14-4 of the Securities and Exchange Act, the Company has established an Audit Committee consisting of all independent directors.

The audit committee shall be composed of the entire number of independent directors. And shall not be less than three persons in number, one of whom shall be committee convenor, and at least one of whom shall have accounting or financial expertise.

The Audit Committee is responsible for the exercise of the duties and responsibilities of the supervisors under the Company Act, the Securities and Exchange Act and other laws. The members of the Audit Committee, their authority, and other matters to be followed by the Audit Committee shall be in accordance with the regulations.

Article 24 : (Deleted)

Article 25 : The remuneration of the chairman, vice-chairmen and directors shall be determined in accordance with the degree of involvement and contribution to the operation of the Company. The remuneration shall consider domestic and foreign industry standards and authorize board of directors' meetings to be determined. The traveling/transportation allowance for board of directors shall be decided by the board meeting.

Chapter 5 Managerial Officials

Article 26 : The Company may appoint a manager (including the general manager), whose appointment, dismissal and remuneration shall be determined by the board of directors' meeting with more than half of the directors present and a resolution approved by more than half of the presented directors. The manager should have a domicile or residence in the country.

Chapter 6 Accounting

Article 27 : At the end of each fiscal year, the Board of Directors shall prepare a report of operations, financial statements, and a proposal for the distribution of earnings or the appropriation of losses and submit them to the Audit Committee for reviews and Audit Committee shall issue a report to the shareholders' meeting for adoption at least 30 days prior to the regular shareholders' meeting.

Article 28 : Based on the company's operational needs and the consideration of maximizing shareholders' equity, the Company's dividend policy will be based on the company's future capital expenditure and capital needs. The proportion of cash dividends will be not less than 30% of the total dividends.

Article 29 : If the Company makes a profit in the year (profit is defined as profit before taxation before the distribution of employee compensation and director's compensation), not less than 1% of employee compensation and not more than 3% of director's compensation shall be appropriated; independent directors shall not participate in the distribution. However, if the Company still has accumulated losses, the amount of compensation should be reserved in advance, and then the employees and directors' compensation shall be appropriated in accordance with the aforementioned percentages.

The aforementioned employee compensation may be in the form of stock or cash and may be paid to subordinate employees who meet the criteria set by the Board of Directors. The Board of Directors may pay compensation to employees of the Company who meet the criteria set by the Board of Directors. The aforementioned remuneration of directors may be paid in cash only. The first two items shall be resolved by the Board of Directors and reported to the shareholders' meeting.

If the Company's annual final accounts include after-tax net income for the period, the Company shall first make up the accumulated deficit and set aside 10% of the legal reserve in accordance with the law, except when the accumulated legal reserve has reached the Company's total paid-in capital. After the special reserve is appropriated or reversed in accordance with the laws and regulations or the competent authorities, the Board of Directors shall prepare a proposal for the appropriation of earnings and submit it to the shareholders' meeting for resolution on the distribution of dividends to shareholders, together with the undistributed earnings at the beginning of the period.

Chapter 7 Supplementary Provisions

- Article 30 : The Company may transfer shares to employees at a price less than the average price of the shares actually repurchased by the Company and shall have obtained the consent of at least two-thirds of the voting rights present at the most recent shareholders meeting attended by shareholders representing a majority of total issued shares in accordance with Article 10-1 of Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies.
- Article 31 : The Company's organizational regulations and working rules will be determined separately.
- Article 32 : Matters not covered in this Articles of Incorporation shall be handled in accordance with the Company Act and other relevant laws and regulations
- Article 33: This Article of Incorporation was established on July 10th, 1976.
The first revision was made on December 17th 1976.
The second amendment was made on August 20th 1978.
The third amendment was made on June 15th 1979.
The fourth amendment was made on September 9th 1980.
The fifth amendment was made on September 5th 1981.
The sixth amendment was made on July 31st 1982.
The seventh amendment was made on September 17th, 1982.
The eighth amendment was made on November 11th, 1982.
The ninth amendment was made on April 15th, 1984.
The tenth amendment was made on November 9th, 1985.
The eleventh amendment was made on December 13th, 1985.
The twelfth amendment was made on April 25th, 1987.
The thirteenth amendment was made on July 24th, 1987.
The fourteenth amendment was made on January 31st, 1988.
The fifteenth amendment was made on March 15th, 1988.
The sixteenth amendment was made on May 14th, 1989.

The seventeenth amendment was made on December 15th, 1989.
The eighteenth amendment was made on October 24th, 1990.
The nineteenth amendment was made on May 31st, 1991.
The twentieth amendment was made on May 16th, 1992.
The twenty-first amendment was made on May 4th, 1993.
The twenty-second amendment was made on June 6th, 1996.
The twenty-third amendment was made on June 6th, 1997.
The twenty-fourth amendment was made on May 21st, 1998.
The twenty-fifth amendment was made on June 14th, 1999.
The twenty-sixth amendment was made on June 22th, 2000.
The twenty-seventh amendment was made on June 27th, 2001.
The twenty-eighth amendment was made on June 24th, 2002.
The twenty-ninth amendment was made on June 15th, 2004.
The thirtieth amendment was made on June 14th, 2005.
The thirty-first amendment was made on June 14th, 2006.
The thirty-second amendment was made on June 13th, 2007.
The thirty- third amendment was made on June 17th, 2008.
The thirty-fourth amendment was made on June 17th, 2009.
The thirty-fifth amendment was made on June 17th, 2010.
The thirty-sixth amendment was made on June 28th, 2012.
The thirty-seventh amendment was made on June 28th, 2013.
The thirty-eighth amendment was made on June 24th, 2014.
The thirty-ninth revision was made on June 17th, 2016.
The fortieth amendment was made on June 26th, 2023.

Action Electronics CO., LTD

Shareholding of Directors and Independent Directors

1. The paid-in capital of the Company amounts to NT\$ 2,771,574,960, and the number of shares is 277,157,496 shares.
2. In accordance with Article 26 of the Securities Exchange Law and Article 2 of the "Share Ratio and Verification Rules for Directors and Supervisors of Public Offering Companies", all directors of the company shall hold no less than 12,000,000 shares.

Data base: April 21, 2025

Position	Name	Current shareholding (Shars)	Shareholding ratio
Chairman	Peng Ting-Yu	4,322,983	1.56%
Director	Peng Chiun-Ping	20,683,303	7.46%
Director	Yip Lai Wai	2,000,000	0.72%
Director	Liu Chiu Chi	5,101,000	1.84%
Director	Chao Teng Pang	1,442,820	0.52%
Director	Wen Yu mei	2,301,000	0.83%
Director	New Spring Garden Investment Co., Ltd. Chin -Wan Tsai	1,000,000	0.36%
Director	Peng Hsiu yun	1,120,000	0.40%
Independent Director	Tang Peng Chin	0	0.00%
Independent Director	Cheung Chi Yuen	0	0.00%
Independent Director	Yen Tzong Ming	0	0.00%
Total		37,971,106	13.70%