

Action Electronics Co., LTD.

2025 Annual Report

Notice to readers

This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

Annual Report is available at: <http://mops.twse.com.tw>

Corporate website: [//www.action.com.tw](http://www.action.com.tw)

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I 、 Letter to Shareholders:

Dear shareholders:

We extend our sincere appreciation to all the shareholders who attended our 2026 Annual Shareholders' Meeting and for your unwavering support and trust in Action Electronics Co., Ltd. throughout the years. The Company's operations encompass three distinct business groups (brand operations, automotive electronics, and asset activation) with bases and markets spanning Taiwan, Shenzhen, Shanghai, Malaysia, the United States, and the Middle East. In the year 2025, the heightened economic uncertainty caused by global turmoil, including supply chain restructuring, led to the activation of the Board of Directors' established "333 Transformation Strategy" to lay the foundation for future growth.

In retrospect, in 2025, the global economy faced multiple pressures such as US-China technological competition, geopolitical conflicts, tariff policy adjustments, and interest rate fluctuations, leading to conservative end-user demand and customer inventory adjustments. The Company's automotive electronics export business has also been affected. However, through the group's China+1 supply chain strategy, cost control, and product structure optimization, we have maintained stable operations. Since the previous year, the Company's home appliance brand KOLIN (歌林) has promoted an adjustment in its operational model, transitioning from traditional product sales to a brand management structure characterized by "asset-light," "high gross margin," and "high market share," while also reducing non-competitive products and customers. Although the short-term revenue scale decreased compared to the previous year, the overall structure and operating performance have significantly improved. The newly launched products have received positive market attention, indicating the transformation is on the right track. Asset revitalization endeavors in the "Action intelligence park" in Taiwan in 2025, although generating high revenue for the company as expected, saw decreased comparison over the two phases in 2025 compared to the previous year. This is because the handover of the first-phase construction was primarily concentrated in the fourth quarter of 2024 and completed in early 2025. Additionally, as the company needed to achieve a high floor area ratio reward that year, it had to use a portion of its reserved units (retained units) as a condition at the time of transaction. According to the accounting treatment regulations of the competent authority, these reserved units could only be recognized in the accounts at their original acquisition cost and could not fully reflect their market value (see 2025 consolidated financial report, page 40, note). The warehousing park in Mainland China continues to operate steadily but is affected by the local economic cycle, leading to a shift towards prudent management operations.

Overall, in 2025, the group's annual consolidated revenue was NT\$1,711,971,000, representing a decrease of approximately 31% compared to 2024. This was influenced by the fact that the revenue recognition period for the handover of the first-phase construction of the "Action intelligence park" was concentrated in the previous year, raising the comparative baseline. The overall revenue change

was mainly due to differences in the timing of project recognition, which is a temporary factor and does not affect the group's long-term operational direction and core competitiveness.

In terms of profitability, the net profit after tax for 2025 was NT\$76,230,000, representing a decrease of approximately 59% compared to 2024. The main reason for the decrease is that the previous year recognized higher profits from the handover of construction projects, which raised the comparative baseline.

The management results of 2025 and prospects for 2026 are reported as follows:

(I) 2025 Business Results

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

The Company's net sales revenue for 2025 was NT\$1,711,971,000, representing a decrease of 31% compared to the sales revenue of NT\$2,495,322,000 in 2024. The net profit after tax for 2025 was NT\$76,230,000, representing a decrease of 59% compared to the net profit after tax of NT\$183,726,000 in 2024.

Unit: In NT\$ thousand

Item	2025	2024
Operating revenues	1,711,971	2,495,322
Operating Interests	130,397	242,480
Income (loss) before tax	120,110	258,353
Income (loss) after tax	76,230	183,726

2. Financial Structure Ratio Analysis (consolidated financial report):

The net cash outflow from operating activities for 2025 was NT\$174,900,000, net cash outflow from investing activities was NT\$351,288,000, and net cash inflow from financing activities was NT\$377,029,000. Cash and cash equivalents decreased by NT\$140,930,000, resulting in an ending balance of NT\$809,256,000.

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

Item		2025	2024	
Return on Investment Analysis (%)	Return on Total Assets	1.82%	4.02%	
	Return on Total Equity	2.53%	6.28%	
	Percentage of Paid-in Capital	Operating Interests	4.70%	8.75%
		Income Before Tax	4.33%	9.32%
	Net Profit Margin	4.45%	7.36%	
	Earnings per Share After Tax	NT\$0.28	NT\$0.66	

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

In 2025, the Company invested NT\$33,560,000 in research and development, continuously focusing on the development of innovative products to enhance product competitiveness and technical capabilities, demonstrating the Company's emphasis and commitment to long-term operational development and sustainable management.

(II) 2026 Business Plan

1. Business strategy guidelines:

The Company fully promotes its business strategy based on the four main principles of "Collaboration," "Innovation," "Carbon Reduction," and "Sustainability."

- (1) Collaboration: Establish a product ecosystem through win-win partnership cooperation, and expand sales channels through platform business concepts, achieving sales growth and brand influence.
- (2) Innovation: Continuously optimize internal key operations to build a more efficient and resilient supply chain, and consistently apply new technologies to integrate market demands and consumer trends to provide optimized products.
- (3) Carbon reduction: Implement the competent authority's requirements to prepare greenhouse gas inventory reports and promote carbon reduction awareness in both work and life, while supporting the green energy industry.
- (4) Sustainability: Focus on and achieve the "Four Satisfactions" (employees, customers, shareholders, society), starting with prioritizing the cultivation of internal talent, promote sustainable business operations in combination with the company's long-term development strategy, to achieve continuous growth and value creation.

2. Expected sales volume and major production and sales policies:

The main business activities of the Company and its subsidiaries cover the operation of well-known brands in Taiwan, installation, maintenance, and after-sales warranty services for home appliances, research, development, manufacturing, and sales of automotive electronic products, as well as real estate development, sales, and leasing across the Taiwan Strait.

- (1) Brand Management Business: Since the previous year, the home appliance brand KOLIN (歌林) has promoted an adjustment in its operational model, re-positioning itself in the market to cater to the trends of declining birth rates, smaller housing, and younger consumer preferences. It has emphasized product and brand licensing, shifting towards an asset-light and high gross margin structure. Additionally, there is a subsidiary responsible for providing a comprehensive after-sales service network for all home appliance products, with locations spread across Taiwan. The service targets not only the Kolin brand but also products from over a dozen other domestic and international brands.
- (2) Automotive Electronics Business: The global automotive infotainment market is experiencing steady growth, with demand continually increasing due to the widespread application of AI and autonomous driving technologies. In 2026, the company continues to focus on integrating and developing the China+1 (Malaysia) supply chain. In addition to the rear seat entertainment (RSE) and infotainment products for the existing passenger car application market, the company further cultivates special application markets such as marine, heavy-duty vehicles, and caravan automotive electronics. Leveraging the company's R&D and manufacturing foundation in semi-built-in automotive electronics, we are adding new customers to expand market share and pursue growth.
- (1) Asset Activation Business System: In the Shanghai area, providing internationally standard logistics park warehousing to maintain a high rental rate and create stable profitability for the group. At the former site of the Action Group headquarters in Taiwan, the Action intelligence park has been established, featuring a completed 13-story factory-office building and a second 21-story factory-office building under construction. Both buildings focus on smart and green architecture, enhancing asset revitalization by accumulating future value in addition to serving internal business development.

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

In Taiwan's home appliance market, the industry has gradually shifted from price competition to competition in product capabilities and after-sales service quality. Affected by the real estate market conditions, the large home appliance market is in decline in 2025. However, due to the impacts of declining birth rates, the trend of smaller homes, and an aging population, consumer demand for intelligent, user-friendly products that better represent personal lifestyle is

continuously increasing. The demand for products suitable for individuals or small homes, however, is steadily growing. Under the Company's Kolin brand, which has been deeply rooted in the Taiwanese market for over sixty years, there is a comprehensive after-sales service system and brand foundation. In recent years, it has promoted a transformation in its operational model, adjusting from a traditional sales model to an "asset-light and high Grossmargin" brand licensing and product management framework. The focus on products with three enhancements aims to improve sales turnover ratio and Grossmargin, directly increasing the flexibility of capital utilization. In terms of competitive environment, the main competition comes from Japanese, Korean, and Chinese brands, with the focus of competition centered on product design, energy efficiency, multifunctionality, and channel integration capability. The Company will continue to enhance brand value and market positioning through brand licensing cooperation, new product planning, and the advantages of its after-sales service network.

In terms of regulations, the government continues to promote energy efficiency standards, product safety regulations, and carbon disclosure systems, raising compliance requirements for the home appliance industry. The Company has established quality and compliance mechanisms, incorporating energy-saving and environmentally friendly product design to align with the trend of sustainable development.

The global automotive electronics industry continues to grow with the development of intelligence, electrification, and digitization. The demand for in-car infotainment systems, rear-seat entertainment systems (RSE), and smart cockpit-related products is steadily increasing. Especially in niche markets such as RV, marine, and power sports, there is long-term growth potential for customized and high-quality demand. The Company continues to invest in automotive electronics R&D and product optimization, enhancing delivery stability and cost competitiveness through Taiwan, Malaysia, and Southeast Asia's China+1 supply chain strategy. We deepen cooperation with international clients and expand our market base. However, new challenges have recently emerged in the global semiconductor supply chain. Due to the significant growth in demand for generative AI and high-performance computing, major memory manufacturers are prioritizing capacity allocation for AI-related products. This has constrained the supply for traditional computer and automotive memory, leading to the risk of increased prices and extended delivery times for some automotive DRAM and Flash. Automotive electronics have higher requirements for memory quality and long-term supply. Supply fluctuations may impact product costs and delivery times. For this reason, the Company has mitigated the impact through safety stock management, supplier diversification, modular design, and cost control mechanisms to maintain supply stability and product competitiveness.

In terms of regulations, automotive products must comply with safety certifications, information security regulations, and environmental laws. The Company continuously

strengthens its quality and certification systems to meet customer requirements and reduce operational risks.

In terms of asset revitalization, the company establishes a stable source of income through the development and operation of Taiwan's "Action Intelligence Science and Technology Park" and the Shanghai logistics park, to balance the cyclical fluctuations of the manufacturing and brand businesses. The Taiwan real estate market is influenced by interest rates and policies, and should be viewed conservatively with regard to the market. The Action Intelligence Science and Technology Park is positioned with a focus on smart and green architecture, supporting internal needs while also offering long-term rental income and asset value enhancement, and is seeking new project targets. The logistics and warehousing market in China is affected by economic cycles, but there is still fundamental support from e-commerce and supply chain demand. The Shanghai logistics park of the company maintains a stable rental rate, providing stable cash flow and reducing operational fluctuations.

In terms of regulations, the real estate business must comply with land use, tax, and financial policy regulations. The Company adopts conservative investment and financial strategies to reduce risks from market and policy changes.

Overall, the global economy still faces uncertainties such as geopolitical issues (including the recent attack on Iran), tariff policies, inflation, and interest rate changes, increasing operational risks for export industries. The Company will continue to strengthen supply chain resilience, exchange rate, and cost management, and reduce reliance on a single market through multi-location production layout.

In terms of the company's long-term strategy, we will continue to promote the "333 Transformation Strategy" with a focus on growth through the three main businesses of automotive electronics, brand management, and asset activation. We will enhance R&D investment, introduce new technologies, and cultivate talent to improve overall competitiveness and operational resilience.

In summary, the home appliance brand provides stable brand income, automotive electronics drive long-term growth momentum, and asset activation offers stable cash flow and asset value support. These three businesses complement each other to form the company's next phase growth curve. Despite challenges in the global economic and industrial environment, the Company has gradually established a framework for long-term growth with a solid financial foundation, multinational supply chain strategy, and the three major business strategies. In the future, under the premise of risk management, we will continue to enhance revenue, profit, and asset value to create long-term stable returns for shareholders.

Wishing everyone good health and family well-being.

Action Electronics Co., Ltd.

President: Peng Ting-Yu

Manager: Peng Hsiu-Yun

Chief Accountant : May Huang

II 、 Corporate Governance Report

2-1. Information Regarding Directors, Supervisors and Management Team

2-1-1. Directors

2026/3/13

Unit : Share ; %

Title (Note1)	Nationality / Place of Incorporation	Name	Gender /Age (Note 2)	Date of assignment	Office Term	Date First Elected (Note3)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education) (Note 4)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark (Note 5)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	ROC	Peng Ting- Yu	F (51~60)	1090615	3 years	880614	4,045,451	1.26	4,715,983	1.70	—	—	—	—	Master of Business Administration, University of Southern California, U.S.A. 1. President of Action Electronics Co., Ltd 2. Consultant of TEEMA 3. Director, Next Generation Charity Association	1. Chairman of Action Electronics Co., LTD 2. Chairman of Action Industries (M) SDN BHD. 3. Director of Action Asia (Shenzhen)Co., Ltd 4. Director of Realise Tech-Service Co., Ltd 5. Director of Director of Shanghai Action Technology CO.,LTD 6. Director of Almond Garden Corp. 7. Director of Action Asia Limited 8. Representative for a corporate director of Clientron Corp. 9. Representative for a corporate director of Green Rock Energy Co., Ltd.	Director	Peng Chiun- Ping	Father and Daughter	None
Director	ROC	Peng Chiun- Ping	Male (81-90)	1090615	3 years	651217	17,798,895	5.53	20,683,303	7.46	5,187,000	1.87	—	—	Tamkang University 1. Bank of Communications 2. National Taxation Bureau of Taipei 3. Chairman of Action Electronic Co., Ltd	1. Chairman of Shanghai Action Technology CO., LTD 2. Chairman of Far Year Construction CO., LTD 3. Chairman of Almond Garden Corp. 4. Director of Action Industries (M) SDN BHD 5. Director of Action Asia (Shenzhen)Co., Ltd	Director	Peng Ting- Yu	Father and Daughter	None
Director	ROC	Liu Chiu- Chi	Male (71-80)	1090615	3 years	1000624	2,098,249	0.76	5,101,000	1.84	0	—	—	—	Cheng-kung Senior Industrial Commercial Vocational School 1. Chairman of ING-KER Tech Ltd	1. Chairman of ING-KER Tech Ltd 2. Director of Realise Tech-Service Co., Ltd 3. Supervisor of Action Asia(Shenzhen)Co., Ltd	None	None	None	None

Director	ROC	Chao Teng-Pang	M (71-80)	1090615	3 years	880614	1,357,820	0.44	1,442,820	0.52	0	—	—	—	Tamkang University 1. Chairman of Action Electronic Co.,Ltd 2.Chairman of America Action Inc. 3. Santron Electronic Co.,Ltd 4. Chairman of Far Year Technology	1. Chairman of Realise Tech-Service Co.,Ltd 2. Director of Far Year Construction CO.,LTD 3. Director of Action Asia (Shenzhen)Co.,Ltd 4. Director of Action Industries (M) SDN.BH. 5. Director of Almond Garden Corp. 6. Supervisor of Dede Technology (Shenzhen) Co., Ltd 7.Supervisor of Shanghai Action Technology CO.,LTD	None	None	None	None	
Director	ROC	Wen Yu Mei	F (61-70)	1090615	3 years	1090615	2,261,000	0.82	2,301,000	0.83	0	—	—	—	1.MBA NCCU 2.National Taipei College of business 3.Senior Manager of First Securities Inc. 4. Finance Manager of Taoyou Securities Inc	1. Chairman of You Yuan Lai Investment Ltd. 2. Director of Action Asia (Shenzhen)Co.,Ltd 3.Director of Dede Technology (Shenzhen) CO., LTD 4. Director Of Far Year Construction CO.,LTD 5. Chairman, Far Year Senior High School, Jian, Jiangxi	None	None	None	None	
Director	ROC	Peng Hsiu-Yun	F (61-70)	1090615	3 years	10906154	1,120,000	0.40	1,130,000	0.41	170,158	0.06	—	—	*BusinessManagement Pacific Western University 1.Director of Shanghai Taiwan Compatriots Association, Vice Chairman of Jiading District 2.Director of Shanghai Taiwan Compatriots Association, President of Jiading District Women's Federation	1. Director and General manager of Shanghai Action Technology CO.,LTD 2. General manager of Action Electronics Co., LTD 3.. Director of Action Asia (Shenzhen) CO., LTD.	None	None	None	None	
Director	ROC	Yeh Li-Wei	Male (51-60)	20230626	three year	20230626	2,000,000	0.72	2,000,000	0.72	79,825	0.03	—	—	M.S., Graduate School of Optoelectronics, National Central University 1.Project Manager, Product Engineering Division, Nanya Technology 2.Marketing Department Project Manager, Nanya Technology	1. Senior Manager, Action Electronics Co., LTD 2. Head of R&D, Action ASIA (SHENZHEN) Co., Ltd.	None	None	None	None	
Director	ROC	Shin Chuan Yuan Investment Co.,Ltd		1090615	3 years	1090615	1,000,000	0.36	1,000,000	0.36	—	—	—	—	—						

		Representive: Tsai Jin wan	M (51- 60)	1090615	3 years	109061 5	0	0.0 0	0	0.0 0	-	-	-	-	Department of uinness Management of Saginaw Valley State University 1.Lecturer of National Open University 2. Taoyuan City Government Municipal Advisor 3.Chairman of Baoshan Guandi Temple, New Taipei City	1.General manager Of Far Year Construction CO.,LTD 2.Chairman of Shin Chuan Yuan Investment Co.,Ltd 3. Director of Dede Technology (Shenzhen) CO., LTD. 4.Taoyuan City Government Municipal Advisor 5.Consultant of Taiwan Science Park Science Industry Association	None	None	None	None
Independe nt Director	ROC	Tang Peng- Chin	Male (51- 60)	1090615	3 years	109091 5	-	-	-	-	-	-	-	-	*National Chung Hsing University,Accountin g Dept. *CPA 1. Accountant of Jian Yang United Accounting Firm. 2.Tongxie Electronic Audit Manager and Spokesperson	1. Chairman of TransGlobe capital management Ltd.(TGCM). 2. Independent Director of KINGZA International CO., LTD. Ltd 3. Director of 湯樂園有限公司, a company operating Dante Coffee.	None	None	None	None
Independe nt Director	ROC	Chan g Zhi- Yuan	Male (71- 80)	20230626	3 year	202306 26	-	-	-	-	-	-	-	-	B.S. in Industrial Engineering, Feng Chia University, M.B.A., Saginaw State University, Michigan, U.S.A. 1.Human Resources Manager, Electronic Research Institute, Industrial Technology Research Institute 2.Spokesperson, Associate, Huabang Electronics Co. 3. Chairman, Huabang Integrated Circuits (Shenzhen) Co. 4. President of Winbond Electronics (Shanghai) (Nanjing) (Hong Kong) Co., Ltd. 5. Deputy Secretary General and China Director, Taiwan Electrical and Electronic Industries Association (TEEIA) 6. Secretary General, Taiwan Science Park Science Industry Association	1. Director, Taiwan Science Park Science Industry Association 2. Director, Industrial Technology Research Institute (ITRI) Alumni Association 3. Independent Director, Bright Led Electronics Corp 4. Vice President, Feng Chia University Technology Alumni Association 5. Independent director of Green Rock Energy Co., Ltd.	None	None	None	None

Independent Director	ROC	Yen Tzong-Ming	M (71~80)	1090615	3 years	1090615	-	-	-	-	5,587	-	-	-	<ul style="list-style-type: none"> • Department of Commercial Mathematics, Soochow University, Master of Economics • Washington College of the University of Pennsylvania PhD Program in Finance 1.Executive Yuan National Science Council Hsinchu Science and Engineering Director of Industrial Park Administration and Hsinchu Biomedical Campus Program Office director. 2. Adjunct in the Department of Business Administration, Private Xuanzang University visiting professor. 	<ol style="list-style-type: none"> 1.Independent Director of Machvision Inc 2. Director of Hsinchu Private Guangfu Middle School 3. General Councilor of Alumni Service and Resource Development Center in Soochow University 	None	None	None	None
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Note 1: Corporate shareholders should list the name of the corporate shareholder and the representative separately (for those who are representatives of corporate shareholders, the name of the corporate shareholder should be indicated), and should fill in Table 1 below.

Note 2: Please list actual age and express it in a range, e.g. 41~50 years old, 51~60 years old.

Note 3: Enter the time when you first became a director or supervisor of the Company, and include a note if there was an interruption.

Note 4: For experience related to the current position, if you have worked for a CPA firm or a related company during the previous reporting period, you should specify the title of the position and the duties for which you are responsible.

Note 5: If the chairman of the board of directors and the general manager or equivalent (top manager) of the company are the same person, spouses or first degree relatives, the reasons, rationality, necessity and Countermeasures (such as increasing the number of independent directors, and more than half of the directors are not concurrently employees or managers) shall be explained.

2-1-2. Institutional shareholder information

Table 1: Major Shareholders of Institutional Shareholders

2026/02/28

Name of Institutional Shareholder(Note1)	Major Shareholders of Institutional Shareholders(Note2)
Shin Chuan Yuan Investment Co.,Ltd.	Wu Fanci Qin 80%

Note 1: If the directors and supervisors are representatives of institutional shareholders, the name of the institutional Shareholders should be disclosed.

Note 2: Fill in the name of the major shareholder of the institutional shareholder (whose shareholding ratio ranked the top ten) and its shareholding ratio. If its major shareholder is a juridical person, it should be disclosed in Table 2 below.

Note3 If the institutional shareholder is not a company, the names and shareholding ratio of shareholders to be Disclosed are the names of people who contributed or donated the capital and the ratio of their contribution Or donation.

2-1-3 、 Major shareholders of the Company's major institutional shareholders: None ◦

2-1-4 、 Information Regarding Directors

A. Professional Qualifications and Independence Analysis of Directors: Directors

Criteria Name	Professional Qualifications requirements and work experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Peng Ting-Yu (Chairman)	<p>a. Profession qualifications: Business, legal, financial, accounting or corporate. The work experience required for the service; and there is no company law 30 items of various affairs. Master of Business Administration, University of Southern California, U.S.A.</p> <p>b. Education: Master at USC</p> <p>C. Work expense:</p> <ul style="list-style-type: none"> ● General manager of Action Electronics Co., Ltd. ● Consultant of TEEMA ● Director, Next Generation Charity Association ● current position: Currently Chairman of Action Electronics Co., Ltd 、 Chairman of Action Asia(Shenzhen)Co., Ltd 、 Chairman of Action Industries (M)SDN.BH. 	Not applicable	0
Peng Chiun-Ping (Director)	<p>a. Profession qualifications: Business, legal, financial, accounting or corporate The work experience required for the service; and there is no company law 30 items of various affairs.</p> <p>b. Education: Tamkang University</p> <p>C. Work expense:</p> <ul style="list-style-type: none"> ● Bank of Communications ● National Taxation Bureau of Taipei ● Chairman of Action Electronic Co., Ltd ● current position: .President of Action Electronics Co., Ltd 、 .Chairman of Shanghai Action Technology Co., Ltd 、 .Chairman of Far Year Construction Co., Ltd 	Not applicable	0
Chao Teng-Pang (Director)	<p>a. Profession qualifications: Business, legal, financial, accounting or corporate The work experience required for the service; and there is no company law 30 items of various affairs.</p> <p>b. Education: Tamkang University</p> <p>C. Work expense:</p> <ul style="list-style-type: none"> ● Chairman of Action Electronic Co., Ltd 、 Santron Electronic Co., Ltd ● current position: Chairman of Realise Tech-Service Co., Ltd 、 Director of Far Year Construction CO., LTD 、 Director of 、 Director of Action Asia(Shenzhen)Co., Ltd 、 Supervisor of Shanghai Action Technology CO., LTD 	Not applicable	0

Criteria Name	Professional Qualifications requirements and work experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Liu Chiu-Chi (Director)	a. Profession qualifications: Business, legal, financial, accounting or corporate The work experience required for the service; and there is no company law 30 items of various affairs. b. Work expense: ●Cheng-kung Senior Industial Commercial Vocational School ●Chairman of ING-KER Tech Ltd ●Current position: Director of Realise Tech-Service Co.,Ltd ∨ Supervisor of Action Asia(Shenzhen)Co.,Ltd	Not applicable	0
Wen Yu Mei (Director)	a. Profession qualifications: Business, legal, financial, accounting or corporate The work experience required for the service; and there is no company law 30 items of various affairs. b. Education: MBA NCCU ∨ National Taipei College of business c. Work expense: ●.Senior Manager of First Securities Inc. ●.Finance Manager of Taoyou Securities Inc d.Current position: Chairman of You Yuan Lai Investment Ltd. ∨ Director of Dede Technology (SHENZHEN) CO., LTD. Director of Far Year Construction Co.,Ltd. ∨ Action Asia(Shenzhen)Co.,Ltd ∨ Chairman of Far Year Senior High School, Jian, Jiangxi ∘	Not applicable	0
Peng Hsiu-Yun (Director)	a. Profession qualifications:Business, legal, financial, accounting or corporate The work experience required for the service; and there is no company law 30 items of various affairs. b. Education: Management ,Pacific Western University c. Work expense: ●. Director of Shanghai Federation of Taiwan Compatriots Deputy Chairman of Jiading District ●Current position: Director and General manager of Shanghai Action Technology CO.,LTD ∶ Director of Action sia(Shenzhen)Co.,Ltd	Not applicable	0
Shin Chuan Yuan Investment Co.,Ltd Representative: Tsai Jin wan (Director)	a. Profession qualifications:Business, legal, financial, accounting or corporate The work experience required for the service; and there is no company law 30 items of various affairs. b. Education: Department of uiness Management of Saginaw Valley State University c. Work expense: ●Lecturer of National Open University ●Director of Sanyo Whisbih Group Education Foundation ●Chairman of Baoshan Guandi Temple, New Taipei City ●Current position: Current position(s):Chairman of Shin Chuan Yuan Investment Co. Ltd., General Manager of Far Year Construction Co. Ltd., Director of Dede Technology (SHENZHEN) CO., LTD., Director of Culture and Education Foundation of Action Electronics Co.,Ltd., Consultant of Taiwan Science Park Science Industry Association	Not applicable	0
Yeh Li-Wei (Director)	● Have the necessary working experience in commercial, legal, financial, accounting or company business; and have not been subject to the provisions of Section 30 of the Companies Act. ●Education: M.S., Graduate School of Optoelectronics Technology, National Central University, Taiwan ●Previous positions: Project Manager, Product Engineering Division, Nanya Technology Corporation; Project Manager, Marketing Division, Nanya Technology Corporation. ●Current position(s): Senior Manager of the Company, Head of R&D, Action ASIA (SHENZHEN) Co., Ltd.	Not applicable	0

B. Professional Qualifications and Independence Analysis of Directors: Independent Director

Criteria Name	Professional Qualifications requirements and work experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Tang Peng-Chin (Independent Director))	<p>a. Profession qualifications:Business, legal, financial, accounting or corporate The work experience required for the service; and there is no company law 30 items of various affairs.</p> <p>b. Education:National Chung Hsing University,Accounting Dept. 、 CPA</p> <p>c. Work expense:</p> <ul style="list-style-type: none"> ●.Accountant of Jian Yang United Accounting Firm. ●.Tongxie Electronic Audit Manager and Spokesperson ●Current position: <p>(1)Chairman of TransGlobe capital management Ltd.(TGCM). (2)Independent Director of KINGZA International CO., LTD. Ltd (3)Director of 渴樂園有限公司, a company operating Dante Coffee.</p>	<p>(1) Not the person,the person’s spouse. Relative within the second degree of kinship,of a director,supervisor or an Employee of the company or any of its affiliates.</p> <p>(2) Not the person 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 of 0% of the total number of issued shares of the company,</p> <p>(3) Not a director or supervisor of the company or any of its affiliates.</p> <p>(4) Not a professional who provides audits or commercial,legal commercial,legal,financial,accounting,or other related services with compensation within the past two years to UPEC or its affiliates.</p>	1
CHANG ZHI-YUAN (Independent Director)	<p>a. Profession qualifications:Business, legal, financial, accounting or corporate The work experience required for the service; and there is no company law 30 items of various affairs.</p> <p>b. Education:B.S. in Industrial Engineering, Feng Chia University, M.B.A., Saginaw State University, Michigan, U.S.A.</p> <p>c. Work expense:</p> <p>Human Resources Manager, Electronics Research Institute, Industrial Technology Research Institute (ITRI); Associate, Spokesperson, Huabang Electronics Corporation; Chairman of Huabang Integrated Circuits (Shenzhen) Co., President of Winbond Electronics (Shanghai) (Nanjing) (Hong Kong) Co., Ltd. Deputy Secretary General and China Director of Taiwan Electrical and Electronic Industries Association (TEEMA), Secretary General of Taiwan Science Park Science Industry Association</p> <ul style="list-style-type: none"> ●Position: <p>Director of Taiwan Science Park Science Industry Association, Administrative Advisor of Executive Yuan, Director of Industrial Technology Research Institute (ITRI) Alumni Association, Independent Director, Bright Led Electronics Corp, Vice President of Feng Chia University Technology Alumni Association.</p>	<p>(1) Not the person,the person’s spouse. Relative within the second degree of kinship,of a director,supervisor or an Employee of the company or any of its affiliates.</p> <p>(2) Not the person 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 of 0% of the total number of issued shares of the company,</p> <p>(3) Not a director or supervisor of the company or any of its affiliates.</p> <p>(4) Not a professional who provides audits or commercial,legal commercial,legal,financial,accounting,or other related services with compensation within the past two years to UPEC or its affiliates.</p>	2
Yen Tzong-Ming (Independent	<p>a.Profession qualifications:Business, legal, financial, accounting or corporate The work experience required for the service;</p>	<p>(1) Not the person, the person’s spouse. Relative within the second degree of kinship,of a director,supervisor or an</p>	1

Director))	<p>and there is no company law 30 items of various affairs.</p> <p>b. Education:</p> <ul style="list-style-type: none"> ●Department of Commercial Mathematics, Soochow University, Master of Economics ●Washington College of the University of Pennsylvania PhD Program in Finance <p>c. Work expense:</p> <p>(1)Executive Yuan National Science Council Hsinchu Science and Engineering</p> <p>(2)Director of Industrial Park Administration and Hsinchu Biomedical Campus Program Office director.</p> <p>(3) Adjunct in the Department of Business Administration, Private Xuanzang University visiting professor.</p> <p>(4)Part-time job in the Science Management Institute of National Chiao Tung University Associate Professor ◦</p> <ul style="list-style-type: none"> ●Current position Independent Director of Machvision Inc., Director of Hsinchu Private Guangfu Middle School, General Councilor of Alumni Service and Resource Development Center in Soochow University. 	<p>Employee of the company or any of its affiliates.</p> <p>(2) Not the person 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 of 0% of the total number of issued shares of the company,</p> <p>(3) Not a director or supervisor of the company or any of its affiliates.</p> <p>(4) Not a professional who provides audits or commercial,legal, financial, accounting,or other related services with compensation within the past two years to UPEC or its affiliates.</p>	
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2-1-5 、 Diversification and independence of the board of directors

A 、 Diversity of the Board of Directors:

In accordance with the "Code of Corporate Governance Practices", the Company's Board of Directors is composed of members who formulate and implement policies on board diversity. Individual directors' implementation of board diversity is categorized as follows, based on the Company's operations and the expertise of the directors.

- (1) The Business Development Group has management and leadership decision-making directors: Chairman Peng Ting-yu, Directors Peng Chiun-Ping, Chao Teng-Pang,Hsu Wen-Tang, Liu chiu-chi, Wen Yu-mei, Peng Hsin-Yun, Tsai Jin Wan, etc., hold monthly management committees to discuss improvement measures based on operating results and performance. Make records and track the situation of improvements.
- (2). Directors of Industry Knowledge and Financial Accounting Group: Chairman Peng Ting-yu, Directors Peng Chiun-Ping, Chao Teng-Pang, Yeh Li-Wei, Liu chiu-chi, Wen Yu-mei, Peng Hsin-Yun, Tsai Jin Wan, etc. Conduct monthly financial analysis on the financial statements of each unit, international industry changes form, put forward operational crisis management, and improve operations ◦
- (3) Independent Director, Tang Peng Chun, is a certified public accountant. Chih-Yuan Chang is the Human Resources Manager of the Electronics Research Institute, and Industrial Technology Research Institute, and was the Spokesperson of Huabang Electronics Co. Yen Tzong-Ming has served as the Director of the Hsinchu Science Park Administration and the Director of the Hsinchu Biomedical Park Project Office of the National Science Council of the Executive Yuan, as well as a director of Mega Bills Finance Corporation. The independent director has experience and expertise in economics, finance, and industry, and has provided advice to the company's operations, which has helped to bring the implementation of internal controls and risk management to the desired results. The independent directors comprise the Compensation Committee and the Audit Committee.
- (4) Members of the Board are selected with the utmost deliberation. In addition to possessing professional expertise and experience, they are required to play a crucial role in the Company's development and governance. Although the Company actively seeks diversity in its Board composition, the talent pool for female directors remains relatively limited, particularly for female leaders who possess the advanced professional capabilities and experience required by the Board,

making their availability scarce. Although the current proportion of female directors on the Board has not yet reached one-third, the Company fully recognizes the significance of gender diversity in corporate governance and business development and is committed to continued efforts in this regard. The diversification of the Board structure is actively promoted, regulatory requirements are diligently adhered to, and stronger assurances are provided for the Company's long-term development.

B、Diversity of board members and their achievement:.

- ✓ There are 3 female directors (27%) and 8 male directors (73%).
- ✓ 2 directors with employee status (18%), 3 directors with employee status (27%)、One directors with employee status accounted for 9% and three independent directors accounted for 27%.
- ✓ Age of Directors: 5 over 70, 2 between 60 and 70, 4 under 60。
- ✓ Four directors whose term of office is more than ten years and two directors who are less than five years.
- ✓ The diversification core items of each director are as follows:

Diversity Core Program		gender	Term of office of independent directors			Management	leadership decision	Industry knowledge	Financial Accounting, Legal law
			Less than 3 years	3 to 9 years	More than 9 years				
Director	Peng Ting-yu	Female				√	√	√	√
Director	Peng Chiun-Ping	Male				√	√	√	√
Director	Chao Teng-Pang	Male				√	√	√	√
Director	Liu Chiu-Chi	Male				√	√	√	√
Director	Wen Yu-Mei	Female				√	√	√	√
Director	Peng Hsiu-Yun	Female				√	√	√	√
Director	Representative of Shin Chuan Yuan Investment Co.,Ltd. Tsai Jin-Wan	Male				√	√	√	√
Director	Yeh Li-Wei	Male				√	√	√	√
Independent Director	Tang Peng-Chin	Male		√		√		√	√
Independent Director	Chang Zhi-Yuan	Male	√			√		√	√
Independent Director	Yen Tzong-Ming	Male		√		√		√	√

The Company's Board of Directors and its members fully comply with the independence requirements stipulated by regulations. There are no violations of Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act.

2-1-6、Information Regarding Management Team

2026/03/13

Unit : share ; %

Title (Note1)	Nationality	Name	Gender	Date of Assignment	Share Held		Share held by spouse and minors		Share held by Nominee Arrangement		Experience (Education) (Note2)	Other Positions	Managers who are Spouses or Within Two Degrees of Kinship			Remark Note 3
					shares	%	shares	%	shares	%			Title	Name	Relation	
General Manager	ROC	Peng Hsiu-Yun	Female	2023.12.19	1,130,000	0.41	170,158	0.06	—	—	MBA, University of the Westpac, USA 1. Director of Shanghai Taiwan Compatriot Association, Vice Chairman of Jiading District 2. President of Jiading District Women's Association, Shanghai Taiwan Compatriot Association	1. Director and General Manager of Shanghai Maxin Memory Technology Co., Ltd. 2.General Manager of Action Electronics Co., LTD 3.Director of ACTION ASIA (SHENZHEN) CO., LTD.	No	None	No	None
special assistant	ROC	Peng Po-Chang	Male	2016.01.26	1,028,000	0.37	—	—	—	—	Pepperdine University BMA California, USA. Shanghai Jiao Tong University EMBA Shanghai, China. 1. President of Far Year Technology (Shenzhen) Co., Ltd. 2. President of Far Year Construction Co., Ltd. 3. President of Shanghai Action Technology CO.,LTD	1.Director of Shanghai Action Technology CO.,LTD 2.Representative for a corporate director of Far Year Construction Co., Ltd., Special Assistant to the Chairperson. 3.Chairperson of Dabo Investment Co., Ltd.	No	None	No	None
Vice President	ROC	David Tseng	Male	2026.01.01	—	—	—	—	—	—	Department of Industrial Engineering, Lunghwa University of Science and Technology Tajjia Optoelectronics Operations Vice President Head of the Management Division of Hon Hai Group Quanta Computer Production and Sales Manager	None	No	None	No	None
Senior Manager	ROC	Yeh Li-Wei	M	2025.01.01	2,000,000	0.72	79,825	0.03	—	—	M.S., Graduate School of Optoelectronics Technology, National Central University, Taiwan 1. Project Manager, Product Engineering Division, Nanya Technology 2. Marketing Department Project Manager, Nanya Technology	Head of R&D, Action ASIA (Shenzhen) Co., Ltd.	No	None	No	None
Senior Manager	ROC	WENG MING-HUA	Male	2023..07.03	—	—	—	—	—	—	1. Saiko Industry & Commerce Graduation 2. Associate, Sanyo Industrial Co. 3. Director, Kolin Inc. 4. Assistant Manager, Sheng Lin Technology Co., Ltd.	None	No	No	No	No

Title (Note1)	Nationality	Name	Gender	Date of Assignment	Share Held		Share held by spouse and minors		Share held by Nominee Arrangement		Experience (Education) (Note2)	Other Positions	Managers who are Spouses or Within Two Degrees of Kinship			Remark Note 3
					shares	%	shares	%	shares	%			Title	Name	Relation	
Financial Officer	ROC	Vincent Weng	M	111.05.12	—	—	—	—	—	—	1. Institute of Finance, Yuan Ze University 2. Financial Supervisor of Shuanghong Technology Co., Ltd.	Supervisor of Realise Tech-Service Co., Ltd.	None	None	None	None
Accounting Officer	ROC	May huang	F	112.01.01	—	—	—	—	—	—	1. Graduated from the Accounting Department of Chung Yuan University 2. Manager of Audit Department of Anhou Jianye Certified Public Accountants 3. Senior Manager of Accounting Department of Risheng Life Technology Co., Ltd. 4. Senior Manager of Finance and Accounting Department of Cayman Likai Power Technology Co., Ltd.		None	None	None	None
Head of Corporate Governance	ROC	Chelsea Chen	M	111.01.01	—	—	—	—	—	—	Department of Public Administration, Taipei University	Secretary of the Board of Directors of Action Electronics Co., Ltd.	None	None	None	None

Note1 : Information Regarding General managers 、 Vice President 、 Assistant VP and heads of Department should be disclosed and regardless of job title, any person whose position is equivalent to General Manager, Vice President, Assistant VP should be disclosed too.

Note 2: For the experience relevant to the current position, such as employment at an audit and certification accounting firm or an associated enterprise during the said period, the title and responsibilities shall be specified.

Note 3: If the chairman of the board of directors and the general manager or equivalent (top manager) of the company are the same person, spouses or first degree relatives, the reasons, rationality, necessity and Countermeasures (such as increasing the number of independent directors, and more than half of the directors are not concurrently employees or managers) shall be explained.

2-2 、 Remuneration Paid to Directors, Independent Directors, Supervisors, President, and Vice Presidents

2-2-1 、 Remuneration of Directors and Independent Directors

Unit : NT thousand

Job Title	Name	Directors' remuneration								Total amount of A, B, C, and D and percentage of net income after tax		Remuneration for part-time employees								Total amount of A, B, C, D, E, F, and G and percentage of net income after tax		Remuneration from investing activities other than those of subsidiaries
		Remuneration (A)		Retirement Pension (B)		Directors' remuneration (C)		Business execution expenses (D)				Salaries, bonuses and special expenses, etc. (E) (Note 4)		Retirement Pension (F)		Staff remuneration (G) (Note 5)						
		Company	All companies in the financial statements	Company	All companies in the financial statements	Company	All companies in the financial statements	Company	All companies in the financial statements	Company	All companies in the financial statements	Company	All companies in the financial statements	Company	All companies in the financial statements	Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Chairman	Peng Ting-Yu	0	0	0	0			150	585	150	585	3,318	4,410	0	0	0	0	0	0	3,468	4,994	No
Director	Peng Chiun-Ping	0	0	0	0			85	911	85	911	840	5,875	0	0	0	0	500	0	925	7,286	No
Director	Chao Teng-Pang	0	0	0	0			90	528	90	528	0	1,509	0	0	51	0	51	0	141	2,088	No
Director	YEH LI-WEI	0	0	0	0			95	95	95	95	1,459	1,459	0	0	0	0	0	0	1,554	1,554	No
Director	LIU CHIU-CHI	0	0	0	0			90	157	90	157	0	0	0	0	0	0	0	0	90	157	No
Director	Wen Yu-Mei	0	0	0	0			85	157	85	157	0	0	0	0	0	0	0	0	85	157	No
Director	Peng Hsiu-Yun	0	0	0	0			95	225	95	225	2,116	2,679	0	0	127	0	127	0	2,338	3,030	No
Director	Tsai Jin-Wan, Representative of Shin Chuan Yuan Investment Co., Ltd.	0	0	0	0			95	115	95	115	0	3,354	0	0	0	0	500	0	95	3,969	No
Director (Independent)	TANG PENG-CHIN (Independent)	400	400	0	0	0	0	95	95	495	495	0	0	0	0	0	0	0	0	495	495	No
Director (Independent)	Chang Zhi-Yuan (Independent)	400	400	0	0	0	0	95	95	495	495	0	0	0	0	0	0	0	0	495	495	No
Director (Independent)	Yen Tzong-Ming (Independent)	400	400	0	0	0	0	95	95	495	495	0	0	0	0	0	0	0	0	495	495	No

Note 1: The independent directors of the Company are paid a fixed amount of compensation for performing their duties for the Company, regardless of the Company's profit or loss, and are paid quarterly, amounting to NT\$400,000 per year.

Note 2: In addition to the above table, the remuneration received by the directors of the Company for services rendered to all companies included in the financial statements (e.g., serving as consultants to the parent company/all companies included in the financial statements/transferred investment companies that are not employees, etc.) for the most recent year: In 2026, Director Wen Yu-Mei served as a consultant for the subsidiary Far Year Construction Co., Ltd. and received consultant fees and remuneration totaling 702,000 NTD

Note 3: The Company's Board of Directors approved the 2024 distribution of directors' remuneration amounting to NT\$2,532,087 in March 2026, but has not yet resolved the amount to be paid to individual directors.

Note 4: Refers to the compensation received by directors concurrently serving as employees (including concurrently serving as the President, Vice President, other managers, and employees) in the most recent year, including salaries, duty allowances, severance pay, various bonuses, incentives, travel expenses, special disbursements, allowances, accommodation, company car, other physical items, etc. A total of 2 instances of drivers were provided, with an approximate total annual salary of NT\$1,243,000, but not included in the above remuneration table.

Note 5: Refers to directors concurrently serving as employees (including concurrently serving as the President, Vice President, other managers, and employees) receiving employee compensation (including stock and cash) in the most recent year. The aforementioned amount is calculated based on the actual distribution ratio from last year for the proposed distribution amount this year.

2-2-2、Remunerations Paid to General Manager and Vice President .

Range of Remuneration

Job Title	Name	Salary (A) (Note 2)		Retirement Pension (B)		Bonus and special expenses, etc. (C)		Staff remuneration (D) (Note 3)				Total of items A, B, C, and D and their percentage of net profit after tax (Note 8)		Remuneration from investing activities other than those of subsidiaries (Note 8)
		Company	Company in the Financial Statements (Note 4)	Company	Company in the Financial Statements (Note 4)	Company	Company in the Financial Statements (Note 4)	Company		All companies in the financial statements (Note 4)		Company	All companies in the financial statements (Note 4)	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
General Manager	Peng Hsiu-Yun	3,305	4,438	0	0	40	40	127	0	277	0	3,472	4,755	None
special assistant	Peng,Bo-Zhang											4.55%	6.24%	

* Regardless of job title, any position equivalent to General Manager or VP(e.g. President, CEO, General Director, etc.) should be disclosed

Remuneration level of each General Managers and Vice President of the company	Name of General Managers and Vice Presidents	
	The Company(Note 5)	Companies in the consolidated financial statements (Note 6)
Less than NT\$1,000,000		
NT\$1,000,000(inclusive)~NT\$2,000,000(exclusive)	Peng,Bo-Zhang	Peng,Bo-Zhang
NT\$2,000,000(inclusive)~NT\$3,500,000(exclusive)	Peng Hsiu-Yun	Peng Hsiu-Yun

Note: General Manager Peng Ting-Yu is not paid.

Note1: Names of General Managers and Vice Presidents shall be listed separately and individual payments made shall be disclosed through a summary. If the director is also a general manager or vice general manager, this table and the above table (1-1 or 1-2) shall be completed.

Note2 : Refers to the salaries, duty allowances, and severance pay paid to the General Manager and VP in the most recent year.

Note3 : Refers to the amount of employee compensation (including stock and cash) approved by the Board of Directors for General Manger and VP in the amount and ratio distributed last year.

Note4 : The total remuneration paid by all companies in the consolidated statements (including the Company) to General Manager and VP must be disclosed

Note5 : The total remuneration paid by the Company to General Manager and VP must disclose their name

Note6 : The total remuneration paid by all companies in the consolidated statements (including the Company) to General Manager and VP must disclose their name.

Note7 : The net income after-tax refers to the net income after-tax in the standalone financial statements for the most recent year.

Note8 : a. Specify the amount of remuneration received by General Manager and VP from ventures other than subsidiaries

b. The remuneration amount received by General Manger and VP from ventures other than subsidiaries, the amount shall be included in E column and change its name of Column into all ventures.

c..The remuneration means pay, compensation (including compensation of employees, directors and supervisors) and business expenses received by General Manager and VP who are serving as a director, supervisor or manager of ventures other than subsidiaries or of the parent company.

* The remuneration disclosed in the table is different from income as defined in the Income Tax Act. This table is therefore provided for disclosure only and is not used for taxation purposes.

2-2-3 、 Managerial officers with the top five highest remuneration amounts

Unit:NT\$ thousand

Range of Remuneration

job title	Name	Salaries (A) (Note 2)		Retirement and pension benefits (B)		Bonuses and special allowances, etc. (C) (Note 3)		Employee compensation amounts (D) (Note 4)				Total of items A, B, C, and D and their percentage of net profit after tax (Note 6)		Whether any compensat ion was received from investment businesses other than subsidiarie s (Note 7)
		The compan y	All consolidat ed entities (Note 5)	The company	All consolidat ed entities (Note 5)	The company	All consolidat ed entities (Note 5)	Company		All consolidated entities (Note 5)		The company	All consolidat ed entities (Note 5)	
								Cash	Stock	Cash	Stock			
General Manager	Peng Hsiu-Yun	2,076	2,639	0	0	40	40	127	0	127	0	2,243 2.94%	2,806 3.68%	No
special assistant	Peng,Bo- Zhang	1,229	1,800	0	0	0	0	0	0	150	0	1,229 1.61%	1,950 2.56%	No
Accounting Officer	May Huang	1,620	1,620	0	0	42	42	177	0	177	0	1,840 2.41%	1,840 2.41%	No
Senior Manager	YEH LI-WEI	1,435	1,435	0	0	24	24	0	0	0	0	1,459 1.91%	1,459 1.91%	No
Senior Manager	WENG MING- HUA	1,234	1,234	0	0	15	15	51	0	51	0	1,300 1.70%	1,300 1.70%	No

Note1:Managerial officers with the top five highest remuneration amounts refers to managers at the Company, in which the standard for determining managers is the applicable scope set forth in Order Tai-Cai-Zheng-San-Zi No. 0920001301 from the former Securities and Futures Commission, Ministry of Finance dated March 27, 2003. The top five highest remuneration amounts are determined based on the sum of salaries, severance pay, bonuses and allowances, and employee compensation received by a managerial officer from all companies in the consolidated financial statements (i.e., A+B+C+D).

Note2 : Refers to the salaries, duty allowances, and severance pay paid to the managerial officers with the top five remuneration amounts in the most recent year.

Note3 : Refers to the remuneration paid to the managerial officers with the top five remuneration amounts, including various bonuses, incentives, travel expenses, special disbursements, allowances, accommodation, company car, other physical items, other compensations, etc., in the most recent year. Where housing, cars, other means of transportation, or expenditures exclusively for individuals are offered, the nature and costs of the offered assets, the actual rent or fair market rent, fuel expenses, and other benefits shall be disclosed. In addition, where a driver is provided, please provide an explanation in the notes on the compensation paid to the driver by the Company, but not calculating as remuneration. The salaries recognized in accordance with IFRS 2 "Share-based Payment," including the share subscription warrants issued to employees, new restricted stock award shares issued to employees, and employee stock at cash capital increase, shall also be calculated as remuneration.

Note4 : Refers to the amount of employee compensation (including stock and cash) approved by the Board of Directors for managerial officers with the top five remuneration amounts in the most recent year. If the amount of employee compensation cannot be estimated this year, the proposed amount should be calculated based on the actual amount and ratio distributed last year.

Note5 : The total remuneration paid by all companies in the consolidated statements (including the Company) to managerial officers with the top five highest remuneration amounts must be disclosed

Note6 : The net income after-tax refers to the net income after-tax in the standalone financial statements for the most recent year.

Note7 : a. Specify the amount of remuneration received by managerial officers with the top five remuneration amounts from ventures other than subsidiaries or from the parent company in this field (Please fill in "None" if none).

* The remuneration disclosed in the table is different from income as defined in the Income Tax Act. This table is therefore provided for disclosure only and is not used for taxation purposes.

2-2-4 Names and distribution of management team assigned with employees' bonus

2023/04/27

Unit : In NT\$ thousand

	job title (Note 1)	Name (Note 1)	Stock	Cash	Total	Total amount as a percentage of net profit after tax (%)
Manager	General Manager	Peng Ting-Yu	0	532	532	0.70%
	special assistant	Peng, Bo-Zhang				
	Accounting Officer	May Huang				
	Senior Manager	YEH LI-WEI				
	Senior Manager	Weng Ming-Hua				
	Financial Officer	Vincent Weng				
	Head of Corporate Governance	Chelsea Chen				

Note1 : Listed the names and job titles of each managerial officers, but employee's profits sharing bonus can be disclosed through a summary.

Note2 : Refers to the amount of employee compensation (including stock and cash) Approved by the Board of Directors for managerial officers in the most recent year. If the amount of employee compensation cannot be estimated this year, the proposed amount should be calculated based on the actual amount and ratio distributed last year. The net income after-tax refers to the net income after-tax in the standalone financial statements for the most recent year.

Note3 : Managerial officers refers to managers at the Company, in which the standard for determining managers is the applicable scope set forth in Order Tai-Cai-Zheng-San-Zi No. 0920001301 from the former Securities and Futures Commission, Ministry of Finance dated March 27, 2003.

(1) General Managers and equivalent posts

(2) Vice President and equivalent posts

(3) Assistant VP and equivalent posts

(4) Head of Department of Finance

(5) Head of Accounting Department

(6) Other people handling corporate affairs and signature rights

Note4 : If directors, General managers and Vice President receive employee remunerations (including stock and cash), this table needs to be completed in addition to Exhibit 1-2.

2-2-5 Information Regarding Remuneration paid to Directors, General Manager and Vice Presidents from All Entities in the Consolidated Financial Statements in the Most Recent Two Years:

1. Remuneration to Directors as a % of Net Profit after Tax Unit : In NT thousands

Item	year	2025		2024	
		Company	Merger company	Company	Merger company

Remuneration to Directors	13.35%	32.45%	5.08%	11.06%
Remuneration to managerial officers	4.55%	6.24%	1.62%	2.20%
net profit after tax	76,230	76,230	183,726	183,726

Note: The Company established the Audit Committee instead of supervisors approved by annual shareholders' meeting held on June 24, 2014, therefore no remuneration paid to supervisors

2. Relationship between remuneration policies, standards, procedures for setting remuneration and operating performance

① Remuneration policy for directors: In accordance with Article 25 of the Company's Articles of Incorporation, the remuneration of the Chairman, Vice Chairman and directors shall be determined by the Board of Directors in accordance with the value of their participation in and contribution to the Company's operations, and with reference to domestic and international industry standards. The board of directors shall resolve the directors' transportation fees. Article 29 of the Company's Articles of Incorporation stipulates: If the Company makes a profit, it shall appropriate not more than 3% for the directors' remuneration; the independent directors shall not participate in the distribution, and the criteria for the contribution shall be assessed in accordance with the Company's operation and shall be considered and approved by the Remuneration Committee and then sent to the Board of Directors for approval. In addition, Article 6 of the "Rules Governing the Remuneration of Directors and Functional Committees" stipulates that independent directors shall be paid a fixed amount of compensation, quarterly, of NT\$400,000 per year, regardless of the Company's profit or loss, for the performance of their duties. The Company periodically evaluates the remuneration of directors in accordance with the "Board of Directors' Performance Evaluation Method", and the related performance evaluation and reasonableness of remuneration are reviewed by the Remuneration Committee and the Board of Directors.

② Criteria for Managerial officers' remuneration, in order to effectively integrate organizational strategies, departmental objectives, company values (core functions) and employee actions, the Company may establish management rules for employee performance appraisal, stipulate various work allowances and bonuses, and sympathize and reward employees for their efforts in their work, the relevant bonuses shall be granted according to the company's annual operating performance, financial status, operational status and individual performance. In addition, if the Company makes a profit in the year, the Company shall allocate not less than 1% for the employees' remuneration in accordance with Article 29 of the Company's Articles of Incorporation, and the criteria for the allocation shall be assessed according to the Company's operation and approved by the Remuneration Committee and submitted to the Board of Directors for approval. The results of the performance evaluation conducted by the Company in accordance with the "Performance Management Regulations" shall be used as a reference for the bonus payment of the managerial officers.

③ Remuneration Procedures.

A. The remuneration of directors and managerial officers is evaluated periodically based on the evaluation results performed by the "Performance Evaluation Method of the Board of

Directors" and the "Performance Evaluation Method" applicable to managerial officers and employees, respectively.

B. The Company's directors and managerial officers are evaluated and reviewed annually by the Remuneration Committee and the Board of Directors with reference to their individual performance and contribution to the Company, the overall performance of the Company's operations, the future risks and development trends of the industry, and the timely review of the remuneration system from time to time in light of the actual operating conditions and relevant laws and regulations, and the current trends in corporate governance, in order to strike a balance between sustainable operation and risk control. Director and executive compensation is disbursed in accordance with the company's articles of association, with pre-tax profits serving as the allocation basis. The allocation standard is determined based on the company's operational assessment, subject to review and approval by the remuneration committee before being passed through resolution by the board of directors.

④ Relationship to operating performance: Review of payment standards and systems related to the Company's remuneration policy. The Company's remuneration policy is based on the overall operating conditions of the Company, and is based on the achievement rate and contribution of the Company's performance, in order to enhance the effectiveness of the Board of Directors and the management team. In addition, we make reference to industry salary standards to ensure that our management's salary is competitive in the industry and to retain outstanding management personnel.

2-3 、 Implementation of Corporate Governance

2-3-1 、 Operations of the Board of Director Meetings

The annual board of directors' meetings have been held 4 times recently , The attendance of director and supervisor were as follows:

Title	Name(Note1)	Attendance in person (B)	By Proxy	Attendance rate in person (%) 【 B / A 】 (Note 2)	Notes
Chairman	Peng, Ting-Yu	5	0	100	Re-elected on June 26, 2023
Director	Peng, Chiun-Ping	4	1	80	Re-elected on June 26, 2023
Director	Chao, Teng-Pang	5	0	100	Re-elected on June 26, 2023
Director	Yeh Li-Wei	5	0	100	Newly Appointed on June 26, 2023.
Director	Liu, Chiu-Chi	5	0	100	Re-elected on June 26, 2023
Director	Wen, Yu Mei	4	1	80	Re-elected on June 26, 2023
Director	Peng, Hsiu-Yun	4	1	80	Re-elected on June 26, 2023
Director	Shin Chuan Yuan Investment Co.,Ltd Representative: Tsai, Jin Wan	5	0	100	Re-elected on June 26, 2023
Independent Director	Tang, Peng-Chin	5	0	100	Re-elected on June 26, 2023
Independent Director	Chang Zhi-Yuan	5	0	100	Newly Appointed on June 26, 2023
Independent Director	Yen, Tzong-Ming	5	0	100	Re-elected on June 26, 2023

Other matters to be recorded:

1. If the operation of the board of directors is under any of the following circumstances, the date, period, resolution contents, all independent directors' opinions and how the company handled with independent directors' opinions shall be stated:

(1) Matters listed in Article 14-3 of the Securities Exchange Act:

The company has established an audit committee. According to Article 14-5 of the Securities

Exchange Act, approval by more than half of all members of the audit committee and a resolution by the board of directors is required. The provisions of Article 14-3 of the Securities Exchange Act do not apply. Please refer to the annual report for information on the operation of the audit committee.

(2) Other than the foregoing, there are no other resolutions of the Board of Directors to which the independent directors have objected or reserved their opinions and which have been recorded or stated in writing: There is no such situation.

2、The implementation of the withdrawal of a director's interest motion shall state the name of the director, the content of the motion, the reasons for the withdrawal of interests and the voting situation:

Date	Name of Director	Contents of Motion	Reasons for disqualification and voting circumstances
2025.05.09	Peng Ting-Yu, Peng Jun-Ping, Yeh Li-Wei	Allocation to managers of subsidiaries to be rewarded for using funds with a return rate exceeding the target for fiscal year 2023.	Interested parties avoided the meeting and did not participate in the voting.
	Peng Jun-Ping, representative of Shin Chuan Yuan Investment Co., Ltd.	Proposal for the 2024 allocation of staff remuneration to managers of subsidiaries.	Interested parties avoided the meeting and did not participate in the voting.
2025.11.11	Peng Jun-Ping, representative of Shin Chuan Yuan Investment Co., Ltd.	Allocation to managers of Far Year Construction Co., Ltd. to be rewarded for using funds with a return rate exceeding the target for fiscal year 2024.	Interested parties avoided the meeting and did not participate in the voting.

3. Implementation of the self-assessment by the Board of Directors of the Company:

Evaluation cycle	Evaluation Period	Evaluation Scope	Evaluation Methods	Evaluation Content	Results
Once a year	Performance evaluation from 2025/01/01 to 2025/12/31	The Board of Directors	Internal Self-Evaluation by the Board	1.Level of involvement in the company's operations 2.Improving the quality of board decisions 3.Board Composition and Structure 4.Election of Directors and Continuing Education 5.Internal control 6.other	Good
Once a year	Performance evaluation from 2025/01/01 to 2025/12/31	The Board of Directors	Self-Evaluation by individual board members	1.Mastery of company objectives and tasks 2.Directors' awareness of their duties and responsibilities and their involvement in the Company's operations. 3.Internal relationship management and communication. 4.The directors' professional and continuing education. 5.Internal control	Good
Once a year	Performance evaluation from 2025/01/01 to 2025/12/31	Remuneration Committee and Audit Committee	Internal Self-Evaluation by Functional Committee	1. Participation in company operations 2. Functional Committee Responsibilities Awareness 3. Improve decision-making quality of functional committees 4. Functional committee composition and member selection 5. Internal Control	Good

* The evaluation results is reported to the board of directors on March 12, 2026.

4. The objectives of strengthening the functions of the board of directors in the current and recent years (such as setting up an audit committee, enhancing information transparency, etc.) and evaluation of the implementation.

(1) The company's board of directors has established an audit committee and a salary and remuneration committee, and other new functional committees will be set up in due course in the future.

(2) When the company convening the meeting of the board of directors, report the current business status of the company to the directors and prepare relevant materials for the proposal. Directors need to further understand the proposal and have relevant personnel to provide information and explanations in a timely manner.

(3) Actively provide information on various refresher courses to encourage directors to actively participate in various corporate governance courses.

2-3-2、Operations of the Audit Committee: Audit Committee established by the resolution of BOD in 2014 and 3 Independent Directors are members of Audit Committee

The Audit Committee met 4 times (A) in the latest year. Attendance of independent directors in the meetings is as follows:

Title	Name(Note1)	Attendance in person(B)	By Proxy	Attendance rate in person (%)【 B/A 】(Note 2)	Remark
Independent Director	Tang Peng-Chin	3	1	75	2023.06.26 Re-elected
Independent Director	Chang Zhi-Yuan	4	-	100	2023.06.26 Newly appointed
Independent Director	Yen Tzong-Ming	4	-	100	2023.06.26 Re-elected

Other mentionable items :

1、If the operation of the audit committee falls under any of the following circumstances, the meeting date of the audit committee, the period, the content of the proposals, the independent directors' objections, reservations or major recommendations, the results of the audit committee's resolutions, and the company's response to the audit committee shall be stated. Handling of comments.

(1)The matters listed in Article 14-5 of the Securities and Exchange Act.

(2)Matters not listed above, which require approval by the Audit Committee, but have been approved by a resolution of two-thirds or more of all directors.

Convening date and period	Proposal content and subsequent processing	Matters listed in Article 14-5 of the Securities and Exchange	Decisions that have not been approved by the Audit Committee but have been approved by

		Act	more than 2/3 of all directors
2025.03.14 First Audit Committee	2024 business report, individual and consolidated and financial statements.	✓	No such situation
	2024 surplus distribution plan.	✓	As described.
	Internal Control System Statement Draft of 2024	✓	No such situation
	.Audit Committee Resolution Outcome: Unanimous agreement among all attending members. .Company's Handling of Audit Committee Opinion: For the 2024 Profit Distribution Proposal, the Board of Directors approved with more than 2/3 agreement from all directors to increase the cash dividend per share from NT\$0.2 to NT\$0.4.		
2025.05.09 Second Audit Committee	Appointment of Auditor for the Fiscal Year 2025: Assessment of Suitability and Independence	✓	No such situation
	.Audit Committee Resolution Outcome: Unanimous agreement among all attending members. . Company's Handling of Audit Committee Opinion: Unanimous agreement among all attending directors.		
2025.11.11 The fourth audit committee	Loan proposal to subsidiary "Far Year Construction Co., Ltd." by the Company.	✓	No such situation
	Audit Plan for the Fiscal Year 2026	✓	No such situation
	.Audit Committee Resolution Outcome: Unanimous agreement among all attending members. . Company's Handling of Audit Committee Opinion: Unanimous agreement among all attending directors.		

2、The implementation of the withdrawal of a director's interest motion shall state the name of the director, the content of the motion, the reasons for the withdrawal of interests and the voting situation: No such situation。

3、Communication situation among independent directors and internal audit supervisors and accountants (for example, matters, methods and results of communication on the company's financial and business conditions, etc.):

(1). The communication between independent directors and internal audit supervisors:

(a) Independent directors review internal audit operations and audit tracking progress and reports every month.

(b) Internal audit reports to independent directors in the audit committee quarterly, fully communicates the execution and effectiveness of the audit operation, and answers inquiries on issues of concern to independent directors. The communication situation is as follows:

Meeting date	Nature and communication topics	Suggestions from independent directors
2025.03.14	Internal audit business execution report for the fourth quarter of 2024.	The independent directors have no opinions or suggestions.
2025.05.09	Internal audit business execution report for the first quarter of 2025.	The independent directors have no opinions or suggestions.
2025.08.08	Internal audit business execution report for the second quarter of 2025.	The independent directors have no opinions or suggestions.
2025.11.11	Internal audit business execution report for the third quarter of 2025	The independent directors have no opinions or suggestions.

(2). Communication between independent directors and accountants:

Meeting date	Nature and content of communication subject	Independent Director's Suggestion
2025.12.16	<ol style="list-style-type: none"> 1. Accountants communicate and discuss the 2025 audit planning matters and key audit matters. 2. Communication of audit quality indicators and international professional ethics code for accountants. 	The independent directors have no opinions or suggestions.

2-3-3、Corporate governance operations and the differences and reasons from the Code of Practice for the Governance of Listed and Overseas Companies

Assessment Items	Implementation Status(Note1)			Non-implementation and its reasons
	Yes	No	Explanation	
1. Does Company follow "Taiwan Corporate Governance Implementation" to establish And disclose its corporate governance practices?	v		<p>The company has not formulated the "Taiwan Corporate Governance Implementation" but has established a complete company .The governance structure is as shown in 3-1 Echo Group Organizational System Chart. Each unit implements business and operation according to the functions and regulations of the Code of Practice for Corporate Governance. The key points of implementation are:</p> <ol style="list-style-type: none"> 1. Establish an effective corporate governance structure, protect the rights and interests of shareholders, strengthen the functions of the board of directors, exert the functions of the audit committee, respect the rights and interests of stakeholders, and enhance information transparency. 2. The relevant provisions of the Code of Practice for Corporate Governance, such as internal control system, subsidiary supervision and management measures, and rules of procedure for board meetings, are all handled in accordance with the provisions of the Code of Corporate Governance, so there is no difference from the "Code of Practice for Corporate Governance for IPO & OTC Companies". 	None
2.Shareholding Structure & Shareholders' Equity				
(1)Does Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, has these procedures been implemented accordingly	v		(1) The company has formulated internal major information handling procedures and measures, and has spokespersons and legal personnel to handle shareholder's suggestions and disputes, all of above can resolve shareholder issues.	None
(2)Does Company possess a list of major shareholders and beneficial owners of these major shareholders?	v		(2) The Company reports changes in insider shareholdings on a monthly basis in accordance with the law, keeps track of the shareholdings of the Company's directors and major shareholders holding 10% or more of the shares, and the list of major shareholders and ultimate controllers through the historical shareholders' register. The stock and investor relations unit maintains good interaction with major shareholders and is aware of important issues that may cause changes in shares.	None
(3)Has the Company built and executed a risk management system and "firewall" between the Company and its affiliates?	v		(3) The operation, business, and financial transactions between the company and the affiliated companies are all formulated operation management methods, and facilitate to establish the internal control system, and the duties, powers and accountabilities of the company and the affiliated companies are clearly divided, and appropriate firewall of risk assessments are constructed.	None
(4)Has the Company established internal rules prohibiting insider trading on undisclosed information?	v		(4) In 2022, the board of directors of the company passed the "internal material information processing and insider transaction processing procedures", will prevent insider trading management measures and prohibit insiders and managers from using undisclosed information on the market. The above-mentioned management measures have been posted on the company's official website.	None

Assessment Items	Implementation Status(Note1)			Non-implementation and its reasons																												
	Yes	No	Explanation																													
3.Composition and Responsibilities of the Board of Directors																																
(1) Has the Company established a diversification policy for the composition of its Board of Directors and has it been implemented accordingly?	V		(I)The Company's Board of Directors is diverse in terms of age, gender, and professional experience in business management, leadership and decision-making, industry knowledge, and finance and accounting. For information on the expertise and independence of the members of the Board of Directors, please refer to pages 9-12.	None																												
(2) Other than the Compensation Committee and the Audit Committee which are required by law, does the Company plan to set up other Board committees?	V		(II) The company has established a Salary and Remuneration Committee, an Audit Committee, and other functional committees. Other functional committees have not yet been planned by the company. They will be set up based on the company's operating scale and needs.	None																												
(3) Has the Company established methodology for evaluating the performance of its Board of Directors, on an annual basis, reported the results of performance to the Board of Directors, and use the results as reference for directors' remuneration and renewal?	V		(III) The company's board of directors passed the "Performance Evaluation Measures" in November 2020 and selected the head of corporate governance to conduct regular evaluations on directors' performance every year since 2020. The evaluation results will be reported to the board of directors in March Per Year and used in the "Directors and functional committee remuneration payment method" for reference.	None																												
(4) Does the Company regularly evaluate its external auditors' independence?	V		(IV) In accordance with the Statement of Ethics No. 10, "Audit and Review Independence," the Company's Accounting Office evaluates the independence and suitability of the certified public accountants on an annual basis and submits the results of the evaluation to the Board of Directors of the Company for discussion and resolution. The Board of Directors is required to submit to the Board of Directors a copy of the CPA's biography, the CPA's Statement of Independence (which is not in violation of Statement No. 10, "Statement of Ethics No. 10"), and AQL information prepared in accordance with the "Guidelines for the Preparation of Audit Quality Indicators by CPA Firms," in order to facilitate the evaluation by the Board of Directors of the independence and suitability of certified public accountants. Company's Board of Directors reviewed and approved on May 9, 2025, that the certified public accountants meet Company's independence and suitability assessment criteria (no direct or significant indirect financial interest in the audit client, the firm's over-reliance on a single client as a source of compensation, and a significant and close business relationship with the audit client, etc.), and the following is a list of the significant items in the assessment of the independence of the certified public accountants:	None																												
			<table border="1"> <thead> <tr> <th colspan="2">Independence Assessment</th> <th colspan="2">Compliance with independence</th> </tr> <tr> <th>Items</th> <th>Major Assessment Projects</th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>1</td> <td>An accountant shall avoid and shall not undertake any assignment in which he or she has a direct or material indirect interest that affects his or her impartiality or independence.</td> <td>V</td> <td></td> </tr> <tr> <td>2</td> <td>An audit or review of financial statements is an activity that provides a high or moderate, but not absolute, level of assurance to a broad range of potential users of the statements, and it is important for an accountant to maintain not only substantive independence, but also formal independence. Accordingly, members of the audit services team, other certified public accountants, the firm and the firm's affiliates are required to maintain independence from the audit client.</td> <td>V</td> <td></td> </tr> <tr> <td>3</td> <td>Does the independent accountant appointed by the Company maintain the following items (as listed in 3.1-3.3):</td> <td></td> <td></td> </tr> <tr> <td>3.1</td> <td>Integrity: Independent accountants should perform professional services with integrity and a rigorous attitude.</td> <td>V</td> <td></td> </tr> <tr> <td>3.2</td> <td>Impartiality and Objectivity: Independent accountants, when performing professional</td> <td>V</td> <td></td> </tr> </tbody> </table>	Independence Assessment		Compliance with independence		Items	Major Assessment Projects			1	An accountant shall avoid and shall not undertake any assignment in which he or she has a direct or material indirect interest that affects his or her impartiality or independence.	V		2	An audit or review of financial statements is an activity that provides a high or moderate, but not absolute, level of assurance to a broad range of potential users of the statements, and it is important for an accountant to maintain not only substantive independence, but also formal independence. Accordingly, members of the audit services team, other certified public accountants, the firm and the firm's affiliates are required to maintain independence from the audit client.	V		3	Does the independent accountant appointed by the Company maintain the following items (as listed in 3.1-3.3):			3.1	Integrity: Independent accountants should perform professional services with integrity and a rigorous attitude.	V		3.2	Impartiality and Objectivity: Independent accountants, when performing professional	V		
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Assessment Items	Implementation Status(Note1)				Non-implementation and its reasons
	Yes	No	Explanation		
				services, must maintain an impartial and objective attitude while avoiding conflicts of interest that could affect their independence.	
			3.3	Independence: Independent accountants must uphold a detached and independent stance, both in form and substance, during the audit or review of financial statements, and express their opinions impartially.	V
			4	Accountant independence is associated with integrity, impartiality and objectivity. Whether there is a lack or loss of independence in the appointment of an accountant, which in turn affects the integrity and impartiality of the accountant's position.	V
			5	Whether the accountant's independence is compromised by self-interest, self-assessment, defenses, familiarity, and coercion.	V
			6	Independence influenced by self-interest refers to conflicts of interest arising from financial benefits gained through the Company or other relationships of interest with the Company. Whether the following situations will occur: (as shown in 6.1 to 6.6 below)	
			6.1	A direct or significant indirect financial interest in the Company.	V
			6.2	Financing or guaranteeing activities with the Company or its directors and supervisors.	V
			6.3	Consider the likelihood of loss of the Company.	V
			6.4	We have a close business relationship with the Company.	V
			6.5	There is a potential employment relationship with the Company.	V
			6.6	Contingent public expenses related to the Company's investigation.	V
			7	Independence influenced by self-review refers to situations where the reports or judgments issued by the independent accountant in performing non-audit services serve as key bases for audit conclusions during the audit or review of financial information. This also includes cases where members of the audit service team have previously served as directors or supervisors of the Company, or have held roles directly and significantly influencing the audit engagement. Whether the following situations will occur: (as shown in 7.1 to 7.2 below)	
			7.1	A member of the Audit Services Group currently serves, or has served within the last two years, as a director, supervisor, manager, or in a position of significant influence over the Company's audit cases.	V
			7.2	The non-audit services provided to the Company will have a direct impact on the materiality of the audit case.	V
			8	Independence influenced by advocacy refers to situations where members of the audit service team become advocates for the audit client's position or opinions, resulting in their objectivity being called into question. Whether the following situations will occur: (as shown in 8.1 to 8.2 below)	
			8.1	Promoting or brokering shares or other securities issued by the Company.	V
			8.2	Acting as the Company's advocate or representing the audit client to coordinate conflicts with other third parties.	V
			9	Independence influenced by familiarity refers to cases where close relationships with the Company's directors, supervisors, or managers lead the independent accountant or members of the audit service team to excessively focus on or sympathize with the interests of the audit client. Whether the following situations will occur: (as shown in 9.1 to 9.3 below)	
			9.1	Affiliation with the Company's directors, supervisors, managers, or other persons with significant influence on the audit.	V

Assessment Items	Implementation Status(Note1)				Non-implementation and its reasons	
	Yes	No	Explanation			
			9.2	A co-certified public accountant who has been out of office for less than one year serves as a director, supervisor, or manager of the Company, or in a position that has significant influence on audit cases.	V	
			9.3	Acceptance of gifts or gratuities of significant value from the audit client company or its directors, supervisors, or managers.	V	
			10	Independence influenced by intimidation refers to circumstances where members of the audit service team experience or perceive threats from the Company, preventing them from maintaining objectivity and addressing professional skepticism. Whether the following situations will occur: (as shown in 10.1 to 10.2 below)		
			10.1	Requiring accountants to accept management's improper choices in accounting policies or improper disclosures in financial statements. Putting pressure on the accountant to unduly minimize the number of audits that should be performed in order to reduce the cost of the audit.	V	
			10.2	Putting pressure on the accountant to unduly minimize the number of audits that should be performed in order to reduce the cost of the audit.	V	
4 ∙ Does the Company appoint competent and appropriate corporate governance personnel and corporate governance officer to be in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by directors, assisting directors' compliance of law, handling matters related to board meetings and shareholders' meetings according to law, and recording minutes of board meetings and shareholders' meetings)? an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?	V		IV. The board of directors of the company has approved and elected the "Corporate Governance Chief Coordinating Related Business" to be responsible for matters related to corporate governance in November 2020, information required by directors and independent directors, information required to assist directors in performing business, and to hold a meeting of board of directors, make minutes of board meeting and co-work with related matters of shareholder meetings in accordance with the laws and regulations, etc.			None
5 ∙ Has the Company established a means of communicating with its Stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) or created a Stakeholders Section on its Company website? Does the Company respond to stakeholders' questions on corporate responsibilities?	V		(I) The company has set up an investor area on the company website, instructing to communicate with stakeholders including investor relations, stock affairs, etc.; and provide spokesperson contact information on the website to appropriately respond to the concerning issues of stakeholders (including original manufacturer/ upstream suppliers, customers, shareholders/investors/banks, media, employees...) to set up a smooth communication channel. (II) There are communication channels for employees in the company's team, and employees can express their opinions via email or in written.			None
6 ∙ Has the Company appointed a professional registrar for its Shareholders' Meetings?	V		The company appointed Stock Affairs Agency of Yuanfa Securities Co., Ltd. to handle stock affairs.			None
7 ∙ Information Disclosure (1) Has the Company established a corporate website to disclose information regarding its financials, business and corporate governance status? (2) Does the Company use other information disclosure channels (e.g. maintaining	V		(1) The company has set up a website to disclose the company's overview and financial information, and has dedicated personnel responsible for data maintenance and update. Company Website: http://www.action.com.tw			None
	V		(2) The company has set up spokespersons and acting spokespersons in accordance with the regulations, and designated dedicated personnel to collect company information, and be responsible for the disclosure of			None

Assessment Items	Implementation Status(Note1)			Non-implementation and its reasons
	Yes	No	Explanation	
(3) Does the Company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the first, second, and third quarter financial statements as well as the operating status of each month before the prescribed deadline?	V		<p>significant company information, and update the public information on the Market Observation Post system (MOPS) on time. (Currently, the company has not yet set up an English website)</p> <p>(3) to the large number of overseas subsidiaries held by the Company, the Company was unable to announce and report the annual financial statements within two months of the end of the fiscal year for 2025 in order to cooperate with each subsidiary to complete the consolidated financial statements, but the Company has cooperated with the law to nounce and report the annual financial statements 75 days before the end of the fiscal year for 2025 and will aim to announce the financial statements within two months from now on.</p> <p>The Company announces the first, second and third quarterly financial reports 45 days before the end of each quarter, and the Group's revenue, capital loans, endorsements and guarantees, and the execution of derivatives by the 10th of each month according to the regulations.</p>	None
8、Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (e.g. including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors)?	V		<p>1. Employees' rights and interests: The company abides by labor laws and regulations, and the appointment and dismissal, transfer, salary, rewards and punishments, education and training of related employees are in accordance with the company's internal management system to protect the rights and interests of employees. In accordance with laws and regulations, an Employee Welfare Committee has been established, a pension system has been implemented, and group insurance for employees has been insured.</p> <p>2. Employee care: The company provides employee profit-sharing, year-end bonuses and other welfare measures, and protects the legitimate rights and interests of employees in accordance with the Labor Standards Law and other related regulations, provides complaints channels for employees, and set up a comprehensive online documentary management system that lists up various rights and obligations of employees and welfare items to regularly review the content of welfare and protect the rights and interests of employees.</p> <p>3. Investor relations: improve the transparency of operations, strive for the accuracy, completeness and real-time disclosure of information; stress corporate governance, formulate and disclose corporate governance-related codes; set up a spokesperson system, which is responsible for handling shareholder's suggestions and ensuring shareholder equality. The company website contains investor mailboxes and spokesperson contact information to maintain a healthy and harmonious relationship between the company and shareholders.</p> <p>4. Supplier relationship: The company has established Supplier Management Methods to ensure that the delivery time, quality and price of suppliers meet the company's needs, so that can keep a good relationship between each other.</p> <p>5. Rights of interested stakeholders: respect intellectual property rights, stress relationships with customers, and abide by laws and regulations.</p> <p>6. Implementation situation of risk management policies and risk measurement standards: The company adopts different strategies for different risks, formulates various internal regulations, and conducts risk assessment and management.</p> <p>7. Implementation situation of customer policies; maintain stable and good relations.</p> <p>8. The company's purchase of liability insurance for directors; the company has purchased liability insurance for all directors of USD 3 million since May 2018, and it has been upgraded to USD 5 million in 2025.</p>	None
<p>9、Please explain the improved situation regarding the corporate governance evaluation results issued by the Corporate Governance Center of the Taiwan Stock Exchange Co., Ltd. in the most recent year, and propose priority of strengthening items and measures.</p> <p>(1) Improved situation in governance evaluation:</p> <p>1. The interim financial report was approved by the Audit Committee and presented to the Board of Directors for discussion and resolution.</p> <p>2. The Sustainability Report prepared by the Company was submitted to and approved by the Board of Directors.</p> <p>(2) The Company expects to strengthen its corporate governance as follows:</p> <p>1. Adjust the seats of Independent Directors on the Board of Directors to account for more than one-third of the seats.</p> <p>2. The Company has established an Information Security Committee, formulated an information security policy and specific management plans, and continuously provides information security education and training for</p>				

Assessment Items	Implementation Status(Note1)			Non-implementation and its reasons
	Yes	No	Explanation	
employees. The Company is now moving towards regularly reviewing the information security policy and quantifying the resources invested, and disclosing this information on the Company's website or annual report. 3. Improve the overall training hours for directors, enhance their professional knowledge, promote effective communication, strengthen the decision-making process, and improve the governance structure to enhance the external reputation of the board of directors and the trust of stakeholders in the company.				

Note 1: Regardless of whether the operation status is checked "Yes" or "No", it should be stated in the summary description column.

2-3-4 Composition, Responsibilities and Operations of the Remuneration Committee

1. Information Regarding the Members of the Remuneration Committee

Criteria Name	Professional Qualifications requirements and work experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Yen Tzong-Ming (Independent Director))	The Company's Remuneration Committee consists of three independent directors. Please refer to "2-1-4 Disclosure of Professional Qualifications of Directors and Independence of Independent Directors" in this annual report for the professional qualifications and experience of the members	1. Not the person, the person's spouse. Relative within the second degree of kinship of a director, supervisor or an Employee of the company or any of its affiliates. 2. Not the person 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 of 0% of the total number of issued shares of the company, 3. Not a director or supervisor of the company or any of its affiliates. 4. Not a professional who provides audits or commercial, legal, financial, accounting, or other related services with compensation within the past two years to UPEC or its affiliates.	1
Tang Peng-Chin (Independent Director))			1
Chang Zhi-Yuan (Independent Director))			2

Note 1: Please specify the relevant years of service, professional qualifications and work experience, and independence of each member of the Remuneration Committee in the form and, in the case of an independent director, provide a note stating the relevant information in Exhibit I (I) of Schedule 1 on page 47. Please indicate whether the member is an independent director or other (if the member is the convenor, please add a note).

Note 2: Professional Qualifications and Work Experience: Describe the professional qualifications and experience of the individual Remuneration Committee.

Note 3: Compliance with independence: describe the compliance with independence of the members of the salary and Remuneration Committee, including but not limited to whether I, my spouse and relatives within the second degree are directors, supervisors or employees of the company or its affiliated enterprises; The number and proportion of shares held by myself, spouse, second degree relatives (or in the name of others); whether to serve as a director, supervisor or employee of a company with a specific relationship with the Company (with reference to the provisions of subparagraphs 5-8, paragraph 1, Article 6 of the regulations on the establishment and exercise of functions and powers of the salary and Remuneration Committee of companies listed on the stock market or traded on the over-the-counter securities market); the amount of remuneration received for providing business, legal, financial, accounting and other services to the company or its affiliated enterprises in the last two years.

Note 4: Please refer to the best practice reference examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange for disclosure methods.

2. Operations of the Compensation Committee

(1) The Remuneration Committee composed of 3 members

(2) Office Term of Remuneration Committee : 6/26/2023~6/25/2026 , A total of 4 (A)

Remuneration Committee meetings were held in the previous period. The attendance record of the Remuneration Committee members was as follows:

Title	Name	Attendance in person (B)	By Proxy	Attendance rate in person (%) (B/A)(Note)	Remark
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Convener	Yen, Tzong-Ming	4	0	100	2023.06.26 Renewal
Member	Tang, Peng-Chin	4	0	100	2023.06.26 Renewal
Member	Chang Zhi-Yuan	4	0	100	2023.06.26 New

Other mentionable items:

1. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (eg., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.
2. Resolutions of the remuneration committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified:

Dates	Content of Motion	Results of the meeting	The Company's Handling of the Opinions of the Salary and Compensation Committee
2025.01.13	<ul style="list-style-type: none"> • Proposal for the 2023 allocation of staff remuneration to managers for the Company. • Proposal for the allocation of year-end bonuses to managers of subsidiaries for 2024. 	The case was approved as presented with no objection from the members present.	After the Remuneration Committee's deliberation, the contents of the report were submitted to the Board of Directors and approved by all the directors present.
2025.03.14	<ul style="list-style-type: none"> • Proposal for the 2024 distribution of employee compensation and director remuneration for the Company. 		
2025.05.09	<ul style="list-style-type: none"> • Amendment to the "Regulations Governing the Implementation of Employee Compensation" of the Company. • Proposal for the 2024 distribution of director remuneration for the Company. • Allocation to managers of subsidiaries to be rewarded for using funds with a return rate exceeding the target for fiscal year 2023. • Proposal for the 2024 allocation of staff remuneration to managers of subsidiaries. 		
2025.11.11	<ul style="list-style-type: none"> • Allocation to managers of Far Year Construction Co., Ltd. to be rewarded for using funds with a return rate exceeding the target for fiscal year 2024. • Amendments to the "Regulations Governing the Payment of Remuneration to Directors and Functional Committees of the Company. • Amendment to the "Regulations Governing the Implementation of Employee Compensation" of the Company. 		

Note:

- (1) If a member of the Remuneration Committee leaves the Company prior to the end of the year, the date of departure shall be indicated in the Remarks column, and the actual attendance rate (%) shall be calculated based on the number of meetings of the Remuneration Committee and the actual attendance during the member's employment.
- (2) Before the end of the year, if there is a re-election of the salary and Remuneration

Committee, the new and old members of the salary and Remuneration Committee shall be filled in, and the date of the former, new or re-election and re-election of the member shall be indicated in the remark column. The actual attendance rate (%) is calculated based on the number of meetings of the salary and Remuneration Committee and their actual attendance during their employment.

2-3-5. Information on the members of the nomination committee and information on their operation: the company does not set up a nomination committee.

2-3-6-1 、 Fulfillment of ESG and Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies"

Evaluation Item	Implementation Status(Note1)			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Abstract Explant Item	
1 、 Does the company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?		V	<p>The Company has established a comprehensive governance structure to effectively promote sustainability work. The Company has established a "Sustainability Committee," with the Chairman serving as the Chief Member, and an Executive Secretary appointed to oversee implementation and promotion efforts. The committee is divided into three major working groups based on business responsibilities: Corporate Governance, Green Sustainability, and Social Care, collectively coordinating the company's sustainability affairs. The executive secretary reports to the Chairman on the execution results of the Year at least once a year and formulates future guidelines.</p> <p>In the section of Board of Directors' supervision, the Board authorizes the committee to formulate the direction, strategies, and targets for sustainable development, and to draft specific implementation plans and track their effectiveness. In March 2025, the Board of Directors approved the establishment of the "Sustainable Information Management Regulations," with the Internal Audit Office reporting the audit results of sustainable information management internal control to the Board of Directors annually. In August of the same year, the annual sustainability report was also reviewed and approved by the Board of Directors, ensuring the accuracy and transparency of information disclosure.</p> <p>The Board of Directors continuously provides guidance and recommendations on the management team's reports and strategic targets based on the current status of the company. The management also incorporates</p>	None

Evaluation Item	Implementation Status(Note1)			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Abstract Explant Item	
			these into their execution goals and makes timely adjustments to effectively promote sustainable development.	
2、Does the company establish exclusively (or concurrently) dedicated first-line managers authorized by the board to be in charge of proposing the corporate social responsibility policies and reporting to the board?	V		<p>The Company (Data Boundary) follows the GRI Sustainability Reporting Guidelines for the selection of material topics. Based on the Company's own situation and with reference to industry reports, the Company selects 10 to 20 sustainable development issues, and at the same time makes reference to the issues of concern to stakeholders, and then discusses and evaluates the selection of material topics through the internal ESG Committee and the heads of departments, as well as in conjunction with outside experts, in order to categorize the risks that may be encountered in its operations into the following categories We classify the risks that may be faced in our operating activities into three aspects, namely, environment, employees and operation, and propose corresponding countermeasures according to each possible risk, adopting different strategies for different risks in order to minimize the risks.</p> <p>For the Company's risk management strategy, please refer to the Company's Sustainability Report, the Company's website at https://www.action.com.tw/investor/?recordId=57, Action Electronics Co., LTD./Investor Corner/Corporate Governance.</p>	None
3、Environmental issues (1) Does the company establish proper environmental management systems based on the characteristics of their industries?	V		(I) The company's home appliance products are entrusted to logistics companies for delivery. In addition to the delivery timeliness, in order to effectively prevent and control environmental pollution, logistics companies	None

Evaluation Item	Implementation Status(Note1)			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons																				
	Yes	No	Abstract Explant Item																					
(2) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	V		<p>are required to adhere to high-quality management models on KPI and SOP and pay attention to environmental cleanliness.</p> <p>(II) The energy disclosure data of the business locations in Taiwan are detailed in the following table:</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Item</th> <th>2024 consumption (GJ)</th> <th>2025 consumption (GJ)</th> </tr> </thead> <tbody> <tr> <td>Direct Energy (A)</td> <td>Gasoline</td> <td>109.51</td> <td rowspan="5">Please refer to the Sustainability Report published by the Company in August 2026</td> </tr> <tr> <td>Indirect Energy (B)</td> <td>Purchased electricity power</td> <td>413.01</td> </tr> <tr> <td colspan="2">Total Non-renewable Energy (A) + (B)</td> <td>522.52</td> </tr> <tr> <td colspan="2">Renewable energy</td> <td>0</td> </tr> <tr> <td colspan="2">Percentage of renewable energy</td> <td>0.00%</td> </tr> </tbody> </table> <p>In recent years, energy shortage, man-made damage to the ecological environment and the carbonization of the earth have become increasingly serious. The Company continues to promote energy saving and carbon reduction measures to cope with the impact of environmental changes.</p> <p>1.Introduction of energy-saving office equipment: Energy-saving and high-efficiency LED lighting fixtures are used, and heat-sensor lighting devices are installed in public areas and offices to effectively reduce electricity consumption. Air conditioning and lighting equipment are switched off daily at work and during lunch break to avoid unnecessary energy waste.</p> <p>2.Resource Utilization and Recycling</p>	Category	Item	2024 consumption (GJ)	2025 consumption (GJ)	Direct Energy (A)	Gasoline	109.51	Please refer to the Sustainability Report published by the Company in August 2026	Indirect Energy (B)	Purchased electricity power	413.01	Total Non-renewable Energy (A) + (B)		522.52	Renewable energy		0	Percentage of renewable energy		0.00%	None
Category	Item	2024 consumption (GJ)	2025 consumption (GJ)																					
Direct Energy (A)	Gasoline	109.51	Please refer to the Sustainability Report published by the Company in August 2026																					
Indirect Energy (B)	Purchased electricity power	413.01																						
Total Non-renewable Energy (A) + (B)		522.52																						
Renewable energy		0																						
Percentage of renewable energy		0.00%																						

Evaluation Item	Implementation Status(Note1)			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons												
	Yes	No	Abstract Explant Item													
<p>(3) Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?</p> <p>(4) Does the Company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?</p>	V	V	<p>(1) Office resource reuse: The office can recycle and disassemble and reuse resources, including information computer equipment and parts, and give them to social welfare organizations for recycling to reduce ecological load.</p> <p>(2) Recycling of packaging materials and the use of green packaging materials, classified and managed according to the nature of packaging materials, the empty cartons after the incoming goods are also recycled for use in the outgoing packaging to reduce ecological damage to the environment.</p> <p>(III) The Company assesses the potential risks and opportunities of climate change for current and future businesses, and adopts climate-related issues response to reduce the risks in step-by-step improvements.</p> <p>(IV) Statistics on greenhouse gas emissions, with the inventory scope covering Action Electronics Co., Ltd.'s Taiwan site. The area is set as the inventory cope, and the related greenhouse gas emissions are detailed in the following table:</p> <table border="1"> <thead> <tr> <th>Category</th> <th>2024 emissions tCO2e</th> <th>2025 emissions tCO2e</th> </tr> </thead> <tbody> <tr> <td>Scope 1</td> <td>7.91</td> <td>12.20</td> </tr> <tr> <td>Scope 2</td> <td>54.38</td> <td>43.28</td> </tr> <tr> <td>Total</td> <td>62.29</td> <td>55.48</td> </tr> </tbody> </table> <p>Water consumption and total weight of waste are only generated by the daily services of company colleagues. The Company currently manages the impact</p>	Category	2024 emissions tCO2e	2025 emissions tCO2e	Scope 1	7.91	12.20	Scope 2	54.38	43.28	Total	62.29	55.48	<p>None</p> <p>None</p>
Category	2024 emissions tCO2e	2025 emissions tCO2e														
Scope 1	7.91	12.20														
Scope 2	54.38	43.28														
Total	62.29	55.48														

Evaluation Item	Implementation Status(Note1)			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Abstract Explant Item	
			of its greenhouse gas emissions in accordance with local government regulations. However, from the perspective of corporate culture and sustainable development, we continue to promote resource conservation, man and promotion of recycling and reuse, with the aim of fostering such habits among colleagues. Implement energy saving, carbon reduction, and environmental protection in daily routines.	
<p>4 · Social issues</p> <p>(1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</p> <p>(2) Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?</p> <p>(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?</p>	V		(I) The company complies with labor-related laws and regulations and follows international human rights conventions, and has working rules and related personnel management regulations, covering gender equality, working rights, and prohibition of any illegal discrimination and other human rights protection regulations.	None
	V		(II) The company has working rules and relevant personnel management regulations, covering basic wages, working hours, leave entitlements, pension payments, labor and health insurance benefits, occupational accident compensation, maternity leave (paternity leave), and parental leave for employees hired by the Company, all in compliance with the relevant provisions of the Labor Standards Act. As of December 31, 2025, female employees constituted 51% of the Company's workforce, while female executives accounted for 15%. The Company establish the Employee Welfare Committee which is operated by the elected employees to handle various welfare matters; the Company's remuneration policy is based on personal ability and the performance to the Company's contribution.	None
	V		(III) The company provides employees a safe and secure working environment, and does comply with relevant laws and regulations, including the "Labor Safety and Health Law" and "Firefighting Management Measures", etc., and formulates related work rules to prevent occupational disasters. The Company had 0 cases of disabling occupational accidents in 2025 (including 0 cases of fire), with 0 persons affected (accounting for 0% of the total	None

Evaluation Item	Implementation Status(Note1)			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Abstract Explant Item	
(4) Does the company provide its employees with career development and training sessions?	V		number of employees at the end of 2025); The working environment for the Company's employees does not pose harmful material hazards, therefore operational environment monitoring is not necessary. For those whose work is conducted solely in the office, to ensure that employees are familiar with occupational safety and health regulations, The Company cooperates with the building management center to arrange monthly inspections of electromechanical systems, fire protection inspections, and generator power-off start-up tests to ensure the safe use of equipment and emergency response (including fire) and compliance with occupational safety and health at the operational locations. January to August 2025, a total of 8 times. The company has set up an Employee Welfare Committee responsible for handling various welfare measures and subsidies for employees. The company also handles labor insurance, national health insurance and group insurance in accordance with the law to protect the rights and interests of employees and fully support the balanced development of their bodies, minds, and souls. (IV) The company takes long-term talent cultivation as the key, and will plan and arrange various internal and external training programs based on organizational needs, departmental needs and individual needs of employees, to improve and update employees' knowledge and skills, and to establish abundant human capital. The development of career ability, taking into account the cultivation of core professional ability and the balanced development of employees' body, mind, and soul.	None
(5) Do the company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented?	V		(V) The Group's subsidiaries in Shenzhen and Malaysia are engaged in the production and manufacturing of automotive electronic products and have obtained ISO 9001, ISO 14000 and ISO 45001 certifications for corporate environmental management system and occupational safety and health management system.	None

Evaluation Item	Implementation Status(Note1)			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Abstract Explant Item	
(6) Does the company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results.	V		<p>The production plants of production are operated according to the prescribed management system, which effectively improves the replacement and improvement of equipment, energy saving, and enhances the overall improvement energy.</p> <p>In order to protect the rights and interests of customers, the company has set up a maintenance service station contact window, an email address, and a stakeholder section to provide a channel for customers to enquire, complain or suggest factories, and the company upholds the principle of honesty and trust to handle and give feedback appropriately to protect the rights and interests of customers. There is also product liability insurance to protect consumer rights.</p> <p>(VI) The company has set up a "Supplier Control Procedure" for the management of suppliers, which focuses on ensuring quality and product safety, and conducts regular and irregular audits on all suppliers with transactions, quality management and hazardous substance management. Assess the environmental protection, safety and health management system and performance of important suppliers, and use the company's influence to promote environmental protection and safety management on the company's major suppliers through the management of the supply chain to ensure that the suppliers comply with environmental protection, Safety and health related laws and regulations.</p>	None
5、Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as corporate Sustainable Development reports? Do the reports above obtain assurance from a third party verification unit?	V		The "Sustainability Report" has been prepared in accordance with the Sustainability Reporting Standards issued by GRI, the Global Sustainability Reporting Initiative, and the foregoing report has not been confirmed or warranted by a third-party certifying entity.	None

Evaluation Item	Implementation Status(Note1)			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Abstract Explant Item	
6、Describe the difference, if any, between actual practice and the corporate social responsibility principles, if the company has implemented such principles based on the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies: None				
7、Other useful information for explaining the status of corporate Sustainable Development practices: None				

Note 1: If the operational status is checked "Yes," please explain the important policies, strategies, measures and implementations adopted. If the operational status is checked "No," please explain the reasons and explain the plan to adopt related policies, strategies and measures in the future.

Note 2: The principle of materiality refers to those who have significant environmental, social and corporate governance issues that have a significant impact on the company's investors and other stakeholders

Note 3: For disclosure methods, please refer to the Best Practice Reference Examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange.

2-3-6-2. Climate-related information:

Item	Enforcement situation
1. describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.	<p>In order to cope with the high degree of climate uncertainty and rapid changes in policies and markets, and to grasp and estimate the possible impacts of climate change in a timely manner, the Company convenes senior executives from various departments from time to time to identify major climate risks and opportunities. At the same time, we also further evaluate the risks that floods, droughts, typhoons and high temperatures may bring to each of our operating locations, so that we can grasp the climate changes in the external environment and market dynamics, and more comprehensively consider the overall strategic planning of our operations.</p> <p>In March 2025, the Board of Directors of the Company approved the establishment of the "Sustainable Information Management Regulations", under which the Sustainable Development Committee formulates the direction, strategies and objectives of the Company's sustainable development, draws up relevant management policies and specific promotion plans, and tracks and reviews the effectiveness of the implementation of sustainable development.</p>
2. Describe how the identified	(1) Risks and opportunities:

Item	Enforcement situation				
climate risks and opportunities will affect the business, strategy, and finances of the organization (short, medium, and long term).		Risk categories and opportunity	Short-term (1~3 years)	Medium and long term (3~6 years)	Long-term (more than 6 years)
	Risk	<p>Transformation Risks Risks arising from focusing on the transition to a low carbon economy. Transformation risks include policy, legal, technology, market and reputational risks.</p>	<ul style="list-style-type: none"> • Domestic regulations energy tiering efficiency improvements, some products may face revisions or phase-outs. • Policies and regulations reinforce emission reporting obligations. 	<ul style="list-style-type: none"> • Changes in consumer demand and preferences. • Transformation to low carbon emission technologies. • Insufficient climate response actions, resulting in a decline in brand reputation. 	Trend of net zero emission.
		<p>Physical Risks Immediate physical risks arise from weather-related events such as storms, floods, droughts or heat waves.</p>	Extreme weather causes damage to operating assets.	<ul style="list-style-type: none"> • Unstable power supply due to climate change, resulting in unsafe operating conditions and, in severe cases, possible service interruptions. • Extreme weather causing shortages of raw materials or cost increases. 	Rising average temperatures exacerbate the effects of extreme weather.
Opportunity	Positive effects on individuals due to climate change.	<ul style="list-style-type: none"> • R&D and innovation of new low-carbon products and services. • Retirement and replacement of high-efficiency products for enterprises or projects in response to international trends. 	<ul style="list-style-type: none"> • Extreme climate increases the need for high-performance goods. • Enhance resource efficiency and strengthen energy conservation measures. 	Full disclosure of emissions and the effectiveness of reductions will help enhance corporate reputation.	

(2) Risks and opportunities related to climate change that may cause financial impacts, and the strategies to cope with such impacts :

Item	Enforcement situation		
	(R)Risk/(O)Opportunity	Financial impact -/+	Response strategy
	<p>R: Some products may face revision or replacement due to the improvement of energy classification efficiency in domestic regulations.</p> <p>O: In response to the international trend, enterprises may plan to replace old products with new ones with higher efficiency.</p>	<p>-Increase in cost of goods sold due to product revamping or replacement.</p> <p>+ Increase in revenue due to product replacement by customers in response to international trends.</p>	<p>Inventory levels are adjusted according to international trends and customer demand.</p>
	<p>R: Policies and regulations reinforce emission reporting obligations.</p> <p>R: Transition to low carbon technologies.</p> <p>R: Insufficient climate action, resulting in declining brand reputation.</p> <p>R: Net-zero emissions trend.</p> <p>O: Full disclosure of emissions and reductions can help enhance corporate reputation.</p>	<p>-Increased operating costs due to net-zero emissions and transition to low-carbon operations.</p> <p>-Inadequate climate response to meet stakeholder expectations, resulting in goodwill and lower revenue.</p> <p>+ Increased brand reputation, fundraising and brand awareness, resulting in lower capital costs and higher revenue.</p>	<ul style="list-style-type: none"> • Disclosure of information on carbon emissions, water resources, etc. in compliance with the law. • Research on low carbon operation methods and enhancement of energy saving measures.
	<p>R: Damage to operating assets due to extreme weather.</p>	<p>-Damage to operating assets, which increases operating expenses.</p>	<ul style="list-style-type: none"> • Assess the location of operating asset impairments and conduct risk mitigation measures.
	<p>R: Unstable power supply due to climate change, resulting in unsafe operating conditions and, in severe cases, possible service interruptions.</p> <p>R: Shortage of raw materials or rising costs due to extreme weather.</p> <p>O: Enhancement of resource efficiency and energy conservation measures.</p>	<p>-Unstable power supply, resulting in unsafe operating conditions and lower revenues.</p> <p>-Extreme weather causes raw material shortages and cost increases.</p> <p>+ Enhancement of equipment performance can save operating costs.</p>	<ul style="list-style-type: none"> • Monitor climate-related news and adjust operational configurations. • Understand suppliers' processes or operations to assess the impact of climate change on suppliers.

Item	Enforcement situation		
	<p>R: Rising average temperatures exacerbate the impacts of extreme weather.</p> <p>O: R&D and innovation of new low-carbon products and services.</p> <p>O: Increased need for high-performance goods due to extreme climate.</p>	<p>-Higher energy costs and higher operating costs due to extreme weather.</p> <p>+ Higher demand for high-performance goods, resulting in higher revenues.</p>	<ul style="list-style-type: none"> • Research on low carbon operation methods and enhancement of energy saving measures. • Provide customers with high-efficiency products.
<p>3. Describe the financial impacts of extreme climate events and restructuring actions.</p>	<p><u>Financial Impact of Extreme Weather Events</u></p> <p>Heavy rainfall or typhoons may prevent employees from going to work and cause temporary suspension of operations, which may result in higher costs and lower revenues.</p> <p>Unstable power supply due to climate change may lead to insecurity in operation, which may lead to service interruption and decrease in revenue in severe cases.</p> <p><u>Financial Impact of Transformation Actions</u></p> <p>As a result of the improvement of energy efficiency in domestic regulations, some products may face evision or replacement, which will increase the cost of goods sold.</p> <p>Increase in operating costs for net-zero emissions and low-carbon operations.</p>		
<p>4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.</p>	<p>The Board of Directors is the highest decision-making body for risk control and oversees the Company's risk management through the Sustainable Development Committee. In order to effectively promote the implementation of sustainable development, the Company established the Sustainable Development Committee in 2022, with the Chairman of the Board as the chairman and assigned the executive secretary to be responsible for the promotion of the Company's sustainable development. The Sustainable Development Committee is divided into the Corporate Governance Group, the Green Sustainability Group and the Social Care Group, which work together to co-ordinate and promote the sustainability-related matters (including risk management). The Executive Secretary reports to the Chairman of the Board at least once a year on the results of the current year's implementation and formulates future directions. In March 2025, the Board of Directors of the Company approved the “Regulations on the Management of Sustainability Information”, under which the Sustainability Committee formulates the direction, strategies and objectives of corporate sustainability, draws up relevant management policies and specific promotion plans, and tracks and reviews the effectiveness of the implementation of sustainable development.</p> <p>The process of identifying and evaluating the Company's climate risk is as follows:</p> <p>1. Climate risk identification: Each operating unit conducts risk identification based on the objectives and</p>		

Item	Enforcement situation
	<p>business practices of the unit to which it belongs.</p> <p>2. Climate Risk Analysis: Each operating unit analyzes the risk value of the identified risk events, taking into account the integrity of the existing relevant control measures, past experience, and cases in the same industry, and analyzes the risk value in accordance with the probability of occurrence and the degree of impact of the risk events.</p> <p>3. Climate risk assessment: Based on the results of the risk analysis, assess the risk level, and plan the follow-up risk response program by each operating unit. If the risk is assessed to be high, it should be listed as a priority concern item.</p> <p>4. Climate Risk Response: Considering the company's resource allocation and cost-effectiveness, high-risk items will be implemented to prevent risky operations.</p> <p>5. Risk supervision and review: The Corporate Governance Group will summarize the implementation status of high-risk items to the Sustainable Management Committee.</p>
<p>5. If scenario analysis is used to assess the resilience to climate change risk, the scenarios, parameters, assumptions, factors analyzed, and major financial impacts should be described.</p>	<p>In accordance with the recommendations of TCFD and the characteristics of the industry, the Company conducts climate risk management in the four major aspects of governance, strategy, risk management, and targets and objectives, identifies potential significant risks of impact, and assesses the financial impact probability and scale of the impact for each risk factor, and discusses countermeasures.</p>
<p>6. If there is a transition plan for managing climate-related risks, describe the content of the plan, as well as the metrics and objectives used to identify and manage physical and transition risks.</p>	<p>In order to achieve net-zero emissions, the Company has strengthened its energy efficiency and increased its internal carbon reduction actions, which include the following:</p> <ol style="list-style-type: none"> 1. Adoption of high-efficiency air-conditioning equipment and lighting in the Company's office buildings or business locations. 2. Use electronic means to read board meeting materials instead of printing paper copies. 3. Continuously building new electronic forms instead of paper forms.
<p>7. If internal carbon pricing is used as a planning tool, the basis for price setting should be specified.</p>	<p>Internal carbon pricing is an internal cost price set by a company for greenhouse gas emissions, which can be used to measure carbon risks and identify carbon opportunities.</p> <p>The Company has not yet implemented internal carbon pricing, and will formulate the necessary strategic planning based on the Company's specific situation before implementation.</p>
<p>8. If climate-related targets are set,</p>	<p>The Company is committed to environmental protection and actively promotes a green operation model</p>

Item	Enforcement situation
<p>information on the activities covered, the scope of greenhouse gas emissions, the planning period, and the progress achieved each year should be stated; if carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and amount of carbon reduction credits or the amount of renewable energy certificates (RECs) offset should be stated.</p>	<p>that minimizes environmental impact. The specific Implementation Status for addressing climate change adaptation and greenhouse gas reduction targets are as follows:</p> <p>(1) Greenhouse Gas Inventory and Target Setting: The Company officially launched the greenhouse gas inventory operation in 2025. Currently, the inventory boundary is focused on the headquarters of Action Electronics Co., Ltd., covering Scope 1 (direct emissions) and Scope 2 (energy indirect emissions). To ensure the scientific and comprehensive nature of the targets, the Company plans to establish specific reduction pathways, planning timelines, and annual progress after expanding the inventory boundaries to the entire group based on the consolidated basic data.</p> <p>(2) Green Products and Energy-saving Achievements: The Company has been adjusting its business strategy since 2025, gradually transforming from brand operation to brand-authorized operation model. During this transitional period, The Company remains committed to implementing green product management policies, ensuring that both self-operated and licensed products meet environmentally friendly standards. For example, air conditioners are equipped with first-class energy efficiency, washing machines comply with water-saving label certification, and the company enforces waste appliance recycling and compliance with environmental regulations. In addition, the replacement of water equipment related to the "Enemosound Action Science and Technology Park" prioritizes water-saving designs.</p> <p>(3) Carbon offsets and renewable energy: This year, carbon offset credits or renewable energy certificates (RECs) have not yet been utilized as means to achieve carbon reduction targets. In the future, the feasibility of purchasing renewable energy certificates or related offset mechanisms will be evaluated based on the inventory results and the needs of reduction strategies.</p>
<p>9. Greenhouse Gas Inventory and Confirmation of Status and Reduction Targets, Strategies and Specific Action Plans (also fill in 1-1 and 1-2).</p>	<p>1-1-1 Greenhouse Gas Inventory Information: The Company has been conducting greenhouse gas inventory operations since 2025, with the equivalent greenhouse gas emissions for that year being 55.48 (tons CO₂e/year) and a density of 0.2733 (tons CO₂e/million NTD). The scope of this inventory is "Action Electronics Co., Ltd."</p> <p>1-1-2 Greenhouse Gas Confirmation Information: The greenhouse gas inventory operation for 2025 has been completed, but the confirmation work has not yet been carried out. Ensure the implementation of assurance work on schedule in compliance with regulatory timelines.</p>

Item	Enforcement situation
	<p>1-2 Greenhouse Gas Reduction Targets, Strategies and Specific Action Plans:</p> <p>The Company has been conducting a greenhouse gas inventory operation since 2025. Since the inventory boundary currently only covers the Action Electronics headquarters, the reduction targets, strategies, and specific action plans, as well as the status of achieving these reduction targets, will be reviewed, formulated, and implemented after expanding the inventory boundaries to the entire group.</p>

2-3-7 The implementation status of integrity management and the differences and reasons for the integrity management code of listed companies

Evaluation Items	Operation status (Note 1)			The differences and reasons for the integrity management code of listed companies
	Yes	No	Summary description	
<p>I. Formulate integrity operation policies and projects</p> <p>(I) Does the company formulate an integrity operation policy approved by the board of directors, and clearly specify the integrity operation policy and practice in regulations and external documents, as well as the commitment of the board of directors and senior management to actively implement the operation policy?</p> <p>(II) Whether the company has established a risk assessment mechanism for dishonest conduct, regularly analyzes and evaluates business activities with a higher risk of dishonest conduct in the business scope, and formulates a plan to prevent dishonest conduct, and at least covers the precautionary measures for each action in the second paragraph of Article 7 of the "Code of Corporate Integrity Management applied on the listed IPO and OTC corporate"?</p> <p>(III) Have the company set up operating procedures, behavior guidelines, punishment and appeal systems for violations in the plan to prevent dishonest behaviors, and implement thoroughly, and regularly review the plan before revision?</p>	<p>V</p> <p>V</p> <p>V</p>		<p>(I) The company has not formulated the "Code of Integrity Operation". The company's business philosophy and policy: with "The six spirits of enthusiasm, character, service, action, innovation, and return, etc; the definition is full of ideas, love for work, self-discipline, rigorous pursuit of truth and perfect, achieve work goals whatever they set, consistent with words and deeds, and don't make excessive promises; face problems bravely, don't make false or untrue explanations or prevarication; abide by company regulations and social norms, and handle internal and external relations with high ethical standards." Integrity management Philosophy, senior management and the board of directors are responsible for supervision to create a sustainable business environment for the company.</p> <p>(II) The "Code of Ethical Conduct" formulated by the company requires that the ethical behavior of directors and managers prevent conflicts of interest, avoid opportunities for personal gain, confidentiality obligations, fair transactions, protect and appropriately use company assets, comply with laws and regulations, and encourage reporting any illegal or violation of the code of ethical conduct, disciplinary measures, etc., directors and managers lead all staff to implement relevant regulations and regularly review the implementation status to implement the integrity management policy.</p> <p>(III) The company is committed to the establishment of corporate ethics and professional ethics, conceives for each other, creates a harmonious labor-management relationship with empathy, communicates labor-management opinions, formulates management methods and operating standards, and handles the dissatisfaction of relevant employees with punishment, improper management, suggestions and complaints of violations of relevant labor laws and regulations. In addition, employee's opinion box is set up to collect</p>	<p>No significant difference</p> <p>No significant difference</p> <p>No significant difference</p>

Evaluation Items	Operation status (Note 1)			The differences and reasons for the integrity management code of listed companies
	Yes	No	Summary description	
			employee suggestions, expand communication, and safeguard the legitimate rights and interests of labor dispute parties based on the principles of legality, fairness, and timely handling.	
<p>II. Implementing integrity management</p> <p>(1) Does the company assess the integrity records of its counterparties and specify the integrity behavior clauses in the contracts signed with the counterparties?</p> <p>(II) Does the company set up a special unit under the board of directors to promote corporate integrity management, and regularly (at least once a year) report to the board of directors regarding the integrity management policies, plans for preventing dishonest behavior, and supervision and implementation?</p> <p>(III) Does the company formulate policies to prevent conflicts of interest, provide appropriate channels for appeal, and implement them thoroughly?</p> <p>(IV) Whether the company has established an effective accounting system and internal control system for the implementation of integrity operation, and the internal audit unit draws up relevant audit plans based on the assessment results of the risk of dishonest behaviors, and checks the compliance situation of the plan for preventing dishonest behaviors accordingly, or entrust an accountant to perform the audit?</p> <p>(V) Does the company regularly organize internal and external education and training on integrity management?</p>	V	V	<p>(1) The contracts signed by the company and counterparties for transaction are based on the principle of good faith. If there is any violation, the agreement will ask the manufacturer to compensate for punitive liquidated damages.</p> <p>(II) The company haven't set up a special unit but has professional managers to perform their duties as authorized, and has established a code of conduct for employees to implement the requirements of integrity operation, and the management team regularly reports the implementation status to the board of directors.</p> <p>(III) For those who possess interests and rights are dealing with the business, must inform the supervisors and avoid improper personal gain in advance to prevent conflicts of interest; when a board meeting has a conflict of interest with the directors, the directors shall withdraw from the meeting and not participate in the discussion and voting in accordance with the law.</p> <p>(IV) The Company's accounting system was formulated with reference to the Company Act, the Securities and Exchange Act, the Business Accounting Act, the International Financial Reporting Standards (IFRSs), the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and other relevant laws and regulations, and in accordance with the actual circumstances of the Company's business. The internal control system was formulated with reference to the "Guidelines Governing the Establishment of an Internal Control System by Public Companies" and other relevant regulations, and was put into practice. The Audit Department of the Board of Directors regularly reviews the compliance of the accounting system and internal control system and reports to the Board of Directors on a regular basis.</p> <p>(V) Organize education, training and publicity for employees to fully understand the company's determination, policies, prevention plans, and the consequences of violations of integrity. And formulate employee grievance management methods to ensure communication between employees and the company, and establish a harmonious labor relations, and build consensus.</p>	No significant difference
<p>III. The operation of the company's whistleblowing system</p> <p>(I) Does the company formulate a specific whistleblowing and reward system, and establish a convenient reporting channel, and assign</p>	V		<p>(I) Our company has a human resources email hr@action.com.tw for internal use and a stakeholder zone on the company website for external use. The human</p>	No difference

Evaluation Items	Operation status (Note 1)			The differences and reasons for the integrity management code of listed companies
	Yes	No	Summary description	
<p>appropriate acceptance personnel to the reported object?</p> <p>(II) Has the company formulated standard operating procedures for the investigation of the reported matters, follow-up measures to be taken after the investigation is completed, and related confidentiality mechanisms?</p> <p>(III) Does the company take measures to protect the whistleblower from being improperly treated as a result of the report?</p>	V		<p>resources email is handled by the human resources unit, and the stakeholder zone is handled by the corporate governance team.</p> <p>(II) After receiving the report, if it involves statutory matters, the accepting unit will handle it in accordance with government laws and regulations. If it involves the company's employee code of conduct or employee honesty insurance, the human resources unit shall complete the investigation and execute relevant sanctions within one month of becoming aware of the situation. The company adopts a confidentiality mechanism for the identity of the whistleblower and the content of the report.</p> <p>(III) The company's measures to prevent the whistleblower from being improperly treated as a result of the report.</p>	
<p>IV. Strengthen information disclosure</p> <p>Does the company disclose the content and promotion effect of its code of integrity management on its website and Market Observation Post System (MOPS)?</p>	V		At present, relevant information is disclosed on the public information platform of the Securities and Futures Bureau, and relevant information is disclosed according to laws and regulations.	No difference
<p>V. If the company has its own code of integrity management based on the "Code of Integrity Management of Listed Companies", please state the difference between its operation and the code: The company has not yet formulated a code of integrity management, but there is no significant difference in the implementation of its business philosophy and policies in accordance with relevant regulations.</p>				
<p>VI. Other important information that helps to understand the company's integrity management operations: (such as the company's review and revision of the integrity management code, etc.): None</p>				

Note: Regardless of whether the operation status is checked "Yes" or "No", it should be stated in the summary description column.

2-3-8、Other important information that is sufficient to enhance the understanding of the company's governance and operation conditions must be disclosed together:

Training and development status of directors, independent directors, and accounting officers:

Title	Name	Date of Training	Organizer	Course Name	Training Hours
Chairperson	Peng Ting-Yu	2025/2/24 2025/9/17 2025/12/11	<ul style="list-style-type: none"> Greater China Financial and Economic Development Association, Taiwan Institute of Directors 	<ul style="list-style-type: none"> Trump's new tariff policy and the global economic changes The trend of Taiwanese businesses restructuring their supply chains in mainland China and common issues. Trends in Sustainable Development Information and Financial Reporting Disclosure 	9

Title	Name	Date of Training	Organizer	Course Name	Training Hours
Director	Peng Chiun-Ping	2025/12/11	Taiwan Institute of Directors	<ul style="list-style-type: none"> Trends in Sustainable Development Information and Financial Reporting Disclosure 	3
Director	Liu Chiu-Chi	2025/12/11	Taiwan Institute of Directors	<ul style="list-style-type: none"> Trends in Sustainable Development Information and Financial Reporting Disclosure 	3
Director	Yeh Li-Wei	2025/12/11	Taiwan Institute of Directors	<ul style="list-style-type: none"> Trends in Sustainable Development Information and Financial Reporting Disclosure 	3
Director	Peng Hsiu-Yun	2025/12/11	Taiwan Institute of Directors	<ul style="list-style-type: none"> Trends in Sustainable Development Information and Financial Reporting Disclosure 	3
Director	Wen Yu-Mei	2025/11/30 2025/12/11	<ul style="list-style-type: none"> Accounting Research and Development Foundation Taiwan Institute of Directors 	<ul style="list-style-type: none"> Common Deficiencies in Financial Statement Preparation and Practices of Internal Control Related to Sustainable Information Disclosure Trends in Sustainable Development Information and Financial Reporting Disclosure 	6
Director	Chao Teng-Pang	2025/12/11	Taiwan Institute of Directors	<ul style="list-style-type: none"> Trends in Sustainable Development Information and Financial Reporting Disclosure 	3
Juridical Person Director Representative	Tsai Jin-Wan	2025/12/11	Taiwan Institute of Directors	<ul style="list-style-type: none"> Trends in Sustainable Development Information and Financial Reporting Disclosure 	3
Independent Director	Yen Tzong-Ming	2025/8/22 2025/12/11	<ul style="list-style-type: none"> Taiwan Science Park Science Industry Association Taiwan Institute of Directors 	<ul style="list-style-type: none"> Driving the Future of Enterprises with Technology - Future Control, Smartly Managing the Future Trends in Sustainable Development Information and Financial Reporting Disclosure 	6
Independent Director	Tang Peng-Chin	2025/11/7 2025/11/7 2025/12/11	Taiwan Institute of Directors	<ul style="list-style-type: none"> New Perspectives on Corporate Governance Under Global Sustainability Trends The Board of Directors' Fraud Governance Strategy—Prevention, Detection, and Response Trends in Sustainable Development Information and Financial Reporting Disclosure 	9

Title	Name	Date of Training	Organizer	Course Name	Training Hours
Independent Director	Chang Zhi-Yuan	2025/2/11 2025/5/21 2025/8/8 2025/12/11	<ul style="list-style-type: none"> Taiwan Science Park Science Industry Association Taiwan Corporate Governance Association Taiwan Institute of Directors 	<ul style="list-style-type: none"> How should non-financial and accounting background managers read and analyze financial statements? Enhancement of the Performance Evaluation of the Board of Directors and the Functional Committees ESG-related legal issues to be considered by the Board of Directors Trends in Sustainable Development Information and Financial Reporting Disclosure 	11
Chief Governance Officer	Chelsea Chen	2025/10/23 2025/11/6 2025/11/7 2025/12/11	<ul style="list-style-type: none"> Securities & Futures Institute Taiwan Institute of Directors 	<ul style="list-style-type: none"> Creating a Diverse and Inclusive Organizational Environment: Discussing the Necessity of Promoting DEI and Enhancing Leadership from Workplace Bullying Incidents ESG Evaluation Indicators and Practical Response Strategies The duties and responsibilities of the Chief Governance Officer Trends in Sustainable Development Information and Financial Reporting Disclosure 	12
Chief Accounting Officer	May Huang	2026/10/28 ~ 10/30~10/31	<ul style="list-style-type: none"> Accounting Research and Development Foundation 	<ul style="list-style-type: none"> Presentation and Disclosure of Financial Statements under IFRS 18 Ongoing Training Program for Issuers, Securities Firms, and Stock Exchange Accounting Officers 	18

2-3-9、Matters that should be disclosed in the implementation of the internal control system:

1. Statement of Internal Control

Action Electronics Co., Ltd.
Declaration of Internal Control System

Date: March 12, 2026

Based on the results of self-check on the internal control system of the company in 2025, we hereby declare as follows:

- I. The company is sure that the establishment, implementation and maintenance of the internal control system is the responsibility for board of directors of the company and managers, and the company has established this system. Its purpose is to achieve the objectives of operation effectiveness and efficiency (including profit, performance and asset safety, etc.), reporting reliability, timeliness, transparency, compliance with relevant laws and regulations, and provide reasonability to ensure.
- II. The internal control system has its inherent limitations. No matter how perfect the design is, an effective internal control system can only provide a reasonable guarantee for the achievement of the above three objectives; moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system may change accordingly. However, the company's internal control system has a self-monitoring mechanism. Once the defect is identified, the company will take corrective action.
- III. The company judges whether the design and implementation of the internal control system are effective in accordance with the judgment items of the effectiveness of the internal control system stipulated in the "Handling Guidelines for the Establishment of an Internal Control System by Public Offering Companies" (hereinafter referred to as the "Handling Guidelines"). The judgment items of the internal control system adopted in the "processing criteria" are based on the process of management control, which divides the internal control system into five components: 1. control environment, 2. risk assessment, 3. control operations, 4. Information and communication, and 5. Supervision. Each component includes several items. For the aforementioned items, please refer to the "Handling Guidelines".
- IV. The company has adopted the above-mentioned internal control system judgment items to check the effectiveness of the design and implementation of the internal control system.
- V. Based on the inspection results of the preceding paragraph, the company believes that the company's internal control system (including supervision and management for subsidiaries) as of December 31, 2025, includes understanding the effectiveness of operations and the extent to which the efficiency targets are achieved. The design and implementation of the internal control system that reporting is reliable, timely, transparent and complied with relevant laws and regulations are effective, which can reasonably ensure the achievement of the above objectives.
- VI. This statement will become the main content of the company's annual report and public prospectus, and will be published. If there are false or concealed content in the above disclosure, it will involve legal liabilities under Article 20, Article 32, Article 171, and Article 174 of the Securities Exchange Law.
- VII. This statement was approved by the company's board of directors on March 12, 2026. Among the 11 directors present, 0 of them held objections, and all of them agreed with the content of this statement and made this statement.

Action Electronics Co., Ltd

Chairman of the board : Peng, Ting Yu

General Manager : Peng Hsiu-Yun

2. If an accountant is entrusted to review the internal control system, the accountant's review report shall be disclosed: none.

2-3-10、Important resolutions of the shareholders meeting and board of directors in the most recent year and as of the printing date of the annual report:

1. (1) Important Resolutions of the Annual General Meeting of Shareholders

Date	Important Resolutions	Status
2025.06.20	Approval of the 2024 Business Report and Financial Statements.	Approved according to the original motion.
	Approval of the 2024 Profit Distribution Plan.	Cash dividends will be distributed on August 8, 2025.
	Amendment Proposal to the "Articles of Incorporation".	Approved by the Ministry of Economic Affairs for registration on July 16, 2025.
	Proposal to Lift Restrictions on Directors' Competition.	Approved according to the original motion.

2. Important resolutions of the board of directors

Date	Name of the meeting	Important Resolutions
20250113	1st Board Meeting in 2025	<ol style="list-style-type: none"> Proposal for the 2023 allocation of staff remuneration to managers for the Company. Proposal for the allocation of year-end bonuses to managers of subsidiaries for 2024.
20250314	2nd Board Meeting 2025	<ol style="list-style-type: none"> Proposal for the approval of the 2024 Business Report, consolidated financial statements, and individual financial statements for the Company. Proposal for the 2024 distribution of profits for the Company. Proposal for the 2024 distribution of employee compensation and director remuneration for the Company. Amendment proposal to the "Articles of Incorporation" of the Company. Matters concerning the convening of the 2025 General Meeting of Shareholders for the Company. Proposal to Lift Restrictions on Directors' Competition. Proposal for the 2025 Business Plan for the Company. Proposal for the Company to apply for an NT\$300 million credit facility from First Bank. 2024 "Internal Control System Declaration" for the Company. Proposal for the Establishment of the Company's "Sustainability Information Management Regulations."
20250509	3rd Board Meeting in 2025	<ol style="list-style-type: none"> Proposal for the consolidated financial statements for the first quarter of 2025 for the Company. The Company's 2025 proposal to appoint PwC Taiwan for auditing the financial statements of all parent and subsidiary companies in the Group, and evaluation of the accountants' independence and suitability. Proposal for the Company to apply for a credit facility from Taiwan Cooperative Bank. Proposal for the Company to apply for a credit facility from Changhua Bank. Amendment to the "Regulations Governing the Implementation of Employee Compensation" of the Company. Proposal for the 2024 distribution of director remuneration for the

		<p>Company.</p> <p>7. Allocation to managers of subsidiaries to be rewarded for using funds with a return rate exceeding the target for fiscal year 2023.</p> <p>8. Proposal for the 2024 allocation of staff remuneration to managers of subsidiaries.</p>
20250808	4th Board Meeting in 2025	<p>1. Proposal for the consolidated financial statements for the second quarter of 2025 for the Company.</p> <p>2. Proposal for the Company to apply for a credit facility from Mega Bank.</p> <p>3. Proposal for the 2024 Sustainability Report for the Company.</p>
20251111	5th Board Meeting in 2025	<p>1. Proposal for the consolidated financial statements for the third quarter of 2025 for the Company.</p> <p>2. Proposal for the Company to apply for a credit facility from Hua Nan Bank.</p> <p>3. The Company plans to provide a loan to its subsidiary "Far Year Construction Co., Ltd.".</p> <p>4. Audit Plan for the Fiscal Year 2026 for the Company.</p> <p>5. Allocation to managers of Far Year Construction Co., Ltd. to be rewarded for using funds with a return rate exceeding the target for fiscal year 2024.</p> <p>6. Amendments to the "Regulations Governing the Payment of Remuneration to Directors and Functional Committees of the Company."</p> <p>7. Amendment to the "Regulations Governing the Implementation of Employee Compensation" of the Company.</p>
20260122	1st Board Meeting in 2026	<p>1. Proposal for the compensation package for the new Vice President of the Company.</p> <p>2. Proposal for the compensation adjustment of the Company's Presidents (Audit Manager, Head of Finance, and Chief Governance Officer).</p> <p>3. Proposal for the 2024 allocation of staff remuneration to managers for the Company.</p> <p>4. Proposal for the allocation of year-end bonuses to presidents of all Group companies for 2025.</p> <p>5. Proposal for the 2024 allocation of performance bonuses to managers of subsidiaries.</p> <p>6. Proposal for the allocation of performance bonuses to presidents for the Company for 2025.</p> <p>7. Proposal for the 2026 Business Plan for the Company.</p> <p>8. The Company will undergo a full-scale director election.</p> <p>9. Matters concerning the convening of the 2026 General Meeting of Shareholders for the Company.</p> <p>10. Proposal for the nomination of director (including Independent Director) candidates by the Company's Board of Directors.</p>

2-3-11、Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors in the recent years and as of the date of printing of Annual report: None

2-4、Information Regarding Independent Auditor:

2-4-1、CPA's Fee

Unit : NT\$ thousand

Accounting Firm	Name of CPA	Audit Period	Audit Fee	Non-audit Fee (Note 2)	Total	Remark

Pricewater houseCooper Taiwan	Wu Ren-Jie Lin Yahui	2025.01.01~ 2025.12.31	5,440	780	6,220	
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Note1 : If the Company has changed CPA or Accounting Firm during the current fiscal year, the company shall report the information regarding the audit period covered by each CPA and the replacement reason in the remark column: None.

Note 2: Non-audit public fees mainly consist of NT\$730 thousand for audits on tax returns and NT\$50 thousand for other services.

2-4-2、If the CPA Firm Changes, and the Audit Fee Paid in the Year of such Change Is Reduced from the Audit Fee of the Previous Year, the Amounts of the Audit Fees Before and After such Change and the Reason of such Change Should Be Disclosed: None

2-4-3、If the Audit Fee Is Reduced by More than 15% from Last Year, the Amount, Ratio, and Reason for the Reduction of the Audit Fee Should Be Disclosed: None

2-5、Replacement of CPA: None.

2-6、The Company's Chairman, Chief Executive Officer, Chief Financial Officer, and managers in charge of its finance and accounting operations did not hold any positions in the Company's independent auditing firm or its affiliates during 2024.

2-7、Status of Transfer of Stock and Changes in Equity Pledge of Directors, Supervisors, Managers and Shareholders Holding More Than 10% of Shares in the Latest Year and as of the Date of Printing of Annual Report:

(1) Changes in shareholding by Directors, Supervisors, Management team and major shareholders

Unit : Share

Title (Note1)	Name	2025		As of February28.2026	
		Net Change in shareholding	Net Change in shares pledged	Net Change in shareholding	Net Change in shares pledged
Chairman	Peng, Ting-Yu	220,000	0	173,000	0
Director	Peng, Chiun-Ping	0	0	0	0
Director	Chao, Teng-Pang	0	0	0	0
Director	Liu, Chiu-Chi	0	0	0	0
Director、 General Manager	Peng Hsiu-Yun	10,000	0	0	0
Director	Wen, Yu Mei	45,000	0	0	0
Director	Shin Chuan Yuan Investment Co., Ltd Representative: Tsai, Jin Wan	0	0	0	0
		0	0	0	0
Director, Senior Manager	Yeh Li-Wei	0	0	0	0
Independe nt Director	Tang, Peng-Chin	0	0	0	0

Independent Director	Chang Zhi-Yuan	0	0	0	0
Independent Director	Yen, Tzong-Ming	0	0	0	0
Vice President	Peng, Bo-Zhang	568,000	0	0	0
Vice President	David Tseng (Note 3)	0	0	0	0
Senior Manager	Weng Ming-Hua	0	0	0	0
Accounting Officer	May Huang	0	0	0	0
Financial Officer	Vincent Weng	0	0	0	0
Head of Corporate Governance	Chelsea Chen	0	0	0	0

Note1 : Shareholders who hold more than 10% of the Company's shares are major shareholders.
List separately

Note2 : Shares trading or shares pledged with the related parties shall fill in the table as follow.

Note3 : Vice President David Tseng assumed office on January 1, 2026.

(2) Shares Trading with the related Parties

1. The equity transfer of the company, directors, and supervisors is done in the market, and there is no relationship with the counterparty of the equity transfer.

2. The company has no shareholders who hold more than 10% of the shares.

(3) Shares Pledged with the Related Parties

1. The pledge of equity of the company, directors and supervisors : As of February 28, 2026, Director Liu, Chiu-Chi the pledge of equity was 2,100,000 Share.

2. Shareholders who hold more than 10% of the company's shares; none.

2-8 Relationship among The Company's Top 10 Shareholders:

13.03.2026

Unit : Share : %

Name (Note1)	Shares Held		Share Helds By Spouse & Minor		Shares Held in the name of others		Relationship between the Company's top 10 shareholders who are either related parties, spouse, relatives within the second degree of Kinship. His/her/its name and relationship (Note3)		Remark
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Peng Chiun-Ping	20,689,303	7.46	5,187,000	1.87	—	—	Lee, Li Peng Ting-Yu TA PO Investment Limited Representative Peng, Bo-Zhang	Spouse Father & Daughter father & son	
TA PO Investment Limited Representative: Peng,	15,300,000	5.52	—	—	—	—	Peng	Father and Son	

Bo-Zhang							Chiun-Ping Lee,Li Peng Ting-Yu	mother and son Sister and Brother	
Hsu,Jin-Zhi	6,000,000	2.16	—	—	—	—	—	—	
Lee,Li	5,187,000	1.87	20,689,303	7.46	—	—	Peng Chiun-Ping Peng Ting-Yu TA PO Investment Limited Representative: Peng, Bo-Zhang	Spouse Mother & Daughter Mother & Son	
Liu, Chiu-Chi	5,101,000	1.84	3,043,000	1.13	—	—	Liu Kuan-bai	Father & Son	
Peng, Ting-Yu	4,715,983	1.70	—	—	—	—	Peng Chiun-Ping Lee,Li TA PO Investment Limited Representative : Peng, Bo-Zhang	Father & Daughter Mother & Daughter Sister & Brother	
Liu Kuan-bai	3,279,000	1.18	—	—	—	—	Liu, Chiu-Chi	Father & Son	
Rechi Investment Co.,Ltd	2,548,718	0.92	Not applicable	Not applicable	—	—	—	—	
Investment account of Berkeley Securities Co., Ltd. held in trust by Citibank Taiwan.	2,369,000	0.85	—	—	—	—	—	—	
Wen Yu-Mei	2,301,000	0.83	—	—	—	—	—	—	

Notes1: List all shareholders who ranks top 10 in shareholding and specify the names of institutions and representatives separately

Note2 : The shareholding refers to total shares hold by in person, spouse, minors or in someone else's name

Note3 : According to Regulations Governing the Preparation of Financial Report by Securities Issuers, the relationships among the shareholders as disclosed before including judicial persons and nature persons shall be disclosed

2-9 、 Share Held by the Company, Directors, Supervisors, Mangers and Companies Directly or Indirectly Controlled by the Company and the Comprehensive Shareholding ratio based on Combined Calculation:

Comprehensive shareholding ratio

December 31, 2025; Unit: Shares

Long-term Investments (Note)	Ownership by The Company		Ownership by Directors, Supervisors, Managers directly/indirectly owned subsidiaries		Total ownership	
	Shares	%	Shares	%	Shares	%

ACTION ASIA LIMITED	108,172,151	61.54%	67,612,835	38.46%	175,784,986	100.00%
ACTION INDUSTRIES (M) SDN. BHD.	-	-	13,200,000	100.00%	13,200,000	100.00%
SHANGHAI ACTION TECHNOLOGY CO.,LTD	-	-	-	100.00%	-	100.00%
Action commercial and trading (shanghai) CO.,Ltd			-	100.00%	-	100.00%
ACTION ASIA (SHENZHEN) CO., LTD	-	-	-	100.00%	-	100.00%
DEDE TECHNOLOGY (SHENZHEN)CO.,LTD	-	-	-	40.00%	-	40.00%
Action Intelligent (Shenzhen) Co.,Ltd	-	-	-	100.00%	-	100.00%
ASD ELECTRONICS LIMITED	-	-	1,392,962	100.00%	1,392,962	100.00%
ALMOND GARDEN CORP.	11,940,000	100.00%	-	-	11,940,000	100.00%
REALISE TECH-SERVICE., LTD	6,000,000	100.00%	-	-	6,000,000	100.00%
Far Year Construction Co., Ltd	40,000,000	100.00%			40,000,000	100.00%

Note1: The companies in above table are the investee companies under equity method, and shares of overseas investee companies were the same as the amount of their paid-in capital

Note2: Continental Limited, no number of shares.

III 、 Capital and Shares

3-1 Capitalization

3-1-1.

1.Sources of Capital

February 28, 2026

Unit: NTD., shares

Month / Year	Par Value (NT\$)	Authorized Capital		Paid-on Capital		Remark			
		Shares	Amount (NT\$ thousands)	Shares	Amount (NT\$ thousands)	Sources of Capital		Capital Increased by Assets Other than Cash	Other
						Sources of Capital	Amount(NT\$)		
65.07	1,000	3,000	3,000,000	2,500	2,500,000	Cash investment	2,500,000	None	None
66	1,000	8,000	8,000,000	5,000	5,000,000	Cash increase	2,500,000	None	None
67	1,000	8,000	8,000,000	7,500	7,500,000	Cash increase	2,500,000	None	None
68	1,000	12,000	12,000,000	12,000	12,000,000	Cash increase	3,000,000	None	None
						Shares of retained earning	1,500,000	None	None
69	10	2,000,000	20,000,000	1,800,000	18,000,000	Cash increase	6,000,000	None	None
70	10	5,000,000	50,000,000	2,800,000	28,000,000	Cash increase	10,000,000	None	None
71	10	5,000,000	50,000,000	4,500,000	45,000,000	Cash increase	11,960,000	None	None
						Transfer of capital reserve to new shares	5,040,000	None	None
73	10	8,000,000	80,000,000	6,000,000	60,000,000	Cash increase	5,550,000	None	None
						Shares of retained earning	9,450,000	None	None
75	10	10,000,000	100,000,000	8,000,000	80,000,000	Cash increase	14,000,000	None	None
						Shares of retained earning	6,000,000	None	None
76	10	20,000,000	200,000,000	13,400,000	134,000,000	Cash increase	54,000,000	None	None
77.07	10	20,000,000	200,000,000	18,400,000	184,000,000	Cash increase	33,950,000	None	None
						Shares of retained earning	16,050,000	None	None
79.09	10	60,000,000	600,000,000	35,000,000	350,000,000	Cash increase	116,320,000	None	None
						Shares of retained earning	19,890,000		
						Transfer of capital reserve to new shares	29,790,000		
81.12	10	60,000,000	600,000,000	43,950,000	439,500,000	Shares of retained earning	52,500,000	None	None
						Transfer of capital reserve to new shares	35,000,000		
						Transfer of employee dividends to new shares	2,000,000		

Month / Year	Par Value (NT\$)	Authorized Capital		Paid-on Capital		Remark			
		Shares	Amount (NT\$ thousands)	Shares	Amount (NT\$ thousands)	Sources of Capital	Amount (NT\$)	Capital Increased by Assets Other than Cash	Other
82.08	10	60,000,000	600,000,000	50,403,000	504,030,000	Shares of retained earning Transfer of capital reserve to new shares Transfer of employee dividends to new shares	43,950,000 17,580,000 3,000,000	None None None	None None None
83.09	10	60,000,000	600,000,000	58,300,000	583,000,000	Shares of retained earning Transfer of capital reserve to new shares Transfer of employee dividends to new shares	50,403,000 25,201,500 3,365,500	None None None	None None None
84.07	10	60,000,000	600,000,000	59,990,700	599,907,000	Shares of retained earning Transfer of capital reserve to new shares	9,911,000 6,996,000	None	None
85.07	10	70,000,000	700,000,000	62,990,235	629,902,350	Shares of retained earning	29,995,350	None	None
86.07	10	73,000,000	730,000,000	70,933,027	709,330,270	Shares of retained earning Transfer of employee dividends to new shares	75,588,280 3,839,640	None	None
87.10	10	150,000,000	1,500,000,000	107,000,000	1,070,000,000	Cash increase Shares of retained earning Transfer of employee dividends to new shares	256,380,000 99,306,230 4,983,500	None	None
88.08	10	150,000,000	1,500,000,000	116,991,000	1,169,910,000	Shares of retained earning Transfer of employee dividends to new shares Transfer of capital reserve to new shares	74,900,000 3,610,000 21,400,000	None	None
89.07	10	150,000,000	1,500,000,000	135,280,950	1,352,809,500	Shares of retained earning Transfer of employee dividends to new shares Transfer of capital reserve to new shares	81,893,700 7,413,000 93,592,800	None	None
90.07	10	150,000,000	1,500,000,000	146,169,350	1,461,693,500	Shares of retained earning Transfer of employee dividends to new shares Transfer of capital reserve to new shares	38,484,000 6,259,000 64,141,000	None	None
91.08	10	240,000,000	2,400,000,000	158,443,197	1,584,431,970	Shares of retained earning Transfer of capital reserve to new shares Transfer of employee dividends to new shares	78,887,665 43,850,805 5,802,990	None	None
92.07	10	240,000,000	2,400,000,000	193,106,403	1,931,064,030	Shares of retained earning Transfer of capital reserve to new shares Transfer of employee dividends to new shares	237,664,800 79,221,600 29,745,660	None	None
92.11	10	240,000,000	2,400,000,000	199,883,616	1,998,836,160	Domestic Unsecured Corporate Bonds into new shares	67,772,130	None	None

Month / Year	Par Value (NT\$)	Authorized Capital		Paid-on Capital		Remark			
		Shares	Amount (NT\$ thousands)	Shares	Amount (NT\$ thousands)	Sources of Capital	Amount (NT\$)	Capital Increased by Assets Other than Cash	Other
93.02	10	240,000,000	2,400,000,000	212,169,837	2,121,698,370	Domestic Unsecured Corporate Bonds into new share	122,862,210	None	None
93.05	10	240,000,000	2,400,000,000	214,401,612	2,144,016,120	Domestic Unsecured Corporate Bonds into new share	22,317,750	None	None
93.08	10	240,000,000	2,400,000,000	215,306,154	2,153,061,540	Domestic Unsecured Corporate Bonds into new share	9,045,750	None	None
93.10	10	450,000,000	4,500,000,000	246,506,069	2,465,060,690	Shares of retained earning Transfer of capital reserve to new shares Transfer of employee dividends to new shares	169,735,870 106,084,920 36,178,360	None	None
93.12	10	450,000,000	4,500,000,000	246,818,568	2,468,185,680	Domestic Unsecured Corporate Bonds into new share	3,124,990	None	None
94.02	10	450,000,000	4,500,000,000	247,266,481	2,472,664,810	Domestic Unsecured Corporate Bonds into new share	4,479,130	None	None
94.05	10	450,000,000	4,500,000,000	279,870,183	2,798,701,830	Domestic Unsecured Corporate Bonds into new share	326,037,020	None	None
94.07	10	450,000,000	4,500,000,000	314,764,112	3,147,641,120	Shares of retained earning Transfer of capital reserve to new shares Transfer of employee dividends to new shares	134,586,170 134,586,170 30,611,640	None	None
94.08	10	450,000,000	4,500,000,000	284,785,714	2,847,857,140	Domestic Unsecured Corporate Bonds into new share	49,155,310	None	None
94.11	10	450,000,000	4,500,000,000	315,783,951	3,157,839,510	Domestic Unsecured Corporate Bonds into new share	10,198,390	None	None
95.02	10	450,000,000	4,500,000,000	334,790,867	3,347,908,670	Domestic Unsecured Corporate Bonds into new share	19,006,916	None	None
95.05	10	450,000,000	4,500,000,000	336,713,739	3,367,137,390	Oversea Unsecured Corporate Bonds into new share	19,228,720	None	None
95.08	10	450,000,000	4,500,000,000	336,861,652	3,368,616,520	Oversea Unsecured Corporate Bonds into new share	1,479,130	None	None
95.07 95.09	10	450,000,000	4,500,000,000	373,863,373	3,738,633,730	Shares of retained earning Transfer of employee dividends to new shares Transfer of capital reserve to new shares	162,292,360 45,432,490 162,292,360	None	None

February 28, 2026
Unit: NTD., shares

Month/Year	Par Value (NT\$)	Authorized Capital		Paid-on Capital		Remark			
		Shares	Amount (NT\$ thousands)	Shares	Amount (NT\$ thousands)	Sources of Capital	Amount (NT\$)	Capital Increased by Assets Other than Cash	Other
96.05	10	450,000,000	4,500,000,000	376,244,856	3,62,448,560	Oversea Unsecured Corporate Bonds into new share	23,814,830	None	None
96.07	10	450,000,000	4,500,000,000	354,235,856	3,542,358,560	Cancellation of treasury shares	220,090,000	None	None
97.09	10	450,000,000	4,500,000,000	370,794,349	3,707,943,490	Transfer of capital reserve to new shares	165,584,930	None	None
97.11	10	450,000,000	4,500,000,000	358,794,349	3,587,943,490	Cancellation of treasury shares	120,000,000	None	None
97.12	10	450,000,000	4,500,000,000	335,728,349	3,357,283,490	Cancellation of treasury shares	230,660,000	None	None
98.04	10	450,000,000	4,500,000,000	323,728,349	3,237,283,490	Cancellation of treasury shares	120,000,000	None	None
98.08	10	450,000,000	4,500,000,000	333,440,200	3,334,402,000	Transfer of capital reserve to new shares	97,118,510	None	None
98.11	10	450,000,000	4,500,000,000	322,143,200	3,221,432,000	Cancellation of treasury shares	112,970,000	None	None
100.09	10	450,000,000	4,500,000,000	331,657,496	3,316,574,960	Transfer of capital reserve to new shares	95,142,960	None	None
100.12	10	450,000,000	4,500,000,000	311,657,496	3,116,574,960	Cancellation of treasury shares	200,000,000	None	None
100.12	10	450,000,000	4,500,000,000	307,157,490	3,071,574,960	Cancellation of treasury shares	45,000,000	None	None
101.04	10	450,000,000	4,500,000,000	287,157,490	3,871,574,960	Cancellation of treasury shares	200,000,000	None	None
101.04	10	450,000,000	4,500,000,000	282,157,490	2,821,574,960	Cancellation of treasury shares	50,000,000	None	None
105.04	10	450,000,000	4,500,000,000	277,157,490	2,771,574,960	Cancellation of treasury shares	50,000,000	None	None

2.Type of Stock

Type of stock	Authorized share Capital			Remark
	Issued shares	Unissued shares	Total	
Common stock	277,157,496	172,842,504	450,000,000	Listed

Unit : Shares

3. Related information of the general declaration system: None

3-1-2、Names of major shareholders: Shareholders holding 5% or more of total shares or in the Top 10 stock option holding ratio list

March 13, 2026

Name of Major shareholders	Shares	Total share owned (shares)	Ownership (%)
Peng Chiun-Ping		20,683,303	7.46%
TA PO Investment Limited Representative Peng, Bo-Zhang		15,300,000	5.52%
Hsu, Jin-Zhi		6,000,000	2.16%
Lee, Li		5,187,000	1.87%
Liu, Chiu-Chi		5,101,000	1.84%
Peng, Ting-Yu		4,715,983	1.70%
Liu Kuan-bai		3,279,000	1.18%
Rechi Investment Co., Ltd		2,548,718	0.92%
Investment account of Berkeley Securities Co., Ltd. held in trust by Citibank Taiwan.		2,301,000	0.83%
Wen Yu-Mei		2,301,000	0.83%
Total		66,781,004	24.09%

3-1-3.Dividend Policy and Implementation Status

1. Dividend policy

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.

2.Proposed Distribution of Dividend through the current shareholders' meeting: The Board has adopted a Proposal for Distribution of 2025 Profits on 3/12/2026.

Action Electronics Co.,Ltd

PROFIT DISTRIBUTION TABLE

Year 2025

Unit : NT\$ thousand

Items	Amount
Beginning retained earnings	\$ 69,665,414
Add: Recognition of remeasurements of the defined	489,344

benefit plan in retained earnings	
Net profit after tax	76,229,130
Earnings available for distribution	76,718,474
Less: 10% legal reserve	-7,671,847
Special reserves	-17,211,708
Distributable net profit	121,500,333
Distributable items:	
Dividend to shareholders	-60,974,649
Unappropriated retained earnings	\$ 60,525,684

1. The Company proposed to distribute Cash dividends of NT\$0.22 Per share for 2025 which amounted to NT\$ 60,974,649 in total.
2. 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
3. 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.
4. 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.

Chairman : Peng Ting-Yu General Manager : Peng Hsiu-Yun Accounting Officer: May Huang

3-1-4.Impacts of free share assignment intended through the current shareholders meeting on the Company's operational performance and earnings per share: N/A

3-1-5.Remunerations for employees, directors:

1. The amount or scope of the remuneration of employees, directors and supervisors stated in the company's regulations of organization: according to the company's articles of association:

If the company makes a profit in the current year (the so-called profit refers to the pre-tax benefit deducting the benefit before the remuneration distribution to employees and directors), no less than 1% should be allocated for employees' remuneration and no more than 3% for directors' remuneration; independent directors do not participate in the reward distribution. Not less than 1% of the employee compensation amount shall be allocated as a distribution for grassroots employees. However, if the company still has accumulated losses, the remuneration amount shall be reserved in advance. Employee remuneration can be made in stocks or cash, and its payment objects may include employees of affiliated companies who meet the conditions set by the board of directors.

The allocation of employee remuneration and directors' remuneration shall be made by the board of directors based on a resolution approved by more than two-thirds of the directors present and more than half of the present directors.

2. The calculation basis of the estimated amount of remuneration for employees, directors and supervisors in the current period, the calculation basis of the number of shares of employee remuneration distributed by stocks, and the accounting handle when the actual distribution amount is different from the estimated amount:

If there is any change in the amount after the publication of the annual financial statement, it shall be handled according to the change in accounting estimates and adjusted in the next year.

3. Remuneration distribution approved by the board of directors:

- (1) Remuneration for employees, directors and supervisors is distributed in cash or stocks. If there is a discrepancy between the estimated annual and the recognized amount of expense, the discrepancy, reason and handling situation should be disclosed:

On March 12, 2026, employee compensation of NT\$2,532,087 and director compensation of NT\$2,532,087 for directors to be paid in cash. Differences between the actual and estimated figures will be included in the next year's profit and loss. The relevant information approved by the board of directors will be disclosed in the Market Observation Post Station (MOPS) for reference.

- (2) The amount of employee remuneration is distributed by stocks and its proportion to the total amount of the individual or individual financial report after-tax net profit and total amount of employee remuneration for the current period. (The company does not distribute stock dividends)

4. The actual distribution of the remuneration of employees, directors and supervisors in the previous year (including the number of shares distributed, amount and stock price), and the difference between the actual distribution and the recognized remuneration of employees, directors and supervisors, the numbers of the difference, the reasons, and the processing situation should be stated.:

In the previous year, the bonus for employees was NT\$4,041,063 and the bonus for directors was NT\$4,041,063. The actual amount paid was consistent with the resolution of the board of directors.

3-1-6. Whether the company buys back the company's stock: None

3-2 ˆ Corporate Bond: None

3-3 、 Preferred Shares:1.Status of preferred shares: None ; 2.Preferred shares with warrant :

None

3-4 、 Global Depositary Receipt: None

3-5 、 Employee Stock Option Certificate, Restricted Employee Shares

1 Issuance of employee stock option: None

2. Employee Stock Options Granted to Management Team and to Top 10 Employees with over NT\$3 million: None.

3-6 、 Status of new share issuance in connection with Merges and acquisitions :

None.

3-7 、 Implementation of Capital Utilization Plan

IV 、 Operation Overview

4-1 、 Business content:

4-1-1 、 Business scope:

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

2. Operating proportion: (Group)

Unit: NT\$ thousand; %

Product Item	2025 Group Consolidated Amount	
	Net revenue	Revenue proportion (%)
Brand Management and Service Business System	378,176	22.09
Automotive Electronics Manufacturing Business System	468,888	27.39
Asset Revitalization Business Unit	864,907	50.52
Total	1,711,971	100.00

3. The current products:

Action Group is divided into three major business systems based on operations.

(1) Brand management and service business system: With ACTION Kolin brand management and Realise Tech-Service as the core, the home appliance brand KOLIN (Kolin) has been promoting an operational model adjustment since the previous year, placing greater emphasis on product and brand licensing. "Kolin" products cover audio-visual appliances, refrigerators, washing machines, air conditioners, and all kinds of small appliances for healthy living. Realise Tech-Service mainly provides after-sales service for all home appliance products and sales of drainage equipment.

(2) Automotive electronics manufacturing business system: The Group's automotive electronics manufacturing business system uses Action Electronics Co., Ltd., Action Industries (M) Sdn. Bhd., Action Asia (Shenzhen) Co., Ltd., and Action Intelligent (Shenzhen) Co., Ltd. as core operational bases. It integrates research and development, manufacturing, and sales resources to form an operational structure of cross-regional collaborative operations, focusing on the design and development, production, manufacturing, and global market sales of in-vehicle intelligent audio-visual control systems and Advanced Driver Assistance Systems (ADAS) related products.

(3) Asset Revitalization Business Unit: This business unit focuses on Far Year Construction Co., Ltd. and Shanghai Action Technology Co., Ltd. as its core, primarily engaged in real estate development and sales, as well as logistics warehousing and leasing businesses, establishing a dual-track operational model of "development income + rental income." Far Year Construction is currently promoting the land development project for the headquarters in Zhongli, Taoyuan, planning to build the "ACTION

Technology Park" and Smart Green Building. Among them, one new factory-office building has been completed and the sold portions handed over, while another factory-office building is under construction. Once completed, it is expected to continue contributing to the group's revenue and profits. The overall development project has location and product advantages and is expected to become a landmark building in the Zhongli Industrial Zone, driving the upgrade and development of the regional industry. Shanghai Action Technology Co., Ltd. has been investing and operating in logistics and warehousing assets since 2011, with a land area of approximately 27,500 pings (90,752 sqm) and a factory area of around 26,100 pings (86,211 sqm). The company provides comprehensive internationalized warehousing facilities and competitive logistics service criteria, contributing long-term stable rental income and operating profits to the Group.

4. New products (services) planned to be developed:

- (1) Brand management: Kolin takes "simple happiness" as its brand core, continuously transforming its operational model towards a licensed management structure that focuses on "asset-light, brand and product strength." By collaborating with licensing partners and combining diverse channels such as distribution, mass merchandising, and e-commerce, it expands the layout of a full range of home appliances and small home appliances. Providing smart home appliance solutions that meet modern consumer needs by enhancing brand management and product planning capabilities, thereby improving user convenience and quality of life. Realise Tech-Service specializes in after-sales service and repair for Products, currently operating 18 service locations throughout Taiwan, establishing a comprehensive and prompt service network. Through standardized operating procedures and a professional technical team, we continuously enhance service quality and efficiency, providing customers with a reliable and cost-effective comprehensive after-sales service experience.
- (2) Automotive Electronics: Currently, in-vehicle audio-visual entertainment systems not only provide multimedia entertainment functions but also gradually integrate vehicle information display, safety alerts, and driver assistance applications. Product functions are evolving from single-display devices towards integrated smart cabins, driving the continuous expansion of the overall market size. The Company's product development strategy will focus on optimizing human-machine interaction (HMI) and enhancing the riding experience, concentrating on the research and development of in-vehicle intelligent audio-visual control systems and related applications. It will cater to the needs of different automotive scenarios, continuously promoting product iteration and function integration to enhance product added value and market competitiveness.
- (3) Asset Optimization: The Group continues to promote the warehousing and logistics business system through a diversified business model, effectively enhancing asset utilization efficiency and overall operational performance. At the Shanghai location, it provides warehousing facilities that meet international standards and a high-quality operational environment, maintaining a long-term high occupancy rate and steadily contributing rental income. It has become an important pillar in the Group's revenue and profit structure. The development project at the former site of the Action Group headquarters plans to construct two modern factory-office buildings that integrate smart management and green building design, positioning them as landmark buildings within the region. This development not only demonstrates the Company's commitment to innovation and sustainable development, but also helps to strengthen its brand image and enhance overall asset value. Among them, one new factory-office building has been completed and the sold portions handed over, while another factory-office building is under construction. Once completed, it is expected to further contribute to the group's revenue and profit momentum, providing the necessary space and flexibility for diverse business developments, and becoming an important engine driving the group's

medium to long-term growth.

(4) Looking ahead, we will continue to focus on integrating the resources of the Group's three major systems, strengthening the quality of operations and enhancing the competitiveness of our brands to implement sustainable management. In an environment of rapid technological advancements and evolving consumer demands, the Company addresses market challenges and industry competition by continuously cultivating professional talent and deepening technological and process innovation.

4-1-2 、 **Industry overview:**

1. Current status and development of the industry

(1) Internet of Things technology drives the transformation of home appliances from traditional products to an essential component of smart living. With the trends of declining birthrate, smaller homes, and an aging population, consumer demand for smart, energy-efficient products that match their personal lifestyles continues to rise, driving stable growth in the market for smaller and personalized home appliances. In this industry development, focusing on brand licensing as the core, through product planning and technical specification management, guide partners in developing intelligent and high-value-added products. By integrating channels and service systems, we continuously enhance brand competitiveness.

(2) With the continued development and popularization of 5G, artificial intelligence (AI), and electric vehicle (EV) technologies, along with consumers' expectations for upgraded in-car usage scenarios and riding experiences, the market size for automotive audio-visual related products is showing a stable growth trend. According to market research data, the global automotive infotainment market size is expected to be approximately \$23.96 billion in 2025 and is projected to grow at a compound annual growth rate of about 7.7% to approximately \$54.16 billion by 2035, indicating that the market has long-term development potential.

(3) In 2025, Taiwan's commercial real estate transaction Amount reached NT\$190 billion. Although affected by geopolitical and global trade uncertainties, it decreased by 3% compared to the previous year, still setting the second-highest record in nearly a decade. The overall market is primarily driven by end-user demand, while investment buying is relatively conservative, resulting in a slight reduction in transaction Qty. However, the industrial land and prime office market remain resilient.

The Chinese warehousing leasing market is expected to undergo a transition from moderate recovery to steady improvement from 2025 to 2026. In 2025, driven by domestic demand and export resilience, warehouse demand will warm up. However, due to the abundant supply, rental rates will continue to adjust.

2. The relevance of the industry's upstream, midstream and downstream

(1) Branded goods, distribution services industry structure and supply and demand

- A. In terms of home appliance product channels, upstream are manufacturers of home appliance products, midstream involves brand owners engaging in product development and market promotion through a licensing cooperation model with partners, and downstream sales are to end consumers through distributors, direct retail outlets, and e-commerce platforms.
- B. Regarding Home Appliance Repair Service, Realise Tech-Service takes responsibility for customer satisfaction with professional service and brand service and improves the comprehensive benefits of brand + channel + service.

(2) Important raw materials and related suppliers for the electronics manufacturing industry

- A. The main raw materials for in-vehicle audio and video products include LCD panels, circuit boards, mechanical and plastic components, as well as communication and power modules. The related

raw materials are mostly standardized or alternative industrial components, and the supply sources are primarily from qualified supplier systems.

B. The Company mainly operates based on customer needs, collaborating in the design and manufacturing of integrated in-vehicle intelligent audio-visual and multimedia playback equipment. It plays a midstream role in system integration and manufacturing within the industry chain. The upstream consists of electronic component and material suppliers, while the downstream mainly targets brand customers, system integrators, and channel distributors, supplying the market through distribution or direct sales methods.

(3) Branded goods, distribution services industry structure and supply and demand.

The Taiwan market primarily operates on a development and sales model. The industry's upstream involves land acquisition, planning design, and construction, the midstream includes real estate development and asset management, and the downstream targets corporate users and investors. Through project sales, funds can be quickly recovered and development profits realized. The Chinese market focuses on holding and renting warehouse assets, creating stable rental income through long-term leases and serving the needs of logistics and supply chain customers. Forming an overall dual-track operational model of "development income + rental income" to balance capital recovery efficiency and long-term stable cash flow.

3. Various development trends and competitive situations of products

(1) In the Taiwanese home appliance market, the industry has gradually shifted from price competition to competition based on product strength and quality of after-sales services. Affected by the housing market conditions, the large home appliance market declined in 2025. However, influenced by declining birthrate, smaller homes, and an aging population, consumer demand for smart (more convenient to use) products that better represent personal lifestyles continues to rise, leading to stable growth in the demand for products suitable for individuals or smaller homes. The Company's Kolin brand has been deeply rooted in the Taiwanese market for over sixty years, with a comprehensive after-sales service system and brand foundation. In recent years, it has been promoting the transformation of its operational model from a traditional sales model to a "asset-light, high gross margin" brand licensing and product management structure, focusing on products with three characteristics to enhance sales turnover rate and gross margin, which also directly increases the flexibility of capital use. In terms of the competitive environment, the main competition comes from Japanese, Korean, and Chinese brands, with the competition focusing on product design, energy saving and efficiency, multifunctionality, and channel integration capabilities. The Company will continue to strengthen brand value and market positioning through brand licensing cooperation, new product planning, and the advantages of its after-sales service network. With the continuous evolution of automotive electronics technology, in-vehicle audio-visual and intelligent cockpit products are developing towards high integration, digitization, and intelligence. Display technology is gradually expanding from single-screen applications to multi-screen configurations, incorporating touch, human-machine interaction (HMI), voice control, and system integration capabilities to enhance the overall user experience. Meanwhile, software and hardware integration, system stability, and information security protection have also become important considerations in product design and customer choices. At the application level, automotive audio-visual products are no longer limited to entertainment functions and are gradually integrating with vehicle information display, safety alerts, and driver assistance systems, driving the enhancement of product added value.

In terms of the competitive situation, market participants include international brand manufacturers, system integrators, and large-scale OEMs. The focus of competition, in addition to price factors, also includes product quality, delivery capability, level of customization, and long-term service support capability. Facing market competition, The Company continues to strengthen R&D investment and product differentiation, and enhances overall competitiveness through stable supply chain management and cross-regional manufacturing layout to respond to market changes

and diverse customer needs.

- (2) Product competition situation: Competing manufacturers of home appliances include Datong, Sampo, TECO, Chi Mei, Sanyo, etc. Major competitors in the Rear Seat Entertainment displays market include Jet Optoelectronics and E-lead Electronic.

4-1-3 、 Technology and R&D Overview:

Electronic manufacturing business system:

1. Research and development expenditures in the last two years (Electronic manufacturing business system)

Unit: NT\$ Thousand

Year	2025	2024
Amount	33,560	30,942

2. Successfully developed products or technologies

- (1) In recent years, The Company has continuously invested in the research and development of automotive electronics-related products and technologies. It has successfully completed the development of several in-vehicle intelligent audio-visual and multimedia application products, and, according to the needs of different customers and application scenarios, has gradually introduced mass production and market promotion. The related products include in-vehicle display systems, Rear Seat Entertainment (RSE) systems, and integrated audio-visual control modules, featuring core functions such as image display, system integration, and human-machine interaction.

On the technical front, The Company has established comprehensive hardware design, system integration, and product verification capabilities, and continues to optimize product stability and reliability to meet automotive electronics-related quality and safety standards. Through modular design and platform architecture, we enhance product customization flexibility and development efficiency, which helps address diverse vehicle models and market demands. The development achievements of related products and technologies have laid the foundation for the Company's subsequent business expansion and product iteration.

- (2) ACTION Kolin continues to deepen product research and development with "healthy living" and "simple convenience" as core concepts, committed to providing products and services that combine quality, reliability, and high cost-performance. Applying intelligent technology to enhance product usage experience and strengthen the immediacy and efficiency of after-sales service, comprehensively optimizing consumer experience and enhancing brand competitiveness.
- (3) The development project at the former headquarters site plans and constructs two modern factory-office buildings, creating the first technology park in the Zhongli area integrating 5G applications, introducing smart management systems and green building design, and striving towards the goal of dual certification. The development project has forward-looking and demonstrative benefits, and it is set to become a landmark building within the region, showcasing the group's overall capabilities in the fields of smart buildings and sustainable development.

4-1-4 、 Long-term and short-term business development plans:

Action Electronics Co., Ltd. has been established for more than 40 years, and has been selling to the worldwide by ODM and OEM. It later transformed its operations by managing the Kolin home appliance brand, producing and marketing in-car audio and video entertainment systems, revitalizing its land assets, and successfully shifting its business mindset. Looking ahead, the Group remains committed to developing its three primary business segments

Short-term business development plan:

- (1)Automotive electronics business system: In the short-term, The Company will continue to focus on optimizing and promoting the existing automotive electronics product lines, enhancing the market competitiveness of core products such as in-vehicle intelligent audio-visual and Rear Seat

Entertainment (RSE) systems. It will also advance product iteration and customized design according to customer needs. At the same time, by stabilizing existing customer collaboration relationships and actively developing new customers with growth potential, the order base is expanded. On the operational side, The Company will continue to optimize supply chain management and cross-regional manufacturing configuration to enhance delivery flexibility and cost control capabilities, in response to market demand changes and to ensure operational stability.

- (2) Brand management business system: Centered around Taiwan ACTION Kolin and Realise Tech-Service, the home appliance brand KOLIN (Kolin) has been promoting an operational model adjustment since the previous year, repositioning in the market to cater to the trends of declining birthrate, smaller homes, and youthful consumption. It emphasizes product and brand licensing, shifting towards an asset-light, high gross margin structure. Additionally, it has a comprehensive after-sales service system for all home appliance products, with service locations across Taiwan. The service targets include not only the Kolin brand but also products from over a dozen other domestic and international brands.
- (3) Asset Revitalization Business Unit: Providing international-standard logistics park warehousing in the Shanghai region to maintain a high occupancy rate and create stable profitability for the group. The Action Intelligence Park was established at the former site of the Action Group headquarters in Taiwan: A 13-story factory-office building has been completed, and a second 21-story factory-office building is under construction, both centered on smart and green building themes. In addition to developing business for self-use, this initiative also accumulates value for subsequent asset revitalization.

Long-term business development plan

(1) Automotive electronics business system: In the long-term, The Company will align with the development trends of the automotive electronics industry towards intelligence, integration, and platformization. It will continue to invest in R&D resources to deepen the technical capabilities of in-vehicle intelligent audio-visual control systems and related applications, gradually expanding product application scenarios. Through platformization and modular design, enhance product extensibility and development efficiency to meet the needs of different markets and vehicle models. At the same time, The Company will continue to expand its global market footprint, strengthen international customer relations, and steadily drive business growth while ensuring risk control and efficient resource allocation, thereby enhancing overall operational scale and long-term competitiveness.

(2) Brand management business system: The transformation of the Kolin (KOLIN) brand will continue to deepen, developing towards an "asset-light, brand and product strength" direction. It will focus on healthy living and smart home appliance products, strengthening the product competitiveness of energy-saving, convenience, and intelligent applications, while continuously optimizing the product mix to enhance the gross margin structure. At the same time, expand market coverage through brand licensing and strategic cooperation to reduce operational risk, combined with a comprehensive after-sales service system to enhance customer experience and brand value, creating a stable and growth-oriented brand management model.

(3) Asset Revitalization Business Unit: Adopting a dual-track model of "development income + rental income," it continues to promote the development of the "ACTION Intelligence Science and Technology Park" in Zhongli, Taiwan. By enhancing asset value through smart green buildings and contributing to sales income, it will continue to assess and acquire suitable land resources for development and sales to expand the scale of development and sources of income. In China, it

strengthens the operational efficiency of warehousing assets to maintain stable rental income. Through a dual-engine layout, balance growth momentum and cash flow stability to enhance overall operational resilience and long-term value.

Looking ahead, Action Group will continue to uphold the spirit of innovation and transformation. By combining comprehensive strategic planning, high-quality products, and diverse brand services, the Group aims to drive sustainable business operations. By reinforcing core competencies and enhancing adaptability, the Group continues to drive growth momentum, advancing toward sustainable profitability and global expansion.

4-2、Market and production and sales overview:

4-2-1、Market analysis:

1. The sales (provide) area of the company's main products (services)

Unit: NT\$ Thousand

Year Sales Area		2024		2024	
		Net Revenue	Percentage	Net Revenue	Percentage
Ex por t	Asia	123,354	7.21	138,003	5.53
	America	336,458	19.65	333,438	13.36
	Others	93,707	5.47	194,051	7.78
Domestic		1,158,452	67.67	1,829,830	73.33
Total		1,711,971	100.00	2,495,322	100.00

- (1) The Company's three major business systems (Brand Management, automotive electronics, and asset activation) accounted for 22.09%, 27.39% and 50.52% of the operating revenue in 2025, respectively.
- (2) The products of the brand Management business system are mainly sold domestically. Automotive electronics are mainly exported, while asset activation in 2025 focused primarily on the domestic market.

2. Market share and future supply and demand conditions and growth, competitive niches and development prospects favorable and unfavorable factors and countermeasures.

Brand Management Business System:

(1) Operating Direction:

- A. Continuously enhance the Kolin (KOLIN) brand value, transforming to an operational model centered on brand licensing. Through product design optimization and function upgrades, combined with partners' manufacturing and development capabilities, launch high-quality home appliance products that meet modern household needs, strengthening brand influence and market competitiveness.
- B. Integrate brand and after-sales service resources to establish a comprehensive service system, enhancing operational efficiency and consumer experience through the division of labor and cooperation with licensing partners and the service network.

(2) Marketing Layout:

- A. Based on the Taiwan market as the main development foundation, and through the

brand licensing operational models of KOLIN, KOLIN PLUS, and AXION, diversify the product lines to meet the needs of different consumer groups.

B. The channel strategy adopts a diversified approach, leveraging resources of licensing partners, and enhancing market coverage and sales momentum through various sales channels such as distributor systems, e-commerce platforms, and mass merchandise channels.

C. In response to market trends, we continuously develop intelligent, energy-saving, and health-oriented products. LCD monitors are advancing towards larger sizes and higher resolutions, while small appliances are extending towards personalization and health applications to seize market growth opportunities.

(3) Advantages and disadvantages of business niche and development prospects and countermeasures

A. Favorable factors:

The Kolin brand has been deeply rooted in Taiwan for over sixty years, possessing high brand awareness and market foundation. Through the licensing model, it effectively reduces capital investment and operational risk, while combining professional partner resources to enhance product development efficiency and market response speed, creating a win-win situation for both the brand and its partners.

B. Unfavorable factors:

Looking ahead, the domestic home appliance industry faces multiple challenges, including intensifying market competition, increasing brand and pricing pressures, and shrinking profit margins for enterprises. Meanwhile, selling expenses have been further elevated due to the continuous rise in costs for physical and e-commerce channels, coupled with increasing marketing resource demands from distributors. On the other hand, the rapid evolution of smart and energy-efficient technologies presents both opportunities and challenges. Companies that fail to promptly invest in R&D, upgrade products, or comply with increasingly stringent energy and environmental regulations may face declining product competitiveness and rising compliance costs, posing potential risks to future business operations..

C. Countermeasures

Continuously deepen the authorized operating model, strengthen brand management and product positioning, enhance development efficiency and cost control capabilities through strategic partnerships, and expand new customer groups and market opportunities by integrating digital channels and emerging consumer models. Meanwhile, enhance product differentiation and pricing flexibility to strengthen overall competitive advantage.

Automotive Electronics Business System:

The automotive electronics product market to which the Company belongs is characterized by high customization and diverse applications, with a dispersed overall market structure and generally limited market share for individual operators. Currently, the Company's market share is still in a steady growth phase, primarily expanding gradually through existing customer relations and specific application fields, and has not yet formed a highly concentrated market structure. With the continuous increase in demand for automotive electronics and intelligent cockpit related applications, the overall market supply and demand status shows a stable development trend, with long-term growth potential. In terms of competitive niches, The Company has advantages such as cross-regional R&D and manufacturing configuration, system integration capabilities, and flexible customization services. These enable it to provide differentiated products and solutions according to different customer needs, which helps to enhance customer retention and long-term cooperation relations, forming a favorable foundation for the company's mid- to

long-term business development.

However, intensified market competition, pressure on product prices, accelerated technological updates, and supply chain fluctuations may all adversely affect operations. In response to relevant challenges, The Company will continue to invest in R&D resources, optimize the product portfolio, and enhance supply chain management and operational efficiency to reduce costs and operational risk. At the same time, by deepening existing customer cooperation and expanding new application scenarios, the Company diversifies market concentration risk and strengthens overall competitiveness to support its future stable growth and development.

Asset Optimization Business Model:

The Company continues to promote its asset revitalization strategy, focusing on the warehousing and logistics services in Shanghai and the sales and leasing business of the headquarters office building in Taiwan. Through a dual-track model of "development income + rental income," it effectively enhances asset value and creates stable income.

1. Main business items: Warehousing and logistics services, and factory/office sales and leasing services.
2. Business strategy:
 - A. Establish long-term cooperation and interaction mechanisms with customers in the park, enhancing service quality and customer retention.
 - B. Establish and continuously optimize the property's management system in the park, creating an efficient and high-quality operational environment.

Actively develop factory-office products that combine environmental benefits and innovative technology, introduce green building standards and smart energy-saving systems, offer high-quality spaces with both production and R&D functions, and enhance the corporate ESG image.

3. Short and long-term business development plans:
 - A. Enhance customer service mechanisms and facility maintenance to improve tenant satisfaction and renewal rates.
 - B. Optimize the tenant structure to maintain the park's occupancy rate at over 90%, ensuring stable rental income.
 - C. Continuously assess regions and markets with development potential, acquire suitable land resources, and develop new projects with differentiated competitiveness to expand operational scale and sources of income.

4. Market Overview and Analysis

Shanghai Action has been deeply involved in logistics and warehousing services for many years, garnering support and recognition from the local government for its operational performance and maintaining Long-term stable cooperative relations with customers. The occupancy rate has remained above 90% for a long time, demonstrating a stable business foundation and high-quality asset value. Affected by changes in the overall economic environment in China, market demand has become slightly more cautious. The Company will continue to optimize customer structure and service quality to maintain stable operational performance.

According to PwC's Global Real Estate Analysis, the demand for factories, office buildings, and logistics warehousing will remain high. As businesses continue to expand and industries upgrade, the demand for high-quality office buildings and corporate headquarters is also growing in tandem. Overall, the transformation and upgrading of the industrial structure will drive the market towards high quality and specialization, becoming a key growth driver for Taiwan's commercial real estate market in the future.

4-2-2 、 Important use and production process of main products

1. Important uses of main commodities:

Product	Usage
Home appliance	Consumer electronics designed for residential and commercial spaces enhance convenience and product value through high energy efficiency, intelligent design, and health-oriented features
In-car Audio and Video Products	Audiovisual products for in-vehicle systems integrate rear-seat entertainment, information display, and communication functions to enhance passenger experience and driving convenience.
Factory/Office Real Estate	Factory and office spaces are provided for self-use or lease to support production, research and development, administrative management, and business operations, while also serving asset allocation and capital return functions.

2. Main Product Manufacturing Process:

Product	Manufacturing Process
Home appliance	The brand licensing model is the main focus, with authorized partners responsible for product design and manufacturing, while The Company concentrates on brand and market management.
In-car Audio and Video Products	Product design and development, procurement of key components, manufacturing and assembly, quality verification, and delivery.
Factory/Office Real Estate	Site selection and development planning, construction and project management, inspection and commissioning, and leasing.

4-2-3 、 Supply status of main raw materials:

We have a long term relationship with our suppliers for key components to ensure stable delivery, cost and quality through a consultative (inquire, compare and negotiate) procurement system.

4-2-4 、 Names of customers with 10% or more purchases or sales and the value of purchases or sales and ratio in the past two years: please describe the reason for the increase or decrease

(1) Key Suppliers: Changes in suppliers are primarily due to shifts in the product sales mix.

Unit : NT\$ thousand

No	2025				2024			
	Name	Amount	Relation to The Company	%	Name	Amount	Relation to The Company	%
1	Suppliers A	\$96,075	None	20	Suppliers A	\$94,485	None	14
2	Suppliers B	72,586	None	15	Suppliers B	56,693	None	8
3	Suppliers C	23,070	None	5	Suppliers C	49,526	None	7
4	Others	286,969	None	60	Others	489,284	None	71
	Total Net	\$478,700		100	Total Net	\$689,988		100

(2) Key Customers: The Company had no single customer with sales amount exceeding 10% of the total sales in 2024 and 2025 among Major Customers in the Last Two Calendar Years.

Unit : NT\$ thousand

No	2025				2024			
	Name	Amount	Relation to The Company	%	Name	Amount	Relation to The Company	%
1	Customer A	\$67,420	None	4	Customer A	\$179,228	None	7
2	Others	1,644,551	None	96	Others	2,316,094	None	93
	Total Net	\$1,711,971		100	Total Net	\$2,495,322		100

4-3 、 Information of employees in the past two years and up to the date of printing of the Annual Report

Year		2024	2025	As of February 28, 2026
Number of employees	Staff	57	41	52
	Operator	0	0	0
	Total	57	41	52
Average age		47.7	48.2	47.7
Average seniority in service		6.8	8.1	6.8
Educational Distribution Ratio	Ph.D	0	0	0
	Master	8	10	8
	College and University Graduate	33	25	32
	Senior high/vocational high school graduate	15	5	11
	Less than high school	1	1	1

4-4 、 Expenditure on Environmental protection

1. In the most recent year and as of the publication date of the annual report, the Company's process of improving environmental pollution: None.
2. In the most recent year and as of the publication date of the annual report, the total losses (including compensation) and the total amount of disposal suffered from environmental pollution, shall be disclosed the future countermeasures and possible expenditures: None.

3. The current pollution situation and its improvement influence on the Company's earnings, competitive position and capital expenditure: None.

4. The most recent year and as of the publication date of the annual report, estimated major capital expenditures on environmental protection: None.

4-5 ˆ Labor Relations

(I) Current important labor-management agreements and implementation status

1. Various welfare measures for employees:

Both the Company and employees can deeply realize the importance of a harmony labor-management relationship, and stress on the communication of opinions between above and below. The Company's policies and various important measures can also enable employees to fully understand, so that can obtain employees' support and cooperation. The following are the employee welfare measures:

(1) Vacation: The seniority leave (special leave) is stipulated in the Labour Standards Law, and there is also a welfare leave that is more favorable than the regulations (employee's birthday leave). As of December 31, 2025, more than 43% of employees have applied.

(2) Employee Training: In 2025, the total training hours amounted to approximately 627 hours.

(3) Education awards and grants: education awards for employees and their children. A total of NT\$6 thousand was disbursed in 2025.

(4) Gifts and Bonuses: 2025 Festive gifts and bonuses amounted to NT\$309 thousand, gifts and bonuses related to weddings, funerals, and celebrations totaled approximately NT\$15 thousand, over 90% distribution rate of Father's Day/Mother's Day gifts, and birthday bonuses issued amounted to NT\$43 thousand.

(5) Employee Insurance: labor insurance, national health insurance, employee group medical insurance and accident insurance.

(6) Bonuses: rewards for outstanding employees (based on 2025 work performance, approximately NT\$25 thousand in prizes or bonuses was awarded in 2026.), year-end bonuses, rewards for senior employees, and employee bonuses.

(7) Grant application; hospitalization condolences. Approximately NT\$29 thousand was distributed in 2025.

(8) Employees are provided with maternity leave and paternity leave for pregnancy and childbirth; family care leave is provided for childcare, a system of childcare without pay, postpartum reinstatement measures, and appropriate work arrangements are given according to needs.

(9) Others: Year-end prosperous annual meeting, annual employee travel (In 2025, a two-day domestic trip was organized, with a total of 47 participants including employees and their family members; the Company covered approximately NT\$337 thousand in expenses.)

2. Retirement system:

The Company's retirement system is formulated in accordance with the Labor Standards Law and Labor Pension Regulations. The Company allocates 6% based on the monthly salary to a special account of retirement pension each month. (As of December 31, 2025, a total of approximately NT\$2,094 thousand had been allocated.) In addition, for employees who choose the old retirement system, there is also the Labor Retirement Fund Supervision Committee responsible for the custody and utilization of the retirement fund. According to the monthly retirement actuarial evaluation report and the actuarial estimation, the Company determines the welfare expenses and allocates the retirement fund based on the monthly salary of the employees and deposits it into a special account in the Trust Department of the Bank of Taiwan, as a source of pension payment. Currently, NT\$4 thousand is set aside on a monthly basis. The calculation method of pension payment shall be handled in accordance with the provisions of the Labor Standards Law. In addition, the labor pension shall be withdrawn in accordance with the "Labor Pension Regulations" and deposited into a special account of labor pension.

3. Other important consultation status:

(1) The company is applicable to the Labor Standards Law, and all operations are conducted based on the Labor Standards Law.

(2) The company has set up an Employee Welfare Committee. Through the Employee Welfare Committee, the company allows employees to understand the company's operating conditions. Employees also express their opinions through the welfare committee, so that they can mutually and fully understand and communicate with each other.

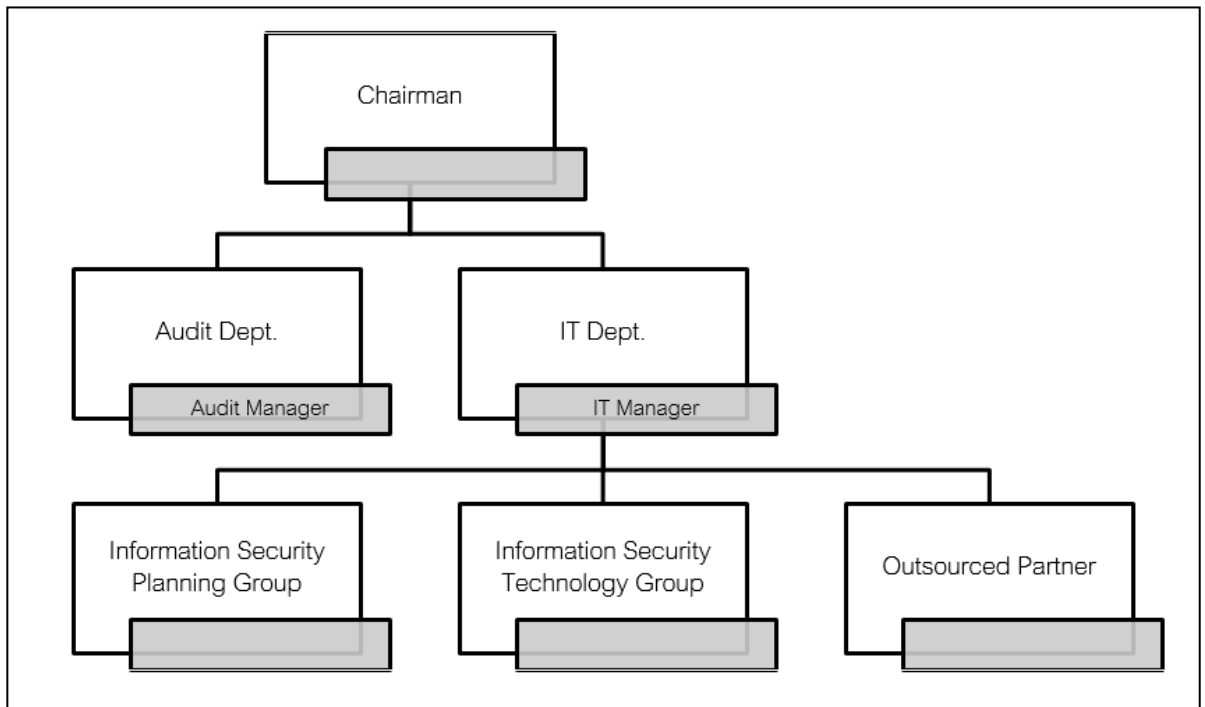
(2)Employer-employee disputes in the past three years: None

4-6 · Information Security Management

To ensure the smooth operation of ACTION ELECTRONICS CO., LTD (hereinafter referred to as the Company) and the safe operation of information-related personnel, data, information systems, equipment and networks, we have established an Information Security Policy (hereinafter referred to as the Policy) for all of our employees to follow.

1 · Information Security Risk Management Framework:

To promote the Company's information security management, ensure the security of data, systems, equipment and networks, and protect the rights of consumers, the Company has set up an information security management organization as shown below.



2、 Information Security Policy：

1. Scope

- (1) This applies to the security management of the Company's information assets, covering their confidentiality, integrity and availability.
- (2) All employees, contractors, consultants, temporary employees, customers, and third-party personnel involved in the Company's information operations or use of data are expected to comply with this policy.

2. Management Principles

- (1) To protect information or information systems from unauthorized access, use, control, leakage, destruction, tampering, destruction, or other infringement.
- (2) To establish an information security promotion team and set up authority and responsibility to promote and maintain information security management, implementation and review.
- (3) Convene information security management meetings to review internal and external risks, major information security incidents, competent authorities' information security guidelines and business requirements, and take measures in response.
- (4) We conduct various information security inspections, reviews, and personnel education and training to assess the risks of the information environment and make improvements.
- (5) We have built information security systems or equipment monitoring to continuously improve the security of the overall information environment and reduce the occurrence of various risks.
- (6) The use of the system and data shall be authorized and access rights shall be granted to the minimum extent necessary for its business.
- (7) The information system is equipped with appropriate backup and recovery mechanisms, and contingency drills are arranged to strengthen the response

and handling capabilities of information services in the face of threats.

- (8) Arrange staff information security education and training to continuously enhance staff information security awareness.

3. Reviews

- (1) This policy is reviewed once a year and may be revised as necessary to reflect relevant laws, regulations, technologies and developments in the Company's business.
 (2) After the approval of this policy, the stakeholders will be informed by announcement, in writing, by email or other means.
 (3) Stakeholders are: the scope of Article 2, paragraph 2.

3、 Specific Management Solutions

1. The Company has joined the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC).
2. In 2024, cybersecurity knowledge was regularly communicated and promoted during monthly meetings, totaling 12 sessions. Additionally, unscheduled tests were conducted to enhance information security awareness. In the fourth quarter of 2024, a company-wide social engineering exercise was performed, involving 70 participants.
3. The information security defense capabilities are reviewed, and the defense capabilities of the current information system including network, equipment, and application systems are enhanced and repaired to reduce information security risks.
4. Improve the information system backup and recovery mechanism to respond to possible information security hazards.

- 4、 For the most recent year and as of the publication date of the annual report, the losses suffered as a result of significant information security incidents, their possible effects and the measures taken in response, if they cannot be reasonably estimated, should state the facts that they cannot be reasonably estimated: None.

4-7、 Important Contract :

Contract nature	Company	counterparty	contract start date	main content	Restrictions
Engineering contract	Far Year Construction Co., LTD	Sanmin Construction Co., Ltd.	Since the signing of the contract on 2022.11.23, the smart project has been completed	Entrusted development contract for Civil "Engineering of Area A of Action Science Park and Technology Park"	None
Credit contract	Far Year Construction Co., LTD	Changhua Bank	2023.4.28~ 2027.4.28	The construction financing line for the development of Zone A of the ACTION101 Smart Technology Park	None

V 、 Financial status, analysis of operating result and risk management

5-1 、 Financial status

Unit:NT thousands

Year Items	2025	2024	Difference		
			Amount	%	Remark
Current Assets	2,435,801	2,506,050	(70,249)	(3)	
Property, Plant and Equipment	207,778	174,604	33,174	19	
Intangible assets	198,646	204,534	(5,888)	(3)	
Other assets	1,906,204	1,758,645	147,559	8	
Total assets	4,748,429	4,643,833	104,596	2	
Current Liabilities	1,656,786	1,313,576	343,210	26	1
Non-current liabilities	104,551	291,809	(187,258)	(64)	2
Total Liabilities	1,761,337	1,605,385	155,952	10	
Equity attributable to shareholders of the parent	2,987,092	3,038,448	(51,356)	(2)	
Capital stock	2,771,575	2,771,575	0	0	
Capital surplus	1,602	1,602	0	0	
Retained earnings	661,516	695,660	(34,144)	(5)	
Other equity interest	(447,601)	(430,389)	(17,212)	4	
Non-controlling interest	0	0	0	0	
Total equity	2,987,092	3,038,448	(51,356)	(2)	

(I) Explanation on the difference analysis: the main reasons and impacts of that the increase or decrease changes more than 20% in the previous and current stages and the amount of change reaches NT\$10 million:

1. Increase in current liabilities: Mainly attributable to the reclassification of long-term loans as borrowings due within one year.
2. Decrease in non-current liabilities: Mainly attributable to the reclassification of long-term loans as borrowings due within one year.

5-2 、 Operating Performance Analysis

Unit: NT thousands

Items	2025	2024	Differences		
			Amount	%	Remark
Operating Revenue	1,711,971	2,495,322	(783,351)	(31)	1
Gross profit	419,479	585,163	(165,684)	(28)	2
Operating Expense	289,082	342,683	(53,601)	(16)	
Operating income	130,397	242,480	(112,083)	(46)	2
Non-operating income and expenses	(10,287)	15,873	(26,160)	(165)	3

Net Income before tax	120,110	258,353	(138,243)	(54)	2
Corp.Tax	43,880	74,627	(30,747)	(41)	4
Net income (Loss)	76,230	183,726	(107,496)	(59)	

(I) The main reasons for the changes in each subject are as follows:

1. Operating Revenue: Mainly due to the concentration of handovers for the first phase of the "Memory Smart Technology Park" project in 2024 and adjustments in the operational model for home appliance products, resulting in decreased operating revenue.
2. Gross profit, operating income, and net income before tax: Mainly due to the decrease in handovers of the first phase of the "Memory Smart Technology Park" project compared to 2024, resulting in decreased gross profit, operating income, and net income before tax.
3. Non-operating Income and Expenses: This was mainly due to an increase in exchange losses and a decrease in the share of income from affiliated companies and joint ventures recognized under the equity method.
4. Corp. Tax: Mainly due to the decrease in Net Income before tax.

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

The main business items of the Group include brand licensing, installation, and after-sales service of home appliance products; manufacturing and sales of automotive electronic products; warehousing and logistics services; as well as sales and leasing of real estate. In terms of brand management, the home appliance business primarily adopts a licensing model. By integrating product design, brand management, and marketing resources, and combining with the manufacturing capabilities and distribution network of partners, it continuously launches products that meet market demand. At the same time, through a comprehensive after-sales service system, enhance consumer experience and brand loyalty, thereby driving stable sales growth and optimizing the gross profit structure. In the field of automotive electronics, as demand for automotive infotainment and intelligent applications continues to grow, it drives the expansion of the market size for in-vehicle displays and related products. The Group continues to deepen cooperation with major customers and technology companies, actively investing in application fields such as ADAS, expanding product lines and market layout to enhance overall competitiveness and market share. In terms of asset revitalization, by providing international warehousing facilities and a high-quality logistics environment, and continuously promoting smart green building development, it establishes stable rental income and sources of development income, balancing cash flow stability and asset appreciation, and strengthening overall operational resilience. Overall, the Group will continue to adjust products and business strategies according to market demand, strengthen the brand licensing operating model, deepen the deployment of automotive electronics technology, and steadily promote asset revitalization to enhance operational performance and respond to external environmental changes.

5-3 、 Analysis of changes in cash flow

(I) Cash flow this year

Unit: NT\$ Thousand

Cash balance at early stage	Annual net cash flow from	Annual net cash outflow into	Cash remaining	Remedial measures for expected cash shortage
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	operating activities	investment and financing activities	amount	Investment plan	Financial plan
950,186	(174,900)	377,029	809,256	Not applicable	Not applicable

Analysis of changes in cash flow:

Operating Activities: Mainly due to the decrease in sales from the completion of the first phase of the "Memory Smart Technology Park" project and the increased investment in the construction of the second phase, resulting in cash outflow for the current period.

Investing Activities: Mainly due to the increase in financial assets measured at amortized cost (fixed deposits over three months) and the increase in investment properties under construction for the second phase of the "Memory Smart Technology Park."

Financing activities: Mainly due to the increase in long-term construction project financing loans.

(II) Liquidity Improvement Plan:

There are currently no issues regarding liquidity insufficiency.

(III) Analysis of cash liquidity in the coming year

Unit: NT\$ Thousand

Cash balance at early stage	Annual net cash flow from operating activities	Estimated annual net cash inflow from investment and financing activities	Cash remaining amount	Remedial measures for expected cash shortage	
				Investment plan	Financial plan
809,256	(621,977)	621,087	808,366	Not applicable	Not applicable

Analysis of changes in cash flow:

Operating Activities: Mainly due to investment costs for the construction of another building in the "ACTION101 Smart Technology Park" project

Investing and Financing Activities: Mainly due to the drawdown of project financing loans.

5-4 、 The impact resulted from major capital expenditures on financial operations in the most recent year: No major capital expenditures in the most recent year

5-5 、 The reinvestment policy in the most recent year and the main reasons for profit or loss and its improvement plan and investment plan for the next year

(I) For the year ended December 31, 2025, the equity in earnings of subsidiaries and affiliates under the equity method of accounting was NT\$156,777 thousand, compared to a loss of NT\$271,913 thousand in 2024, reflecting an increase of NT\$428,690 thousand in profit. This increase was primarily due to the Company's recognition of profit from the disposal of real estate in 2024 because the joint housing construction had commercial substance. However, because the transaction counterparty for the joint housing construction was a subsidiary of the Company, the unrealized gains from downstream transactions needed to be reversed according to regulations. As a result, the Company recognized an investment loss of NT\$506,558 thousand using the equity method for its subsidiary in 2024, whereas there was no such situation this year.

(II) To respond to future market changes and the development needs of the Group, each subsidiary will promote organizational optimization and resource integration. Building on a foundation of steady and sustained profitability, efforts will focus on further enhancing operational synergies and strengthening overall competitive advantage.

(III) Estimated investment in the coming year: The board of directors resolved to invest in the construction of the "Memory Smart Technology Park" in 2020. The building was completed in 2024, and the construction of another

building will continue over the next year.

5-6 、 Analysis and assessment of risk management items in the most recent year and as of the date of publication of the annual report:

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

1. The company and its subsidiaries borrow mainly in New Taiwan dollars, followed by U.S. dollars. It is a fixed-interest debt, which is subject to changes in market interest rates and has little influence on future cash flows, but it is still subject to fair value interest rate risk. For debts with floating interest rates, changes in market interest rates will cause the effective interest rate of the debt to change, which will cause fluctuations in its future cash flow. Some risks can be offset by cash held at floating interest rates and current cash.
2. The impact of exchange rate changes: The automotive electronics business system companies primarily conduct procurement and sales transactions in US dollars, and the fair value will change with fluctuations in market exchange rates. Since these companies hold foreign currency assets and liabilities with similar receipt and payment periods, they adopt dynamic foreign currency net position control to offset market risks and reduce exchange rate impact.
3. Inflation impact: No significant financial impact due to inflation. The Company will pay close attention to fluctuations in market prices and maintain a good interactive relationship with suppliers and customers.

(II) In recent years, high-risk, high-leverage investments, capital loans to others, endorsements and derivatives trading policies, main reasons for gains or losses, and future response measures:

1. The company does not engage in high-risk, high-leverage investment activities.
2. Fund loan to others and endorsement guarantee: mainly due to the operating needs of the company and its affiliated companies, all are handled in accordance with the "Fund Loan to Others Operation Procedure" and "Endorsement Guarantee Operation Procedure".
3. Derivative products that the company has not signed in 2025.
4. Response measures: The financial risk management policies of the Company and its subsidiaries are affected by the characteristics of the industry. The financial risks which the consolidated company faced include changes in operating fund, credit risk and

financial product investment. In order to achieve the best risk position, the company plans to adopt different strategies for different risks:

- (1) Hedging strategy for changes in operating fund: The company has appropriate short-term bank loan quotas, and grasps the timing of cash inflows and outflows to maintain proper liquidity on capital allocation.
- (2) Credit risk: The company has a strict credit evaluation policy, only transacting with counterparties with good credit status, and timely use of debt preservation measures to reduce credit risk.
- (3) Financial product investment: Among the equity financial products invested by the company, financial assets belonged to fair value changes are classified as gains and losses, which can activate market, and easily sold out in the market at a price close to fair value. Significant Liquidity Risk is not expected to happen.
- (4) Risk control: The financial department regularly evaluates the transaction and profit and loss situation at any time, and reports to the board of directors when abnormalities are found.

(III) Future R&D plans and estimated R&D expenses:

1. Future R&D plan:

The automotive electronics business unit has established long-term cooperative relations with customers, focusing on the development, production and sales of automotive electronic audio-visual entertainment products. In the future, it will continue to introduce high-value new products incorporating AI intelligence and internet connectivity.

2. Estimated R&D expenses:

Estimated R&D expenses: The Group's estimated amount for 2026 is approximately NT\$35,000 thousand.

(IV) The impact of major domestic and foreign policy and legal changes in the most recent year on the company's financial business and corresponding measures: None.

(V) The impact of recent technological changes on the company's financial business and corresponding measures:

With the continuous evolution of the consumer electronics industry, the speed of product updates is accelerating, replacement cycles are shortening, and the market is also showing trends of popularization and intensified price competition. In recent years, technological development, in addition to existing hardware upgrades, is rapidly advancing towards AI applications, software-defined products, cloud connectivity, and

data integration. In the field of automotive electronics, Rear Seat Entertainment (RSE) displays continue to evolve towards high-resolution, multifunctional integration, and wireless connectivity, gradually combining with content platforms and system services. ADAS products enhance driving safety and intelligent driver assistance capabilities through the application of multi-sensor fusion and AI algorithms. At the same time, the real estate market is also introducing smart Building Management Systems (BMS), energy-saving controls, and green building designs to respond to the trends of sustainable development and net-zero carbon emissions.

Under the impetus of the aforementioned technological changes, industry competition has shifted from competing solely on hardware specifications to a model focused on the ability to integrate hardware and software, system solutions, and service value, impacting product development, supply chain management, and capital utilization. Additionally, global geopolitical risks and changes in the international economic and trade environment also bring uncertainty to raw material costs, supply chain stability, and market demand, thereby affecting business operations.

In response to the aforementioned changes, The Company continues to strengthen its ability to assess market trends and grasp technology development, actively invests in enhancing system integration capabilities, and optimizes the product portfolio to increase added value and differentiated competitiveness. At the same time, through improving inventory management mechanisms, dynamically adjusting material preparation strategies, and enhancing flexible allocation of the supply chain, effectively reduce the risk of inventory devaluation and capital occupation.

The Group's financial structure is stable and cash flow is abundant. In the future, it will continue to deepen its three major business layouts: automotive electronics, brand management, and asset revitalization. Additionally, it will integrate smart applications and sustainable development trends to steadily expand into international markets.

Through continuous innovation and operational optimization, enhance revenue quality and profit structure to address the challenges brought by rapid technological changes, seize Long-term growth opportunities, and move towards the goal of sustainable operation.

(VI) The impact of changes in corporate image in recent years on corporate crisis management and corresponding measures:

The company abides by laws and regulations regarding corporate image, and so far there is no situation that could affect corporate image.

(VII) Expected benefits, possible risks and countermeasures of mergers: None.

(VIII) Expected benefits, possible risks and countermeasures of expanding the plant: None.

(IX) Risk faced by concentrated material input or sales channel and its countermeasures:

Material Input: The procurement of key components of the company's products is through direct negotiations with the original manufacturer to ensure normal supply and maintain price advantages. The supply of various raw materials also shall be maintained two or more suppliers to avoid goods resources controlled by others and maintain the flexibility of bargaining. So far, the company and the suppliers mutually keep maintaining good interaction.

Sales: Sales: The Company has categorized its business operations into three major segments based on business characteristics and has adopted a specialized and integrated strategy, leveraging professional expertise to sustain stable profitability.

(1) Automotive electronics manufacturing business system: With Action Electronics Co., Ltd. in Taiwan, Action Industries (Malaysia) SDN BHD's Penang plant, and Action Asia (Shenzhen) Co., Ltd.'s Shenzhen plant as core bases, the company focuses on the development and manufacturing of automotive multimedia products. Through platformization and modular design, it enhances customization flexibility and development efficiency while implementing automotive quality standards. At the same time, by utilizing cross-regional layout and supply chain management to optimize costs, the Company actively develops new customers and diverse vehicle model applications in addition to consolidating existing customers, to diversify market risk and ensure long-term competitiveness.

(2) Channel service business system: Led by Taiwan Action Electronics Co., Ltd. and Realise Tech Service Co., Ltd., responsible for the licensing operations and sales services of the Kolin (KOLIN) brand. Through a brand licensing model combined with partner resources, it promotes product development and sales. Utilize a diversified channel strategy that integrates physical and e-commerce platforms to expand brand market penetration and exposure, while enhancing brand value, optimizing revenue structure, and improving profitability.

(3) Asset Revitalization Business Unit: Shanghai ACTION maintains a high occupancy rate through the activation and management of its warehousing and logistics resources, generating stable leasing income for the Group. Meanwhile, Far Year Construction is actively driving the development of the 'ACTION101 Smart Technology Park' project. By leveraging accumulated achievements and experience, it continues to expand its subsequent development projects, injecting growth momentum and profitability into future operations.

(X) Directors, supervisors, or major shareholders holding more than 10% of the shares, the impact, risks and corresponding measures of the company's massive transfer or replacement of equity: None.

(XI) The impact, risks and countermeasures of the change in operating rights on the company: None.

(XII) For litigation or non-litigation events, the company and its directors, supervisors, general

managers, substantive persons in charge, major shareholders holding more than 10% of the shares, and affiliated companies have been verdict confirmed or at the period before judgement of major litigation, non-litigation or administrative litigation, the outcome of which may have a significant impact on shareholder rights or securities prices, the facts in dispute, the amount of the subject matter, the start date of the litigation, the main parties involved and the date as of publication date of the annual report shall be disclosed. The handling situation: None.

(XIII) Other important risks and corresponding measures: None.

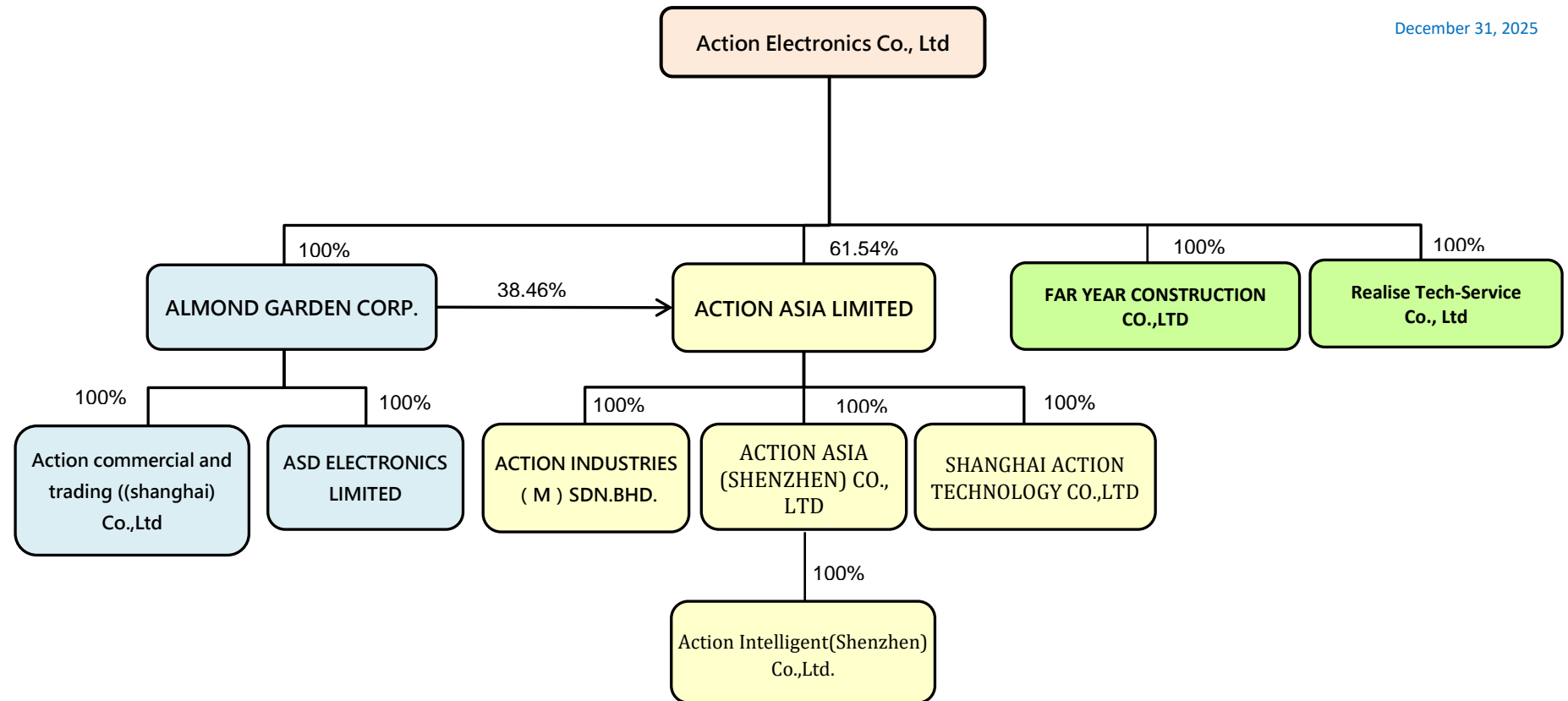
5-7 、 Other important matters: None.

VI 、 Special Notes

6-1 、 Information of associated enterprises

(1) Information of associated enterprises

1. Organizational Chart of Associated Enterprise Consolidated Financial Statement of Associated Enterprises Organizational Chart of Associated Enterprise.



(1) The Company does not have the conditions determined to be a controlling or subordinate relationship under Article 369-3 of the Company Act: None

(2) The Company does not have the conditions determined to be a controlling in personnel, finance and business directly or indirectly under Article 369-2 of the Company Act: None

2. Basic Information for the Affiliates

December 31, 2025						Unit: dollars
Name of Corporation	Date of establishment	address	Paid-in Capital		Maior Business/Production Items	
ACTION ASIA LIMITED	August 2,2002	77 Robinson Road, #13-00 Robinson 77, Singapore 068896.	SGD	24,068,808	Holding Company	
ACTION INDUSTRISES (M) SDN.BHD.	December 8,1987	2480,TINGKAT PERUSAHAAN ENAM, PRAI FREE TRADE ZONE,13600 PERAI, PENANG, MALAYSIA.	RM	13,200,000	Manufacturing and selling of LCD TV for Auto	
SHANGHAI ACTION TECHNOLOGY CO.,LTD	February 3, 2004	333 Xingbang Road, Jiading Industrial Zone, Shanghai, China	RMB	97,062,981	Warehousing Services	
Action commercial and trading (shanghai) CO.,ltd	November 22,1994	333 Xingbang Road, Jiading Industrial Zone, Shanghai, China	RMB	129,994,400	Sales of electronic products	
ACTION ASIA (SHENZHEN) CO., LTD	February 4,2005	Room 201, Jinxing Industrial Park, Jian'an Road, Zhancheng Community, Fuhai Street, Baoan District, Shenzhen	RMB	28,100,004	Manufacturing and sales of auto electronical products and accessories services	
Action Intelligent(Shenzhen) Co.,Ltd.	Sepertember 7,2016	Room 201, Jinxing Industrial Park, Jian'an Road, Zhancheng Community, Fuhai Street, Baoan District, Shenzhen	RMB	400,000	R&D of AI products	
ALMOND GARDEN CORP.	July 29,1994	CITCO BUILDING, WICKHAMS CAY, P.O. BOX 662, ROAD TOWN, TORTOLA, BRITISH VIRGIN ISLANDS.	HKD	87,004,235	Holding Company	
ASD ELECTRONLCS LIMITED	July 9, 2004	Unit 903,9/F · Tower 2 Enterprise square.No.9,Hong Kong	HKD	1,392,962	R&D and sales	
REALISE TECH-SERVICE CO.,LTD	November24,1998	New North City Triple Zone Rerot Road 5 section 609 Lane 4 8F 9	NTD	60,000,000	Sales and maintenance services of electrical products	
FAR YEAR CONSTRUCTION CO.,LTD	June25,2019	3F, No.200-6 Zhongyuan Road, Zhongyuan District, Taoyuan City	NTD	400,000,000	Real Estate development	

Note1 : If the affiliate is a foreign company, the name, address of the affiliates can be expressed in English. The date of establishment can be expressed in AD date and paid-in capital in foreign currency. °

3 、 Data for Common Shareholders of Treated as Controlled Companies and Affiliates: None

4 、 Bussiness scope of Affiliated Enterprises

The business of the Company and its affiliates includes:

- (1)Electronic Components Manufacturing
- (2)The sales of Home Appliances
- (3)Investment
- (4)Import and Export
- (5)Leasing of Warehousing and Storage
- (6) Real Estate Business

5. Directors, Supervisors and Presidents of Affiliated Enterprises

December 31, 2025; Unit : Share (Except for specially noted)

Company	Title	Name or representative	ShareHolding	
			Shares	%
Almond Garden Corp.(Note1)	Director	Peng, Chiun-Ping	11,940,000	100.00%
	Director	Chao, Teng Pang		
	Director	Peng, Ting-Yu		
Action Asia Limited(Note1)	Director	Chao, Teng Pang	108,172,151	61.54%
	Director	Peng, Ting-Yu	67,612,835	38.46%
	Director	Chow Hong Luen Irwin		
Realise Tech-Service Co., Ltd (Note.1)	Director	Representative: Chao, Teng Pang Peng, Ting-Yu Liu, Chiu Chi Guo, Jianli Gao Shixiang WENG MING-HUA Guo Jian-Li	6,000,000	100.00%
	Director			
	Director			
	Director			
	supervisor			
	General Manager			
Far Year Construction Co., Ltd(Note.1)	Chairman	Representative: Peng, Chiun-Ping May huang Jin -Wan Tsai Jeffery Peng Wen Yu Mei Tsai Jin-Wan	40,000,000	100.00%
	Director			
	Director			
	Director			
	Director			
	General Manager			
ASD Electronics Limited (Note2)	Chairman	Peng Ting-Yu	1,392,962	100.00%
	Director	Chao Teng Pang		
	Director	Luo Wanhua		
Action Industries(M)	Chairman	Peng Ting-Yu	13,200,000	100.00%

Company	Title	Name or representative	ShareHolding	
			Shares	%
Sdn.Bhd. (Note.3)	Director	Peng Chiun-Ping		
	Director	Chao, Teng Pang		
	Director	Peng, Ching-soon		
	Director	Chew Ah Tee		
	General Manager	Chew Ah Tee		

Name of Corporation (Note1)	Title	Name or representative	ShareHolding	
			Shares	%
Shanghai Action Technology Co., Ltd (Note.3)	Chairman	Peng Chiun-Ping	Capital Contribution USD14,000,000	100.00%
	director	Wu Wenyuan		
	director	Peng Jeffery		
	director	Peng Hsiu-yun		
	director	Peng Ting-Yu		
	supervisor	Chao Teng Pang		
	General Manager	Peng Hsiu-yun		
Action commercial and trading (shanghai) CO., Ltd (Note.2)	Chairman	Peng Hsiuyun	Capital Contribution USD16,000,000	100.00%
	director	Peng Jeffery		
	director	Lian Hongyuan		
	director	Chao Teng Pang		
	General Manager	Peng Hsiu-yun		
Action Asia (Shenzhen) Co., Ltd. (Note.3)	Chairman	Peng Ting-Yu	Capital Contribution HKD30,000,000	100.00%
	Vice Chairman	Chao Teng Pang		
	director	Peng Chiun-Ping		
	director	Peng Chiun-Tian		
	director	Peng Hsiuyun		
	director	Wen Yu mei		
	director	Luo Wan Hua		
	supervisor	Liu Chiu Chi		
General Manager	Luo Wan Hua			
Action Intelligent (Shenzhen) Co., Ltd (Note.4)	Chairman	Peng Ting-Yu	Capital Contribution RMB 400,000	100.00%
	director	Chao Teng Pang		
	director	Chew Ah Tee		
	director	Luo Wan Hua		
	supervisor	Xie Yong li		
	General Manager	Luo Wan Hua		

Note 1: Directly invested by ACTION ELECTRONICS CO., LTD: Almond Garden Corp., Action Asia Limited, Realise Tech-Service Co., Ltd., Far Year Construction Co., Ltd

Note 2: Indirectly invested by ACTION ELECTRONICS CO., LTD, and directly invested by Almond Garden Corp.: ASD ELECTRONICS LIMITED, Action commercial and trading (shanghai) CO., Ltd.

Note 3: Indirectly invested by the Company, and directly invested by ACTION ASIA LIMITED: ACTION INDUSTRIES (M) SDN.BHD., Action Asia (Shenzhen) Co., Ltd., Shanghai Action Technology Co., Ltd.

Note 4: Indirectly invested by ACTION ELECTRONICS CO., LTD, and directly invested by Action Asia (Shenzhen) Co., Ltd: Action Intelligent (Shenzhen) Co., Ltd.

(2) Operating Performance of Affiliated Enterprises

Financial Results and Operating Performance of Affiliated Enterprises

Unit : NT\$ Thousand (Except for specially Noted)

Name of Corporation	Paid-in Capital	Total Assets	Total Assets	Net Worth	Net Revenues	Operating Income(Loss)	Net Income (After Tax)	EPS (NT\$)
ACTION ELECTRONICS CO.,LTD	2,771,575	3,690,038	702,946	2,987,092	203,109	(74,984)	76,230	0.28
ACTION ASIA LIMITED	582,301	1,848,920	17,551	1,831,369	0	(1,309)	65,857	0.37
SHANGHAI ACTION TECHNOLOGY CO.,LTD	436,395	918,110	33,875	884,235	109,217	40,344	32,085	0.76
ACTION INDUSTRISES (M) SDN.BHD.	102,161	333,227	174,369	158,858	252,133	36,131	30,871	3.2
ACTION ASIA (SHENZHEN) CO., LTD	126,338	850,365	49,068	801,297	279,319	13,592	17,988	1.47
Action Intelligent(Shenzhen) Co., Ltd	1,798	9,459	3,528	5,931	19,801	184	40	0.23
ALMOND GARDEN CORP.	351,323	761,454	173	761,281	0	(1,006)	23,816	1.99
ASD ELECTRONICS LIMITED	5,625	983	0	983	0	(85)	54	0.04
REALISE TECH-SERVICE.,LTD	60,000	97,356	45,035	52,321	217,409	207	353	0.06
Far Year Construction Co., Ltd	400,000	1,280,926	796,913	484,013	752,087	77,332	65,362	1.63
Action commercial and trading (shanghai) CO.,ltd	584,455	33,847	1,016	32,831	0	(52)	(56)	0

(3) Consolidated Financial Statements of Affiliated Enterprises

The Company required to prepare the consolidated financial statements of affiliated enterprises in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for 2025 (from January 1, 2025 to December 31, 2025) are the same as the companies required to prepare the consolidated financial statements of parent and subsidiary companies according to International Financial Reporting Standard 10. The relevant information to be disclosed in the consolidated financial statements of affiliated enterprises has already been disclosed in the aforementioned consolidated financial reports of parent and subsidiary companies. Therefore, separate preparation of the consolidated financial statements of affiliated enterprises will not be carried out. For related information, please refer to the Market Observation Post System/Single Company/Electronic Books/Affiliation Reports Section, at the website: https://mopsov.twse.com.tw/mops/web/t57sb01_q10.

6-2 、 Private Placement Securities as of the Date of Printing of the Annual Report in most recent years: None.

6-3 、 Other matters requiring supplementary information: None

VII 、 Matters with important impacts on shareholders' equity and security Price

Disclosures of Events Which May Have a Significant Influence on Stockholders' Equity or Share Price, in Compliance with Item 2, Paragraph 2 In Article 36 of the Securities and Exchange Law of the R.O.C. during 2020 and as of the Annual Report Printing Date: None.