

Stock code: 5225



## Eastech Holding Limited

# 2024 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 Taiwan Stock Exchange Market Observation Post System: <https://mops.twse.com.tw>

Company website: <https://eastech.com>

Issued on 31 March 2025

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**Subsidiaries and branches:**

Name : Eastern Asia Technology (HK) Limited  
Address : Unit 906, 9/F, Nanyang Plaza, 57 Hong To Road, Kwun Tong,  
Kowloon, Hong Kong  
Tel. : (852) 2797 0268

Name : Eastech (Huizhou) Co., Ltd.  
Address : No. 188, Yinfeng 1st Road, Dongfong District, Xinxu, Huiyang,  
Huizhou City, Guangdong, China (Building AB, C, D, E, F, G, H, I)  
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Name : Eastech (SZ) Co., Ltd.  
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 Taiwan R.O.C.  
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Name : EATL Electronics (HK) Limited  
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Name : Eastech (SG) Pte. Ltd.  
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Name : Eastech (VN) Company Limited  
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 Shenzhen, Guangdong, China  
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 Tel. : (886) 2 8911 3535

**IV. Name, address, website and telephone number of the share registrar:**

Name : SinoPac Securities Corporation  
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**V. Name, firm name, address, website and telephone number of the certified accountants for the latest annual financial report:**

Name : Ernst & Young  
Partners-in-Charge : Liu, Jung-Chin, Huang, Tzu-Ping  
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Email : [https://www.ey.com/zh\\_tw](https://www.ey.com/zh_tw)

**VI. Name of the overseas stock exchange on which securities are quoted and traded and methods to inquire about the overseas securities information: Not applicable.**

**VII. Company website: <https://eastechnology.com>**

## LIST OF DIRECTORS

Title	Name	Nationality	Major Qualifications
Chairman	Liou Jenq Lin Representative of Eastech Innovations (TW) Inc.	Taiwan	Master of Electronic Engineering and MBA from University of Southern California, U.S. IBM Senior Engineer Advisor, U.S. Xerox Senior Engineer Advisor, U.S.
Director	Pai Chin Chang	Taiwan	Executive Master of Business Administration from Hong Kong International Business College President of Eastech Holding Limited
Director	Chang Tung I	Taiwan	MBA from California State University, U.S. Vice Executive Director of Kuo-Bin Ceramic Ind. Co., Ltd.
Director	Teng Chiou Shiang	Taiwan	Bachelor of Department of Economics from Fu Jen Catholic University Vice President of Eastech Innovations (TW) Inc., Department of Human Resources
Independent Director	Chang Shan Juh	Taiwan	Master of Electronic Engineering from University of Southern California, U.S. Lecturer of Faculty of Electronic Engineering and Human Resources Officer of Tatung University Director of Planning Division of Tatung Company Head of Human Resources Development Department of Tatung Company
Independent Director	Jeng Shih Rong	Taiwan	Bachelor of Law, National Chung Hsing University Chief Secretary of the Internal Administration Committee, Foreign and National Defense Committee of Legislative Yuan, Republic of China (Taiwan)
Independent Director	Su Yi Jen	Taiwan	MBA from University of San Francisco, USA CEO of Chunghwa Satellite Communication Systems Co., Ltd. EMBA Adjunct Assistant Professor of Chang Jung Christian University

# EASTECH HOLDING LIMITED

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# I. LETTER TO SHAREHOLDERS

Dear Shareholders

In 2024, with the launch of new products from brand customers and strong shipments, coupled with the benefits of stable raw material prices and optimized production efficiency, both revenue and profit grew positively. The gross profit margin and net profit margin after tax both reached historical highs. The annual earnings per share reached the historical high since the Company was listed in 2012. The overall operation remained positive and optimistic throughout the year.

In response to geopolitical risks, the Company continued to strengthen the layout of overseas production capacity in third locations. Currently, the Vietnam factory accounts for more than half of the Group's revenue, surpassing the mainland China factory to become the most important production base.

By implementing sustainable management policies, the Company established a Sustainability Development Committee to assist in promoting and supervising sustainability development objectives, management guidelines, and specific plans, deepening the Company's sustainable governance. In addition to pursuing quantitative growth, the Company also simultaneously advanced qualitative optimization, achieving improvements in three key ratios, thereby forming a more robust operating structure.

## I. 2024 BUSINESS REPORT

### (I) Implementation Results of Business Plan

Unit: NT\$'000

Item /Year	2024	2023	Increase (Decrease)	Change (%)
Net Sales	12,405,466	10,640,520	1,764,946	16.6%
Gross Profit	2,136,037	1,653,250	482,787	29.2%
Operating Profit	886,130	571,801	314,329	55.0%
Profit Before Tax	1,070,157	547,758	522,399	95.4%
Profit After Tax	952,618	533,310	419,308	78.6%



(II) Budget: No financial forecast has been prepared by the Company for 2024.

(III) Analysis on Financial Income and Expenditure and Profitability

Item		2024	2023
Financial	Debt to asset ratio	50.5%	52.6%
Structure (%)	Long-term capital to fixed assets ratio	451.3%	370.1%
Solvency (%)	Current ratio	170.2%	158.9%
	Quick ratio	133.0%	120.5%
Profitability (%)	Return on assets	14.4%	9.3%
	Return on equity of shareholders	29.5%	20.9%
	Net profit margin	7.7%	5.0%
	Consolidated Earnings per share (NT\$)	12.68	8.02

(IV) Research and Development

The research and development cost in 2024 was NT\$343,330,000, representing an increase of NT\$49,599,000 as compared to the research and development cost of NT\$293,731,000 in 2023, accounting for approximately 2.77% of Net Sales.

The Company has engineering teams in the professional fields of acoustics, electronics, structures, software, and systems. It has the most advanced acoustic equipment for research and development in Huiyang, China and Videbæk, Denmark, which integrates and complements with research and development equipment for software and electronics in Shenzhen and Huiyang, China.

## II. SUMMARY OF BUSINESS PLAN FOR 2025

### (I) Operating Strategy

The growth momentum in 2025 is driven by new products and new customers, with significant growth observed in Korean, Japanese, European and American markets, particularly in the European and American market. Apart from our core products like Sound Bars, we also focus on high value-added products, promoting products that support HDMI and eARC technology to enhance sound quality and user experience. We are actively expanding into the high-end audio market through collaboration with renowned European high-end audio brands. We also collaborate with a leading American retailer for the first time to develop over-ear headphones, and are entering the professional audio market, with product lines covering electric guitar amplifiers, DJ equipment, and studio monitoring equipment. We also developed eco-friendly audio products, including reusable streaming audio systems and speakers made from environmentally friendly materials. The newly developed frame speakers have received positive feedback from the market.

We continue to optimize the allocation of production resources, with a cautiously optimistic outlook on operations, and the expectation of sustained growth in performance.

### (II) Sales Forecast and its Basis

The Company has historically based its sales forecast for the following year on the market predictions of new models developed by brand customers each year and the client-side market forecasts of developed models. The Company estimates that total sales in 2025 will see single-digit growth compared to 2024, while the gross margin is expected to continue improving.

### (III) Important Production and Sales Policies

#### 1. Marketing Policy

With the ongoing economic slowdown and increasing geopolitical tensions, the integration of customer development resources, product differentiation, more localized markets, and more targeted customer services, the Company will adjust its product line to align with the overall future strategy. To cope with changes, the Company will adopt the following strategies:

- (1) Strengthen the sales team in the U.S., Europe, Japan, Korea, and other important markets in Asia, increase joint early development with specific customers in particular markets to build customer confidence and long-term relationships, and join hands with brand customers to develop new markets, new products, new applications, and mutual support and trust. Flatten the sales team and global distribution, maintain strategic partnerships with existing major customers, strengthen the depth and breadth of mutual cooperation, and increase the expansion of international brands in various important markets.
- (2) Secure orders from high-end American audio brands and actively expand the U.S. market.
- (3) Establish strategic partnerships with international brands in China, customize and expand product lines in Chinese factories, and support the sales and global marketing of domestic products under the patriotic sentiment in China.
- (4) Apart from existing product lines, the Company will continue to devote more marketing resources to Portable and Accessories, including TWS earphones, over-ear ANC headphones, wearable devices, and speakers, gaming earphones. The Company will differentiate products and systematically expand into other professional audio product categories, such as high-end sound bars, electric guitar amplifiers, Party Box, and professional audio equipment.
- (5) The Company will actively introduce energy-efficient devices, strive for the production and manufacture of VR/AR device-related audio products, creating business opportunities for green manufacturing and circular economy, and develop more green product audio products.
- (6) The Company will have better positioning to pay close attention to the market and customers, following the trend of developing new technologies, new products, and new applications, to provide customers with one-stop shopping service and comprehensive acoustic solution service from OEM, ODM to JDM and other flexible business models.

## 2. Production Policy

- (1) Enhance the overall efficiency of multi-plant operations management across countries, and strengthen human-machine interconnected operations capabilities, i.e., integrating automation (including human-machine collaboration) with manufacturing systems to build a big data knowledge management platform, promoting digital transformation and optimizing manufacturing management systems.

- (2) Collaborate with R&D and procurement divisions to promote the modular design and dual-track supplier strategy (where cost-effectiveness and key components are allowed), aiming to achieve customized mass production, reduce factory production costs, and enhance the Company's manufacturing competitiveness.
- (3) Increase investment in high-efficiency, energy-saving and AI inspection equipment for major customers and models with higher order volumes. In addition to the ongoing investment in automated production, such as the introduction of AI speaker driver and Sound Bars auto audio capture, and continuously promoting parallel development to Bluetooth speaker products and over-ear headphones auto audio capture, to ensure quality stability and continuity, thereby improving customer satisfaction and image of the Company.
- (4) In response to changes in the international political and economic situation and to meet customer demand, actively expand the production capacity of the Vietnam factory and enhance resilience to operational capacity, meeting customer needs for diversified production bases due to the US-China trade war tariff policies and the "China+1" strategy, and continuously strengthen the operational efficiency of the multi-plant supply chain across countries.
- (5) Continuously optimize manufacturing operation models, ensure proper control of new product introduction procedures, enabling accurate cost management at the mass production stage, and strengthening market competitiveness.
- (6) Jointly advance ESG-related certifications and implement in daily operations to establish a positive corporate governance image and enhance the Company's sustainable capabilities.

### 3. Research and Development Policy

The Company's 2025 research and development will focus on the following:

- (1) Establishing an office for Chief Technology Officer, which is responsible for planning and supporting the development of core product technologies for the Company's long-term growth, advancing technological innovation, and enhancing the Company's competitiveness and market position.
- (2) Continuing to develop wireless speaker systems with partners, focusing on LE Audio and Wifi-7 solutions and product development, with horizontal expansion in systems (Sound Bars, BT wireless Speakers, Party Speakers, Headphones).
- (3) Developing and further expanding the SoCs embedded in TV Sound Bars to provide a variety of package solutions; also expanding the research and development of new products, such as "UWB," "FlexConnect," "360-degree Surround," and opening up more applications of audio Home-Cinema products.

- (4) Conducting in-depth research and development on Pro Audio acoustic applications and solutions to improve sound quality and performance for Pro speaker product categories, such as stage audio and Guitar Amp.
- (5) Conducting in-depth research and development and accelerating the application of OTC hearing aid features to headphones.
- (6) Strengthening and developing new products of the series of sensors of its own brand PUNKTKILDE™. Focusing on small diameter and large acoustic pressure, developing new technical capabilities and new materials, exploring headphone driver design, and providing new designs and processes for new types of products.
- (7) Continuing to establish long-term goals with suppliers in respect of environmental protection, energy saving and reduction in carbon emission, and recycling or natural decomposition of raw materials and packaging materials, extending the application of these materials and improving the use of environmentally friendly materials in its products, which will help it practice the commitment for corporate social responsibility (CSR) and green environment.
- (8) In response to supply chain issues regarding the availability of core chips, the Company will adopt a diverse, multi-share and reuse design strategy to reduce product risk in this regard. Additionally, the Company will engage in early cooperation with primary suppliers to develop new product applications, enhancing the pre-competitive value of leading deployment.
- (9) Investing more research and development resources in the future strategy for the Company's new product categories, in terms of manpower (especially in software development), resources (more elite and diversified), planning (early cooperation in IC design development), and deployment and planning for new technologies (SoC, materials, and sound quality).

#### (IV) Future Development Strategy of the Company

1. Strategically Entering the New Blue Ocean – the OTC Hearing Aid Headphone Market: The Company has obtained ISO 13485 medical device production certification and has commenced the production of hearing aid products.
2. The Return of the Trump Era 2.0 and the Resurgence of Trade Wars: There are needs for short supply chains and supply chain resilience, although not directly impacted by tariffs, the Company needs to align with brand customers' requirements by establishing production bases in other countries/regions.

3. Developing New High-End and Non-Consumer Brand Customers and Products: Following the acquisition of Denmark's prestigious Scan Speak a decade ago, which marked the beginning of securing OEM orders for European high-end audio products, the Company is actively seeking OEM cooperation opportunities with renowned European high-end audio brands, leveraging the advantages and trends of brand and manufacturing separation.
4. The Arrival of the Headphone 3.0 Era: Utilizing multi-chip design and selecting the best components to achieve the highest performance. Seeking product functionality differentiation, there will be a time lag in adopting new features and enhancing performance. Actively seeking suitable production bases in Southeast Asia to provide brand customers with comprehensive, diversified, and one-stop shopping services through differentiated competition, and to meet consumers' desire for value-for-money auditory enjoyment at reasonable prices.

(V) Impact of the External Competitive Environment, Regulatory Environment, and Overall Business Environment

1. The Company has been affected by the external competitive environment:

- (1) With the rise of subscription-based online streaming and lower costs of high-speed internet bandwidth, audio products such as Sound Bars and wireless portable speakers remain major growth areas. However, headphones, particularly OWS, have also gained prominence. As headphones incorporate features like voice assistants, AI, and health monitoring, they become the next battleground, with OTC hearing aid headphones gradually emerging as a new blue ocean.
- (2) In recent years, several IT giants have entered the competition due to the miniaturization and electronation of electroacoustic products, particularly in the headphone segment. Although the headphone market has seen a surge in non-audio brands and differentiated products such as bone conduction, OWS, and OTC hearing aid headphones, it has also attracted many non-traditional competitors, resulting in increased competition. The simplification of entry barriers due to SoC and other technologies has further intensified competition.
- (3) The severe overcapacity of China's red supply chain, while beneficial for local RMB procurement prices, has led Chinese competitors to establish factories in Vietnam to counteract the US trade war, resulting in competition for local labor resources and extending the battleground beyond China, diminishing the advantage of the "China+1" strategy.

- (4) Intense competition within China has led to a decline in domestic orders from Chinese brands, resulting in a heavier reliance on the European and American markets, causing significant market imbalance.

2. The Company has been affected by the regulatory environment:

- (1) In line with "dual control of energy consumption" policy of Mainland China and the off-peak load shedding of hydroelectric power generation in North Vietnam, the production line is operated by its own generators and solar panels on roofs, which are operated in a dual track for continuous self-supply of electricity.
- (2) The EU's CBAM and CSRD, and the US's CCA Act are climate regulations or guidelines in the Company's major markets that need to be addressed as soon as possible. The three major trends in global climate regulations, namely carbon tariffs, carbon pricing, and carbon disclosure, have become critical factors for the sustainable operation of enterprises. Despite a later start compared to our counterparts, we have been diligently advancing to secure our competitive advantage.
- (3) In line with the trend of global sustainable development, the Company has been progressively implementing ISO 14064-1 carbon audit and introducing the ISO 50001 energy management system, aiming to adopt a dual approach to formulate specific enhancement plans for future energy saving and carbon reduction.

3. The Company has been affected by the overall business environment:

(1) Resurgence of Trade Wars and Geopolitical Implications:

- (a) In addition to providing one-stop shopping services and products, the Company is aligning with the fragmentation trend of customers' supply chains by establishing twin bases in China and Vietnam, tailored to local conditions and mutual needs. Since the products we manufacture are not sensitive supplies, they are not strictly affected. However, in response to the need for supply chain resilience and shorter supply chains, we have shifted from a "just in time" to a "just in case" mindset, formulating a comprehensive contingency strategy.
- (b) Given the advantages of the Mainland factory which has a well-established supply chain and stronger development capabilities, the Company will produce more complex and high-end products in the Mainland factory, while single and simple products will be produced in Vietnam, complementing each other.

(2) Impact of the depreciation of the Asian currencies against the US dollar:

- (a) Responding to the impact of depreciation of Asian currencies against US dollar, the increase in local procurement can reduce cost and the value-added of local production on the profitability of the order and carbon reduction at the transportation stage.
- (b) Continuing internal transformation and accelerating digital transformation, through digitization, we are able to digitize and standardize the processes between departments and within the enterprise, so that different units can work together more efficiently.

(3) Enhancing Enterprise Resilience: While maintaining daily operations and the foundation of trust, the enterprise promoted transformation and reshapes its prospect. Flexibly responding to geopolitical conflicts and climate change to reduce risks, maintain market competitiveness, and create long-term value.

Revenue for 2024 was the second highest in history, only surpassed by the explosive growth of post-pandemic consumption in 2022. Annual profits still reached a new historical high, and the streamlining of the organization and the consolidation effect resulted in an overall improvement in gross margin, operating profit margin, and net profit margin, leading to a year of transformation and a good harvest. Looking forward to 2025, we will properly respond to trade war tariff disruptions. Opportunities and challenges will always coexist, and we will strive to develop new blue oceans, new AI applications, and high-quality customers, replacing price competition with differentiation. There is always better to strive for.

Eastech Innovations (TW) Inc.

Representative Liou Jenq Lin

Chairman



## II. CORPORATE GOVERNANCE

### 1. Directors, supervisors, presidents, vice presidents, senior managers and heads of departments and branch offices

#### (a) Details of directors and supervisors

##### 1. Directors (there is no supervisor in the Company)

30 March 2025

30 MARCH 2023

Title	Nationality	Name	Gender Age	Date of appointment	Term	Date of first appointment	Shareholdings at appointment		Current shareholdings		Current shareholdings of spouse and minor children		Shares held in other's name		Major Qualifications	Current positions in the Company and other companies	Other officers, directors or supervisors who are spouse or second-degree relatives			Remarks
							No. of shares	Shareholding %	No. of shares	Shareholding %	No. of shares	Shareholding %	No. of shares	Shareholding %			Title	Name	Relationship	
Chairman	Taiwan	Eastech Innovations (TW) Inc.	–	16 June 2023 (Note 1)	3 years	30 April 2014	453,000	0.58	453,000	0.58	0	0	0	0	–	–	Nil	Nil	Nil	Nil
	Taiwan	Legal representative Liou Jenq Lin	Male Aged 71~80	16 June 2023	3 years	24 March 2011	0	0	0	0	0	0	0	0	Master of Electronic Engineering and MBA from University of Southern California, U.S. IBM Senior Engineer, U.S. Xerox Senior Engineer Advisor, U.S.	Director of EATL Electronics (HK) Limited Director of Eastech (Huizhou) Co., Ltd. Director of Scan-Speak A/S	Nil	Nil	Nil	Nil
Director	Taiwan	Pai Chin Chang	Male Aged 61~70	16 June 2023	3 years	24 March 2011	140,000	0.18	99,000	0.13	136,000	0.17	0	0	Executive Master of Business Administration from Hong Kong International Business College	Director of Eastech Asia Technology (HK) Limited President of the Company	Nil	Nil	Nil	Nil
Director	Taiwan	Chang Tung I	Male Aged 61~70	16 June 2023	3 years	15 December 2011	37,000	0.05	83,000	0.11	254,000	0.32	0	0	MBA from California State University, U.S. Vice Executive Director of Kuo-Bin Ceramic Ind. Co., Ltd.	Director of Eastech Innovations (TW) Inc. Director of Scan-Speak A/S	Nil	Nil	Nil	Nil
Director	Taiwan	Teng Chiou Shiang	Female Aged 61~70	16 June 2023 (Note 2)	3 years	16 June 2023	20,000	0.03	80,000	0.10	49,000	0.06	0	0	Bachelor of Department of Economics, Fu Jen Catholic University Vice President of Eastech Innovations (TW) Inc., Department of Human Resources	Director of Eastech Innovations (TW) Inc. Director of Eastech Microacoustics (HK) Limited Director of Scan-Speak A/S	Nil	Nil	Nil	Nil
Independent Director	Taiwan	Chang Shan Juh	Male Aged 71~80	16 June 2023	3 years	24 March 2011	0	0	0	0	0	0	0	0	Master of Electronic Engineering from University of Southern California, U.S. Head of Planning Department of Tatung Company Head of Human Resources Development Department of Tatung CompanyLecturer of Faculty of Electronic Engineering and Human Resources Officer of Tatung University	Human Resources Officer of Tatung University	Nil	Nil	Nil	Nil
Independent Director	Taiwan	Jeng Shih Rong	Male Aged 71~80	16 June 2023	3 years	12 June 2020	55,000	0.07	55,000	0.07	0	0	0	0	Bachelor of Law, National Chung Hsing University Chief Secretary of the Internal Administration Committee, Foreign and National Defense Committee of Legislative Yuan, Republic of China (Taiwan)	Nil	Nil	Nil	Nil	Nil
Independent Director	Taiwan	Su Yi Jen	Male Aged 51~60	16 June 2023 (NOTE 2)	3 years	16 June 2013	0	0	0	0	0	0	0	0	MBA from University of San Francisco, USA Chairman and General manager of Ensure Global Corp., Ltd.	CEO of Chunghwa Satellite Communication Systems Co., Ltd. EMBA Adjunct Assistant Professor of Chang Jung Christian University	Nil	Nil	Nil	Nil

2. Major shareholders of institutional director

(1) Major shareholders of corporate shareholders

31 December 2024

Name of corporate shareholder	Major shareholders of corporate shareholder
Eastech Innovations (TW) Inc.	Eastern Asia Technology (HK) Limited (100%)

(2) Major shareholder listed in above table is corporate shareholder; its major shareholders

31 December 2024

Name of corporate shareholder	Major shareholders of corporate shareholder
Eastern Asia Technology (HK) Limited	Eastech Holding Limited (100%)

3. Information disclosure of the professional qualifications of the directors and supervisors and the independence of independent directors:

31 December 2024

Qualification Name	Professional qualifications and experience (Note 1)	Independence (Note 2)	Number of concurrent appointments as an independent director of other public companies
Representative of Eastech Innovations (TW) Inc.: Liou Jenq Lin	Obtained dual master's degree in Electronic Engineering and Management from University of Southern California in the U.S.; served as the Senior Engineer of IBM in the U.S. and Senior Engineer Advisor of Xerox in the U.S.; has accumulated nearly 40 years of experience in the field of multinational business, electrical and electronic OEM, branding brand marketing; he has a long history of corporate development planning and strategizing the future direction of the Company. Currently he serves as the Representative of the Chairman of the legal person of the Company. There are no circumstances under Section 30 of the Company Act.	-	0
Pai Chin Chang	Obtained an Executive Master of Business Administration from Hong Kong International Business College; has accumulated nearly 40 years of experience in the field of speaker manufacturing and foundry, with a strong focus on production and quality management, and a strong technical orientation; currently serves as a Director and the President of the Company. There are no circumstances under Section 30 of the Company Act.	-	0
Chang Tung I	Obtained an MBA from California State University in the U.S, with experience in Chief Financial Officer and a strong background in financial planning; currently serves as a Director of the Company and the Chairman of its subsidiary in Taiwan, and a member of the Sustainable Development Committee. There are no circumstances under Section 30 of the Company Act.	-	0

<div>Qualification</div> <div>Name</div>	Professional qualifications and experience (Note 1)	Independence (Note 2)	Number of concurrent appointments as an independent director of other public companies
Teng Chiou-Shiang	Bachelor of Department of Economics, Fu Jen Catholic University; 20 years of professional HR experience; currently serves as a Director of the Company and the director of its subsidiary in Taiwan, and a member of the Sustainable Development Committee. There are no circumstances under Section 30 of the Company Act.	-	0
Chang Shan Juh	Obtained a Master of Electronic Engineering from University of Southern California in the U.S.; has been the Human Resources Officer of Tatung University; previously served as a Lecturer of Faculty of Electronic Engineering and Human Resources Officer of Tatung University, Director of Planning Division of Tatung Company, and Head of Human Resources Development Department of Tatung Company; currently serves as an independent Director, the chairman of the Remuneration Committee of the Company, a member of the Audit Committee and the Sustainable Development Committee; possesses expertise in human resources. There are no circumstances under Section 30 of the Company Act.	As an independent director, he meets the criteria for independence, including but not limited to, not being a director, supervisor, or employee of the Company or its affiliates by himself, spouse, or relatives within two degrees of kinship; not holding shares of the Company; not being a director, supervisor, or employee of a company with which the Company has a specific relationship; and not being a director, supervisor, or employee of a company which has provided business, legal, financial, or accounting services to the Company or its affiliates and received remuneration the last two year.	0
Jeng Shih Rong	Obtained a Bachelor of Law from National Chung Hsing University; previously served as the Chief Secretary of the Internal Administration Committee, Foreign and National Defense Committee of Legislative Yuan, R.O.C.; currently serves as an independent Director, chairman of the Sustainable Development Committee, and a member of Audit Committee and Remuneration Committee of the Company; possesses professional qualifications in law. There are no circumstances under Section 30 of the Company Act.	As an independent director, he meets the criteria for independence, including but not limited to, not being a director, supervisor, or employee of the Company or its affiliates by himself, spouse, or relatives within two degrees of kinship; holding shares of the Company and please refer to page 10 of the annual report for the description on his shareholding proportion; not being a director, supervisor, or employee of a company with which the Company has a specific relationship; and not being a director, supervisor, or employee of a company which has provided business, legal, financial, or accounting services to the Company or its affiliates and received remuneration in the last two year.	0

<div>Qualification</div> <div>Name</div>	Professional qualifications and experience (Note 1)	Independence (Note 2)	Number of concurrent appointments as an independent director of other public companies
Su Yi Jen	MBA from University of San Francisco, USA; CEO of Chunghwa Satellite Communication Systems Co., Ltd. and EMBA Adjunct Assistant Professor of Chang Jung Christian University; previously served as the chairman and general manager of Ensure, a listed company; currently serves as the independent director, chairman of Audit Committee and member of Remuneration Committee and Sustainable Development Committee; with expertise in financial accounting. There are no circumstances under Section 30 of the Company Act.	As an independent director, he meets the criteria for independence, including but not limited to, not being a director, supervisor, or employee of the Company or its affiliates by himself, spouse, or relatives within two degrees of kinship; not holding shares of the Company; not being a director, supervisor, or employee of a company with which the Company has a specific relationship; and not being a director, supervisor, or employee of a company which has provided business, legal, financial, or accounting services to the Company or its affiliates and received remuneration in the last two year.	0

Note 1: Qualification and experience: To describe the professional qualifications and experience of individual directors and supervisors, and in the case of audit committee members with accounting or financial expertise, describe their accounting or financial background and work experience, and state whether or not they have not been subject to the provisions of Section 30 of the Company Act.

Note 2: Description for Independent directors shall include its independency, including but not limited to whether himself/herself, spouse, or relatives within two degrees of kinship are directors, supervisors, or employees of the Company or its affiliates; the number and proportion of shares of the Company held by himself/herself, spouse, or relatives within two degrees of kinship (or in the name of another person); whether himself/herself, spouse, or my relatives within two degrees of kinship (or in the name of another person) serve as a director, supervisor, or employee of a company that has a specific relationship with the Company (refer to the provisions of Article 3, Item 1, paragraphs 5-8 of the Regulations Governing the Establishment and Compliance of Independent Directors of Public Companies); the amount of compensation received in the last two years for providing business, legal, financial, and accounting services to the Company or its affiliates. The amount of compensation received for business, legal, financial and accounting services provided to the Company or its affiliates in the past two years.

#### 4. Diversity and independence of the Board of Directors:

##### (1) Diversity of the Board of Directors:

The Company has established the Code of Practice for Corporate Governance with a diversified approach. The Company's association articles have stipulated a nomination system for the election of Directors to ensure the diversity and independence of Directors.

The specific management objective of the diversity policy is to appoint at least one female Director, and more than half of the independent Directors must not serve more than three consecutive terms.

The Company's Board of Directors consists of 7 members, including 4 directors and 3 independent directors. Independent directors account for 43%, directors with employee status account for 43%, and female directors account for 14%. Three directors are aged 71 to 80, three are aged 61 to 70, and one is aged 51 to 60. All seven directors are from the Republic of China. In addition to gender equality and youth considerations, the membership is diverse and possesses different core capabilities, covering high-level management talents in multiple aspects such as operational management, legal affairs, finance, human resources and strategic planning. Among them, non-independent directors are senior personnel of the company or subsidiaries who have both employee status and management positions, supplemented by independent directors with different professional backgrounds. They effectively carry out decision-making and executive responsibilities, and are responsible for the company's overall economic, social and environmental operation conditions, with the company's sustainable development as the only and best interest consideration.

The seven Directors are professional parties with technical backgrounds in the multinational business, acoustics industry, human resources management, finance and legal professions, and they can complement each other with their diverse backgrounds and bring great benefits to the Company's future development.

It consists of 7 directors, including 3 independent directors and 4 directors, all of whom are professionals from industry and academia. The Company focuses on gender diversity and equality in the composition of its board of directors and aims to increase the number of female directors to more than one-third (i.e. 43%). Currently, the Company's current board of directors is composed of 86% (6) male directors and 14% (1) female director. In the future, the Company will strive to increase the number of female directors to achieve its goal.

## Implementation of the board diversity policy

Director Name	Title	Nationality	Gender	Age	Diversified core projects							
					Operations judge ability	Accounting & Financial analysis skills	Business management capabilities	Crisis handling ability	Industry Knowledge	Internationality market View	Lead ability	Decision-making ability
Liou Jenq Lin	Chairman	Taiwan	Male	71~80	V		V	V	V	V	V	V
Pai Chin Chang	Director	Taiwan	Male	61~70	V		V	V	V	V	V	V
Chang Tung-I	Director	Taiwan	Male	61~70	V	V	V	V	V	V	V	V
Teng Chiou Shiang	Director	Taiwan	Female	61~70	V			V	V	V	V	V
Chang Shan-Juh	Independent Director	Taiwan	Male	71~80	V			V	V	V	V	V
Jeng Shih Rong	Independent Director	Taiwan	Male	71~80	V			V			V	V
Su Yi Jen	Independent Director	Taiwan	Male	51~60	V	V	V	V		V	V	V

### (2) Independence of the Board of Directors

The Company values the diversity and independence of its board of directors. The board of directors consists of seven directors, three of whom are independent directors who exercise their powers independently in accordance with relevant laws and regulations and serve as members of the Audit Committee to oversee the effective implementation of the Company's internal control, the selection and appointment of the certified accountants and their independence, and the proper preparation of financial statements.

None of the seven Directors of the Company are related to each other within the meaning of spouse and second-degree relatives. The qualifications and conditions of the three independent Directors have met the expectations of the Company and have demonstrated their professional and practical experience. Therefore, the Company considers that the three independent Directors are all external parties independent of the Company.

**(b) Details of president, vice presidents, senior managers, head of departments and branch offices**

26 March 2024

Title	Nationality	Name	Gender	Date of appointment	Shareholdings		Shareholdings of spouse and minor children		Shares held in other's name		Major Qualification	Current positions in other companies	Managers who are spouse or second-degree relatives			Remarks
					No. of shares	Shareholding %	No. of shares	Shareholding %	No. of shares	Shareholding %			Title	Name	Relationship	
President	Taiwan	Pai Chin Chang	Male	24 March 2011	99,000	0.13	136,000	0.17	0	0	Executive Master of Business Administrative from Hong Kong International Business College President of Eastech Holding Limited	Director and President of Eastern Asia Technology (HK) Limited Director of Scan-Speak A/S	Nil	Nil	Nil	Nil
Vice President	Hong Kong	Chan Hoi Lung	Male	8 November 2024 (Note 1)	50,000	0.06	0	0	0	0	Bachelor of Mechanical and Automation Engineering, The Chinese University of HK Eastech Holding Limited-Vice President of Systems + Headphones & Wearable Devices BU	Director of Scan-Speak A/S	Nil	Nil	Nil	Nil
Chief Technology Officer /Vice President	Singapore	Lee Kheng Wee	Male	15 September 2024 (Note 2)	50,000	0.06	0	0	0	0	Electronics & communication engineering, The Singapore Polytechnic Eastech Holding Limited-Vice President of Systems + Headphones & Wearable Devices BU	Director of Eastech (SG) Pte. Ltd. Director of Scan-Speak A/S	Nil	Nil	Nil	Nil
Chief Financial Officer (Vice President)	Hong Kong	Lam Pui Man	Female	24 March 2011	30,000	0.04	0	0	0	0	Master of Finance from Chinese University of Hong Kong BBS from The Hong Kong University of Science and Technology Fellow member of Association of Chartered Certified Accountants and Hong Kong Institute of Certified Public Accountants Chief Financial Officer of Eastech Holding Limited CPA Audit Accountant of Arthur Andersen	Director of EATL Electronics (HK) Limited Director of Eastech (SZ) Co., Ltd. Supervisor of Eastech Innovations (TW) Inc.	Nil	Nil	Nil	Nil
Vice President	Taiwan	Chang Po Chao	Male	1 December 2011	94,000	0.12	0	0	0	0	Bachelor's Degree of International Trading from National Chengchi University Vice President, Head of Corporate Governance and Spokesman of Eastech Holding Limited	Director of Eastech Innovations (TW) Inc.	Nil	Nil	Nil	Nil
Information Security Officer	Taiwan	Chen Chih-Ming	Male	25 August 2023	40,000	0.05	0	0	0	0	Bachelor of Department of Information Science, The Soochow University Senior Manager of Eastech Holding Limited, Department of Information Security	Nil	Nil	Nil	Nil	Nil
Audit Officer	Taiwan	Ko Chun Ming	Male	6 August 2020	18,000	0.02	0	0	0	0	Master of Laws, The Soochow University Master of International Finance, National Taipei University Audit (Senior President) of Eastech Holding Limited	Nil	Nil	Nil	Nil	Nil

Note 1: Serves as the Vice President of Systems + Headphones & Wearable Devices BU since 8 November 2024

Note 2: Serves as the Chief Technology Officer since 15 September 2024., and Vice President of High-End Business Unit since 8 November 2024.



## 2. Remunerations paid to directors, supervisors, presidents and vice presidents for the latest year (2024)

### (1) Remunerations of general directors and independent directors

Unit: NT\$'000

		Remunerations of Directors								Aggregated amount of A, B, C, and D and proportion to net profit after tax		Remunerations of concurrent employments						Aggregated amount of A, B, C, D, E, F and G and proportion to net profit after tax				Any remunerations from companies other than subsidiaries for investment business
		Salary (A)		Post-employment pension (B)		Directors' compensation (C) (Note 1)		Fee incurred for duty performance (D)				Salary, bonus and special bonus (E)		Post-employment pension (F)		Employees' compensation (Note 5) (G)		The Company		All companies contained in the financial statements		
Title	Name	The Company	All companies contained in the financial statements	The Company	All companies contained in the financial statements	The Company	All companies contained in the financial statements	The Company	All companies contained in the financial statements	The Company	All companies contained in the financial statements	The Company	All companies contained in the financial statements	The Company	All companies contained in the financial statements	The Company	All companies contained in the financial statements	By cash	By shares	By cash	By shares	
Chairman	Representative of Eastech Innovations (TW) Inc. Liou Jenq Lin	-	-	-	-	11,420	11,420	216	216	11,636 1.22%	11,636 1.22%	-	24,558	-	401	-	-	22,176	-	11,636 1.22%	58,771 6.17%	-
Director	Pai Chin Chang																					
Director	Chang Tung I																					
Director	Teng Chiou-Shiang)																					
Independent Director	Chang Shan Juh																					
Independent Director	Jeng Shih Rong	-	-	-	-	8,565	8,565	152	152	8,717 0.92%	8,717 0.92%	-	-	-	-	-	-	-	-	8,717 0.92%	8,717 0.92%	-
Independent Director	Su Yi Jen																					

1.

Please describe the policy, system, standards and structure for the payment of remuneration to independent directors, and describe the correlation between the amount of remuneration paid and factors such as responsibilities, risks, and time invested:  
The remuneration of the Company's independent directors is determined by the Remuneration Committee in accordance with Article 117 of the Company's Articles of Incorporation, which is based on the pre-tax profit of the year before deducting the remuneration of employees and directors, within a limit not exceeding 2%, taking into account the independent directors' level of participation in the Company's operations and the value of their contributions. The committee then deliberates the proposed amounts as well as principles of distributing director remuneration and submits them to the Board of Directors for resolution before payment.

2.

In addition to the above disclosures, remuneration received by the company's directors for providing services to all companies included in the financial report (such as serving as consultants for non-employees of the parent company/all companies included in the financial report/invested businesses, etc.) in the most recent year: None.

Note 1 : In accordance with the Company's articles of association, the directors' compensation for 2024 was approved by the Remuneration Committee and the Board of Directors on 24 February 2025.

Note 2 : In accordance with the Company's articles of association, the employees' compensation for 2024 was approved by the Remuneration Committee and the Board of Directors on 24 February 2025.

### Remuneration Ranking

Ranking of remuneration payable to each Director of the Company	Name of directors			
	Aggregate of four items of remuneration (A+B+C+D)		Aggregate of four items of remuneration (A+B+C+D)	
	The Company	All companies contained in the financial statements	The Company	All companies contained in the financial statements
Below NT\$1,000,000	Nil	Nil	Nil	Nil
NT\$1,000,000 (inclusive) – NT\$2,000,000 (not inclusive)	Nil	Nil	Nil	Nil
NT\$2,000,000 (inclusive) – NT\$3,500,000 (not inclusive)	Directors: Representative of Eastech Innovations (TW) Inc. Liou Jenq Lin Pai Chin Chang Chang Tung I Teng Chiou-Shiang Independent Directors: Chang Shan Juh Jeng Shih Rong Su Yi Jen	Directors: Representative of Eastech Innovations (TW) Inc. Liou Jenq Lin Pai Chin Chang Chang Tung I Teng Chiou-Shiang Independent Directors: Chang Shan Juh Jeng Shih Rong Su Yi Jen	Directors: Representative of Eastech Innovations (TW) Inc. Liou Jenq Lin Pai Chin Chang Chang Tung I Teng Chiou-Shiang Independent Directors: Chang Shan Juh Jeng Shih Rong Su Yi Jen	Independent Directors: Chang Shan Juh Jeng Shih Rong Su Yi Jen
NT\$3,500,000 (inclusive) – NT\$5,000,000 (not inclusive)	Nil	Nil	Nil	Nil
NT\$5,000,000 (inclusive) – NT\$10,000,000 (not inclusive)	Nil	Nil	Nil	Directors: Teng Chiou-Shiang
NT\$10,000,000 (inclusive) – NT\$15,000,000 (not inclusive)	Nil	Nil	Nil	Directors: Representative of Eastech Innovations (TW) Inc. Liou Jenq Lin
NT\$15,000,000 (inclusive) – NT\$30,000,000 (not inclusive)	Nil	Nil	Nil	Directors: Pai Chin Chang Chang Tung I
NT\$30,000,000 (inclusive) – NT\$50,000,000 (not inclusive)	Nil	Nil	Nil	Nil
NT\$50,000,000 (inclusive) – NT\$100,000,000 (not inclusive)	Nil	Nil	Nil	Nil
Above NT\$100,000,000	Nil	Nil	Nil	Nil
Total	7 persons	7 persons	7 persons	7 persons

- (2) Remunerations of supervisors: Not applicable as the Company does not have any supervisors.

### (3) Remuneration of the president and vice presidents

Unit: NT\$'000

Title	Name	Salary (A)		Post-employment pension (B)		Bonus and special bonus (C)		Employees' compensation amount (D) (Note 3)				Aggregated amount of A, B, C and D and proportion to net profit after tax (%)		Remunerations from companies other than subsidiaries or parent company for investment business
		The Company	All companies contained in the financial statements	The Company	All companies contained in the financial statements	The Company	All companies contained in the financial statements	The Company		All companies contained in the financial statements		The Company	All companies contained in the financial statements	
								By cash	By shares	By cash	By shares			
President	Pai Chin Chang	-	23,361	-	877	-	1,908	-	-	23,464	-	-	49,610 5.21%	-
Vice President	Chan Hoi Lung (Note 1)													
Chief Technology Officer (Vice President)	Lee Kheng Wee (Note 2)													
Chief Financial Officer (Vice President)	Lam Pui Man													
Vice President	Chang Po Chao													

Note 1: Served as the Vice President of Systems + Headphones & Wearable Devices BU of the Company since 8 November 2024.

Note 2: Served as the Chief Technology Officer of the Company since 15 September 2024. Served as the Vice President of Systems + Headphones & Wearable Devices BU since 8 November 2024.

Note 3: In accordance with the Company's articles of association, the employees' compensation for 2024 was approved by the Remuneration Committee and the Board of Directors on 24 February 2025.

### Remuneration Ranking

Ranking of remuneration payable to each president and vice president of the Company	Name of president and vice president	
	The Company	All companies contained in the financial statements
Below NT\$1,000,000	Nil	Nil
NT\$1,000,000 (inclusive) – NT\$2,000,000 (not inclusive)	Nil	Nil
NT\$2,000,000 (inclusive) – NT\$3,500,000 (not inclusive)	Nil	Nil
NT\$3,500,000 (inclusive) – NT\$5,000,000 (not inclusive)	Nil	Chang Po Chao
NT\$5,000,000 (inclusive) – NT\$10,000,000 (not inclusive)	Nil	Lam Pui Man
NT\$10,000,000 (inclusive) – NT\$15,000,000 (not inclusive)	Nil	Chan Hoi Lung Lee Kheng Wee
NT\$15,000,000 (inclusive) – NT\$30,000,000 (not inclusive)	Nil	Pai Chin Chang
NT\$30,000,000 (inclusive) – NT\$50,000,000 (not inclusive)	Nil	Nil
NT\$50,000,000 (inclusive) – NT\$100,000,000 (not inclusive)	Nil	Nil
Above NT\$100,000,000	Nil	Nil
Total	0 person	5 persons

(4) Name of managers who have been awarded staff remuneration and the distribution of employees' compensation

Unit: NT\$'000

	Title	Name	By Shares	By Cash	Total	Percentage of total amount to net profit tax (%)
Managers	President	Pai Chin Chang	-	24,133	24,133	2.53%
	Vice President	Chan Hoi Lung (Note 1)				
	Chief Technology Officer (Vice President)	Lee Kheng Wee (Note 2)				
	Chief Financial Officer (Vice President)	Lam Pui Man				
	Vice President	Chang Po Chao				
	Information Security Officer	Chen Chih-Ming				
	Audit Officer	Ko Chun Ming				

Note 1: Served as the Vice President of Systems + Headphones & Wearable Devices BU of the Company since 8 November 2024.

Note 2: Served as the Chief Technology Officer of the Company since 15 September 2024. Served as the Vice President of Systems + Headphones & Wearable Devices BU since 8 November 2024.

Note 3: In accordance with the Company's articles of association, the employees' compensation for 2024 was approved by the Remuneration Committee and the Board of Directors on 24 February 2025.

2. Analysis on the percentage of total remunerations of directors, supervisors, president and vice presidents of the Company and all companies contained in the financial statements for the latest two years to net profit after tax, and descriptions on the remuneration policies, standards and packages and the procedure of determination of remunerations and its relationship with operating results

- (1) Percentage of total remunerations of Directors, president and vice presidents of the Company and all companies contained in the financial statements to consolidated net profit.

Unit: NT\$'000

Year	2023				2024			
Item	The Company		All companies contained in the financial statements		The Company		All companies contained in the financial statements	
	Amount	Net profit after tax (%)	Amount	Net profit after tax (%)	Amount	Net profit after tax (%)	Amount	Net profit after tax (%)
Directors (Directors' remuneration)	10,828	2.03%	50,673	9.50%	20,353	2.14%	67,488	7.08%
President and Vice President	-	-	31,116	5.83%	-	-	49,610	5.21%

- (2) Descriptions on the remuneration policies, standards and packages and the procedure of determination of remunerations and their relationship with operating results.

- ① The policies, standards and combinations of remuneration, and procedures for determining remuneration.

Remuneration of directors of the Company is determined by the Remuneration Committee of the Company in accordance with Article 117 of the Company's articles of association with reference to the performance evaluation of the Directors. The total remuneration of all Directors is proposed based on the division of expertise and the full coverage of Industry-Academia when forming the board of Directors, including but not limited to the degree of participation and contribution to the Company's policies, decision-making and operations. The total compensation is capped at a limit of 2% of the profit before tax, with reference to the results of the performance appraisal of the Directors, and considering their respective expertise and full coverage of the industry, government and academia group when determining the composition of the Board, including but not limited to the extent of participation and contribution to the Company's policies, decisions and operations, the total compensation of all Directors shall not exceed 2% of the pre-tax income before the distribution of employee compensation and Directors' compensation for the current year, regardless of whether profits are made for the Company's business or non-business. No compensation will be made in subsequent years if no profits were earned in prior years. The most important purpose is that the Directors will only share the profits with the shareholders when the Company makes profits for the year, and there will be no self-enrichment at the expense of the shareholders. No matter how high the annual profits are, a ceiling of 2% is set for Directors' compensation to take care of the shareholders' interests and it is released only after reporting to the board of directors for resolution.

Employees' compensation for the Company is provided in accordance with Article 117 of the articles of association of the Company and the amount provided shall not be less than 1% and not more than 15% of the profit before tax for the year and before deducting the compensation of employees and directors for the year. Remuneration of the chairman, president and vice presidents shall be paid according to the scope of their duties and responsibilities for their positions and their contribution to the Company's operational objectives. Determination of the remuneration shall be based on the overall operating performance of the Company, future operating risks and development trend of the industry and individual performance and contribution to the Company's performance (including the achieve rate on the Company's consolidated revenue and budget, and the consideration of the comprehensive indicators such as the performance of other business management aspects), and the issuing of bonuses (including the

attainment rate on the Company's consolidated operational revenue, the attainment rate on the target budget, and the consideration of the comprehensive indicators such as the performance of other business management aspects), and the payment of bonuses and reasonable remuneration is to maintain a close link between performance and rewards.

The Company's remuneration policy is determined based on its business strategy, employment policy and ability to pay. The remuneration of the chairman, president, vice presidents and managers are reviewed by the Remuneration Committee before the submission to the Board for approval.

② Relevance to business performance and future risks:

The Company's payment of Directors' remuneration has taken into consideration the Company's future operational risks and its positive correlation with operating performance, in order to balance the Company's sustainable operations and risk control.

For the remuneration of the chairman, general manager and deputy general manager, the Company's remuneration for the same position in recent year, and the reasonableness of the correlation between the individual performance and the Company's operating performance and future risks from the achievement of the Company's short-term and long-term business goals and the Company's financial status. It also did not guide managers to engage in behaviors that exceeded the company's risk appetite in pursuit of compensation.

### 3. Particulars of corporate governance

#### (a) Board of Directors

1. During the latest year (2024) and as at the date of publication of the annual report, 7 Board meetings were held. The attendance of the Directors is as follows.

Title	Name	Attendance in person	Attendance by proxy	Attendance rate in person (%)	Remarks
Chairman	Representative of Eastech Innovations (TW) Inc.: Liou Jenq Lin	7	0	100%	Elected on 16 June 2023
Director	Pai Chin Chang	7	0	100%	
Director	Chang Tung I	7	0	100%	
Director	Teng Chiou-Shiang	7	0	100%	
Independent Director	Chang Shan Juh	7	0	100%	
Independent Director	Jeng Shih Rong	7	0	100%	
Independent Director	Su Yi Jen	7	0	100%	

#### 2. Other disclosure:

- (1) The date of the Board meeting, session, content of the proposal, the opinions of all independent Directors and the Company's response to the opinions of independent Directors shall be recorded if any of the following circumstances occurs:

- ① Matters stipulated in Article 14-3 of the Securities and Exchange Law
- ② In addition to the aforementioned matters, other Board resolutions that have been objected to or qualified by independent Directors with record or written statement:

Board Meeting	Content of the proposal and follow-up action	Matters stipulated in Article 14-3 of the Securities and Exchange Law	Objections or reservation by independent Directors
Sixth session Fifth meeting 26 February 2024	1. Proposed distribution of employees' compensation and directors' compensation of the Company for 2023	Yes	No
	Opinions of independent Directors: Nil		

Board Meeting	Content of the proposal and follow-up action	Matters stipulated in Article 14-3 of the Securities and Exchange Law	Objections or reservation by independent Directors
	The Company's response to the opinions of independent Directors: Nil		
	Voting results: All attending Directors and independent Directors approved the resolution.		
Sixth session Sixth meeting 12 April 2024	1. Appointment of the Company's Certified Public Accountant and their remuneration	Yes	No
	2. The Company proposed new issuance of Employee Restricted Share Awards	Yes	No
	Opinions of independent Directors: Nil		
	The Company's response to the opinions of independent Directors: Nil		
	Voting results: All attending Directors and independent Directors approved the resolution.		
Sixth session Seventh meeting 10 May 2024	1. Proposed additional investment to Eastech (VN) Company Limited by subsidiary-Eastern Asia Technology (HK) Limited	Yes	No
	2. Subsidiary Eastech (VN) Company Limited handled the case of transferring retained earnings to capital	Yes	No
	3. Proposed endorsements and guarantees for EATL Electronics (HK) Limited by the Company	Yes	No
	Opinions of independent Directors: Nil		
	The Company's response to the opinions of independent Directors: Nil		
	Voting results: All attending Directors and independent Directors approved the resolution.		
Sixth session Eighth meeting 23 August 2024	1. Proposed endorsements and guarantees for EATL Electronics (HK) Limited by the Company	Yes	No
	2. Proposed endorsements and guarantees for Eastech (Huizhou) Co., Ltd.	Yes	No
	3. Proposed endorsements and guarantees for Eastech (VN) Company Limited	Yes	No
	Opinions of independent Directors: Nil		
	The Company's response to the opinions of independent Directors: Nil		
	Voting results: All attending Directors and independent Directors approved the resolution.		
Sixth session Ninth meeting 8 November 2024	1. Proposed endorsements and guarantees for Eastern Asia Technology (HK) Limited	Yes	No
	2. Proposed endorsements and guarantees for EATL Electronics (HK) Limited by the Company	Yes	No



Board Meeting	Content of the proposal and follow-up action	Matters stipulated in Article 14-3 of the Securities and Exchange Law	Objections or reservation by independent Directors
	3. Proposed endorsements and guarantees for Eastech (VN) Company Limited	Yes	No
	4. Proposed renewal of directors, supervisors and managers' liability insurance	Yes	No
	5. Proposed Appointment of Members for Sustainable Development Committee	Yes	No
	Opinions of independent Directors: Nil		
	The Company's response to the opinions of independent Directors: Nil		
	<p>Results of resolutions 1 to 4: All directors present and independent directors agreed to pass.</p> <p>Results of resolution 5: As Mr. Chang Shan-Juh, Mr. Jeng Shih Rong and Mr. Su Yi Jen are independent directors, directors Mr. Chang Tung-I and Ms. Teng Chiou Shiang are appointed by the Board of Directors, they abstain from voting. In this case, there are 2 directors who recused themselves from voting. After consultation with the Chairman, it was decided to appoint independent directors included Mr. Chang Shan-Juh, Jeng Shih Rong and Mr. Su Yi Jen, directors included Mr. Chang Tung-I and Ms. Teng Chiou Shiang, as members of the Company's first Sustainable Development Committee.</p>		
Sixth session tenth meeting 13 December 2024	1. Request for approval to purchase immovable property for the second newly established factory in Vietnam with the authorized amount not exceeding US\$7,000,000	Yes	No
	2. Request for approval of executing forward foreign exchange operations, with the total authorized amount not exceeding US\$70,000,000	Yes	No
	3. Proposed revision of the company's internal control system	Yes	No
	Opinions of independent Directors: Nil		
	The Company's response to the opinions of independent Directors: Nil		
	Voting results: All attending Directors and independent Directors approved the resolution.		
Sixth session Eleventh meeting 24 February 2025	1. Proposed distribution of employees' compensation and directors' compensation of the Company for 2024	Yes	No
	Opinions of independent Directors: Nil		
	The Company's response to the opinions of independent Directors: Nil		
	Voting results: All attending Directors and independent Directors approved the resolution.		

- (2) Details of abstention from voting by Directors on proposals with conflict of interests (the name of directors, content of the proposal, reason for abstention and their participation in voting):

**Board meeting on 8 November 2024**

Results of Resolution 8: Proposed appointment of members of the Sustainable Development Committee. As Mr. Chang Shan-Juh, Mr. Jeng Shih Rong and Mr. Su Yi Jen are independent directors, directors Mr. Chang Tung-I and Ms. Teng Chiou Shiang are appointed by the Board of Directors, they abstain from voting. In this case, there are 2 directors who recused themselves from voting. After consultation with the Chairman, it was decided to appoint independent directors included Mr. Chang Shan-Juh, Jeng Shih Rong and Mr. Su Yi Jen, directors included Mr. Chang Tung-I and Ms. Teng Chiou Shiang of the Company, as members of the Company's first Sustainable Development Committee.

(3) Implementation of the appraisal of the Board of Directors:

<b>Evaluation Cycle</b>	Internal evaluation: The Company carries out an annual performance evaluation of the Board of Directors and the results are published on the website or in the annual report of the Company
<b>Evaluation Period</b>	From 1 January 2024 to 31 December 2024
<b>Evaluation Scope</b>	(a) Performance evaluation of the Board of Directors (b) Self-evaluation of performance of members of the Board of Directors (c) Performance evaluation of the Remuneration Committee (d) Performance evaluation of the Audit Committee (e) Performance Evaluation of the Sustainable Development Committee
<b>Evaluation Method</b>	Internal evaluation: Internal self-evaluation of the Board of Directors, self-evaluation of members of the Board of Directors, and internal self-evaluation of the Remuneration Committee, the Audit Committee and the Sustainable Development Committee
<b>Evaluation Content</b>	(a) The internal performance evaluation of the Board of Directors of the Company has taken into account, among others, the following five areas: The level of participation in the Company's operations, the enhancement of quality of decisions of the Board of Directors, the composition and structure of the Board of Directors, the election and appointment and continuous education of Directors, and internal control. (b) The self-evaluation of performance of members of the Board of Directors has taken into account, among others, the following six areas: The mastery of the Company's goals and tasks, the awareness of Directors' responsibilities, the level of participation in the Company's operations, internal relationship management and communication, Directors' professional and continuing education, and internal control. (c) The performance evaluation of the Remuneration Committee has taken into account, among others, the following four areas: The level of participation in the Company's operations, the awareness of the functional committee's responsibilities, the enhancement of quality of decisions of the functional committee, and the composition of functional committee and the election and appointment of its members. (d) The performance evaluation of the Audit Committee has taken into account, among others, the following five areas: The level of participation in the Company's operations, the awareness of the functional committee's responsibilities, the enhancement of quality of decisions of the functional committee, the composition of functional committee and the election and appointment of its members, and internal control. (e) The performance evaluation of the Sustainable Development Committee includes the following four aspects: the degree of participation in company operations, awareness of the responsibilities of functional committees, enhancement of decision-making quality of functional committees, composition of functional committees and selection of members, etc.

On 8 November 2019, the Board of Directors of the Company approved the “Measures for Performance Evaluation of the Board of Directors”, which stipulates that the Board of Directors shall carry out performance evaluation of the Board of Directors, the members of the Board of Directors, functional committees (the Remuneration Committee, the Audit Committee and the Sustainable Development Committee) at least once a year. For the internal evaluation, the performance evaluation for the current year shall be carried out at the end of each year in accordance with the measures.

The evaluation shall be carried out by the Board of Directors using an internal questionnaire based on the operation of the Board of Directors, the participation of the Directors and the functional committees, with the Directors evaluating the operation of the Board of Directors, the Directors evaluating their own participation and the functional committees evaluating the operation of the Remuneration Committee, the Audit Committee and the Sustainable Development Committee. The results of the aforesaid performance evaluation will be used as a reference for the nomination of Directors.

Upon complete collection of the questionnaires in January each year, the Company's Board of Directors will analyze the results in accordance with the aforesaid measures and report the results to the Board of Directors as well as provide improvement suggestions in response to the Directors' advice.

The Company completed the performance evaluation of the Board of Directors, the members of the Board of Directors, the Remuneration Committee, the Audit Committee and the Sustainable Development Committee in January 2025 and reported the results to the Board of Directors on 24 February 2025.

Results of the internal evaluation of performance of the Board of Directors:

- i. “Self-evaluation Questionnaire for Performance Appraisal of the Board of Directors”: All Directors considered that the Board of Directors of the Company performed well in all aspects in respect of the questions mentioned in the questionnaire and that the Board of Directors as a whole operated actively and effectively (evaluation result: excellent)
- ii. “Self-evaluation Questionnaire for Self-appraisal of Members of the Board of Directors”: All Directors considered that they performed well in all aspects in respect of the questions mentioned in the questionnaire (evaluation result: excellent)

- iii. “Self-evaluation Questionnaire for Performance Appraisal of the Remuneration Committee”: All members considered that the Company's Remuneration Committee, which oversees the reasonableness of, among others, the salary payment to the Company's management team and the employees' compensation on behalf of the Board of Directors, performed well in all aspects in respect of the questions mentioned in the questionnaire (evaluation result: excellent)
- iv. “Self-evaluation Questionnaire for Performance Appraisal of the Audit Committee”: All members considered that the Company's Audit Committee, which performs its responsibilities of supervision and maintains good communication with the accountants and internal auditors on behalf of the Board of Directors, performed well in all aspects in respect of the questions mentioned in the questionnaire (evaluation result: excellent)
- v. “Self-Assessment Questionnaire for Performance Evaluation of Sustainable Development Committee”: All members believe that the Company's Sustainable Development Committee, on behalf of the Board of Directors, supervises the implementation of the sustainable development strategy, and performs well in all aspects of the questionnaire. (evaluation results are excellent)

The “Measures for Performance Evaluation of the Board of Directors” of the Company are published on the websites of the Market Observation Post System and the Company, respectively.

- (4) Objectives and assessment of the implementation of the function enhancement of the Board of Directors during the current year and the latest year:

The Company established the Audit Committee on 30 March 2011. In order to enhance information transparency, the auditors of the Company will regularly submit audit reports to independent Directors. The Company also fulfilled the requirements of the competent authority and established the Remuneration Committee on 28 September 2011 accordingly. The Audit Committee and the Remuneration Committee are all composed of independent Directors.

The Company established a Sustainable Development Committee on 8 November 2024, consisting of 3 independent directors and 2 directors. The committee is responsible for overseeing ESG [Environmental, Social, Governance] strategies, including corporate responsibility, operational sustainability, supply chain and sustainable products, and regularly reviews climate change strategies and goals, examines implementation status and discusses future plans.

The Company's articles of association have revised the nomination system for candidates of Director for election.

The Company pays attention to the interests of investors and interested parties. Major board resolutions will be announced after each Board meeting, and the information on further studies, attendance at board meetings and remuneration of Directors and independent Directors will be disclosed.

In order to protect the Directors against the risks they bear when carrying out business, the Company takes out “Directors' Liability Insurance” for all Directors every year and reports to the Board of Directors the important information such as the insurance amount, coverage and premium of its liability insurance. On 8 November 2024, the Board of Directors reported the renewal of the liability insurance for all Directors.

Specific measures taken by the Company to enhance the functions of the Board of Directors and strengthen the supervision: (i) implement the sustainable development strategy and set up Sustainable Development Committee in 2024 (ii) one female Director and more than half of the independent Director with a term of office no more than 3 sessions for the 2023 re-election of the Directors; (iii) the Audit Committee was established and the members of the Audit Committee with expertise in fields such as financial accounting and legal profession can effectively perform their supervisory functions; and (iv) professional director courses are arranged for the members of the Board of Directors every year to enhance the operational capability of the Board of Directors.

## **(B) Audit Committee Operations**

1. The Company established the Audit Committee on 30 March 2011. According to the organizational procedures of the Audit Committee of the Company, the committee consists of all independent directors and is responsible for assisting the Board of Directors to supervise the Company's performance in accounting, auditing and financial reporting processes and the quality and integrity in financial control.

The matters considered by the Audit Committee mainly include:

- Audit of financial statements and accounting policies and procedures
- Internal control system and related policies and procedures
- Major assets or derivatives transactions
- Loan, endorsement or guarantee of substantial amount
- Offering or issuance of securities
- Compliance
- Whether the managers and the directors have related party transactions and possible conflicts of interest
- Qualification of the certified public accountant and independence assessment

- Appointment and dismissal of internal audit officers
- Duty performance of the Audit Committee
- Review of financial reports

The Board of Directors has issued the Company's 2024 business report, consolidated financial statements and surplus distribution proposal. The consolidated financial statements have been audited by Ernst & Young Taiwan, which has issued its audit report. The above-mentioned business report consolidated financial statements and surplus distribution proposal have been reviewed and audited by the Audit Committee and it is considered that there is no disagreement from them.

- Evaluation of the effectiveness of the internal control system

The Audit Committee evaluates the effectiveness of the Company's internal control system policies and procedures (including financial, operational, risk management, information security, outsourcing, compliance, etc.) and reviews the periodic reports of the Company's audit department, certified public accountant and management, including risk management and compliance. With reference to the Internal Control–Integrated Framework issued by The Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 2013, the Audit Committee considered the Company's risk management and internal control systems to be effective. The Company has adopted the necessary control mechanisms to monitor and correct violations.

The professional qualifications and experience of the Audit Committee are disclosed in conjunction with the professional qualifications and experience of the members of the Board of Directors.

During the latest year (2024) and as on the date of publication of the annual report, the Audit Committee of the Company held 7 meetings. The attendance of the members is as follows:

Title	Name	Attendance in person	Attendance by proxy	Attendance rate in person (%)	Remarks
Independent Director	Su Yi Jen	7	0	100%	Elected on 16 June 2023
Independent Director	Chang Shan Juh	7	0	100%	
Independent Director	Jeng Shih Rong	7	0	100%	

## 2. Other disclosure

- (1) The date of meeting, session, and content of resolutions of the Audit Committee, the dissenting views and reservations of the independent Directors, or the content of major proposed projects, the voting results of the Audit Committee, and the Company's response to the opinion of the Audit Committee shall be described if any of the following circumstances in relation to the Audit Committee occurs.

① Matters stipulated in Article 14-5 of the Securities and Exchange Law:

② In addition to the aforementioned matters, other resolutions not approved by the Audit Committee but approved by more than two-thirds of all Directors:

Audit Committee	Content of the proposal and follow-up action	Matters stipulated in Article 14-5 of the Securities and Exchange Law	Resolution not approved by the Audit Committee but approved by more than two-thirds of all Directors
Fifth session Fifth meeting 26 February 2024	1. The Company's 2023 business report and consolidated financial statements	Yes	No
	2. Proposed distribution of employees' compensation and directors' compensation of the Company for 2024	Yes	No
	3. The Company's proposed approval for the issuance of the Statement of the Internal Control System in accordance with Article 24 of the Guidelines for Public Issuers in Establishing Internal Control Systems	Yes	No
	Voting results of the Audit Committee (26 February 2024): All members of the Audit Committee approved the resolution.		
	The Company's response to the opinion of the Audit Committee: All attending Directors and independent Directors approved the resolution.		
Fifth session Sixth meeting 12 Apr 2024	1. Appointment of the Company's Certified Public Accountants and their remuneration	Yes	No
	2. The company proposed issuance of Employee Restricted Share Awards	Yes	No
	Voting results of the Audit Committee (12 Apr 2024): All members of the Audit Committee approved the resolution.		
	The Company's response to the opinion of the Audit Committee: All attending Directors and independent Directors approved the resolution.		
Fifth session Seventh meeting 10 May 2024	1. Proposed additional investment to Eastech (VN) Company Limited by subsidiary-Eastern Asia Technology (HK) Limited	Yes	No
	2. Subsidiary Eastech (VN) Company Limited handled the case of transferring retained earnings to capital	Yes	No
	3. Proposed endorsements and guarantees for EATL	Yes	No



Audit Committee	Content of the proposal and follow-up action	Matters stipulated in Article 14-5 of the Securities and Exchange Law	Resolution not approved by the Audit Committee but approved by more than two-thirds of all Directors
	Electronics (HK) Limited by the Company		
	Voting results of the Audit Committee (10 May 2024): All members of the Audit Committee approved the resolution.		
	The Company's response to the opinion of the Audit Committee: All attending Directors and independent Directors approved the resolution.		
Fifth session Eighth meeting 23 August 2024	1. Consolidated financial statements of the Company for the first half of 2024	Yes	No
	2. Proposed endorsements and guarantees for EATL Electronics (HK) Limited by the Company	Yes	No
	3. Proposed endorsements and guarantees for Eastech (Huizhou) Co., Ltd. by the Company	Yes	No
	4. Proposed endorsements and guarantees for Eastech (VN) Company Limited by the Company	Yes	No
	Voting results of the Audit Committee (23 August 2024): All members of the Audit Committee approved the resolution.		
	The Company's response to the opinion of the Audit Committee: All attending Directors and independent Directors approved the resolution.		
Fifth session Ninth meeting 8 November 2024	1. Proposed endorsements and guarantees for Eastern Asia Technology (HK) Limited by the Company	Yes	No
	2. Proposed endorsements and guarantees for EATL Electronics (HK) Limited by the Company	Yes	No
	3. Proposed endorsements and guarantees for Eastech (VN) Company Limited by the Company	Yes	No
	4. Proposed renewal of the liability insurance for Directors, supervisors and managers	Yes	No
	Voting results of the Audit Committee (8 November 2024): All members of the Audit Committee approved the resolution.		
	The Company's response to the opinion of the Audit Committee: All attending Directors and independent Directors approved the resolution.		
Fifth session Tenth meeting 13 December 2024	1. Request for approval to purchase immovable property for the second newly established factory in Vietnam with the authorized amount not exceeding US\$7,000,000	Yes	No
	2. Request for approval of executing forward foreign exchange operations, with the total authorized amount not exceeding US\$70,000,000	Yes	No
	3. Proposed amendments to the internal control system of the Company	Yes	No
	Voting results of the Audit Committee (13 December 2024): All members of the Audit Committee		

Audit Committee	Content of the proposal and follow-up action	Matters stipulated in Article 14-5 of the Securities and Exchange Law	Resolution not approved by the Audit Committee but approved by more than two-thirds of all Directors
	approved the resolution.		
	The Company's response to the opinion of the Audit Committee: All attending Directors and independent Directors approved the resolution.		
Fifth session Eleventh meeting 24 February 2025	1. The Company's 2024 annual business report and consolidated financial statements	Yes	No
	2. The Company's employees' compensation and directors' compensation proposal	Yes	No
	3. Proposed issue of the Management's Reports on Internal Control in accordance with Article 24 of the Guidelines for the Establishment of Regulations Governing Establishment of Internal Control Systems by Public Companies	Yes	No
	Voting results of the Audit Committee (24 February 2025): All members of the Audit Committee approved the resolution.		
	The Company's response to the opinion of the Audit Committee: All attending Directors and independent Directors approved the resolution.		

(2) Details of abstention from voting by independent Directors on proposals with conflict of interests (the name of directors, content of the proposal, reason for abstention and their participation in voting): Nil.

(3) Communication between independent Directors and internal audit officer and accountant (which shall include major subjects, modes and results of communication on the Company's financial and business conditions, etc.):

① Modes of communication between independent Directors and internal audit officer and accountant

The internal audit officer of the Company attends each of the meetings held by the Audit Committee to submit the audit report to the independent Directors and communicates with the members on the results of the audit report and the implementation of the follow-up report.

The Company's certified public accountant communicates with the Audit Committee at least once every year to report to the independent Directors regarding the financial and overall operation and internal control of the Company and its domestic and overseas subsidiaries and fully communicates whether there is any significant adjustment to the entry or whether the amendments to laws and regulations affect the account.

② Summary of communication between independent Directors and internal audit officer

The major subjects of communication in 2024 are summarized as follows:

Date	Focus of communication	Communication results
26 February 2024 Audit Committee	1. 2023 internal audit implementation summary report 2. “Statement of the Internal Control System” for 2023 3. 21 November 2023 ~ 31 January 2024 internal audit implementation report	No disagreement
12 April 2024 Audit Committee	26 January 2024 ~ 31 March 2024 internal audit implementation report	No disagreement
10 May 2024 Audit Committee	26 March 2024 ~ 30 April 2024 internal audit implementation report	No disagreement
23 August 2024 Audit Committee	26 April 2024 ~ 31 July 2024 internal audit implementation report	No disagreement
8 November 2024 Audit Committee	26 July 2024~ 31 October 2024 internal audit implementation report	No disagreement
13 December 2024 Audit Committee	26 October 2024 ~ 29 November 2024 internal audit implementation report	No disagreement
24 February 2025 Audit Committee	1. 2024 internal audit implementation summary report 2. “Statement of the Internal Control System” for 2024 3. 30 November 2024 ~ 20 January 2025 internal audit implementation report	No disagreement

③ Summary of communication between independent Directors and accountant

The major subjects of communication in 2024 are summarized as follows:

Date	Focus of communication	Communication results
26 February 2024 Audit Committee	Submission of the consolidated financial statements for 2023 The certified public accountant attended the meeting of the Audit Committee, communicated with the independent Directors to explain the matters to be reviewed on the Company's consolidated financial statements for 2023 and communicated to answer the questions raised by the independent Directors.	The consolidated financial statements for the year were approved by the Audit Committee and submitted to the Board of Directors for approval on 26 February 2024, and the process was completed as announced on 26 February 2024.
23 August 2024 Audit Committee	Submission of the consolidated financial report for the first half of 2024. The Certified Public Accountants communicated with the independent directors in front of the Audit Committee to explain the Company's first half consolidated financial report audit matters and "Key Audit Matters (KAM)" and communicated and explained the questions raised by the independent directors.	In accordance with the written order of the competent authority, the company's financial report for the first half of 2024 has been audited and certified by the accountants, approved by the Audit Committee on 23 August 2024 and submitted to the Board of Directors for approval; and was completed as announced on 23 August 2024.
13 December 2024 Audit Committee	The certifying accountant shall attend communication between the audit committee and the board of directors, and between the accountant and the corporate governance unit (audit planning).	The Certified Public Accountants fully communicated with the Audit Committee to review planning matters.
24 February 2025 Audit Committee	The accountant who certified the 2024 consolidated financial statements will be required to attend the Audit Committee, communicate with the independent directors on the company's 2024 consolidated financial statements audit matters, and communicate and explain the questions raised by the independent directors.	The annual consolidated financial report has been approved by the Audit Committee on 24 February 2025 and submitted to the Board of Directors for approval; and was completed as announced on 24 February 2025.

**(c) The Company's corporate governance implementation, its discrepancy with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the underlying reasons**

Assessment item	Implementation status			The discrepancy with the Corporate Governance Best Practice Principles for TWSE/ TPEX Listed Companies and the underlying reasons
	Yes	No	Description	
1. Does the company establish and disclose its code of practice for corporate governance in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	Yes		The Company has established the Code of Practice for Corporate Governance and disclosed it on the Company's website and the Market Observation Post.	No substantial discrepancy
2. Equity structure and shareholder rights (1) Has the Company set internal operating procedures to deal with shareholder proposals, queries, disputes and litigation matters, and does it implement these in accordance with its procedures?	Yes		(1) The Company has appointed SinoPac Securities Stock Transfer Agency Department, a professional stock agency, to handle the share transfer matters, and has a spokesperson, an agent spokesperson and an email address (ir@eastech.com) to properly handle related issues such as shareholder suggestions, queries, etc., and handle legal matters with assistance from the legal department.	No substantial discrepancy
(2) Does the Company have a list of de facto controllers of the Company and those who ultimately control the major shareholders of the Company?	Yes		(2) The Company reports the shareholding changes of its insiders (directors, managers and substantial shareholders holding more than 10% of the shares) to the Market Observation Post on a monthly basis according to law.	No substantial discrepancy
(3) How does the Company establish and implement its risk management mechanism and firewalls involving related entities?	Yes		(3) The Company has established the Procedures for Trading with Related Parties, Specific Companies and Group Companies, which clearly defines the business, operation and financial transactions with related entities, and has fulfilled risk control and firewall mechanisms.	No substantial discrepancy

Assessment item	Implementation status			The discrepancy with the Corporate Governance Best Practice Principles for TWSE/ TPEX Listed Companies and the underlying reasons
	Yes	No	Description	
(4) Has the Company set internal standards to prohibit insiders from using undisclosed information to trade securities on the market?	Yes		(4) The Company has established the "Procedures for Prevention of Insider Trading and Handling of Material Internal Information", which, in accordance with external regulations, were approved by the Board on 16 December 2022, requiring the Company's insiders to comply with the acts related to the prevention of insider trading and not to trade the Company's shares during the closed period of 30 days prior to the announcement of the annual financial report and 15 days prior to the announcement of each quarterly financial report.	No substantial discrepancy
3. Composition and responsibilities of the Board of Directors (1) Does the Board of Directors set up and implement a diversity policy and specific management objective in respect of its composition?	Yes		(1) The Company has established the Code of Practice for Corporate Governance with a diversified approach. The Company's articles of association have stipulated a nomination system for election of directors to ensure the diversity and independence of its members.  According to the specific management objective of the diversity policy, for the gender equality in the composition of members of the Board of Directors, one female Directors has been added.	No substantial discrepancy

Assessment item	Implementation status			The discrepancy with the Corporate Governance Best Practice Principles for TWSE/ TPEX Listed Companies and the underlying reasons
	Yes	No	Description	
			<p>The Company completed the re-election of seven Directors of the sixth session of the Board of Directors at the regular general meeting held on 16 June 2023 and added 1 female Director and term of office of more than half of the independent Director are no more than three sessions. The management objective has thus been achieved.</p> <p>The sixth session board of directors of the company consists of 7 directors, of which 3 are independent Directors, with 3 Directors who are also employees and with 1 female Directors. Three directors are aged 71~80, three Directors are aged 61~70 and one director is aged 51~60. The nationality of each of the seven Directors is Taiwan. The Company places emphasis on the diversity and independence of its Board of Directors.</p> <p>The Company comprises seven directors. Mr. Liou Jenq Lin, a Director who has been immersed in the acoustic industry for decades, has created and operated the acoustic enterprise layout to date. He is good at arranging enterprise development plans and strategic future development directions, with Mr. Pai Chin Chang, a Director, who is strong in production and quality management and technology-based, which every product is like a treasure and he have been involved in every stage of factory building and transformation. Chief Financial Officer Mr. Chang Tung I, who is a Director with a strong background in financial planning and has the ability to operate many listed companies. Teng Chiou-Shiang is a Director with 20 years of experience in professional human resources. The aforesaid four Directors who are management staff form the Three Musketeers for the Company's operation. Among three independent Directors,</p>	

Assessment item	Implementation status			The discrepancy with the Corporate Governance Best Practice Principles for TWSE/ TPEX Listed Companies and the underlying reasons
	Yes	No	Description	
			<p>Independent Director Chang Shan Juh, who concurrently serves as the chairman and member of the Remuneration Committee, with expertise in human resources and experience of manpower supervision including large, listed groups and universities and facilitating industry-university cooperation with related universities, which makes progress for both teaching and learning. Independent Director and Chairman of the Sustainable Development Committee Jeng Shih Rong, who has a professional background in law and had served as the secretary for the chairman of Foreign and National Defense Committee of the Legislative Yuan for decades, has extensive experience in public service and clear legal reasoning, and hopes to draw on his practical experience in the public sector to provide mentor-like supervision and advice on sustainable development and corporate governance and legal compliance. Independent Director Su Yi Jen has actual experience on corporation operation by acted as chairman and president of a listed company, plus US MBA degree with professional background in finance and accounting, both practical and theoretical.</p> <p>The diversity of the seven Directors will be greatly beneficial for the Company's future development.</p>	



Assessment item	Implementation status			The discrepancy with the Corporate Governance Best Practice Principles for TWSE/ TPEX Listed Companies and the underlying reasons
	Yes	No	Description	
(2) Has the Company voluntarily established other functional committees besides the Remuneration Committee and the Audit Committee required by law?	Yes		(2) In addition to the Remuneration Committee and the Audit Committee, the Company established Sustainable Development Committee on 8 November 2024, which consists of 3 independent directors and 2 directors. The committee is responsible for overseeing ESG [Environmental, Social, Governance] strategies, including corporate responsibility, operational sustainability, supply chain and sustainable products, and regularly review climate change strategies and goals, examines implementation status and discusses future plans.	No substantial discrepancy
(3) Has the Company set performance assessment rules and methods for the Board of Directors and does it perform regular evaluation every year, and report the results of performance to the Board of Directors and applied to the reference of the remuneration and renewal nomination of individual directors?	Yes		<p>(3) The Company has established the “Board Performance Evaluation Method” to regularly perform performance evaluation of the Board of Directors after the end of each year.</p> <p>The Company completed the performance evaluation of the Board of Directors, the members of the Board of Directors, the Remuneration Committee, the Audit Committee and the Sustainable Development Committee in January 2025, which were all assessed as excellent in 2024. The Board of Directors overall has been giving active recommendations, positive interactions and effective operation. It has been reported to the Board of Directors on 24 February 2025.</p> <p>The remuneration of the Directors (including independent Directors) is determined in accordance with the articles of association and the results of the performance evaluation will be taken as a reference for the nomination of Directors.</p>	No substantial discrepancy

Assessment item	Implementation status			The discrepancy with the Corporate Governance Best Practice Principles for TWSE/ TPEX Listed Companies and the underlying reasons
	Yes	No	Description	
(4) Does the Company regularly evaluate the independence of the certified public accountant?	Yes		(4) The Audit Committee of the Company regularly reviews the independence of the certified public accountants annually, and re-elected accountants on 12 April 2024, the Audit Committee reviewed the independence of the certified public accountants, requested the accountant to issue the Statement of Independence of CPA and Audit Quality Indicators (AQIs), and conducts the evaluation in accordance with the Accountants' Independence Evaluation Standards (please refer to page 51 of the Annual Report) and 13 AQIs of the Company. Following approval of the results of the most recent annual evaluation by the Audit Committee on 12 April 2024, the Board agreed that Liu Jung-Chin and Huang Tzu-Ping, the accountants from Ernst & Young Taiwan, fulfilled the Company's independence and competence standards on 12 April 2024.	No substantial discrepancy

Assessment item	Implementation status			The discrepancy with the Corporate Governance Best Practice Principles for TWSE/ TPEX Listed Companies and the underlying reasons
	Yes	No	Description	
4. Does the TWSE/TPEX listed company have a qualified and appropriate number of corporate governance personnel, and appoint a corporate governance supervisor to be in charge of the Company' corporate governance affairs (including but not limited to providing information required for director/supervisor's operations, assisting directors and supervisors to follow laws, convening board/ shareholder meetings in compliance with the law, and producing meeting minutes of board/shareholders' meetings)?	Yes		<p>In order to implement corporate governance and as approved by the Board of Directors on 26 April 2019, the Company designated Mr. Chang Po Chao, the vice president, to specifically act as Corporate Governance Officer for corporate governance related matters in order to secure the rights of the shareholders and strengthen the function of the Board. Vice President Chang Po Chao has over 20 years of management experience in finance, stock affairs or meetings of listed companies. The main duties of the person in charge of corporate governance are to handle matters related to Board meetings and shareholders' meetings according to law, to prepare minutes of Board meetings and shareholders' meetings, to assist the Directors in taking office and continuous learning and to provide the information and regulations required for the independent Directors and Directors to perform their duties in order to assist the Directors in complying with laws and regulations.</p> <p>Please refer to page 79 for the continuing education of Corporate Governance Officer in 2024.</p>	
5. Does the Company establish communication channels and dedicate sections for stakeholders (including but not limited to shareholders, employees, clients and suppliers) on its website to properly respond to important issues of corporate social responsibility concerns?	Yes		<p>The Company has set up sections for stakeholders on the Company's website (<a href="https://eastechnology.com">https://eastechnology.com</a>), including employee section, customer section, investor section, section for partners (suppliers), etc., and sets up communication windows and mailboxes for each category of stakeholders to properly respond to material corporate social responsibility issues of concern to each category of stakeholders.</p>	No substantial discrepancy

Assessment item	Implementation status			The discrepancy with the Corporate Governance Best Practice Principles for TWSE/ TPEX Listed Companies and the underlying reasons
	Yes	No	Description	
6. Has the Company appointed a professional agent for stock affairs to hold shareholders' meetings?	Yes		The Company appointed the Stock Transfer Agency Department of SinoPac Securities Corporation to handle the shareholders' meeting.	No substantial discrepancy
7. Disclosure of information (1) Does the Company set up a website to disclose financial operations and corporate governance information?	Yes		(1) The Company has set up a website in Chinese and English (website: <a href="https://eastech.com">https://eastech.com</a> ) and has successively updated information disclosure on financial business and corporate governance.	
(2) Has the Company adopted other measures (such as English website, a designated person responsible for the collection and disclosure of information, implementation of the spokesman system, the legal entities announcements uploaded to website, etc..) to disclose information?	Yes		(2) The Company's Chinese and English websites disclose information about financial business and corporate governance.  The Company designates personnel to be responsible for the collection and disclosure of corporate information; and the spokesperson will co-ordinate the external statements and other matters.  The briefings and audio-visual materials of the Company's investor conference have been placed on the Market Observation Post and the Company's website, which is available for shareholders and investors.	No substantial discrepancy
(3) Does the Company announce and declare the annual financial report within two months after the end of the fiscal year, and announce and declare the first, second, and third quarterly financial reports and the monthly operating situation within the prescribed time limit?	Yes		(3) The Company has announced and declared the 2024 consolidated financial report on 24 February 2025, and announced and declared the first, second, and third quarterly financial reports and the monthly operating situation before the prescribed deadline.	No substantial discrepancy

Assessment item	Implementation status			The discrepancy with the Corporate Governance Best Practice Principles for TWSE/ TPEX Listed Companies and the underlying reasons
	Yes	No	Description	
8. Does the Company have other important information for better understanding the Company's corporate governance system (including but not limited to interests and rights of employees, care for employees, investor relations, supplier relations, stakeholder rights, continuing education of directors and supervisors, execution of risk management policies and risk assessment standards, execution of customer policies, liability insurance for the Company's directors and supervisors)?	Yes		<p>1. Interests and rights of employees: In addition to complying with relevant laws and regulations, the Company has also produced a Staff Handbook to regulate the rights and obligations between employees and the Company. If there is violation of the rules, the heads of various departments will hold a meeting to discuss. Employees can also directly express their opinions through the suggestion box and other proper channels.</p> <p>2. Care for employees: Human resources are the Company's greatest asset. In order to provide employees with a comfortable and pleasant working environment, the following measures can help employees to make progress for the Company and promote the healthy development of the Company's human resources.</p> <p>(1) Staff welfare initiatives: The Company provides various regular welfare initiatives for its staff, procures insurance for employees according to local laws and regulations, provides a humane promotion system and transfer system, organizes entertainment activities, subsidizes the tuition for the children of factory workers attending Xiu De Chinese – Anglo Kindergarten, and provides nutritious and hygienic food in staff canteens.</p> <p>(2) Various staff education and training: On the day of registration, new recruits are briefed by the HR department on HR rules and welfare system and other issues. The content of pre-employment training focuses on helping new recruits to get familiar with the work environment and get used to the situation as soon as possible.</p>	No substantial discrepancy

Assessment item	Implementation status			The discrepancy with the Corporate Governance Best Practice Principles for TWSE/ TPEX Listed Companies and the underlying reasons
	Yes	No	Description	
			<p>Programmed education and training enable all employees to develop their skills at work. From time to time, the Company as a whole or each department participates in educational training courses organized by training institutions at home and abroad.</p> <p>(3) Retirement system: Implemented in accordance with the local labor law.</p> <p>3. Investor relations: The Company holds a shareholders' meeting every year, giving shareholders adequate opportunity and time to ask questions and submit proposals; investor conferences are held for two-way communication between investors and analysts and the Company's management team; the Company's spokesperson is responsible for establishing a two-way communication channel between the Company and investors. The Company also makes announcements on relevant information in accordance with the regulations of the competent authority to immediately provide information that may affect the decision of investors.</p> <p>4. Supplier relations: Adhering to the principle of integrity, the Company focuses on the stability and quality of supplies from the suppliers. Procurement is prudently evaluated beforehand and handled in accordance with relevant operational regulations. Both parties perform their duties and obligations according to the contract. If third-party manufacturers encounter any technical obstacle, the Company also provides technical assistance for the manufacturer when necessary and maintains a positive and stable partnership with suppliers.</p>	

Assessment item	Implementation status			The discrepancy with the Corporate Governance Best Practice Principles for TWSE/ TPEX Listed Companies and the underlying reasons
	Yes	No	Description	
			<p>5. Stakeholder rights:</p> <p>The Company sets up sections for stakeholders on the Company's website (<a href="https://eastech.com">https://eastech.com</a>), including employee section, customer section, investor section, and section for partners (suppliers), etc., and sets up communication windows for each category of stakeholders to properly respond to issues of concern of stakeholders.</p> <p>6. Continuing education of directors:</p> <p>All directors of the Company possess relevant professional knowledge and have taken training courses on securities law in compliance with regulations in order to enhance their professional skills and strengthen the implementation of corporate governance. Please see the details of directors' training from page 77 to 78.</p> <p>7. Execution of risk management policies and risk assessment standards:</p> <p>The Company established Sustainable Development Committee under the Board of Directors on 8 November 2024. The Committee consists of 5 directors (including 3 independent directors) and is responsible for reviewing the management policies and response measures for various risks and reporting the implementation status to the Board of Directors on a regular basis every year.</p>	

Assessment item	Implementation status			The discrepancy with the Corporate Governance Best Practice Principles for TWSE/ TPEX Listed Companies and the underlying reasons
	Yes	No	Description	
			<p>In order to establish a sound risk management system for the Company and its subsidiaries, risk awareness processes are developed for identifying, evaluating, controlling and supervising potential risks for corporate governance implementation and sustainable business goals achievement. The Board of Directors passed a resolution on 13 December 2024 to establish the "Risk Management Policy and Procedures" as the Company's highest guiding principle.</p> <p>The operating status for 2024 has been reported to the Board of Directors on 13 December</p> <p>8. Execution of customer policies:</p> <p>The Company upholds the principle of integrity, attaches importance to customer rights, provides quality services, and establishes long - term cooperative relationships with customers.</p> <p>9. Liability insurance for the Company's Directors and supervisors:</p> <p>In 2024, the Company procured liability insurance for its Directors and managers for an insurance period from 20 November 2024 to 20 November 2025. The insured amount, coverage and insurance rate were submitted to the meeting of Audit Committee and the Board of Directors on 8 November 2024, which was announced on the Market Observation Post. No substantial discrepancy</p>	



Assessment item	Implementation status			The discrepancy with the Corporate Governance Best Practice Principles for TWSE/ TPEX Listed Companies and the underlying reasons
	Yes	No	Description	
9. Please specify the measures adopted by the Company to improve the items listed in the corporate governance review result from Taiwan Stock Exchange's Corporate Governance Center and the improvement plans for items yet to be improved.	Yes		<p>The Company actively improves its corporate governance performance. The major improvement projects completed in 2024 are:</p> <ol style="list-style-type: none"> <li>1. Convene the shareholders' meeting as soon as possible and hold the regular shareholders' meeting on 24 May 2024.</li> <li>2. Strengthen communication with investors. In August and November 2024, we are invited to hold two corporate briefings to explain the operating status to investors.</li> <li>3. Implement the sustainable management policy and set up Sustainable Development Committee on 8 November 2024 to assist in promoting and supervising sustainable development goals, management policies and specific plans, and deepen the Company's sustainable governance.</li> </ol>	No substantial discrepancy

### Assessment of the independence of accountant

- (1) The content of the assessment (as defined in Article 47 of the Certified Public Accountant Law and the Gazette No. 10 of the Code of Ethics for Professional Accountants):

Assessment item	Assessment result	Meeting the independent requirements
1. As of the most recent certification work, CPAs Liu Jung-Chin and Huang Tzu-Ping, there is no situation where the renewal has not been changed for seven years.	Yes	Yes
2. No material financial interest with the client.	Yes	Yes
3. Avoid any inappropriate relationship with the client.	Yes	Yes
4. Accountants should ensure that their assistants are honest, impartial and independent.	Yes	Yes
5. Accountants shall not audit and attest the financial statements of the organization they served within the two years prior to the practice.	Yes	Yes
6. The name of accountant shall not be used for others.	Yes	Yes
7. No shareholding in the Company and its affiliates.	Yes	Yes
8. There is no money lending to the Company and its affiliates, except those under the normal business of the financial industry.	Yes	Yes
9. There is no relationship of co-investment or sharing of benefits with the Company and its affiliates.	Yes	Yes
10. No concurrent position held in the Company and its affiliates with a fixed salary.	Yes	Yes
11. Not involved in the management functions in making decisions of the Company and its affiliates.	Yes	Yes
12. No concurrent businesses that may cause him/her to lose independence.	Yes	Yes
13. Those who have relationship of spouse, immediate family members and in-laws or within two degrees of kinship with the Company's management shall not attest the financial statements.	Yes	Yes
14. No commissions related to business were received.	Yes	Yes
15. To date, there has been no disciplinary action or damage to the principle of independence.	Yes	Yes

- (2) Work performance and plans

- |   |
|---|
| <ol style="list-style-type: none"> <li>1. Complete the company's 2023 consolidated financial statements signing work as scheduled.</li> <li>2. Provide the company with financial and tax consulting services irregularly.</li> </ol> |
|---|

- (3) Assessment result

<p>Liu Jung-Chin and Huang Tzu-Ping, the accountants from Ernst &amp; Young Taiwan, are independent of the company and have provided the company with various financial, tax consultation and certification services in a timely and appropriate manner.</p>
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**(D) Composition, responsibilities and operations of the Remuneration Committee and the Sustainability Committee**

**1. Composition, responsibilities and operation of the remuneration committee (if established by the Company)**

(1) Information on the members of the remuneration committee

31 March 2025

<div> <div>Qualification</div> <div>Position \ Name</div> </div>		Professional qualifications and experience (Note1)	Independence (Note 2)	Number of other public companies in which the person serves as a member of the remuneration committee
Independent Director	Chang Shan Juh	Obtained a Master of Electronic Engineering from University of Southern California in the U.S.; has been the Human Resources Officer of Tatung University; previously served as a Lecturer of Faculty of Electronic Engineering and Human Resources Officer of Tatung University, Director of Planning Division of Tatung Company, and Head of Human Resources Development Department of Tatung Company; currently serves as an independent Director, the chairman of the Remuneration Committee and a member of the Audit Committee & Member of the Sustainable Development Committee of the Company; possesses expertise in human resources. There are no circumstances under Section 30 of the Company Act.	As an independent director, he meets the criteria for independence, including but not limited to, not being a director, supervisor, or employee of the Company or its affiliates by himself, spouse, or relatives within two degrees of kinship; not holding shares of the Company; not being a director, supervisor, or employee of a company with which the Company has a specific relationship; and not being a director, supervisor, or employee of a company which has provided business, legal, financial, or accounting services to the Company or its affiliates and received remuneration in the last two year.	0
Independent Director	Jeng Shih Rong	Obtained a Bachelor of Law from National Chung Hsing University; previously served as the Chief Secretary of the Internal Administration Committee, Foreign and National Defense Committee of Legislative Yuan, R.O.C.; currently serves as an independent Director, and a member of each of the Audit Committee, Remuneration Committee & Chairman of the Sustainable Development Committee of the Company; possesses professional qualifications in law. There are no circumstances under Section 30 of the Company Act.	As an independent director, he meets the criteria for independence, including but not limited to, not being a director, supervisor, or employee of the Company or its affiliates by himself, spouse, or relatives within two degrees of kinship; holding shares of the Company and please refer to page 10 of the annual report for the description on his shareholding proportion; not being a director, supervisor, or employee of a company with which the Company has a specific relationship; and not being a director, supervisor, or employee of a company which has provided business, legal, financial, or accounting services to the Company or its affiliates and received remuneration in the last two year.	0
Independent Director	Su Yi Jen	MBA from University of San Francisco, USA; CEO of Chunghwa Satellite Communication Systems Co., Ltd. and EMBA Adjunct Assistant Professor of Chang Jung Christian University; previously served as the chairman and general manager of Ensure, a listed company; currently serves as the independent director, chairman of audit committee, member of remuneration committee & Member of the Sustainable Development Committee; with expertise in financial accounting. There are no circumstances under Section 30 of the Company Act.	As an independent director, she meets the criteria for independence, including but not limited to, not being a director, supervisor, or employee of the Company or its affiliates by herself, spouse, or relatives within two degrees of kinship; not holding shares of the Company; not being a director, supervisor, or employee of a company with which the Company has a specific relationship; and not being a director, supervisor, or employee of a company which has provided business, legal, financial, or accounting services to the Company or its affiliates and received remuneration in the last two year.	0

Note 1: Qualification and experience: To describe the professional qualifications and experience of individual members of the Remuneration Committee.

Note 2: Description for independency: Description for Independent directors shall include its independency, including but not limited to whether himself/herself, spouse, or relatives within two degrees of kinship are directors, supervisors, or employees of the Company or its affiliates; the number and proportion of shares of the Company held by himself/herself, spouse, or relatives within two degrees of kinship (or in the name of another person); whether himself/herself, spouse, or my relatives within two degrees of kinship (or in the name of another person) serve as a director, supervisor, or employee of a company that has a specific relationship with the Company (refer to Article 6, Item 1, Paragraphs 5~8 of the Regulations Governing the Establishment and Exercise of Powers and Functions of the Remuneration Committee of a Company whose Shares are Listed on the Stock Exchange or Traded on the Stock Exchange's Business Premises); the amount of compensation received in the last two years for providing business, legal, financial, and accounting services to the Company or its affiliates.

(2) Duties of the remuneration committee

- Establish and regularly review the policies, systems, standards and structures for directors' performance evaluation and directors' and managers' remuneration.
- Regularly evaluate and recommend directors' and managers' remuneration; and
- Other matters required by the Listing regulations

(3) Operation of the remuneration committee

A. The Company's remuneration committee comprises three independent directors.

B. The term of office of the current session: 27 June 2023 to 15 June 2026. During the latest year (2024) and as at the date of publication of annual report, the remuneration committee held 5 meetings. The qualifications and attendance of the members are as follows:

Title	Name	Attendance in person	Attendance by proxy	Attendance rate in person (%)	Remarks
Convener	Chang Shan Juh	5	0	100	
Member	Jeng Shih Rong	5	0	100	
Member	Su Yi Jen	5	0	100	

C. Other disclosure:

- ① If the board of directors does not adopt or amend the recommendations of the remuneration committee, the date of board meeting, session, content of the proposal, the resolution of the board of directors and the Company's response to the opinion of the remuneration committee shall be recorded (if the remuneration approved by the board of directors is better than the recommendation of the remuneration committee, the difference and the reasons therefore should be stated): No such situation.
- ② If any resolution of the remuneration committee is objected to or qualified by committee member(s) with a record or written statement, the date of remuneration committee meeting, session, content of the proposal, the opinions of all members and the response to the members' objection shall be recorded: No such situation.

Remuneration committee	Content of the proposal	Resolution	The Company's response to the opinion of the remuneration committee
Fifth session Third meeting 26 February 2024	The Company's 2023 employees' compensation and directors' compensation proposal	All committee members approved the resolution	Submitted to the board of directors and approved by all attending directors and independent directors
Fifth session Fourth meeting 12 April 2024	1. The Company proposed issuance of Employee Restricted Share Awards	All committee members approved the resolution	Submitted to the board of directors and approved by all attending directors and independent directors
	2. Discuss 2024 annual salary increase plan for the company and its subsidiaries		
Fifth session Fifth meeting 8 November 2024	1. Confirmation of appointment of Chief Technology Officer	All committee members approved the resolution	Submitted to the board of directors and approved by all attending directors and independent directors
	2. Personnel appointment case		
Fifth session Sixth meeting 13 December 2024	1. 2024 Annual bonus payment principles and manager year-end bonus payment amounts	All committee members approved the resolution	Submitted to the board of directors and approved by all attending directors and independent directors
	2. Proposal on the 2025 Work Plan for the Company's Remuneration Committee	All committee members approved the resolution	Submitted to the board of directors and approved by all attending directors and independent directors
Fifth session Seventh meeting 24 February 2025	The Company's employees' compensation and directors' compensation proposal for 2024	All committee members approved the resolution	Submitted to the board of directors and approved by all attending directors and independent directors

## 2. Composition, responsibilities and operation of the Sustainable Development Committee

### (1) Information on members of the Sustainable Development Committee

On 8 November 2024, the Company established a “Sustainable Development Committee” under the Board of Directors, which consists of 3 independent directors and 2 directors. The term of office is the same as that of the appointed Board of Directors and is responsible for the planning and review of sustainable development-related strategies and systems.

Position	Name	Professional Qualifications and Experience
Independent Director	Jeng Shih Rong	Good at law professional
Independent Director	Chang Shan Juh	Expertise in human resources
Independent Director	Su Yi Jen	Expertise in financial accounting
Director	Chang Tung I	Good at financial planning
Director	Teng Chiou-Shiang	With professional HR experience

Note: For information on each committee member’s education background, gender, professional qualifications, work experience and independence, please refer to this annual report. Pages 10 to 16 Corporate Governance Report (1) Directors’ Information.

### (2) Responsibilities of the Sustainable Development Committee

- Formulate, promote and strengthen the company's sustainable development policies, annual plans and strategies, etc.
- Review, track and revise the implementation status and effectiveness of sustainable development.
- Supervise the disclosure of sustainable information and review the sustainable report.
- Supervise the implementation of the company's sustainable development business or other sustainable development related work approved by the board of directors.

(3) Operation of the Sustainable Development Committee

A. The Company's Sustainable Development Committee consists of 3 independent directors and 2 directors.

B. Term of office of current committee members: 8 November 2024 to 15 June 2026. In the most recent year (2024) and up to the date of publication of the annual report, the Sustainable Development Committee held 1 meeting. The qualifications and attendance of the committee members are as follows:

Title	Name	Attendance in person	Attendance by proxy	Attendance rate in person (%)	Remarks
Convener	Jeng Shih Rong	1	0	100	
Member	Chang Shan Juh	1	0	100	
Member	Su Yi Jen	1	0	100	
Member	Chang Tung I	1	0	100	
Member	Teng Chiou-Shiang	1	0	100	

C. Contents and resolutions of Sustainable Development Committee meeting:

Sustainable Development Committee	Contents of the proposal	Resolution results	The company's handling of the opinions of the Sustainable Development Committee
First session 1st meeting 13 December 2024	1. Formulate the company's "Risk Management Policies and Procedures"	All committee members approved the resolution	Submitted to the board of directors and approved by all attending directors and independent directors
	2. Results of identification of major topics and consultation with stakeholders in 2024 Sustainability Report		
	3. Proposed to approve 2025 work plan for sustainable development		

**(e) Implementation of the promotion of sustainable development and differences from the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor**

Assessment item	Implementation status			The discrepancy with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and the underlying reasons
	Yes	No	Description	
1. Does the Company establish a governance structure to promote sustainable development and set up a dedicated (part-time) unit to promote sustainable development, which is delegated by the board of directors to senior management and supervised by the board of directors?	Yes		<p>1. The Company has established a governance structure to promote sustainable development. On 8 November 2024, the Board of Directors resolved to set up the "Sustainable Development Committee," composed of three independent directors and two directors, with Independent Director Cheng Shi-Rong serving as the convener. This committee is responsible for overseeing ESG (Environmental, Social, Governance) strategies, including corporate responsibility, operational sustainability, supply chain, and sustainable products. The committee also regularly reviews climate change strategies and targets, examines implementation status, discusses future plans, and reports to the Board of Directors annually.</p> <p>The Sustainability Office, under the General Manager, is dedicated to assisting the Sustainable Development Committee in its various tasks. It conducts risk assessments based on the principle of materiality of sustainability issues and submits annual execution plans and results to the committee.</p> <p>The Sustainable Development Committee held a meeting on 13 December 2024, where all proposals were unanimously approved by the attending committee members and subsequently reported to the Board of Directors for review and approval.</p> <p>The Board of Directors annually reviews the reports from the Sustainable Development Committee on the implementation of sustainable development, including related risk policies and response strategies, information security plans and implementation status, and the execution of sustainability initiatives. The Board ensures continuous improvement to achieve the set goals.</p>	No substantial discrepancy
2. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to the Company's operations in accordance with the principle of materiality, and formulate relevant risk management policies or strategies?	Yes		<p>1. To implement the risk management mechanism, the Company conducts annual risk assessments. The results of the risk assessments are reported annually to the Sustainable Development Committee and the Board of Directors (the latest report date being 13 December 2024). The report includes a summary of various risks faced by the Company in 2024, such as production risks, supply chain risks, exchange rate risks, liquidity risks, network risks, personnel risks, compliance risks, and risks and opportunities related to climate change, along with corresponding risk response measures. The Audit Department conducts risk management audits to ensure effective operation and execution of the Company's risk management.</p>	No substantial discrepancy



Assessment item	Implementation status			The discrepancy with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and the underlying reasons
	Yes	No	Description	
			To establish a sound risk management operation for the Company and its subsidiaries, the Board of Directors resolved on 13 December 2024, to adopt the "Risk Management Policy and Procedures" as the highest guiding principles. This policy aims to identify, assess, control, and monitor potential risks through risk awareness, thereby implementing corporate governance and achieving sustainable operation goals.	
3. Environmental issues (1) Does the Company establish an appropriate environmental management system according to its industrial characteristics?	Yes		<p>(1) All mainland and Vietnam subsidiaries of the Company have established environmental management systems in accordance with ISO 14001 and continue to pass third-party certification, conducting annual system verification in accordance with ISO 14001.</p> <p>The Company and its subsidiaries (excluding Denmark ScS) conduct annual greenhouse gas inventories in accordance with ISO 14064-1, collecting carbon emissions and further implementing actions to control the reduction of greenhouse gases.</p> <p><u>Scope of Verification:</u></p> <p>ISO 14064-1 Greenhouse Gas Inventory (Scope of verification: the Company and its subsidiaries (excluding Denmark ScS))</p> <p>ISO 14001 Environmental Management System (Scope of verification: EAHZ, Vietnam EAVN )</p>	No substantial discrepancy
(2) Is the Company committed to improving energy efficiency and to the use of renewable materials with low environmental impact?	Yes		<p>(2) To improve energy efficiency and reduce environmental impact, mainland and Vietnam subsidiaries introduced the ISO 50001 Energy Management System in 2024 and obtained third-party certification. Through systematic energy management processes, the goal of reducing greenhouse gas emissions, mitigating environmental impact, and saving energy costs is achieved.</p> <p><u>Scope of Verification:</u></p> <p>ISO 50001 Energy Management System (Scope of verification: EAHZ, Vietnam EAVN )</p> <p>In July 2024, Vietnam EAVN launched solar energy equipment, utilizing factory rooftops to set up solar stations for local power generation and use, reducing the consumption of municipal electricity, fully utilizing idle resources, and achieving energy-saving and emission reduction benefits. The plan is to install additional solar power devices in July 2025.</p> <p>The Company complies with international regulatory requirements regarding environmental protection, such as RoHS, WEEE, etc. It introduces green supply chain management and uses materials with low environmental impact. It also strives to improve the utilization efficiency of all resources in adherence to 3R (reduce, reuse and recycle) principle. It successfully uses recyclable wood chips to manufacture speaker housings with special casting processes.</p>	No substantial discrepancy

Assessment item	Implementation status			The discrepancy with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and the underlying reasons																		
	Yes	No	Description																			
(3) Does the Company assess the potential risks and opportunities of climate change for the Company now and in the future, and take measures to address climate-related issue?	Yes		<p>(3) The Sustainable Development Committee is the highest organization for climate change management. It annually reviews the Company's climate change strategies and targets, manages climate change risks and opportunities, examines implementation status, discusses future plans, and reports to the Board of Directors.</p> <p>The Company assesses the risks and opportunities of climate change for the Company:</p> <table><tr><th>Risk Type</th><th>Risk Identification</th><th>Response Measures</th></tr><tr><td rowspan="2">Transition Risk</td><td>Policy and Regulations</td><td><ul style="list-style-type: none"><li>In response to national and regulatory policies, the Company will face various situations of introducing new systems, which may require external experts to assist in the implementation within the Company, leading to cost expenditures.</li><li>Future compliance with greenhouse gas and energy regulations may gradually adopt low-carbon energy or improve energy conversion efficiency, resulting in increased capital expenditures.</li></ul></td></tr><tr><td>Market</td><td><ul style="list-style-type: none"><li>In response to customer requirements, the Company may need to develop low-carbon products and adopt circular economy materials, thereby increasing R&amp;D costs.</li></ul></td></tr><tr><td rowspan="2">Physical Risk</td><td>Immediate</td><td><ul style="list-style-type: none"><li>In recent years, due to the impact of extreme weather, such as typhoons, unnecessary work hours may be wasted (typhoon holidays), causing a reduction in the Company's operational performance.</li></ul></td></tr><tr><td>Long term</td><td><ul style="list-style-type: none"><li>According to future climate models, the geographical locations of headquarters, individual operational entities, and suppliers may face risks such as typhoons, rainfall, and temperature increases. However, based on the estimated model results, the impact is not significant but may cause asset value impairment, leading to increased insurance premiums and collateral risks.</li></ul></td></tr><tr><td rowspan="2">Opportunity</td><td>Energy source Energy efficiency</td><td><ul style="list-style-type: none"><li>Improving energy performance, using low-carbon energy or renewable energy can reduce energy costs in the long term.</li></ul></td></tr><tr><td>Products and services</td><td><ul style="list-style-type: none"><li>Developing low-carbon, low-energy products can attract customers, meet current market demands for energy-saving and carbon reduction, and enter niche markets, creating revenue.</li></ul></td></tr></table>	Risk Type	Risk Identification	Response Measures	Transition Risk	Policy and Regulations	<ul style="list-style-type: none"><li>In response to national and regulatory policies, the Company will face various situations of introducing new systems, which may require external experts to assist in the implementation within the Company, leading to cost expenditures.</li><li>Future compliance with greenhouse gas and energy regulations may gradually adopt low-carbon energy or improve energy conversion efficiency, resulting in increased capital expenditures.</li></ul>	Market	<ul style="list-style-type: none"><li>In response to customer requirements, the Company may need to develop low-carbon products and adopt circular economy materials, thereby increasing R&amp;D costs.</li></ul>	Physical Risk	Immediate	<ul style="list-style-type: none"><li>In recent years, due to the impact of extreme weather, such as typhoons, unnecessary work hours may be wasted (typhoon holidays), causing a reduction in the Company's operational performance.</li></ul>	Long term	<ul style="list-style-type: none"><li>According to future climate models, the geographical locations of headquarters, individual operational entities, and suppliers may face risks such as typhoons, rainfall, and temperature increases. However, based on the estimated model results, the impact is not significant but may cause asset value impairment, leading to increased insurance premiums and collateral risks.</li></ul>	Opportunity	Energy source Energy efficiency	<ul style="list-style-type: none"><li>Improving energy performance, using low-carbon energy or renewable energy can reduce energy costs in the long term.</li></ul>	Products and services	<ul style="list-style-type: none"><li>Developing low-carbon, low-energy products can attract customers, meet current market demands for energy-saving and carbon reduction, and enter niche markets, creating revenue.</li></ul>	
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Assessment item	Implementation status			The discrepancy with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and the underlying reasons																			
	Yes	No	Description																				
(4) Does the Company count greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulate policies for energy saving and carbon reduction, greenhouse gas reduction, water use reduction or other waste management?		No	<p>(4) Statistical Data, Intensity, and Coverage for the Last Two Years:</p> <p><b>1. <u>Greenhouse Gas Emissions:</u></b> The scope of greenhouse gas emissions covers the entire Eastech Group except ScS. The 2023 inventory of ISO 14064-1 scope 1, 2, and 3 has been completed, with EAHZ and its Shenzhen branch and EAVN Vietnam obtaining third-party verification.</p> <div><div>Unit: tonne CO<sub>2</sub>e</div><table><tr><th>Year</th><th>Scope 1</th><th>Scope 2</th><th>Turnover emission (tonne/NTD million)</th><th>Scope 3</th></tr><tr><td>2023</td><td>2,626.0245</td><td>13,339.5231</td><td>1.5005</td><td>23,980.5096</td></tr></table></div> <p>Data for 2024 is currently incomplete and will not be disclosed at this time. Once fully collected, it will be announced in the sustainability report.</p> <p><b>2. <u>Water Consumption:</u></b> (for the whole Eastech Group except ScS)</p> <div><div>Unit: tonne</div><table><tr><th>Year</th><th>Total water consumption</th><th>Turnover water consumption (tonne/NTD million)</th></tr><tr><td>2023</td><td>249,940.0992</td><td>23.4906</td></tr><tr><td>2024</td><td>238,549.7714</td><td>19.2294</td></tr></table></div>	Year	Scope 1	Scope 2	Turnover emission (tonne/NTD million)	Scope 3	2023	2,626.0245	13,339.5231	1.5005	23,980.5096	Year	Total water consumption	Turnover water consumption (tonne/NTD million)	2023	249,940.0992	23.4906	2024	238,549.7714	19.2294	No substantial discrepancy
Year	Scope 1	Scope 2	Turnover emission (tonne/NTD million)	Scope 3																			
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Assessment item	Implementation status			The discrepancy with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and the underlying reasons												
	Yes	No	Description													
			<div>3. <b>Waste Output:</b> (for the whole Eastech Group except ScS)</div> <div>Unit: tonne</div> <table><tr><th>Year</th><th>Hazardous Waste</th><th>Non-hazardous waste</th><th>Turnover waste output (tonne/NTD million)</th></tr><tr><td>2023</td><td>13.1030</td><td>987.4871</td><td>0.0940</td></tr><tr><td>2024</td><td>32.7003</td><td>897.9883</td><td>0.0750</td></tr></table> <div>Policies and Objectives:</div> <div>EAHZ: By 2028, the goal is to reduce greenhouse gas emissions per unit of turnover by 2% based on the 2023 level, achieved through the realization of decomposition targets.</div> <div>EAVN Vietnam: Starting in 2024, the Company plans to invest in solar power devices, with installation commencing in July, accounting for 10% of installed capacity. This will reduce total emissions by 7%-8%. The plan is to install additional solar power devices in July 2025.</div>	Year	Hazardous Waste	Non-hazardous waste	Turnover waste output (tonne/NTD million)	2023	13.1030	987.4871	0.0940	2024	32.7003	897.9883	0.0750	
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2024	32.7003	897.9883	0.0750													
4 Social issues (1) Does the Company set policies and procedures in compliance with relevant regulations and the International Bill of Human Rights?	Yes		(1) The human rights policy applies to all global operational locations, complying with labor and gender equality regulations of the operating locations, and formulating relevant human rights protection, labor policies, and implementing related measures and policies, which are published on the Company's website.	No substantial discrepancy												

Assessment item	Implementation status			The discrepancy with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and the underlying reasons
	Yes	No	Description	
(2) Does the Company formulate and implement reasonable employee welfare measures (including remuneration, vacations and other benefits), and appropriately reflect operating performance or results in employee remuneration?	Yes		<p>(2) A summary of the Company's employee benefit measures and their implementation is as follows:</p> <ol style="list-style-type: none"> <li>1. Staff remuneration The Company's salary is set in accordance with internal regulations and is reasonable. The annual bonus system is allocated to all employees after considering the annual operation of the Company and taking into account the employees' seniority and annual performance, in order to motivate all employees to work together for the Company's goals.</li> <li>2. Employee Welfare Measures Employees of the Company are regularly provided with various welfare measures and are insured in accordance with local laws and regulations, a humane management system for promotion and transfer, an effective incentive system for bonuses, various recreational activities, tuition subsidies for the children of our factory employees to attend Xiu De Chinese – Anglo Kindergarten, and a factory cafeteria that provides nutritional and hygienic food and beverage care for our employees.</li> <li>3. Workplace diversity and equality The ratio of male to female employees is similar, with 41.56% of male employees and 58.44% of female employees in 2024, and the proportion of female senior executives (associate level and above) has reached 20.69%, and equal pay for equal work and equal promotion opportunities for different genders have been achieved.</li> <li>4. Operational performance reflected in staff remuneration Article 117 of the Company's Articles of Association stipulates that if the Company makes a profit in the year, it should allocate 1% to 15% of the profit as employees' compensation and share the surplus result with them.</li> </ol>	No substantial discrepancy

Assessment item	Implementation status			The discrepancy with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and the underlying reasons						
	Yes	No	Description							
(3) Has the Company established effective career development training plans for its staff?	Yes		<p>(3) The Company's core philosophy is disaster prevention and prevention of disasters, using appropriate management tools, proven technology and available resources to integrate occupational safety and health issues within the plant, propose effective countermeasures, and continue to refine and promote a culture of occupational safety; in addition to strengthening the protection management of workers and investing resources to strengthen occupational disease prevention in order to create a zero-hazard environment.</p> <p>In 2024, the frequency of incapacitating injuries is zero, and there are 3 occupational accidents involving 3 employees. (0.1% of the total number of employees at the end of 2024). In order to prevent industrial accidents, systematically strengthening occupational health and safety management system, formulating continuous improvement mechanism through performance monitoring and auditing, merging manual and monitoring inspection systems for monitoring high-risk areas in real time; at the same time, improving accident response and corrective measures and performing regularly review on special emergency plans such as chemical leaks and mechanical injuries will be carried out in 2025.</p> <p>In 2024, there were zero fire incidents, caused zero fatalities and injuries and the number of fatalities and injuries accounted for 0% of the total number of employees. Fire prevention training and publicity will be held annually to strengthen employees' awareness of fire emergency response. In 2024, the Company organized fire safety and hygiene training and education.</p> <table><tr><th>Year</th><th>Education Training (man-times)</th><th>Education Training (man-hours)</th></tr><tr><td>2024</td><td>4,074</td><td>5,282</td></tr></table>	Year	Education Training (man-times)	Education Training (man-hours)	2024	4,074	5,282	No substantial discrepancy
Year	Education Training (man-times)	Education Training (man-hours)								
2024	4,074	5,282								
(4) Has the Company established effective career development training plans for its staff?	Yes		<p>(4) The Company has a comprehensive training program for supervisors and staff at all levels, including newcomer training for 2,181 hours (common training: introduction to the environment, information security and work safety education training), internal professional development advanced training for the department and supervisory training courses (details refer to Training for Managers from page 78 to 79), to assist colleagues to continue to learn and grow through a variety of learning styles.</p>	No substantial discrepancy						

Assessment item	Implementation status			The discrepancy with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and the underlying reasons
	Yes	No	Description	
(5) With regard to topics such as customer health and safety, customer privacy, marketing and labeling of products and services, has the Company followed relevant regulations and international standards, and formulated relevant consumer protection policies or customer benefits policies and procedures for appeal?	Yes		<p>(5) The Company has followed the relevant regulations and international standards for topics such as customer health and safety, customer privacy, marketing and labeling of products and services.</p> <p>The Company has established new customer processing procedures, customer data processing procedures, etc., to maintain smooth communication channels with customers and accept customer audits. In response to customer complaints, they properly determine the problem and attribute, and regularly assess customer satisfaction to ensure the best service to customers. On the basis of protecting the intellectual property rights of customers, in addition to the confidentiality agreements regulated by brand customers, the company also regularly warns and promotes the importance of confidentiality to relevant R&amp;D personnel.</p>	No substantial discrepancy
(6) Has the Company formulated supplier management policies that require suppliers to follow relevant regulations on environmental protection, occupational safety and health or labor human rights, and their implementation?	Yes		<p>(6) The Company has set up a supplier management program.</p> <p>The Company's procurement department is responsible for handling supplier management. To ensure that the supplier's quality system management and source management of raw materials comply with regulations, the suppliers are also required to comply with relevant local laws and regulations when operating the Company's business. We also require suppliers to follow the RBA (Responsible Business Alliance) human rights, environment and ethical code of conduct.</p> <p>Establish a good communication mechanism with suppliers, deal with related matters of communication with suppliers, and proactively promote social responsibility views and environmental safety and health management policies to suppliers, including green supply chain, product hazardous substance restriction regulations, environmental protection related laws and regulations and customer product quality requirements, etc., to maintain good cooperative relations with suppliers.</p> <p>The Company's requirements for suppliers are not limited to quality and service. Before cooperating with us, the supplier must sign and comply with the Company's integrity management policy. If the supplier is involved in violation of the Company's integrity management policy, the Company will also terminate the business contacts. At the same time, the implementation status is realized. The Company's auditors conduct annual inventory inspections of the suppliers' social and environmental responsibilities to assess whether the new suppliers are required by laws, regulations, customers and other relevant regulations. If they do not meet the requirements, the supplier will be assisted to improve within the specified time and reach the standard.</p>	No substantial discrepancy

Assessment item	Implementation status			The discrepancy with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and the underlying reasons
	Yes	No	Description	
5. Does the Company refer to the internationally prepared reporting standards or guidelines for preparing sustainable development reports and other reports that disclose the Company's non-financial information? Do the aforesaid reports obtain the confirmation or assurance opinion of the third-party verification unit?		No	<p>5. The Company will issue the 2024 Sustainability Report in 2025, prepared in accordance with the GRI Standards issued by the Global Reporting Initiative (GRI) and also referencing the SASB Standards to disclose relevant ESG information. The bilingual Sustainability Report will be published in both Chinese and English, and the relevant information will be disclosed on the Company's website and the Market Observation Post System.</p> <p>The Company's 2024 Sustainability Report will obtain third-party external verification at the AA1000 Medium Assurance Level.</p>	No substantial discrepancy
6. If the Company has established its own sustainable development code of practice according to the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies, describe the differences between its operation and the code of practice: The Company has established the "Sustainable Development Organizational Regulations" and the "Sustainable Information Management Procedures," which are executed and operated in accordance with relevant regulations, with no significant differences.				
<p>7. Other important information to facilitate better understanding of the Company's implementation of sustainable development:</p> <p>(1) Environmental protection:</p> <ul style="list-style-type: none"> <li>The Company adheres to the principles of 3R (reduce, reuse and recycle) and makes effective use of all resources. It successfully uses recyclable wood chips to manufacture speaker housings with special casting processes.</li> <li>For product development, the Company also complies with the environmental protection policies of the EU, the United States and other countries to develop green products, making the Company a green partner of international renowned companies.</li> </ul> <p>(2) Industry-Academia Collaboration:</p> <p>In August 2023, the Vietnam subsidiary signed an industry-academia collaboration agreement with the local SaoDo University to jointly cultivate future talents. This initiative supports local youth employment, allowing them to apply their expertise within the Company and grow together, thereby enhancing local and industrial sustainable development.</p> <p>In February 2024, the Company hired 8 graduates for internships, and in February 2025, another 8 graduates will be hired for internships. Those who perform well during the internship will be retained as full-time employees. Additionally, an industrial production environment experience agreement was signed, providing internship experiences at the Vietnam manufacturing plant for first and second-year students, offering off-campus internship opportunities. The Company provides over 110 job vacancies/opportunities, with a total planned investment amounting to NT\$1 million.</p> <p>(3) Education subsidy:</p> <p>In October 2004, a director of the Company's subsidiary established Xiu De Chinese – Anglo Kindergarten in Huiyang New Market. The kindergarten provides a quality education platform for the children of our employees and children in the surrounding communities. As part of the Company's employee benefits policy, the children of our employees are entitled to tuition subsidy and manpower and material support.</p> <p>(4) Social welfare</p> <p>In October 2004, a director of the Company's subsidiary established Xiu De Chinese – Anglo Kindergarten in Huiyang New Market. The kindergarten provides a good environment and quality education for the children of the surrounding communities and adopts the advanced education and teaching concepts of Hong Kong, Taiwan and the United States. It was awarded as a grade I kindergarten in Huizhou in March 2011, one of the four outstanding kindergartens in Huiyang in 2018, and repeatedly awarded the "Advanced Education Unit", "Safe and Civilized Campus" and other titles in the district and county from 2019 to 2024, enrolling approximately 350 children per term and providing a quality education platform for the children of the surrounding communities.</p>				



Assessment item	Implementation status			The discrepancy with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and the underlying reasons
	Yes	No	Description	
<p>The Vietnam subsidiary was awarded the Contribution to Urban Development Award by the Chi Linh City Government of Vietnam.</p> <p>While pursuing robust development, Eastech Group spares no effort to contribute to society and make donations to certain social welfare groups to support social welfare from time to time.</p> <p>In order to fulfill the responsibility of environmental protection and caring for the safety and health of our colleagues, and for the responsibility of pollution prevention management and social responsibility of environmental protection, the Company obtained ISO 14001:2015 environmental management system certification. The certificates of subsidiaries of the Group in PRC were renewed in August 2022 and the certificate of subsidiary of the Group in Vietnam was renewed in March 2023.</p> <p>The Company obtained the ISO 9001:2015 quality management system certification and the certificates of subsidiaries of the Group in PRC were renewed in March 2024 and the certificate of subsidiary of the Group in Vietnam was renewed in December 2022.</p> <p>The Company's Mainland subsidiaries and Vietnam subsidiaries obtained ISO 14064-1 greenhouse gas inventory report certification in August 2024.</p> <p>The Company's Mainland subsidiaries and Vietnam subsidiaries obtained the ISO 50001 energy management system certification in November 2024 and December 2024, respectively.</p> <p>In July 2024, EAVN in Vietnam put into use solar energy equipment and set up a solar station on the factory roof to generate electricity on site and use it locally, reducing the consumption of municipal electricity, making full use of idle resources, and achieving energy conservation and emission reduction benefits. It is planned to install solar power generation equipment again in 2025 and put it into operation in July.</p>				

## Relevant Climatological Information for TPEX Listed Companies

### Implementation of climate related information

Item	Implementation position														
1. Description on the oversight and governance of climate-related risks and opportunities of the Board and management.	<p>On 8 November 2024, the Company established the Sustainable Development Committee, composed of five directors, with Independent Director Mr. Cheng Shi-Rong serving as the chairman. This committee is under the Board of Directors and is responsible for overseeing ESG (Environmental, Social, Governance) strategies, including corporate responsibility, operational sustainability, supply chain, and sustainable products. The committee also regularly reviews climate change strategies and targets, examines implementation status, and discusses future plans.</p> <p>The Sustainability Office, under the General Manager, is the responsible unit for executing sustainable development tasks. It is mainly responsible for overall sustainable development management, formulating sustainable development policies, frameworks, and mechanisms, and establishing qualitative and quantitative management standards. The Sustainability Office submits annual execution plans and results to the Sustainable Development Committee, which then formulates management plans and reports to the Board of Directors. The 2024 annual report was submitted on 13 December 2024.</p>														
2. Description on the impact of the risks and opportunities from identified climate risks on the business, strategies and short-term, middle-term and long-term finance of the enterprise	<p>The Company actively develops solutions to reduce the operational and financial impacts of climate change and effectively enhance the Company's climate resilience. The Company defines short-term as within 3 years, medium-term as 3-5 years, and long-term as over 5 years, to further assess the visible and potential impacts of climate change on the Company.</p> <table><tr><th colspan="2">Risk Type</th><th>Short-term</th><th>Medium-term</th><th>Long-term</th></tr><tr><td>Risk</td><td><ul style="list-style-type: none"><li>■ Transition risk</li><li>■ Japanese and European brand customers, based on brand image and supplier carbon reduction commitments, bring compliance risks and manufacturer responsibilities to the Company for different global markets.</li></ul></td><td><ul style="list-style-type: none"><li>■ Total greenhouse gas control</li><li>■ Greenhouse gas reduction regulations</li><li>■ Implementation of carbon taxes and fees</li><li>■ Implementation of EU Carbon Border Adjustment Mechanism (CBAM)</li><li>■ Internal carbon pricing as a reference for controlling carbon risks and assessing corporate carbon reduction responsibilities, effectively promoting carbon reduction and achieving targets through internal carbon pricing</li></ul></td><td><ul style="list-style-type: none"><li>■ Consumers' awareness of climate change issues is rising, gradually demanding low-carbon products</li><li>■ Introduction of carbon reduction technologies, leading to capital expenditures for equipment investment.</li><li>■ Inadequate response to climate change, making it difficult for the Company to receive orders, forming order barriers, and purely relying on price advantages cannot replicate past success models.</li></ul></td><td><ul style="list-style-type: none"><li>■ The trend of net-zero emissions is irreversible, with joint efforts from industry, government, and academia. Success is determined by leveraging efforts, laying a foundation for successors rather than passing the burden to the next generation.</li><li>■ The challenges of declining birth rates and AI present both crises and opportunities; using tools effectively can enhance resilience.</li></ul></td></tr></table>					Risk Type		Short-term	Medium-term	Long-term	Risk	<ul style="list-style-type: none"><li>■ Transition risk</li><li>■ Japanese and European brand customers, based on brand image and supplier carbon reduction commitments, bring compliance risks and manufacturer responsibilities to the Company for different global markets.</li></ul>	<ul style="list-style-type: none"><li>■ Total greenhouse gas control</li><li>■ Greenhouse gas reduction regulations</li><li>■ Implementation of carbon taxes and fees</li><li>■ Implementation of EU Carbon Border Adjustment Mechanism (CBAM)</li><li>■ Internal carbon pricing as a reference for controlling carbon risks and assessing corporate carbon reduction responsibilities, effectively promoting carbon reduction and achieving targets through internal carbon pricing</li></ul>	<ul style="list-style-type: none"><li>■ Consumers' awareness of climate change issues is rising, gradually demanding low-carbon products</li><li>■ Introduction of carbon reduction technologies, leading to capital expenditures for equipment investment.</li><li>■ Inadequate response to climate change, making it difficult for the Company to receive orders, forming order barriers, and purely relying on price advantages cannot replicate past success models.</li></ul>	<ul style="list-style-type: none"><li>■ The trend of net-zero emissions is irreversible, with joint efforts from industry, government, and academia. Success is determined by leveraging efforts, laying a foundation for successors rather than passing the burden to the next generation.</li><li>■ The challenges of declining birth rates and AI present both crises and opportunities; using tools effectively can enhance resilience.</li></ul>
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Item	Implementation position				
	Risk Type		Short-term	Medium-term	Long-term
		<ul style="list-style-type: none"> <li>Physical risk</li> </ul>	<ul style="list-style-type: none"> <li>Currently, the Company's Vietnam factory location has not suffered any damage from extreme weather, but due to the local reliance on hydropower, water shortages will lead to unstable and insufficient power supply. Poor local flood drainage will cause difficulties for personnel access and production during extreme heavy rainfall.</li> </ul>	<ul style="list-style-type: none"> <li>The frequency and intensity of typhoons and heavy rainfall patterns at the Company's Vietnam factory location are changing, and local infrastructure cannot cope with extreme weather, affecting personnel, equipment, and operations</li> <li>Local and foreign suppliers in northern Vietnam may be affected by extreme weather, leading to transportation service disruptions, supply shortages, and power outages.</li> </ul>	<ul style="list-style-type: none"> <li>Supply chain disruptions combined with geopolitical impacts are still predictable and controllable, but extreme weather factors may lead to complete supply chain interruptions.</li> <li>Factories in Vietnam cannot fully rely on local government, including flood prevention, cogeneration, and full solar coverage, requiring foresight and long-term operational determination to have response capabilities.</li> </ul>
	Opportunity	<ul style="list-style-type: none"> <li>Opportunity to enhance the Company's climate resilience, gradually and effectively expanding the market, gaining customer trust.</li> </ul>	<ul style="list-style-type: none"> <li>Development of low-power, low-carbon products.</li> <li>Development and adoption of environmentally friendly materials, recyclable, and biodegradable products.</li> </ul>	<ul style="list-style-type: none"> <li>Effective improvement of resource utilization efficiency</li> <li>Recycling of packaging materials.</li> <li>Water and electricity-saving equipment and streamlined production processes.</li> <li>Local procurement to save unnecessary transportation waste.</li> </ul>	<ul style="list-style-type: none"> <li>Enhancing corporate image, combining upstream and downstream supply chain systems through product carbon inventory and Scope 3, achieving true sustainable development and giving back to society.</li> <li>Setting scientific carbon reduction targets verified by SBTi, implementing methodologies and phased approaches.</li> </ul>

Item	Implementation position			
	R: Risk, O: Opportunity  R: Total greenhouse gas control and carbon taxes, fees	Financial impact +/-  <ul style="list-style-type: none"> <li>■ - Possible revisions leading to carbon taxes, fees, and even EU carbon tariffs, significantly increasing operating costs</li> <li>■ - Violation of ESG commitments to global brand customers and failure to meet order thresholds, increasing the risk of losing orders and losing business opportunities</li> <li>■ - Establishing solar power generation, increasing operating costs</li> </ul>	Response strategy  <ul style="list-style-type: none"> <li>■ Strengthen internal personnel's knowledge of climate change-related issues and continuously monitor changes and trends in domestic and international topics</li> <li>■ Increase the use of green energy</li> </ul>	
	R: Market customer demand for low-carbon products O: Development and design of low-carbon products	<ul style="list-style-type: none"> <li>■ - Failure to meet customer requirements will result in reduced revenue</li> <li>■ + Enhancing the development and design of low-carbon products can effectively meet users' concerns about climate change issues</li> </ul>	<ul style="list-style-type: none"> <li>■ Continuously invest in the development and design of green products and actively implement localized procurement policies to reduce transportation emissions.</li> </ul>	

Item	Implementation position																				
3. Description on the financial impact of extreme climate events and transformation	<p>The Company's operating locations in Guangdong, China, and Haiyang, Vietnam are relatively less affected by extreme climate change. The products do not require continuous operation 24 hours a day. However, two main concerns are the unplanned power outages due to insufficient hydropower in northern Vietnam and the flooding caused by heavy rainfall, which leads to reduced working hours and production, affecting revenue. Fortunately, the impact of heavy rainfall on revenue is temporary and can be managed through shift adjustments and overtime. In the long term, it will not cause significant financial impact.</p> <p>Additionally, based on the current investigation of the climate attributes of the supply chain locations, the supply chain has responded that it is prepared for the impacts of climate change, especially with the introduction of business continuity measures. Therefore, the risk of supply disruption for the Company is relatively reduced. The Company is also actively seeking local procurement opportunities. As Vietnam becomes the next global manufacturing hub, the related supply chain naturally moves along with it, growing together with the Company. During this period, the Company will continue to develop the market supply chain, ensuring backup from different locations and enhancing resilience. Although this will increase costs, it will boost brand customers' confidence and trust.</p>																				
4. Description on the integration of identification, assessment, and management procedures of climate risks with the general risk management system	<p>The Company has established the "Risk Management Policy and Procedures," applicable to the identification, assessment, and decision-making of risk management for various topics. The Company adopts a multi-faceted argumentation method (brainstorming) to identify potential risks and opportunities for various topics, continuously monitoring market trends and updating risk content. Additionally, the Company uses quantitative methods to assess each risk, setting criteria for unacceptable risks, and formulating response strategies for unacceptable risk items.</p>																				
5. If scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions, analytical factors, and major financial impacts should be described.	<p>Transition scenario: The Company adopts the following scenarios for transition</p> <table><tr><th>Scenario</th><th>Temperature impact range and probability</th><th>Model</th><th>Basic assumption: Population</th><th>Basic assumption: Economy</th><th>Time frame</th></tr><tr><td>IEA 450 scenarios</td><td>2°C, probability about 50%</td><td>IEA World Energy Model (WEM)</td><td>Population annual growth rate is expected to be 0.9%, reaching 9 billion people by 2040 from 7 billion in mid-2012</td><td>Global GDP growth is expected to be 3.4% from 2012 to 2040</td><td>2012-2040</td></tr></table> <p>Additionally, the parameters for the above transition scenario are as follows:</p> <table><tr><th>Key drivers/pathways/parameters</th><th>Content and financial impact</th></tr><tr><td>Energy efficiency</td><td><ul style="list-style-type: none"><li>Policy measures lead to high efficiency. Based on this estimate: The Company's expected cost of equipment replacement from 2025 to 2040 is about 0.2% to 0.8% of annual revenue.</li></ul></td></tr><tr><td>CO<sub>2</sub> price</td><td><ul style="list-style-type: none"><li>After 2020, OECD sets CO<sub>2</sub> prices.</li><li>All regions except the Middle East will abolish fossil fuel subsidies by 2035.</li><li>In most OECD markets, the CO<sub>2</sub> price will reach \$140/tonne by 2040, about \$20/ton higher than in 2020.</li><li>Based on this estimate: The Company's expected cost to be paid by 2040 is about 0.7% of annual revenue.</li></ul></td></tr><tr><td>Utilization of solar technology</td><td>Based on this estimate: The Company's expected cost of establishing solar equipment is about 0.3% of annual revenue.</td></tr></table>	Scenario	Temperature impact range and probability	Model	Basic assumption: Population	Basic assumption: Economy	Time frame	IEA 450 scenarios	2°C, probability about 50%	IEA World Energy Model (WEM)	Population annual growth rate is expected to be 0.9%, reaching 9 billion people by 2040 from 7 billion in mid-2012	Global GDP growth is expected to be 3.4% from 2012 to 2040	2012-2040	Key drivers/pathways/parameters	Content and financial impact	Energy efficiency	<ul style="list-style-type: none"><li>Policy measures lead to high efficiency. Based on this estimate: The Company's expected cost of equipment replacement from 2025 to 2040 is about 0.2% to 0.8% of annual revenue.</li></ul>	CO <sub>2</sub> price	<ul style="list-style-type: none"><li>After 2020, OECD sets CO<sub>2</sub> prices.</li><li>All regions except the Middle East will abolish fossil fuel subsidies by 2035.</li><li>In most OECD markets, the CO<sub>2</sub> price will reach \$140/tonne by 2040, about \$20/ton higher than in 2020.</li><li>Based on this estimate: The Company's expected cost to be paid by 2040 is about 0.7% of annual revenue.</li></ul>	Utilization of solar technology	Based on this estimate: The Company's expected cost of establishing solar equipment is about 0.3% of annual revenue.
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Key drivers/pathways/parameters	Content and financial impact																				
Energy efficiency	<ul style="list-style-type: none"><li>Policy measures lead to high efficiency. Based on this estimate: The Company's expected cost of equipment replacement from 2025 to 2040 is about 0.2% to 0.8% of annual revenue.</li></ul>																				
CO <sub>2</sub> price	<ul style="list-style-type: none"><li>After 2020, OECD sets CO<sub>2</sub> prices.</li><li>All regions except the Middle East will abolish fossil fuel subsidies by 2035.</li><li>In most OECD markets, the CO<sub>2</sub> price will reach \$140/tonne by 2040, about \$20/ton higher than in 2020.</li><li>Based on this estimate: The Company's expected cost to be paid by 2040 is about 0.7% of annual revenue.</li></ul>																				
Utilization of solar technology	Based on this estimate: The Company's expected cost of establishing solar equipment is about 0.3% of annual revenue.																				

Item	Implementation position	
	The Company adopts the RCP model for physical scenarios and refers to the "Taiwan Climate Change Projection and Adaptation Knowledge Platform" website for scenario analysis. This website provides detailed analysis of various scenarios and climate change projection models for different regions in Taiwan, greatly facilitating the Company's execution of this task. The current model used by the Company:	
	Scenario	Estimated possible financial impact
	RCP8.5 High emission scenario Except for countries following current policies, globally there are no new specific carbon reduction actions.	Increased operating costs accounting for about 2% of revenue
	RCP2.6 Low carbon scenario Achieving net-zero emissions by 2050	Due to the need to implement specific carbon reduction activities, the cost increased significantly, which accounting for about 5% of revenue
6. If there is a transformation plan for managing climate-related risks, describe the content of the plan and the metrics and objectives used to identify and manage physical and transformation risks.	No.	
7. If internal carbon pricing is used as a planning tool, the basis for price setting should be specified.	No.	
8. If climate-related targets are set, the activities covered, the scope of greenhouse gas emissions, the planning period, and the progress achieved each year should be described; 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 described.	Currently, the Company's greenhouse gas emissions accounting scope includes Scope 1 and Scope 2, with Scope 3 encompassing upstream and downstream transportation and distribution, employee commuting, business travel, purchased goods, and waste disposal. Based on the current situation, the emissions for Scope 1 and Scope 2 are still at a reasonable level. Objective: By 2028, reduce greenhouse gas emissions per unit of turnover by 2% from the 2023 level.	
9. Greenhouse Gas Inventory and Assurance	See section “Greenhouse Gas Inventory and Assurance”	

## Greenhouse Gas Inventory and Assurance

### 1-1 Greenhouse Gas Inventory and Assurance for the Most Recent Two Years

#### 1-1-1 Information on greenhouse gas inventory

The most recent two years of greenhouse gas emissions tonnes CO <sub>2</sub> e), intensity (tonnes CO <sub>2</sub> e per NTD million), and the scope of the data are described.			
The greenhouse gas emissions boundaries have been consistent over the past two years, with the inventory scope covering the Company and all its subsidiaries (excluding Denmark ScS)			
Year	Direct (Scope 1)	Direct (Scope 2)	Intensity
2023	2,626.0245	13,339.5231	1.5005
2024	Due to incomplete data at present, it will not be disclosed. Once fully collected, it will be announced in the perpetual report.		

#### 1-1-2 Information of assurance of greenhouse gas

Description of the status of assurance for the two most recent years as of the date of publication of the annual report, including the scope of assurance, assurance organization, assurance criteria, and opinion on assurance.
<u>2023</u> Assurance Scope: Individual operating entities, including Vietnam EAVN and Huizhou EAHZ, obtained certified statements on 1 August 2024. Assurance Organization: AFNOR International Co., Ltd. Assurance Criteria: ISO 14064-1:2018 Assurance Opinion: Without qualification
<u>2024</u> Assurance Scope: The Company and its subsidiaries (excluding Denmark ScS). Assurance Organization: Ernst & Young Taiwan Assurance Criteria: 3410 Assurance Opinion: Limited assurance The assurance work for 2024 is ongoing, and the results will be announced upon completion.

## 1-2 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans

Description of the benchmark year of greenhouse gas reduction and its data, reduction targets, strategies and specific action plans and achievement of reduction targets.

Huizhou EAHZ: By 2028, reduce greenhouse gas emissions per unit of turnover by 2% from the 2023 level. This will be achieved through phased improvements over the years. As the plant is not owned, solar rooftop installations are not feasible. The primary focus is on electricity savings, with specific plans as follows:

1. Adopt high-efficiency lighting sources and upgrade lighting equipment.
2. Improve motor efficiency to save electricity.
3. Improve power factor. A low power factor indicates high reactive power, which increases line current and power losses in lines and electrical equipment. Install capacitors near the load to improve the power factor.
4. Use high-efficiency transformers and adjust transformer group loads to improve transformer efficiency.
5. Optimize the use of air conditioning systems to reduce electricity costs. Adopt new energy-saving equipment and systems such as high-efficiency pump systems, total heat exchangers, chilled water storage air conditioning systems, absorption air conditioning systems, and gas engine heat pumps, which have energy-saving, cold storage, and waste heat utilization functions.

Vietnam EAVN: Starting in 2024, the Company plans to invest in solar power generation devices, with installation commencing in July, accounting for 10% of installed capacity. This will reduce total emissions by 7%-8%. The plan is to install additional solar power devices in July 2025.



**(f) Implementation of ethical management policy and the reasons and differences with the TPEX listed companies' integrity management code**

Assessment Item	Implementation Status			The discrepancy with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the underlying reasons
	Yes	No	Description	
<p>1. Establishment of corporate conduct and ethics policy and implementation measures</p> <p>(1) Does the Company formulate the integrity management policy approved by the board of directors, have bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and the commitment regarding implementation of such policy from the board of directors and the management team?</p>	Yes		(1) The Company has established Procedures for Ethical Management and Guidelines for Conduct and Code of Ethical Conduct, addressing its corporate conduct and ethics policy and measures which are approved by the board of directors and issued to each supplier in order to make its suppliers and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management. The board and the management team also rigorously and thoroughly implement such policies, and will not participate in matters related to their own interests as appropriate.	No substantial discrepancy
<p>(2) Does the Company establish appropriate compliance measures for the business activities prescribed in Article 7-2 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and any other such activities with higher risk of unethical conduct?</p>	Yes		(2) Procedures for Ethical Management and Guidelines for Conduct of the Company explicitly prohibit providing or accepting improper benefits, handling procedures for facilitating payments, and also standardize the procedures for handling political contributions and charitable donations or sponsorships. All have taken preventive measures and carried out education and publicity, planning and reporting system to ensure the effectiveness of the implementation of the system, in order to implement the integrity management policy.	No substantial discrepancy
<p>(3) Does the Company establish relevant policies which are duly enforced to prevent unethical conduct and provide implementation procedures, guidelines, consequence of violation and complaint procedures in such policies?</p>	Yes		<p>(3) Procedures for Ethical Management and Guidelines for Conduct of the Company explicitly prohibits unethical conduct, Codes of Ethical Conduct also requires the prevention of obtaining personal gain, fair trade, compliance with rules and regulations, encouraging reporting on illegal or unethical activities, etc., and in case of violation, the violator will be punished in accordance with relevant provisions.</p> <p>Procedures for Ethical Management and Guidelines for Conduct of the Company are reviewed annually for updates when the Board presents an executive report on the promotion of ethical standards.</p>	No substantial discrepancy
<p>2. Ethic management practice</p> <p>(1) Does the Company assess the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts?</p>	Yes		(1) Before developing a commercial relationship with another party, the Company evaluates the and ethical management policy of the party, and avoids business dealing with parties that have a record of involvement in unethical conduct; when entering into a contract with another party, the contract terms shall include compliance of ethical management policy.	No substantial discrepancy

Assessment Item	Implementation Status			The discrepancy with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the underlying reasons
	Yes	No	Description	
(2) Does the Company set up a unit which is dedicated to or tasked with promoting the Company's ethical standards and reports directly to the board with periodical (at least once a year) updates on its integrity management policies and plans to prevent dishonest behaviors and supervision on relevant matters?	Yes		(2) The management office of the Company is responsible for formulating and supervising the implementation of integrity management policies and preventive measures to ensure the implementation of integrity management policies, which report to the board the implementation results of integrity management on an annual basis, and assists the board of directors in evaluating the effective operation of the integrity prevention measures established. On 10 8 November 2024, the board of directors completed the integrity management policy and the plan to prevent dishonesty behavior, and supervised the implementation.	No substantial discrepancy
(3) Does the Company establish policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?	Yes		(3) Procedures for Ethical Management and Guidelines for Conduct and Codes of Ethical Conduct of the Company stipulate the policy of avoiding conflict of interest, and complaint channels are established for handling cases in respect of violation of laws or code of ethics and business conduct.	No substantial discrepancy
(4) To implement relevant policies on ethical conducts, does the Company establish effective accounting and internal control systems that are audited by internal auditors in accordance with the results of the assessment of the risk of dishonesty, the relevant audit plan will be drawn up and the compliance with the plan to prevent dishonesty will be checked or entrusting accountants CPA to perform the audit?	Yes		(4) The Company implements ethical management, and has established effective accounting and internal control systems, which are audited by internal auditors in accordance with the results of the assessment of the risk of dishonesty, the relevant audit plan will be drawn up and the compliance with the plan to prevent dishonesty will be checked, and the audit report is submitted to the board.	No substantial discrepancy
(5) Does the Company provide internal and external ethical conduct training programs on a regular basis?	Yes		(5) In 2024, the Company held a series of internal and external training courses related to integrity management issues (including compliance with integrity management laws and regulations, strategic thinking on corporate group restructuring, 2024 insider trading prevention seminar, 2024 Taiwan ESG Practice Forum on achieving a win-win for environment and economy, challenges and opportunities in sustainable development pathways and introduction to greenhouse gas inventory, directors' responsibilities in corporate governance disputes—focusing on shareholder rights protection, corporate governance forum, roles and responsibilities of the board of directors/senior management in ESG governance, latest trends in corporate governance evaluation indicators that directors and supervisors must know—intellectual property management, how to draw a corporate sustainability roadmap, steering corporate wisdom—corporate governance leading the way, new challenges for internal auditors—analysis of sustainable information disclosure and management policies and related audit points, and other related courses), with a total of 1,176 participants and 1,461 person-hours.	No substantial discrepancy

Assessment Item	Implementation Status			The discrepancy with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the underlying reasons
	Yes	No	Description	
3. Implementation of whistleblowing procedures (1) Does the company establish specific whistleblowing and reward procedures, set up conveniently accessible whistleblowing channels, and designate responsible individuals to handle the concerns reported?	Yes		(1) Procedures for Reporting of Illegal and Unethical Behavior or Unethical Conduct stipulate the whistleblowing and reward system, and complaint channels and communicating mailbox were established for internal and external personnel to report, and responsible personnel were designated to handle the concerns reported.	No substantial discrepancy
(2) Does the Company establish standard operation procedures for investigating the concerns reported, follow-up measures to be taken after the completion of investigation and ensuring such concerns are handled in a confidential manner?	Yes		(2) The Company established the standard procedure, follow-up measures to be taken after the completion of investigation and relevant confidentiality system for investigating the concerns received, and records of procedures and results of investigation will be stored. If violation of regulations is confirmed, the report will be submitted to the management team immediately, and the violator will be punished depending on the seriousness.	No substantial discrepancy
(3) Does the Company adopt proper measures to prevent a complainant from retaliating for his/her reporting concerns?	Yes		(3) The Company will not accept anonymous blackmails, but will protect the confidentiality of personal information in the case of named and substantiated letters of complaint, and adopts proper measures to protect the whistleblower from retaliation for his/her concerns reported.	No substantial discrepancy
4. Information Disclosure Does the Company disclose its guidelines on business ethics as well as information about implementation of such guidelines on its website and Market Observation Post System?	Yes		Procedures for Ethical Management and Guidelines of the Company and relevant governance information are disclosed on the website of the Company ("Investors" page) (website: <a href="https://eastech.com">https://eastech.com</a> ).	No substantial discrepancy
5. If the Company has established corporate governance policies based on Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, describe any discrepancy between the policies and their implementation:  The Company has established Procedures for Ethical Management and Guidelines for Conduct, and complies with it. There is no discrepancy between the Procedures for Ethical Management and Guidelines for Conduct and its implementation.				
6. Other important information to facilitate better understanding of the Company's corporate conduct and ethics compliance practices (e.g., review the Company's corporate conduct and ethics policy) (1) The Company established Procedures for Ethical Management and Guidelines for Conduct and issued them to each supplier to indicate the Company's determination of ethical management. (2) Rules of Procedure of the Board of Director of the Company require that if any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the Company, the director may not participate in discussion or vote on that agenda item and shall further abstain from discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter. (3) The Company has established the "Procedures for Prevention of Insider Trading and Handling of Material Internal Information", which requires the Company's insiders to comply with laws and regulations relating to the prevention of insider trading and not to trade the Company's shares during the closed period of 30 days prior to the announcement of annual financial reports and 15 days prior to the announcement of quarterly financial reports, and to remind insiders in good faith during the relevant period to prevent inadvertent mistakes.				

**(g) Other important information that is able to enhance the governance of the company**

1. The Company established “Verification and Disclosure of Material Information of Companies”, pursuant to which, each division of the Company shall handle the public disclosure of information prudently and ensure the accuracy and truthfulness of the information; information with obligation of confidentiality and shall not be divulged before the formal disclosure.

**2. Director’s training in 2024**

Title	Name	Date		Holder	Course name	Training hours
		Since	Up to			
Institutional Director Representative	Liou Jenq Lin	16 August 2024	16 August 2024	Taiwan Corporate Governance Association	Data Center Evolution: Development Trends of Silicon Photonics and AI Servers	3
		6 September 2024	6 September 2024	Taiwan Corporate Governance Association	Strategic Thinking in Group Corporate Restructuring	3
Director	Pai Chin Chang	30 October 2024	30 October 2024	Taiwan Corporate Governance Association	Latest Trends in Corporate Governance Evaluation Indicators for Directors and Supervisors - Intellectual Property Management	3
		5 November 2024	5 November 2024	Taiwan Corporate Governance Association	How to Draw a Corporate Sustainability Roadmap	3
Director	Chang Tung I	22 March 2024	22 March 2024	Taiwan Corporate Sustainability Association	CDP Taiwan Conference - Promoting a New Carbon Era with Sustainable Knowledge	3
		19 April 2024	19 April 2024	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3
Director	Teng Chiou-Shiang	4 June 2024	4 June 2024	Taiwan Corporate Governance Association	Roles and Responsibilities of the Board of Directors/Senior Management in ESG Governance	3
		9 July 2024	9 July 2024	Taiwan Corporate Governance Association	Discussion on Corporate Employee Compensation Strategies and Tool Utilization	3
Independent Director	Chang Shan Juh	22 February 2024	22 February 2024	Legal Foundation, Securities & Futures Institute of ROC	Economic Situation and Market Opportunities in New Southbound Countries	3
		21 May 2024	21 May 2024	Legal Foundation, Securities & Futures Institute of ROC	Challenges and Opportunities in Sustainable Development Pathways and Introduction to Greenhouse Gas Inventory	3

Title	Name	Date		Holder	Course name	Training hours
		Since	Up to			
Independent Director	Jeng Shih Rong	22 February 2024	22 February 2024	Legal Foundation, Securities & Futures Institute of ROC	Economic Situation and Market Opportunities in New Southbound Countries	3
		14 May 2024	14 May 2024	Legal Foundation, Securities & Futures Institute of ROC	Carbon Trading Mechanism and Carbon Management Applications	3
		6 September 2024	6 September 2024	Legal Foundation, Securities & Futures Institute of ROC	2024 Insider Trading Prevention Conference	3
		1 October 2024	1 October 2024	ROC Independent Directors Association	2024 Environment and Economy Win-Win: Taiwan ESG Practice Forum	3
Independent Director	Su Yi Jen	19 April 2024	19 April 2024	Legal Foundation, Securities & Futures Institute of ROC	Board Responsibilities in Management Disputes - Focus on Shareholder Rights Protection	3
		7 May 2024	7 May 2024	Legal Foundation, Securities & Futures Institute of ROC	Practical Norms and Case Studies in Corporate Mergers and Acquisitions	3

### 3. Managers' training in 2024

Title	Name	Date		Holder	Course name	Training hours
		Since	Up to			
Chief Financial Officer (Vice President)	Lam Pui Man	6 April 2024	6 April 2024	The Hong Kong Institute of Certified Public Accountants (HKICPA)	ICTIG e-seminar: Generative AI is here, what's now and what's next?	1
		20 April 2024	20 April 2024	The Hong Kong Institute of Certified Public Accountants (HKICPA)	FSIG e-seminar: Latest regulatory development of ESG in HK and trends of green finance – with highlights on climate and nature-related financial disclosures (TCFD & TNFD framework)	1
		28 April 2024	28 April 2024	The Hong Kong Institute of Certified Public Accountants (HKICPA)	Annual Accounting Update 2023: "Keeping the Momentum in the Era of Corporate and Sustainability Reporting"	3
		15 May 2024	15 May 2024	The Hong Kong Institute of Certified Public Accountants (HKICPA)	Year-end Financial Reporting Reminders for 2023	2
		18 May 2024	18 May 2024	The Hong Kong Institute of Certified Public Accountants (HKICPA)	Annual taxation conference 2023	3
		25 May 2024	25 May 2024	The Hong Kong Institute of Certified Public Accountants (HKICPA)	Accounting and Financial Reporting - Common application issues of HKFRS 9, 15 and 16	2

Title	Name	Date		Holder	Course name	Training hours
		Since	Up to			
Head of Corporate Governance (Vice President)	Chang Po Chao	22 March 2024	22 March 2024	Taiwan Corporate Governance Association	CDP Taiwan Conference - Promoting a New Carbon Era with Sustainable Knowledge	3
		10 April 2024	10 April 2024	Taiwan Institute of Directors	Steering Corporate Wisdom: Leading the Way with Corporate Governance	3
		19 April 2024	19 April 2024	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3
		6 June 2024	6 June 2024	Taiwan Corporate Sustainability Association	GHG Protocol Corporate Standard and Scope 3 Standard Advocacy Course	7
		6 August 2024	6 August 2024	Taiwan Corporate Sustainability Association	Sustainable Knowledge Empowerment Advocacy Course - Electronics Industry	6
Audit Officer	Ko Chun Ming	22 May 2024	22 May 2024	The Institute of Internal Auditors-Chinese Taiwan	How to Utilize Big Data to Enhance Audit Operations	6
		3 September 2024	3 September 2024	The Institute of Internal Auditors-Chinese Taiwan	New Challenges for Internal Auditors: Analysis of Sustainable Information Disclosure, Management Policies, and Related Audit Points	6

4. The Company's personnel relating to financial information transparency and their relevant licenses by competent authorities:

Department	Licenses	Number of personnel
Finance Department	Hong Kong Certified Public Accountant	3
	Australia Certified Public Accountant	1
	Associate Member of the Hong Kong Chartered Governance Institute	1
Audit Department	International Certified Internal Auditor	1

**(h) Matters to be disclosed relating to the implementation of internal control:**

1. Management's Report on Internal Control: Please go to **Market Observation Post System** (<https://mops.twse.com.tw/>) and click on "Single Company" under "Corporate Governance" and "Company Regulations/ Internal Control" and then click on the internal control statement announcement for query.
2. If a CPA has been engaged to carry out a special audit of the internal control system, the CPA audit report shall be disclosed: Nil.

**(i) Material resolutions of the shareholders' meeting and the board of directors in the most recent year and up to the date of publication of the annual report**

**1. Material resolutions for the general meeting of the Company in 2024:**

Date	Material resolution	Implementation
24 May 2024	Matters for approval 1. The Company's 2023 business report and consolidated financial statements	Has complied with the resolution.
	2. Proposed distribution of earnings for 2023 of the Company	The ex-dividend date is 30 April 2024 and the cash dividend payment date is 22 April 2024 with a cash dividend of NT\$6.57218246 per share.
	Matters for discussion 1. The Company proposed issuance of Employee Restricted Share Awards	It was approved by the Financial Supervisory Commission and took effect on 26 June 2024 and will be issued within 2 years after its effectiveness.

**2. Material resolutions of the Board of Directors' meeting of the Company during 2024 and up to the date of publication of the annual report:**

Date	Material resolution
26 February 2024	<ol style="list-style-type: none"><li>1. The Company's 2023 annual business report and consolidated financial statements</li><li>2. The Company's 2023 employees' compensation and directors' compensation proposal</li><li>3. Proposed 2023 Surplus Distribution for Cash Dividends of the Company</li><li>4. Proposed determination of the ex-dividend date for the 2024 cash dividends</li><li>5. Proposed issue of the Management's Reports on Internal Control in accordance with Article 24 of the Guidelines for the Establishment of Regulations Governing Establishment of Internal Control Systems by Public Companies</li><li>6. Proposed to amend the Rules of Procedure of the Board of Director of the Company</li><li>7. Proposed to amend the Organizational Procedures of the Audit Committee of the Company</li><li>8. Resolution of the Board of Directors in relation to the matters for convening the 2024 regular general meeting of the Company</li></ol>

Date	Material resolution
12 April 2024	<ol style="list-style-type: none"> <li>1. Appointment of the Company's Certified Public Accountants and their remuneration</li> <li>2. Proposed approval of the Certified Public Accountants Firm and its affiliate companies to provide non-confidential services to the Company and its subsidiaries</li> <li>3. The company intends to issue new shares with restrictions on employee rights</li> <li>4. Proposed distribution of employees' compensation and directors' compensation of the Company for 2024</li> <li>5. Proposed to add the reasons for convening 2024 Annual Shareholders Meeting</li> </ol>
10 May 2024	<ol style="list-style-type: none"> <li>1. Consolidated financial statements of the Company for the first quarter of 2024</li> <li>2. Proposed additional investment to Eastech (VN) Company Limited by subsidiary-Eastern Asia Technology (HK) Limited</li> <li>3. Subsidiary Eastech (VN) Company Limited handled the case of transferring retained earnings to capital</li> <li>4. Proposed endorsements and guarantees for EATL Electronics (HK) Limited by the Company</li> </ol>
23 August 2024	<ol style="list-style-type: none"> <li>1. Consolidated financial statements of the Company for the first half of 2024</li> <li>2. Proposed endorsements and guarantees for EATL Electronics (HK) Limited by the Company</li> <li>3. Proposed endorsements and guarantees for Eastech (Huizhou) Co., Ltd. by the Company</li> <li>4. Proposed endorsements and guarantees for Eastech (VN) Company Limited by the Company</li> <li>5. Proposed revision of the company's endorsement and guarantee management procedures and the forms related to the fund loan procedures</li> </ol>
8 November 2024	<ol style="list-style-type: none"> <li>1. Consolidated financial statements of the Company for the third quarter of 2024</li> <li>2. Plan to set up a Sustainable Development Committee under the Board of Directors and formulate the Company's "Sustainable Development Committee Organization Chart</li> <li>3. Proposed revision of the company's organizational structure</li> <li>4. Proposed endorsements and guarantees for Eastern Asia Technology (HK) Limited by the Company</li> <li>5. Proposed endorsements and guarantees for EATL Electronics (HK) Limited by the Company</li> <li>6. Proposed endorsements and guarantees for Eastech (VN) Company Limited by the Company</li> <li>7. Proposed renewal of directors, supervisors and managers' liability insurance</li> <li>8. Proposed Appointment of Sustainable Development Committee Members</li> <li>9. Chief Technology Officer Appointment Confirmation Case</li> <li>10. Personnel appointments</li> </ol>



Date	Material resolution
13 December 2024	<ol style="list-style-type: none"> <li>1. Request for approval to purchase immovable property for the second newly established factory in Vietnam with the authorized amount not exceeding US\$7,000,000</li> <li>2. Revised the company's organizational structure</li> <li>3. Application for approval of pre-sale and pre-purchase forward foreign exchange operations, with the total authorized amount not exceeding US\$70,000,000</li> <li>4. Preparation of the 2025 budget of the Company</li> <li>5. Proposed approval for the 2025 operating plan of the Company</li> <li>6. Proposed approval for the 2025 audit plan of the Company</li> <li>7. Proposed amendments to the internal control system of the Company</li> <li>8. Formulate the company's "Risk Management Policies and Procedures"</li> <li>9. Identification of major topics in 2024 Sustainability Report and results of consultation with stakeholders</li> <li>10. Plan to approve 2025 annual work plan for sustainable development</li> <li>11. Principles of 2024 bonus distribution and distribution amount of the year-end bonus for the managers</li> <li>12. Submission of the Cayman Annual Return and Economic Substance Report</li> </ol>
24 February 2025	<ol style="list-style-type: none"> <li>1. The Company's 2024 annual business report and consolidated financial statements</li> <li>2. The Company's employees' compensation and directors' compensation proposal</li> <li>3. Proposed 2024 Surplus Distribution for Cash Dividends of the Company</li> <li>4. Proposed determination of the ex-dividend date for 2025 cash dividends</li> <li>5. Requested approval for the acquisition of the lease of the new factory by Scan-Speak, a subsidiary in Denmark, with the authorized amount not exceeding DKK 26,000,000</li> <li>6. Proposed issue of the Management's Reports on Internal Control in accordance with Article 24 of the Guidelines for the Establishment of Regulations Governing Establishment of Internal Control Systems by Public Companies</li> <li>7. Proposed revision of the company's "Integrity Management Operating Procedures and Behavior Guidelines"</li> <li>8. Resolution of the Board of Directors in relation to the matters concerning the convening of 2025 regular general meeting of the Company</li> </ol>

- (j) **Where, during the latest year and up to the date of publication of annual report, a director or the audit committee has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclosing the principal content thereof: Nil.**

#### 4. Information on fees paid to the certified public accountant

##### (1) Information on fees paid to the certified public accountant

###### Information on fees paid to the certified public accountant

Unit: NT\$'000

Accounting firm	Name of account	Period of audit by accountant	Audit fees	Non-audit fees	Total	Remarks
Ernst & Young Taiwan	Liu Jung-Chin Huang Tzu-Ping	1 January 2024~31 December 2024	3,930	110	4,040	

Note 1: The non-audit fees are mainly the fees for issuance of individual subsidiaries' tax returns and transfer pricing tax returns.

- (2) When the Company changes its accounting firm, and the audit fees paid for the financial year in which the change took place are lower than those paid for the financial year immediately preceding the amount of the audit fees before and after the change and the reason shall be disclosed: Not applicable.
- (3) When the audit fees paid for the current financial year are lower than those paid for the immediately preceding financial year by 10 percent or more, the amount and percentage of and reason for the reduction in audit fees shall be disclosed: Nil.

#### 5. Information on the change in auditor:

##### (I) Information on the previous independent auditor

Date of replacement	25 August 2023		
Cause and details of the replacement	Long-term strategic development and internal management needs of the Company		
Any details for the termination or rejection of the commissioner or CPA	Party	CPA	Commissioner
	Situation		
	Active termination of the commission		V
	Rejection of (continuing) commission		
Opinion and reasons for audit report issued during the two past fiscal years containing an observation other than unqualified ones	Not applicable		

Any disagreement with the issuer	Yes		Generally accepted accounting principles
			Disclosure of financial reports
			Scope or procedure of audits
			Other
	None	V	
	No disagreement		
Other items to be disclosed (items that shall be disclosed as prescribed by Article 10 Subparagraph 6 Item 1-4 to 1-7 of these standards)	Not applicable		

**(II) About the successor independent auditor**

Name of the accounting firm	Ernst & Young Taiwan
Name of the independent auditor	CPA Liu Jung-Chin and Huang Tzu-Ping
Date of commissioning	Approved by the Board on 25 August 2023
Accounting treatment or accounting principle for specific transactions as well as consultation items and results on audit assessment on the financial report prior to formal engagement	Not applicable
Written views on disagreements between the successor and former independent auditors	Not applicable

**(III) Response of the former independent auditors regarding Article 10, Subparagraph 6, Items 1 and 2-3 of these standards: Not applicable.**

6. **The chairman, president, manager of financial or accounting affairs of the Company who has held a post in the certified public accountant firm or its affiliates in the latest year: Nil.**
7. **Movements of shareholdings and pledge thereof held by directors, supervisors, managers and shareholders (whose shareholdings representing over 10% of total shares) for the latest year and as at the date of issue of annual report. Where the counterparty in any such transfer or pledge of equity interests is a related party, disclose the counterparty's name, its relationship with the Company, directors, supervisors, managers and shareholders with shareholdings representing over 10% of total shares, and the number of shares transferred or pledged.**
  - (1) **Movements of shareholdings and pledge thereof are held by directors, supervisors, managers and substantial shareholders: Please go to Market Observation Post System (<https://mops.twse.com.tw/>) and click on “Equity Changes/ Securities Issuance” under “Single Company”, “Equity Transfer Information Inquiry”, and click on “Post-Insider Shareholding Change Report Form” for query.**

**(2) Information on the counterparty of a share transfer or share pledge which is a related party:**

Name	Reason for change of equity interests	Date of trade	Counterparty	Relationship between the counterparty and the Company, its directors, supervisors, managers and shareholders holding more than 10% of the shares	Number of shares	Trading price
Chang Tung I	Gift	11 January 2024	Chang Hsuan Wei	Children	34,000	-
		11 March 2025	Chang Hsuan Wei	Children	17,000	-
Pai Chin Chang	Gift	17 June 2024	Pai Kai Jen	Children	22,000	-
		04 March 2025	Pai Kai Jen	Children	19,000	-

**(3) Information on the share pledge which is a related party: Nil.**

**8. Details of shareholdings of top ten shareholders, their relationship as related parties or as spouse or second-degree relatives**

30 March 2025; Unit: share

Name	Shareholdings		Spouse and minor shareholding		Total shareholdings in the names of other persons		For those who are related to the top ten shareholders or are spouses or within the second degree of kinship, their name and relationship		Remarks
	No. of shares	Shareholding %	No. of shares	Shareholding %	No. of shares	Shareholding %	Name	Relationship	
Citibank (Taiwan) Ltd. in custody for Above Vantage Limited	27,956,600	35.65%	0	0	0	0	Nil	Nil	Nil
HSBC is entrusted to manage the investment account for Core Pacific Yamaichi International (H.K.) Limited	1,155,000	1.47%	0	0	0	0	Nil	Nil	Nil
Kwok King Lam	1,051,000	1.34%	0	0	0	0	Nil	Nil	Nil
Jiang Ji Ru	910,000	1.16%	0	0	0	0	Nil	Nil	Nil
Wu Shu Jhen	870,000	1.11%	0	0	0	0	Nil	Nil	Nil
Ou Yang Kao Chun	720,000	0.92%	0	0	0	0	Nil	Nil	Nil
Hsieh Meng Hsiu	715,000	0.91%	0	0	0	0	Nil	Nil	Nil
Ko Yi Nien	630,000	0.80%	0	0	0	0	Nil	Nil	Nil
Eastech Holding Limited Mainland China Area Employees Collective	611,000	0.78%	0	0	0	0	Nil	Nil	Nil
Chen Jheng-Yu	611,000	0.78%	0	0	0	0	Nil	Nil	Nil

**9. The number of shares held by the Company, the Company's directors, supervisors, managers and entities directly or indirectly controlled by the Company in the same investee, and the combined proportion of shares in aggregate:**

**Combined Proportion of Shares**

31 December 2024; Unit: share; %

Investees (Note)	Investees (Note)		Investment of the directors, supervisors, managers and directly or indirectly controlled entities		Consolidated Investment	
	No. of shares	Shareholding %	No. of shares	Shareholding %	No. of shares	Shareholding %
Eastern Asia Technology (HK) Limited	80,000,000	100%	-	-	80,000,000	100%
Eastech (Huizhou) Co., Ltd.	-	-	N/A	100%	N/A	100%
Eastech (SZ) Co., Ltd.	-	-	N/A	100%	N/A	100%
Scan-Speak A/S	-	-	1,320,045	100%	1,320,045	100%
EATL Electronics (HK) Limited	-	-	115,000,000	100%	115,000,000	100%
Eastech (SG) Pte. Ltd.	-	-	50,000	100%	50,000	100%
Eastech (VN) Company Limited	-	-	N/A	100%	N/A	100%
Eastech Innovations (TW) Inc.	-	-	215,000,000	100%	215,000,000	100%

Note: The investees are all wholly owned by the Company.

### III. CAPITAL OVERVIEW

#### 1. Capital and shares

##### (1) Source of the Company's share capital

##### 1. Source of the Company's share capital

30 March 2025; Unit: thousand shares; Unit: NT\$'000

Month/ Year	Issue Price	Authorized Share Capital		Paid-in Share Capital		Remark		
		No. of shares	Amount	No. of shares	Amount	Source of Share Capital	Paid by assets other than cash	Others
2011.02	NT\$10	80,000	800,000	100	1,000	Initial capital	—	—
2011.03	NT\$10	80,000	800,000	54,000	540,000	Issuance of 53,900,000 new shares	Note 1	—
2012.11	NT\$60	80,000	800,000	60,750	607,500	Cash capital increase to issue 6,750,000 new shares	—	Note 2
2015.06	NT\$0	80,000	800,000	61,002	610,020	Issuance of 252,000 new shares with restricted employee rights	—	Note 3
2016.12	NT\$0	80,000	800,000	61,502	615,020	Issuance of 500,000 new shares with restricted employee rights	—	Note 4
2017.05	NT\$0	80,000	800,000	61,498	614,980	Cancellation of 4,000 shares of new share capital with restricted employee rights	—	—
2017.08	NT\$0	80,000	800,000	61,494	614,940	Cancellation of 4,000 shares of new share capital with restricted employee rights	—	—
2017.11	NT\$0	80,000	800,000	61,486	614,860	Cancellation of 8,000 shares of new share capital with restricted employee rights	—	—
2017.12	NT\$0	80,000	800,000	62,502	620,020	Issuance of 500,000 new shares with restricted employee rights	—	Note 5
2018.03	NT\$0	80,000	800,000	61,967	619,670	Cancellation of 19,000 shares of new share capital with restricted employee rights	—	—
2018.05	NT\$0	80,000	800,000	61,961	619,610	Cancellation of 6,000 shares of new share capital with restricted employee rights	—	—
2018.08	NT\$0	80,000	800,000	61,932	619,320	Cancellation of 29,000 shares of new share capital with restricted employee rights	—	—
2018.11	NT\$0	80,000	800,000	61,606	616,060	Cancellation of 300,000 shares of treasury stock Cancellation of 26,000 shares of new capital with restricted employee rights	—	—

Month/ Year	Issue Price	Authorized Share Capital		Paid-in Share Capital		Remark		
		No. of shares	Amount	No. of shares	Amount	Source of Share Capital	Paid by assets other than cash	Others
2019.03	NT\$0	80,000	800,000	61,579	615,790	Cancellation of 27,000 shares of new share capital with restricted employee rights	–	–
2019.05	NT\$0	80,000	800,000	61,519	615,190	Cancellation of 60,000 shares of new share capital with restricted employee rights	–	–
2019.06	NT\$0	120,000	1,200,000	–	–	–	–	Note 6
2019.08	NT\$0	120,000	1,200,000	61,504	615,040	Cancellation of 15,000 shares of new share capital with restricted employee rights	–	–
2020.03	NT\$0	120,000	1,200,000	61,458	614,580	Cancellation of 46,000 shares of new share capital with restricted employee rights	–	–
2020.05	NT\$0	120,000	1,200,000	61,455	614,550	Cancellation of 3,000 shares of new share capital with restricted employee rights	–	–
2021.03	NT\$0	120,000	1,200,000	61,418	614,180	Cancellation of 37,000 shares of new share capital with restricted employee rights	–	–
2021.12	NT\$0	120,000	1,200,000	61,406	614,060	Cancellation of 12,000 shares of new share capital with restricted employee rights	–	–
2022.10	NT\$0	120,000	1,200,000	62,336	623,360	Exercise employee stock options for 930,000 shares	–	–
2023.01	NT\$0	120,000	1,200,000	63,139	631,390	Exercise employee stock options for 803,000 shares	–	–
2023.04	NT\$0	120,000	1,200,000	64,494	644,940	Exercise employee stock options for 1,355,000 shares	–	–
2023.07	NT\$0	120,000	1,200,000	66,557	665,568	Domestic bond conversion of 969,773 shares; Exercise employee stock options for 1,093,000 shares	–	–
2023.10	NT\$0	120,000	1,200,000	70,303	703,033	Domestic bond conversion of 3,156,564 shares; Exercise employee stock options for 590,000 shares	–	–
2024.01	NT\$0	120,000	1,200,000	71,693	716,934	Exercise employee stock options for 1,390,083 shares	–	–
2024.04	NT\$0	120,000	1,200,000	75,207	752,071	Domestic bond conversion of 3,263,713 shares; Exercise employee stock options for 250,000 shares	–	–
2024.07	NT\$0	120,000	1,200,000	75,511	755,110	Domestic bond conversion of 157,890 shares; Exercise employee stock options for 146,000 shares	–	–



Month/ Year	Issue Price	Authorized Share Capital		Paid-in Share Capital		Remark		
		No. of shares	Amount	No. of shares	Amount	Source of Share Capital	Paid by assets other than cash	Others
2024.10	NT\$0	120,000	1,200,000	76,919	769,194	Domestic bond conversion of 61,388 shares; Exercise employee stock options for 1,347,000 shares	–	–
2025.01	NT\$0	120,000	1,200,000	77,280	772,806	Domestic bond conversion of 143,266 shares; Exercise employee stock options for 218,000 shares	–	–
2025.03	NT\$0	120,000	1,200,000	78,416	784,166	Exercise employee stock options for 1,136,000 shares	–	–

Note 1: To comply with the listing requirements of Taiwan, the Company was incorporated in Cayman Islands in February 2011. Pursuant to the resolutions passed at the general meeting held on 30 March 2011, an additional 53,900,000 new shares were issued to DJR, a substantial shareholder of the Company, 100% equity of EAH was acquired from EATL at a consideration of HK\$293,887,883 and reorganization of the shareholding structure of the Group was completed. After the reorganization, the Company directly held 100% equity interests in EAH, and indirectly held 100% equity interests in EAHY, EAHZ and ESHY.

Note 2: Approved by Letters 1010032948 and 1010038983 issued by Financial Supervisory Commission on 31 July 2012 and 4 September 2012.

Note 3: Approved by the Letter 1030024812 issued by Financial Supervisory Commission on 1 July 2014.

Note 4: Approved by the Letter 1050024865 issued by Financial Supervisory Commission on 29 June 2016.

Note 5: Approved by the Letter 1060027567 issued by Financial Supervisory Commission on 25 July 2017.

Note 6: On 10 June 2019, the shareholders' general meeting resolved to pass the amendments to the Articles of Association to increase the authorized capital to NT\$1,200,00 thousand, divided into 120,000 thousand shares with the nominal value of NT\$10 per share.

30 March 2025; Unit: Shares

Type of shares	Authorized Share Capital			Remark
	Issued shares (Note)	Unissued shares	Total	
Ordinary shares	78,416,677 listed shares	41,583,323	120,000,000	Shares of listed company

Note: Please specify whether the stock is a listed or over-the-counter company (if it is restricted from being listed or traded over the counter, a note shall be indicated). General reporting system related information: Not applicable.

**(2) List of substantial shareholders:**

Name of shareholders holding more than 5% of total shares or top ten shareholders, their shareholdings and proportion if there are less than ten shareholders

30 March 2025

Name of substantial shareholders	Shares	No. of shares held	Shareholding (%)
Citibank (Taiwan) Ltd. in custody for Above Vantage Limited		27,956,600	35.65%
HSBC is entrusted to manage the investment account for Core Pacific Yamaichi International (H.K.) Limited		1,155,000	1.47%
Kwok King Lam Keenan Ken		1,051,000	1.34%
Jiang Ji Ru		910,000	1.16%
Wu Shu Jhen		870,000	1.11%
Ou Yang Kao Chun		720,000	0.92%
Hsieh Meng Hsiu		715,000	0.91%
Ko Yi Nien		630,000	0.80%
Eastech Holding Limited Mainland China Area Employees Collective		611,000	0.78%
Chen Jheng-Yu		611,000	0.78%

### **(3) Dividend policy and its implementation**

#### **1. Dividend Policy**

Pursuant to the resolution passed by the shareholders at the general meeting on 12 June 2020, the Articles of Association of the Company were amended as follows:

If the Company has earnings for the current period after the close of a fiscal year, it shall set aside 1% to 15% of such earnings as employees' compensation and set aside no more than 2% of such earnings as directors' compensation. If the Company has accumulated losses, it shall first set aside the losses and distribute the employees' compensation and directors' compensation from the remaining earnings as set forth in the preceding paragraph. The distribution of the employees' compensation can be made in cash or stock to the employees of eligible domestic or foreign controlled or subordinate companies or of this Company and its subsidiaries. The distribution of the employees' compensation and directors' compensation shall be approved by the majority of the directors at the Board attended by at least two third directors.

The Company may distribute earnings according to the distribution plan proposed by the Board and approved by an Ordinary Resolution, unless provided otherwise in the Articles. The Board shall set aside out of the earnings of the Company for each financial year in the following orders: (1) payment of tax for the relevant financial year; (2) an offset of its losses in previous years that have not been previously offset; and (3) special capital reserve, if it is required in accordance with the Applicable Listing Rules or as required by the competent authorities.

Subject to the aforesaid, if there are any remaining earnings for each fiscal year (the "Remaining Earnings"), such Remaining Earnings plus all accumulative and undistributed profits from previous years shall be the distributable profits of the Company. The business of the Company is in a mature industry, and the Board may consider factors of financial conditions, business and operation, etc. of the Company, to propose a distribution plan relating to shareholders dividends/bonus distribution after the shareholders' approval. The dividends/bonus distribution to the Shareholders under this clause shall not be less than 10% of the Remaining Earnings.

With the attendance of more than two-thirds of the directors by the board of directors of the Company and the attendance of more than half of the directors by special resolution, the dividend and all or any of the dividends to be distributed by way of cash shall be reported to the shareholders in the general meeting. The cash dividend shall not be less than 50% of the total dividends/bonus distribution and the remaining distribution may be in stock dividends.

2. Status of the confirmed dividend distribution of the Company is as follows:

On 24 February 2025, the Board approved the resolution to distribute a cash dividend of NT\$10.47151662 per share for the year 2024 and authorized the chairman of the board to handle dividend distribution and other related matters.

The cash dividend was adjusted to NT\$10.39433232 per share due to the conversion of convertible bonds into ordinary shares and exercise of the employee stock options for the subscription of ordinary shares of the Company and was paid on 22 April 2025.

3. Report of the status and results of the cash dividend distribution at the general meeting:

It is expected that the Company will report the status and results of the cash dividend distribution at the general meeting to be held on 28 May 2025.

**(4) The effect of the proposed stock dividend distribution at the general meeting on the Company's business performance and earnings per share:**

Not applicable.

**(5) Staff and directors' compensation**

1. The percentage or range of compensation for staff and directors is set out in the Articles of Association:

In accordance with Article 117 of the Articles of Association of the Company

If the Company has earnings for the current period after the close of a fiscal year, it shall set aside 1% to 15% of such earnings as employees' compensation, and set aside no more than 2% of such earnings as directors' compensation. If the Company has accumulated losses, it shall first set aside the losses and distribute the employees' compensation and directors' compensation from the remaining earnings as set forth in the preceding paragraph. The distribution of the employees' compensation can be made in cash or stock to the employees of eligible domestic or foreign controlled or subordinate companies or of this Company and its subsidiaries. The distribution of the employees' compensation and directors' compensation shall be approved by majority of the directors at the Board attended by at least two third directors.

2. The accounting treatment in respect of any difference between actual distribution amount and the estimated amount of calculation basis of compensation of staff and directors and the number of bonus shares distributed for the current period.

The compensation of staff and directors for the current period was estimated in accordance with the requirements of the articles of association and was approved by the Board of Directors on 24 February 2025 and there is no difference.

3. The distribution of compensation approved by the Board of Directors:

- (1) The compensation of staff and directors shall be paid in cash or stock. In case there is difference between the amounts paid and the estimated amount recognized for the year, the shortfall, reasons and handling method should be disclosed.

As approved by the Board of Directors on 24 February 2025, the Company intended to distribute compensation of staff and directors of NT\$51,957,871 and NT\$19,985,000 respectively. All of the abovementioned amounts will be paid in cash.

- (2) The amount of staff compensation paid in stock and as a percentage of the net profit after tax of the individual or separate financial statement for the current period and the aggregated staff compensation: Nil

4. Report of the status and results of the distribution of compensation at the general meeting:

It is expected that the compensation of staff and directors to be reported by the Company at the general meeting to be held on 28 May 2025 will be NT\$51,957,871 and NT\$19,985,000, respectively.

5. The actual distribution of staff and directors' compensation for the previous year (including the number of shares distributed, the amount and the share price) and, in case of difference between the amount paid and the staff and directors' compensation recognized, the shortfall, reasons and handling method shall be described:

On 26 February 2024, the Board resolved to distribute employees' compensation and director's compensation in the amount of NT\$36,430,853 and NT\$10,500,000, respectively. There is no difference in the amount of employees' compensation and director compensation resolved by the Board from the actual amount paid and the amount of employees' compensation and director compensation recognized in the financial statements of 2023.

**(6) Information on repurchase of the Company's shares: Nil.**

## 2. Corporate Bonds (including overseas corporate bonds):

### (I) Corporate bonds outstanding and in process

Type of Corporate Bonds	First secured convertible corporate bonds in the R.O.C.	
Date of Issue (Processing)	28 November 2022	
Denomination	Denomination of NT\$100,000 per bond	
Place of issuance and trading	Taipei Exchange	
Issuance price	NT\$106,420	
Total amount	Total amount of issuance is NT\$350,000,000 The amount raised is NT\$372,471,810	
Interest	0% coupon rate	
Term	A term of 3 years with maturity date on 28 November 2025	
Guarantor	CTBC Bank Co., Ltd	
Trustee	Yuanta Commercial Bank Co., Ltd.	
Underwriter	KGI Securities Co., Ltd.	
Attorney	Chiu Shih Fang Managing Attorney of Der Kai Law Firm	
Certified Public Accountant	Deloitte & Touche Taiwan Shih Chin-Chuan and Chiu Yung-Ming, CPA	
Repayment method	The convertible bonds shall be repaid in cash in one lump sum upon maturity at the nominal amount of the bonds, except for the conversion of the bonds into ordinary shares of the Company in accordance with Article 11 of this Regulation, exercise of the right to repurchase in accordance with Article 22 of this Regulation, or early redemption by the Company in accordance with Article 21 of this Regulation, or the purchase and cancellation by the securities dealer's office.	
Outstanding principal amount	NT\$18,000,000 (as of 30 March 2025)	
Terms of Redemption or Early Repayment	In accordance with Article 21 of the Regulations Governing the Issuance and Conversion of Bonds, if (1) the closing price of the Company's ordinary shares is 30% higher than the conversion price of the Bonds for 30 consecutive business days, the Company may redeem the Bonds in cash at any time during the period from the date after the third month of issuance to 40 days prior to maturity, or (2) if the outstanding balance of the Bonds is less than 10% of the total nominal value of the original issue.	
Restrictive terms	Nil	
Credit Rating Agency Name, Date of rating, corporate bond rating results	N/A	
Additional rights	Amount of ordinary shares, overseas depositary receipts or other marketable securities converted (exchanged or warrants) as of the date of publishing of the annual report	As of 30 March 2025, a total of 3,320 corporate bonds were applied for conversion and converted into 9,142,677 ordinary shares.
	Issuance and Conversion (Exchange or Stock Purchase)	Please refer to the Regulations Governing the Issuance and Conversion of the Company's First Secured Convertible Corporate Bonds in the Republic of China.
The method of issuance and conversion, exchange or subscription, the possible dilution of shareholdings from the issuance and impact on the interests of existing shareholders	Based on the current issued share capital of 78,416,000 shares and the current conversion price of NT\$34.2 per share, the number of unconverted shares is 180 as of 30 March 2025. If all the outstanding bonds are converted into ordinary shares, the number of shares will increase by approximately 526,000 shares, which is a dilution ratio of 0.67%, and the impact on shareholders' equity will be limited.	
Name of entrusted custodian for the bond exchange	Nil	

## (II) Convertible Corporate Bonds

Unit: NTD

Type of Corporate Bond		The first guaranteed convertible corporate bonds in the R.O.C.		
Item	Year	2023	2024	Current year up to 31 March 2025
	High	182	456	409
Market Value of Convertible Corporate Bonds	Low	109	166	384
	Average	129.96	332.74	405.74
Conversion price		1 January 2023~ 31 March 2023: NT\$39.20  1 April 2023~ 31 December 2023: NT\$36.40 (Note)	1 January 2024~ 29 March 2024: NT\$36.40  30 March 2023~ 31 December 2023: NT\$34.20 (Note)	1 January 2025~ 2 April 2025: NT\$34.20  Since 3 April 2025: NT\$31.70 (Note)
Issuance (processing) date and conversion price at issuance		Issued on 28 November 2022 with a conversion price of NT\$39.20 at issuance		
Method for performing the conversion obligation		Issuance of new shares		

Note: The conversion price is adjusted due to the ex-dividend process.

3. **Preferred shares:** Nil.

4. **Global depositary receipts:** Nil

## 5. Employee Stock Options

### (1) Outstanding employee stock options and the impact on shareholders' interests:

31 March 2025

Type of Employee Stock Options	Second issuance of employee stock option certificates by the Company
Effective date and total units of issuance	23 May 2019 4,550 units
Date of issuance	19 May 2020
Subscription period	4 years from the date of granting
Unit of issuance	203 units
Number of units remaining to be issued	—
Number of shares issued as a percentage of the total number of shares in issue	0.26%
Subscription period	19 May 2020~18 May 2024
Way of performance	Issuance of new shares
Restriction period and ratio (%) of subscription	100% of the stock options are exercisable after 3 years from issuance
Number of shares issued upon exercise of options	0
Amount of options exercised	0
Number of unexercised shares lapsed (Note)	203,000 shares
Number of outstanding stock options	0 share
Subscription price per share for unexercised stock options	-
Number of shares from unexercised options as a percentage of the total number of shares in issue (%)	0%
Impact on shareholders' equity	The Company's stock option holders may not exercise their stock options in full until three years after the employee stock option certificates have been granted. Therefore, the dilution effect on the original shareholders is limited.

Note: Mainly represented the number of shares lapsed as a result of the departure of employees.



Type of Employee Stock Options	Third issuance of employee stock option certificates by the Company	
Effective date and total units of issuance	25 September 2019 2,639 units	
Date of issuance	19 May 2020	6 August 2020
Subscription period	4 years from the date of grant	4 years from the date of grant
Unit of issuance	2,557 units	82 units
Number of units remaining to be issued	–	–
Number of shares issued as a percentage of the total number of shares in issue	3.26%	0.10%
Subscription period	19 May 2020~ 18 May 2024	6 August 2020~ 5 August 2024
Way of performance	Issuance of new shares	Issuance of new shares
Restriction period and ratio (%) of subscription	100% of the stock options are exercisable after 3 years of issuance	100% of the stock options are exercisable after 3 years of issuance
Number of shares issued upon exercise of options	1,380,000 shares	0
Amount of options exercised	NT\$31,464,000	0
Number of unexercised shares lapsed (Note)	1,177,000 shares	82,000 shares
Number of outstanding stock options	0 share	0 share
Subscription price per share for unexercised stock options	NT\$22.80	–
Number of shares from unexercised options of as a percentage of the total number of shares in issue (%)	0%	0%
Impact on shareholders' equity	The Company's stock option holders may not exercise their stock options in full until three years after the employee stock option certificates have been granted. Therefore, the dilution effect on the original shareholders is limited.	The Company's stock option holders may not exercise their stock options in full until three years after the employee stock option certificates have been granted. Therefore, the dilution effect on the original shareholders is limited.

Note: Mainly represented the number of shares lapsed as a result of the departure of employees.

Type of Employee Stock Options	Fourth issuance of employee stock option certificates by the Company	Fifth issuance of employee stock option certificates by the Company	Sixth issuance of employee stock option certificates by the Company
Effective date and total units of issuance	7 May 2020 219 units	9 July 2021 2,461 units	24 December 2021 1,158 units
Date of issuance	27 April 2021	20 August 2021	21 January 2022
Subscription period	4 years from the date of grant	4 years from the date of grant	4 years from the date of grant
Unit of issuance	219 units	2,460 units	1,030 units
Number of units remaining to be issued	—	—	128 units
Number of shares issued as a percentage of the total number of shares in issue	0.28%	3.14%	1.31%
Subscription period	27 April 2021~ 26 April 2025	20 August 2021~ 19 August 2025	21 January 2022~ 20 January 2026
Way of performance	Issuance of new shares	Issuance of new shares	Issuance of new shares
Restriction period and ratio (%) of subscription	100% of the stock options are exercisable after 3 years of issuance	100% of the stock options are exercisable after 3 years of issuance	100% of the stock options are exercisable after 3 years of issuance
Number of shares issued upon exercise of options	219,000 shares	1,760,000 shares	868,000 shares
Amount of options exercised	4,007,700	28,864,000	15,276,800
Number of unexercised shares lapsed (Note)	0 share	610,000 shares	60,000 shares
Number of outstanding stock options	0 share	90,000 shares	1020,000 shares
Subscription price per share for unexercised stock options	-	NT\$16.40	NT\$17.60
Number of shares from unexercised options as a percentage of the total number of shares in issue (%)	0%	0.11%	0.13%
Impact on shareholders' equity	The Company ' s stock option holders may not exercise their stock options in full until three years after the employee stock option certificates have been granted. Therefore, the dilution effect on the original shareholders is limited.	The Company ' s stock option holders may not exercise their stock options in full until three years after the employee stock option certificates have been granted. Therefore, the dilution effect on the original shareholders is limited.	The Company ' s stock option holders may not exercise their stock options in full until three years after the employee stock option certificates have been granted. Therefore, the dilution effect on the original shareholders is limited.

Note: Mainly represented the number of shares lapsed as a result of the departure of employees.

**(2) The names of the management officers and the top ten employees who obtained the employee stock options, acquisition and subscription**

31 March 2025; Unit: thousand shares

	Position	Name	No. of shares acquired	No. of shares acquired as a percentage of total no. of shares in issue	Exercised				Not Yet Exercised			
					No. of shares subscribed	Subscription price	Subscription amount	No. of shares subscribed as a percentage of total no. of shares in issue	No. of shares subscribed	Subscription price (NT\$)	Subscription amount (NT\$'000)	No. of shares subscribed as a percentage of total no. of shares in issue
Management officers	Director (Note 1)	Chang Tung I	380	0.48%	358	16.40 ~ 22.80	6,909	0.46%	22	17.60	387	0.03%
	Director (Note 2)	Teng Chiou-Shiang										
	Chief Financial Officer	Lam Pui Man										
	Vice President	Chang Po Chao										
	Audit Officer	Ko Chun Ming										
	Information Security Officer	Chen Chih-Ming										
Staff (Note 3)	Senior Associate	Heng Chai Lon	1,319	1.68%	1,239	16.40 ~ 22.80	26,440	1.58%	80	17.60	1,408	0.10%
	Senior Associate	Kim Haeng Seon										
	Deputy General Manager	Kim Seon Dae										
	Senior Associate	Sou Eng Hwa										
	Senior Associate	Lin Ji Xiong										
	Senior Associate	Goh Ngak Hee William										
	Senior Associate	Kwak Kiyoun										
	Senior Associate	Choi Hong Young										
	Senior Associate	Hui Man Wai										
	Associate	Chen Yi Yen										

Note 1: Being the President of the Company.

Note 2: Being the Vice Executive President of a subsidiary.

Note 3: Being the Vice President of the subsidiary.

## 6. Restricted shares for employees

### (1) Restricted shares for employees that have not satisfied all vesting conditions and impact on shareholders' interests:

31 March 2025

Type of Restricted Shares for Employees	2024 Employee Restricted Share Awards ("RSA")
Effective date and total units of issuance	26 June 2024 500,000 shares
Date of Issuance	None
Number of issued Restricted Shares for Employees	0 share
Number of Restricted Shares for Employees to be issued	500,000 shares
Issue Price	Nil
Number of shares issued as a percentage of the total number of shares in issue	0%
Vesting Conditions of Restricted Shares for Employees	<p>i. An employee who remains employed by EASTECH Group after 1 year has elapsed from the time of the grant of the RSA and has met the personal and company overall performance evaluation criteria set by the Company, will be eligible for vesting of 50% of the shares granted.</p> <p>ii. An employee who remains employed by EASTECH Group after 2 years has elapsed from the time of the grant of the RSA and has met the personal and company overall performance evaluation criteria set by the Company, will be eligible for the vesting of 50% of the shares granted.</p> <p>1) Personal Performance Evaluation Criteria: The latest annual personal performance evaluation mark is 80 or above.</p> <p>2) Company overall Performance Evaluation Criteria: Based on the most recent annual audited consolidated financial statements at the end of the entitlement period, the company must achieve either one of the following conditions:</p> <p>a) Revenue Growth (compared to the previous year): 5% or above increment; or</p> <p>b) Operating Profit Margin: Achieve 5%</p>

Restrictions before employees meet the vesting conditions once the Restricted Shares for Employees are received or subscribed for	<ul style="list-style-type: none"> <li>i. Before fulfilling the vesting conditions, an employee may not sell, pledge, transfer, give to another person, create any encumbrance on, or otherwise dispose of RSA.</li> <li>ii. Before fulfilling the vesting conditions, the RSA can participate in stock and cash dividends, subscription of shares by cash, voting and so on, the rights of which are the same as the ordinary shares issued by the Company.</li> <li>iii. After issuance, the RSA must immediately be deposited in trust or custody. Before fulfilling the vesting conditions, there is no reason or way to request the trustee or custodian banks for return of the shares.</li> </ul>
Stock trust custody for Restricted Shares for Employees	<ul style="list-style-type: none"> <li>i. After issuance, the new RSA must immediately be deposited in trust. The company is authorized to negotiate, sign, amend, extend, terminate, and terminate trust custody agreements on behalf of employees, as well as transfer, dispose, or otherwise deal with the trust assets, and undertake other actions based on these regulations.</li> <li>ii. Before fulfilling the required vesting conditions, the new RSA issued by the Company in accordance with this Rule will be held by trust in custody of shares granted to employees having the nationality of Republic of China and will be held in custody by appointed custodian banks for shares granted to employees of other nationalities.</li> </ul>
Measures to be taken when employees fail to meet the vesting conditions	Where employees fail to meet the vesting conditions, the Company will withdraw issued shares without compensation and cancel all shares granted to employees.
Number of Withdrawn Restricted Shares for Employees	0 share
Number of Cancelled Restricted Shares for Employees	0 share
Number of unvested Restricted Shares for Employees	500,000 shares
Number of unvested Restricted Shares for Employees as a percentage of the total number of shares in issue	0.64% (Note)
Impact on shareholders' equity	The dilution of the Company's earnings per share is limited, so there is no significant impact on shareholders' equity.

Note: The calculation is based on the total issue shares of 78,416,677 shares

- (2) **Names of the management officers and the top ten employees who obtained the restricted shares for employees and details:** The 500,000 shares declared effective on 26 June 2024, all of which have not yet been issued as of 31 March 2025.

**7. Mergers and acquisitions**

- (1) **Mergers or acquisitions in progress:** Not applicable.

- (2) **Split in progress:** Not applicable.

**8. Issuance of new shares due to acquisition of shares of another company:** Nil.

**9. Implementation of the fund utilization plan:** Nil

## IV. OPERATIONAL HIGHLIGHTS

### 1. Business activities

#### (1) Scope

##### 1. Principal Business

The Company is principally engaged in the design, manufacturing and sales of high-end/smart speakers, speaker systems, audio/video electronic home entertainment systems and earphones; research and development of system architecture, new product concepts, state-of-the-art products and sound and acoustic advance technology.

##### 2. Key Products and Proportion to Turnover

Unit: NT\$'000

Item \ Year	2023		2024	
	Amount	%	Amount	%
Home Audio	7,089,333	66.62	7,197,174	58.01
Personal Audio	2,477,029	23.28	4,092,430	32.99
Transducer Speaker	334,730	3.15	413,043	3.33
Others	739,428	6.95	702,819	5.67
Total	10,640,520	100.00	12,405,466	100.00

Note: Others include CKD (speaker units, plastic parts, semi products) and molds.

##### 3. Existing Products (Services) of the Company

Home Audio	Home theater, Sound Bars
Personal Audio	Portable wireless speakers, AI music center and earphones
Transducer Speaker	Premium transducers, automotive transducers, acoustic kits
Others	Molds, CKD (speaker units, plastic parts, semi-finished products)

##### 4. Planned development of new products (service) project

###### (1) Introduction of new technology: Bluetooth Low Energy, BLE

In respect of audio technology, new models of Bluetooth Low Energy audio (BLE audio) in 2023 and 2024 under research and development will be fully launched including a complete range of home and personal audio products and earphones. LE Audio, which uses low-energy Bluetooth spectrum for communication, has the feature of saving power consumption during operation. LE Audio is not only compatible with Classic Audio devices which use Bluetooth Classic spectrum but also supports more new functions. In addition to saving power through wireless communication, LE

Audio also introduces a more power-efficient (Low Complexity Communications Codec (LC3), which can maintain sound quality while reducing the computing requirements of the source devices, Bluetooth earphones, and speakers for audio processing.

- (2) Environmental protection application: We have researched and developed products which use environmentally friendly materials in packaging and products, including the use of solar panels for charging to increase the diversity of power sources and increase the usage time.
- (3) Research and development of new material: Development of differentiated technology content such as new material for diaphragm and vacuum sputtering method to improve the performance of acoustic sound quality.

## **(2) Industry overview**

### **1. Current Industry Status and Development**

The Company is a holding company established in the Cayman Islands in February 2011. Its operating subsidiaries focus on the research and development, manufacture and sales of speaker systems, audio/video electronic home entertainment systems, headphones, acoustic kits, transducer speaker, as well as smart speakers and smart wears for a wide range of applications in downstream end markets, including home theatres, audio combinations, computers/tablets, game consoles, digital music players, smart phones, mobile wireless speakers, smart audio and other consumer electronic products.

The main products of the Company and its subsidiaries are electro-acoustic products, which can be divided into microphones and speakers, commonly known as loudspeakers. The loudspeaker industry (also known as the electro-acoustic industry), of which the Company and its subsidiaries belong to, has been developed for years. A loudspeaker is a device that converts electrical signals into audio signals, an important component for sound output of electronic audio-visual products. The structure of a loudspeaker is divided into three main parts: the vibration system, the magnetic circuit and the body. Most of the beautiful sounds heard by human beings are transmitted through loudspeakers, which are used in a wide range of applications. The main products of the Company and its subsidiaries, speaker systems and earphones, are described below:

#### **(1) Speaker Systems and Audio/Video Systems**

As a component of consumer electronics, the demand and supply of loudspeakers is closely related to the standard of living of the population and the popularity of technology products. However, thanks to the development of wireless technology, there are now a large number of speaker systems, especially small and portable ones that use Bluetooth technology, allowing them to play music from a mobile phone or other Bluetooth-enabled device without the need for a cable.



In terms of personal audio, the trend is to go wireless and electronic. In the future, voice recognition will become the main interactive interface for IoT (Internet of Things) devices, smart home systems and AI service applications. As more information is accumulated using virtual personal assistants (VPA), AI, deep learning and machine learning all require huge ecosystems to provide and accumulate large amounts of data and information, and wireless speakers play an important role, while voice control has become the biggest highlight and buying point in recent years and will bring exponential growth. In terms of home audio, the popularization of large-size TV and other related hardware devices, coupled with consumers' access to OTT (streaming media service) type and media content, has led to a rise in demand for high-definition audio and video entertainment and increasing consumer demand for home theatres and Sound Bars. With home theatre systems and Sound Bars (one-piece audio systems), Dolby Digital surround sound can be perfectly reproduced. Digital audio technology has significantly improved the quality of home audio and video enjoyment. According to research institutions, the value global home theater market in 2020 amounted to US\$15 billion, with more than 40% of U.S. households have a home theater system, European region is the world's second-largest home theater sales market, and Asia is the strongest growth momentum of the development of the region, it is estimated that by 2027, the global market value of the home theater market will reach US\$48.1 billion, reached the compound annual growth rate of 18.1%. However, the current weak economy plus the bonus brought by pandemic has ended, which means that the market competition has become more severe, correction may occur, or only the development of medium and high price products is profitable. Nevertheless, in the long term, the penetration rate of the market is only accounted for 10%, which still has growth potential.

## (2) Headphones

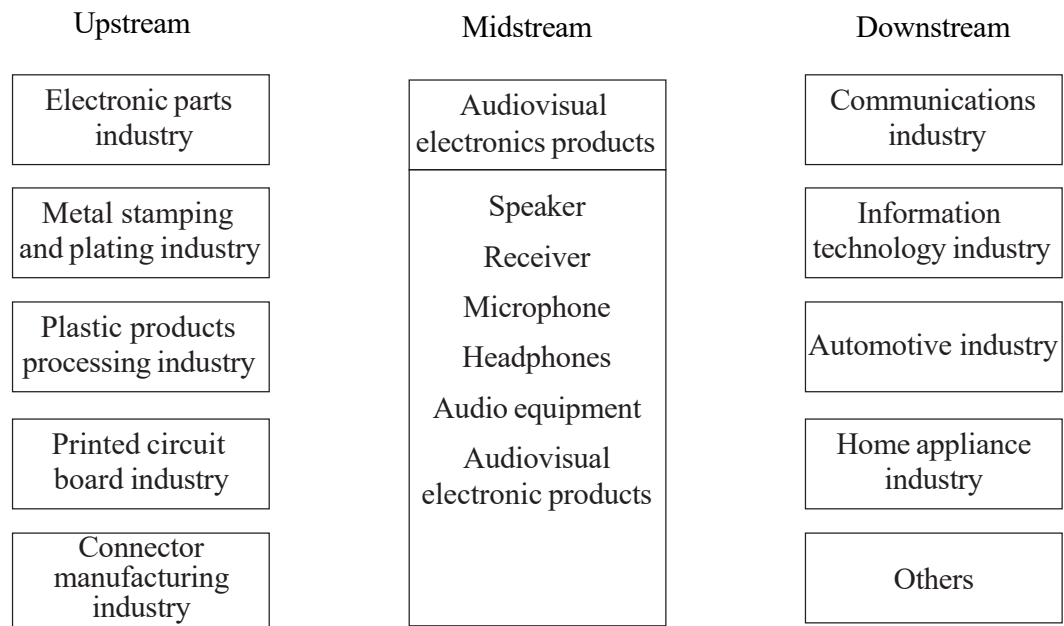
Headphones, the main products of the Company and its subsidiaries, are devices that convert electronic signals into acoustic signals and serve as an indispensable component of audio output in various devices. Headphones are generally independent of the source and are connected by wired or wireless means. In recent years, with the rapid development of the tablet computer and smartphone industries, headphones have become more and more important to consumers as an external output device for these audio sources, and the demand for their appearance and sound quality has also increased.

With the development of wireless headphones and technologies such as Bluetooth, the quality and efficiency of wireless transmission has improved, and the technology and applications continue to evolve and change. According to a survey by a research institute, global headphones are expected to grow by 18% in 2024, and in-ear true wireless Bluetooth headphones (TWS) are also expected to grow by 5%. This market will have more opportunities for specification growth in the future. The reason why AI is becoming increasingly important in the Bluetooth audio chip market is that consumers' demand for cross-scenario usage (Hybrid mode) is gradually increasing. After all, it is unlikely that they will buy multiple earphone products for different usage scenarios.

## 2. Relationship between the upstream, midstream and downstream industries

In the industrial supply chain of the audio-visual electronic products manufacturing industry, upstream manufacturers of plastic injection, metal stamping, wire processing and electronic parts provide relevant components which are tested by electro-acoustic manufacturers in terms of assembly nature and then sold to the downstream industry for use through the electro-acoustic manufacturers' or their agents' distribution channels. The downstream and product end-use industries include the communications, information technology, automotive and home appliance industries.

The audio-visual electronics and headphones produced by the Company are mainly used in downstream end-use products such as home theaters, audio combinations, computers/tablets, game consoles, digital music players and smart phones.



Source: Taiwan Industry Economics Services

### 3. Development Trend and Competition of Products

#### (1) Development Trend of Products

##### ① Speaker Systems and Audio/Video Systems

In recent years, the rapid evolution of digitalization and networking, and the popularity of portable electronic consumer products namely LCD TV, notebook, tablet computer and smart phones have drastically changed the demand of consumers for audio and video entertainment. To cater for the consumers' demand for audio/video experience, the whole speaker industry is under considerable transformation. Different kinds of speaker systems are unveiled in line with the transformation of the downstream electronic consumer products. As such, the life cycle of products is diminished, the technologies of speaker products and electronic digital systems integrate, and the industry is developing towards multi-functions, wireless and miniature in size.

Audio products have been supplied by Driver and Loader. Recently, however, it has been gradually shifted to the mode of supply by wireless transmission or by streaming mode. The size of main unit is thus greatly reduced. This trend has enabled the shift to product unification of main unit and speakers from the separate installation of main unit and speakers. The size of sound products is reduced and the popularity among customers is greatly enhanced. In addition, smart speakers with voice as an interface and with connection to the Cloud become a household intelligent assistant or digital hub. As the use of AI music center increased and the expansion of the popularity of Smart homes, wireless streaming of audio content became popular. According to the statistics from GII Global

Information, the global AI music center market is expected to grow to US\$26.77 billion between 2022 and 2028, with an estimated compound annual growth rate of 10.34%. It is expected that these products will continue to grow.

Currently, loudspeakers have gradually become an essential consumer product in most places. In view of the rising standard of living around the world and the popularity of loudspeakers and their application products, manufacturers are committed to developing more advanced acoustic technology and creating high-quality audio and video experiences for home entertainment. TV equipped with single-unit surround sound and high-end Bluetooth speakers offers high resolution sound quality players, LDAC audio coding and smart wireless Multi-room streaming functions as well as advantages such as online music streaming services. The acoustic technology enables the sound quality and real sensation of music when it is created and recorded can be demonstrated. With the booming development of next-generation consumer electronics, the global production value and market scale of loudspeakers will show a steady growth trend in the coming years.

## ② Earphones

The growth of the headphone industry is primarily driven by consumers' preference for enhancing their portable audio experience, coupled with the consumption habits fostered by mobile technology and broadband wireless networks for streaming music. Benefiting from this trend are True Wireless Stereo (TWS) earphones, which are compact, easily portable in their charging cases, and free from the constraints of wires between the earbuds. These features make them highly popular among younger demographics and sports enthusiasts. To ensure seamless user experience across various environments and usage needs, it is crucial to enable users to adjust settings without removing the earphones, such as conversing with others or manually switching noise-canceling modes in noisy environments. The speed of switching between different modes significantly impacts user experience.

Technologically, this involves addressing three key aspects: motivation judgment, sound characteristic judgment, and environmental judgment, to meet the diverse needs of consumers. The reduction in technical costs for TWS products has blurred the differentiation between high-end and low-end products in the market. Consequently, manufacturers are shifting towards developing value-added features beyond just listening. Spatial audio and noise-canceling functions with sound source isolation are expected to become focal points in software development for TWS earphone brands. Additionally, several new brands have already launched products with AI capabilities, mostly integrating AI voice assistants and promoting applications in business and office scenarios. It is anticipated that each TWS Bluetooth earphone brand will develop AI types corresponding to vertical application scenarios to meet various AI application needs.

Although wearing headphones for a long period of time may damage hearing, hearing impaired people use hearing aid headphones to improve the quality of life of the hearing impaired. In terms of public application, public space broadcasting through the headset directly to the human ear, not only can reduce the noisy building broadcasters, there are dead corners, or environmental noise interference problems, but also simple multi-language broadcasting, do not have to worry about international airports, there are always people who cannot understand the broadcasting of the content of the problem; Similarly, when watching TV or movies, the LE Audio specification headset can respond to multi-language, the user can choose their own language they would like to listen to.

## (2) Competition

The loudspeaker industry is labor- and capital-intensive and has entered a mature stage after a long period of development. The industry chain clustering effect is obvious, mainly OEM/ODM order taking with fierce price competition in the industry. Manufacturers need to achieve economy of scale in production through cheap labor, equipment expansion and technology standardization, and gain profits through strategies such as cost control or product differentiation.

The Company and its subsidiaries have been engaged in acoustic product manufacturing for many years and have a professional engineering team in the fields of acoustics, electronics, hardware, software and systems. They have accumulated rich experience in the field of loudspeaker manufacturing and have mastered the core technology of loudspeaker manufacturing. With our superior product design and development capabilities and vertically integrated production supply chain, we have provided OEM services for audio/ video electronics and earphone systems for various international well-known brands and have established long-term sound partnership with our brand-name customers. In addition, the Company strive to explore new potential applications, new technologies and new customers, adopt differentiation in place of price competition to achieve better business performance, and provide customers with one-stop shopping and comprehensive acoustic solution services from OEM, ODM to JDM (Joint Design Manufacturer) with flexible business models, which will help the Company and its subsidiaries to maintain their market position and competitiveness.

## (3) Technology, research and development (“R&D”)

### 1. Technical level and R&D of the business operated

In the manufacturing industry of audio-visual electronic products, R&D and product innovation capabilities are the key factors to success for the Company in competing with its peers in the world. The Company has cultivated its own R&D unit for many years, which has formed a complete work division flow and integration system, comprising functions of acoustic and electronic R&D, structural development, software/hardware engineering capabilities. In

the meantime, the Company has developed the speaker unit development technology for more than 20 years. In the 2019 CES, the Company successfully launched the “PUNKTKILDE™”, which is a new brand of quality sensors. This product line is a series of sensors designed by Scan-Speak and produced by the Company, which introduces the Danish design, a functionalistic design style, to more customers around the world by providing superior sound quality and economies of scale. Coupled with its advanced wood carving technique of loudspeaker and plastic injection technology as well as the electronic technologies of sound devices, we can provide customers with high standards of R&D design with international standard audition studio and cutting-edge speaker development technology by using Klippel® and installing world-leading design tools such as COMSOL. Since being able to cater for the new product development of international manufacturers, the Company obtained ISO 9001 and ISO 14001 international quality assurance systems in 2006 and obtained TS16949 certification in 2016. In addition, the key components of the speaker systems are mainly made in its own factory to ensure the stability of product quality and delivery guarantee.

Technology of earphones are further enhanced together with electro-acoustic software and upgraded electro-acoustic equipment, which becomes a High Resolution technology and is applied in developing the touch Bluetooth® headphones and Voice enabled earphones equipped with Digital Signal Processing (DSP) and Clear Voice Capture (CVC) noise reduction technology. Hence, it ranks amongst the top R&D technologies.

## 2. R&D Personnel and their Qualification (and Experience)

Unit: No. of individual

No. of individual/Year		2023	2024	As at 31 March 2025
Education Background Distribution	Doctoral	0	0	2
	Postgraduate	6	6	6
	Degree/Professional	187	205	203
	Senior High School	30	27	26
	Below Senior High School	4	2	2

3. R&D expenses per year for the past two years

Unit: NT\$'000

Year	2023	2024
R&D Expenses (A)	293,731	343,330
Net Revenues (B)	10,640,520	12,405,466
The Proportion of R&D Expenses%= (A)/(B)	2.76	2.77

4. Results of Research and Development

The major results of research and development for the past two years and as at the end of the latest period:

Year	Results of Research and Development
2023	Auro 3D Audio Post-Processing System Design for BT and Wireless Speakers
	Gaming SB System Structure
	Professional audio system structure; compressed tweeters
	Voice Coil Speakers for Printed Circuit Board Applications
	"High Resolution" Super Tweeter
	"Green" Speaker Units Using Recycled Materials
	Mems Speakers Advance TWS Development
	Dynamic VC + Planar (Tweeter) 2-Channel System for TWS
	Hearing aid system integration and its applications
	Gaming Headset, TWS System Structure
2024	Headphone's features to support professional musician use-cases
	New tweeter range with Thin-Ply-Carbon-Diaphragm (TPCD) cone material
	Professional "Dual-Concentric" transducers
	First TWS with PSAP (hearing aid) supporting function developed and shipped
	OWS system architecture development
	Continue developing Sustainability roadmaps

#### **(4) Long-term and short-term business development plans**

##### **1. Short-term business development plan**

###### **(1) Research and development strategies and plan**

- A. Enhance the R&D connectivity of voice-controlled and various wireless transmission (e.g. Wi Fi, Bluetooth, 5G, Chromecast, Airplay 2, etc.) and audio products.
- B. Utilize the self-developed patent high-efficiency speakers, providing audio cavity modules and kit modules for international brands.
- C. Enhance the R&D of production process of the customized high- end (HI-FI) speakers and Pro Audio speakers.
- D. Increase the R&D of high-end earphones such as TWS, High Resolution (Hi-Res) drive unit and smart sports Bluetooth earphone.
- E. Collaborate with major customers in software technology to provide the latest technology solutions to customers of the brands and enhance competitiveness.

###### **(2) Production strategies and plans**

- A. Understand the market trend and set the production direction accordingly and clarify the positioning of the factory.
- B. Actively reform and improve production efficiency and processing technology.
- C. Invest in assembly automation and energy-saving equipment to reduce labor force and energy. Accelerate the automation equipment that enlarges the speaker unit.
- D. Keep improving production to enhance productivity of the plant. Set up independent production lines according to different categories of customers to meet customer needs. Set annual cost indicators to reduce the costs of material and expenses.
- E. Gradually integrate upwards to increase the added value of the product. Establish a dust-free constant temperature and humidity production line for the production of high-end products.
- F. Establish more professional plants and carry out grading transformation of plant areas and plants.

###### **(3) Operating and financial strategies and plans**

- A. Establish a comprehensive human resources system, use industry-academia collaboration with the universities where Vietnam University Tatung Company to cultivate outstanding acoustic talents.



- B. Provide subsidized tuition and fees for Vietnamese students from Tatung University to train the R&D cadres of the Vietnamese factory and to develop local talents.
- C. Establish a comprehensive quality system and establish an internal knowledge management system in accordance with the requirements of major international clients.
- D. Strengthen the international business team, focus on high-end customers of advanced audio and the fast-growing Sound Bars market and smart audio market.
- E. In response to the increasing labor costs in Mainland China, the capital expenses in China are focused on the investment in automation equipment.

## 2. Long Term Development Strategies and Plans

### (1) R&D Strategies and Plans

Developing light and portable speaker systems is a market trend and the new speakers are equipped with VUI AI Audio Systems while the design of the speaker driver needs to be improved by using new materials or changing structure in order to enhance audio quality. By making use of the technology of the world-class transducer brand Scan-Speak from its subsidiary in Denmark, PUNKTKILDE<sup>TM</sup>, a high-quality and cost effective mid-priced loudspeaker in a wide range of audio products. This further procures the promotion of speakers in domestic and international markets and thus the speakers can be embedded in those new hardware devices. The Company provides total solution for all customers, providing the latest and most appropriate solution for branding customer to enhance the differentiate competition.

Audio unit forms part of home entertainment systems and its outlook has to fit well with the overall furnishing and style of users' decoration. Therefore, we will allocate resources on reaching breakthroughs of sound box materials, so as to satisfy users with refreshing and harmonized designs.

## (2) Production Strategies and Plans

- A. Establishing long-term partnership with customers by providing reliable quality products so that they can focus on market development.
- B. Transforming from high labor- intensive production to semi-automated production and from physical labor to AI collaborative labor by using automatic equipment and through product transformation.
- C. Strengthening the R&D centers in Taiwan, Shenzhen, Huiyang and Singapore so as to support the engineering development capabilities of the plants.
- D. The establishment of the Vietnamese factory can circumvent the punitive tariffs on Chinese products sold to the United States, which brings great advantages to us for striving to provide customers with low-end and high-volume products and appropriately dividing the quotations in Mainland China.

## (3) Operational and Financial Strategies and Plans

- A. Promoting the idea of internationalization and strengthening the international management capability, while at the same time recruiting different talents from the world, so as to reach excellent standards in terms of R&D, production, marketing, sales and operation management.
- B. Reinforcing risk control to realize the operation vision of stability, high efficiency and adequate flexibility.
- C. Upholding its target of delivering exquisite audio experience to global consumers, continuing to pay effort on technology improvement and cost effectiveness, in order to provide products and services with maximum market value to branded customers. While expanding the traditional OEM speaker and earphones markets, it actively develops the markets of high-end speaker systems, car speaker systems and electronics speaker systems.

## 2. Market and sales overview

### (1) Market analysis

#### 1. Regions of Major Product Sales (Service Provision)

Unit: NT\$'000

Year Regions	2023		2024	
	Amount	Ratio (%)	Amount	Ratio (%)
South Korea	3,664,628	34.45	4,171,470	33.63
Japan	3,069,896	28.85	3,254,106	26.23
Sweden	1,714,195	16.11	2,833,469	22.84
China (Note)	1,167,174	10.97	1,127,796	9.09
Other	1,024,627	9.63	1,018,625	8.21
Total	10,640,520	100.00	12,405,466	100.00

Note: Including indirect exports

#### 2. Market Share

The Company and its subsidiaries primarily engage in the R& D, manufacturing and sales of speaker systems, earphones and AV electronics products, in which, speakers and audio products with electronics and traditional speakers are the major items contributing to the operating income of the Company and its subsidiaries. It is easy to tap into the speaker manufacturing industry; however, it is hard to become a competitive manufacturer that has good performance in terms of technology, quality control, R&D trials and the ability to meet the delivery period as demand by clients, after-sales service and equipment investment. The Company and its subsidiaries have engaged in the manufacturing of acoustic products for years, accumulated considerable experience in every aspect in respect of manufacturing of speakers, and acquired the core technologies for manufacturing of speakers, and established long-term cooperating relationship with branded clients, and became the strategic partner of multiple well-known branded customers for years, which will help the Company to maintain its market position and share.

### 3. The future demand and supply and growth of the market

#### (1) Speaker Systems

As the lifestyle of consumers has changed in recent years and with the advent of the Internet of Things era, the application of wireless systems equipped with Bluetooth technology has brought much convenience to our everyday life and increased the demand for home entertainment, which is the key driver for the growing demand for speaker systems. In addition, the ability to connect to portable devices such as smartphones, tablets and laptops is also expanding the market scope. The demand for home theater products is also accelerated by the surging number of smart home applications in the global market. According to 《IMARC Group》 the 2021 Globe Newswire Report, the global home theater market is estimated to increase from US\$34 billion in 2021 to US\$56 billion in 2027, from 2022 to 2027 with a compound annual growth rate of 9.19%.

The emergence of sound bars is a result of the highly competitive pricing in the panel industry. With television prices now cheaper than smartphones, TV manufacturers have separated the audio components and developed them as standalone products. This trend has gained significant popularity in the European and American markets and has recently spread to the Asian market.

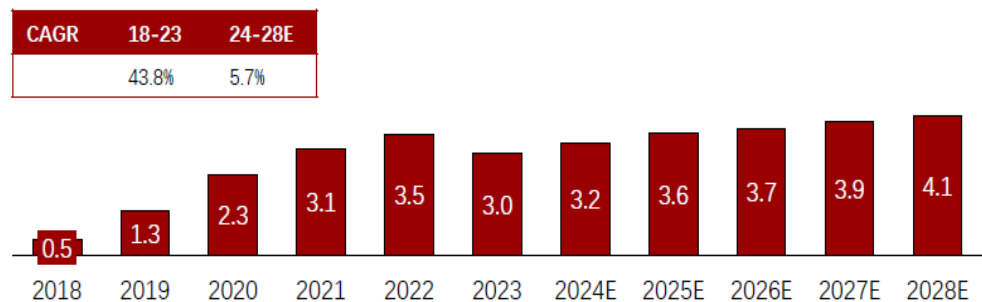
Moreover, Bluetooth technology eliminates the hassle of physical cables in connecting earphones and speaker devices and completely changes the audio transmission mode. Bluetooth audio transmission is mainly used in wireless earphones, wireless audio and in-car systems. Due to the convenience of Bluetooth wireless speakers and the maturity of wireless transmission technology for mobile devices, Bluetooth wireless speakers have gradually become the mainstream of audio equipment in recent years, contributing to the growth of audio speakers. According to the estimation in ABI Research's report on 2022 Bluetooth Market Trends, Bluetooth wireless audio shipments are expected to reach 374 million units in 2022 and increase to 425 million units by 2026. The annual shipment of Bluetooth audio transmission devices is expected to reach 1.42 billion units, an expansion of 1.4 times from 2022 to 2026 with compound annual growth rate reaching 7%. Along with the overall market development and increasing demand for highly flexible and mobile products, Bluetooth technology will continue to expand the scale of wireless audio applications and drive the growth of smart audio products.

## (2) Earphones

Since Apple's AirPods have created a new wave of purchasing frenzy in the market for TWS, the TWS issue has been popular since 2019, and many manufacturers have entered the TWS Bluetooth earphone market and launched new products in 2020 which driven the rapid expansion of this market. Hence acoustic performance and audio quality have become features of the products marketed by manufacturers, it also promoted the penetration of the active noise reduction function. In addition to listening to music, call applications and hearing aid are also becoming the direction of TWS Bluetooth earphone development to meet more users' needs. Looking ahead, according to the TWS market and product development trend report published by Topology Research Institute, it is estimated that the global shipment of TWS Bluetooth earphones will continue to grow year by year from 2018 to 2028.

Shipment of TWS, 2018-2028E

Estimated Global Shipment of TWS Earphones for the years from 2018 to 2028  
Unit: '000 million



#### 4. Competition Niche

##### (1) Maintaining Friendly Cooperation Relationship with the World's Branded Enterprises

The Company and its subsidiaries participate in the early development of customers with its outstanding and professional design, from design, development to manufacturing. It has obtained recognition from the world's top five consumer electronics branded enterprises. Apart from the long-term relationship, the excellent customer services and product quality help the Company and its subsidiaries enhance the relationship with clients from purchase and sale to partnership in new product R&D. With a strong relationship over the decades with branded enterprises, the Company possesses competitive advantage in exploring new clients and competitors are hard to replace the market position of the Company and its subsidiaries.

##### (2) Strong R&D Capability

In recent years, the Company and its subsidiaries actively participated in the R&D of different fields such as digitalization, network music, new broadcasting methods and wireless application so as to cope with the market trend and technology. After many years of development, the Company's R&D department has a team with clear duty allocation and strong capability in the R&D of acoustic, electronic, structural devices and software/hardware, and has built up development foundation for digitalization and wireless broadcasting. Thus, it can swiftly commence design and development upon receipt of the clients' OEM/ODM proposals. The Company set up research and development centers in Taiwan, Shenzhen, Huiyang, Singapore to attract more professionals.

(3) Scale of Economy

Being a large enterprise specializing in the production of speaker systems, the Company and its subsidiaries have its own R&D, design and production capability, thereby it is able to maintain long-term and stable cooperation relationship with branded enterprises and meet their demand. The Company also enjoys scale of economy in terms of raw material procurement and product manufacturing and can effectively control cost and maintain profitability amid soaring raw material prices.

(4) Development of Product Line in Conformity with Market Trend

Stereo products are becoming digitalized, multi-functional, networking, intelligent and light in size. To cope with this trend, the Company and its subsidiaries have the R&D capability of electronic system- integrated speaker systems and will continue to inject resources and explore new product lines so as to keep abreast of music digitalization and networking trends. Besides, in light of the growing concern of environmental protection, the Company and its subsidiaries have also complied with the environmental protection policies announced by EU and US to produce environmental friendly products, enabling the Company and its subsidiaries to become green partners with international enterprises.

(5) Vertical integration, high local content rate and professional core production technology

The key components of speaker systems are mainly self-made, to ensure the quality of the products and to meet the delivery period as demand by clients. The Company and its subsidiaries have experience of years in R&D of speaker units, along with the solid R&D of speaker woodwork and plastic injection technology, and the R&D of digital speaker systems and the manufacturing technology, together with the audition room with international standards and Klippel®, the top notch R&D technology of speakers, the Company can accommodate the demand of international branded clients for R&D of new products.

5. Favorable and unfavorable factors for long-term development and responsive measures

(1) Favorable factors

- A. Leisure trend becomes more popular, which stimulates the demand of consumers for AV equipment

As streaming media, subscription and digital TV become more popular, the cost for consumers to acquire AV information decreases and it becomes more convenient. And since leisure trend becomes more popular, consumers' further demand for AV effects such as 4K high resolution, 3D stereo and three-dimensional sound effects, which create a right in the scene feeling, and they would like to create such AV effects at home. Where Sound Bars system is a leading trend and the demand in the market is increasing continuously, which is positive for the breakthrough of exploring multiple products of the Company and its subsidiaries.

- B. The innovation of functions of consumer electronics increases the desire of consumers to purchase

The improvement in technologies leads to the innovative and diverse development of the function of technology products. New electronic products are heading to the direction of integration that a single product could fulfill multiple needs and usage of consumers, which completely change the habit of consumers and are stimulated to purchase new products for their convenience.

- C. The main sales customers are the pioneers of R&D of consumer electronic products

International branded manufacturers play the role of pioneers in respect of the innovation of AV products and strive to lead the direction of the whole industry through innovation and R&D of AV products. The Company and its subsidiaries have maintained a long-term close cooperation relationship with branded customers in the world, not only fulfilling the demand of international manufacturers in terms of production technology, the R&D of products was also in line with the trend in the market, which gives the Company a better picture in the market, and is positive for the future development of the Company.



(2) Unfavorable factors and responsive measures

A. Shortage of labor and increase in labor cost

The production process of the Company and its subsidiaries still relies on relatively large amount of manpower. Since Mainland China implemented the Labor Contract Law, the basic salary has increased every year, coupled with economic restructuring, the end of demographic dividend and the rise in awareness of labor rights, and the shortage of labor, which led to the increase in production cost. Although automation can replace labor for certain demands, it is difficult to realize fully automated production of components and parts such as electro-acoustic components and wire connectors. Besides, the demands for some highly customized niche products have also brought challenges to full automation.

**Responsive measures:**

The Company strived to improve the production procedure, developed into automatic production to increase production efficiency and reduced the reliance on labor. Through the design of process and the education and training for personnel, the effective utilization of manpower was improved, mainland plants were consolidated to reduce fixed operating costs. Production of certain machines was transferred to the Vietnam plant for comparative benefits.

B. Competitors from different industries reduced the growth of the gross profit margin

In recent years, the development of companies extended as a result of the innovation of products in many traditional industries, for instance, the monitor/TV industry has extended to the AI speaker and consumer electronics assembly factories have also engaged in TWS earphones OEM. For traditional speaker industry, this increased a certain number of competitors. The intensified price reduction of competitors from different industries inhibited the growth of gross profit margin.

**Responsive measures:**

The Company continued to reinforce its advantages in producing good quality sound effects that it takes a relatively long time for competitors to copy. Strengthening of R&D, improvement of production technology and effective cost control were all favorable foundations of the Company.

C. Swift changes in consumer electronic products

AI earphones are bringing growth opportunities to the TWS Bluetooth earphone market. Manufacturers are closely following this trend, leading to intense competition in both technology and pricing. With the gradual maturation of wireless Bluetooth transmission technology, improvements in audio transmission, and the integration of more functional modules, the TWS experience continues to enhance. Beyond listening, TWS earphones are expected to integrate more closely with smartphones in the future, adding more features such as body data detection, more intuitive voice assistants, and noise cancellation. These advancements make the future prospects of TWS earphones highly promising.

**Responsive measures:**

The sales representatives and R&D staff of the Company and its subsidiaries paid attention to the demand of the market at all time and cooperated closely with different branded manufacturers to provide the latest analysis for demand and trend of the market, so as to be the first to capture the opportunities, by researching and developing more innovative and advance product technologies and the technologies of appearance design, to lower the risk arising from the change in demand for consumer electronic products.

D. Impact of the US-China Trade War and Reciprocal Tariffs

The imposition of a 10% tariff by the US on Chinese-made products and the reciprocal tariffs by countries with trade surpluses with the US have significant impacts. In the context of industry fragmentation and de-globalization trends, having a secondary production base outside of China has become a prerequisite for receiving orders. Whether to avoid high tariffs or to flexibly respond to short supply chains, this has become a crucial issue for supply chain members.

**Responsive measures:**

Plant in Hai Duong, a northern province in Vietnam, was completed and started its operation in December 2019. Its output has already surpassed that of the Guangdong Huiyang factory. Although procurement costs are higher than those of the Chinese supply chain, labor costs are cheaper. However, due to the concentration of major OEMs from mainland China and Taiwan in neighboring provinces of northern Vietnam, recruitment has become increasingly difficult, and labor costs are rising. To enhance the value-added efficiency of Vietnamese manufacturing, we aim to increase the ratio of automation and added value, thereby strengthening the operational efficiency and optimization of the multinational multi-factory supply chain.

## E. Impact of ESG Regulations

The EU's CBAM and CSRD, as well as the US's CCA Act, are climate regulations or guidelines in our major markets that require early response.

### **Responsive measures:**

In line with global sustainable development trends, our company is progressively implementing ISO 14064-1 carbon inventory and introducing the ISO 50001 energy management system. This dual approach aims to prepare for future energy-saving and carbon reduction plans with specific improvement measures.

## (2) Major purposes and production process of key products

### 1. Major purposes of key products

Key Products	Major Purposes
Home Audio	Home theater, Sound Bars
Personal Audio	Portable wireless speakers, AI music center and earphones
Transducer Speaker	Premium transducers, automotive transducers, acoustic kits
Others	Molds, CKD (speaker units, plastic parts, semi-finished products)

### 2. The production process of key products

- (1) The production process of speaker systems: paint black plastic on the edges of the horn and woofer → place the horn and woofer → fix the horn → fix the woofer → direct the cables of the horn and woofer → direct the wire → weld the wire → check the phase → stick the back label and staple the mini cable → inject plastic for panels at the four sides → initial assemble → pressure to seal the gap → chamfer → trim the edges → inject plastic to the hole of the column feet at the front panel → check and select plastic sticks → place the plastic sticks → check and place the cloth frame → pressure and fix the cloth frame and plastic sticks → leveling → carry out audio test → tear off the protective film → Q.C. inspection → packaging

- (2) The production procedure of AV electronics: getting the materials from the production lines → SMT solder paste printing → SMT Pasting → Reflow soldering → AOI inspection → visual inspection → horizontal parts assembling → vertical parts assembling → PCB board connectors → wave soldering → PCB board surface repair → PCB ICT → PCB Function Verification Test → assemble speakers on the top case → assemble the PCB board → cables installation/management → internal check → close the cover/lock the bottom case by screws → Function Verification Test for the semi-finished product → Install wire gauze/foot pad → install left and right cap → install PCB board → tighten the screws to lock the wire gauze → Hi-POT test → main unit decoration → Function Verification Test for the finished product → reposition/install left decoration cover → main unit cleansing/ appearance inspection → apply protective film on the covers → put on stickers/scan the bar code → pack the main unit into plastic bag → pack the main unit/sticking of bar code → fold the corrugated box/seal the box → weigh the main unit → stack the AV electronics/place the AV electronics → delivery

(3) Transducer speakers

The production procedure of transducer speakers: glue the pole piece → assemble the support with the pole piece by welding → connect the yoke with the magnet → insert the center fixture → support and pole piece input → drying → remove the center fixture → line up the boards → vacuuming → insert baffle and voice coil → coat glue on three points → fit the vibration board → coil washing → coat glue on the gasket → fix the gasket → appearance inspection → line up the boards → remove the voice coil fixture → direct and wrap the cables → eye soldering → remove the cable remains of the eye → cable adjustment → terminal board soldering → remove the cable remains of the terminal board → cable adjustment for the second time → appearance inspection → coat glue on the dust cap → coat glue on the eye → fit the dust cap → drying → magnetization → polarity inspection → Q.C. inspection → appearance inspection → packaging

(4) Earphones

The production procedure of earphones: pull the cable through the back case → weld the speakers → inspection on the appearance of the welding point → check the phase → inject plastic to the front case (plug in the screws) → assemble the front and back cases → check the resistance → appearance inspection → audio test → electroacoustic test → insert silicon ear cushion → packaging

### (3) Supply of major raw materials

The main raw materials for the products of the Company are IC, circuit boards, electronic components, modules, batteries, plastic particles, planks, drum paper, T-iron, holders, magnets and copper wires, etc. Based on the considerations such as quality, yield rate, stability of delivery as well as cost control, the Company chose to maintain long-term cooperation relationship with excellent manufacturers, and there were at least two or more suppliers to provide main raw materials to decentralize the source. The supply of raw materials was in good condition.

In addition, some components required for Sound Bars and earphones, such as ANC/Bluetooth chips, MCU, power IC, DSP, codec, are in shortage. The shortage of electronic components has relieved, while the increase of raw material prices and shipping fee are often occurred due to the geopolitical tension and the Company will strengthen the integration of electronics, software and acoustics, accelerate the supply resilience of key electronic components, strengthen the partnership with major international brands, and develop new markets, technologies and applications with brand customers to reduce the crisis of electronic component shortage in the future. Due to the Vietnam's supply chain is not as complete as China's, so the two factories in Chinese and Vietnamese need to combine purchases and decentralize acquisitions in order to achieve the best allocation and inventory.

### (4) The name of customers accounting for more than 10% of the total purchase/ sales volume in any year of the past two years, their transaction amount and proportion

1. The name of suppliers accounting for more than 10% of the total purchase volume in any year of the past two years, their sales amount and proportion, and the explanation for the movements: The Company has diverse suppliers, for the past two years and as at the end of the first quarter of 2023, the Company did not have purchases from a single supplier accounting for 10% or more of the total purchases for the past two years.
2. The names of customers accounting for more than 10% of the total sales volume in any year of the past two years, their sales amount and proportion, and the explanation for the movements.

Unit: NT\$'000

2023					2024			
Item	Company	Amount	Percentage of annual net sales (%)	Relationship with the issuer	Company	Amount	Percentage of annual net sales (%)	Relationship with the issuer
1	Company A	3,662,876	34.42	Nil	Company A	4,170,065	33.62	Nil
2	Company B	2,883,308	27.10	Nil	Company B	3,066,934	24.72	Nil
3	Company C	1,711,377	16.08	Nil	Company C	2,828,734	22.80	Nil
4	Others	2,382,959	22.40	–	Others	2,339,733	18.86	–
5	Net sales	10,640,520	100.00	–	Net sales	12,405,466	100.00	–

#### **Explanation for the movements:**

Companies A, B, and C have each benefited from good sales of their individual products and increased customer market demand, leading to an increase in sales orders.

### 3. Number of employees for the past two years and as at the date of publication of annual report

Unit: Person; %

Person/Year		2023	2024	As at 31 March 2025
No. of employee	Management officers (Note)	34	29	29
	Production	1,217	1,459	1,377
	General	1,142	1,183	1,155
	Total	2,393	2,671	2,561
Average age		38.30	37.36	37.69
Average year of service		6.37	5.12	5.20
Academic qualification (%)	Doctoral	0	0	0.08
	Master	1.25	1.05	1.05
	University	25.32	24.22	24.95
	Senior high school	34.48	40.62	39.91
	Below senior high school	38.95	34.11	34.01

Note: Management officers refer to supervisors of associate level or above.

### 4. Environmental protection expenditure

Explanation on, for the past two years and as at the date of publication of the annual report, losses suffered due to pollution (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the provisions of law violated, and the content of the dispositions), and disclosure of an estimated amount that could be probably incurred currently and in the future and the responsive measures, and if such amount cannot be reasonably estimated, the reasons for which it cannot be reasonably estimated: Nil.

## 5. Labour relations

### **(1) Employees' benefits, continuous academic development, trainings, pension system and their implementation, and any agreement between employer and employee and measures to safeguard employees' rights:**

1. Employee benefit, learning, training, retiring systems and their implementation, and Labor agreements and employee interest protection measures.

#### **(1) Employees' Benefits**

Human resources are the most valuable asset of the Company. In order to create a comfortable working environment to ensure concentration of work of the employees, the Company provides benefits according to the requirements of local Labor law and set up Labor union which is responsible for the planning and execution of the benefits and facilitates positive development of the human resources of the Company. Currently, the benefits provided by the Company are as follows:

- ① The Company implements employee benefit initiatives regularly and maintains employee insurance in accordance with local laws.
- ② Human-oriented promotion and transfer policies as well as effective bonus incentive scheme.
- ③ Recreational activities are held.
- ④ School fee subsidies for children of factory employees studying in the Xiu De Chinese – Anglo Kindergarten.
- ⑤ Factory canteen provides nutritious and hygienic food for employees.

#### **(2) Continuous Academic Development and Training**

Talents are the key to maintain core competitiveness of the Company, and continuous academic development and training can help to inspire one's potential, enrich knowledge, lead to effective utilization of human resources, thereby improving the Company's operating results on the whole and achieving the goals of the Company. There are two ways in this regard:

##### **① Orientation Training:**

An orientation program will be provided to new employees before reporting duty, which includes basic knowledge like brief introduction to the Company and the organization, employees' discipline, regulations of the Company, etc.

Introduction is made by personnel department to new employees on the first day of their reporting for duty, which includes employee regulations and benefits. Pre-employment training aims to help new employees to know about the working environment and prepare them for their job.

② On-the-job Training:

The Company will formulate an open program for the next year by the end of each year, which includes internal and external trainings. For internal training, the Company may appoint internal lecturers or external professionals to teach the relevant knowledge; while for the external training, the Company will appoint professional institutes like management Consultancy Company to design the training program.

(3) Pension System and its Execution

For the subsidiary in Taiwan, with effective from 1 July 2005, pursuant to the implementation of “Labor Standards Act” in Taiwan (hereinafter referred to as “new system”), the years of services after selecting the new system for existing staff or newly employed staff will be shifted to defined contribution plan. The Company will contribute a statutory percentage of payroll costs as the retirement fund on a monthly basis and deposit them to Personal Employee Retirement Fund Account. The employees may select to contribute 0~6% of their monthly payroll costs to their Personal Employee Retirement Fund Account. When the employees meet the statutory retirement age, they can apply to get a monthly pension or one-time pension with the government.

The Group maintains a Mandatory Provident Fund Scheme (the “MPF Scheme”), according to the Mandatory Provident Fund Schemes Ordinance for its employees of the subsidiaries in Hong Kong. MPF is an employment-based retirement protection system, the Company and the employees are each required to make regular mandatory contributions with a specified percentage of payroll costs to the Personal Employee Retirement Fund Account. Employees are free to make voluntary contributions in addition to mandatory contributions.

To comply with the pension scheme requirements in the PRC, subsidiaries of the Group in PRC are required to contribute a specified percentage of payroll costs to the retirement plans operated by the relevant local authorities of the PRC.

To comply with the pension scheme requirements in Vietnam, the subsidiary of the Group in Vietnam is required to contribute a specified percentage of payroll costs to the retirement plan operated by the relevant local authority of Vietnam.



- (4) Agreement between employer and employee and measures to safeguard employees' rights

In addition to complying with relevant laws and regulations, the Company has prepared the "Employee Handbook" to govern the right and interest of the employee and the Company. Contravening issues or matters will be discussed in meeting convened by department heads. Employees may express their opinion directly through the suggestion box or other proper channels.

- (2) **Explanation on, for the latest year and as at the date of publication of the annual report, losses suffered due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the provisions of law violated, the substance of the legal violations, and the content of the dispositions), and disclosure of an estimated amount that could be probably incurred currently and in the future and the responsive measures, and if such amount cannot be reasonably estimated, the reasons for which it cannot be reasonably estimated:**

The Company is committed to maintaining harmony between the Company and its employees and resolve problems by carrying out two-way communication and cooperation. Until now, harmonious labor relations have been maintained, and no material labor disputes have occurred.

## **6. Management of information security**

- (1) **Description of the information security risk management framework, information security policy, specific management plans and resources devoted to information security management:**

The Company has formulated an "Information Security Management Policy" and has proactively promoted information security management practices.

We uphold the spirit of being customer-oriented for every section of the Company including order taking, production, material control, financial cash flows and information infrastructure, the Company has developed a diversified system framework and has summarized the hierarchical information system structure.

In respect of these hierarchical information structures, a data backup mechanism has been established, and the backup media is stored off-site. Meanwhile, a daily inspection system has been adopted for the server room and various simulation tests and emergency measures are conducted to ensure the normal operation of critical systems and data security, thereby reducing the risk of system outages caused by unpredictable natural disasters and human error.

The "Information Risk Management Framework" has been specially set up in order to realize the emergency measures for and control and management of disasters to be reported level by level.

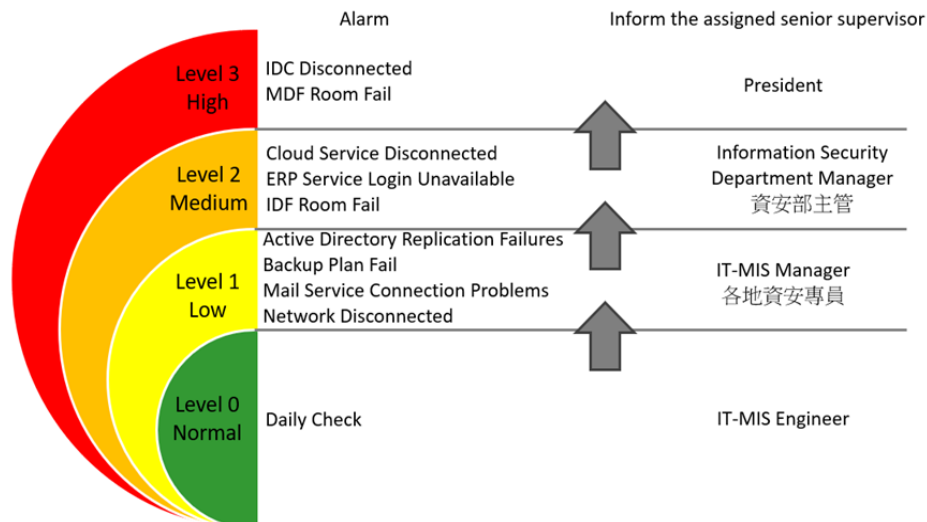
In 2024, we completed a comprehensive inventory summary of the company's information and communication systems, completed a security risk assessment based on the system inventory list, and updated the backup systems of Vietnam factory and Taiwan office. In 2024, we continued to introduce Windows Defender for Office 365 to senior executives and high-risk foreign personnel in the Company to reduce SPAM emails and effectively prevent phishing attacks.

To raise employees' awareness of information security, we launched a Company-wide information security awareness program. In addition, we conducted an email social engineering exercise for all employees, and the results showed good results, with no leakage of accounts or passwords from any colleagues.

The Information Security Department will carry out the following information security work in 2025 and regularly report to the Board on the effectiveness of the execution of the overall information security work based on the implementation results.

- Information security vulnerability scan (server)
- Email social engineering drills
- Check on the information communication system
- Conduct information security risk assessment
- Email social engineering drills

Information risk management framework:



- (2) **Description of, for the latest year and as at the date of publication of the annual report, losses suffered as a result of significant information security incidents, their possible impact and the responsive measures, and, if they cannot be reasonably estimated, the reasons for which they cannot be reasonably estimated:**

For the previous year and as at the date of publication of the annual report, the Company had no significant cyber-attacks or information security incidents.

## 7. Material contracts: Nil.

## V. REVIEW AND ANALYSIS OF FINANCIAL POSITION, FINANCIAL PERFORMANCE AND RISK MANAGEMENT

### 1. Financial position

- (I) The main reasons for and the impact of the significant changes in assets, liabilities and shareholders' equity in the last two years

Unit: NT\$'000; %

Account Items \ Year	2023	2024	Differences	
			Amount	%
Current assets	4,856,909	6,145,226	1,288,317	26.53%
Fixed assets	797,354	819,297	21,943	2.75%
Other assets	353,194	343,243	(9,951)	-2.82%
Total assets	6,007,457	7,307,766	1,300,309	21.64%
Current liabilities	3,056,872	3,609,925	553,053	18.09%
Long-term liabilities	96,472	70,240	(26,232)	-27.19%
Other liabilities	8,050	11,749	3,699	45.95%
Total liabilities	3,161,394	3,691,914	530,520	16.78%
Share capitals	716,934	772,807	55,873	7.79%
Capital reserves	1,027,588	1,139,883	112,295	10.93%
Treasury shares	(24,019)	(24,019)	0	0.00%
Retained earnings (including common stock dividend)	1,072,402	1,530,745	458,343	42.74%
Exchange differences on translation of foreign operations	53,158	196,436	143,278	269.53%
Total shareholders' equity	2,846,063	3,615,852	769,789	27.05%

Description of significant changes: (amount changed over 10% and reached 1% of the total assets of the year)

1. Increase in current assets: Mainly due to the increase in revenue and profit in this period compared with the previous period, resulting in an increase of NT\$1,329,756 thousand in major operating assets (inventory, accounts receivable and cash) at the end of this year compared with the end of last year.
2. Increase in total assets: As mentioned in 1 above, this is mainly due to the increase in current assets.
3. Increase in current liabilities: As mentioned in the 1 above, this is mainly due to the increase of major operating liabilities (accounts payable and other payables) by NT\$619,721 thousand at the end of this year compared with the end of last year. In addition, due to the exercise of convertible corporate bonds in this period, the current period decreased by NT\$125,572 thousand.
4. Increase in total liabilities: mainly due to an increase in current liabilities.
5. Increase in capital reserves: mainly due to the increase of convertible corporate bonds and employee stock options during the two periods, which led to an increase in capital reserves.
6. Increase in retained earnings: Mainly due to an increase in profits in the current period.
7. Increase in foreign exchange differences in the translation of foreign operating entities' financial statements: Exchange differences arise from the transfer of net assets of foreign operations from their functional currencies to the functional currency of the Company's financial statements, which is New Taiwan Dollar. The increase in exchange differences in the translation of financial statements of foreign operating entities was mainly due to the appreciation of the Hong Kong dollar, RMB and Vietnamese dong against the New Taiwan dollar at the end of 2024 compared with the end of last year.
8. Increase in total shareholders' equity: the increase in total shareholders' equity as compared with the corresponding period in last year was mainly due to the significant increase in "share capital", "capital reserves", "retained earnings" and "foreign exchange differences in the translation of foreign operating entities' financial statements".

**(II) Future addressing significant impacts: there is no significant impact on the Company's finances and business.**

**2. Financial performance**

**1. The main reasons for and the impact of the significant changes in net sales, operating profit and profit before tax in the last two years.**

Unit: NT\$'000; %

Account Items \ Year	2023	2024	Differences	
			Amount	%
Gross sales	10,647,000	12,451,255	1,804,255	16.95%
Less: Sales returns and allowance	6,480	45,789	39,309	606.62%
Net sales	10,640,520	12,405,466	1,764,946	16.59%
Cost of sales	8,987,270	10,269,429	1,282,159	14.27%
Gross profit	1,653,250	2,136,037	482,787	29.20%
Operating expenses	1,081,449	1,249,907	168,458	15.58%
Operating profit	571,801	886,130	314,329	54.97%
Non-operating income	91,067	219,935	128,868	141.51%
Non-operating expenses and losses	115,110	35,908	(79,202)	-68.81%
Profit before tax	547,758	1,070,157	522,399	95.37%
Less: income tax expenses	14,448	117,539	103,091	713.53%
Profit after tax	533,310	952,618	419,308	78.62%

Description of major changes: (amount changes over 10%, and reaches 1% of the total assets of the year)

1. Increase in net sales, cost of sales and gross profit: In 2024, driven by strong shipments from Japanese and Korean brands and European customers, net sales and cost of sales increased compared with the previous year. Benefiting from favorable factors such as stable raw material prices and optimized production efficiency, the gross profit margin in 2024 was 17.2%, higher than 15.5% in the same period of last year. Gross profit increased by NT\$482,787 thousand.
2. Increase in operating expenses: This was mainly due to the increase in operating expenses in this period because of the increase in income and the increase in provisions for employee bonuses and benefits compared with the same period of last year.
3. Increase in operating profit: mainly due to the increase in gross profit of NT\$482,787 thousand for the current period, less than the increase in operating expenses of NT\$168,458 thousand.
4. Increase in non-operating income and profits: mainly due to the exchange profit generated in 2024, and the increase in bank interest and dividend income compared with the same period of last year.
5. Decrease in non-operating expenses and losses: Mainly due to the net valuation loss of financial instruments measured at fair value through profit or loss in 2023.
6. Increase in profit before tax: mainly due to the significant increase in operating profit and net non-operating income in 2024.
7. Increase in income tax expense: mainly due to the increase in profit before tax of subsidiaries within the Group compared with the same period of last year.
8. Increase in profit after tax: mainly due to the significant increase in profit before tax in 2024, less the increase in income tax expenses.

## 2. Expected sales volume and its basis, and its possible future financial impact on the Company and response plan

The Company mainly sets the annual output target based on the customer's estimated demand, capacity plan and historical operating performance. The Company will pay attention to the changes in market demand from time to time in order to expand the market share and enhance the profit of the Company. The Company's future business should be sustainable, and it will maintain a good financial position.

## 3. Cash flow

### (1) Analysis of changes in cash flow for recent years

#### 1. Analysis of changes in cash flow for the recent year

Unit: NT\$'000; %

Items \ Year	2023	2024	Increase (decrease) amount	Percentage Of increase (decrease) (%)
Net cash inflow from operating activities	1,174,669	974,877	(199,792)	-17.01%
Net cash outflow from investing activities	(38,162)	(171,476)	133,314	349.34%
Net cash outflow from financing activities	(169,161)	(533,849)	364,688	215.59%
<b>Analysis of changes:</b> <ol style="list-style-type: none"> <li>Operating activities: Mainly due to the significant increase in profit before tax in 2024 compared with the same period of last year, but due to the increase in revenue scale, the net assets generated by operations (excluding cash) increased compared with the previous year, so the cash inflow generated by operating activities decreased by NT\$199,792 thousand compared with the same period of last year</li> <li>Investing activities: Mainly due to the net cash outflow from the purchase of real estate, plants and equipment in 2024 increased by NT\$ 120,986 thousand compared with the same period of last year.</li> <li>Financing activities: This is mainly due to the fact that the cash inflow from the exercise of stock options by employees in 2024 decreased by NT\$49,138 thousand compared with the same period of last year, and the cash outflow from cash dividends distributed in this period increased by NT\$297,878 thousand compared with the same period of last year, resulting in a net cash outflow from financing activities of NT\$364,688 thousand compared with the same period of last year.</li> </ol>				

## 2. Improvement plan for insufficient liquidity

The Company and its subsidiaries have a close relationship with their bankers and have established good financing and credit standing to enrich their working capital. The Company has increased the amount of medium-term bank loan facilities to avoid funding long-term investment with short-term loans. Under the growth of revenue and stable profits, the Company has no threat of lacking liquidity or short of funds under reasonable liquidity requirement.

### **(2) Cash liquidity analysis for the coming year**

The Company expects that the cash on hand and cash generated from operations by the end of 2025 will be sufficient to cover various cash expenditures including capital expenditures and operations, and there is bank credit available for use, so the cash liquidity will be good in the coming year.

## **4. The impact of material capital expenditure on financial position for the latest year**

The Company's acquisition of fixed assets in 2024 amounted to NT\$182,723 thousand which was regular capital expenditure, mainly for the acquisition of automated machinery and equipment and replacement of existing production equipment. The source of funds is its own funds, and the aforesaid capital investment is expected to bring about production efficiency improvements and lower production costs in the future, so it will not have a significant impact on the financial position of the Company.

## **5. The equity investment policy for the latest year, the major reasons for its gain or loss, improvement plan and investment plan for the next year**

### **(1) Equity investment policy of the Company**

The Company's current investment policy is to invest primarily in horizontal distribution, upstream and downstream vertical integration and organizational streamline related to the production industry and does not engage in investments outside the industry in which it operates. The investment policy was implemented by the relevant implementation departments in accordance with internal control regulations including the methods of "Investment Cycle" and "Management Procedures for Acquisition and Disposal of Assets". These methods or procedures have been considered and approved by the Board or/and shareholders.

**(2) The main reasons for the profit or loss of investment in recent years and improvement plans**

Unit: NT\$'000

Item	Gain or (loss) recognized in 2024	Major reasons for the gain or loss	Improvement plan
Investment business			
Eastern Asia Technology (HK) Limited (“EAH”)	483,996	In good position with both holding and physical operations.	N/A
Eastech (Huizhou) Co., Ltd. (“EAHZ”)	220,875	In good operating conditions.	N/A
Eastech (SZ) Co., Ltd. (“ESZ”)	27,772	In good operating conditions.	N/A
Scan-Speak A/S (“ScS”)	3,147	Designing the Group’s high-end products and shaping the image of the Group’s acoustic flagship products. The Group is self- sustaining and does not rely on profit-making as an aspiration to maintain good-operating conditions.	N/A
EATL Electronics (HK) Limited (“ETH”)	300,522	In good operating conditions.	N/A
Eastech (SG) Pte. Ltd. (“ESG”)	(8,209)	Provide logistical support services for the group's innovative product development and design, with the goal of breaking even.	Increase service fee income to balance recurring expenses, thereby achieving a break-even situation
Eastech (VN) Company Limited (“EAVN”)	242,704	In good operating conditions.	N/A
Eastech Microacoustics (HK) Limited (“EMH”)	-	The company was dissolved in the second quarter of 2024	N/A
Eastech Innovations (TW) Inc. (“ETW”)	42,343	In good operating conditions.	N/A
Eastech Trading (VN) Company Limited (“ETV”)	(83)	The company was dissolved in the fourth quarter of 2024	N/A



### **(3) Investment Plan for the Next Year:**

The following projects are under our potential investment plan for the next year:

- (1) Production is dispersed across bases in China and Vietnam. We continuously optimize the allocation of production resources and introduce an occupational safety and health management system. Actively planning to establish a third production base to cope with the impact of the tariff war.
- (2) Promote intelligent production, increase the proportion of production automation, connect automation and manufacturing systems, continuously optimize manufacturing operation models, and increase investment in high-efficiency energy-saving and AI testing equipment for models with large order volumes from major customers.
- (3) Invest in innovative technologies, recruit industry experts, and devote more R&D resources to the Company's future new product categories and enter new markets or new fields, such as gaming headsets, professional stage audio and hearing aids. Develop new products under the own brand PUNKTKILDE™ series of sensors and actively plan OEM cooperation opportunities for the Danish subsidiary.
- (4) Plan ESG sustainable development, actively introduce energy-saving and high-efficiency devices, AI in the manufacturing field and green environmental protection policies and expand more green audio products. The energy management system was fully introduced to accelerate the formulation of energy-saving plans, strengthen the management of greenhouse gas emissions, energy, water resources and waste, and invest in the second phase of solar energy installations in Vietnam factory.
- (5) Invest in information security management systems and equipment to strengthen information security and risk management and increase network protection.

## **6. Analysis and assessment of risks for the latest year and as of the date of issue of the annual report**

### **(1) The impact of interest rates, exchange rate changes, and inflation on the Company's profit and loss and future response measures**

#### **1. The impact of interest rates on the Company's profit and loss and future countermeasures**

The Company's financial costs for 2024 were NT\$9,348 thousand, accounting for approximately 0.1% of net sales, a very small proportion. The Company's bank loan balance was zero and the cash level was high at the end of 2024 which accounting for approximately 35% of total assets. Therefore, the interest rate increase has a positive effect on the Company's profit and loss, as the interest income from bank deposits was increased. In addition, in response to future operational risks and changes, the Company still maintains flexible credit lines with banks. If the Company has financing needs in the future, it can adjust the use of funds in a timely manner.

#### **2. The impact of changes in foreign exchange rates on the Company's profits and loss and future countermeasures**

The Company's sales and purchases are mostly settled in US dollars. The exchange gain in 2024 was NT\$92,924 thousand, accounting for approximately 0.7% of its net sales; the ratio is very small, so the exchange rate changes have little impact to the Company.

#### **Countermeasures:**

Participate in financial institution forecast, adherence to the principle of holding the same currency as the transaction currency for payment and take the net position to avoid risks, maintain foreign exchange.

- ① positions according to the future trend of foreign exchange rates to support the needs of the operations of subsidiaries of the Group and reduce the impact of changes in foreign exchange rates to profit or loss of the Company.
- ② Monitor changes in the foreign exchange market, understand the trend of changes in foreign exchange rates, and adjust according to the accidental changes in types of currency of receivables and payables in a timely manner. Under the regulative measures such as the Company's "Handling Procedures for Engaging in Derivative Products Transaction", leverage the ways of forward exchange contract and borrowing debts in foreign currency in a timely manner to reduce the impact of changes in foreign exchange rates to the profit and loss of Company.

**3. The impact of inflation on the Company's profit and loss and future countermeasures**

Geopolitical risks and monetary policies of major central banks have brought about the impact of high inflation, and enterprises may face an increase in the cost of raw materials and labor costs. In line with our original intention, the Company will continue to adjust its operating structure, transform and introduce products in line with the market trend to enhance the quality and quantity of the Company's products and strive to increase profitability. At the same time, the sales strategy, cost structure and trading conditions are adjusted to cope with the impact of inflationary changes in accordance with the market situation and the international situation. With the fast-changing overall economic environment, the Company has not yet experienced any immediate and significant impact due to the inflationary trend.

**(2) The major reasons for the policies, profit or loss of high-risk, high-leverage investment, capital loan to others, endorsement guarantee and derivative commodity trading, and future response measures.**

The Company has formulated “Management Procedures for Acquisition and Disposal of Assets”, “Operating Measures for Capital Loan to Others”, “Administrative Measures for Endorsement Guarantees”, and “Processes for Trading Commodity Derivatives”, etc. to act as the basis of compliance for the Company and its subsidiaries to engage in relevant activities.

- (1) As of 31 December 2024, the Company did not engage in high-risk, high-leverage investments.
- (2) In addition, based on the operation of each operating entity's subsidiaries and the Group's financial scheduling flexibility, the Company and its subsidiaries provide capital loans, and endorsement guarantees to the 100% of the reinvested subsidiaries (or sub-subsidiaries) to reduce the Group's uneven capital allocation and reduce capital borrowing or idle cost. As of 31 December 2024, the actual capital loan of EAH and EAVN amounted to US\$6 million (approximately NT\$196,500 thousand), the aforesaid loans and all are dealt in accordance with the relevant operating procedures regulations.
- (3) Saved as the financing endorsement guarantees for bank borrowings provided by the Company to the Company's subsidiaries, namely EAH, ETH, EAHZ and EAVN, the Company has not given any other endorsement or guarantee for others, and EAH and ETH, subsidiaries of the Company, issued guaranteed convertible bonds for the

Company and appointed banks to provide medium-term performance guarantees, and EAH and ETH provided endorsement guarantees for the medium-term performance guarantees in accordance with the terms and conditions approved by the banks. The above endorsement guarantees are all carried out in accordance with the relevant operating procedures. Overall, the loans of subsidiaries and the guarantees of the parent company are the same loan while the risk is not doubled, and there is no adverse impact on the consolidated loss.

### **(3) Future research and development plan and expected research and development expenses**

- i. The research and development of products is the driving force for the development of the Company, and the focuses of research and development of the Company focus in 2025 are as follows:
  1. Cooperate with partners on the joint research and development of wireless speakers system, main focus of which is on LE Audio solutions and product development, with horizontal expansion in systems (Sound Bars, BT wireless Speakers, Headphones).
  2. Development and further expansion of SoCs of the TV Sound Bars embedded standard to provide multiple choices of turn-key solution; we are also developing new product categories such as "UWB", "FlexConnect" and "360 Surround" to expand the application of audio Home-Cinema products.
  3. In-depth research and development of Pro Audio acoustic applications and solutions to improve the sound quality and performance of Pro speaker product categories such as stage speakers and Guitar Amp.
  4. Deepen R&D and apply hearing aid functions to headphones more quickly.
  5. Enhancement and development of new products under our own brand, the Punkkilde™ series sensors. Focusing on small size and large sound pressure models, we are exploring new technical capabilities and materials, exploring toward headphone driver design and providing new ideas for new species of products.
  6. Continue to establish long-term goals with suppliers on environmental protection, energy saving and carbon reduction, recycling or natural decomposition of raw materials and packaging materials, etc., make better use

of environmentally friendly materials in the production of various types of products, which will help in fulfilling our green commitment and CSR practice.

7. In response to the supply chain's supply of master chips, the Company will develop a strategy of multi-sourcing, multi-sharing and reuse in design to reduce the risks faced by products in this area. We are also working with our main suppliers to develop new product applications to increase our competitive value in advance.
  8. Invest more R&D resources in the company's new product strategy in the future, in the layout and planning of manpower (especially in software development), resources (more elite and diversified), plans (combined with earlier cooperative development of IC design), and new technologies (SoC, materials and sound quality).
- ii. Research and development plan, intellectual property rights acquisition plan and estimated investment costs

The research and development expenses of the Company in 2024 were NT\$343,330 thousand, representing approximately 2.77% of the operating income, which increased NT\$49,599 when compared with the research and development expenses in 2023 of NT\$293,731 thousand. In 2025, the research and development expenses required to invest continuously for the sustainable development of the Company and expected to account for 2%-4% of the revenue amount.

## **Intellectual Property Strategy:**

The Group closely integrates the innovation in acoustic product R&D with the Company's operational objectives to formulate an intellectual property development strategy and management framework. This strategy helps to consolidate the Group's innovation capabilities and transform them into intellectual property assets with competitive advantages.

### **[Management Measures]**

#### **● Patent**

In recent years, the Group has continuously optimized and upgraded its intellectual property management strategy, promoting the patent proposal system and actively fostering an internal culture of R&D innovation to enhance technological development and innovation capabilities in the field of acoustic products. Additionally, patent search, analysis, and risk assessment mechanisms are introduced in the early stages of product development to effectively reduce potential infringement risks. At the same time, the Group has established a rapid response and search mechanism to handle intellectual property disputes such as third-party external infringement warning letters, ensuring quick responses and proper handling, further strengthening the protection and management of corporate intellectual property.

#### **● Trademark**

For the Group's core trademark EASTECH and the speaker unit trademark PUNKTKILDE™, the Group adopts a long-term regional trademark layout strategy to protect brand identity and support market expansion and brand image enhancement.

#### **● Business Secret**

The Group has successfully implemented the business secrets protection project for the automated unit production lines in the Huiyang factory and plans to further establish a business secrets registration and management system to ensure the security of key manufacturing technologies and proprietary technologies.

#### **● Copyright**

Adhering to the principle of respecting intellectual property rights, the Group continues to promote software legalization and copyright compliance through cross-departmental collaboration at the Huiyang factory, Vietnam factory, and Shenzhen R&D office. Additionally, in response to external copyright issues, the Group further strengthens cross-departmental coordination mechanisms and establishes an intellectual property response and relief team to ensure rapid assessment and proper handling of related matters. Through a systematic intellectual property management mechanism, the Group consolidates competitive advantages, promotes sustainable innovation, and ensures the security and development of the Company's core intellectual assets.

### **[Implementation]**

In recent years, the Company has continued to promote its intellectual property management program and actively implement various strategies and measures. The specific implementation is as follows:

- In 2022, the Group visited the Huiyang factory, Vietnam factory, and Shenzhen R&D office to promote software legalization management and strengthen internal intellectual property response mechanisms to ensure compliance and risk control.

- In 2023, the Group deeply explored core innovative R&D technologies and simultaneously carried out substantial patent layout to enhance the Group's technological competitiveness and market advantages.
- In 2024, the Group combined core innovative technologies with high-tech enterprise certification, actively promoted patent applications in China, and obtained multiple approvals. At the same time, the Group initiated patent applications in the United States to ensure intellectual property protection in international markets. Additionally, the Group established a rapid response and search mechanism to handle intellectual property disputes such as third-party external infringement warning letters, and introduced patent search, analysis, and risk assessment in the early stages of product development.

#### **[List of intellectual property currently obtained]**

##### ● **Patents:**

As of 2024, the layout of the patent applications of the Group has covered China, the United States, Japan, Taiwan and Vietnam and other regions. In which, a total of approximately 80 patent applications were filed and granted. Among them, in 2024, we actively applied for patents in China and the United States and have successively received official notification certificates such as approval of Chinese new model patents, invention patents and Vietnamese invention patents.

##### ● **Trademark:**

As of 2024, more than 90 trademarks were registered effectively.

##### ● **Business secrets:**

As of 2024, the Group implemented the business secrets protection project for the automated transducer production lines in Huiyang factory.

##### ● **Copyright:**

As of 2024, the Group continue to promote software legalization management and the internal cross-unit immediate handling and relief mechanism for external copyright warning letters in Huiyang and Vietnam factories and Shenzhen R&D office.

**(4) The impact of important domestic and foreign policies and legal changes on the financial position of the Company and future countermeasures**

The company was registered in the Cayman Islands, and its main operating places are Hong Kong and Mainland China. The products are eventually sold all over the world. The major economic activity of Cayman Islands is financial services. Hong Kong, the United States, Japan, Europe and Mainland China are major economies in the world, which have relatively stable economic development and political environment. The speaker systems and earphones developed and sold by the company are consumer goods, which is not a licensed or restricted industry. The implementation of the Company's various businesses are handled in accordance with important domestic and international policies and laws, and we pay attention to the important domestic and international policy development trends and legal changes and respond to changes in the market environment and take appropriate countermeasures. Therefore, the Company has no significant matters affecting its financial position due to the changes in important policies and laws in the Cayman Islands or Mainland China.

**(5) The impact of changes in technologies (including information security risks) and industry on the financial position of the Company and future countermeasures**

The business of the Company is electronic audio / audio-visual products. While hearing is one of the five senses of humans, the biological demands for sound analogy are irreplaceable. Although the sizes of traditional large speakers and wireless transmission were affected by the smaller speakers as the modern people strive for “efficiency” and “simplicity”, and wired earphones were gradually replaced by wireless Bluetooth earphones. However, both of the large and small speakers are included in the scope of business of the Company. Technologies emerged because of humanity. The Company always follows the trend and keeps abreast with the times to go forward together with our clients by introducing products with new forms, new technologies and new applications, including artificial intelligence smart audio. Therefore, there is no material adverse impact of changes in technologies and industry on the financial position of the Company.

As our business is audio-visual peripheral products, not main unit or computer/mobile phone products, there is no risk of hacking and even if there is a security problem, we are not directly dealing with consumers. As for information security risks on the production side and the Company's operations, the data side is outsourced to Chunghwa Telecom's server room and cloud and is backed up on a regular basis. The software used is regularly backed up with legal copyrighted products and regular preventive measures are in place. Therefore, we can ensure that the information security risk is not a concern.

**(6) The impact of changes in corporate image on the risk management of the Company and future countermeasures**

The Company is an OEM/ODM/JDM manufacturer of speaker systems. Since its establishment, it focused on the operation of its main business and providing one-stop full-service acoustic solutions. The Company has the most comprehensive team in audio, structure and speaker development and engineering, and establishes good and long-term relationships with the clients of the brand. The operating results and reputation of the Company are good. Therefore, the Company should have no issue of corporate risk brought by the changes in corporate image.



**(7) The expected resultant benefits, potential risks and countermeasures of implementation of mergers and acquisitions**

Apart from the integration of companies with the same region and functions within the Group into one company to enhance synergy and reduce unnecessary duplication of expenses, there are no external mergers and acquisitions.

**(8) The expected benefits and potential risks of plant expansion and countermeasures**

The Company has established dual production bases in Huiyang, China and Hai Duong Province in northern Vietnam. As a transnational production base, it can also coordinate production and sales to provide customers with diverse choices. In response to the US-China trade war and geopolitical risks, the Company continues to strengthen its overseas production capacity layout in the third production location and adjusts its production capacity allocation to prepare for the trade tariff war in order to enhance its resilience and readiness.

**(9) Risks and countermeasures for purchasing or sales concentration**

1. The risks and countermeasures of concentration of purchasing:

The Company did not have any supplier whose purchase ratio exceeds 5% in 2024. The speakers industry has become mature with various upstream supplying plants and sufficient resources, and thus the risk of supply interruption is minor. Overall, there is no risk of over-concentration on purchasing.

2. The risks and countermeasures of concentration of sales of goods:

The Company is a specialist loudspeaker system manufacturer and ships to international brand name customers or their appointed OEMs. In addition to our close working relationship with our branded customers, over 90% of our operating income is generated from the production of products specified by our international branded customers. However, as the Company's customers are all international brands of audio-visual electronics and the Company is an important supplier of speakers/acoustic products to the aforementioned major brands of audio-visual electronics, the international manufacturers have a considerable degree of reliance on the Company. The Company is not exposed to the risk of concentration of sales, as the Company has been a strategic partnership for decades based on quality, delivery and cooperation, and international majors are less likely to change their supply chains.

**(10) The impacts, risks and countermeasures of a large number of shares transferred or replaced by directors, supervisors or shareholders holding more than 10% of the Shares of the Company: Nil.**

**(11) The impacts, risks and countermeasures of changes in operating rights of the Company: Nil.**

**(12) Litigation or non-litigation events - major litigation, non-litigation or administrative arbitration event which involves the Company and its directors, supervisors, presidents, actual responsible person, major shareholders holding more than 10% of the shares and its subsidiaries with judgment confirmed or still in litigation, and its consequences may have material impact on the interests of shareholders or security prices:**

Eastech Electronics (Taiwan) Inc. (“ETT”), a subsidiary of the Company, received a consumer lawsuit from the U.S. in September 2022, in which ETT was listed as one of the co-defendants, along with thrift stores and brand owner. As the Court lacks specific jurisdiction over ETT, the plaintiffs have agreed to remove ETT from the list of defendants. The insurance company that underwrites ETT’s product liability insurance is in the process of defending the lawsuit and handling the litigation, and as of 28 February 2025, no specific amount of compensation has been claimed. With ETT’s extinction since the merger of ETT and Eastech Innovations (TW) Inc. (“ETW”) that took place on 28 September 2023, the final outcome of the lawsuit is still being dealt with by the surviving company, ETW, and therefore, it has no significant impact on the financial and business operations of the Group at this time.

Eastech (Huizhou) Co., Ltd. (“EAHZ”), a subsidiary of the Company, had purchased defective chips from Sunplus Technology Co., Ltd. (“Sunplus Technology”) of which were defective, causing the products manufactured by EAHZ to malfunction. In order to protect its rights, EAHZ has authorised the Group's subsidiary in Taiwan, ETW, to file a civil lawsuit for compensation against Sunplus Technology. The lawsuit is currently being accepted by the Taiwan Hsinchu District Court, but no ruling has been made yet. The Group has already made full provisions for losses in respect of the aforementioned claims for related products before 2023 and therefore does not expect the final outcome of the lawsuit to have a material adverse impact on the Group’s financial aspect.

**(13) Other important risks and countermeasures: Nil.**

**7. Other significant matters: Nil.**

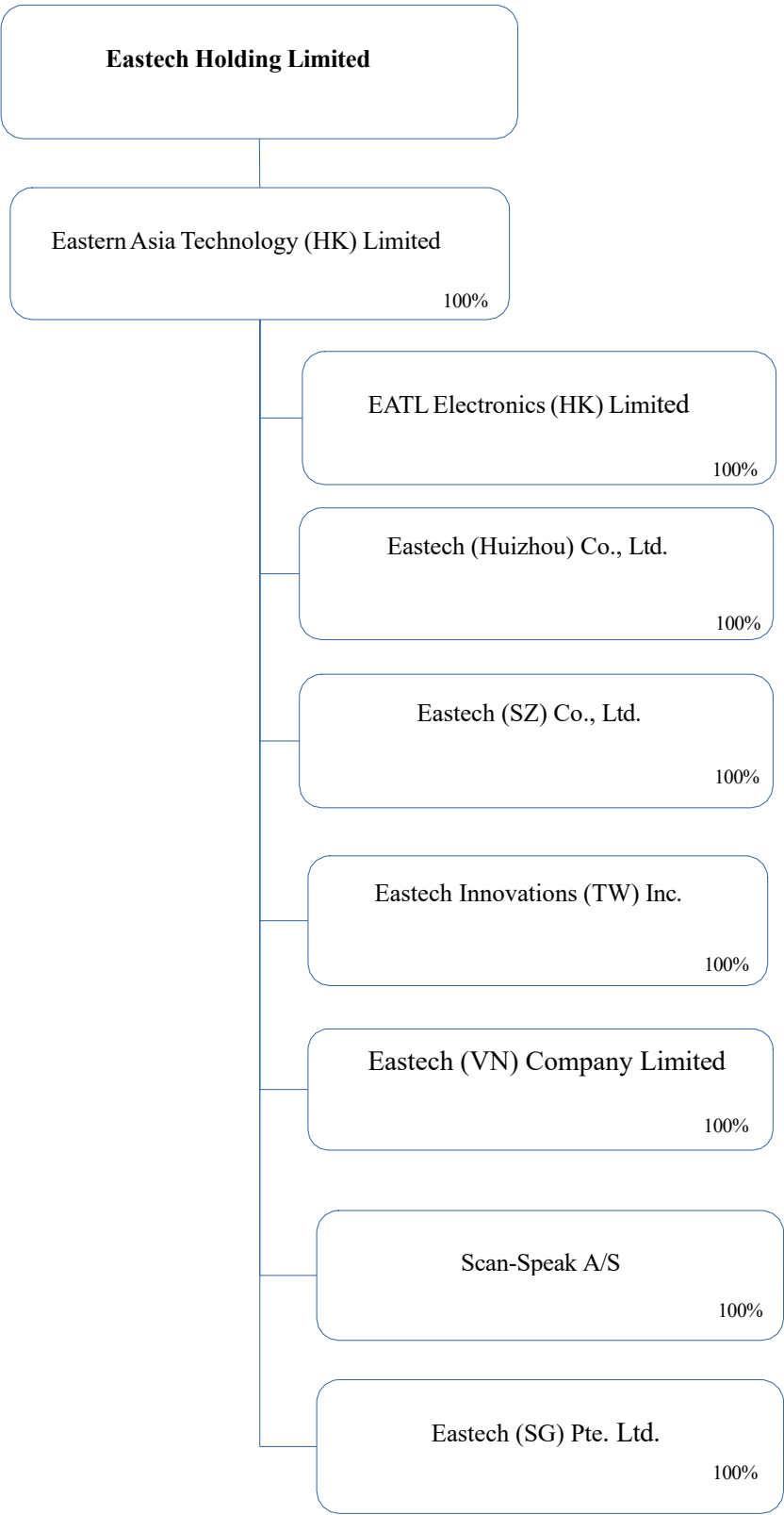
**VI. SPECIAL DISCLOSURE**

**1. Information on affiliates for the latest year**

**i.Consolidated business reports of affiliated enterprises**

1. Affiliated enterprises diagram

31 March 2025



## 2. Basic information of each affiliated enterprise

31 December 2024 Unit: dollar

Company	Date of Establishment	Contact Address	Paid-in capital	Principal Business or Products
EAH	12 January 1988	Unit 906, 9/F, Nanyang Plaza, 57 Hung To Road, Kwun Tong, Kowloon, Hong Kong	HKD 80,000,000	Sales of speaker systems and headphones
EAHZ	07 November 2002	No. 188, Yinfeng 1st Road, Dongfong District, Xinxu, Huiyang, Huizhou City, Guangdong, China (Building AB, C, D, E, F, G, H, I)	USD 19,302,896	Manufacture, assembly and sale of speaker systems and accessories, headphones, smart speakers and audio/video electronic home entertainment systems
ESZ	13 November 2013	801-802, International Science & Technology Building, No. 3007 Shennan Middle Road, Futian Street Funan Community, Shenzhen, Guangdong, China	RMB 2,000,000	Import and export trading of audio accessories, machinery and equipment, etc.
ScS	30 August 1983	N.C. Madsensvej 1, 6920 Videbaek, Denmark	DKK 1,320,045	Research and development, production and sale of high-end unit transducers
ETH	14 March 1996	Unit 906, 9/F, Nanyang Plaza, 57 Hung To Road, Kwun Tong, Kowloon, Hong Kong	HKD 80,000,000	Sale of smart speakers and audio/video electronic home entertainment systems and headphones
ESG	04 October 2017	1 Pemimpin Drive, #08-06, One Pemimpin, Singapore	SGD 50,000	Research and development of system frameworks/new product concepts/state-of-the-art products and sound and acoustic advanced technology
EAVN	25 January 2019	Lot B2-4, Cong Hoa Industrial Park, Cong Hoa Ward, Chi Linh City, Hai Duong Province, Vietnam	USD 8,000,000	Production, assembly and sale of unit speakers/ Bluetooth speakers and headphones
ETW	2 July 2020	8/F.-1 No. 188, Baoqiao Road, Xindian District, New Taipei City, Taiwan R.O.C.	NTD 215,000,000	New technology development and product design development

3. Presumption of relationship of control or subordination, information of the shareholders in common: Nil.
4. The industries covered by the business of the overall affiliated company
  - (1) The business operations of the Company and its affiliates include manufacture and sale of speaker systems and headphones products; design, manufacture and sale of high-end/smart speakers and audio/video electronic home entertainment systems; research and development of system architecture/new product concept/state-of-the-art products and sound and acoustic advanced technology.

(2) Details of segregation of functions:

Company Name	Principal business or production items	Details of segregation of functions
EAH	Investment holding, trading	Holding company, trading of audio products
EAHZ	Production of audio products, electronic products and earphone products	Production of audio products and earphone products as well as domestic sale in China and sales to affiliated companies
ESZ	Import and export of audio products and materials	Audio products, materials and mechanical equipment import and export business
ScS	Transducer manufacture and processing, sale of self-brand products	Transducer speakers manufacture and processing, sale of Danish self-brand products
ETH	Trading of electronic products	Receiving trade orders and sale of audio products
ESG	Development and design of electronic products	Singapore R&D center
EAVN	Production of various audio and electronic products	Production of audio products and its domestic and export sale
ETW	Research, development and design on acoustic technology	Taiwan R&D Centre

5. Operational results of each affiliate enterprise

31 December 2024; Unit: except the amount of capital is denominated in foreign currency, others are denominated in NTD thousands

Company	Amount of capital	Total Assets	Total Liabilities	Net Assets	Net Sales	Operating profit (loss)	Net profit (loss)	Earnings (loss) per share (in NTD)
EAH	HKD80,000,000	2,600,816	520,445	2,080,371	5,469,102	179,116	483,996	6.05
EAHZ	USD19,302,896	2,465,344	1,686,159	779,185	5,420,619	165,931	220,875	N/A
ESZ	RMB 2,000,000	603,600	533,265	70,335	1,421,622	15,510	27,772	N/A
ScS	DKK1,320,045	158,846	35,438	123,408	193,558	3,536	3,147	2.38
ETH	HKD 80,000,000	2,687,603	1,778,522	909,081	6,890,944	273,589	300,522	2.61
ESG	SGD50,000	14,322	17,687	(3,365)	-	(36,348)	(8,209)	(164.18)
EAVN	USD8,000,000	2,288,170	1,418,048	870,122	5,632,448	270,139	242,704	N/A
EMH	N/A	-	-	-	-	-	-	N/A
ETW	NTD215,000,000	322,989	44,164	278,825	-	(94,634)	42,343	1.97
ETV	N/A	-	-	-	-	(144)	(83)	N/A

Note: Limited company without shares.

## 6. Information of directors, supervisors and general managers of each affiliate enterprise

31 March 2025

Company	Position	Name or representative	Shareholding	
			No. of shares (shares)	Percentage of Shareholding (%)
Eastern Asia Technology (HK) Limited	Director	Pai Chin Chang	0	0
	Director	Wong Kar Sue	0	0
Eastech (Huizhou) Co., Ltd.	Director	Liou Jenq Lin	0	0
	Director	Hui Man Wai	0	0
	Director	Lin Ji Xiong	0	0
	Supervisor	Lam Pui Man	0	0
Eastech (SZ) Co., Ltd.	Director	Lam Pui Man	0	0
	Director	Hui Man Wai	0	0
	Director	Lin Ji Xiong	0	0
	Supervisor	Teng Chiou Shiang	0	0
Scan-Speak A/S	Director	Liou Jenq Lin	0	0
	Director	Pai Chin Chang	0	0
	Director	Chang Tung I	0	0
	Director	Teng Chiou Shiang	0	0
	Director	Lee Kheng Wee	0	0
	Director	Chan Hoi Lung	0	0
	Director	Jennifer Liou Emmert	0	0
EATL Electronics (HK) Limited	Director	Liou Jenq Lin	0	0
	Director	Lam Pui Man	0	0
Eastech (SG) Pte. Ltd.	Director	Lee Kheng Wee	0	0
Eastech Innovations (TW) Inc.	Director	Representative of Eastern Asia Technology (HK) Limited: Chang Tung I	0	0
	Director	Representative of Eastern Asia Technology (HK) Limited: Teng Chiou Shiang	0	0
	Director	Representative of Eastern Asia Technology (HK) Limited: Chang Po Chao	0	0
	Supervisor	Representative of Eastern Asia Technology (HK) Limited: Lam Pui Man	0	0

- (b) **Consolidated financial statements of affiliated enterprises:** same with the consolidated financial statements, please go to Market Observation Post System (<https://mops.twse.com.tw/>) and click on “Single Company” under “Electronic Document Download” and then “Financial Statements” for query.
- (c) **Declaration on consolidated statement:** Not applicable.
2. **Private placement of securities during the latest year and as of the date of issue of annual report:** Nil.
3. **Other required supplementary notes:** Nil.
4. **Matters which have a significant impact on shareholders' equity or securities prices as stipulated in Article 36(3)(ii) of the Securities and Exchange Act during the latest year and as of the date of issue of annual report:** Nil.



**5. Explanation for significant discrepancy with national regulations on shareholders' rights protection:**

Important matters for shareholders' rights protection	Provisions under the Articles of Association and explanation for discrepancy
<p>The Company shall not issue bearer shares.</p> <p>The Company adopting shares with par value shall not convert to shares without par value; likewise, the Company adopting shares without par value shall not convert to shares with par value.</p>	<p>The Board of the Company has proposed an amendment to the 2025 Annual General Meeting for the shareholders' rights protection as amended in May 2024.</p>
<ol style="list-style-type: none"> <li>1. The Company shall announce the notice of convening the general meeting, proxy forms, the agenda of matters for acknowledgment, discussion, election or dismissal of directors, and explanatory materials for each proposal 30 days before the annual general meeting or 15 days before the extraordinary general meeting.</li> <li>2. If the Company adopts written voting at the general meeting, the aforementioned materials and the written voting forms shall be sent to the shareholders.</li> <li>3. When the Company convenes a general meeting, it shall prepare a meeting handbook and announce the handbook and other relevant meeting materials 21 days before the annual general meeting or 15 days before the extraordinary general meeting. However, if the Company's paid-in capital reaches NT\$2 billion or more at the end of the most recent fiscal year, or if the foreign and mainland Chinese shareholding ratio recorded in the shareholders' register reaches 30% or more at the most recent annual general meeting, the electronic files of the aforementioned materials shall be completed and transmitted 30 days before the annual general meeting.</li> </ol>	<p>The Board of the Company has proposed an amendment to the 2025 Annual General Meeting for the shareholders' rights protection as amended in May 2024.</p>

Important matters for shareholders' rights protection	Provisions under the Articles of Association and explanation for discrepancy
<ol style="list-style-type: none"> <li>1. A shareholder who has held at least one percent of the total number of shares issued for more than six months may request the Audit Committee in writing to file a lawsuit against the directors on behalf of the Company, and the Taipei District Court of Taiwan shall be the court of first instance.</li> <li>2. If the Audit Committee does not file a lawsuit within 30 days after the shareholder's request, the shareholder may file a lawsuit on behalf of the Company, and Taiwan Taipei District Court as the first tribunal for jurisdiction.</li> </ol>	<p>The Board of the Company has proposed an amendment to the 2025 Annual General Meeting for the shareholders' rights protection as amended in May 2024.</p>

# **Eastech Holding Limited**

Chairman      Representative of Eastech  
Innovations (Taiwan) Inc.:  
Liou Jenq Lin