

Stock code : 6237



## **C-Media Electronics Inc.**

2026 Annual General Shareholders' Meeting

Meeting Handbook

(Translation)

June 26, 2026

*Notice to Readers*

*This English version is a translation of the Chinese version for reference only. In the event of any discrepancy between the two versions, the Chinese version shall prevail.*

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# **I. Meeting Procedure**

C-Media Electronics Inc.

Meeting Procedure of 2026 Annual General Shareholders' Meeting

1. Meeting Commencement Announced
2. Chairman's Address
3. Report Items
4. Proposal Items
5. Discussion Items
6. Extraordinary Motions
7. Adjournment

## II. Meeting Agenda

C-Media Electronics Inc.

### Agenda of 2026 Annual General Shareholders' Meeting

Meeting Time: 9 a.m., June 26, 2026

Venue : No. 32, Lane 266, Sec. 2, Zhishan Rd., Shilin Dist., Taipei City, Taiwan (Chin Chin Garden Restaurant Versailles Hall)

Convention Method : Physical shareholders' meeting

Chairman: Cheng, Chi-Chen, Chairman

#### 1. Meeting Commencement Announced

#### 2. Chairman's Remarks

#### 3. Reports

- (1) 2025 Business Report
- (2) Audit Committee's Review of the 2025 Financial Statements
- (3) Report on 2025 Distribution of Cash Dividends
- (4) Report on the Status of the Private Placement of Common Shares Approved at the 2025 Annual Shareholders' Meeting
- (5) Report on 2025 Directors' Remuneration

#### 4. Proposals

- (1) Adoption of the 2025 Business Report and Financial Statements
- (2) Adoption of the 2025 Deficit Compensation Statement

#### 5. Discussions

- (1) Proposal for the Private Placement of Common Shares in Installments
- (2) Amendment to the "Procedures for Acquisition or Disposal of Assets"
- (3) Amendment to the "Procedures for Loaning of Funds and Making of Endorsements and Guarantees"

#### 6. Extraordinary Motions

#### 7. Adjournment

# Reports

Report 1 :

(Proposed by the Board)

Subject : 2025 Business Report

Explanation : Please refer to the following Business Report.

## **C-Media Electronics Inc.**

### **2025 Business Report**

#### **1. Implementation results of business plan**

The year 2025 was a year of cultivation and harvest for C-Media. Despite changes in the external environment, we achieved steady growth targets, with revenue performance meeting expectations. The company continued to focus on the e-sports market, significantly increasing brand share and market penetration through precise market strategies. Our leading technology has been widely implemented in various terminal products such as headphones, microphones, dongles, dockings, and speakers. Furthermore, PC Audio solutions have officially entered the mass production stage and successfully entered the Industrial PC (IPC) and niche markets, providing customers with more flexible product portfolio choices.

Wireless solutions performed brilliantly in 2025. With high stability and low-latency advantages, C-Media's reputation in the wireless gaming field significantly improved, gaining adoption from numerous international customers and establishing our benchmark status in wireless audio. Looking forward, we will continue to strengthen product integration, striving to provide customers with a simpler and more efficient hardware architecture to effectively shorten their Time-to-Market. Based on gaming audio, we will gradually expand into more high-value areas to create win-win outcomes with our customers.

The Finished Products Division demonstrated outstanding technical innovation and channel development capabilities in 2025. Home KTV Solutions, shipment performance remained steady, and we successfully expanded into Taiwan's physical and e-commerce channels (such as RT-Mart, professional audio stores, and Yahoo Shopping) through strategic partners. This year, we launched an exclusive "AI Auto-Duet" function, providing innovative interactive experiences such as singing along with the original singer and practice modes, significantly enhancing product competitiveness.

Bluetooth AI Conference Audio Devices, With excellent sound quality and long-range pickup advantages, combined with the company's proprietary AI conference software services, this product has successfully been listed on the US Amazon e-commerce platform and received highly positive reviews from the consumer market, demonstrating C-Media's capability to move from chip supply to system value-added services.

Research and Development: Barriers to new wireless technology have been largely overcome. The first batch of mass production for new models and peripheral products has been completed and will continue to be promoted in 2026 to help customers expand their product lines and application ecosystems.

#### **2. Budget execution situation, financial revenue and expenditure, and profitability analysis**

The major financial data of the consolidated financial statements for the year 2025 of the company

is as follows: the operating revenue was 501 million (NTD), the gross profit was 220 million (NTD), the gross profit margin was 44%, the operating loss was 180 million (NTD), the net non-operating income was 53 million (NTD), the net loss after taxes was 126 million (NTD), and the EPS after taxes was (1.52) (NTD). The cash and cash equivalents at the end of 2025 were 286 million (NTD), and the overall operating capital was still sufficient.

### **3. Research and Development Status**

R&D innovation is the core momentum of the technology industry and the cornerstone for maintaining long-term competitive advantage. As a leading brand in the PC peripheral audio market, C-Media Electronics leverages thirty years of deep technical accumulation. In addition to deepening core hardware technology, we are actively investing in the R&D of audio algorithms, Artificial Intelligence (AI), and cross-platform hardware-software integrated solutions.

In response to the rapidly changing application market, the company adheres to a strategy of "High Quality, High Integration, and Customization," aiming to satisfy the ultimate experience of professional users and gamers across different operating systems. By continuously gaining insights into industrial trends, we focus our R&D on entertainment applications and AI voice processing technology to ensure our leadership in audio solutions. Key R&D directions for this year include:

#### **3.1 High-Performance Wireless Gaming Audio Solutions:**

Integrating external strategic resources with proprietary DSP technology to develop wireless transmission technology that features both ultra-low latency and multi-functional integration, targeting the fast-growing gaming ecosystem.

#### **3.2 Industry-Academia Collaboration and Next-Generation AI Audio Core Development:**

C-Media has initiated deep collaboration with top national universities, combining thirty years of domain knowledge in audio with forward-looking academic research momentum. By introducing high-performance AI deep learning models, we are building a new generation of audio processing core technology.

#### **3.3 Professional-Grade Audio DSP Platform R&D:**

Targeting niche markets such as professional gaming headsets, enterprise-grade conference systems, and VR wearable devices, we are developing highly integrated, low-power audio DSP hardware and software platforms.

#### **3.4 Supply Chain Optimization and IC Solution Diversification:**

Expanding diversified audio IC product lines and promoting a diversification strategy for wafer sources to strengthen supply chain resilience and ensure stable capacity and quality.

#### **3.5 New Live Streaming and Mobile Entertainment Application Development:**

Aiming at the webcasting, mobile karaoke, and self-media markets, we are developing highly integrated, multi-interface SoCs that support both digital USB and analog interfaces with excellent cross-platform compatibility.

Chairman	Cheng, Chi-Chen
President	Lee, Chien-Jung
Controller	Lee, Ting-Yi

Report 2

(Proposed by the Board)

Subject : Audit Committee's Review of the 2025 Financial Statements

Explanation :

Please refer to the Audit Committee's Review Report on the 2025 financial statements as set forth below. The independent director is hereby requested to read out the Audit Committee's Review Report.

**C-Media Electronics Inc.**  
**Audit Committee's Review Report**

The Company's 2025 business report, financial statements (including consolidated financial statements) and deficit compensation statement have been prepared by the Board of Directors. The financial statements also have been audited by Chen, Hsien-Cheng / CPA and Lin, Se-Kai / CPA of PricewaterhouseCoopers, Taiwan. The Audit Committee has reviewed the business report, financial statements, and deficit compensation statement, and found no irregularities. We hereby report as above according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To 2025 Annual Shareholders' Meeting

C-Media Electronics Inc.

Chairman of the Audit Committee: Shieh, Shun-Pin

March 12, 2026

Report 3

(Proposed by the Board)

Subject : Report on 2025 Distribution of Cash Dividends

Explanation :

- I. The Board of Directors has resolved to distribute a total cash dividend of NT\$7,964,537 for common shares, at NT\$0.1 per share.
- II. In the event of any change in the number of the Company's outstanding shares, the Chairman is authorized to adjust the cash dividend per share based on the actual number of shares outstanding on the ex-dividend record date. Cash dividends will be distributed to the nearest whole New Taiwan Dollar (amounts below NT\$1 will be truncated). Any fractional amounts resulting from this distribution shall be handled by the Chairman through a designated party. The Chairman is also authorized with full power to handle any other related matters.
- III. The Chairman is authorized by the Board of Directors to determine the ex-dividend record date and the payment date for the cash dividends.

Report 4

(Proposed by the Board)

Subject : Report on the Status of the Private Placement of Common Shares Approved at the 2025 Annual Shareholders' Meeting

Explanation :

The Company's Annual Shareholders' Meeting on June 18, 2025, approved the issuance of 20,000,000 new common shares through a private placement. However, considering changes in market conditions and the fact that no suitable strategic investor has been identified, the 9th meeting of the 12th Board of Directors has resolved not to proceed with the private placement plan.

Report 5

(Proposed by the Board)

Subject : Report on 2025 directors' remuneration

Explanation :

Please refer to Attachment 1 of this handbook (page 12) for the report on directors' remuneration.

# Proposals

Proposal 1

(Proposed by the Board)

Subject : Adoption of the 2025 Business Report and Financial Statements

Approval is respectfully requested.

Explanation :

- I. The Company's 2025 Business Report and Financial Statements have been approved by the 9th meeting of the 12th Board of Directors and have been duly reviewed by the Audit Committee, for which an Audit Report has been issued and is on file.
- II. For the aforementioned Business Report, please refer to pages 3 to 4 of this handbook. For the Financial Statements, please refer to Attachment 2 (pages 13–24) and Attachment 3 (pages 25–35) of this handbook.

Proposal 2

(Proposed by the Board)

Subject : Adoption of the 2025 Deficit Compensation Statement

Approval is respectfully requested.

Explanation :

The Company's 2025 Deficit Compensation Proposal has been approved by the Board of Directors. The Deficit Compensation Statement is set forth below:

## C-Media Electronics Inc. 2025 Deficit Compensation Statement

Unit: NT\$

Items	Amount		Note
	Subtotal	Total	
Beginning Balance of Unappropriated Retained Earnings		<b>143,585,371</b>	
Add: Adjustment of retained earnings	6,094,882		
Less: Net loss for 2025	(121,400,200)		
Retained Earnings Available for Distribution		<b>28,280,053</b>	
<b>Distribution Items :</b>			
1. Cash dividends to common shareholders (NT\$0.1 per share)	7,964,537		
<b>Ending Balance of Unappropriated Retained Earnings</b>		<b>20,315,516</b>	

Chairman : Cheng, Chi-Chen

Manager : Lee, Chien-Jung

Controller : Lee, Ting-Yi

Voting and resolution for each of proposal items

# Discussions

Proposal 1

(Proposed by the Board)

Subject : Proposal for Private Placement of Common Shares in Installments. Submitted for review and approval.

Explanation :

I. The quota for private placement :

In order to enrich operating capital and introduce strategic investors, the company intends to ask the general shareholders' meeting to authorize the board of directors to carry out a private placement of common shares within the quota of 20,000,000 shares, with a par value of NT\$10 per share at the appropriate time, depending on the current financial market conditions.

II. Matters to be explained for private placement in accordance with Article 43-6 of the Securities and Exchange Act are as follows :

(I) The basis and reasonableness of the private placement pricing :

1. The reference price of common shares in this private placement is calculated according to the following two criteria; the higher price shall prevail:
  - (1) The simple average closing price of the common shares for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.
  - (2) The simple average closing price of the common shares for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.
2. The actual issued price per share for the common shares of this private placement may not be lower than 80 percent of the reference price, and not less than the face value of 10 dollars. These are the bases for setting the price.
3. The actual issued price of the common shares of this private placement is proposed to be submitted to the general shareholders' meeting, and ask them to authorize the board of directors to set the price according to the laws and regulations, ensuring that it shall not be lower than the pricing basis and ratio determined by the general shareholders' meeting, depending on the market conditions at that time and depending on relevant laws and regulations set by the competent authority. The actual pricing date is for the board of directors to determine, depending on the future contact with the specific person.
4. The basis for determining the price of common shares of this private placement complies with the provisions of Directions for Public Companies Conducting Private Placements of Securities, so it should be reasonable.

(II) The method and purpose for selecting the specific people:

1. Selecting method :

According to Article 43-6 of the Securities and Exchange Act and the Tai-Cai-Zheng-Yi-Zi No. 0910003455 issued by the Financial Supervisory Commission on June 13, 2002 (91), The counterparts that are currently being negotiated with are strategic investors who can strengthen the technology, business and key components for the company's operations. Their relevant qualification certificates are authorized by review of the board of directors.

2. The purpose and related explanation for private placement target selection :

- (1) In order to meet the purpose of future development and long-term operation planning, it is necessary to introduce strategic investors into this private placement.
- (2) With the introduction of strategic investors and their funds, in addition to strengthening the Company's financial structure to cope with future development, it can also enhance the Company's customer structure, product portfolio and competitiveness with the assistance of strategic investors. It should make a considerable contribution to the improvement of the company's future profitability.
- (3) Currently, there are no strategic investors that have been negotiated.

(III) Necessity and expected benefits of private placement :

1. Reasons for not adopting a public offering: Considering that it is difficult to control the actual fundraising market conditions, in order to ensure the feasibility of capital increase, the timeliness and convenience of fundraising, and to introduce strategic investors to participate in the fundraising, it is proposed to the general shareholders' meeting to authorize the board of directors to issue common shares through private placement.
2. The use of funds raised in this private placement and the expected benefits: The use of funds raised in this private placement will enrich operating capital and introduce strategic investors. It is expected to strengthen the company's financial structure, increase and reserve space for flexible use of funds, it is expected to reduce the company's financial and operational risks, and enhance the company's competitive advantage by strategic investment from strategic investors, so as to respond to the changes in the industry and strengthen the company's operating system and competitiveness, which has positive and substantive benefits to the company's shareholders' rights and interests.
3. If it is necessary to carry out the private placement in multiple closings due to the actual fundraising, it is proposed that the shareholders' meeting authorize the board of directors to conduct the private placement in one to three closings within one year from the resolution date of this private placement of the shareholders' meeting, and make the announcement and declaration within 15 days after making the payment.

Anticipated number of closings	Anticipated Use of Private Placement Funds	Anticipated benefits
To carry out in one closing	Enrich the operating funds	The company anticipates a need to increase the operating fund, improve the financial structure and reduce the operating pressure, which will benefit to the stable operating growth of the company, and have positive benefits for shareholders' rights and interests.
To carry out in two closings		
To carry out in three closings		

III. Rights and obligations of this private placement of the securities

The rights and obligations of the common shares in this private placement are the same as those of the issued common shares of the Company, except that the transfer shall be handled in accordance with the Article 43-8 of the Securities and Exchange Act within three years after the delivery date. The common shares in this private placement are proposed to authorize the board of directors to submit to the competent authority for supplementary issuance and apply for listing on the OTC

market in accordance with the Securities and Exchange Act and relevant regulations after three years of delivery.

- IV. For matters related to the actual number of shares of this private placement, private placement price, placement conditions, use plan of the funds, scheduled progress, and expected benefits, it is proposed that the general shareholders' meeting authorize the board of directors to consider the actual situation and in accordance with laws and regulations, and regulations of competent authorities, consulting experts to make necessary changes in response to the changes in the market environment, and cooperate to carry out with all private placement-related matters.
- V. In order to cooperate with this private placement of common shares with cash, the chairman of the company or his designated agent is authorized to handle and sign all contracts and documents related to the private placement of common shares on behalf of the Company, and to handle all matters related to the private placement of ordinary shares for the Company.
- VI. Whether the independent directors have any objections : No.
- VII. Explanation on whether there has been a major change in management rights within one year before the resolution of the board of directors for private placement or after the introduction of strategic investors through private placement : No.

Proposal 2

(Proposed by the Board)

Subject : Amendment to the "Procedures for Acquisition or Disposal of Assets." Submitted for review and approval.

Explanation:

To meet the Company's business needs, certain articles of the Procedures are proposed for amendment. For the comparison table of the amended provisions, please refer to Attachment 4 (pages 36-39) of this handbook.

Proposal 3

(Proposed by the Board)

Subject : Amendment to the "Procedures for Loaning of Funds and Making of Endorsements and Guarantees." Submitted for review and approval.

Explanation :

To meet the Company's business needs, certain articles of the Procedures are proposed for amendment. For the comparison table of the amended provisions, please refer to Attachment 5 (pages 40-43) of this handbook.

Voting and Resolution for each of discussion items

## **Extraordinary Motions**

## **Adjournment**

# III Attachments

## 1. Remuneration to Ordinary Directors and Independent Directors

Unit: NT\$ thousands

Job title	Name	Remuneration to directors								Sum of A+B+C+D and ratio to net income (Note 10)		Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F+G and ratio to net income		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		Base compensation (A)		Retirement pay and pension (B)		Director profit sharing compensation (C)		Expenses and perquisites (D)				Salary, rewards, and special disbursements (E)		Retirement pay and pension (F)		Employee profit-sharing compensation (G)						
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
Director	Cheng, Chi-Chen	0	0	0	0	0	0	100	100	100	100	4,267	6,787	0	0	0	0	0	0	4,367	6,887	0
										-0.082%	-0.082%									-3.597%	-5.673%	
Director	Chien, I-Kuang	0	0	0	0	0	0	100	100	100	100	3,182	3,182	9,902	9,902	0	0	0	0	13,184	13,184	0
										-0.082%	-0.082%									-10.860%	-10.860%	
Director	Yang, Kun-Cheng	0	0	0	0	0	0	100	100	100	100	5,261	5,261	54	54	0	0	0	0	5,415	5,415	0
										-0.082%	-0.082%									-4.460%	-4.460%	
Director	Hung-Wei Venture Capital Co., Ltd.	0	0	0	0	0	0	100	100	80	80	0	0	0	0	0	0	0	0	80	80	0
										-0.066%	-0.066%									-0.066%	-0.066%	
Director Representative: Hung-Wei Venture Capital Co., Ltd.	Wang, Po-Chih	0	0	0	0	0	0	80	80	0	0	0	0	0	0	0	0	0	0	0	0	0
										0%	0%									0%	0%	
Independent Director	Wang Jhing-Fa	0	0	0	0	0	0	280	280	280	280	0	0	0	0	0	0	0	0	280	280	0
										-0.231%	-0.231%									-0.231%	-0.231%	
Independent Director	Shieh Shun-Pin	0	0	0	0	0	0	280	280	280	280	0	0	0	0	0	0	0	0	280	280	0
										-0.231%	-0.231%									-0.231%	-0.231%	
Independent Director	Hsu Johntie	0	0	0	0	0	0	280	280	280	280	0	0	0	0	0	0	0	0	280	280	0
										-0.231%	-0.231%									-0.231%	-0.231%	
Independent Director	Wang, Jean-Wen	0	0	0	0	0	0	200	200	200	200	0	0	0	0	0	0	0	0	200	200	0
										-0.165%	-0.165%									-0.165%	-0.165%	

1. Please describe the policy, system, standards and structure in place for paying remuneration to directors and describe the relationship of factors such as the duties and risks undertaken and time invested by the directors to the amount of remuneration paid. :

The Company's independent directors' remuneration includes directors' remuneration and business expenses. Directors' remuneration is determined by remuneration committee with reference to the industry's usual level of payment, and considerations of the performance evaluation results of the board of directors, individual board members, and functional committees, the time spent, and the responsibilities undertaken, etc. After evaluation of the relevance of individual performance and business performance and future risks, a proposal is submitted to the board of directors for discussion and approval.

2. In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non-employee consultant to the parent company /any consolidated entities / invested enterprises): : None °

## 2. Independent Auditors' Report and 2025 Consolidated Financial Statements

### INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Stockholders of C-Media Electronics Inc.

#### ***Opinion***

We have audited the accompanying consolidated balance sheets of C-Media Electronics Inc. and subsidiaries (the "Group") as at December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

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

#### ***Basis for opinion***

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## ***Key audit matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2025 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2025 consolidated financial statements of the current period are stated as follows:

### **Existence and occurrence of sales revenue from significant customers**

#### Description

Please refer to Note 4(29) for accounting policy on recognition of revenue and Note 6(20) for details of sales revenue.

For the year ended December 31, 2025, the Group's sales revenue amounted to NT\$501,191 thousand.

The Group is mainly engaged in the design, manufacturing and sales of electronic components and integrated circuits. The sales type includes integrated circuit sales through domestic and foreign dealers. The existence of sales revenue from the Group's top 10 significant customers is significant to the consolidated financial statements and sales revenue is inherently high risk. Therefore, we determined the existence and occurrence of sales revenue from significant customers as one of the key audit matters.

#### How our audit addressed the matter

We performed the following audit procedures on the existence and occurrence of sales revenue from the top 10 significant customers:

1. Obtained an understanding and assessed internal control on sales revenue recognition, and confirmed the top 10 significant customers internal controls were performed effectively.
2. Obtained detailed listing of sales revenue from the top 10 significant customers in the current year, and verified relevant evidences including customer sales invoices, purchase orders and delivery documents.
3. Inspected contents and relevant evidences of the top 10 significant customers in relation to sales returns and discounts occurring subsequent to the reporting period and assessed the reasonableness of respective sales revenue recognised.

## **Valuation of allowance for inventory valuation losses**

### Description

Please refer to Note 4(14) for a description of the accounting policy on inventory valuation; please refer to Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation; and please refer to Note 6(6) for information on the allowance for inventory valuation losses.

As of December 31, 2025, the Group's inventories and allowance for inventory valuation losses amounted to NT\$274,618 thousand and NT\$214,761 thousand, respectively. The Group is mainly engaged in the design, manufacturing and sales of electronic components and integrated circuits. The rapid changes in the technology of the industries in which the Group is involved and the net realisable value used in the evaluation of obsolete inventories often involve subjective judgements and therefore highly uncertain estimates. Inventories are measured at the lower of cost and net realisable value. The impact of inventories and its allowance for diminution in value has a significant impact on consolidated financial statements. Therefore, we determined the assessment of allowance for inventory valuation losses as one of the key audit matters.

### How our audit addressed the matter

We performed the following audit procedures on the valuation of allowance for inventory valuation losses:

1. Assessed the reasonableness of policies and procedures related to the provision of allowance for inventory valuation losses based on our understanding of the Group's operations and the characteristics of its industry.
2. Understood the Group's warehousing control procedures. Reviewed the annual physical inventory count plan and observed the annual inventory count in order to assess the effectiveness of the classification of obsolete inventory and internal control over obsolete inventory.
3. Verified the appropriateness of the logic for evaluating the inventory aging report to confirm that the report information is consistent with the Group's policies.
4. Checked the appropriateness of the estimation basis adopted by the Group for the evaluation of net realisable value, verified accuracy of inventory selling prices and net realisable value, and recalculated and evaluated the reasonableness of allowance for inventory valuation losses.

***Other matter – Reference to the reports of other auditors***

We did not audit the financial statements of certain investee companies accounted for under the equity method and included in the consolidated financial statements of Hsuan Group, which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these companies, is based solely on the reports of the other auditors. The total balances of these investments accounted for under the equity method amounted to NT\$55,793 thousand, constituting 4% of the consolidated total assets as at December 31, 2025, and the share of comprehensive income of these companies accounted for under the equity method amounted to NT\$(4,317) thousand from March 21 to December 31, 2025, constituting 3% of the consolidated total comprehensive income for the period then ended.

***Other matter – Parent company only financial reports***

We have audited and expressed an unqualified opinion on the parent company only financial statements of C-Media Electronics Inc. as at and for the years ended December 31, 2025 and 2024.

***Responsibilities of management and those charged with governance for the consolidated financial statements***

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

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

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

### ***Auditors' responsibilities for the audit of the consolidated financial statements***

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

Chen, Hsien-Cheng

Lin, Se-Kai

For and on behalf of PricewaterhouseCoopers, Taiwan

March 12, 2026

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

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

C-MEDIA ELECTRONICS INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2025		December 31, 2024	
			AMOUNT	%	AMOUNT	%
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 286,142	18	\$ 489,182	28
1110	Financial assets at fair value through profit or loss - current	6(2)	15,526	1	16,504	1
1136	Current financial assets at amortised cost	6(4)	11,600	1	114,100	7
1170	Accounts receivable, net	6(5)	33,493	2	53,619	3
1200	Other receivables		999	-	661	-
1220	Current tax assets	6(26)	452	-	452	-
130X	Inventories	6(6)	59,857	4	69,860	4
1476	Other current financial assets		3,533	-	1,680	-
1479	Other current assets-others		35,648	2	57,454	3
11XX	<b>Current Assets</b>		<u>447,250</u>	<u>28</u>	<u>803,512</u>	<u>46</u>
<b>Non-current assets</b>						
1510	Financial assets at fair value through profit or loss - non-current		-	-	2,922	-
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	133,694	9	37,124	2
1535	Non-current financial assets at amortised cost	6(4) and 8	1,000	-	1,000	-
1550	Investments accounted for under equity method	6(7) and 8	694,854	44	633,063	36
1600	Property, plant and equipment	6(8) and 8	254,945	16	257,613	15
1755	Right-of-use assets	6(9)	4,391	-	5,909	-
1780	Intangible assets	6(10)	33,079	2	14,982	1
1900	Other non-current assets		10,588	1	4,838	-
15XX	<b>Non-current assets</b>		<u>1,132,551</u>	<u>72</u>	<u>957,451</u>	<u>54</u>
1XXX	<b>Total assets</b>		<u>\$ 1,579,801</u>	<u>100</u>	<u>\$ 1,760,963</u>	<u>100</u>

(Continued)

**C-MEDIA ELECTRONICS INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2025 AND 2024**

(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2025		December 31, 2024		
		AMOUNT	%	AMOUNT	%	
<b>Current liabilities</b>						
2100	Short-term borrowings	6(12)	\$ 5,000	-	\$ -	-
2150	Notes payable		84	-	84	-
2170	Accounts payable		9,946	1	12,607	1
2180	Accounts payable - related parties	7	1,201	-	4,725	1
2200	Other payables	6(13) and 7	50,903	3	53,841	3
2280	Current lease liabilities		3,129	-	3,469	-
2399	Other current liabilities-others		1,521	-	2,486	-
21XX	<b>Current Liabilities</b>		<u>71,784</u>	<u>4</u>	<u>77,212</u>	<u>5</u>
<b>Non-current liabilities</b>						
2540	Long-term borrowings	6(14)	6,000	1	-	-
2570	Deferred tax liabilities	6(26)	79	-	100	-
2580	Non-current lease liabilities		1,342	-	2,527	-
25XX	<b>Non-current liabilities</b>		<u>7,421</u>	<u>1</u>	<u>2,627</u>	<u>-</u>
2XXX	<b>Total Liabilities</b>		<u>79,205</u>	<u>5</u>	<u>79,839</u>	<u>5</u>
<b>Equity attributable to owners of parent</b>						
	Share capital	6(17)				
3110	Share capital - ordinary shares		796,454	50	796,454	45
	Capital surplus	6(18)				
3200	Capital surplus		519,127	33	519,491	30
	Retained earnings	6(19)				
3310	Legal reserve		153,256	10	153,256	9
3320	Special reserve		-	-	2,302	-
3350	Unappropriated retained earnings		28,281	2	161,195	9
	Other equity interest					
3400	Other equity interest		3,478	-	7,608	-
31XX	<b>Equity attributable to owners of the parent</b>		<u>1,500,596</u>	<u>95</u>	<u>1,640,306</u>	<u>93</u>
36XX	<b>Non-controlling interests</b>	6(28)	-	-	40,818	2
3XXX	<b>Total equity</b>		<u>1,500,596</u>	<u>95</u>	<u>1,681,124</u>	<u>95</u>
Significant contingent liabilities and 9 unrecognised contract commitments						
Significant events after the balance sheet 11 date						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 1,579,801</u>	<u>100</u>	<u>\$ 1,760,963</u>	<u>100</u>

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

**C-MEDIA ELECTRONICS INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2025 AND 2024**  
(Expressed in thousands of New Taiwan dollars, except for losses per share)

Items	Notes	Year ended December 31				
		2025		2024		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(20) and 7	\$ 501,191	100	\$ 448,741	100
5000	Operating costs	6(6)(24)(25) and 7	( 281,196)	( 56)	( 184,373)	( 41)
5950	Gross profit from operations		219,995	44	264,368	59
	Operating expenses	6(24)(25) and 7				
6100	Selling expenses		( 73,532)	( 15)	( 62,006)	( 14)
6200	Administrative expenses		( 135,470)	( 27)	( 128,851)	( 28)
6300	Research and development expenses		( 191,490)	( 38)	( 183,534)	( 41)
6000	Total operating expenses		( 400,492)	( 80)	( 374,391)	( 83)
6900	Net operating loss		( 180,497)	( 36)	( 110,023)	( 24)
	Non-operating income and expenses					
7100	Interest income	6(4)(21)	4,160	1	6,802	1
7010	Other income	6(22) and 7	2,755	1	7,422	2
7020	Other gains and losses	6(2)(23)	( 4,972)	( 1)	( 3,281)	( 1)
7050	Finance costs		( 217)	-	( 167)	-
7060	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(7)	51,405	10	67,609	15
7000	Total non-operating revenue and expenses		53,131	11	78,385	17
7900	<b>Loss before income tax</b>		( 127,366)	( 25)	( 31,638)	( 7)
7950	Income tax benefit	6(26)	1,284	-	9,975	2
8200	<b>Loss for the year</b>		<u>( \$ 126,082)</u>	<u>( 25)</u>	<u>( \$ 21,663)</u>	<u>( 5)</u>
	<b>Other comprehensive income</b>					
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8311	Gains on remeasurements of defined benefit plans	6(15)(26)	\$ 7,619	2	\$ 20,164	4
8316	Unrealised (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)	( 2,467)	( 1)	7,581	2
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(26)	( 1,524)	-	( 4,033)	( 1)
8310	Components of other comprehensive income that will not be reclassified to profit or loss		3,628	1	23,712	5
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361	Exchange differences on translation		( 1,663)	( 1)	2,329	1
8360	Components of other comprehensive income that will be reclassified to profit or loss		( 1,663)	( 1)	2,329	1
8300	<b>Other comprehensive income, net</b>		<u>\$ 1,965</u>	<u>-</u>	<u>\$ 26,041</u>	<u>6</u>
8500	<b>Total comprehensive (loss) income</b>		<u>( \$ 124,117)</u>	<u>( 25)</u>	<u>\$ 4,378</u>	<u>1</u>
	Loss attributable to:					
8610	Owners of parent		( \$ 121,400)	( 24)	( \$ 21,639)	( 5)
8620	Non-controlling interests		( 4,682)	( 1)	( 24)	-
			<u>( \$ 126,082)</u>	<u>( 25)</u>	<u>( \$ 21,663)</u>	<u>( 5)</u>
	Other comprehensive income (loss) attributable to:					
8710	Owners of parent		( \$ 119,435)	( 24)	( \$ 4,402)	1
8720	Non-controlling interests		( 4,682)	( 1)	( 24)	-
			<u>( \$ 124,117)</u>	<u>( 25)</u>	<u>( \$ 4,378)</u>	<u>1</u>
	Losses per share	6(27)				
9750	Total basic losses per share		<u>( \$ 1.52)</u>		<u>( \$ 0.27)</u>	
9850	Total diluted losses per share		<u>( \$ 1.52)</u>		<u>( \$ 0.27)</u>	

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

C-MEDIA ELECTRONICS INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2025 AND 2024  
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent										
	Notes	Retained earnings					Other equity interest				Total equity
		Share capital - common stock	Capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total	Non-controlling interests	
<b>Year 2024</b>											
January 1		\$ 786,454	\$ 486,656	\$ 153,256	\$ 3,025	\$ 186,483	(\$ 705)	(\$ 1,597)	\$ 1,613,572	\$ -	\$ 1,613,572
Loss for the year		-	-	-	-	(21,639)	-	-	(21,639)	(24)	(21,663)
Other comprehensive income for the year		-	-	-	-	16,131	2,329	7,581	26,041	-	26,041
Total comprehensive income (loss)		-	-	-	-	(5,508)	2,329	7,581	4,402	(24)	4,378
Appropriation and distribution of 2023 earnings: 6(19)											
Reversal of special reserve		-	-	-	(723)	723	-	-	-	-	-
Cash dividends paid from earnings ownership in subsidiaries		-	-	-	-	(19,661)	-	-	(19,661)	-	(19,661)
Changes in equity of associates and joint ventures 6(7)(18) accounted for using equity method		-	(115)	-	-	-	-	-	(115)	-	(115)
Issued restricted stock awards 6(16)(17)(18)		10,000	32,950	-	-	-	-	-	42,950	-	42,950
Adjustments arising from changes in percentage of ownership in subsidiaries		-	-	-	-	(842)	-	-	(842)	40,842	40,000
December 31		\$ 796,454	\$ 519,491	\$ 153,256	\$ 2,302	\$ 161,195	\$ 1,624	\$ 5,984	\$ 1,640,306	\$ 40,818	\$ 1,681,124
<b>Year 2025</b>											
January 1		\$ 796,454	\$ 519,491	\$ 153,256	\$ 2,302	\$ 161,195	\$ 1,624	\$ 5,984	\$ 1,640,306	\$ 40,818	\$ 1,681,124
Loss for the year		-	-	-	-	(121,400)	-	-	(121,400)	(4,682)	(126,082)
Other comprehensive income (loss) for the year		-	-	-	-	6,095	(1,663)	(2,467)	1,965	-	1,965
Total comprehensive income		-	-	-	-	(115,305)	(1,663)	(2,467)	(119,435)	(4,682)	(124,117)
Appropriation and distribution of 2024 earnings: 6(19)											
Reversal of special reserve		-	-	-	(2,302)	2,302	-	-	-	-	-
Cash dividends paid from earnings ownership in subsidiaries		-	-	-	-	(19,911)	-	-	(19,911)	-	(19,911)
Changes in equity of associates and joint ventures 6(7)(18) accounted for using equity method		-	(364)	-	-	-	-	-	(364)	-	(364)
Diminution of non-controlling interests		-	-	-	-	-	-	-	-	(36,136)	(36,136)
December 31		\$ 796,454	\$ 519,127	\$ 153,256	\$ -	\$ 28,281	(\$ 39)	\$ 3,517	\$ 1,500,596	\$ -	\$ 1,500,596

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

C-MEDIA ELECTRONICS INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2025 AND 2024  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax		( \$ 127,366 )	( \$ 31,638 )
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(8)(9)(24)	9,518	8,084
Amortisation expense	6(10)(24)	9,267	2,655
Loss on financial assets at fair value through profit or loss	6(2)(23)	6,263	5,150
Interest expense		217	167
Profit from lease modification	6(9)(23)	( 18 )	-
Interest revenue	6(21)	( 4,160 )	( 6,802 )
Dividend income		( 730 )	( 5,691 )
Share-based payments	6(16)(25)	-	42,950
Share of profit of associates and joint ventures accounted for using equity method	6(7)	( 51,405 )	( 67,609 )
Unrealised foreign exchange loss (gains)		446	( 2,611 )
Impairment loss recognized on non-financial assets	6(11)(23)	186	-
Loss on disposals of investments	6(23)	833	1,253
Gain on disposal of subsidiary	6(23)	( 1,401 )	-
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		20,126	( 20,834 )
Other receivables		( 403 )	2,773
Inventories		10,003	( 1,244 )
Other current assets		19,988	( 44,749 )
Other non-current assets		( 15 )	3,559
Changes in operating liabilities			
Accounts payable		( 2,661 )	( 4,164 )
Accounts payable - related parties		( 3,524 )	( 3,106 )
Other payables		( 2,747 )	1,181
Other current liabilities		( 933 )	( 979 )
Cash outflow generated from operations		( 118,516 )	( 121,655 )
Interest received		4,219	6,850
Dividends received		44,259	42,070
Interest paid		( 18 )	-
Income taxes paid		( 447 )	( 805 )
Income taxes refunded		181	4
Net cash flows used in operating activities		( 70,322 )	( 73,536 )
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of financial assets at fair value through profit or loss	6(2)	( 8,000 )	( 2,868 )
Proceeds from disposal of financial assets at fair value through profit or loss	6(2)	2,715	9,002
Acquisition of financial assets at fair value through other comprehensive income	6(3)	( 99,037 )	( 4,999 )
Acquisition of financial assets measured at amortized cost	6(4)	-	( 1,000 )
Redemption of financial assets measured at amortized cost	6(4)	101,500	-
Principal repayment of financial assets measured at amortized cost upon maturity	6(4)	1,000	-
Proceeds from disposal of investments accounted for using equity method	6(7)	5,007	122,464
Net cash outflow from disposal of subsidiary	6(30)	( 90,220 )	-
Net cash flow from acquisition of subsidiaries	6(29)	-	( 1,133 )
Acquisition of property, plant and equipment	6(8)(30)	( 2,545 )	( 2,374 )
Acquisition of intangible assets	6(10)(30)	( 27,550 )	( 9,514 )
Decrease (increase) in refundable deposits		1,883	( 453 )
Increase in other financial assets		( 1,854 )	-
Net cash flows (used in) from investing activities		( 117,101 )	109,125
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from short-term loans	6(31)	16,000	-
Repayment of short-term loans	6(31)	( 11,000 )	-
Proceeds from long-term debt	6(31)	7,000	-
Repayment of long-term debt	6(31)	( 1,000 )	-
Payments of lease liabilities	6(31)	( 4,591 )	( 3,246 )
Cash dividends paid	6(19)	( 19,911 )	( 19,661 )
Changes in non-controlling interests	6(28)	-	40,000
Net cash flows (used in) from financing activities		( 13,502 )	17,093

(Continued)

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

C-MEDIA ELECTRONICS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2025	2024
Effect of exchange rate changes on cash and cash equivalents		( \$ 2,115 )	\$ 4,931
Net (decrease) increase in cash and cash equivalents		( 203,040 )	57,613
Cash and cash equivalents at beginning of year	6(1)	489,182	431,569
Cash and cash equivalents at end of year	6(1)	<u>\$ 286,142</u>	<u>\$ 489,182</u>

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

### 3. Independent Auditors' Report and 2025 Parent Company Only Financial Statements

#### INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of C-Media Electronics Inc.

#### ***Opinion***

We have audited the accompanying parent company only balance sheets of C-Media Electronics Inc. (the "Company") as at December 31, 2025 and 2024, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2025 and 2024, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

#### ***Basis for opinion***

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

### ***Key audit matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2025 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2025 parent company only financial statements of the current period are stated as follows:

#### **Existence and occurrence of sales revenue from significant customers**

##### Description

Please refer to Note 4(27) for accounting policy on recognition of revenue and Note 6(17) for details of sales revenue.

For the year ended December 31, 2025, the Company's sales revenue amounted to NT\$489,828 thousand.

The Company is mainly engaged in the design, manufacturing and sales of electronic components and integrated circuits. The sales type includes integrated circuit sales through domestic and foreign dealers. The existence of sales revenue from the Company's top 10 significant customers is significant to the parent company only financial statements and sales revenue is inherently high risk. Therefore, we determined the existence and occurrence of sales revenue from significant customers as one of the key audit matters.

##### How our audit addressed the matter

We performed the following audit procedures on the existence and occurrence of sales revenue from the top 10 significant customers:

1. Obtained an understanding and assessed internal control on sales revenue recognition, and confirmed the top 10 significant customers internal controls were performed effectively.
2. Obtained detailed listing of sales revenue from the top 10 significant customers in the current year, and verified relevant evidences including customer sales invoices, purchase orders and delivery documents.
3. Inspected contents and relevant evidences of the top 10 significant customers in relation to sales returns and discounts occurring subsequent to the reporting period and assessed the reasonableness of respective sales revenue recognised.

## **Valuation of allowance for inventory valuation losses**

### Description

Please refer to Note 4(12) for a description of the accounting policy on inventory valuation; please refer to Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation; and please refer to Note 6(5) for information on the allowance for inventory valuation losses.

As of December 31, 2025, the Company's inventories and allowance for inventory valuation losses amounted to NT \$272,507 thousand and NT \$212,700 thousand, respectively. The Company is mainly engaged in the design, manufacturing and sales of electronic components and integrated circuits. The rapid changes in the technology of the industries in which the Company is involved and the net realisable value used in the evaluation of obsolete inventories often involve subjective judgements and therefore highly uncertain estimates. Inventories are measured at the lower of cost and net realisable value. The impact of inventories and its allowance for diminution in value has a significant impact on parent company only financial statements. Therefore, we determined the assessment of allowance for inventory valuation losses as one of the key audit matters.

### How our audit addressed the matter

We performed the following audit procedures on the valuation of allowance for inventory valuation losses:

1. Assessed the reasonableness of policies and procedures related to the provision of allowance for inventory valuation losses based on our understanding of the Company's operations and the characteristics of its industry.
2. Understood the Company's warehousing control procedures. Reviewed the annual physical inventory count plan and observed the annual inventory count in order to assess the effectiveness of the classification of obsolete inventory and internal control over obsolete inventory.
3. Verified the appropriateness of the logic for evaluating the inventory aging report to confirm that the report information is consistent with the Company's policies.
4. Checked the appropriateness of the estimation basis adopted by the Company for the evaluation of net realisable value, verified accuracy of inventory selling prices and net realisable value, and recalculated and evaluated the reasonableness of allowance for inventory valuation losses.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### ***Auditor's responsibilities for the audit of the parent company only financial statements***

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

Chen, Hsien-Cheng

Lin, Se-Kai

For and on behalf of PricewaterhouseCoopers, Taiwan

March 12, 2026

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

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

C-MEDIA ELECTRONICS INC.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2025 AND 2024  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2025		December 31, 2024		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 162,374	11	\$ 207,588	12
1136	Current financial assets at amortised cost	6(3)	11,600	1	113,100	7
1170	Accounts receivable, net	6(4)	32,256	2	51,855	3
1200	Other receivables		947	-	1,008	-
1220	Current income tax assets	6(23)	273	-	333	-
130X	Inventories	6(5)	59,807	4	69,607	4
1476	Other current financial assets		3,533	-	1,680	-
1479	Other current assets - others		19,139	1	36,290	2
11XX	<b>Current Assets</b>		<u>289,929</u>	<u>19</u>	<u>481,461</u>	<u>28</u>
<b>Non-current assets</b>						
1517	Non-current financial assets at fair value through other comprehensive income	6(2)	108,022	7	9,069	1
1535	Non-current financial assets at amortised cost	6(3) and 8	1,000	-	1,000	-
1550	Investments accounted for under equity method	6(6)	886,277	57	938,793	55
1600	Property, plant and equipment	6(7) and 8	254,886	16	257,525	15
1755	Right-of-use assets	6(8)	1,726	-	3,702	-
1780	Intangible assets	6(9)	12,940	1	13,715	1
1900	Other non-current assets		8,839	-	3,737	-
15XX	<b>Non-current assets</b>		<u>1,273,690</u>	<u>81</u>	<u>1,227,541</u>	<u>72</u>
1XXX	<b>Total assets</b>		<u>\$ 1,563,619</u>	<u>100</u>	<u>\$ 1,709,002</u>	<u>100</u>

(Continued)

C-MEDIA ELECTRONICS INC.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2025		December 31, 2024	
			AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>						
2150	Notes payable		\$ 84	-	\$ 84	-
2170	Accounts payable		9,946	1	12,606	1
2180	Accounts payable - related parties	7	1,201	-	4,725	-
2200	Other payables	6(10) and 7	42,806	3	45,591	3
2280	Current lease liabilities		1,772	-	2,529	-
2399	Other current liabilities - others		1,214	-	1,911	-
21XX	<b>Current Liabilities</b>		<u>57,023</u>	<u>4</u>	<u>67,446</u>	<u>4</u>
<b>Non-current liabilities</b>						
2540	Long-term borrowings	6(11)	6,000	-	-	-
2580	Non-current lease liabilities		-	-	1,250	-
25XX	<b>Non-current liabilities</b>		<u>6,000</u>	<u>-</u>	<u>1,250</u>	<u>-</u>
2XXX	<b>Total Liabilities</b>		<u>63,023</u>	<u>4</u>	<u>68,696</u>	<u>4</u>
<b>Equity</b>						
Share capital		6(14)				
3110	Share capital - ordinary shares		796,454	51	796,454	47
Capital surplus		6(15)				
3200	Capital surplus		519,127	33	519,491	30
Retained earnings		6(16)				
3310	Legal reserve		153,256	10	153,256	9
3320	Special reserve		-	-	2,302	-
3350	Unappropriated retained earnings		28,281	2	161,195	10
Other equity interest						
3400	Other equity interest		3,478	-	7,608	-
3XXX	<b>Total equity</b>		<u>1,500,596</u>	<u>96</u>	<u>1,640,306</u>	<u>96</u>
Significant contingent liabilities and unrecognised contract commitments		9				
Significant events after the balance sheet date		11				
3X2X	<b>Total liabilities and equity</b>		<u>\$ 1,563,619</u>	<u>100</u>	<u>\$ 1,709,002</u>	<u>100</u>

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

**C-MEDIA ELECTRONICS INC.**  
**PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2025 AND 2024**

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

Items	Notes	Year ended December 31				
		2025		2024		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(17)	\$ 489,828	100	\$ 439,181	100
5000	Operating costs	6(5)(21)(22) and 7	( 270,770)	( 55)	( 177,667)	( 41)
5950	Gross profit from operations		<u>219,058</u>	<u>45</u>	<u>261,514</u>	<u>59</u>
	Operating expenses	6(21)(22) and 7				
6100	Selling expenses		( 43,339)	( 9)	( 50,867)	( 11)
6200	Administrative expenses		( 81,781)	( 17)	( 96,004)	( 22)
6300	Research and development expenses		( 173,539)	( 35)	( 183,261)	( 42)
6000	Total operating expenses		( 298,659)	( 61)	( 330,132)	( 75)
6900	Net operating loss		( 79,601)	( 16)	( 68,618)	( 16)
	Non-operating income and expenses					
7100	Interest income	6(3)(18)	2,422	1	3,886	1
7010	Other income	6(19) and 7	479	-	553	-
7020	Other gains and losses	6(20)	891	-	3,032	1
7050	Finance costs		( 92)	-	( 148)	-
7070	Share of (loss) profit of subsidiaries, associates and joint ventures accounted for using equity method	6(6)	( 47,023)	( 10)	29,690	7
7000	Total non-operating income and expenses		( 43,323)	( 9)	37,013	9
7900	<b>Loss before income tax</b>		( 122,924)	( 25)	( 31,605)	( 7)
7950	Income tax benefit	6(23)	1,524	-	9,966	2
8200	<b>Loss for the year</b>		<u>(\$ 121,400)</u>	<u>( 25)</u>	<u>(\$ 21,639)</u>	<u>( 5)</u>
	<b>Other comprehensive income</b>					
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8311	Gains on remeasurements of defined benefit plans	6(12)(23)	\$ 7,619	2	\$ 20,164	4
8316	Unrealised gains from investments in equity instruments measured at fair value through other comprehensive income	6(2)	( 2,467)	( 1)	7,581	2
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(23)	( 1,524)	-	( 4,033)	( 1)
8310	Components of other comprehensive income that will not be reclassified to profit or loss		<u>3,628</u>	<u>1</u>	<u>23,712</u>	<u>5</u>
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361	Exchange differences on translation		( 1,663)	-	2,329	1
8360	Components of other comprehensive income that will be reclassified to profit or loss		( 1,663)	-	2,329	1
8300	<b>Other comprehensive income, net</b>		<u>\$ 1,965</u>	<u>1</u>	<u>\$ 26,041</u>	<u>6</u>
8500	<b>Total comprehensive (loss) income</b>		<u>(\$ 119,435)</u>	<u>( 24)</u>	<u>\$ 4,402</u>	<u>1</u>
	Losses per share	6(24)				
9750	Total basic losses per share		<u>(\$ 1.52)</u>		<u>(\$ 0.27)</u>	
9850	Total diluted losses per share		<u>(\$ 1.52)</u>		<u>(\$ 0.27)</u>	

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

C-MEDIA ELECTRONICS INC.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2025 AND 2024  
(Expressed in thousands of New Taiwan dollars)

	Notes	Retained earnings					Other equity interest		Total equity
		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	
<b>Year 2024</b>									
January 1		\$ 786,454	\$ 486,656	\$ 153,256	\$ 3,025	\$ 186,483	(\$ 705 )	(\$ 1,597 )	\$ 1,613,572
Loss for the year		-	-	-	-	( 21,639 )	-	-	( 21,639 )
Other comprehensive income for the year		-	-	-	-	16,131	2,329	7,581	26,041
Total comprehensive income (loss)		-	-	-	-	( 5,508 )	2,329	7,581	4,402
Appropriation and distribution of 2023 earnings:	6(16)								
Reversal of special reserve		-	-	-	( 723 )	723	-	-	-
Cash dividends paid from earnings		-	-	-	-	( 19,661 )	-	-	( 19,661 )
Changes in equity of associates and joint ventures accounted for using equity method	6(6)(15)	-	( 115 )	-	-	-	-	-	( 115 )
Issued restricted stock awards	6(13)(14)(15)	10,000	32,950	-	-	-	-	-	42,950
Adjustments arising from changes in percentage of ownership in subsidiaries		-	-	-	-	( 842 )	-	-	( 842 )
December 31		\$ 796,454	\$ 519,491	\$ 153,256	\$ 2,302	\$ 161,195	\$ 1,624	\$ 5,984	\$ 1,640,306
<b>Year 2025</b>									
January 1		\$ 796,454	\$ 519,491	\$ 153,256	\$ 2,302	\$ 161,195	\$ 1,624	\$ 5,984	\$ 1,640,306
Loss for the year		-	-	-	-	( 121,400 )	-	-	( 121,400 )
Other comprehensive income (loss) for the year		-	-	-	-	6,095	( 1,663 )	( 2,467 )	1,965
Total comprehensive loss		-	-	-	-	( 115,305 )	( 1,663 )	( 2,467 )	( 119,435 )
Appropriation and distribution of 2024 earnings:	6(16)								
Reversal of special reserve		-	-	-	( 2,302 )	2,302	-	-	-
Cash dividends paid from earnings		-	-	-	-	( 19,911 )	-	-	( 19,911 )
Changes in equity of associates and joint ventures accounted for using equity method	6(6)(15)	-	( 364 )	-	-	-	-	-	( 364 )
December 31		\$ 796,454	\$ 519,127	\$ 153,256	\$ -	\$ 28,281	(\$ 39 )	\$ 3,517	\$ 1,500,596

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

-MEDIA ELECTRONICS INC.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2025 AND 2024  
(Expressed in thousands of New Taiwan dollars)

Notes	Year ended December 31	
	2025	2024
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Loss before tax	( \$ 122,924 )	( \$ 31,605 )
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	6(7)(8)(21) 7,840	7,820
Amortisation expense	6(9)(21) 5,325	2,610
Interest revenue	6(18) ( 2,422 )	( 3,886 )
Interest expense	92	148
Share-based payments	6(13)(22) -	42,950
Share of profit (loss) of associates and joint ventures accounted for using equity method	47,023	( 29,690 )
Unrealised foreign exchange losses (gains)	401	( 2,534 )
Changes in operating assets and liabilities		
Changes in operating assets		
Accounts receivable	19,599	( 19,070 )
Other receivables	( 13 )	90
Inventories	9,800	( 991 )
Other current assets	17,150	( 23,609 )
Other non-current assets	( 15 )	3,559
Changes in operating liabilities		
Accounts payable	( 2,660 )	( 4,165 )
Accounts payable - related parties	( 3,524 )	( 3,106 )
Other payables	( 2,687 )	( 5,363 )
Other current liabilities	( 697 )	( 1,210 )
Cash outflow generated from operations	( 27,712 )	( 68,052 )
Interest received	2,496	3,919
Dividends received	1,083	36,798
Interest paid	( 11 )	-
Income taxes paid	( 121 )	( 153 )
Income taxes refunded	181	-
Net cash flows used in operating activities	( 24,084 )	( 27,488 )
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Acquisition of financial assets at fair value through other comprehensive income	6(2) ( 99,037 )	-
Redemption of financial assets measured at amortized cost	6(3) 101,500	-
Acquisition of property, plant and equipment	6(7)(25) ( 2,545 )	( 2,260 )
Acquisition of intangible assets	6(9)(25) ( 4,550 )	( 9,514 )
Decrease in refundable deposits	680	648
Net cash flows used in investing activities	( 3,952 )	( 11,126 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Proceeds from long-term debt	6(26) 7,000	-
Repayment of long-term debt	6(26) ( 1,000 )	-
Payments of lease liabilities	6(26) ( 2,866 )	( 2,998 )
Cash dividends paid	6(16) ( 19,911 )	( 19,661 )
Net cash flows used in financing activities	( 16,777 )	( 22,659 )
Effect of exchange rate changes on cash and cash equivalents	( 401 )	2,534
Net decrease in cash and cash equivalents	( 45,214 )	( 58,739 )
Cash and cash equivalents at beginning of year	6(1) 207,588	266,327
Cash and cash equivalents at end of year	6(1) \$ 162,374	\$ 207,588

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

#### 4. Comparison Table for Amended Articles of “Procedures for Acquisition and Disposal of Assets”

Amended Provision	Current Provision	Description
<p>Article 10 (Paragraph 1 is omitted) The evaluation and operating procedures for acquiring or disposing of real property, equipment, or the right-of-use assets are as follows :</p> <ol style="list-style-type: none"> <li>1. The asset management department is responsible for evaluation and execution, and the price should be determined after inquiry, negotiation or bidding. The price of the real property should be referred to the publicly declared value, assessed present value, and actual transaction price of neighboring real property.</li> <li>2. The transaction should be approved by the <u>President</u> if the transaction amount is below NT\$1 million, by the Chairman if the transaction amount is more than NT\$1 million but below NT\$100 million, and by the Board if the transaction amount exceeds NT\$100 million.</li> </ol>	<p>Article 10 (Paragraph 1 is omitted) The evaluation and operating procedures for acquiring or disposing of real property, equipment, or the right-of-use assets are as follows :</p> <ol style="list-style-type: none"> <li>1. The asset management department is responsible for evaluation and execution, and the price should be determined after inquiry, negotiation or bidding. The price of the real property should be referred to the publicly declared value, assessed present value, and actual transaction price of neighboring real property.</li> <li>2. The transaction should be approved by the <u>Chief Operating Officer</u> if the transaction amount is below NT\$1 million, by the Chairman if the transaction amount is more than NT\$1 million but below NT\$100 million, and by the Board if the transaction amount exceeds NT\$100 million.</li> </ol>	<p>Revised decision-making authorities in response to business needs.</p>
<p>Article 11 The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC). The evaluation and operating procedures for acquiring or disposing of securities are as follows :</p> <ol style="list-style-type: none"> <li>1. The acquisition or disposal of securities</li> </ol>	<p>Article 11 The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC). The evaluation and operating procedures for acquiring or disposing of securities are as follows :</p> <ol style="list-style-type: none"> <li>1. The acquisition or disposal of securities <u>is</u></li> </ol>	<p>Revised decision-making authorities and refined wording in response to the Company's business needs.</p>

Amended Provision	Current Provision	Description
<p><u>shall be undertaken by the Finance Department, or by a project leader or task force designated by the President to carry out evaluation and execution.</u></p> <p>2. The acquisition or disposal of securities listed on the TPEX or TWSE shall be determined based on the prevailing market price at the time. For securities not listed on the TPEX or TWSE, factors such as net asset value per share, profitability, future growth potential, market interest rates, bond coupon rates, and issuer creditworthiness shall be considered, and the transaction price shall be determined based on negotiated prices at the time.</p> <p>3. The transaction should be approved by the Chief <u>Operating</u> Officer if the transaction amount is below NT\$3 million, by the <u>President</u> if the transaction amount is more than NT\$3 million but below NT\$10 million, by the Chairman if the transaction amount is more than NT\$10 million but below NT\$100 million, and by the Board if the transaction amount exceeds NT\$100 million.</p> <p>4. For fund Scheduling in trading of domestic government bonds, bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the transaction should be approved by the Chief <u>Operating</u> Officer if the transaction amount is below NT\$30 million, by the <u>President</u> if the transaction amount is more than NT\$30 million but below NT\$100 million, by the Chairman if the transaction amount is more than NT\$100 million but below NT\$300 million, and by the Board if the transaction amount exceeds NT\$300 million.</p>	<p><u>evaluated and executed by the finance department or a special project team under the direction of the President.</u></p> <p>2. The acquisition or disposal of securities listed on the TPEX or TWSE shall be determined based on the prevailing market price at the time. For securities not listed on the TPEX or TWSE, factors such as net asset value per share, profitability, future growth potential, market interest rates, bond coupon rates, and issuer creditworthiness shall be considered, and the transaction price shall be determined based on negotiated prices at the time.</p> <p>3. The transaction should be approved by the Chief <u>Financial</u> Officer if the transaction amount is below NT\$3 million, by the <u>Chief Operating Officer</u> if the transaction amount is more than NT\$3 million but below NT\$10 million, by the Chairman if the transaction amount is more than NT\$10 million but below NT\$100 million, and by the Board if the transaction amount exceeds NT\$100 million.</p> <p>4. For fund Scheduling in trading of domestic government bonds, bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the transaction should be approved by the Chief <u>Financial</u> Officer if the transaction amount is below NT\$30 million, by the <u>Chief Operating Officer</u> if the transaction amount is more than NT\$30 million but below NT\$100 million, by the Chairman if the transaction amount is more than NT\$100 million but below NT\$300 million, and by the Board if the transaction amount exceeds NT\$300 million.</p>	
<p>Article 12 Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government</p>	<p>Article 12 Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government</p>	<p>Revised wording in response to business needs.</p>

Amended Provision	Current Provision	Description
<p>agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price. The evaluation and operating procedures for acquiring or disposing of intangible assets or right-of-use assets thereof or memberships.</p> <ol style="list-style-type: none"> <li>1. The acquisition or disposal of intangible assets or right-of-use assets or memberships <u>shall be evaluated and executed by a project leader or task force designated by the President.</u></li> <li>2. When acquiring or disposing of intangible assets or right-of-use assets thereof, relevant price information should be gathered in advance, or professional appraisal institutions should be consulted to provide appraisal reports. After a careful evaluation of relevant laws and contract terms, the transaction price should be determined. When acquiring or disposing of memberships, relevant price information should be collected in advance, and either comparative pricing or negotiation should be utilized.</li> <li>3. The transaction should be approved by the Chairman if the transaction amount is below NT\$100 million, and by the Board if the transaction amount exceeds NT\$100 million.</li> </ol>	<p>agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price. The evaluation and operating procedures for acquiring or disposing of intangible assets or right-of-use assets thereof or memberships.</p> <ol style="list-style-type: none"> <li>1. The acquisition or disposal of intangible assets or right-of-use assets <u>thereof</u> or memberships is evaluated and executed by a <u>designated person or a special project team under the direction of the President.</u></li> <li>2. When acquiring or disposing of intangible assets or right-of-use assets thereof, relevant price information should be gathered in advance, or professional appraisal institutions should be consulted to provide appraisal reports. After a careful evaluation of relevant laws and contract terms, the transaction price should be determined. When acquiring or disposing of memberships, relevant price information should be collected in advance, and either comparative pricing or negotiation should be utilized.</li> <li>3. The transaction should be approved by the Chairman if the transaction amount is below NT\$100 million, and by the Board if the transaction amount exceeds NT\$100 million.</li> </ol>	
<p>Article 15 (Paragraphs 1 to 3 are omitted.) For the acquisition or disposal of other significant assets, <u>a person designated by the President or a project team established for this purpose shall be responsible for the evaluation and execution. The pricing shall be determined through comparative pricing, negotiation, tendering, or other appropriate methods. The transaction shall be approved by the Chief Operating Officer if the transaction amount is below NT\$1 million, by the President if it exceeds NT\$1 million but is below NT\$10 million, by the Chairperson if it exceeds NT\$10 million but is below NT\$100 million, and by the Board of Directors if it</u></p>	<p>Article 15 (Paragraphs 1 to 3 are omitted.) For the acquisition or disposal of other significant assets, <u>the responsible person designated by the president or a project team established for this purpose shall be responsible for assessment and execution. The pricing shall be determined through comparative pricing, negotiation, tendering, or other methods. The transaction should be approved by the Chief Operating Officer if the transaction amount is below NT\$1 million, by the Chairman if the transaction amount is more than NT\$1 million but below NT\$100 million, and by the Board if the transaction amount exceeds NT\$100 million.</u></p>	<p>Revised decision-making authorities and refined wording in response to the Company's business needs.</p>

Amended Provision	Current Provision	Description
exceeds NT\$100 million.		
<p>Article 38  The Procedures was established on June 21, 2019.  The 1st amendment was made on June 17, 2022.  The 2rd amendment was made on June 21, 2024.  <u>The 3rd amendment was made on June 26, 2026.</u></p>	<p>Article 38  The Procedures was established on June 21, 2019.  The 1st amendment was made on June 17, 2022.  The 2nd amendment was made on June 21, 2024. °</p>	<p>Add  revision  date.</p>

## 5. Comparison Table for Amended Articles of “Procedures for Loaning of Funds and Making of Endorsements and Guarantees”

Amended Provision	Current Provision	Explanation
<p>Article 6</p> <p>The aggregate amount of the Company’s loans to others shall not exceed 40% of the Company’s net worth as stated in its latest financial statements.</p> <p>Limit on loaning funds by the Company to any single counterparty:</p> <p>1. For companies or firms that have business transactions with the Company, the loan amount to any single counterparty shall not exceed the transaction amount between the two parties in the most recent fiscal year. The term “transaction amount” refers to the greater of the purchase or sales amount between the parties, and in any case shall not exceed 10% of the Company’s net worth as stated in its most recent financial statements.</p> <p>2. <u>For companies or firms with a need for short-term financing, the amount of individual loans granted to a single enterprise shall not exceed 10% of the net worth of the Company or the lending subsidiary based on its most recent financial statements. However, the amount of individual loans granted to a subsidiary in which the Company directly or indirectly holds 100% of the voting rights shall be limited to no more than 40% of the Company’s net worth.</u></p> <p><u>The restriction in the preceding paragraph shall not apply to the lending of funds between foreign companies in which the Company directly and indirectly holds 100% of the voting rights, or to the lending of funds by such foreign subsidiaries to the Company. Nevertheless, the aggregate lending amount and the individual lending amount to a single enterprise shall not exceed 40% of the Company’s net worth based on its most recent financial statements, and the financing period shall be limited to one year.</u></p>	<p>Article 6</p> <p>The aggregate amount of the Company’s loans to others shall not exceed 40% of the Company’s net worth as stated in its latest financial statements.</p> <p>Limit on loaning funds by the Company to any single counterparty:</p> <p>1. For companies or firms that have business transactions with the Company, the loan amount to any single counterparty shall not exceed the transaction amount between the two parties in the most recent fiscal year. The term “transaction amount” refers to the greater of the purchase or sales amount between the parties, and in any case shall not exceed 10% of the Company’s net worth as stated in its most recent financial statements.</p> <p>2. For companies or firms requiring short-term financing, the loan shall be limited to purposes such as repayment of borrowings, equipment acquisition, operating turnover, or other operational needs, and the loan amount shall not exceed 10% of the Company’s net worth as stated in its latest financial statements.</p>	<p>1. The lending limit under Subparagraph 2 of Paragraph 2 has been revised to meet the Company’s business needs.</p> <p>2. A new Paragraph 3 has been added to stipulate the aggregate lending limit and the limit for each counterparty for loans of funds between foreign companies in which the Company directly or indirectly holds 100% of the voting shares, as well as loans of funds made by such foreign subsidiaries to the Company.</p> <p>3. A new Paragraph 4 has been added to clearly define the net worth used as the basis for calculating the lending limits.</p>

Amended Provision	Current Provision	Explanation
<p><u>The aforementioned "net worth" shall mean the equity attributable to owners of the parent as stated in the most recent financial statements audited or reviewed by a certified public accountant (CPA).</u></p>		
<p>Article 7 The term and interest calculation method for loaning funds by this company shall be as follows:</p> <ol style="list-style-type: none"> <li>Loans by this company shall be based on short-term financing, not exceeding one year or one operating cycle (whichever is longer).</li> <li><u>The interest rate on the Company's loans to others shall not be lower than the highest short-term borrowing rate of the Company from financial institutions. If there is no applicable reference rate, the Taiwan Bank Time Deposit Rate Index (monthly adjusted) shall serve as the calculation basis, with a markup ranging from 50 to 200 basis points. Interest on the loans shall be calculated on a monthly basis.</u></li> </ol>	<p>Article 7 The term and interest calculation method for loaning funds by this company shall be as follows:</p> <ol style="list-style-type: none"> <li>Loans by this company shall be based on short-term financing, not exceeding one year or one operating cycle (whichever is longer).</li> <li>The interest calculation method shall be based on prevailing financial market interest rates, but shall not be lower than the then-current base lending rate of Taiwan banks and shall be calculated monthly.</li> </ol>	<p>The basis for calculating the interest rate has been reestablished.</p>
<p>Article 11 When the Company intends to loan funds to others, it shall prudently evaluate whether such loan complies with the "Regulations Governing Loaning of Funds and Making of Endorsements and Guarantees by Public Companies" and the Operating Procedures. The evaluation results shall be submitted to the Board of Directors for approval before implementation, and no delegation of authority shall be permitted.</p> <p>Loans of funds between the Company and its parent company or subsidiaries, or between its subsidiaries, shall be submitted for a resolution by the board of directors pursuant to the preceding paragraph, and the chairperson may be authorized, for a specific borrowing counterparty, within a certain monetary limit resolved by the board of directors, and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the</p>	<p>Article 11 When the Company intends to loan funds to others, it shall prudently evaluate whether such loan complies with the "Regulations Governing Loaning of Funds and Making of Endorsements and Guarantees by Public Companies" and the Operating Procedures. The evaluation results shall be submitted to the Board of Directors for approval before implementation, and no delegation of authority shall be permitted.</p> <p>Loans of funds between the Company and its parent company or subsidiaries, or between its subsidiaries, shall be submitted for a resolution by the board of directors pursuant to the preceding paragraph, and the chairperson may be authorized, for a specific borrowing counterparty, within a certain monetary limit resolved by the board of directors, and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the</p>	<p>This paragraph has been deleted and incorporated into Paragraph 2 of Article 6.</p>

Amended Provision	Current Provision	Explanation
<p>counterparty to draw down.</p> <p>The "certain monetary limit" mentioned in the preceding paragraph on authorization for loans extended by the Company or any of its subsidiaries to any single entity shall not exceed 10% of the net worth on the most current financial statements of the lending company, except in cases of companies in compliance with Article 2, paragraph 4.</p>	<p>counterparty to draw down.</p> <p><u>Except for loans made between foreign companies in which the Company directly or indirectly holds 100% of the voting shares, the aggregate amount of funds loaned by the Company or any of its subsidiaries to any single entity shall not exceed ten percent of the Company's net worth on the most current financial statements.</u></p> <p>The "certain monetary limit" mentioned in the preceding paragraph on authorization for loans extended by the Company or any of its subsidiaries to any single entity shall not exceed 10% of the net worth on the most current financial statements of the lending company, except in cases of companies in compliance with Article 2, paragraph 4.</p>	
<p>Article 16_</p> <p>The Company's aggregate endorsement / guarantee amount and the amount of its endorsements and guarantees for any single entity, shall be as follows:</p> <ol style="list-style-type: none"> <li>1. The aggregate amount of the Company's external endorsements and guarantees shall <u>not exceed</u> 50% of the Company's net worth.</li> <li>2. The amount of the Company's endorsements and guarantees to any single entity shall <u>not exceed</u> 10% of the Company's net worth.</li> <li>3. When providing endorsements or guarantees arising from business transactions, the amount of such endorsement or guarantee shall not exceed the amount of business transactions between the parties in the most recent year. The term 'amount of business transactions' refers to whichever is higher between purchases from or sales to the counterparty, and shall further not exceed 10% of the Company's net worth.</li> </ol> <p>The aggregate amount of endorsements and guarantees provided by the Company and its subsidiaries as a whole shall not exceed fifty percent (50%) of the Company's net worth.</p> <p>The aggregate amount of endorsements and guarantees made by the Company and its subsidiaries to any single entity shall not exceed ten percent (10%) of the Company's net worth.</p>	<p>Article 16</p> <p>The Company's aggregate endorsement / guarantee amount and the amount of its endorsements and guarantees for any single entity, shall be as follows:</p> <ol style="list-style-type: none"> <li>1. The aggregate amount of the Company's external endorsements and guarantees shall be less than 50% of the Company's net worth.</li> <li>2. The amount of the Company's endorsements and guarantees to any single entity shall be less than 10% of the Company's net worth.</li> <li>3. When providing endorsements or guarantees arising from business transactions, the amount of such endorsement or guarantee shall not exceed the amount of business transactions between the parties in the most recent year. The term 'amount of business transactions' refers to whichever is higher between purchases from or sales to the counterparty, and shall further not exceed 10% of the Company's net worth.</li> </ol> <p>The aggregate amount of endorsements and guarantees provided by the Company and its subsidiaries as a whole shall not exceed fifty percent (50%) of the Company's net worth.</p> <p>The amount of endorsements and guarantees provided by the Company and its subsidiaries as a whole to any single entity shall not</p>	<ol style="list-style-type: none"> <li>1. Minor textual revisions are made.</li> <li>2. A new Paragraph 4 is added to clearly define the net worth used as the basis for calculating the credit limit.</li> </ol>

Amended Provision	Current Provision	Explanation
<u>The aforementioned “net worth” shall be based on the equity attributable to owners of the parent company as shown in the most recent financial statements audited or reviewed by a certified public accountant.</u>	exceed ten percent (10%) of the Company’s net worth.	
Article 28 The Procedures was established on June 17, 2014. The 1st amendment was made on June 15, 2015. The 2nd amendment was made on June 21, 2019 <u>The 3rd amendment was made on June 26, 2026</u>	Article 28 The Procedures was established on June 17, 2014. The 1st amendment was made on June 15, 2015. The 2nd amendment was made on June 21, 2019	Add revision date.

# IV. Appendix

## 1. Articles of Association

C-Media Electronics Inc.

Articles of Association

Chapter I General Provisions

Article 1

The Company is organized in accordance with the provisions of the Company Act, and is named C-Media Electronics Inc.

Article 2

The business scope of the Company is as follows:

1. CC01080 Electronics Components Manufacturing
2. CE01030 Optical Instruments Manufacturing
3. CC01040 Lighting Equipment Manufacturing
4. F113050 Wholesale of Computers and Clerical Machinery Equipment
5. F119010 Wholesale of Electronic Materials
6. F213030 Retail Sale of Computers and Clerical Machinery Equipment
7. F219010 Retail Sale of Electronic Materials
8. F401010 International Trade
9. I301010 Information Software Services
10. I501010 Product Designing
11. CC01060 Wired Communication Mechanical Equipment Manufacturing
12. CC01070 Wireless Communication Mechanical Equipment Manufacturing
13. F113070 Wholesale of Telecommunication Apparatus
14. F401021 Restrained Telecom Radio Frequency Equipments and Materials Import
15. IZ99990 Other Industrial and Commercial Services
16. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3

For business transaction needs, the Company may provide external guarantees after the resolution of the board meeting, and the operation shall be carried out in accordance with the Company's Procedures for Endorsements/Guarantees.

Article 4

The total amount of the Company's reinvestment in other enterprises may exceed 40 percent of the paid-in share capital, and the total amount of the investment shall be decided by the board meeting.

Article 5

The Company has its head office located in Taipei, and may set up branches at home and abroad based on the resolution of the board meeting.

Article 6 (deleted)

Chapter II Shares

Article 7

The total capital of the Company is set at NT\$2 billion, divided into 200 million shares with a par value of NT\$10 per share. The board of directors is authorized to issue shares in installments. Among them, twenty million shares at NT\$10 each are reserved for the share subscription through stock options, preferred shares with stock options, or corporate bonds with stock options.

Article 7-1

The transferees of treasury shares purchased by the Company in accordance with the Company Act include the employees of subordinate companies who meet certain conditions.

The recipients of the Company's employee stock options include the employees of subordinate companies who meet certain conditions.

The employees who subscribe to the Company's new shares include the employees of subordinate companies who meet certain conditions.

The recipients of the Company's new shares with restricted employee rights include the employees of subordinate companies who meet certain conditions.

The board meeting is authorized to prescribe the certain conditions referred to in the preceding four paragraphs.

#### Article 7-2

When the Company files for the issuance of employee stock options, if the subscription price is lower than the closing price of the Company's ordinary shares on the date of issuance, a resolution shall be obtained in a shareholders' meeting with shareholders representing more than half of the total number of issued shares present, and the approval of more than two-thirds of the voting rights of the shareholders present. The issuance may be filed and handled in installments within one year from the date of resolution of the shareholders' meeting.

If the Company transfers its shares to employees at a price lower than the average price of the shares actually repurchased, prior to the transfer, it shall submit to the latest shareholders' meeting with shareholders representing more than half of the total number of issued shares present, and the approval of more than two-thirds of the voting rights of the shareholders present.

#### Article 8

The shares of the Company are all registered, signed or sealed by the director representing the Company, and issued after being certified in accordance with the law. The printing of physical shares may be waived, but the centralized securities depository enterprise shall be consulted for registration.

#### Article 9

The name change and transfer of shares shall be suspended within 60 days prior to the general shareholders' meeting, 30 days prior to the extraordinary shareholders' meeting, or five days prior to the base date on which the Company decides to distribute dividends and bonuses or other benefits. The aforementioned period starts from the date of the meeting or the base date.

### Chapter III Shareholders' Meetings

#### Article 10

The shareholders' meeting is divided into the general shareholders' meeting and the extraordinary shareholders' meeting. The general shareholders' meeting is held within six months after the end of each fiscal year; however, this restriction shall not apply where there are legitimate reasons and an application has been submitted to the competent authority for approval. The extraordinary shareholders' meeting is held in accordance with the law when necessary. The shareholders' meeting of the Company may be held by video conference or other means announced by the central competent authority.

#### Article 11

If a shareholder is unable to attend the shareholders' meeting for any reason, he/she may, in accordance with Article 177 of the Company Act and other relevant laws and regulations, issue a power of attorney printed by the Company to appoint a proxy to attend the meeting.

Shareholders of the Company may also exercise their voting rights electronically. Shareholders who exercise their voting rights electronically are deemed to be present in person, and relevant matters shall be handled in accordance with laws and regulations.

#### Article 12

Each shareholder of the Company shall have one vote for each share, unless otherwise provided by laws and regulations.

## Article 13

Unless otherwise stipulated by laws and regulations, the resolutions of the shareholders' meeting shall be made at a meeting attended by shareholders representing more than half of the total number of issued shares, and with the consent of more than half of the voting rights of the shareholders present.

## Chapter IV Directors

### Article 14

The Company shall have seven to eleven directors with a three-year term of office, who shall be elected by the shareholders' meeting from competent persons and may be re elected.

The candidate nomination system shall be adopted for the election of directors. Independent directors and non independent directors shall be elected together, and the number of elected directors shall be calculated separately.

### Article 14-1

In the above-mentioned number of directors of the Company, the number of independent directors shall not be less than three, and not less than one-fifth of the total number of directors. The professional qualifications, shareholding, part-time job restrictions, methods of nomination and election, and other matters to be observed by independent directors shall be handled in accordance with the relevant regulations of the competent securities authority.

The Company has set up an audit committee, which is composed of all independent directors. The provisions of the Company Act, the Securities and Exchange Act and other laws on supervisors shall apply mutatis mutandis to the Audit Committee.

The number, term of office, responsibilities, rules of procedure, etc. of the Audit Committee shall be separately prescribed in the Organizational Rules of the Audit Committee.

### Article 14-2

For the convening of the Company's board meeting, the reasons shall be specified and each director notified seven days in advance. However, a meeting may be convened at any time in case of emergency. The convening of a board meeting may be notified to the directors in writing or by fax or e-mail.

### Article 14-3

The remuneration of the Chairman and directors of the Company is authorized to be paid by the board meeting according to the extent of the Chairman's and directors' participation in the operation of the Company, the value of their contributions and the normal level of the industry.

### Article 15

The board of directors shall be organized by the directors, with more than two-thirds of the directors present at the board meeting, and the consent of a majority of the directors present to elect a Chairman and a Vice Chairman based on business need, who represents the Company externally, If a director cannot attend the board meeting, he/she may entrust another director to act on his/her behalf, and the agency shall be handled in accordance with Article 205 of the Company Act.

### Article 16

When the Chairman asks for a leave or is unable to exercise his/her powers for some reason, his/her agency shall be handled in accordance with Article 208 of the Company Act.

## Chapter V Managers

### Article 17

The Company may set up the positions of managers, whose appointment, dismissal and remuneration shall be handled in accordance with Article 29 of the Company Act.

## Chapter IV Accounting

### Article 18

At the end of each fiscal year, the board of directors shall prepare (1) the business report, (2) financial statements and (3) proposal of earnings distribution or loss compensation, and submit them to the general shareholders' meeting for recognition.

#### Article 19

If the Company has any profit in the year (the so-called profit refers to the profit before tax minus the profit before distribution of employees' remuneration and directors' remuneration), if there is still a balance after deducting the accumulated loss, the employees' remuneration of no less than 1% and the directors' remuneration of no more than 1% shall be appropriated.

The aforementioned employees' remuneration can be paid in the form of stock or cash, and may be paid to employees of subordinate companies who meet certain criteria. The said criteria shall be set by the board meeting. The remuneration of the directors referred to in the preceding paragraph may only be paid in cash.

At least ten percent of the total employee remuneration shall be distributed to non-executive employees.

The preceding three paragraphs shall be resolved by the board meeting and reported to the shareholders' meeting.

#### Article 19-1

If there is net profit after tax for the current period in the Company's annual final accounts, the accumulated loss shall be made up first, and then 10% shall be set aside as the statutory reserve according to law; however, this restriction shall not apply when the accumulated statutory reserve has reached the total paid-in capital of the Company. A special reserve shall then be allocated or reversed in accordance with laws and regulations or requirements of the competent authority. For the remaining surplus, together with the undistributed surplus at the beginning of the period, the board of directors shall prepare a proposal for surplus distribution. If the distribution is to be made via issuing new shares, the proposal shall be submitted to the shareholders' meeting for resolution before the distribution.

In accordance with paragraph 5 of Article 240 of the Company Act, the Company authorizes the board meeting to distribute all or part of the dividends and bonuses or the statutory reserve and capital reserve as prescribed in paragraph 1 of Article 241 of the Company Act in cash, with the presence of more than two-thirds of the directors and a resolution of more than half of the directors present, and the resolution shall be reported to the shareholders' meeting.

The dividend policy of the Company is to allocate no less than 1% of the distributable surplus as dividends to shareholders each year in accordance with the Company's current and future development plans, while considering the investment environment, capital demand, domestic and foreign competition, and taking into account the interests of shareholders. However, when the cumulative distributable surplus is less than 10% of the paid-in capital, the dividend may not be distributed. Dividends and bonuses may be distributed to shareholders in cash or stock. If cash dividends and stock dividends are distributed at the same time, the proportion of cash dividends shall be 10% to 90%, and the rest shall be distributed as stock dividends.

#### Article 20

Matters not stipulated in the Articles of Association shall be handled in accordance with the Company Act.

#### Article 21

The Articles of Association was established on November 29, 1991. The 1st amendment was made on August 1, 1995. The 2nd amendment was made on February 12, 1997. The 3rd amendment was made on July 9, 1997. The 4th amendment was made on May 25 1999. The 5th amendment was made on August 28, 1999. The 6th amendment was made on June 30, 2000. The 7th amendment was made on November 20, 2000. The 8th amendment was made on June 22, 2001. The 9th amendment was made on May 30, 2002. The 10th amendment was made on June 27, 2003. The 11th amendment

was made on June 30, 2004. The 12th amendment was made on June 14, 2005. The 13th amendment was made on June 14, 2006. The 14th amendment was made on June 15, 2007. The 15th amendment was made on June 13, 2008. The 16th amendment was made on June 19, 2009. The 17th amendment was made on June 17, 2010. The 18th amendment was made on June 15, 2011. The 19th amendment was made on June 18 2012. The 20th amendment was made on June 11 2013. The 21st amendment was made on June 15, 2015. The 22nd amendment was made on June 22, 2016. The 23rd amendment was made on June 26, 2017. The 24th amendment was made on June 21, 2019. The 25th amendment was made on June 17, 2022. The 26th amendment was made on June 21, 2024. The 27th amendment was made on June 18, 2025.

## 2. Rules of Procedure for Shareholders Meetings

C-Media Electronics Inc.

### Rules of Procedure for Shareholders Meetings

#### Article 1

To establish a strong governance system and sound supervisory capabilities for this Corporation's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

#### Article 2

The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

#### Article 3

Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.

Changes to how this Corporation convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.

This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. If, however, this Corporation has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby.

This Corporation shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:

1. For physical shareholders meetings, to be distributed on-site at the meeting.
2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation,

or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

#### Article 4

For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.

A shareholder attend by proxy shall be compliance with Article 177 of the Company Act.

After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

If, after a proxy form is delivered to this Corporation, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to this Corporation two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

#### Article 5

The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the

independent directors with respect to the place and time of the meeting.

The restrictions on the place of the meeting shall not apply when this Corporation convenes a virtual-only shareholders meeting.

#### Article 6

This Corporation shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with this Corporation two days before the meeting date.

In the event of a virtual shareholders meeting, this Corporation shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

#### Article 6-1

To convene a virtual shareholders meeting, this Corporation shall include the follow particulars in the shareholders meeting notice:

1. How shareholders attend the virtual meeting and exercise their rights.
2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
  - A. To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
  - B. Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
  - C. In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders

attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

D. Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.

#### Article 7

If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the directors to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

#### Article 8

This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Where a shareholders meeting is held online, this Corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by this Corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by this Corporation during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

#### Article 9

Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements,

for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, this Corporation shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to this Corporation in accordance with Article 6.

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

#### Article 10

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

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

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

#### Article 11

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

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

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

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

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

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online

may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

#### Article 12

Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of this Corporation, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

#### Article 13

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a

person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

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

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

When this Corporation convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When this Corporation convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

#### Article 14

The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors not elected and number of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

#### Article 15

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the

chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of this Corporation.

Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

#### Article 16

On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, this Corporation shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During this Corporation's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under the Competent Authority regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

#### Article 17

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

#### Article 18

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

#### Article 19

In the event of a virtual shareholders meeting, this Corporation shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform

according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

#### Article 20

When this Corporation convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

#### Article 21

In the event of a virtual shareholders meeting, this Corporation may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.

When this Corporation convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

When postponing or resuming a meeting according to the second paragraph, this Corporation shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, this Corporations hall handle the matter based on the date of the shareholders meeting that is postponed or resumed under

the second paragraph.

Article 22

These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

Article 23

The Articles of Incorporation hereof were established on Jun. 11, 2013.

1st amended on Jun. 15, 2015. 2nd amended on Jun. 21, 2019. 3rd amended on Jun. 22, 2020. 4th amended on Aug. 27, 2020. 5th amended on Jun. 17, 2022.

### **3. Procedures for Acquisition and Disposal of Assets (Before amended)**

C-Media Electronics Inc.

#### Procedures for Acquisition and Disposal of Assets

##### Chapter I General Principles

###### Article 1

These Procedures are adopted in accordance with the provisions of Article 36-1 of the Securities and Exchange and the Regulations Governing the Acquisition and Disposal of Assets by Public Companies; provided, where other laws or regulations provide otherwise, such provisions shall govern.

###### Article 2

The term "assets" as used in these Procedures includes the following:

1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
2. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
3. Memberships.
4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
5. Right-of-use assets.
6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
7. Derivatives.
8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
9. Other major assets.

###### Article 3

Terms used in these Procedures are defined as follows:

1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.
3. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
5. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for

investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.

6. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.

#### Article 4

Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

1. May not have previously received a final and non-appealable sentence to imprisonment for one year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if three years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
2. May not be a related party or de facto related party of any party to the transaction.
3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-regulatory rules of the industry associations to which they belong and with the following provisions:

1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
2. When conducting a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
3. They shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is appropriate and reasonable, and that they have complied with applicable laws and regulations.

## Chapter II Disposition Procedures

### Section I Establishment of Disposition Procedures

#### Article 5

When the Procedures are adopted it shall be approved by one-half or more of all audit committee, after which it must be approved by the board of directors and then to a shareholders' meeting for approval; the same applies when the procedures are amended.

When the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

If approval of one-half or more of all audit committee members as required in paragraph 1 is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.

The terms "all audit committee members" and "all directors" in paragraph 1 shall be counted as the actual number of persons currently holding those positions.

#### Article 6

With respect to the Company's acquisition or disposal of assets that is subject to the approval of the board of directors under the company's procedures or other laws or regulations, it shall first be approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution.

When a transaction involving the acquisition or disposal of assets is submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

The paragraph 1 shall be subject to mutatis mutandis application of Article 5, paragraphs 3 and 4.

#### Article 7

Total amounts of real property and right-of-use assets thereof or securities acquired by the company and each subsidiary, and limits on individual securities, are as follows:

1. Total amounts of real property and right-of-use assets acquired by the Company for non-business use should not exceed thirty percent (30%) of total assets in the latest financial statement of the Company; total amount of real property and right-of-use assets acquired by each subsidiary for non-business use should not exceed thirty percent (30%) of total assets in the latest financial statement of the subsidiary.
2. Total amounts of securities acquired by the Company should not exceed eighty percent (80%) of total assets in the latest financial statement of the Company; the total amounts of the securities acquired for the same company should not exceed thirty percent (30%) of total assets in the latest financial statement of the Company. For the subsidiary that belongs to investment holding company, there is no limit to the investment. For the rest subsidiaries that engage in the investment, it should not respectively exceed one hundred percent (100%) and one hundred percent (100%) of total assets in the latest financial statement of the subsidiary.

#### Article 8

Acquisition or disposal of assets by the Company's Subsidiaries shall follow the procedures as follows :

1. If the Company's Subsidiary is a domestic public company, it shall establish and execute procedures for the acquisition or disposal of assets in accordance with the laws and regulations.
2. If the subsidiary is not a domestic publicly company, its procedures for the acquisition or disposal of assets shall be in accordance with these Procedures.

#### Article 9

The Company's managers and persons-in-charge shall follow the Procedures in order to prevent the Company from incurring any losses. Any violation of related regulations or these Procedures shall be subject to discipline in accordance with the relevant human resources articles or rules of the Company.

### Section II Acquisition or Disposal of Assets

#### Article 10

In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches twenty percent (20%) of the company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of

equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
  - A. The discrepancy between the appraisal result and the transaction amount is twenty percent (20%) or more of the transaction amount.
  - B. The discrepancy between the appraisal results of two or more professional appraisers is ten percent (10%) or more of the transaction amount.
4. No more than three months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

The evaluation and operating procedures for acquiring or disposing of real property, equipment, or the right-of-use assets are as follows :

1. The asset management department is responsible for evaluation and execution, and the price should be determined after inquiry, negotiation or bidding. The price of the real property should be referred to the publicly declared value, assessed present value, and actual transaction price of neighboring real property.
2. The transaction should be approved by the Chief Operating Officer if the transaction amount is below NT\$1 million, by the Chairman if the transaction amount is more than NT\$1 million but below NT\$100 million, and by the Board if the transaction amount exceeds NT\$100 million.

#### Article 11

The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is twenty percent (20%) of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC). The evaluation and operating procedures for acquiring or disposing of securities are as follows :

1. The acquisition or disposal of securities is evaluated and executed by the finance department or a special project team under the direction of the President.
2. The acquisition or disposal of securities listed on the TPEX or TWSE shall be determined based on the prevailing market price at the time. For securities not listed on the TPEX or TWSE, factors such as net asset value per share, profitability, future growth potential, market interest rates, bond coupon rates, and issuer creditworthiness shall be considered, and the transaction price shall be determined based on negotiated prices at the time.

3. The transaction should be approved by the Chief Financial Officer if the transaction amount is below NT\$3 million, by the Vice President if the transaction amount is more than NT\$3 million but below NT\$10 million, by the Chairman if the transaction amount is more than NT\$10 million but below NT\$100 million, and by the Board if the transaction amount exceeds NT\$100 million.
4. For fund Scheduling in trading of domestic government bonds, bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the transaction should be approved by the Chief Financial Officer if the transaction amount is below NT\$30 million, by the Chief Operating Officer if the transaction amount is more than NT\$30 million but below NT\$100 million, by the Chairman if the transaction amount is more than NT\$100 million but below NT\$300 million, and by the Board if the transaction amount exceeds NT\$300 million.

#### Article 12

Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches twenty percent (20%) or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.

The evaluation and operating procedures for acquiring or disposing of intangible assets or right-of-use assets thereof or memberships.

1. The acquisition or disposal of intangible assets or right-of-use assets thereof or memberships is evaluated and executed by a designated person or a special project team under the direction of the President.
2. When acquiring or disposing of intangible assets or right-of-use assets thereof, relevant price information should be gathered in advance, or professional appraisal institutions should be consulted to provide appraisal reports. After a careful evaluation of relevant laws and contract terms, the transaction price should be determined. When acquiring or disposing of memberships, relevant price information should be collected in advance, and either comparative pricing or negotiation should be utilized.
3. The transaction should be approved by the Chairman if the transaction amount is below NT\$100 million, and by the Board if the transaction amount exceeds NT\$100 million.

#### Article 13

The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 34, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

#### Article 14

Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

#### Article 15

The acquisition or disposition of claims of financial institutions shall be approved by the board of directors before proceeding.

The acquisition or disposal of derivatives shall be handled in accordance with the relevant provisions of Chapter 2, Section 4 of the procedure.

The acquisition or disposal of assets in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law, shall be handled in accordance with the relevant provisions of Chapter 2, Section 5 of the procedure.

For the acquisition or disposal of other significant assets, the responsible person designated by the president or a project team established for this purpose shall be responsible for assessment and

execution. The pricing shall be determined through comparative pricing, negotiation, tendering, or other methods. The transaction should be approved by the Chief Operating Officer if the transaction amount is below NT\$1 million, by the Chairman if the transaction amount is more than NT\$1 million but below NT\$100 million, and by the Board if the transaction amount exceeds NT\$100 million.

### Section III Related Party Transactions

#### Article 16

When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches ten percent (10%) or more of the company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the preceding Section and this Section.

The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 13 herein.

When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

#### Article 17

When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches twenty percent (20%) or more of paid-in capital, ten percent (10%) or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by one-half or more of all audit committee members and the board of directors:

1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
2. The reason for choosing the related party as a transaction counterparty.
3. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 16 and Article 17.
4. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.
5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
7. Restrictive covenants and other important stipulations associated with the transaction.

With respect to the types of transactions listed below, when to be conducted between the company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds one hundred percent (100%) of the issued shares or authorized capital, the board of directors authorizes the chairman to make first decisions within the limit of NT\$100 million or less, and have the decisions subsequently submitted to and ratified by the next board of directors meeting:

1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
2. Acquisition or disposal of real property right-of-use assets held for business use.

When a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

The matters shall first be approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 5, paragraphs 3 and 4.

If the Company or a subsidiary thereof that is not a domestic public company will have a transaction set out in paragraph 1 and the transaction amount will reach ten percent (10%) or more of the public company's total assets, the public company shall submit the materials in all the subparagraphs of paragraph 1 to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the Company and its parent company or subsidiaries or between its subsidiaries.

The calculation of the transaction amounts referred to in paragraph 1 and the preceding paragraph shall be made in accordance with Article 34, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the shareholders meeting or board of directors and recognized by the supervisors need not be counted toward the transaction amount.

A company shall report to the soonest shareholders' meeting with the actual transaction status (including actual transaction amount, transaction conditions and information requested in Paragraph 1, etc.) after the end of the year, when it has any transaction with a related party regarding Paragraph 1.

#### Article 18

Where the Company that acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:

1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.

Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.

The Company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the preceding two paragraphs shall also engage a CPA to check the appraisal and render a specific opinion.

Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the preceding article, and the preceding three paragraphs do not apply:

1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
2. More than five years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.

3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.
4. The real property right-of-use assets for business use are acquired by the public company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds one hundred percent (100%) of the issued shares or authorized capital.

#### Article 19

When the results of the Company's appraisal conducted in accordance with paragraph 1 and paragraph 2 of the preceding Article are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 18. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:

1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
  - A. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
  - B. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
2. Where the Company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than fifty percent (50%) of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.

#### Article 20

The Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the preceding two articles are uniformly lower than the transaction price, the following steps shall be taken:

1. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.
2. The members of the audit committee shall be subject to mutatis mutandis application of Article 218 of the Company Act.

3. Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

The Company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.

When the Company acquires real property or right-of-use assets thereof from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the transaction was not an arm's length transaction.

#### Section IV Engaging in Derivatives Trading

##### Article 21 ( Transaction Principle and Guideline )

The Company shall engage in derivatives trading for the purpose of mitigating risks. When selecting derivative products, the Company shall choose from the products with a view to mitigate the risks arising from the Company's business operating.

The Company shall comply with the trading principles and guidelines with regard to the derivatives trading:

1. Types of trades : The scope of the Company's derivatives trading includes forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives.
2. Operating or hedging strategies : The Company shall engage in derivatives trading for the purpose of mitigating risks. When selecting derivative products, the Company shall choose from the products with a view to mitigate the risks arising from the Company's business operating. Additionally, the Company shall choose derivatives trading counterparties from the Company's correspondent banks, or well-known domestic and international financial institutions, qualified brokers, and proprietary traders capable of providing professional information.
3. Segregation of duties :
  - A. Risk management : The foreign exchange traders in the finance department are responsible for overseeing the statistics of foreign currency assets and liabilities positions. They also gather relevant market information to serve as a basis for future trend analysis and risk assessment. Moreover, they should have a thorough understanding of the characteristics and functions of various financial instruments. In coordination with the Company's regulations and strategic operations, they execute necessary risk mitigation measures.
  - B. Account management : Accounting personnel should execute the entry processing in accordance with current financial accounting standards, bulletins, and relevant directives from regulatory authorities.
  - C. Cash flow : The treasury personnel in the finance department, in accordance with the requirements of relevant transaction contracts, prepare cash positions for settlement at maturity, to carry out performance delivery operations and confirm the completion of transactions.
  - D. Internal audit : Internal audit personnel of the Company should conduct regular audits of relevant transactions based on internal control systems and internal audit procedures. This is to ensure the reasonableness and effectiveness of aspects such as the amount, authorization, and operational procedures of the transactions, all in compliance with the Company's policies or legal regulations.

4. Essentials for performance evaluation : For all transactions involving derivatives, detailed records of transactions should be daily recorded on the transaction details sheet to track the profit and loss situation. Additionally, settlement and exchange of gains and losses should be reconciled on a monthly, quarterly, semi-annual, and annual basis.
5. The total contract amount for engaging in derivatives trading should not exceed the net foreign exchange position generated by the Company's business operations as a principle.
6. The maximum loss limit on all trading contracts and each trading contract :
  - A. The setting amount of stop-loss points for hedging transactions should not exceed twenty percent (20%) of the contract amount.
  - B. For specific-purpose transaction contracts, after establishing positions, stop-loss points should be set, with the upper limit not exceeding twenty percent (20%) of the transaction contract amount.
  - C. The maximum limit for losses on all contracts is five hundred thousand US dollars.

#### Article 22

The risk management measures for the Company's derivatives trading are as follows:

1. Credit risk : Before engaging in derivatives trading, the Company should carefully assess the risk of potential losses to the Company due to counterparties failing to fulfill contract obligations.
2. Market risk : The Company should consider the risk of fluctuations in the value of derivatives due to future changes in market prices.
3. Liquidity risk : To ensure the liquidity of transactions, priority should be given to selecting commodities with higher liquidity (i.e., positions that can be easily offset in the market at any time). Counterparties involved in the transactions must have sufficient access to information networks, equipment, and professional trading capabilities, and should be able to execute trades in any market.
4. Cash flow risk : Engaging in the funding of derivatives is limited to proprietary funds. Authorized personnel should strictly adhere to the authorization regulations and consider the risks associated with future cash flow fluctuations.
5. Operation risk : The authorized management, operational procedures, document processing, and preparation of subsequent reports or statements should be strictly followed.
6. Legal risk : Any document entered into with counterparties in connection with transactions must be thoroughly reviewed and comply with the Company's contract signing procedures. In the event of legal issues arising, they should be handled by the Company's legal personnel or other legal professionals.
7. Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.
8. Risk measurement, monitoring, and control personnel shall be assigned to a different department than the personnel in the preceding subparagraph and shall report to the board of directors or senior management personnel with no responsibility for trading or position decision-making.
9. Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the board of directors.

#### Article 23

The evaluation and operational procedures for engaging in derivatives trading are as follows :

1. The evaluation and execution are carried out by the personnel from the finance department, the designated individuals instructed by the general manager or an established project team. They are responsible for the evaluation and execution. They should collect market information, assess the trends and risks in advance, and have a good understanding of financial products, regulations, and skills. Sufficient information should be provided to the executive management for decision-making.
2. Authorization Limit :

A. Forward Foreign Exchange Transaction : For cumulative amounts below two million US dollars per month, approval from the chairman is required; for cumulative amounts exceeding two million US dollars per month, approval from the board of directors is necessary.

B. Other derivatives : Obtaining approval from the board of directors before executing the transaction.

### 3.Executing Unit and Transaction Process :

A. Executing Transactions : Financial unit traders are authorized to conduct transactions with financial institutions within the authorized limits. If the transaction amount exceeds the authorized limit, prior written approval must be obtained in accordance with the above terms. After each transaction is completed, a trading form must be immediately filled out based on the financial institution's transaction confirmation, specifying the details. The form should be signed by the responsible supervisor, and positions should be reconciled and copies of the trading form sent to the accounting department.

B. Transaction Confirmation : The accounting department responsible for settlement and registration shall confirm transactions based on copies of the trading forms prepared by the trading unit. Subsequently, settlement and registration details shall be processed according to the confirmed transaction figures. The finance department should compile monthly summary reports and submit them to the accounting department as the basis for accounting evaluation.

## Article 24

The Company engaging in derivatives trading, its board of directors shall faithfully supervise and manage such trading in accordance with the following principles:

1. Designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk.
2. Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the Company's permitted scope of tolerance.

Senior management personnel authorized by the board of directors shall manage derivatives trading in accordance with the following principles:

1. Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Regulations and the procedures for engaging in derivatives trading formulated by the Company.
2. When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors, an independent director shall be present at the meeting and express an opinion.

The Company shall report to the soonest meeting of the board of directors after it authorizes the relevant personnel to handle derivatives trading in accordance with its Procedures for Engaging in Derivatives Trading.

## Article 25

The Company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated under subparagraph 4 of Article 20 and subparagraph 2 of paragraph 1, and subparagraph 1 of paragraph 2, of the preceding article shall be recorded in detail in the log book.

The Company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, the audit committee shall be notified in writing.

## Section V Mergers and Consolidations, Splits, Acquisitions, and Assignment of Shares

## Article 26

The Company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by a public company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the public company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.

#### Article 27

The Company participating in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in paragraph 1 of the preceding Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.

Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the Company participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

#### Article 28

The Company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

The Company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for five years for reference:

1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.
3. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company shall, within two days counting inclusively from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.

Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of the preceding two paragraphs.

#### Article 29

Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.

#### Article 30

The Company participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares :

1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
2. An action, such as a disposal of major assets that affects the Company's financial operations.
3. An event, such as a major disaster or major change in technology that affects shareholder equity or share price.
4. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
5. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

#### Article 31

The contract for participation by the Company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following :

1. Handling of breach of contract.
2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
4. The manner of handling changes in the number of participating entities or companies.
5. Preliminary progress schedule for plan execution, and anticipated completion date.
6. Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

#### Article 32

After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.

### Article 33

Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Article 28, Article 29, and the preceding article.

## Chapter III Public Disclosure of Information

### Article 34

Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within two days counting inclusively from the date of occurrence of the event:

1. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches twenty percent (20%) or more of paid-in capital, ten percent (10%) or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
2. Merger, demerger, acquisition, or transfer of shares.
3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.
4. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million or more.
5. Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million.
6. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches twenty percent (20%) or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
  - A. Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.
  - B. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

The amount of transactions above shall be calculated as follows:

1. The amount of any individual transaction.
2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.

The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.

When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.

The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company, where they shall be retained for five years except where another act provides otherwise.

#### Article 35

Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within two days counting inclusively from the date of occurrence of the event:

1. Change, termination, or rescission of a contract signed in regard to the original transaction.
2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
3. Change to the originally publicly announced and reported information.

#### Chapter IV Additional Provisions

#### Article 36

Information required to be publicly announced and reported in accordance with the provisions of the preceding Chapter on acquisitions and disposals of assets by the Company's subsidiary that is not itself a public company in Taiwan shall be reported by the Company.

The paid-in capital or total assets of the Company shall be the standard applicable to a subsidiary referred to in the preceding paragraph in determining whether, relative to paid-in capital or total assets, it reaches a threshold requiring public announcement and regulatory filing under Article 34, paragraph 1.

#### Article 37

For the calculation of 10 percent of total assets under these Procedures, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

In the case of a company whose shares have no par value or a par value other than NT\$10—for the calculation of transaction amounts of twenty percent (20%) of paid-in capital under these Regulations, ten percent (10%) of equity attributable to owners of the parent shall be substituted.

#### Article 38

The Procedures was established on June 21, 2019.

The 1st amendment was made on June 17, 2022.

The 2nd amendment was made on June 21, 2024.

## **4. Procedures for Loaning of Funds and Making of Endorsements and Guarantees (Before amended)**

### **C-Media Electronics Inc.**

#### Procedures for Loaning of Funds and Making of Endorsements and Guarantees

##### Chapter I General Principles

###### Article 1

These Regulations are promulgated pursuant to Article 36-1 of "the Securities and Exchange Act and the regulations published by the regulatory authority on the "Regulations Governing Loaning of Funds and Making of Endorsements and Guarantees by Public Companies".

###### Article 2

The Company shall not loan funds to any of its shareholders or any other person except under the following circumstances:

1. Companies or firms engaged in business transactions with the Company and requiring loan arrangements; or
2. Companies or firms with a genuine need for short-term financing, provided that the financing amount shall not exceed forty percent (40%) of the Company's net worth.

The term "short-term" as used in the preceding paragraph means one year or one operating cycle, whichever is longer.

The term "financing amount" as used in Sub-paragraph 2 of Paragraph 1 means the cumulative balance of the Company's short-term financing arrangements.

The restriction in Sub-paragraph 2 of Paragraph 1 shall not apply to inter-company loans of funds between overseas companies in which the Company holds, directly or indirectly, one hundred percent (100%) of the voting shares, nor to loans of funds made to the Company by any overseas company in which the Company holds, directly or indirectly, one hundred percent (100%) of the voting shares. However, the Company shall still prescribe limits on the aggregate amount of such loans and on the amount of such loans permitted to a single borrower, and shall specify limits on the durations of such loans.

Where a responsible person of the company violates Paragraph 1 or the proviso of the preceding paragraph, such person shall bear joint and several liability with the borrower for repayment; if the Company suffers any damage, the responsible person shall also be liable for damages.

###### Article 3

The Procedures "endorsements and guarantees" as used in these Regulations refers to the following:

1. Financing endorsements and guarantees, including:
  - A. Bill discount financing.
  - B. Endorsement or guarantee made to meet the financing needs of another company.
  - C. Issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the company itself.
2. Customs duty endorsement and guarantee, meaning an endorsement or guarantee for the company itself or another company with respect to customs duty matters.
3. Other endorsements and guarantees, meaning endorsements or guarantees beyond the scope of the above two subparagraphs.

The company of a pledge or mortgage on its chattel or real property as security for the loans of another company shall also comply with these Regulations.

###### Article 4

The Company may make endorsements and guarantees for the following companies:

1. A company with which it does business.

A company in which the Company directly and indirectly holds more than fifty percent (50 %) of the voting shares.

2. A company that directly and indirectly holds more than fifty percent (50 %) of the voting shares in the public company.

The Company holds, directly or indirectly, ninety percent (90%) or more of the voting shares may make endorsements and guarantees for each other, and the amount of endorsements and guarantees may not exceed ten percent (10%) of the net worth of the Company, provided that this restriction shall not apply to endorsements and guarantees made between companies in which the Company holds, directly or indirectly, one hundred percent (100%) of the voting shares.

Where the Company fulfills its contractual obligations by providing mutual endorsements and guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project, or where all capital contributing shareholders make endorsements and guarantees for their jointly invested company in proportion to their shareholding percentages, or where companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other, such endorsements and guarantees may be made free of the restriction of the preceding two paragraphs.

Capital contribution referred to in the preceding paragraph shall mean capital contribution directly by the Company, or through a company in which the Company holds one hundred percent (100%) of the voting shares.

#### Article 5

"Subsidiary" and "parent company" as referred to in the Procedures shall be as determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Where the Company's financial reports are prepared according to the International Financial Reporting Standards, "net worth" in these Regulations means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

The term "announce and report" as used in the Procedures means the process of entering data to the information reporting website designated by the Financial Supervisory Commission (FSC).

"Date of occurrence" in the Procedures means the date of contract signing, date of payment, dates of boards of directors resolutions, or other date that can confirm the counterparty and monetary amount of the loan of funds or endorsement and guarantee, whichever date is earlier.

### Chapter II Operational Procedures for Loaning of Funds to Others

#### Article 6

The aggregate amount of the Company's loans to others shall not exceed forty percent (40%) of the Company's net worth as stated in its most recent financial statements.

Limit on loaning funds by the Company to any single counterparty:

3. For companies or firms that have business transactions with the Company, the loan amount to any single counterparty shall not exceed the transaction amount between the two parties in the most recent fiscal year. The term "transaction amount" refers to the greater of the purchase or sales amount between the parties, and in any case shall not exceed ten percent (10%) of the Company's net worth as stated in its most recent financial statements.

4. For companies or firms requiring short-term financing, the loan shall be limited to purposes such as repayment of borrowings, equipment acquisition, operating turnover, or other operational needs, and the loan amount shall not exceed ten percent (10%) of the Company's net worth as stated in its most recent financial statements.

#### Article 7

The term and interest calculation method for loaning funds by this company shall be as follows:

3. Loans by this company shall be based on short-term financing, not exceeding one year or one operating cycle (whichever is longer).
4. The interest calculation method shall be based on prevailing financial market interest rates, but shall not be lower than the then-current base lending rate of Taiwan banks and shall be calculated monthly.

#### Article 8

The procedures for the handling and review of loans shall be implemented in accordance with the following provisions:

1. The borrower shall submit an application form or official letter specifying in detail the loan amount, term, purpose, and repayment method, together with relevant documents such as the company's approval letter for amendment registration, company registration form, the identification card of the responsible person, and other necessary financial information, to the responsible unit of the Company.
2. Prior to granting a loan, the Company shall prudently evaluate whether the transaction complies with the Regulations Governing Loaning of Funds and Making of Endorsements and Guarantees by Public Companies and with these Procedures, and shall conduct assessments on the following matters:
  - A. The necessity and reasonableness of the loan based on the financial and operational condition of the loan applicant.
  - B. A credit investigation, based on the information provided by the loan applicant, to assess the risk of the loan.
  - C. Whether the cumulative loan amount remains within the prescribed limits, and the impact of the loan on the Company's operational risk, financial condition, and shareholders' equity.
  - D. The extent of risk exposure to be borne by the Company and whether collateral should be obtained.
3. The responsible unit shall prepare an evaluation report and, together with the application form, official letter, and related documents, submit it for approval by the President and the Chairman, and thereafter to the Board of Directors for resolution and approval.
4. For loan applications that, after investigation and evaluation, are resolved by the Board of Directors to be rejected, the responsible personnel shall promptly notify the applicant of the reasons for refusal. For loan applications approved by the Board of Directors, the responsible personnel shall promptly inform the applicant of the loan terms, including amount, term, interest rate, collateral, and guarantors, and request the applicant to complete the signing of the contract and related procedures within the prescribed period.
5. Where collateral is required based on the evaluation, the pledge or mortgage procedures shall be completed to secure the Company's claims. Except for land and marketable securities, all collateral shall be insured against fire and other relevant risks, with the insured amount not less than the appraised value of the collateral, and the Company shall be designated as the beneficiary. The insurance policy shall specify the collateral's name, quantity, storage location, insurance conditions, and endorsements, which shall be consistent with the terms originally approved by the Company. The value of the collateral shall be periodically assessed against the outstanding loan balance, and the Company may require additional collateral when necessary.
6. After the loan has been approved, and once the borrower has executed the loan agreement and delivered a promissory note (for full repayment or installment repayment), completed the registration of pledge or mortgage on the collateral, and all procedures have been verified as accurate, disbursement may be made.

#### Article 9

Follow-up control measures for loaned amounts and procedures for handling overdue claims:

1. The Company shall, after the loan is disbursed, regularly monitor the borrower's and guarantor's financial condition, business operations, and credit status. Where collateral has been provided, the Company shall also monitor whether any changes occur in the collateral's value.
2. The Company shall ensure that when the borrower repays the loan upon or before maturity, the payable interest is calculated and repaid together with the principal. Only after such repayment is completed may the promissory note or other debt instruments be canceled and returned to the borrower, or the mortgage release procedures be carried out.
3. The Company shall require the borrower to repay the principal and interest in full upon maturity. If the borrower fails to perform the contract for any reason, the Company may lawfully dispose of the collateral provided or seek compensation from the guarantor.

#### Article 10

The Company's control procedures for subsidiaries' loans Funds to others:

1. A subsidiary intending to loan funds to others shall establish and implement its own operating procedures in compliance with applicable regulations.
2. The subsidiary shall prepare a monthly schedule of loans of funds to others and submit it to the Company.
3. After the loan is disbursed, the subsidiary shall regularly report to the Company the follow-up status of the loan amount.

#### Article 11

When the Company intends to loan funds to others, it shall prudently evaluate whether such loan complies with the "Regulations Governing Loaning of Funds and Making of Endorsements and Guarantees by Public Companies" and the Operating Procedures. The evaluation results shall be submitted to the Board of Directors for approval before implementation, and no delegation of authority shall be permitted.

Loans of funds between the Company and its parent company or subsidiaries, or between its subsidiaries, shall be submitted for a resolution by the board of directors pursuant to the preceding paragraph, and the chairperson may be authorized, for a specific borrowing counterparty, within a certain monetary limit resolved by the board of directors, and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the counterparty to draw down.

Except for loans between foreign companies in which the Company directly and indirectly holds one hundred percent (100%) of the voting shares, the credit limit for loans granted by the Company or its subsidiaries to any single enterprise shall not exceed ten percent (10%) of the Company's net worth as stated in its most recent financial statements.

The term 'certain limit' referred to in the preceding paragraph regarding the authorized limit for loans granted by the Company or its subsidiaries to any single enterprise shall not exceed ten percent (10%) of the net worth of the respective company as stated in its most recent financial statements, except for those that comply with Article 2, Paragraph 4.

When the Company loans of funds for others, it shall take into full consideration each independent director's opinions; independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the board of directors' meeting.

#### Article 12

The Company shall prepare a memorandum book for its fund-loaning activities and truthfully record the following information: borrower, amount, date of approval by the board of directors, lending and borrowing date, and matters to be carefully evaluated under Paragraph 1 of the preceding Article.

The Company's internal auditors shall audit the Procedures for Loaning Funds to Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly.

They shall promptly notify audit committee, in writing of any material violation found.

#### Article 13

If, as a result of a change in circumstances, an entity for which an endorsement and guarantee is made does not meet the requirements of these Regulations or the loan balance exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to the audit committee, and shall complete the rectification according to the timeframe set out in the plan.

#### Article 14

The Company shall, by the 10th day of each month, announce and report the balance of loans to others of the Company and its subsidiaries for the preceding month.

The Company whose loans of funds reach one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence:

1. The aggregate balance of loans to others by the Company and its subsidiaries reaches twenty percent (20%) or more of the Company's net worth as stated in its most recent financial statements.
2. The balance of loans by the Company and its subsidiaries to a single enterprise reaches ten percent (10%) or more of the Company's net worth as stated in its most recent financial statements.
3. The amount of new loans of funds by the Company or its subsidiaries reaches NT\$10 million or more, and reaches two percent (2%) or more of the Company's net worth as stated in its most recent financial statements.

The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to subparagraph 3 of the preceding paragraph.

#### Article 15

The Company shall evaluate the status of its loans of funds and reserve sufficient allowance for bad debts, and shall adequately disclose relevant information in its financial reports and provide certified public accountants with relevant information for implementation of necessary auditing procedures.

### Chapter III Operational Procedures for Endorsements and Guarantees for Others

#### Article 16

The Company's aggregate endorsement and guarantee amount and the amount of its endorsements and guarantees for any single entity, shall be as follows:

4. The aggregate amount of the Company's external endorsements and guarantees shall be less than fifty percent (50%) of the Company's net worth.
5. The amount of the Company's endorsements and guarantees to any single entity shall be less than ten percent (10%) of the Company's net worth.
6. When providing endorsements or guarantees arising from business transactions, the amount of such endorsement or guarantee shall not exceed the amount of business transactions between the parties in the most recent year. The term 'amount of business transactions' refers to whichever is higher between purchases from or sales to the counterparty, and shall further not exceed ten percent (10%) of the Company's net worth.

The aggregate amount of endorsements and guarantees provided by the Company and its subsidiaries as a whole shall not exceed fifty percent (50%) of the Company's net worth.

The amount of endorsements and guarantees provided by the Company and its subsidiaries as a whole to any single entity shall not exceed ten percent (10%) of the Company's net worth.

#### Article 17

The application and review procedures for endorsement and guarantee shall be carried out in accordance with the following procedures:

1. When the Company processes an endorsement and guarantee, the entity being endorsed and guaranteed shall submit an application form or official letter stating the purpose and amount of the endorsement and guarantee, together with relevant documents such as the company registration amendment approval letter, company registration amendment form, identification of

the responsible person, and other necessary financial information, to the Company's responsible business unit for application.

2. Before processing an endorsement and guarantee, the Company shall prudently evaluate whether the matter complies with the "Regulations Governing Loaning of Funds and Making of Endorsements and Guarantees by Public Companies" and with these Procedures, and shall conduct assessments on the following items:
  - A. Assess the necessity and reasonableness of the endorsement and guarantee based on the financial and business condition of the entity being endorsed and guaranteed.
  - B. Conduct a credit investigation based on the information provided by the entity being endorsed and guaranteed to evaluate the risk of the endorsement and guarantee.
  - C. Evaluate whether the cumulative amount of endorsements and guarantees remains within the prescribed limits, and assess the potential impact of the endorsement and guarantee on the Company's operational risk, financial condition, and shareholders' equity.
  - D. Consider the extent of risk exposure that the Company may assume in connection with the endorsement and guarantee and evaluate whether collateral should be obtained.
3. The responsible business unit shall prepare an evaluation report and submit it, together with the application form, official letter, and other relevant documents, for approval by the President and Chairman, and thereafter submit it to the Board of Directors for resolution before execution.
4. If the evaluation indicates that collateral is required, the Company shall complete the procedures for the creation of pledge or mortgage rights to secure the Company's interests. For collateral other than land and marketable securities, fire insurance and other relevant insurance shall be obtained, with the insured amount not less than the pledged value of the collateral. The insurance policy shall designate the Company as the beneficiary. The name, quantity, storage location, insurance terms, and endorsement clauses specified in the insurance policy shall be consistent with the original loan approval conditions. The value of the collateral shall be regularly assessed against the outstanding balance of the endorsement and guarantee, and, where necessary, the Company may require the endorsed and guaranteed entity to provide additional collateral.

#### Article 18

For circumstances in which an entity for which the company makes any endorsement and guarantee is a subsidiary whose net worth is lower than half of its paid-in capital, in addition to conducting a detailed review of the necessity, reasonableness, and risk assessment of such endorsements and guarantees in accordance with this procedure, the subsidiary shall also provide an operational improvement plan, which shall be reviewed by the Company on a quarterly basis.

In the case of a subsidiary with shares having no par value or a par value other than NT\$10, for the paid-in capital in the calculation under the preceding paragraph, the sum of the share capital plus paid-in capital in excess of par shall be substituted.

#### Article 19

The Company's control procedures for providing endorsements and guarantees to its subsidiaries :

1. Where a subsidiary of the Company intends to make endorsements and guarantees for others, the Company shall instruct it to formulate its own Operational Procedures for Endorsements and Guarantees in compliance with these Regulations, and it shall comply with the Procedures when making endorsements and guarantees.
2. When a subsidiary provides endorsements or guarantees, it shall submit the relevant information to the Company, and the endorsement or guarantee shall be processed after considering the opinions of the Company's relevant personnel.
3. The subsidiary shall periodically report to the Company on the subsequent tracking status of the endorsements and guarantees.

#### Article 20

Prior to making any endorsement or providing any guarantee for others, the Company shall complete the required approval procedures and obtain a resolution from the Board of Directors. However, to meet timeliness requirements, the Board of Directors may authorize the Chairman to approve such matters within a limit of NT\$300 million, provided that such authorization is subsequently submitted to the next meeting of the Board of Directors for ratification.

Where a subsidiary in which the Company holds, directly or indirectly, 90% or more of the voting shares intends to make an endorsement or guarantee pursuant to Article 4, Paragraph 2, it shall first obtain a resolution from the Company's Board of Directors. However, this restriction shall not apply to endorsements and guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.

In respect of endorsements and guarantees made by the Company, the opinions of each independent director shall be fully considered; independent directors' opinions specifically expressing assent or dissent, as well as the reasons for any dissent, shall be included in the minutes of the Board of Directors' meeting.

The Company shall use the corporate seal registered with the Ministry of Economic Affairs as the dedicated seal for endorsements and guarantees. This seal shall be kept in the custody of a designated person approved by the Board of Directors, and may be used for affixing the seal or issuing negotiable instruments only in accordance with the Company's prescribed procedures.

When the Company provides a guarantee for an overseas company, the letter of guarantee issued by the Company shall be signed by a person authorized by the Board of Directors.

#### Article 21

The Company shall prepare a memorandum book for its endorsement and guarantee activities and record in detail the following information for the record: the entity for which the endorsement and guarantee is made, the amount, the date of passage by the board of directors or of authorization by the chairman of the board, the date the endorsement and guarantee is made, and the matters to be carefully evaluated under Paragraph 1 of the preceding article.

The Company's internal auditors shall audit the Operational Procedures for Endorsements and Guarantees for Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify the audit committee in writing of any material violation found.

#### Article 22

Where the Company needs to exceed the limits set out in the Operational Procedures for Endorsements and Guarantees to satisfy its business requirements, and where the conditions set out in the Operational Procedures for Endorsements and Guarantees are complied with, it shall obtain approval from the board of directors and half or more of the directors shall act as joint guarantors for any loss that may be caused to the company by the excess endorsement and guarantee. It shall also amend the Operational Procedures for Endorsements and Guarantees accordingly and submit the same to the shareholders' meeting for ratification after the fact. If the shareholders' meeting does not give consent, the company shall adopt a plan to discharge the amount in excess within a given time limit.

When the Company makes endorsements and guarantees for others, it shall take into full consideration the opinions of each independent director; independent directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be included in the minutes of the board of directors' meeting.

#### Article 23

Where as a result of changes of condition the entity for which an endorsement and guarantee is made no longer meets the requirements of these Procedures, or the amount of endorsement and guarantee exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to all the supervisors, and shall complete the rectification according to the timeframe set out in the plan.

#### Article 24

The Company shall announce and report the previous month's balance of endorsements and guarantees of itself and its subsidiaries by the 10th day of each month.

The Company whose balance of endorsements and guarantees reaches one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence:

1. The aggregate balance of endorsements and guarantees by the Company and its subsidiaries reaches fifty percent (50%) or more of the public company's net worth as stated in its most recent financial statements.
2. The balance of endorsements and guarantees by the Company and its subsidiaries for a single enterprise reaches twenty percent (20%) or more of the Company's net worth as stated in its most recent financial statements.
3. The balance of endorsements and guarantees by the Company and its subsidiaries for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements and guarantees for, carrying value of equity method investment in, and balance of loans to, such enterprise reaches thirty percent (30%) or more of the Company's net worth as stated in its most recent financial statements.
4. The amount of new endorsements and guarantees made by the public company or its subsidiaries reaches NT\$30 million or more, and reaches five percent (5%) or more of the Company's net worth as stated in its most recent financial statements.

The Company shall, on behalf of any subsidiary that is not a public company in the Republic of China, announce and report any matters that such subsidiary is required to disclose pursuant to Sub-paragraph 4 of the preceding paragraph.

#### Article 25

The company shall evaluate or record the contingent loss for endorsements and guarantees, and shall adequately disclose information on endorsements and guarantees in its financial reports and provide certified public accountants with relevant information for implementation of necessary audit procedures.

### Chapter V Supplemental Provisions

#### Article 26

These Procedures shall take effect upon approval by the Audit Committee and resolution of the Board of Directors, and shall be submitted to the shareholders' meeting for approval. If any director expresses dissent and such dissent is recorded or submitted in writing, the dissenting opinion shall be forwarded to the Audit Committee and presented to the shareholders' meeting for discussion. The same shall apply to any amendments hereto.

The adoption or amendment of these Procedures shall be approved by more than one-half of all members of the Audit Committee and resolved by the Board of Directors.

If the approval of one-half or more of all Audit Committee members, as required in the preceding paragraph, is not obtained, the Procedures may be implemented with the approval of two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the meeting of the Board of Directors.

The terms "all audit committee members" in Paragraph 2 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

#### Article 27

In the event that any managerial officer or responsible personnel of the Company violates the Regulations Governing Lending of Funds and Making of Endorsements and Guarantees by Public Companies or these Operating Procedures, the internal auditors or their supervisory officers shall immediately report the violation to the Chairman of the Board or the Board of Directors. The

Chairman or the Board of Directors shall, based on the materiality of the circumstances, impose appropriate disciplinary measures on the relevant personnel.

Article 28

The Procedures was established on June 17, 2014.

The 1st amendment was made on June 15, 2015.

The 2nd amendment was made on June 21, 2019

## 5. Shareholding of Directors

C-Media Electronics Inc.

### Shareholding of Directors

1. Types and total number of shares issued by the Company : 79,645,371 common shares
2. Statutory minimum number of shares held by all directors is 6,371,630 shares.
3. As of April 28, 2026, the book closure date of the general shareholders' meeting, the number of shares held by all directors :

Book closure date : April 28, 2026

Position	Name	Shares	Shareholding Ratio (%)
Chairman	Cheng, Chi-Chen	5,434,783	6.824%
Director	Chien, I-Kuang	1,658,709	2.083%
Director	Yang, Kun-Cheng	388,000	0.487%
Director	Hung-Wei Venture Capital Co., Ltd. Representative : Wang, Po-Chih	2,274,875	2.856%
Independent Director	Wang, Jhing-Fa	0	0%
Independent Director	Shieh, Shun-Pin	0	0%
Independent Director	Hsu, Johntie	0	0%
Independent Director	Wang, Jean-Wen	0	0%
Shareholding ratio of total issued shares (%)		9,756,367	12.250%

Note : As the Company has established the Audit Committee, statutory shares held by supervisors are not applicable.