C-Media Electronics Inc.

Procedures for Handling Material Inside Information and Prevention of Insider Trading

Article 1 (Purpose)

To establish a sound mechanism for handling and disclosing material inside information, prevent inappropriate information leaks, ensure the consistency and accuracy of information released to the public, and strengthen the prevention of insider trading, these Procedures are hereby established for compliance.

Article 2 (Compliance with Laws and These Procedures)

The Company's management of handling, disclosing, and preventing insider trading regarding material inside information shall be conducted in accordance with relevant laws, regulations, rulings, the rules of the Taipei Exchange (TPEx), and these Procedures.

Article 3 (Scope of Applicable Subjects)

In accordance with Article 157-1, Paragraph 1 of the Securities and Exchange Act, the subjects applicable to these Procedures include:

1. Directors, managers of the Company, and natural persons designated to exercise duties on behalf of legal entity directors pursuant to Article 27, Paragraph 1 of the Company Act.
2. Shareholders holding more than ten percent (10%) of the total shares of the Company.
3. Any person who has learned the information by reason of occupational or controlling relationship.
4. Any person who has lost the status listed in the preceding three items for less than six months.
5. Any person who has learned the information from any of the persons listed in the preceding four items.

Pursuant to Article 22-2 of the Securities and Exchange Act, the shareholdings of the personnel specified in Items 1 and 2 of the preceding paragraph shall include shares held by their spouses, minor children, and those held under the names of other persons.

Article 4 (Scope of Material Inside Information)

The term "material inside information" as used in these Procedures refers to:

1. Matters stipulated in the "Taipei Exchange Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities."
2. Matters stipulated in Article 7 of the Enforcement Rules of the Securities and Exchange Act.
3. Matters required to be publicly announced or reported under relevant regulations authorized by Article 36-1 of the Securities and Exchange Act.
4. Material information as defined in the "Regulations Governing the Scope of Material Information and the Means of its Public Disclosure Under Article 157-1, Paragraphs 5 and 6 of the Securities and Exchange Act."
5. Commercial secrets, including information and documents related to finance, research and development (R&D), technology, and management.

Article 5 (Dedicated Unit for Handling Material Inside Information)

The dedicated joint units responsible for handling material inside information within the Company consist of the Spokesperson, Finance Department, Sales Department, and other relevant departments. Their powers and duties are as follows:

1. Responsible for drafting and amending the proposals of these Procedures.
2. Responsible for accepting inquiries, deliberations, and providing recommendations related to the handling operations of material inside information and these Procedures.
3. Responsible for receiving reports regarding leaks of material inside information and drafting response strategies.
4. Responsible for establishing a preservation system for all documents, files, and electronic records related to these Procedures.
5. Other matters related to these Procedures.

Article 6 (Insider Trading)

Any applicable subject who violates Paragraph 1 or Paragraph 2 of Article 157-1 of the Securities and Exchange Act constitutes insider trading. The legal provisions are as follows:

1. Upon actually knowing any information that will have a material impact on the price of the Company's securities, after such information is precise, and prior to its public disclosure or within eighteen (18) hours after its public disclosure, such person shall not purchase or sell, in their own name or in the name of another, shares of the Company or other securities having the nature of equity that are listed on an exchange or traded at the place of business of a securities firm.
2. Upon actually knowing any information that will have a material impact on the Company's ability to pay principal or interest, after such information is precise, and prior to its public disclosure or within eighteen (18) hours after its public disclosure, such person shall not sell, in their own name or in the name of another, non-equity corporate bonds of the Company that are listed on an exchange or traded at the place of business of a securities firm.

Article 7 (Confidentiality Firewall Operations - Personnel)

Directors, managers, and employees of the Company shall exercise the due care and fiduciary duty of a good administrator, perform their duties in accordance with the principle of good faith, and sign confidentiality agreements. Any director, manager, or employee who is aware of the Company's material inside information shall not disclose such information to others. Directors, managers, and employees of the Company shall not inquire about or collect undisclosed material inside information of the Company that is unrelated to their individual duties from anyone who knows such information. They shall also not disclose to others any undisclosed material inside information of the Company that they accidentally learned through means other than performing their duties.

Article 8 (Confidentiality Firewall Operations - Assets/Documents)

When files and documents containing the Company's material inside information are transmitted via hard copy, email, or other electronic means, appropriate protection measures must be applied. Files and documents containing the Company's material inside information shall be backed up and stored in a secure location.

Article 9 (Operation of the Confidentiality Firewall)

The Company shall ensure the establishment of the firewalls specified in the preceding two articles and take the following measures:

1. Implement appropriate firewall control measures and conduct periodic testing.
2. Strengthen the custody and confidentiality measures for files and documents containing undisclosed material inside information of the Company.

Article 10 (Confidentiality Operations for External Institutions or Personnel)

Any institution or person outside the Company who participates in mergers and acquisitions (M&A), important memoranda of understanding (MOUs), strategic alliances, other business cooperation plans, or the signing of material contracts with the Company shall sign a confidentiality agreement and shall not disclose the Company's material inside information learned therefrom to others.

Article 11 (Principles of Disclosing Material Inside Information)

The Company shall adhere to the following principles when disclosing material inside information externally:

1. The disclosure of information shall be accurate, complete, and timely.
2. The disclosure of information shall be well-founded.
3. Information shall be disclosed fairly.

Article 12 (Implementation of the Spokesperson System)

Unless otherwise provided by laws or regulations, any disclosure of the Company's material inside information shall be handled by the Company's Spokesperson or Deputy Spokesperson, and the order of proxy shall be confirmed. When necessary, the Responsible Person of the Company may directly handle the matter. The statements made by the Company's Spokesperson and Deputy Spokesperson shall be limited to the scope authorized by the Company. No personnel of the Company, except for the Responsible Person, Spokesperson, and Deputy Spokesperson, shall disclose material inside information externally without authorization.

Article 13 (Evaluation Procedures for Material Information)

The Company’s release of material information shall be processed in accordance with relevant laws, regulations, the "Taipei Exchange Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities," related Q&As, and these Procedures, to ensure the timeliness, accuracy, and completeness of the information. When a material decision resolved or a material event occurred fits the criteria of the Taipei Exchange's disclosure procedures, the department in charge shall fill out the "Material Information Disclosure Application Form" and the "Material Information Evaluation Checklist" on the date of occurrence. After being signed and approved by the department supervisor, the documents shall be submitted to the Company’s dedicated unit for material information review. Following review, they shall be sent to the Spokesperson for approval. The material information shall then be released by the Spokesperson or Deputy Spokesperson before the statutory deadline. If a major decision or a significant event meets the TPEx disclosure rules, or if after further evaluation of its materiality, the decision or event is deemed to have a material impact on the

Company's finance, business, shareholder equity, or securities prices, it shall be disclosed as material information as soon as possible within the statutory timeframe in accordance with the provisions of the preceding paragraph.

Article 14 (Retention of Evaluation and Approval Records)

The Company's dedicated unit for material information is responsible for the evaluation, review, submission for approval, and disclosure operations of material information. Except under emergency situations or non-office hours where electronic approvals are permitted, the "Material Information Disclosure Application Form" and "Material Information Evaluation Checklist" shall be recorded in writing and submitted to the Spokesperson or Deputy Spokesperson for final approval. If the evaluation or approval is conducted electronically, it shall be archived in paper format afterward. The aforementioned evaluation records, approval documents, and relevant data shall be preserved for at least five (5) years. The Company shall retain the following records when releasing material information:

1. Content of the evaluation.
2. Signatures or seals, dates, and times of the personnel involved in evaluation, review, and final approval.
3. Content of the released material information and its applicable regulatory basis.
4. Other relevant information.

Article 15 (Response to Inaccurate Media Reports)

If the content reported by the media does not match the information disclosed by the Company, the Company shall immediately clarify the matter on the Market Observation Post System (MOPS) or request a correction from the respective media outlet.

Article 16 (Reporting of Anomalies)

If any director, manager, or employee of the Company becomes aware of any leak of material inside information, they shall report it to the dedicated unit and the internal audit department as soon as possible. Upon receiving the aforementioned report, the dedicated unit shall formulate response strategies, and when necessary, invite the internal audit and other departments to discuss solutions. The results of the handling shall be recorded for future reference, and the internal audit department shall also conduct an audit in accordance with its duties.

Article 17 (Handling of Violations)

The Company shall hold the relevant personnel accountable and take appropriate legal action under any of the following circumstances:

1. Any personnel of the Company discloses material inside information externally without authorization, or violates these Procedures or other laws and regulations.
2. The content of statements made externally by the Spokesperson or Deputy Spokesperson exceeds the scope authorized by the Company, or violates these Procedures or other laws and regulations.

If any person outside the Company leaks the Company's material inside information, causing damage to the Company's property or interests, the Company shall pursue legal liability through appropriate channels.

Article 18 (Internal Control Mechanism)

These Procedures are incorporated into the Company's Internal Control System. Internal auditors shall periodically assess compliance with these Procedures and prepare audit reports to ensure the effective implementation of these Procedures.

Article 19 (Education and Awareness)

The Company shall conduct educational and awareness campaigns regarding these Procedures and relevant laws and regulations for directors, managers, and employees. Timely educational training and awareness shall also be provided to newly appointed directors, managers, and employees.

Article 20 (Effectiveness and Amendments)

These Procedures shall be implemented upon approval by the Board of Directors. The same applies to any subsequent amendments.

These Procedures were established on November 4, 2022.