Stock Code:6143

NETRONIX®
振曜科技集團

NETRONIX, INC.
2025 ANNUAL REPORT

NETRONIX annual report is available at: http://mops.twse.com.tw
http://www.netronixinc.com

Printed on April 14, 2026

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THIS IS A TRANSLATION OF THE 2025 ANNUAL REPORT OF NETRONIX, INC. THE TRANSLATION IS FOR REFERENCE ONLY. IF THERE IS ANY DISCREPANCY BETWEEN THE ENGLISH VERSION AND CHINESE VERSION, THE CHINESE VERSION SHALL PREVAIL.

I. Spokesperson

Name	:	Tzu-Wei Huang
Title	:	Vice President
Telephone	:	(03)553-5565
Email	:	pr@netronixinc.com

Deputy Spokesperson

Name	:	Shu-Hao Chang
Title	:	Deputy Director
Telephone	:	(03)553-5565
Email	:	pr@netronixinc.com

II. Address and Telephone

Headquarters	:	No. 945, Boai St., Zhubei City, Hsinchu County
Telephone	:	(03)553-5565
Plant	:	No. 945, Boai St., Zhubei City, Hsinchu County
Telephone	:	(03)553-5565

III. Stock Transfer Agent

Company	:	Yuanta Securities, Registrar & Transfer Department
Address	:	B1F., No. 67, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City
Telephone	:	(02)2586-5859
Website	:	http://www.yuanta.com.tw

IV. Certified Public Accountant for the financial statements of the most recent year

Accounting Firm	:	KPMG Certificated Public Accountants
CPA	:	Hai-Ning Huang and An-Chih Cheng
Address	:	No. 11, Zhanye 1st Road, Science Park, Hsinchu City
Telephone	:	(03)579-9955
Website	:	http://www.kpmg.com.tw

V. Overseas Securities Trade & Exchange Information

None.

VI. Company website

http://www.netronixinc.com

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Chapter 1　Letter to Shareholders

Dear Shareholders,

The 2026 Annual General Meeting of NETRONIX sincerely appreciate all of you for your sparing time of your busy schedules to attend the meeting. The Company's 2025 operating results and 2026 business plan are summarized as follows:

I. The Operating Results for the year 2025

(I). The Results of Execution of the Business Plan and Budget Execution

Looking back on 2025, the global economy gradually emerged from the pressures of high inflation and the interest rate hiking cycle. Demand for AI applications, low-carbon transformation, and smart display technologies continued to grow. However, geopolitical risks and the restructuring of international supply chains still posed challenges to the industry. In this environment, NETRONIX Group continues to focus on its core businesses in consumer electronics and computer peripheral devices. The Group actively promotes product portfolio optimization and increases the proportion of high value-added products, thereby achieving steady growth in overall operational performance.

For fiscal year 2025, consolidated operating revenue reached NT$8.523 billion, representing a 15.02% increase from NT$7.410 billion in 2024. Consolidated gross profit amounted to NT$1.896 billion, up 21.93% year-over-year, while consolidated operating income was NT$1.013 billion, a 35.43% increase. These results demonstrate that, driven by product mix optimization and economies of scale, NETRONIX Group achieved simultaneous improvements in operational efficiency and profitability. On a standalone basis, operating revenue totaled NT$5.932 billion, an increase of 17.26% compared to 2024. Gross profit reached NT$866 million, up 18.63% year-over-year, and operating income was NT$596 million, reflecting a 20.40% increase. The overall growth in operating income outpaced revenue growth, indicating continued improvement in operational fundamentals. Consolidated net income for the period was NT$782 million, largely flat compared to NT$788 million in 2024 (-0.76%), mainly due to exchange rate fluctuations and valuation changes in certain investments. Nevertheless, the profitability of the Company's core operations continued to improve, with both operating margin and gross margin showing positive gains.

The operating results for the year 2025 and 2024 are compared as follows (see the following table).

Unit: NT$ billions

Item	Parent Company Only Financial Statements			Consolidated Financial Statements		
	2025	2024	YoY(%)	2025	2024	YoY(%)
Net operating revenues	5.932	5.059	17.26	8.523	7.410	15.02

The important business data in 2025 and 2024 are compared as follows (see the following table).

Unit: NT$ billions

Item	Parent Company Only Financial Statements			Consolidated Financial Statements		
	2025	2024	YoY(%)	2025	2024	YoY(%)
Net operating revenues	5.932	5.059	17.26	8.523	7.410	15.02
Gross profit from operations	0.866	0.730	18.63	1.896	1.555	21.93
Net operating income	0.596	0.495	20.40	1.013	0.748	35.43
Profit	0.556	0.630	-11.75	0.782	0.788	-0.76

In terms of budget execution, the Company achieved a 112% budget attainment rate for consolidated operating revenue in 2025, exceeding the original operating targets and demonstrating that its operational planning and market positioning were on the right track.

(II). Financial Position and Profitability Analysis

Financial position and profitability analysis in 2025 and 2024 are compared as follows (see the following table).

Item		Consolidated Financial Statements	
		2025	2024
Cash flow	Cash flow ratio (%)	32.44	34.34
	Cash flow adequacy ratio (%)	138.84	125.32
	Cash reinvestment ratio (%)	12.49	3.81
Profitability	Return on assets (%)	10.09	11.11
	Return on equity (%)	15.75	17.67
	Pre-tax income to paid-in capital (%)	113.38	113.33
	Profit margin (%)	9.17	10.63
	Earnings per share (NT$)	6.46	7.33

(III).Research and Development

Successful R&D technologies or products during the year 2025 (see the following table)

Product Category		Product Item
Comsumer Electronics	E-Paper application products	13.3", 28.5", 31.5" Digital Signage / Digital Art Frame 4” eBadger, eReader Bluetooth Page Turner
	Networking products	2.5G 5-Port Switch 2.5G 8-Port Switch 10" Narrow bezel POS 15", 22", 32", 43", 55" POS
Computer Peripherals (Electro-acoustic components)		3208_3H Electro-acoustic components 3209 single magnet Electro-acoustic components 2811_4.2H Electro-acoustic components

II. The Summary of the business plan for the year 2026, the company's future development strategy, and the effect of external competition, the legal environment, and the overall business environment:

In 2026, NETRONIX Group will continue to develop its business oriented toward comsumer electronics and computer peripherals. Focused on high-growth market areas such as e-reading, smart displays, and low-carbon applications. The product sales, production and sale policy and new product development are explained as follows:

(I). Comsumer electronics

1.E-Paper application products

(1)Product sales / Production and sale policy

In 2025, e-book reader unit sales increased by 19.93% compared to 2024, continuing the previous year’s trend of a color e-paper device replacement wave. In 2026, with the mass production of the Gallery 4 full-color e-paper by E Ink Technology, demand in the high-end reader market is expected to further increase, driving a new replacement cycle and sustaining momentum for ODM orders.

At the same time, NETRONIX Group has been actively expanding into the e-paper advertising display market. After launching e-paper advertising displays in 2024 and successfully introducing them into retail and enterprise applications, demonstration sites were established in Europe and the U.S. in 2025. In 2026, multi-size full-color e-paper advertising display products will be introduced to expand applications in retail, transportation, healthcare, and finance, targeting opportunities in the low-power digital display market.

(2)New product development

In 2026, NETRONIX Group's new product development strategy will focus on color e-paper applications and medium-to-large size market demand, aiming to enhance product depth and market coverage. The main development initiatives are as follows:

--43" / 40" / 25.3" Color E-Paper Digital Signage: Utilizing E Ink Spectra 6 panels to provide low-power, high-efficiency commercial display solutions.

--Gallery 4 Full Color E-Reader: Incorporating full-color display technology to deliver near-print-quality color effects, which is expected to drive a new replacement cycle for E-Reader.

--Kaleido 4 Color E-Note (10.3")：Focusing on the education market and enterprise note-taking applications, integrating reading, handwriting, and cloud synchronization features to enhance knowledge management efficiency.

2.Networking products

(1)Product sales / Production and sale policy

In 2025, the products of NETRONIX Group primarily include Ethernet switches, network gateway devices, and smart display terminals. Their applications span enterprise network deployment, smart buildings, digital retail displays, and IoT devices. With the continuous growth of cloud services, artificial intelligence, and high-speed network demand, the Ethernet switch market is expanding steadily, providing stable market demand for NETRONIX Group's related products.

In terms of product sales, NETRONIX Group continues to focus on the European, American, and Japanese markets, while actively expanding into emerging markets in Eastern Europe, the Middle East, and Central and South America to enhance market coverage and revenue growth potential.

Regarding production and sales strategy, NETRONIX Group will continue to promote product upgrades and the development of multi-speed network technologies, including 2.5G and 10G high-speed switches as well as PoE-powered switches, to meet the demands of enterprise network upgrades, smart building implementations, and IoT applications.

(2)New product development

--8-Port PoE+ Switch

--16-Port PoE+ Switch

--8" Narrow-Bezel POS

--15" Narrow-Bezel POS

(II). Computer peripherals (Electro-acoustic components)

1.Product sales / Production and sale policy

In 2025, electroacoustic component products were primarily applied in laptops, all-in-one (AIO) computers, and Bluetooth speakers. As global laptop market demand gradually recovered, shipments of related electroacoustic components experienced steady growth. NETRONIX Group continued collaborating with international laptop brands, with the majority of product shipments directed to Europe and the U.S., while actively expanding into automotive electronics and smart device applications.

Regarding production and sales policies, NETRONIX Group continued to strengthen product differentiation and cost competitiveness. Through structural design optimization and material improvements, product sound quality and efficiency were enhanced, while automated production equipment was introduced to improve manufacturing efficiency and quality stability. As laptop products evolve toward thinner designs and higher sound quality, electroacoustic components are also being developed with thinner profiles, higher amplitude, and higher efficiency to meet brand customers' demands for audio performance and product integration.

2.New product development

--1507-2.3 Development of high-frequency Electro-acoustic components (closed-unit design).

--3209-3.5 Single Magnet Electro-acoustic components

--3411 Vibration-Damped Single-Unit Electro-acoustic components

We plan to develop a cost-effective single-unit Electro-acoustic components that can reduce costs through material selection.

Looking ahead to 2026, the continued development of artificial intelligence, cloud computing, and color e-paper applications will present new market opportunities for NETRONIX Group. As color e-paper technology matures, its adoption in smart retail, digital signage, and reading applications is expected to accelerate, helping NETRONIX Group expand its presence in the e-paper market and strengthen its competitive advantage.

In the Electro-acoustic components, as laptop designs continue to trend toward thinner and lighter form factors, end-brand manufacturers are increasingly demanding high-quality and high-efficiency Electro-acoustic components. NETRONIX Group will continue to enhance its capabilities in thin, high-amplitude, and high-efficiency acoustic design, while improving production efficiency and quality stability through automated processes and supply chain management, thereby maintaining a competitive edge in the laptop and related consumer electronics markets.

In the networking products sector, the rapid growth of cloud services, AI applications, and IoT devices is driving continuous demand for high-speed network equipment. Multi-speed Ethernet (such as 2.5G and 10G) and PoE switches are expected to become key market trends. NETRONIX Group will continue to deepen its ODM and system integration capabilities, strengthen product design, firmware integration, and system operation and maintenance functions, thereby increasing product value and expanding applications in enterprise networks and smart buildings.

Regarding the external business environment, the global technology industry remains affected by geopolitical issues, supply chain restructuring, and raw material price fluctuations. Market competition continues to evolve due to new technologies and the entry of new players. In addition, governments worldwide are imposing increasingly stringent regulations on information security, energy efficiency, and environmental protection, requiring companies to invest resources in product safety, energy-saving design, and sustainable development management.

In response to these market and industry changes, NETRONIX Group will continue to enhance the competitiveness of its three core businesses—e-paper applications, networking products, and Electro-acoustic components—through technological innovation, product differentiation, and global market expansion strategies. The group aims to strengthen overall operational resilience and long-term growth momentum, creating sustainable and long-term corporate value for its shareholders.

We wish you all health and happiness.

Sincerest regards,

NETRONIX, INC.

Chairman: Shu-Fu Tsung

Chapter 2 Corporate Governance

I. Documents of directors, president, vice presidents, associate vice presidents, and managers of each department and division

(I).Directors

1.Director Information

As of April 14, 2026 / Unit: shares

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected (Appointed)	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Major Education and Work Experience	Position concurrently held in the Company and other companies	Executives or Directors Who are Spouses or within Two Degrees of Kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	Republic of China	Golden-Union Inc.	Male 61~70	June 7, 2024	3 Years	June 7, 2024	112,871	0.13%	112,871	0.13%	0	0.00%	0	0.00%	National Tsing Hua University Department of Industrial Engineering Director and Vice President, NETRONIX, INC. Vice President, Concorde International, the sole distributor of PEUGEOT automobiles in Taiwan	Chairman, Taiwan Biomaterial Company Limited Supervisor, Golden-Union Inc. Executive Director and President, SABLE ELECTRONICS (KUNSHAN) CO., LTD. Director, Sable Electronics (Chungqing) Co., Ltd. Director, Sable (Xiamen) Electronic Co.,Ltd. Director, Team UC, Inc.	None	None	None	None
	Republic of China	Representative: Shu-Fu Tsung							700,000	0.81%	5,532	0.01%	0	0.00%						
Director	Republic of China	Chun-Ter Lu	Male 61~70	June 7, 2024	3 Years	May 16, 1997	8,524,882	9.74%	6,233,882	7.24%	0	0.00%	0	0.00%	National Tsing Hua University Department of Industrial Engineering Chairman, NETRONIX, INC. Chairman, Analog Integrations Corporation Chairman, Taiwan Biomaterial Company Limited Director, SABLE ELECTRONICS (KUNSHAN) CO., LTD.	Group President, NETRONIX, INC. Director, Analog Integrations Corporation Director, Taiwan Biomaterial Company Limited Chairman and CEO, Sable Corporation Chairman, Golden-Union Inc. Director, Kai Feng Investment Ltd. Supervisor, NStars Games Inc. Director, NTX Electronics Yangzhou Co., LTD. Chairman, Easylink Technology Ltd. Chairman, Media Champion Corp.	Director	Shao-Lun Lu	Father and Son	None
Director	Republic of China	Rong-Jye Lu	Male 71~80	June 7, 2024	3 Years	May 13, 2002	642,683	0.73%	525,683	0.61%	0	0.00%	0	0.00%	Ph.D., Shipbuilding Engineering, Technical University of Berlin (TUB) System Analysis Engineer, Deutsche Marine Engineering Company	President, Longshine Technologie GmbH	None	None	None	None
Director	Republic of China	Hung-Yang Liu	Male 71~80	June 7, 2024	3 Years	June 18, 2012 (Note)	426,000	0.49%	1,050,000	1.22%	0	0.00%	0	0.00%	Taipei KaiNan High School Department of Civil Engineering Supervisor, SABLE ELECTRONICS (KUNSHAN) CO., LTD Director, Taiwan Medical Rapid Prototyping Co., Ltd. Chairman, Feng Wei Enterprises Limited	Director, Analog Integrations Corporation Director, Taiwan Biomaterial Company Limited Chairman and President, Baylite Opto-electronics Technology Co., Ltd.	None	None	None	None
Director	Republic of China	Chia-Chen Ko	Male 51~60	June 7, 2024	3 Years	August 26, 2021	2,598,044	2.97%	2,598,044	3.02%	0	0.00%	0	0.00%	MBA, ESIC Business school Manager of Sales Dept, Kymco Moto Espana,S.A.	Director, Taiwan Biomaterial Company Limited Chairman, Yung Kang Medical Device Technology Co., Ltd.	None	None	None	None
Director	Republic of China	Shao-Lun Lu	Male 31~40	June 7, 2024	3 Years	June 7, 2024	36,000	0.04%	36,000	0.04%	0	0.00%	0	0.00%	Department of Electrical Engineering, National Taiwan University MBA, University of Illinois at Urbana-Champaign Chairman, Taiwan Biomaterial Company Limited Special Assistant to Group President and Cost Control Center Supervisor, NETRONIX, INC. Special Assistant to President, Analog Integrations Corporation	Special Assistant to Chairman, Sable Corporation Director, Taiwan Biomaterial Company Limited Director, Golden-Union Inc. Chairman, NStars Games Inc..	Director	Chun-Ter Lu	Father and Son	None
Independent Director	Republic of China	Chih-Bin Wang	Male 61~70	June 7, 2024	3 Years	June 15, 2015	2,010	0.00%	2,010	0.00%	0	0.00%	0	0.00%	Ph.D., Philosophy Computer Science, The Graduate School of The City University Of New York Independent Director, Jetbest Corporation Professor, Department of Information Management, Nanhua University Dean, Nanhua University College of Science and Technology Adjunct Associate Professor, Department of Information Management, Chinese Culture University Associate Professor of Department of Industrial Management, Chin Min College System Engineer, New York Yeong Jye Co., Ltd. Industrial Engineer, Dah San Electric Wire & Cable Co., Ltd.	None	None	None	None	None
Independent Director	Republic of China	Hung-Hui Wu	Male 61~70	June 7, 2024	3 Years	June 15, 2018	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Ph.D., Industrial Engineering, National Chiao Tung University Professor, Department Of Business Administration, Chung Hua University Research Fellow, Institute of Engineering Industry, Industrial Technology Research Institute Manager, Acer Incorporated	None	None	None	None	None
Independent Director	Republic of China	Jr-Wen Huang	Male 51~60	June 7, 2024	3 Years	June 10, 2022	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Institute of MS-Finance, Saint Louis University, USA Supervisor, Genepharm Biotech Corp. Independent Director, Bizlink Holding Inc. President, IBF Venture Caoital Co., Ltd. Supervisor, Ttbio Corporation Assistant Manager,Investment & Research Dept. ,China Development Industrial Bank Office Manager, Sparkle Power Inc. San Jose/Los Angles, USA Account	Director, Fsp Technology Inc. Director and General Manager, Wanin Capital Corporation Supervisor, Viridis Capital Corporation	None	None	None	None

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected (Appointed)	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Major Education and Work Experience	Position concurrently held in the Company and other companies	Executives or Directors Who are Spouses or within Two Degrees of Kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	Republic of China	Yen-Fen Lo	Female 61~70	June 7, 2024	3 Years	June 13, 2023	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Ph.D., Organizational Leadership Program, University of the Incarnate Word, USA Team Leader of Internal Audit, Shih Chien University Member of The College Affairs Council, Shih Chien University The Expert of Recruitment for Financial Institutions, Taiwan Academy of Banking and Finance Operations and Management Expert Consultant, Ministry of Agriculture Forestry and Nature Conservation Agency – Nature Education Center Operations and Management Review Committee Member, Ministry of Agriculture Forestry and Nature Conservation Agency – Forest Recreation Area Expert of Procurement Selection Committee, Public Construction Commission, Executive Yuan Consultant, Wyeco Auto Valves Co., Ltd.	Adjunct Associate Professor, Department of Business Administration, Shih Chien University Adjunct Associate Professor, National Taipei University of Technolog Chairman, Intelligent System Elaboration Caucus Director, Taiwan Forest Therapy Society	None	None	None	None

Note : The date of initial appointment as he was serving as the supervisor.

2.For directors acting as the representatives of institutional shareholders, major shareholders of the institutional shareholders:

As of April 14, 2026

Name of the institutional shareholders	major shareholders of the institutional shareholders	
Golden-Union Inc.	Chun-Ter Lu	48.30%
	Sheng-Yi Yang	13.00%
	Shu-Fu Tsung	10.00%
	Kai Feng Investment Ltd.	7.40%
	Ci-Rong Jhu	7.00%
	Siou-Jhen Ou	3.00%
	Cheng-Long Chen	3.00%
	Yu-Hua Lai You	3.00%
	Si-Jyuan Chen	2.50%
	Chia-Hong Ko	1.80%

3.For directors acting as the representatives of institutional shareholders, major shareholders of the Company's major institutional shareholders:

As of April 14, 2026

Name of the institution	major shareholders of the Company's major institutional shareholders	
Kai Feng Investment Ltd.	Chun-Ter Lu	100.00%

4.Directors' professional qualifications and Independent Directors' independence:

<table>
<tr><th colspan="2">Criteria
Name</th><th>Professional Qualifications and Experiences</th><th>Independence Analysis</th><th>Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director</th></tr>
<tr><td>Chairman</td><td>Shu-Fu Tsung</td><td rowspan="10">1.Please refer to Director Information in this Annual Report (Pages 7~8)for professional qualifications and experiences of the Board members.
2.None of the Board members is under any of the circumstances in Article 30 of the Company Act.</td><td rowspan="6">Not applicable</td><td>0</td></tr>
<tr><td>Director</td><td>Chun-Ter Lu</td><td>0</td></tr>
<tr><td>Director</td><td>Rong-Jye Lu</td><td>0</td></tr>
<tr><td>Director</td><td>Hung-Yang Liu</td><td>0</td></tr>
<tr><td>Director</td><td>Chia-Chen Ko</td><td>0</td></tr>
<tr><td>Director</td><td>Shao-Lun Lu</td><td>0</td></tr>
<tr><td>Independent Director</td><td>Chih-Bin Wang</td><td rowspan="4">All of the following situations apply to each and every of the Independence Directors:
1.Satisfy the requirements of Article 14-2 of the Securities and Exchange Act and the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.
2.Except Chih-Bin Wang (holds 2,010 shares), Independent Director (or nominee arrangement) as well as his spouse and minor children do not hold any shares of the company.
3.No remuneration was earned in exchange of providing the commerce, law, finance, and accounting or related services to the Company or its affiliates.</td><td>0</td></tr>
<tr><td>Independent Director</td><td>Hung-Hui Wu</td><td>0</td></tr>
<tr><td>Independent Director</td><td>Jr-Wen Huang</td><td>0</td></tr>
<tr><td>Independent Director</td><td>Yen-Fen Lo</td><td>0</td></tr>
</table>

5.Diversification and Independence of the Board of Directors:

(1)Diversification of the Board of Directors:

The overall composition of the Board of Directors taken into consideration in the selection of NETRONIX directors. The composition of the Board of Directors determined by taking diversity into consideration and formulating an appropriate policy on diversity based on business operations, operating dynamics, and development needs. It is include, without being limited to basic requirements and values(Gender, age, and nationality), professional knowledge and skills (professional background, professional skills, and industry experience.)

①NETRONIX management objectives and the goals achieved regarding the diversity policy of members of the Board of Directors are listed below:

Management objectives	Progress
At least three independent director seats on the board	Achieved
Number of Directors who concurrently serve as Netonix managers do not exceed one-third of the total director seats	Achieved
Do not exceed 2 Directors who have a spousal relationship or a relationship within the second degree of kinship with any other director	Achieved
At least one seats of Directors is female.	Achieved

②NETRONIX fulfillment of diversification of members of the Board of Directors are as follows:

Title	Chairman	Director					Independent Director			
Name	Shu-Fu Tsung	Chun-Ter Lu	Rong-Jye Lu	Hung-Yang Liu	Chia-Chen Ko	Shao-Lun Lu	Chih-Bin Wang	Hung-Hui Wu	Jr-Wen Huang	Yen-Fen Lo
Gender	Male	Male	Male	Male	Male	Male	Male	Male	Male	Female
Age	61~70	61~70	71~80	71~80	51~60	31~40	61~70	61~70	51~60	61~70
Nationality	R.O.C	R.O.C	R.O.C	R.O.C	R.O.C	R.O.C	R.O.C	R.O.C	R.O.C	R.O.C
Professional knowledge and skills										
Industry experience	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Academic Research							✓	✓		✓
Marketing	✓	✓	✓	✓	✓	✓			✓	
Abilities										
Business judgments ability	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Accounting and financial analysis ability	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Business management ability	✓	✓	✓	✓	✓	✓			✓	
Crisis management ability	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Knowledge of the industry	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
An international market perspective	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Leadership ability	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Decision-making ability	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Title	Chairman	Director					Independent Director			
Name	Shu-Fu Tsung	Chun-Ter Lu	Rong-Jye Lu	Hung-Yang Liu	Chia-Chen Ko	Shao-Lun Lu	Chih-Bin Wang	Hung-Hui Wu	Jr-Wen Huang	Yen-Fen Lo
Concurrent Roles as Senior Executives										
Employee Status (Note)	✓	✓	✓	✓		✓				
Functional Committees										
Audit Committee							✓	✓	✓	✓
Remuneration Committee							✓	✓	✓	✓

Note：Shu-Fu Tsung, Rong-Jye Lu, Hung-Yang Liu and Shao-Lun Lu are employees of subsidiaries.

③The proportion of directors of either gender on the Board of Directors of NETRONIX is less than one-third, please explain the reasons and the measures planned to improve gender diversity among board members:

A.Explanation of the reasons:

According to the Company's Articles of Incorporation, the Board of Directors consists of 10 seats. The current directors were elected at the shareholders' meeting held on June 7, 2024. Currently, there is only one female director, which, although in compliance with relevant legal requirements, does not meet the one-third threshold. The main reason is that NETRONIX Group adopts a diversified business model to spread operational risks, with product categories spanning several industries. As a result, it is difficult to quickly find candidates who are familiar with the relevant industries.

B.Measures adopted:

The Company values gender equality in the composition of its Board of Directors and aims to increase the number of female directors to one-third of the total. In the future, the Company will consider various nomination channels to increase the number of female directors, thereby implementing a policy of diversity among board members.

(2)Independence of the Board of Directors:

①NETRONIX elects all of directors, openly and fairly, via the candidate nomination system and, therefore, is considered satisfying the "Articles of Incorporation," "Procedures for Election of Directors," "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and "Article 14-2 of the Securities and Exchange Act."

②The existing Board of Directors consist of 10 members, including 4 independent directors who account for 40% of the whole directors.

③For information regarding any spousal or second-degree familial relationships among the directors, please refer to the Directors' Information (Pages 7~8). The relationships among the directors are in compliance with Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act.

(II).President, Vice Presidents, Associate Vice Presidents, and Managers of Each Department and Division Information

As of April 14, 2026 / Unit: shares

Title	Nationality	Name	Gender	Date Appointed (Note)	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Major Education and Work Experience	Position concurrently held in other companies	Managers who are Spouses or Within Two Degrees of Kinship			Remarks (Note)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Group President	Republic of China	Chun-Ter Lu	Male	June 06, 1997	6,233,882	7.24%	0	0.00%	0	0.00%	National Tsing Hua University Department of Industrial Engineering Chairman, NETRONIX, INC. Chairman, Analog Integrations Corporation Chairman, Taiwan Biomaterial Company Limited Director, SABLE ELECTRONICS (KUNSHAN) CO., LTD.	Director, NETRONIX, INC. Director, Analog Integrations Corporation Director, Taiwan Biomaterial Company Limited Chairman and CEO, Sable Corporation Chairman, Golden-Union Inc. Director, Kai Feng Investment Ltd. Supervisor, NStars Games Inc. Director, NTX Electronics Yangzhou Co., LTD. Chairman, Easylink Technology Ltd. Chairman, Media Champion Corp.	None	None	None	None
President	Republic of China	Hsin-Yung Lu	Male	Jan 01, 2024	12,000	0.01%	0	0.00%	0	0.00%	Department of mechanics, National Taiwan University of Science and Technology Executive Vice President , NETRONIX, INC. Project Manager, Dingying Optoelectronics	Chairman and CEO, NTX Electronics Yangzhou Co., LTD.	None	None	None	None
Vice President	Republic of China	Tzu-Wei Huang	Female	July 01, 2023	0	0.00%	0	0.00%	0	0.00%	MBA, accounting, National Taiwan University CFO, Analog Integrations Corporation Director, Flowring Technology Corporation Assistant Manager, Deloitte & Touche	Chairman, Analog Integrations Corporation Chairman, Zunidata Systems Inc. Director, Even Systems Company LTD Supervisor, SABLE ELECTRONICS (KUNSHAN) CO., LTD. Supervisor, Sable Electronics (Chungqing) Co., Ltd. Supervisor, Sable (Xiamen) Electronic Co.,Ltd. Director, Team UC,Inc. Chairman, AIC K.K. Chairman, Northlink Technology Corporation	None	None	None	None
Vice President	Republic of China	Wun-Yuan Shan	Male	January 01, 2025	0	0.00%	0	0.00%	0	0.00%	MBA, marketing, Golden Gate University Director of Business Department, NETRONIX, INC.	Chairman, Even Systems Company LTD Director, Team UC, Inc. Executive Director and CEO, Pioneer Pos Solution, Inc.	None	None	None	None
Vice President	Republic of China	Jhih-Jhong Chen	Male	January 01, 2025	0	0.00%	0	0.00%	0	0.00%	MBA, Mechanical Engineering, National Chiao Tung University Director, Sable Corporation Organization Design Manager, Wistron Corporation	None	None	None	None	None
Vice President	Republic of China	Liao-Syong Lai	Male	January 01, 2025	0	0.00%	0	0.00%	0	0.00%	Department of Information Management , Takming University of Science and Technology Software R&D Assistant Manager, BILLIONTON SYSTEMS INC. Software R&D Manager,, Penbex Data Systems, Inc.	None	None	None	None	None
Deputy Director (Chief corporate governance officer)	Republic of China	Shu-Hao Chang	Male	September 01, 2024	0	0.00%	2	0.00%	0	0.00%	Department of Finance, Feng Chia University Assistant Manager, Ralink Technology, Corp. Manager, WHA YU INDUSTRIAL CO.,LTD. Deputy Team Leader, Deloitte & Touche	Chief corporate governance officer, Analog Integrations Corporation Chief accounting officer, Sable Corporation	None	None	None	None
Senior Manager (Chief accounting officer)	Republic of China	Jiunn-Shyang Cheng	Male	July 01, 2023	0	0.00%	0	0.00%	0	0.00%	Department of accounting, IOWA State University Assistant Manager, Microelectronics Technology, Inc. Section Manager, Guanghua Technology, Inc.	Supervisor, Even Systems Company LTD	None	None	None	None

Note: The date of initial appointment as he/her was serving as the manager.

II. Compensation to Directors, President and Vice Presidents in the latest year

(I).Compensation to Directors and Independent Directors

Unit: NT$ thousands

Title	Name	Director's compensation: Compensation (A)		Pension upon retirement (B)		Director's remuneration (C)		Business execution expenses (D)		Total Amount and Ratio of sum of items A, B, C and D to the net income after taxes (%)		Compensation earned by a Director who is an employee of the Company: Salaries, bonuses and special expenses (E)		Pension upon retirement (F)		Employee's remuneration (G)				Total Amount and Ratio of sum of items A, B, C, D, E, F and G to the net income after taxes (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		NETRONIX	All Consolidated Entities	NETRONIX	All Consolidated Entities	NETRONIX	All Consolidated Entities	NETRONIX	All Consolidated Entities	NETRONIX	All Consolidated Entities	NETRONIX	All Consolidated Entities	NETRONIX	All Consolidated Entities	NETRONIX		All Consolidated Entities		NETRONIX	All Consolidated Entities	
																Cash	Stock	Cash	Stock			
Chairman	Golden-Union Inc. Representative: Shu-Fu Tsung																					
Director	Chun-Ter Lu	1,401	1,401	0	0	14,827	19,754	68	1,718	16,296 2.93%	22,872 4.11%	5,052	16,457	8	81	127	0	270	0	21,482 3.86%	39,680 7.14%	0
Director	Rong-Jye Lu																					
Director	Hung-Yang Liu																					
Director	Chia-Chen Ko																					
Director	Shao-Lun Lu																					
Independent Director	Chih-Bin Wang																					
Independent Director	Hung-Hui Wu	1,920	1,920	0	0	0	0	48	48	1,968 0.35%	1,968 0.35%	0	0	0	0	0	0	0	0	1,968 0.35%	1,968 0.35%	0
Independent Director	Jr-Wen Huang																					
Independent Director	Yen-Fen Lo																					

1.Please describe the policy, system, standards and structure of independent directors' remuneration, as well as the connection between the amount of remuneration paid and director's responsibilities, risks, time investment and other factors:
According to the "Articles of Incorporation" and "Regulations Governing Payment of Remuneration to Directors and Functional Committee Members," the remuneration shall be paid to the independent directors subject to the level of their engagement in the Company's operations and contribution value, at the rate general adopted by the peers in the same industry. Considering that the responsibilities, risk and working hours to be borne by the independent directors are heavier than those borne by the general director, and in order to urge the independent directors to exercise their independence, the Company provides the independent directors with the monthly remuneration at fixed amount, subject to the independent directors' concurrent service as the functional committee members, irrelevant with profit or loss retained by the Company, while the independent directors are not allowed to participate in the distribution of remuneration to directors. Meanwhile, the independent directors may also be paid the attendance fees subject to their attendance at the Board of Directors meetings, in order to ensure that the independent directors may still receive reasonable remuneration even if the Company retains only poor profit.

2.In addition to the information disclosed in the table above, has any Director provided services to NETRONIX and its subsidiaries and received compensation for such services (e.g. serving as a consultant that is not an employee): None.

Table of compensation ranges

Compensation range for each Director in NETRONIX	Name of Director			
	Sum of the first 4 items (A+B+C+D)		Sum of the first 7 items (A+B+C+D+E+F+G)	
	NETRONIX	All Consolidated Entities (H)	NETRONIX	All Consolidated Entities (I)
Less than NT$ 1,000,000	Shu-Fu Tsung Chih-Bin Wang Hung-Hui Wu Jr-Wen Huang Yen-Fen Lo	Chih-Bin Wang Hung-Hui Wu Jr-Wen Huang Yen-Fen Lo	Shu-Fu Tsung Chih-Bin Wang Hung-Hui Wu Jr-Wen Huang Yen-Fen Lo	Chih-Bin Wang Hung-Hui Wu Jr-Wen Huang Yen-Fen Lo
NT$ 1,000,000 (incl.) ~ NT$ 2,000,000 (excl.)	None	Shu-Fu Tsung	None	None
NT$ 2,000,000 (incl.) ~ NT$ 3,500,000 (excl.)	Golden-Union Inc. Chun-Ter Lu Rong-Jye Lu Hung-Yang Liu Chia-Chen Ko Shao-Lun Lu	Golden-Union Inc. Rong-Jye Lu Chia-Chen Ko Shao-Lun Lu	Golden-Union Inc. Rong-Jye Lu Hung-Yang Liu Chia-Chen Ko Shao-Lun Lu	Golden-Union Inc. Shu-Fu Tsung Chia-Chen Ko
NT$ 3,500,000 (incl.) ~ NT$ 5,000,000 (excl.)	None	None	None	Shao-Lun Lu
NT$ 5,000,000 (incl.) ~ NT$ 10,000,000 (excl.)	None	Chun-Ter Lu Hung-Yang Liu	Chun-Ter Lu	Rong-Jye Lu Hung-Yang Liu
NT$ 10,000,000 (incl.) ~ NT$ 15,000,000 (excl.)	None	None	None	Chun-Ter Lu
NT$ 15,000,000 (incl.) ~ NT$ 30,000,000 (excl.)	None	None	None	None
NT$ 30,000,000 (incl.) ~ NT$ 50,000,000 (excl.)	None	None	None	None
NT$ 50,000,000 (incl.) ~ NT$ 100,000,000 (excl.)	None	None	None	None
More than NT$ 100,000,000	None	None	None	None
Total	11 persons	11 persons	11 persons	11 persons

(II).Compensation to President and Vice Presidents

Unit: NT$ thousands

Title	Name	Salary (A)		Pension upon retirement (B)		Bonuses and special expenses (C)		Employee's remuneration (D)				Total Amount and Ratio of sum of items A, B, C and D to the net income after taxes (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
								NETRONIX		All Consolidated Entities				
		NETRONIX	All Consolidated Entities	NETRONIX	All Consolidated Entities	NETRONIX	All Consolidated Entities	Cash	Stock	Cash	Stock	NETRONIX	All Consolidated Entities	
Group President	Chun-Ter Lu	19,701	23,326	3,493	3,582	417	3,470	7,707	0	7,992	0	31,318 5.63%	38,371 6.90%	0
CEO	Maw-Feng Ma (Note)													
President	Jun-Sheng Lin (Note)													
President	Hsin-Yung Lu													
Vice President	Tzu-Wei Huang													
Vice President	Wun-Yuan Shan													
Vice President	Jhih-Jhong Chen													
Vice President	Liao-Syong Lai													

Note: Maw-Feng Ma was dismissed on Mar. 4, 2026, Jun-Sheng Lin was dismissed on Sep. 30, 2025.

Table of compensation ranges

Compensation range for each President and Vice President in NETRONIX	Name of the President and Vice presidents	
	NETRONIX	All Consolidated Entities E
Less than NT$ 1,000,000	None	None
NT$ 1,000,000 (incl.) ~ NT$ 2,000,000 (excl.)	None	None
NT$ 2,000,000 (incl.) ~ NT$ 3,500,000 (excl.)	Maw-Feng Ma Hsin-Yung Lu Tzu-Wei Huang Wun-Yuan Shan	Hsin-Yung Lu Wun-Yuan Shan
NT$ 3,500,000 (incl.) ~ NT$ 5,000,000 (excl.)	Chun-Ter Lu Jhih-Jhong Chen Liao-Syong Lai	Maw-Feng Ma Jhih-Jhong Chen Liao-Syong Lai
NT$ 5,000,000 (incl.) ~ NT$ 10,000,000 (excl.)	Jun-Sheng Lin	Chun-Ter Lu Jun-Sheng Lin Tzu-Wei Huang
NT$ 10,000,000 (incl.) ~ NT$ 15,000,000 (excl.)	None	None
NT$ 15,000,000 (incl.) ~ NT$ 30,000,000 (excl.)	None	None
NT$ 30,000,000 (incl.) ~ NT$ 50,000,000 (excl.)	None	None
NT$ 50,000,000 (incl.) ~ NT$ 100,000,000 (excl.)	None	None
More than NT$ 100,000,000	None	None
Total	8 persons	8 persons

(III).Remuneration paid to each of top five management personnel: Inapplicable.

(IV).Name of the managers provided with employee's remunerations and state of payments

As of April 14, 2026 / Unit: NT$ thousands

	Title	Name	Stock	Cash	Total	Ratio of total amount to the net income after taxes (%)
Manager	Group President	Chun-Ter Lu	0	8,367	8,367	1.51%
	President	Hsin-Yung Lu				
	Vice President	Tzu-Wei Huang				
	Vice President	Wun-Yuan Shan				
	Vice President	Jhih-Jhong Chen				
	Vice President	Liao-Syong Lai				
	Deputy Director (Chief corporate governance officer)	Shu-Hao Chang				
	Senior Manager (Chief accounting officer)	Jiunn-Shyang Cheng				

(V). Compare and analyze the total compensation as a percentage of net income after taxes stated in the parent company only financial statements, paid by the Company and by all companies listed in the consolidated financial statement in the most recent two years to the Company's Directors, President and Vice President. Describe the policies, standards, and packages for payment of compensation, the procedures for determining compensation, and its linkage to business performance and future risk exposure.

1.The total compensation as a percentage of net income after taxes stated in the parent company only financial statement, paid by the Company and by all companies listed in the consolidated financial statement in the most recent two years to the Company's Directors, President and Vice President are as the following:

Title	Ratio of total compensation to net profit after tax stated in the parent company only or consolidated financial statements			
	NETRONIX		All Consolidated Entities	
	2024	2025	2024	2025
Directors	3.10%	3.28%	4.20%	4.46%
Group President, CEO, President Executive Vice President, Vice President	3.85%	5.63%	4.16%	6.90%

2.Policies, standards, and packages for payment of compensation, as well as the procedures followed for determining the compensation, and their linkages to business performance and future risk exposure.

According to Article 16 of the Articles of Incorporation of NETRONIX, remuneration could be paid to all of NETRONIX's directors for their performance of their job duties, irrelevant with profit or loss retained by the Company. The Board of Directors is authorized to decide the remuneration subject to the level and value of the directors' engagement in and contribution value to the Company's operation, at the rate generally adopted by the peers in the same industry.

The compensation to NETRONIX's directors consists of the remuneration to chairman and independent directors, directors attendance fees and remuneration to directors. Chairman and independent directors receive the monthly remuneration at fixed amount, while independent directors are not allowed to participate in the distribution of remuneration to directors, the attendance fees will be paid to the directors who attend the Board of Directors meetings. No independent directors may participate in the distribution of remuneration to the directors. Further, according to Article 19 of the Articles of Incorporation of NETRONIX, if the Company retains earnings upon the final accounting of each fiscal year, the Company shall appropriate no more than 3% thereof as the remuneration to directors, and the remuneration shall be distributed per resolution by the Board of Directors, upon review and approval by the Remuneration Committee.

The compensation to the Group President, CEO, President, Executive Vice President and Vice General Manager consists of salary, retirement pension, bonus, special allowance and remuneration to employees. The reasonable remuneration is offered at the rate generally adopted by the peers in the same industry with respect to the same position, and subject to their authority within the Company, contribution to the Company's business targets and personal performance achievement rate. Said compensation shall be subject to review by the Remuneration Committee and approval by the Board of Directors. NETRONIX has implemented adequate controls over the future risk. The compensation policy has specific correlation with the future risk.

III.Implementation of Corporate Governance

(I).Operations of the Board of Directors

The Board of Directors held meeting 6 times (A) in 2025. The directors' attendance status is as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%)(B/A)	Remarks
Chairman	Golden-Union Inc. Representative: Shu-Fu Tsung	6	0	100	None
Director	Chun-Ter Lu	2	4	33	None
Director	Rong-Jye Lu	3	2	50	None
Director	Hung-Yang Liu	6	0	100	None
Director	Chia-Chen Ko	5	0	83	None
Director	Shao-Lun Lu	6	0	100	None
Independent Director	Chih-Bin Wang	6	0	100	None
Independent Director	Hung-Hui Wu	6	0	100	None
Independent Director	Jr-Wen Huang	5	1	83	None
Independent Director	Yen-Fen Lo	5	1	83	None

Other mentionable items:

1.When one of the following situations occurred to the operations of the Board, state the date and term of the Board meeting, content of proposals, opinions of all Independent Directors and the Company's actions in response to the opinions of the Independent Directors:

(1)Matters included in Article 14-3 of the Securities and Exchange Act: Regulations from Article 14-3 of the Securities and Exchange Act are not applicable since the Company has already established an Audit Committee. For explanations on matters stipulated in Article 14-5 of the Securities and Exchange Act, please refer to Operations of the Audit Committee of this Annual Report(Pages 21~22).

(2)In addition to the aforementioned matters, any other resolutions from the Board of Directors where an Independent Director expressed a dissenting or qualified opinion that has been recorded or stated in writing: None.

2.When Directors abstain themselves for being a stakeholder in certain proposals, the name of the Directors, the content of the proposal, reasons for abstentions and the participation in voting should be stated:

<table>
<tr><th>Date of Board Meeting</th><th>Name of Director</th><th>Resolutions</th><th>Reason for Recusal Participation in</th><th>Participation in Voting</th></tr>
<tr><td rowspan="3">2025.03.04</td><td>Chun-Ter Lu</td><td rowspan="2">Discussion on the ratification of performance and incentive bonus allocations for managers and the chief internal audit officer</td><td>have a conflict of interest</td><td rowspan="3">When proceeding with discussion and voting. Recusal</td></tr>
<tr><td>Shao-Lun Lu</td><td>is a second-degree relative of Director Chun-Ter Lu</td></tr>
<tr><td>Shu-Fu Tsung</td><td>Discussion on the remuneration proposal for the Chairman</td><td>have a conflict of interest</td></tr>
</table>

Date of Board Meeting	Name of Director	Resolutions	Reason for Recusal Participation in	Participation in Voting
2025.03.04	Shu-Fu Tsung Jr-Wen Huang	Discussion on the proposal to remove non-compete restrictions for directors, their representatives, and managers	have a conflict of interest	When proceeding with discussion and voting. Recusal
	Chun-Ter Lu	Discussion on the proposal for early cancellation of the loan facility to the subsidiary	to fulfill the fiduciary duties of a director	
	Shao-Lun Lu		is a second-degree relative of Director Chun-Ter Lu	
	Chun-Ter Lu	Discussion on the proposal to provide a loan to a subsidiary	to fulfill the fiduciary duties of a director	
	Shao-Lun Lu		is a second-degree relative of Director Chun-Ter Lu	
	Shu-Fu Tsung Chun-Ter Lu Hung-Yang Liu Shao-Lun Lu	Discussion on the allocation of directors' remuneration for FY2024	have a conflict of interest	
	Chun-Ter Lu	Discussion on performance appraisal, cash bonus distribution, and salary adjustments for the chief internal audit officer and managers	have a conflict of interest	
	Shao-Lun Lu		is a second-degree relative of Director Chun-Ter Lu	
2025.08.08	Chun-Ter Lu	Discussion on the ratification of performance bonus allocations for managers and the chief internal audit officer	have a conflict of interest	
	Shao-Lun Lu		is a second-degree relative of Director Chun-Ter Lu	
2025.11.07	Chun-Ter Lu	Discussion on the ratification of performance bonus allocations for managers and the chief internal audit officer	have a conflict of interest	
	Shao-Lun Lu		is a second-degree relative of Director Chun-Ter Lu	
	Chun-Ter Lu	Discussion on the proposal for capital increase of a subsidiary	to fulfill the fiduciary duties of a director	
	Shao-Lun Lu		is a second-degree relative of Director Chun-Ter Lu	
	Hung-Yang Liu	Discussion on the proposal to provide a loan to a subsidiary	to fulfill the fiduciary duties of a director	
2025.12.26	Chun-Ter Lu	Discussion on the proposed implementation of an Employee Stock Purchase Plan	have a conflict of interest	
	Shao-Lun Lu		is a second-degree relative of Director Chun-Ter Lu	
	Chun-Ter Lu	Discussion on the proposal to amend the loan facility to a subsidiary	to fulfill the fiduciary duties of a director	
	Shao-Lun Lu		is a second-degree relative of Director Chun-Ter Lu	
	Hung-Yang Liu	Discussion on the proposal to provide a loan to a subsidiary	to fulfill the fiduciary duties of a director	

3.The interval, period, scope, method, and content of the self-assessment (or peer assessment) made by the Board of Directors:

Evaluation of the Implementation of the Board of Directors:

Assessment Interval	Assessment Period	Assessment Scope	Assessment Method	Assessment Content
Annually	2025.01.01 to 2025.12.31	Performance evaluation of the Board of Directors, individual directors and functional committees	Use internal questionnaires to conduct self-evaluation of the Board of Directors , self-evaluation of individual directors, and self-evaluation of functional committees	※Performance evaluations of the Board of Directors: A. Participation in the operation of the company B. Improvement of the quality of the Board of Directors' decision making C. Composition and structure of the Board of Directors D. Election and continuing education of the directors E. Internal control ※Individual performance evaluations of the board members: A. Alignment of the goals and missions of the company B. Awareness of the duties of a director C. Participation in the operation of the company D. Management of internal relationship and communication E. The director's professionalism and continuing education F. Internal control ※Performance evaluations of the functional committee: A. Participation in the operation of the company B. Awareness of the duties of the functional committee C. Improvement of quality of decisions made by the functional committee D. Makeup of the functional committee and election of its members E. Internal control

4.Targets for strengthening the functions of the Board of Directors in the current and the most recent year (e.g., setting up an Audit Committee and enhancing information transparency) and evaluation of target implementation:

(1)The Board of Directors of NETRONIX has adopted the “Regulations Governing Procedure for Board of Directors Meetings,” so that it can establish the Board of Directors’ governance system and robust supervision functions, and also improve the management mechanism.

(2)NETRONIX has established the Audit Committee to replace supervisors. The Audit Committee shall meet at least once per quarter and be responsible for executing the operations referred to in Article 14-5 of the Securities and Exchange Act.

(3)NETRONIX has appointed a chief corporate governance officer to take charge of the corporate governance operations, including provision to directors the information needed by them to perform their duties, organization of the Board of Directors meetings and shareholders’ meetings pursuant to laws, completion of the company registration and changes, and announcement and report of important messages and related laws and regulations, in order to improve the information transparency.

(II).Operations of the Audit Committee

1.Annual key functions of the Audit Committee:

(1)The adoption of or amendments to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.

(2)Assessment of the effectiveness of the internal control system.

(3)The adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.

(4)Matters in which a director is an interested party.

(5)Asset transactions or derivatives trading of a material nature.

(6)Loans of funds, endorsements, or provision of guarantees of a material nature.

(7)The offering, issuance, or private placement of equity-type securities.

(8)The hiring or dismissal of a certified public accountant, or their compensation.

(9)The appointment or discharge of a financial, accounting, or chief internal audit officer.

(10)Annual financial reports signed or sealed by chairman, managerial officer, and chief accounting officer.

(11)Reviews on the matters of mergers and acquisitions.

(12)Other material matters as may be required by the company or by the competent authority.

2.The Audit Committee held meeting 6 times (A) in 2025. The Independent directors' attendance status is as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%)(B/A)	Remarks
Independent Director	Jr-Wen Huang	5	1	83	None
Independent Director	Chih-Bin Wang	6	0	100	None
Independent Director	Hung-Hui Wu	6	0	100	None
Independent Director	Yen-Fen Lo	5	1	83	None

Other mentionable items:

(1)When one of the following situations has occurred to the operations of the Audit Committee, state the date, term, content of proposals as well as any objections, reservations, or major recommendations of the independent directors, along with the results of resolutions by the Audit Committee and the Company's actions in response to the resolutions:

①Matters included in Article 14-5 of the Securities and Exchange Act:

Matters included in Article 14-5 of the Securities and Exchange Act, after approved by all members of the Audit Committee, were submitted to and resolved by the Board of Directors, please refer to Material Resolutions from the Board of Directors of this Annual Report (Pages 56~57).

②Except the aforementioned, proposal approved by more than two-third of Board Members without Audit Committee approved: None.

(2)In regards to the recusal of independent directors from voting due to conflict of interests, the name of the independent directors, the resolutions, reasons for recusal due to conflict of interests and voting outcomes should be stated:

Date	Independent Director	Resolutions	Reason for Recusal Participation in	Participation in Voting
2025.03.04	Jr-Wen Huang	Discussion on the proposal to remove non-compete restrictions for directors, their representatives, and managers	have a conflict of interest	When proceeding with discussion and voting. Recusal

(3)Communication between the Independent Directors, chief internal audit officer and CPA (shall include material matters, methods and results of communication on the finances and state of business of the Company):

①Communication policy for Independent Directors, chief internal audit officer and CPA:

※NETRONIX shall convene the Audit Committee meeting at least once per quarter. The chief internal audit officer shall report the implementation status of internal audit to the independent directors. In the case of any significant abnormality, it may convene the meeting at any time.

※CPA shall attend at least two Audit Committee meetings each year, in the absence of general directors and management, the auditors first communicate with the chief internal audit officer and the independent directors, and report on the matters required by relevant laws and regulations during the Audit Committee meetings. In the event of any significant irregularities, meetings may be convened at any time, or direct communication with the auditors may be conducted via telephone or email.

②The historical communications between the independent directors and the chief internal audit officer at the Audit Committee meetings are summarized as follows:

Date	Contents of Communication
2025.03.04	Approval of the Implementation Status of the Internal Audit Plan.
	Approval of the appraisal on the effectiveness of 2024 internal control system and issuance of “Declaration for Statement of Internal Control System”.
2025.04.29	Approval of the Implementation Status of the Internal Audit Plan.
2025.08.08	Approval of the Implementation Status of the Internal Audit Plan.
	Approval of revisions to the internal control system and internal audit implementation rules.
2025.11.07	Report on the implementation of the internal audit plan.
	Approval of the establishment of the scope of junior-level employees and their inclusion in the internal control system.
2025.12.26	Report on the implementation of the internal audit plan.
	Approval of the 2026 internal auditing proposal.
	Approval of revisions to the internal audit implementation rules.

③The historical communications between the independent directors and CPA at the Audit Committee meetings are summarized as follows:

Date	Contents of Communication
2025.03.04	Approval of the communication between CPA and the corporate governance unit.
	Approval of the 2024 business report and financial statements.
2025.11.07	Approval of the Q3 2025 consolidated financial report.

(III). State of corporate governance, gaps with Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the cause of the said gaps

Assessed Items	Implementation Status			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
I. Does the Company establish and disclose the Corporate Governance Best Practice Principles based on Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies?		✓	NETRONIX has not yet adopted its own corporate governance best practice principles. Notwithstanding, the various management regulations and systems already established by it do cover the key governance principles.	NETRONIX will establish corporate governance best practice principles if necessary.
II. Shareholding structure & shareholders' rights				
(I). Does the Company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigation, and implement based on the procedure?	✓		NETRONIX has adopted the Rules of the Procedure for Shareholders' Meetings, and designated the spokesperson and deputy spokesperson as required, who are appointed to handle the investors relations and shareholders' suggestions, doubts, disputes and litigation. Its website also provides the contact No. and email for the investors relations.	No significant difference.
(II). Does the Company possess the list of its major shareholders who control the Company substantially as well as the ultimate controller of these major shareholders?	✓		NETRONIX has its Stock Transfer Agent update the roster of shareholders regularly, in order to possess the list of the controlling company's major shareholders, and the list of the ultimate controllers of the major shareholders, and also maintain fair relationship with investors.	No significant difference.
(III). Does the Company establish and execute the risk management and firewall system with its affiliates?	✓		The risk control mechanism and firewall between NETRONIX and its affiliated companies shall be handled in accordance with the "Regulations Governing Management of Subsidiaries," "Internal Control System" and related laws and regulations.	No significant difference.
(IV). Does the Company establish internal rules	✓		NETRONIX has adopted the "Operating Procedure	No significant difference.

Assessed Items	Implementation Status			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
against insiders trading securities with undisclosed information?			for Insider Trading Prevention Management” to prohibit the Company’s insiders from trading securities using the information not yet disclosed on the market.	
III. Composition and responsibilities of the Board of Directors				
(I). Does the Board of Directors formulate and implement diversified policies and specific management objectives?	✓		The overall composition of the Board of Directors taken into consideration in the selection of NETRONIX directors. The composition of the Board of Directors determined by taking diversity into consideration and formulating an appropriate policy on diversity based on business operations, operating dynamics, and development needs. It is include, without being limited to basic requirements and values(Gender, age, and nationality), professional knowledge and skills (professional background, professional skills, and industry experience.). For the NETRONIX’s Board member diversity policy management goals and achievement thereof, please refer to Diversity and Independence of Board of Directors of this Annual Report (Pages 11~12).	No significant difference.
(II). In addition to remuneration committee and audit committee established according to law, has the Company voluntarily established other functional committees?		✓	NETRONIX has not yet established any other functional committees, but will establish them if necessary.	NETRONIX will establish other functional committees if necessary.

Assessed Items	Implementation Status			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
(III).Does the company formulate the Regulations Governing Performance Evaluation on Board of Directors and also evaluation methods, conduct performance evaluations annually and regularly, and report the results of the performance evaluations to the Board of Directors, and use them as a reference for individual directors' remuneration and nomination and renewal?	✓		NETRONIX has adopted the Regulations Governing Performance Evaluation on Board of Directors and also evaluation methods. The Company will conduct the performance evaluation regularly each year, report the evaluation results to the Board of Directors, and also use them as reference in determining remuneration for individual directors, and their nomination for an additional office term.	No significant difference.
(IV).Does the Company regularly implement assessments on the independence of CPA?	✓		NETRONIX obtains an Audit Quality Indicators (AQIs) report issued by its certifying CPA firm each year; NETRONIX annually evaluates the independence of its certifying CPAs in accordance with the ROC Code of Professional Ethics for CPAs, Statement No. 10, and obtains independence declarations from the CPAs. For the independence assessment items, please refer to Note 1 (Page 30).	No significant difference.
IV. Has the Company appointed competent and appropriate number of personnel responsible for corporate governance matters, and delegated the company's chief corporate governance officer to be in charge of such matters (including but not limited to providing information for directors to perform their functions, assisting directors in complying with laws and regulations, handling matters related to Board meetings and shareholders' meetings according to the law, and producing minutes of the Board meetings and Shareholders' meetings)?	✓		NETRONIX appoints the Deputy Director of Financial Management Department, Shu-Hao Chang, to serve as the chief corporate governance officer concurrently, overseeing the shareholder affairs personnel in handling corporate governance matters.The related operations are explained as follows: 1.Scope of authority: (1)Handling matters related to Board meetings and shareholders' meetings according to the law. (2)Producing minutes of the Board meetings and	No significant difference.

Assessed Items	Implementation Status			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
			Shareholders’ meetings (3)Assistance to directors in assumption of the position and continuing education. (4)Provision to directors the information needed by them to perform their duties. (5)Assistance to directors in compliance. (6)Any other matters required by the Articles of Incorporation or contract. 2.Highlights of business execution in 2025: (1)Handling matters related to 6 Board meetings and 1 shareholders' meetings, and producing minutes of the Board meetings and Shareholders’ meetings. (2)Assistance to directors in continuing education, please refer to Note2 (Page 31)。 (3)Update the laws and regulations in a timely manner to satisfy the directors’ needs in performance of their job duties, and help directors with legal compliance. (4)Complete the company registration and registration of changes. (5)Renew the annual directors’ liability insurance. 3.The continuing education courses attended by the chief corporate governance officer, please refer to Note3 (Page 31).	

Assessed Items	Implementation Status			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
V. Has the Company set up channels of communication for stakeholders (including but not limited to shareholders, employees, customers and suppliers), dedicated a section of the company's website for stakeholder affairs and adequately responded to stakeholders' inquiries on significant corporate social responsibility issues?	✓		1.NETRONIX upholds the ethical management principles, and discloses its business information pursuant to related laws and regulations to maintain the stakeholders' interest and right. Meanwhile, it also establishes the spokesperson system to deal with related problems. 2.NETRONIX's website also sets up the stakeholders section providing the contact information about the related business departments, including the spokesperson, in order to respond to the key corporate social responsibility issues cared by the stakeholders. 3.NETRONIX reports its annual communications with stakeholders to the Board of Directors.	No significant difference.
VI. Has the Company commissioned a professional stock affair agency to manage shareholders' meetings relevant affairs?	✓		NETRONIX appoints Yuanta Securities, Registrar & Transfer Department as its shareholders service agency.	No significant difference.
VII. Information Disclosure (I). Does the Company establish a website to disclose information on financial, operations and corporate governance?	✓		NETRONIX established a website to disclose information on financial, operations and corporate governance.	No significant difference.

Assessed Items	Implementation Status			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
(II). Has the Company adopted other means of information disclosure (such as establishing a website in English, appointing specific personnel to collect and disclose company information, implementing a spokesperson system, and disclosing the process of investor conferences on the Company's website)?	✓		NETRONIX designates dedicated personnel to collect and disclose the information about NETRONIX Group, hoping to disclose the information that might affect shareholders' and stakeholders' decision making in a timely manner. Meanwhile, it appoints the spokesperson and deputy spokesperson pursuant to laws. The investor conference-related contents also be posted on the Company's website.	No significant difference.
(III).Does the company announce and report the annual financial report within two months after the end of the fiscal year, and announce and file the first, second and third quarter financial reports and operating conditions of each month as early as possible before the prescribed deadline?		✓	NETRONIX publishes and reports its financial statements for the first, second and third quarters, annual reports and operating status for each month within the time limit prescribed by laws.	No significant difference.
VIII.Has the Company disclosed other information to facilitate a better understanding of its corporate governance?(e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors)?	✓		1.Employee rights and employee wellness: NETRONIX's management philosophy expressly discloses the idea about "Ethical Management and Pragmatism" to protect the employees' interest and right. Meanwhile, the Company provides the employees with group insurance, travel allowance, gift money for festivals, condolences for inpatient hospitalization due to occupational disease and injury, condolences for inpatient hospitalization due to ordinary disease and injury, marriage subsidies, childbirth subsidies, miscarriage subsidies, funeral subsidies and irregular recreational activities for	No significant difference.

Assessed Items	Implementation Status			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
			employees and other measures, in order to establish the fair relationship of mutual trust and mutual reliance with the employees of NETRONIX. 2.Investor relations: NETRONIX establishes the spokesperson system pursuant to the relevant requirements, in order to process the investors’ suggestions and questions. 3.Supplier relations: NETRONIX’s management philosophy expressly discloses the idea about “Ethical Management and Pragmatism" to help NETRONIX maintain fair partnerships with suppliers. 4.Rights of stakeholders: NETRONIX upholds the ethical management principles, and discloses its business information pursuant to related laws and regulations to maintain the stakeholders’ interest and right. 5.Directors' training records: Please refer to Note 2(Page 31). 6.The implementation of risk management policies and risk evaluation measures: Please refer to Risk Management of this Annual Report(Pages 86~88). 7.The implementation of customer relations policies: NETRONIX upholds the ethical management principles and maintains fair relationship with customers. 8.Purchasing insurance for directors:	

Assessed Items	Implementation Status			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
			NETRONIX has taken out the liability insurance for directors pursuant to the Articles of Incorporation.	

IX. Please provide information on the status of improvement regarding the results of corporate governance evaluation published by the TWSE Corporate Governance Center in the most recent year. For improvements not yet implemented, state the areas and policies the Company has set as priority for improvement:

To strengthen corporate governance, NETRONIX will continue to make improvements based on the results of the Corporate Governance Evaluation. The improvements already made and the prioritized areas and measures for items yet to be improved based on the evaluation indicators are as follows:

1.NETRONIX hold at least one investor conference per quarter.

2.NETRONIX formulate specific measures to enhance corporate value, submit them to the Board of Directors, and disclose the relevant information on the Market Observation Post System under the “Corporate Value Enhancement Plan” section.

3.NETRONIX regularly report to the Board of Directors on communication activities with various stakeholders.

4.NETRONIX will establish and disclose the Corporate Governance Best Practice Principles based on Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Note 1: CPA’s independence evaluation criteria

Evaluation criteria	Complies with Independence	
	Yes	No
CPAs are not in direct or major indirect relation in financial interest with NETRONIX that might affect their independence.	✓	
None of CPAs is a director or supervisor of NETRONIX and its related parties, or an employee of NETRONIX who is in a position to exert significant influence over the subject matter of the engagement, now or within the most recent two years.	✓	
CPA’s independence is never questioned due to their defense for the position or opinion of NETRONIX and its related parties.	✓	
No close relationship exists between NETRONIX and its related parties, directors, supervisors and managers, and CPAs, causing CPAs to overly concern or feel sympathy for NETRONIX’s interest.	✓	
CPAs do not suffer or feel any intimidation that might cause it impossible for them to act objectively and clarify the doubt about their expertise, from NETRONIX.	✓	
CPAs do not provide NETRONIX with any non-audit services that might affect their independence adversely.	✓	
No other circumstances that might affect their independence exist.	✓	

Note 2:The continuing education courses attended by the Company's Directors in 2025 are stated as follows

Title	Name	Study period		Organizer	Course Name	Length of The curriculum
		From	To			
Chairman	Shu-Fu Tsung	2025.06.30	2025.06.30	Taipei Exchange	Investor Relations Management Seminar	3 hours
		2025.10.29	2025.10.29	Independent Director Association Taiwan	Corporate Governance × AI: Practical Seminar on Efficient and Compliant Board Operations	3 hours
Director	Chun-Ter Lu	2025.06.18	2025.06.18	Taiwan Academy Of Banking And Finance	Corporate Governance Forum	3 hours
		2025.11.14	2025.11.14	Taiwan Academy Of Banking And Finance	Corporate Governance Forum	3 hours
Director	Rong-Jye Lu	2025.10.08	2025.10.08	Taiwan Investor Relations Institute	Digital Transformation in Enterprises – Case Studies on AI and Emerging Technologies	3 hours
		2025.10.17	2025.10.17	Taiwan Investor Relations Institute	Leadership Asset Management in the New Era of Corporate Governance	3 hours
Director	Hung-Yang Liu	2025.10.17	2025.10.17	The Institute of Internal Auditors–Chinese Taiwan	Regulatory Analysis and Key Audit Points for the Board of Directors and Functional Committees (Audit, Remuneration)	6 hours
Director	Chia-Chen Ko	2025.10.08	2025.10.08	Taiwan Investor Relations Institute	Digital Transformation in Enterprises – Case Studies on AI and Emerging Technologies	3 hours
		2025.10.17	2025.10.17	Taiwan Investor Relations Institute	Leadership Asset Management in the New Era of Corporate Governance	3 hours
Director	Shao-Lun Lu	2025.11.14	2025.11.14	The Institute of Internal Auditors–Chinese Taiwan	Practical Seminar on Auditing Annual Operational Plans and Budget Preparation	6 hours
Independent Director	Chih-Bin Wang	2025.09.30	2025.09.30	The Institute of Internal Auditors–Chinese Taiwan	Production Cycle Practices and Key Audit Points	6 hours
Independent Director	Hung-Hui Wu	2025.09.30	2025.09.30	The Institute of Internal Auditors–Chinese Taiwan	Production Cycle Practices and Key Audit Points	6 hours
Independent Director	Jr-Wen Huang	2025.01.16	2025.01.16	Securities and Futures Institute	Corporate Sustainability Policy Analysis – Focusing on Renewable Energy	3 hours
		2025.08.05	2025.08.05	Taiwan Corporate Covernance Association	Corporate Tax Governance in the Context of the Global Anti-Tax Avoidance Trend	3 hours
Independent Director	Yen-Fen Lo	2025.10.23	2025.10.23	The Institute of Internal Auditors–Chinese Taiwan	Interpretation of Financial Analysis Indicators and Prevention of Operational Risks	6 hours

Note 3: The continuing education courses attended by the chief corporate governance officer in 2025 are stated as follows

Title	Name	Study period		Organizer	Course Name	Length of the curriculum
		From	To			
Deputy Director	Shu-Hao Chang	2025.06.18	2025.06.18	aiwan Academy Of Banking And Finance	Corporate Governance Forum	3 hours
		2025.06.30	2025.06.30	Taipei Exchange	Investor Relations Management Seminar	3 hours
		2025.10.15	2025.10.15	Taiwan Stock Exchange Corporation & Taipei Exchange	2025 Taiwan Week IR & Engagement New Trends: ESG and Sustainable Investment Forum	3 hours

(IV).Composition, duties, and operations of the Company's Remuneration Committee:

1.Information on the members of the Remuneration Committee

As of April 14, 2026

<table>
<tr><th>Status</th><th>Condition / Name</th><th>Professional qualifications and experience</th><th>Independence</th><th>Number of other public companies where the member concurrently serves as member in Remuneration Committee</th></tr>
<tr><td>Independent Director (convener)</td><td>Chih-Bin Wang</td><td rowspan="4">1.Regarding qualification and experience of members: Please refer to Director Information of this Annual Report (Pages 7~8).
2.Meet Article 5(1) of Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange.
3.There is no circumstances specified in Article 30 of the Company Act.</td><td rowspan="4">1.Meet Article 6(1) of Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange.
2.They don't provide any commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company.
3.The shares and shareholding ratio held by independent directors and their spouse or relative within the second degree of kinship (or in the name of others), please refer to Director Information of this Annual Report (Pages 7~8).</td><td>0</td></tr>
<tr><td>Independent Director</td><td>Hung-Hui Wu</td><td>0</td></tr>
<tr><td>Independent Director</td><td>Jr-Wen Huang</td><td>0</td></tr>
<tr><td>Independent Director</td><td>Yen-Fen Lo</td><td>0</td></tr>
</table>

2.Responsibilities of the Remuneration Committee:

The remuneration committee shall exercise the care of a good administrator in faithfully performing the official powers listed below, and shall submit its recommendations for deliberation by the Board of Directors:

(1)Prescribe and periodically review the performance review and remuneration policy, system, standards, and structure for directors and managerial officers.

(2)Periodically evaluate and prescribe the remuneration of directors and managerial officers.

3.Operations of the Remuneration Committee

(1)The Company has a Remuneration Committee composed of 4 members.

(2)The members' tenures are from June 21, 2024 to June 6, 2027.The Remuneration Committee held meeting 4 times (A) in 2025. The Committee members' qualifications and attendance status is as follows:

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Convener	Chih-Bin Wang	4	0	100	None
Member	Hung-Hui Wu	4	0	100	None
Member	Jr-Wen Huang	3	1	75	None
Member	Yen-Fen Lo	3	1	75	None

Other items that shall be disclosed:

I. If the Board of Directors chooses not to adopt or revise recommendations proposed by the Remuneration Committee, the date of the Directors' Meeting, session, contents of proposals, results of meeting resolutions, and the Company's disposition of opinions provided by the Remuneration Committee shall be described in detail (also, where the salary and compensation approved by the Directors' Meeting is better than that recommended by the Remuneration Committee, the differences and the reason for the approval shall be described in detail): None.

II. For the decisions made by the Remuneration Committee, if there are members who hold objection or reservation to a resolution and such objection or reservation is on record or raised through a written statement, the date of the Remuneration Committee , session, contents of proposals, all members' opinions, and ways in handling these opinions shall be described in detail: None.

(3)Discussion from the Remuneration Committee, resolutions, and ways the Company handled opinions from committee Members in the most recent year

<table>
<tr><th>Date of Remuneration Committee</th><th>Content of motion</th><th>Resolution result and opinions of all members</th></tr>
<tr><td rowspan="7">2025.03.04</td><td>Discussion on the FY2024 Performance Evaluation of the Board of Directors and Functional Committees</td><td rowspan="13">Approved and submitted to the Board of Directors for resolution</td></tr>
<tr><td>Discussion on the Ratification of Managerial Personnel Job Changes</td></tr>
<tr><td>Discussion on the Ratification of Performance and Incentive Bonus Allocations for Managers and the chief internal audit officer</td></tr>
<tr><td>Discussion on the Chairman's Compensation Proposal</td></tr>
<tr><td>Discussion on the Allocation of Employee and Directors' Remuneration for FY2024</td></tr>
<tr><td>Discussion on the Allocation of Directors' Remuneration for FY2024</td></tr>
<tr><td>Discussion on Performance Evaluation, Cash Bonus Distribution, and Salary Adjustments for the chief internal audit officer and Managerial Staff</td></tr>
<tr><td>2025.08.08</td><td>Discussion on the Ratification of Performance Bonus Allocation for Managers and the chief internal audit officer</td></tr>
<tr><td rowspan="4">2025.11.07</td><td>Discussion on the Ratification of Performance Bonus Allocation for Managers and the chief internal audit officer</td></tr>
<tr><td>Discussion on the Payment of Managers' Remuneration</td></tr>
<tr><td>Discussion on Changes to the General Manager</td></tr>
<tr><td>Discussion on the Amendment to the "Performance Evaluation Measures for the Board of Directors and Functional Committees"</td></tr>
<tr><td>2025.12.26</td><td>Discussion on the Implementation of an Employee Stock Ownership Plan</td></tr>
</table>

(V). Fulfillment of Sustainable Development, gaps with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and the cause of the said gaps:

<table>
<tr><th rowspan="2">Assessment Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and the cause of the said gaps</th></tr>
<tr><th>Yes</th><th>No</th><th>Explanation</th></tr>
<tr><td>I. Does the Company establish the governance structure to propel sustainable development and a dedicated sustainable development unit (or acting in concurrent positions) with senior management authorized by the Board and reporting to the Board?</td><td>✓</td><td></td><td>To address GHG emissions as part of sustainable development, NETRONIX has established Green Manufacturing-Carbon Neutrality Committee, responsible for initiatives and coordination with relevant divisions. General Manager serves as the highest-level manager. Suitable personnel from different units is assigned to provide function-specific assistance in GHG inventory calculation and reporting. Quarterly reports are submitted to the Board of Directors.
Green Manufacturing-Carbon Neutrality Committee
<table>
<tr><th colspan="2">Title</th><th>Functions</th></tr>
<tr><td colspan="2">Senior management</td><td>General supervision, goal setting, external communication and documents approval and issuance</td></tr>
<tr><td colspan="2">Management representative</td><td>Internal coordination and task allocations</td></tr>
<tr><td colspan="2">Executive Secretary</td><td>Progress management of inventory and reporting, data collection and internal communication</td></tr>
<tr><td rowspan="9">Member</td><td>Sales</td><td>Communication and explanation to customers</td></tr>
<tr><td>PM</td><td>Decision on underlying products, BOM (bills of material) tables and classification of materials</td></tr>
<tr><td>Factory Manager</td><td>Energy inputs (water, electricity, fuels and external purchased energy such as ice water and CDA)</td></tr>
<tr><td>Environmental protection</td><td>Wastes processing and GHG checklist</td></tr>
<tr><td>Production Control</td><td>Volume of materials inputs and output of underlying products</td></tr>
<tr><td>Material Control</td><td>Allocation (for emissions from underlying products), consumption of materials and volume of product outputs</td></tr>
<tr><td>Procurement</td><td>Supplier information (calculation of transportation emissions)</td></tr>
<tr><td>General Affairs</td><td>Non-production direct emissions (e.g., refrigerants and septic tanks)</td></tr>
<tr><td>Quality Assurance</td><td>SDSs (safety data sheets) of individual raw materials</td></tr>
</table>
</td><td>No significant difference.</td></tr>
</table>

Assessment Item	Implementation Status			Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
II. Does the company conduct risk assessments on environmental, social and corporate governance issues related to the company's operations and formulate relevant risk management policies or strategies based on the principle of materiality?	✓		NETRONIX assesses the environmental, social and corporate governance risks associated with operations and incorporate these issues into its operating strategies, including corporate guidelines, operating management and sales plans. Please refer to Note 1 (Page 43) for relevant risk management policies based on assessed risks.	No significant difference.
III. Environmental Issues (I). Has the Company referred to the nature of its industry to establish a suitable environmental management system?	✓		NETRONIX Product manufacturing does not result in waste water or waste gases. All other waste is entrusted to qualified contractors approved by the Environmental Protection Administration for recycling and disposal. The manufacturing process complies with environmental standards such as WEEE and RoHS. and awarded ISO14001 environmental management system certification, IECQ QC 080000 certification (Hazardous Substance Process Management System for Electrical and Electronic Components and Products), ISO14064 GHG inventory and ISO14067 carbon footprint. In December 2025, NETRONIX passed the ISO50001 energy management system certification to improve energy performance indicators and energy baseline standardization, In 2025, the environmental management system and its implementation are as follows: 1.All exterior wall lighting in the plant area has been fully upgraded to LED fixtures. 2.Noise reduction optimization has been implemented in the environmental testing room of the R&D unit on the fifth floor. 3.All restroom lighting has been completely replaced with panel lights.	No significant difference.

<table>
<tr><th rowspan="2">Assessment Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and the cause of the said gaps</th></tr>
<tr><th>Yes</th><th>No</th><th>Explanation</th></tr>
<tr><td>(II). Is the Company committed to improving usage efficiency of various resources and utilizing renewable resources with reduced environmental impact?</td><td>✓</td><td></td><td>1.NETRONIX Energy Policy: Full employee participation in energy conservation; compliance with energy regulations; procurement of energy-efficient equipment; implementation of energy improvement design; enhancement of energy efficiency; reduction of energy consumption; continuous improvement of energy usage; and achievement of established targets.
2.Energy usage over the past two years:With respect to purchased electricity, usage was 3,167,640 kWh in 2024 and 3,204,960 kWh in 2025. Electricity consumption in 2025 increased by 1.12% compared to 2024.
3.Energy management plan and its implementation status: In accordance with the ISO 50001 Energy Management System, the facilities department has planned relevant energy-saving projects: digital power meters will be installed for air conditioning and electrical facilities to monitor electricity usage, and energy-saving improvements will be implemented progressively based on actual conditions.
Planned facility/equipment energy-saving improvements for 2025 are as follows:
(1)Replacement of existing lighting fixtures, starting with the second-floor office area, followed by warehouses, restrooms, and production line areas, with panel lights. This is expected to improve energy efficiency by approximately 16.67% compared to before the upgrade.
(2)Installation of motion-sensor lighting in the basement parking area to reduce energy consumption and carbon emissions.
4.NETRONIX obtained ISO 50001 and other energy management certifications, with the certification validity period from December 23, 2025 to November 27, 2026.</td><td>No significant difference.</td></tr>
</table>

<table>
<tr><th rowspan="2">Assessment Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and the cause of the said gaps</th></tr>
<tr><th>Yes</th><th>No</th><th>Explanation</th></tr>
<tr><td></td><td></td><td></td><td>5.NETRONIX has obtained IECQ QC 080000 certification (Hazardous Substance Process Management System for Electrical and Electronic Components and Products), with the certification valid from January 24, 2025 to January 25, 2028.</td><td></td></tr>
<tr><td>(III). Does the company assess the potential risks and opportunities of climate change for companies now and in the future, and take measures to address climate-related issues?</td><td>✓</td><td></td><td>Global climate has witnessed significant changes due to greenhouse effects. NETRONIX implements energy efficiency and carbon reduction policies with control measures such as switching off lights by employees wherever and whenever possible; walking stairs instead of using elevators; and temperature setup for air-conditioners.</td><td>No significant difference.</td></tr>
<tr><td>(IV). Does the company keep records of greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulate policies for greenhouse gas reduction, water use reduction or other waste management?</td><td>✓</td><td></td><td>1.Please refer to Page 50 for NETRONIX GHG emissions and confirmation situation in the most recent two years.
2.water use and wastes
(1)Water consumption and wastes during the most recent two years:<table><tr><th>Year</th><th>Water consumption (Million liters)</th><th>Non-hazardous wastes (tons)</th></tr><tr><td>2024</td><td>16.60</td><td>89.09</td></tr><tr><td>2025</td><td>13.31</td><td>97.12</td></tr></table>(2)NETRONIX has implemented its water conservation plan by starting with the full adoption of water-saving practices in daily operations. In 2025, water usage decreased by 19.8% compared to 2024. The company’s water consumption is mainly used for air conditioning systems and general domestic purposes. It will continue to optimize air-conditioning water temperature settings and promote the importance of water conservation. From 2026 to 2030, the company aims to reduce total annual water consumption by 0.1% each year.</td><td>No significant difference.</td></tr>
</table>

Assessment Item	Implementation Status			Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
			(3)NETRONIX continues to communicate and collaborate with customers and suppliers on waste reduction initiatives, jointly promoting the use of recycled materials in products to reduce waste generation, mitigate environmental impact, and achieve the goal of sustainable business operations. In 2025, the Company implemented waste reduction management policies, including the recycling and reuse of waste cartons, plastic PET, PVC trays, and IC trays, Waste recycling and disposal operations are outsourced to qualified vendors, resulting in a high recycling rate. (4)In 2024, the total generation of non-hazardous waste was 89.09 metric tons, while in 2025 it increased to 97.12 metric tons. This represents an increase of 8.03 metric tons compared to 2024. From 2026 to 2030, the company aims to reduce non-hazardous waste generation by 0.1 metric tons annually.	
IV. Social Topics (I). Does the company establish management policies and procedures according to related regulations and International Bill of Human Rights?	✓		1.To foster a people-oriented, friendly, and healthy workplace, NETRONIX complies with labor-related laws and regulations in all locations where it operates, safeguarding the legitimate rights and interests of employees. The Company adheres to internationally recognized human rights principles and standards, including those set forth in the United Nations Global Compact, the Universal Declaration of Human Rights, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, fully demonstrating its commitment to respecting and protecting human rights and treating all employees, contract personnel, and interns with dignity and respect.	No significant difference.

Assessment Item	Implementation Status			Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
			2.NETRONIX is committed to preventing, supporting, and respecting human rights issues, including the elimination of discrimination, gender equality, protection of maternity employees, zero tolerance for workplace violence, labor-management communication, prohibition of forced labor, elimination of child labor and underage workers, and reasonable working hours. These efforts aim to strengthen a respectful, inclusive, and friendly working environment. For the implementation status of human rights management in 2025, please refer to Note 2 (Page 44). 3.NETRONIX emphasizes workplace diversity and equality. Female employees constitute 67.85% of the workforce. Female managers account for 13.79% of the management.	
(II). Does the company formulate and implement reasonable employee benefits measures (including compensation, vacations and other benefits), and appropriately reflect operating performance or results in employee compensation?	✓		NETRONIX provides wages and salaries according to its remuneration management guidelines. Emoluments and bonuses are issued on the basis of employees' performance reviews, so that employees' remuneration grows with the company. This is in line with corporate social responsibility, the employee benefits, please refer to Labor Relations in this Annual Report (Pages 77~79).	No significant difference.
(III).Does the company provide a safe and healthy working environment for employees, and regularly implement safety and health education for employees?	✓		1.NETRONIX provides employees with a safe and healthy working environment, conducts regular health examinations, and has physicians on-site on a regular basis to offer health consultations. 2.NETRONIX conducts annual fire safety drills and occupational safety training. No fire incidents occurred in 2025.	No significant difference.

Assessment Item	Implementation Status			Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
			3.In 2025, NETRONIX recorded one occupational injury case, which occurred during commuting. The number of affected employees accounted for 0.25% of the total workforce. The Company has since conducted motorcycle safety awareness initiatives for employees. 4.NETRONIX has obtained ISO 45001 Occupational Health and Safety Management System certification, with the certification valid from April 20, 2025 to April 19, 2028.	
(IV).Does the company provide its employees with career development and training sessions?	✓		To equip employees with professional competence and development advantages, NETRONIX offers internal training from time to time and requires employees to participate in training provided by external organizations. Employee training & education in 2025, please refer to Labor Relations in this Annual Report (Pages 78~79).	No significant difference.
(V). With regard to customer health and safety, customer privacy, marketing and labeling of products and services, does the company follow relevant regulations and international standards, and formulate relevant protection policies and appeal procedures for consumer right?	✓		NETRONIX upholds the ethical management principles and maintains fair relationship with customers. NETRONIX cares about after-sales services and adheres to relevant laws and regulations in the safety, marketing and labeling of products and services. Multiple channels and processing procedures have been established for customer complaints.	No significant difference.

Assessment Item	Implementation Status			Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
(VI).Does the company formulate supplier management policies that require suppliers to follow relevant regulations on environmental protection, occupational safety and health or labor human rights, and their implementation?	✓		Most of NETRONIX's suppliers domestic and overseas are longstanding partners. All products comply with regulatory requirements to ensure safety of use. Procurement contracts specify that suppliers shall adhere to the Electronic Industry Citizenship Coalition (EICC) code of conduct in internal management including labor, health, safety, environment and ethics.	No significant difference.
V. Does the company make reference to internationally-used report preparation standards or guidelines to prepare sustainability reports and other reports that disclose the company's non-financial information? Did the pre-report report obtain the confidence or assurance opinion of the third-party verification unit?	✓		The sustainability report of NETRONIX is prepared in accordance with the core option of the GRI Sustainability Reporting Standards (GRI Standards) of the Global Reporting Initiative (GRI) published by the Global Sustainability Standards Board (GSSB), and adopts the "Sustainability Accounting Standards - Technology and Communication" and "Hardware" indicators announced by the Sustainability Accounting Standards Board (SASB) for disclosure. The sustainability report of NETRONIX has been certified by the British Standards Institution Taiwan Branch (BSI Taiwan) in accordance with the AA 1000 AS v3 Type 1 moderate assurance level, and is also guaranteed by GRI Standards (2021) and SASB, and is published on the Company's website.	No significant difference.

VI. If the Company has established the sustainable development policies based on the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies", please describe any discrepancy between the Principles and their implementation:

NETRONIX has not yet adopted its own Sustainable Development Best Practice Principles, NETRONIX driving sustainable development and responsibility according to the practical guides of sustainable development.

VII. Other important information to facilitate better understanding of the company's sustainable development practices:

(I)NETRONIX fully recognizes the negative impact of deforestation on biodiversity and complies with the globally leading EU Deforestation Regulation (EUDR). NETRONIX avoids all forms of deforestation-related activities and products, and further promotes forest restoration. It actively implements the United Nations Sustainable Development Goals (SDGs), specifically Goal 12 (Responsible Consumption and Production), Goal 13 (Climate Action), and Goal 15 (Life on Land), in order to achieve its 2030 No Net Deforestation (NND) target.

To effectively fulfill the above commitments, NETRONIX implemented the following measures in 2025:

1.Promotion of process digitalization (e.g., electronic purchase requisition systems).

Assessment Item	Implementation Status			Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
2.NETRONIX regular inventory and assessment of timber usage in current operations to ensure that all wood and wood-based products are sourced from legal, traceable, and sustainably managed origins. Priority is given to domestically produced wood products to reduce carbon emissions and eliminate the use of materials linked to deforestation. (II)NETRONIX actively supports social welfare initiatives. In collaboration with 21 e-paper ecosystem partners, including E Ink Holdings, the Company jointly launched the "e-Reading the Future" mobile digital library project for 42 elementary schools in Miaoli County. A total of 1,040 color e-book readers were donated, each preloaded with 164 carefully selected quality books. The total donation value exceeded NT$30 million, benefiting nearly 21,000 students across Miaoli County. (III)To ensure sustainable business operations and the fulfillment of corporate social responsibility, as well as to safeguard labor rights and interests, Netronix Technology has implemented the following measures: 1.For prospective dispatch (labor outsourcing) service providers, the Company conducts prior due diligence on their compliance with labor laws as a basis for evaluating whether to proceed with cooperation. In 2025, two new manpower dispatch companies were added. Before formal engagement, the Company verified their legal registration, business scope, and basic corporate information through Taiwan's company databases and registration inquiry systems. In addition, the Company assessed their operational status and reviewed whether they had any history of legal violations or litigation. Only those meeting NETRONIX's risk assessment criteria for manpower dispatch partners were approved for further cooperation. 2.During the contract performance period, the Company proactively conducts investigations, audits, or other actions to ensure that the labor conditions of dispatched (assigned) workers comply with applicable laws and regulations. In the fourth quarter of 2025, the Company conducted an audit of one of its longest-standing dispatch partners. According to the Ministry of Labor's "Query System for Employers Violating Labor Laws and Regulations" and other publicly available government sanction records, no violations were found for the company in 2025.				

Note 1: Risk management policies

Material Issues	Risk Management Item	Explanation
Environmental issues	Environment impact and management	1. NETRONIX continued effective improvement of the environmental management policies, to ensure the maintenance and betterment of environmental performance Product manufacturing in an environmental friendly way, with all procedures in adherence to environmental laws and regulations. Efforts to reduce wastes, recycle resources and manage risks. 2. NETRONIX awarded the ISO14001 environmental management system certification, and IECQ QC 080000 certification (Hazardous Substance Process Management System for Electrical and Electronic Components and Products). 3. NETRONIX awarded ISO14064 GHG inventory and ISO14067 carbon footprint, will continue carbon reduction measures based on inventories. 4. In December 2025, NETRONIX passed the ISO50001 energy management system certification to improve energy performance indicators and energy baseline standardization.
Social issues	Occupational safety	1. NETRONIX awarded ISO45001 occupational health and safety management system certification. 2. NETRONIX hold annual fire drills and training and education on occupational safety, to develop employees' capability in emergency response and safety management. 3. In 2025, NETRONIX was recognized as an outstanding enterprise in the "Voluntary Evaluation of Occupational Health and Safety Disclosure in Corporate Sustainability Reports" by the Occupational Safety and Health Administration under the Ministry of Labor.
	Product safety	NETRONIX compliance of each product with all government laws and regulations, WEEE and RoHS without any hazardous substances.
Corporate governance issues	Compliance	NETRONIX implement the internal control mechanism, to ensure all personnel and processes adhere to relevant laws and regulations.
	Strengthening of directors' power and responsibility	1. NETRONIX plans relevant continuing education programs for its directors and provides them annually with updates on the latest regulations, system developments, and policies. 2. NETRONIX provides directors' and officers' (D&O) liability insurance to protect them against potential litigation or claims.
	Communication with stakeholders	1. To prevent misunderstandings arising from differing positions with stakeholders that may lead to operational or litigation risks, NETRONIX regularly analyzes key stakeholders and the material issues of concern to them. 2. NETRONIX holds at least one investor conference per quarter and establishes various communication channels to actively engage in dialogue, thereby reducing conflicts and misunderstandings. 3. NETRONIX has established an investor mailbox, with responses handled by the designated spokesperson.

Note 2: Implementation Status of Human Rights Management

Management Item	Actions
Forced Labor	1. Continuously optimize the leave and attendance management system. 2. Promote a culture of reasonable working hours.
Sexual Harassment and Illegal Infringement Management	A reporting mechanism for sexual harassment incidents has been established: 1. Policy / Procedure: “Sexual Harassment Complaint Procedures.” 2. Communication/Reporting Channels: Employees may file complaints via a dedicated hotline to the HR department supervisor. 3. Handling Procedures: Reported cases are investigated and reviewed by the Sexual Harassment Investigation Committee. 4. Status: No sexual harassment complaints were reported in 2025.
Maternity Protection	In compliance with the “Act of Gender Equality in Employment” and the “Regulations for Establishment of Breastfeeding (Pumping) Rooms and Childcare Facilities with Subsidy Measures,” the Company provides comfortable, fully equipped lactation rooms for employees. Relevant provisions for breastfeeding (pumping) time for female employees are also stipulated in the “Work Rules.”
Child Labor	Complies with minimum age requirements stipulated by labor laws and regulations in all operating locations; child labor is strictly prohibited
Equal Pay for Equal Work	Prohibits any differential treatment or discrimination against employees on the basis of gender (including sexual orientation), race, class, age, marital status, language, ideology, religion, political affiliation, place of origin, birthplace, appearance, height, or physical/mental disability.

(VI).Climate-related Information

1.Implementation of Climate-related Information

Item	Status of implementation
I. Describes the oversight of the Board and Management's, governance of climate-related risks and opportunities.	In response to global climate change issues, NETRONIX has established Green Manufacturing-Carbon Neutrality Committee, responsible for initiatives and coordination with relevant divisions. General Manager serves as the highest-level manager. Suitable personnel from different units is assigned to provide function-specific assistance in GHG inventory calculation and reporting. Quarterly reports are submitted to the Board of Directors.
II. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the organization (short, medium, and long term).	NETRONIX's identification of climate-related risks and opportunities summarizes the key risk and opportunity factors that may have short-, medium-, and long-term impacts. Please refer to Note 1 (Page 47).
III. Describe the financial impacts of extreme climate events and transformational actions.	For the financial impact of extreme climate events and transition actions on NETRONIX, please refer to Note 2 (Page 48).
IV. Describe how the process of identifying, assessing, and managing climate risk is integrated into the overall risk management system.	Evaluate the possible impact of climate risks based on NETRONIX's areas of business, formulate and carry out executable projects and regularly review, track, manage, adjust and improve them to transform relevant measures to become part of daily work behaviors, so that the company can better respond to various risks, reduce losses and improve business robustness and sustainability.
V. If scenario analysis is used to assess the resilience to climate change risk, describe the scenarios, parameters, assumptions, analytical factors, and key financial impacts.	Scenario analysis has not been used to assess resilience to climate change risks.
VI. If there is a transition plan for managing climate-related risks, describe the content of the plan and the metrics and objectives used to identify and manage physical and transition risks.	NETRONIX is not an energy-intensive industry. However, in the course of the global transition toward a low-carbon economy, stricter regulatory policies and rising energy costs may lead to increased manufacturing and procurement costs. In the short term, NETRONIX will expand the scope of its group-wide greenhouse gas inventory. In the medium to long term, certain product models will continue to face customer requirements for carbon footprint assessment and verification. Conducting carbon footprint analysis helps identify greenhouse gas emissions across each stage of a product's life cycle. In response, the R&D team will require the use of materials with higher recycled content for paper materials (such as color box packaging), as well as plastic and metal components used in equipment, with the aim of reducing environmental impact. As more market customers consider product energy efficiency and a company's carbon reduction capabilities as key factors in partnership decisions, NETRONIX will continue to develop and expand the application of low-carbon products and services to enhance competitiveness and create new opportunities in the low-carbon market.

Item	Status of implementation
VII. If internal carbon pricing is used as a planning tool, the basis for price setting should be stated.	Has not yet used carbon pricing as a planning tool.
VIII. If climate-related targets are set, the activities covered, the scope of greenhouse gas emissions, the planning period, and the annual progress of achievement should be described; if carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and quantity of carbon reduction credits or the quantity of renewable energy certificates (RECs) offset should be described.	Climate-related targets has not been set, in December 2025, NETRONIX passed the ISO50001 energy management system certification to improve energy performance indicators and energy baseline standardization.
IX. GHG inventory and confirmation situation, long with emission reduction targets, strategies, and specific action plans.	Please refer to GHG emissions and confirmation situation in the most recent two years of this Annual Report (Page 50).

Note 1:

Transition Risk Factors	Risk Description	Financial Impact	Affected Parties	Response Strategies and Plans
Increasing reporting requirements, more disclosure demands	In August 2022, Taiwan's Financial Supervisory Commission (FSC) announced that starting in 2024, listed companies must disclose in their annual reports the impact of climate change on the company's business and financials, governance attitudes, and risk assessments, including four climate scenarios and greenhouse gas (GHG) inventories. In August 2023, Taiwan officially released the roadmap to align with IFRS sustainability disclosure standards, further connecting with international standards. In the future, Taiwan will adopt IFRS sustainability disclosure standards directly. This increase in disclosure requirements will necessitate additional resources and staff awareness to meet regulatory demands.	Short- to medium-term (1-5 years) Increase in direct costs	Internal operations	Enhance climate change education and training to raise employee awareness and meet future disclosure requirements.
Low-carbon products replacing existing products	In response to customer demands, NETRONIX must conduct carbon footprint certifications (ISO 14067) for certain models. Our R&D team is now required to use materials with higher recycling rates for plastic and metal parts in packaging and machines. This requirement will increase procurement costs.	Medium-term (3-5 years) Increase in indirect costs	Internal operations Downstream customers	1.Gradually increase the proportion of recycled materials used in all e-reader products. 2.The E60K24, E60P74, and EA0T04 models have already adopted plastic casings containing 85% recycled materials, including 10% ocean-bound plastic (OBP).
Changes in customer behavior (low-carbon commitments)	Customers are requiring carbon footprint certification (ISO 14067) for certain models. NETRONIX needs to bear the certification costs and allocate personnel to assist with completing the relevant certifications.	Medium-term (5-10 years) Increase in indirect costs	Internal operations Downstream customers	Implement ISO 14064-1/ISO 14067/ISO 14040 and ISO 50001 to understand the carbon footprint of the organization and products, as well as the greenhouse gas impact at each stage of the life cycle.

Note 2:

Physical Risks	Risk Description	Financial Impact	Affected Parties	Response Strategies and Plans
Increase in extreme climate patterns – water restrictions/outages	Extreme climate increases the likelihood of consecutive dry periods during crucial water collection times. If the situation worsens, the government may implement water restriction measures, preventing employees from attending work.	Long-term (5-10 years) Increased direct costs and credit risk	Internal operations	1.Establish a water condition monitoring mechanism and take early preventive measures. 2.Install backup water storage systems to ensure water supply during droughts.
Increase in extreme climate patterns – power restrictions/outages	The Ministry of Economic Affairs estimates a 2.5% annual growth in electricity demand from 2021 to 2027, with peak load growth at 2.3%. If power resilience is insufficient, resulting in outages or restrictions, it will affect critical data center operations and production capacity.	Long-term (5-10 years) Increased direct costs and credit risk	Internal operations	1.Conduct monthly tests of the generator's operation. 2.Perform quarterly maintenance of the UPS system to ensure stability of key data centers and equipment. 3.The plant’s generator can supply power for essential equipment like fire systems, elevators, and lighting, with backup capacity for at least 4 hours.

Transition Opportunities	Opportunity Description	Financial Impact	Affected Parties	Ways to Realize the Opportunity
Development and expansion of low-carbon products and services	The EU has updated its energy labeling regulations, restricting the sale of high-energy-consuming electrical equipment that doesn’t meet standards. Our company’s e-paper screens, used in indoor advertising displays, have significantly better energy performance compared to LCD-based displays. This trend will contribute to the increased sales of NETRONIX’s advertising machines.	Medium-term (1-3 years) Increased revenue due to rising demand for products and services	Direct operations	1.Purchase relevant equipment 2.Expand the application of e-paper to advertising machines, providing low-carbon products and services to advertising clients while reducing energy usage.

Transition Opportunities	Opportunity Description	Financial Impact	Affected Parties	Ways to Realize the Opportunity
Advantage of low-carbon products, e-readers replacing physical books	Extreme climate conditions are increasingly affecting daily life, causing consumers to develop habits of reducing energy and resource consumption. The shift to digital reading over paper-based content is becoming mainstream. In digital reading scenarios, e-readers have significantly lower energy consumption compared to devices like smartphones and tablets (which require daily charging), as e-readers only need charging every 2-3 weeks. This positions e-readers as a product with steady demand.	Long-term (5-10 years) Reduced operational costs	Downstream customers	1.Develop color e-readers to attract readers with a preference for color-printed books, encouraging them to switch to color e-readers. This will enhance the reading experience, reduce the demand for printed color books, and lower the environmental impact of paper use and color printing. 2.Develop color e-paper digital signage: providing customers with an alternative advertising display option that is more energy-efficient and more environmentally friendly (power consumption is only about 1% of a traditional LCD display). This solution supports business promotion while contributing to reduced energy usage and environmental protection.

2.GHG emissions and confirmation situation in the most recent two years

(1)GHG emissions situation

GHG Emissions (by Scope / Category) (Unit: Metric tons CO_2e)						GHG Emission Intensity (Scope I and Scope II) (Metric tons CO_2e / Million Revenue)
Scope	Scope I	Scope II	Scope III		Total GHG emissions (Scope I and Scope II)	
Category	Category I: Direct GHG Emissions	Category II: Purchased electricity	Category III: Upstream transportation and distribution	Category IV：Purchased goods and services, and waste generated during operations		
Year 2024	84.3896	1,564.8142	0.00160	346.3944	1,649.2038	0.222
Year 2025	72.7939	1,519.1510	0.02100	455.5126	1,591.9450	0.186

(2)GHG confirmation situation

Year	Scope of assurance	Assurance institutions	Assurance standards	Assurance opinion
2024	NETRONIX, INC. Headquarters (Zhubei)	BSI	ISO14064-1:2018 ISO14064-3:2019	1.Reasonable assurance level is adopted for Category I and Category II GHG emissions disclosures, and other indirect greenhouse gas emissions (Categories III to Ⅵ) are concluded based on verification and agreed-upon procedures. 2.Confirm that the results fully comply with relevant regulations and that greenhouse gas information has been disclosed appropriately and correctly.
2025	NETRONIX, INC. Headquarters (Zhubei)	BSI	ISO14064-1:2018 ISO14064-3:2019	1.Reasonable assurance level is adopted for Category I and Category II GHG emissions disclosures, and other indirect greenhouse gas emissions (Categories III to Ⅵ) are concluded based on verification and agreed-upon procedures. 2.Confirm that the results fully comply with relevant regulations and that greenhouse gas information has been disclosed appropriately and correctly.

3.GHG reduction goals, strategies, and specific action plans

(1)In December 2025, NETRONIX passed the ISO50001 energy management system certification to improve energy performance indicators and energy baseline standardization, and GHG reduction goals, strategies, and specific action plans are as follows:

①Carbon Reduction Target for 2030: NETRONIX has designated 2024 as the base year for greenhouse gas (GHG) reduction. In that year, total Scope 1 and Scope 2 GHG emissions amounted to 1,649.2038 metric tons of CO_2e, with a target of achieving a 3% reduction by 2029. In 2025, Scope 1 and Scope 2 emissions were 1,591.9450 metric tons of CO_2e, representing a 3.47% reduction compared to the base year.

②Strategies and Specific Action Plans:

A.Encourage employees commuting by motorcycles to switch to electric vehicles to reduce carbon emissions.

B.Arrange shuttle bus transportation for migrant workers commuting to and from work.

C.Replace outdated lighting fixtures with energy-efficient panel lights certified with energy-saving labels

(2)NETRONIX's consolidated reporting subsidiaries will follow the reference guidelines and relevant regulations of the competent authorities, carry out greenhouse gas inventory and assurance operations in accordance with the applicable schedule and NETRONIX will formulate its greenhouse gas reduction goals, strategies and specific action plans.

(VII). Implementation of Ethical Corporate Management, gaps with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the cause of the said gaps

Assessment Item	Implementation Status			gaps with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
I. Formulating policies and plans for ethical corporate management				
(I). Does the Company formulate its ethical corporate management policies that have been approved by the Board of Directors? Has the Company declared its ethical corporate management policies and procedures in its guidelines and external documents, and does the Board of Directors and management work proactively to implement their commitment to those management policies?	✓		NETRONIX established in December 2025, and with approval from the Board of Directors, the "Integrity Management Guidelines," "Procedures for Integrity Management and Code of Conduct," and "Code of Ethical Conduct." These have been disclosed on the company's official website as the governing policies for all group entities and organizations to follow in upholding integrity in operations. The relevant provisions clearly stipulate the prohibition of dishonest conduct and corresponding preventive measures. The company actively promotes corporate integrity and works to prevent corruption. Directors and senior management of the NETRONIX Group, in the execution of their duties, uphold integrity as a core principle and assume supervisory responsibility, demonstrating a strong commitment to effectively implementing integrity management policies.	No significant difference.
(II). Does the Company establish an assessment mechanism for unethical risks, according to which it analyzes and assesses operating activities with high potential unethical risks? Does the mechanism include any precautionary measures against all the conducts as stated in Article 7, Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?	✓		NETRONIX has established the "Code of Ethical Conduct," the "Integrity Management Policy," and the "Procedures for Ethical Management and Guidelines for Conduct," which clearly set forth the relevant systems and procedures for preventing unethical conduct, thereby ensuring the effective implementation of its integrity management policy.	No significant difference.

Assessment Item	Implementation Status			gaps with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
(III). Has the Company established policies to prevent unethical conduct, with clear statements regarding relevant procedures, conduct guidelines, punishments for violation, and rules for appeal, and does the Company implement them accordingly, and regularly review and correct such measures?	✓		NETRONIX has established the “Code of Ethical Conduct,” the “Integrity Management Policy,” the “Procedures for Ethical Management and Guidelines for Conduct,” and the “Regulations for Handling Reports of Illegal, Unethical, or Dishonest Conduct.” These policies set forth the standards of conduct to be observed by personnel of the NETRONIX Group in the course of performing their duties, as well as the disciplinary and grievance mechanisms for violations, thereby fostering a corporate culture of ethical and integrity-based management.	No significant difference.
II. Implementing ethical management (I). Does the Company evaluate business partners’ ethical records and include ethics related clauses in the business contracts signed with the counterparties?	✓		Before entering into any business transactions, NETRONIX will always evaluate the credit record of suppliers, customers or other trading counterparts, in order to avoid trading with those with unethical conduct record.	No significant difference.
(II). Has the Company established an exclusively dedicated unit under the Board to implement ethical corporate management, and report to the Board on a regular basis (at least annually) about the ethical corporate management policies, precautionary measures against unethical conducts, as well as the implementation and supervision thereof?	✓		1.NETRONIX designates the chief corporate governance officer to oversee the promotion of integrity management. Progress is reported to the Board of Directors on a regular annual basis (once per year). In addition, internal auditors periodically review the operation of the company’s internal control system and prepare audit reports for submission to the Board.	No significant difference.

Assessment Item	Implementation Status			gaps with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
			2.In December 2025, NETRONIX completed the signing of Integrity Management Declarations by all 18 directors and managers. The declarations require directors and managers to lead by example, uphold the principles of integrity in operations, foster a healthy, transparent, and fair business environment, and ensure that all business activities comply with the highest ethical standards and legal requirements. The signing rate reached 100%.	
(III). Has the Company established policies preventing conflict of interest, provided proper channels of appeal, and enforced these policies and opened channels accordingly?	✓		If any of NETRONIX's directors or the juristic person represented by him/her has any stakes in the discussed agenda at the Board of Directors meeting, the director must state the stakes involved and shall recuse himself/herself from all discussions and voting if such stakes are in conflict against the Company's interests, in which case, the director may not exercise voting rights on behalf of other directors. When performing company duties, if any personnel identify a situation involving a conflict of interest with themselves or the legal entity they represent, or any circumstance that may result in improper benefits to themselves, their spouse, parents, children, or other related parties, they shall report the relevant details to both their immediate supervisor and the responsible personnel of t NETRONIX. The immediate supervisor shall provide appropriate guidance.	No significant difference.

Assessment Item	Implementation Status			gaps with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
(IV). Has the Company established effective systems for both accounting and internal control to implement ethical corporate management? Has the internal auditors formulated related plans and checked the compliance of anti-unethical conduct based on the unethical risks assessed? Or does the Company commission a CPA for the audit task?	✓		NETRONIX's internal auditors check the operations of the internal control system regularly, in order to build a fair corporate governance and risk control mechanism.	No significant difference.
(V). Does the Company regularly hold internal and external training related to ethical corporate management?	✓		NETRONIX promotes the principles of ethical business conduct through internal employee training programs to strengthen employees' awareness and implementation.	No significant difference.
III. Operation of whistleblowing mechanisms in the Company				
(I). Has the Company established concrete whistle-blowing and rewarding systems and accessible whistle-blowing channels? Does the Company assign a suitable and dedicated individual for the case being exposed by the whistle-blower?	✓		NETRONIX has adopted the "Regulations Governing Handling of Whistle-Blowing Against Misconduct and Immoral or Unethical Conduct" and also provide the email address exclusive for whistleblowing against corruption and violation of the code of professional ethics. The email will be forwarded to the Company's management automatically and processed by dedicated personnel. NETRONIX will discipline violators in accordance with the internal management rules.	No significant difference.
(II). Has the Company established standard operating procedures for the reported matters, the measures to be taken after investigation is completed, and the relevant confidential mechanism?	✓		NETRONIX has adopted the "Regulations Governing Handling of Whistle-Blowing Against Misconduct and Immoral or Unethical Conduct", encourage the whistleblowing against any misconduct or conduct in violation of the code of ethics or ethical management, establish the whistleblowing channels and settlement procedures inside and outside the Company, and ensure the whistleblower's and counterpart's interests and rights.	No significant difference.

Assessment Item	Implementation Status			gaps with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
(III). Has the Company adopted protection against inappropriate disciplinary action for the whistle-blower?	✓		NETRONIX has adopted the “Regulations Governing Handling of Whistle-Blowing Against Misconduct and Immoral or Unethical Conduct.” Therefore, NETRONIX will definitely keep any whistleblowing in confidence and collect evidence with care to protect the whistleblower from any mistreatment as a result of the whistleblowing.	No significant difference.
IV. Enhanced information disclosure Does the company disclose its ethical corporate management policies and the results of its implementation on the company’s website and MOPS?	✓		NETRONIX discloses its “Code of Ethical Conduct,” “Integrity Management Policy,” and “Procedures for Ethical Management and Guidelines for Conduct” on the Company’s official website, and also reports the implementation status of its ethical management practices in its annual report.	No significant difference.
V. If the company has established the ethical corporate management policies based on “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies”, please describe any discrepancy between the policies and their implementation: In accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies,” NETRONIX has established its “Integrity Management Policy” and the “Procedures for Ethical Management and Guidelines for Conduct” to foster a culture of ethical management and ensure sound development. NETRONIX’s actual operations show no material deviations from these internal policies.				
VI. Other important information that facilitates the understanding of the implementation of ethical corporate management (such as review and amendment of the Company's Ethical Corporate Management Best Practice Principles): None.				

(VIII). Other important information that can promote understanding of the company’s corporate governance operations: None.

(IX). Implementation of Internal Control System

1.Statement of Internal Control System

Please refer to the Market Observation Post System (MOPS) > Single Company > Corporate Governance > Company Regulations/Internal Control > Internal Control System Statement Announcements.
(Website: https://mops.twse.com.tw/mops/#/web/t06sg20)

2.Companies which CPA to professionally review the internal control system shall disclose the review report provided by the accountants:

None.

(X). Material resolutions made in the Shareholders' Meeting and the Board of Directors in the most recent year and up to the publication date of this Annual Report

1.Material resolutions from the Shareholders' Meeting

Date	Material resolutions from the Shareholders' Meeting	Implementation Status
2025.06.13	※Adoption of the 2024 Business Report and Financial Statements	
	※Adoption of 2024 Earnings Distribution	Apri 19, 2025 is set as the ex-dividend date. The cash dividend was allocated on May 8, 2025
	※Approved to amendment the Articles of Incorporation	Operations have been conducted in accordance with the amended Articles of Association
	※Approved to issue common shares for cash capital increase through private placement	Due to the absence of suitable strategic investors, this project was not carried out.
	※Approved to release non-competition restriction on Directors and representatives	Already follow the resolution

2.Material Resolutions from the Board of Directors

Date	Material Resolutions from the Board of Directors
2025.03.04	※Approval of the Ratification of Managerial Personnel Job Changes ※Approval of the Ratification of Performance and Incentive Bonus Allocations for Managers and the chief internal audit officer ※Approval of the Chairman's Compensation ※Approval of the Allocation of Employee and Directors' Remuneration for FY2024 ※Approval of the Assessment of FY2024 Internal Control Effectiveness and Issuance of the Internal Control Statement ※Approval of FY2024 Business Report and Financial Statements ※Approval of FY2024 Profit Distribution ※Approval of the Reappointment of the Auditor for FY2025 Financial Statements ※Approval of the Removal of Non-Compete Restrictions for Directors, Their Representatives, and Managers ※Approval of the Early Termination of the Loan Facility to a Subsidiary ※Approval of the Loan to a Subsidiary ※Approval of Amendments to the Articles of Association ※Approval of the Issuance of Common Shares for Cash Capital Increase through Private Placement ※Approval of the Allocation of Directors' Remuneration for FY2024 ※Approval of Performance Evaluation, Cash Bonus Distribution, and Salary Adjustments for the chief internal audit officer and Managers ※Approval of the Cancellation of the Eighth Batch of Treasury Shares Untransferred to Employees, Including Capital Reduction Date and Related Matters ※Approval of Convening the 2025 Annual General Meeting of Shareholders ※Approval of Progress Control on Subsidiary's "Greenhouse Gas Inventory and Verification Schedule Planning" ※Approval of Bank Credit Facility Applications
2025.04.29	※Approval of the Amendment to the March 4, 2025 Board Resolution on Cash Capital Increase via Private Placement

Date	Material Resolutions from the Board of Directors
2025.04.29	※Approval of Bank Credit Facility Applications
2025.05.09	※Approval of the Q1 2025 Consolidated Financial Report ※Approval of Progress Control on Subsidiary's "Greenhouse Gas Inventory and Verification Schedule Planning"
2025.08.08	※Approval of Performance Bonus Allocation for Managers and the chief internal audit officer ※Approval of Revisions to the Internal Control System and Internal Audit Implementation Rules ※Approval of the Q2 2025 Consolidated Financial Report ※Approval of the FY2024 Sustainability Report ※Approval of Progress Control on Subsidiary's "Greenhouse Gas Inventory and Verification Schedule Planning" ※Approval of Bank Credit Facility Applications
2025.11.07	※Approval of Performance Bonus for Managers and the chief internal audit officer ※Approval of Payment of Managers' Remuneration ※Approval of General Manager Changes ※Approval of the Amendment to the "Performance Evaluation Measures for the Board of Directors and Functional Committees" ※Approval of Capital Increase in a Subsidiary ※Approval of Establishing the Scope of Junior-Level Employees and Inclusion in the Internal Control System ※Approval of Amendments to the "Related Party Transaction Procedures" ※Approval of the Q3 2025 Consolidated Financial Report ※Approval of Loan to a Subsidiary ※Approval of the Removal of Non-Compete Restrictions for Managers ※Approval of Bank Credit Facility Applications
2025.12.26	※Approval of the Implementation of an Employee Stock Purchase Plan ※Approval of the Establishment of the Code of Integrity ※Approval of the Establishment of Procedures and Guidelines for Integrity Management ※Approval of the Establishment of the Code of Ethical Conduct ※Approval of the Establishment of the Corporate Value Enhancement Plan ※Approval of Auditing Costs for the Auditor ※Approval of the FY2026 Internal Audit Plan ※Approval of the FY2026 Operational Plan and Budget ※Approval of Amendments to the Loan to a Subsidiary ※Approval of Loan to a Subsidiary ※Approval of the Revision of the Internal Audit Implementation Rules
2026.03.04	※Approval of the Ratification of Performance and Incentive Bonus Allocations for Managers and the chief internal audit officer ※Approval of the Allocation of Employee and Directors' Remuneration for FY2025 ※Approval of the Assessment of FY2025 Internal Control Effectiveness and Issuance of the Internal Control Statement ※Approval of FY2025 Business Report and Financial Statements ※Approval of FY2025 Profit Distribution ※Approval of the Reappointment of the Auditor for FY2026 Financial Statements ※Approval of the Allocation of Directors' Remuneration for FY2025 ※Approval of Performance Evaluation, Cash Bonus Distribution, and Salary Adjustments for Managers and the chief internal audit officer ※Approval of Amendments to the Articles of Association ※Approval of Amendments to the Rules of Procedure for Shareholders' Meetings ※Approval of Convening the 2026 Annual General Meeting of Shareholders ※Approval of Managerial Personnel Job Adjustments ※Approval of the Removal of Non-Compete Restrictions for Managers ※Approval of Bank Credit Facility Applications

(XI). Major contents of any dissenting opinions on record or stated in a written statement made by Directors regarding material resolutions passed by the Board of Directors' Meeting in the most recent year and up to the publication date of this Annual Report

None.

IV. Information on CPA fees

(I). Information on CPA fees

Unit: NT$ thousands

Name of the Accounting Firm	Name of CPA		CPA's Audit Period	Audit Fee	Non-accounting fee (Note)	Total	Remark
KPMG Certificated Public Accountants	Hai-Ning Huang	An-Chih Cheng	2025.01.01~ 2025.12.31	3,530	702	4,232	None

Note: The non-audit fees include tax certification fees, certification of employee salary statements (for non-managerial personnel), services for businesses with dual operations, annual report review, inventory write-off, transfer pricing, other administrative processing fees, and travel expense reimbursements.

(II). The amount and reasons for the decrease in auditing fees shall be disclosed if there is a change in accounting firm and the auditing fees in the year of such change is less than the auditing fees in the previous year:

None.

(III). The amount, ratio and reasons for the decrease in auditing fees shall be disclosed if the auditing fees was decrease by more than 10% comparing to that of in the previous year:

None.

V. Information on replacement of CPA

None.

VI. Where the company's chairman, general manager or any officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of is CPA or at an affiliated enterprise of the accounting

None.

VII. The Situation of equity transfer and changes to equity pledge of Directors, managers or shareholders holding more than 10% of Company shares in the most recent year and up to the publication date of this Annual Report

(I). The Situation of equity transfer and changes to equity pledge of Directors, managers or shareholders holding more than 10% of Company shares:

1.Share Transfer: Please refer to the Market Observation Post System (MOPS) > Individual Company > Equity Changes / Securities Issuance > Share Transfer Information > Post-reporting Statement of Changes in Insider Shareholding. (Website: https://mops.twse.com.tw/mops/#/web/query6_1)

2.Pledged Share Changes: None.

(II). Counterparty of equity transfer is a related party:

None.

(III). Counterparty of equity pledge is a related party:

None.

VIII. Information of familial relationships between Top 10 shareholders who are either related parties, spouses, or relatives within the second degree of kinship

The shareholder registration record date: April 14,2026

Name	Shares held		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Familial relationships between Top 10 shareholders who are either related parties, spouses, or relatives within the second degree of kinship, his/her/its title (or name) and relationships		Remarks
	Shares	%	Shares	%	Shares	%	Title (or name)	Relationships	
Chun-Ter Lu	6,233,882	7.24	0	0.00	0	0.00	None	None	None
YuanHan Materials Inc.	5,309,198	6.17	0	0.00	0	0.00	None	None	None
Representative: Tsung-Yung Lin	0	0.00	0	0.00	0	0.00	None	None	None
Chih-Wen Hsiao	3,208,000	3.73	0	0.00	0	0.00	None	None	None
Chia-Chen Ko	2,598,044	3.02	0	0.00	0	0.00	None	None	None
Citibank (Taiwan) Limited, Acting as custodian for UBS Europe SE Investment Account	1,723,000	2.00	0	0.00	0	0.00	None	None	None
TransGlobe Life Insurance Inc.	1,539,000	1.79	0	0.00	0	0.00	None	None	None
Representative: Wen-Hui Lin	0	0.00	0	0.00	0	0.00	None	None	None
HSBC (Taiwan) Commercial Bank, Ltd. Acting as custodian for Merrill Lynch International Investment Account	1,062,997	1.24	0	0.00	0	0.00	None	None	None
Hung-Yang Liu	1,050,000	1.22	0	0.00	0	0.00	None	None	None
Chang-Kai Ni	1,000,000	1.16	0	0.00	0	0.00	None	None	None
Chi-Ming Tsai	900,000	1.05	0	0.00	0	0.00	None	None	None

IX. Number of shares held and combined shareholdings percentage in the same investment business by the Company, the Company's Directors, Managers, and companies directly or indirectly controlled by the Company

Unit: Thousands Shares；%

Investment business (Note 1)	Investment by the Company		Investment by Directors, Managers, and directly or indirectly controlled business		Comprehensive investment	
	Number of Shares	Shareholding percentage	Number of Shares	Shareholding percentage	Number of Shares	Shareholding percentage
Longshine Technologie GmbH (Note 2)	0	68.00	0	32.00	0	100.00
Easylink Technology Ltd. (Note 2)	0	100.00	0	0.00	0	100.00
Media Champion Corp. (Note 2)	0	100.00	0	0.00	0	100.00
LOBOS TECHNOLOGY, INC.	400	34.78	0	0.00	400	34.78
Analog Integrations Corporation (Note 3)	17,110	40.74	7,771	18.50	24,881	59.24
Taiwan Biomaterial Company Limited (Note 3)	5,534	13.18	8,158	19.42	13,692	32.60

Note 1: NETRONIX's long-term investment under equity method.
Note 2: Considering that the shares held by Longshine, Easylink and Media refer to proportion of equity in nature, it is impossible to express such equity in the number of shares.
Note 3: This information is based on the most recent book closure date.

Chapter 3 Capital Overview

I.Capital and shares

(I).Source of Share Capital

Unit: thousand Shares; NT$ thousands

Year and month	Issued price	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Share Capital	Capital increase by assets other than cash	Others
2022.12	10.0	150,000	1,500,000	87,507	875,069	share exchange Capital increase by 4,500 thousand shares	None	Note 1
2025.05	10.0	150,000	1,500,000	86,059	860,589	Cancellation of treasury shares Capital reduction by 1,448 thousand shares	None	Note 2

Note 1：2023.08.11 Letter No. 11230097880, Department of Commerce, Ministry of Economic Affairs.
2022.12.16 Letter No. 1110013018, TPEx.
Note 2：2025.06.16 Letter No. 11430071400, Department of Commerce, Ministry of Economic Affairs.
2020.06.09 Letter No. 1090345874, Financial Supervisory Commission.

Type of Stock

Unit: share

Type of Stock	Authorized capital			Remarks
	Shares outstanding	Unissued shares	Total	
Common Stock	86,058,897	63,941,103	150,000,000	TPEx-listed stock

(II).List of Major Shareholders

The shareholder registration record date: April 14, 2026

Shares / Names of major shareholders	Number of shares held (shares)	Shareholding percentage
Chun-Ter Lu	6,233,882	7.24%
Yuan Han Materials Inc.	5,309,198	6.17%
Chih-Wen Hsiao	3,208,000	3.73%
Chia-Chen Ko	2,598,044	3.02%
Citibank (Taiwan) Limited, Acting as custodian for UBS Europe SE Investment Account	1,723,000	2.00%
TransGlobe Life Insurance Inc.	1,539,000	1.79%
HSBC (Taiwan) Commercial Bank, Ltd. Acting as custodian for Merrill Lynch International Investment Account	1,062,997	1.24%
Hung-Yang Liu	1,050,000	1.22%
Chang-Kai Ni	1,000,000	1.16%
Chi-Ming Tsai	900,000	1.05%

(III).Dividend Policy and Implementation:

1.Dividend Policy under the Articles of Incorporation of NETRONIX: The Company is entering into the stable operation and growth stage. If the retained earnings available for distribution of the current year reaches 5% of the paid-in capital of the Company, no less than 10% of the retained earnings available for distribution of the current year shall be distributed as dividend, If the retained earnings available for distribution of the current year does not reach 5% of the paid-in capital of the Company, the Company may distribute no dividend. The total cash dividend as distributed shall be no less than 10% of the total dividends as distributed.

2.Dividend payout plans proposed during the most recent shareholders' meeting: NETRONIX’s distribution of 2025 dividends has been approved upon resolution by the Board of Directors on March 4,2026. It resolved to distribute the common share cash dividend, totaling NT$ thousands 516,353 to shareholders at NT$6.0 per share. The chairman has set the cash dividend payment date as May 6, 2026, and report it at 2026 Annual Shareholders' Meeting.

3.Major changes expected in the dividend policy: None.

(IV). The impact of stock dividend distribution proposed by this shareholders' meeting on the Company’s operating performance and earnings per share:

None.

(V). Compensation for employees and Directors

1.The percentage or range of compensations for employees and Directors based on the Articles of Incorporation:

According to Article 19 of the Articles of Association of NETRONIX, If the Company gains profits in the year, the Company shall first reserve certain amount of the profit to recover losses for preceding years, and then set aside 5%~20% of the remaining profit for distribution to employees as remuneration and no more than 3% of the remaining profit for distribution to directors as remuneration.

From the aforementioned employee remuneration, no less than 10% should be allocated to remuneration for grassroots employees. The recipients of the employee remuneration paid in the form of stock or in cash shall include the Company’s employees and also the employees of associates that satisfy certain criteria. The relevant regulations shall be established by the Board of Directors separately.

2.The accounting treatment in the event that the estimation basic of estimated amount of compensation to employees and directors, the share calculation basic of distributed shares as employees’ compensation, and actual distributed amount are different from estimated figures:

(1)The estimation basic of estimated amount of compensation to employees and directors in this period: The Company’s earnings for 2025 (the income before the income tax less the remuneration to employees and directors) multiplying by the percentage 5.00(%) of the remuneration distributed to employees and the percentage 2.1(%) of the remuneration distributed to directors as defined in the Articles of Incorporation. As a result, the remuneration to employees is estimated as NT$35,301 thousand, and the remuneration to directors NT$14,827 thousand, all distributed in cash.

(2)The share calculation basic of distributed shares as employees’ compensation: None.

(3)If the actual amounts subsequently paid differ from the above estimated amounts, as a change in accounting estimate and adjusted prospectively to next year’s profit or loss.

3.Compensation based on the resolution of the Board of Directors:

(1)The amount of compensation to employees and and directors:

Board Resolution on March 4, 2026	Amount(NT$ thousands)
Employees’ compensation (Cash)	35,301
Directors’ compensation	14,827
Total	50,128

Note: Consistent with the amount estimated in the year of recognition.

(2)Sum of employees' compensation in stock and its proportion of the net income after tax provided in the Parent Company only Financial Statement and the total sum of employees' compensation: None.

4.Actual distribution of employees and directors' compensation in the previous year, and the difference, reasons, and processing situation for the employees and directors' compensation that were recognized:

Item	Actual distribution	
Employees’ compensation (Cash)	Amount	NT$ 41,262 thousands
	difference, reasons, and processing situation	No difference
Directors’ compensation	Amount	NT$ 17,070 thousands
	difference, reasons, and processing situation	No difference

(VI).The situation of the Company's repurchase of its own shares

None.

II. Status of Corporate Bonds

None.

III. Status of Preferred Stocks

None.

IV. Status of Handling of Overseas Depositary Receipts

None.

V. Status of Employee Stock Option Plan

None.

VI. Status of New Employees Restricted Stock Issuance

None.

VII. Status of New Shares Issuance in Connection with Mergers and Acquisitions

None.

VIII.Implementation status of fund application

None.

Chapter 4 Operational Highlights

I. Business Activities

(I). Business Scope

1.Major activities

NETRONIX Group mainly engages in the design, manufacture, processing, wholesale and sale of communications devices, industrial PCs, Electro-acoustic components (electro-acoustic modules / electro-acoustic system), E-books, internet-based surveillance systems, network products and peripherals.

2.Revenue distribution

Product Category	Revenue Mix
Comsumer Electronics	77.95%
Computer Peripherals	16.60%
Others	5.45%
Total	100.00%

3.Main products

(1)Comsumer Electronics

①E-Paper application products: E-Reader, Electronic Shelf Lable, E-Note, Electronic Baggage Tag, and Color Signage/ Digital Art frame.

②Networking products: Networking products including switch, network gateways, digital signage, and enquiry machine.

(2)Computer Peripherals(Electro-acoustic components)：Micro electro-acoustic components、car electro-acoustic components and smart electro-acoustic components.

4.New products development

Product Category		Item
Comsumer Electronics	E-Paper application products	25.3" / 40"/ 43"/ 55"/ 75" Color E-Paper Digital Signage Gallery 4 Full Color E-Reader / E-Note (7”, 10.3") Kaleido 4 Color E-Reader / E-Note (8.5”, 10.3")
	Networking products	8-Port PoE+ Switch 16-Port PoE+ Switch 8" / 15" Narrow bezel POS
Computer Peripherals (Electro-acoustic components)		1507-2.3Tweeter Development (Sealed Driver Design) Electro-acoustic components 3209-3.5(Single Magnet) Electro-acoustic components 3411 Vibration-Damping Driver Electro-acoustic components Planned development of high cost-performance electroacoustic driver components with cost reduction achieved through material optimization.

(II).Industry Overview

1.Current status and development of the industry:

(1)Comsumer Electronics

①E-Paper application products

The electronic paper industry is entering a phase of accelerated growth and diversified technological development. Electronic paper features low power consumption, paper-like readability, and environmental friendliness. Its application scope has gradually expanded from early e-readers to electronic shelf labels, intelligent transportation information displays, public information signage, and large-scale digital advertising displays. With the gradual maturation of color electronic paper display technology and large-size panels, market acceptance of electronic paper applications continues to increase.

According to analyses by multiple market research institutions, the global electronic paper display market has maintained a steady growth trend in recent years. The overall market size has been expanding gradually since 2024 and is expected to continue growing over the next several years, with a compound annual growth rate (CAGR) remaining at a mid-to-high single-digit level. On the supply side, key technologies and material suppliers hold the major market share, and through collaboration with IC design companies and system integrators, they are accelerating the commercialization and adoption of various electronic paper display applications.

In addition, global consumption of paper and paperboard continues to show an upward trend. In recent years, enterprises and government institutions have placed increasing emphasis on ESG (Environmental, Social, and Governance) sustainability issues. Among these, reducing paper usage and promoting paperless processes have become key initiatives. As electronic paper technology continues to mature and its applications expand, electronic paper-related products are regarded as an important solution capable of replacing traditional paper in specific scenarios, helping to reduce resource consumption and improve the efficiency of information updates.

In summary, the electronic paper industry has established a solid foundation in niche markets. As its application fields continue to expand into retail, transportation, public infrastructure, and commercial display sectors, the overall market size and industry influence are expected to continue growing.

②Networking products

The network (Ethernet) switch market is expected to experience significantly stronger growth momentum after 2025. Market research data estimates that the market size will reach approximately USD 37.25 billion in 2025 and grow to USD 54.96 billion by 2030, representing a compound annual growth rate (CAGR) of approximately 8.09%. Other institutions, based on different market scope definitions, estimate the market at around USD 43.84 billion in 2025, expanding to approximately USD 68.04 billion by 2032, with a CAGR of about 6.5%. These differences reflect variations in statistical coverage, but the overall trend remains consistent: the market is expected to continue growing in the medium to long term.

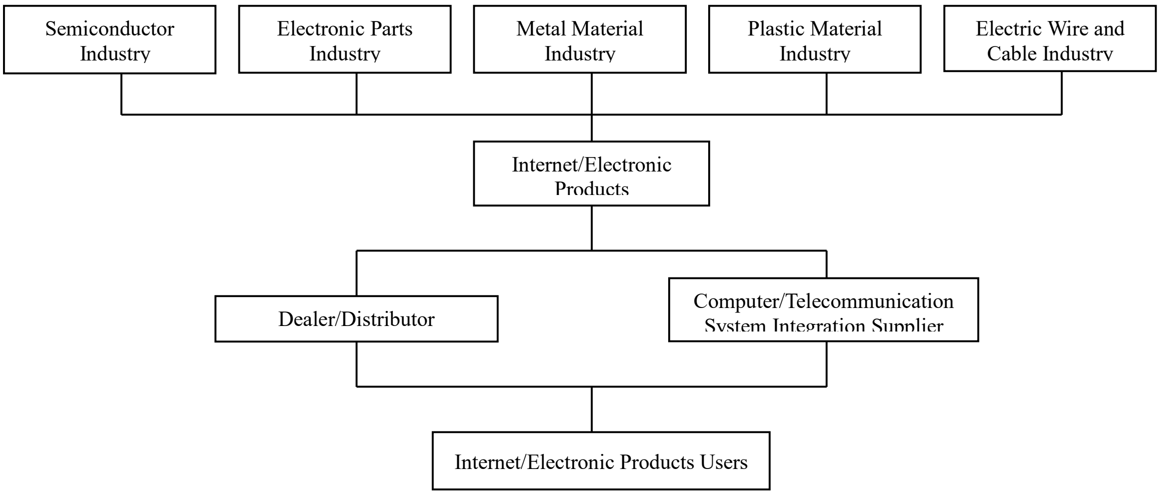
On the demand side, in addition to cloud infrastructure, “AI infrastructure deployment” has become a more critical growth driver starting in the second half of 2025. According to publicly available data tracking, global Ethernet switch market revenue reached approximately USD 14.7 billion in the third quarter of 2025, representing a year-over-year growth of 35.2%. This growth is largely attributed to the expansion of AI-related deployments in data centers. Meanwhile, the data center switch market has exhibited a trend of “doubling in size within three years” and reached a record high in the third quarter of 2025, indicating that capital expenditures by cloud and hyperscale operators continue to accelerate.

(2)Computer Peripherals (Electro-acoustic components)

The electroacoustic components sector continues to move toward stable development. Although material costs have risen recently, these components remain indispensable foundational elements for end devices. Contract manufacturers have relocated to new production sites (Vietnam and Thailand), and supply has gradually stabilized.

2.Relationship with Up- Middle- and Downstream Companies

NETRONIX Group's upstream segment in the industry primarily consists of semiconductor industry (chipset), electronic parts industry (panel, PCB, power supply and adapter, etc.), metal material industry, plastic material industry, and electric wire and cable industry, etc., while its downstream segment primarily consists of electronic product distributors and computer/telecommunication system integration service suppliers. The correlation of the upstream, midstream and downstream segments in the industry is shown as follows:



3.Product Trends

(1)Comsumer Electronics

①E-Paper application products

A.E-Reader

E-readers are currently the mainstream products in the electronic paper market. With the maturation of color technologies (such as the Kaleido series), and the integration of connectivity, handwriting, and waterproof features, the reading experience for color content (e.g., picture books, comics, and magazines) has significantly narrowed the gap with traditional consumer electronic devices. At the same time, they retain advantages such as eye comfort and long battery life, providing strong incentives for device upgrades and indicating positive future growth prospects.

B.Electronic Shelf Label; ESL

Electronic shelf labels (ESL) are among the earliest electronic paper applications to achieve large-scale deployment. The primary demand drivers come from retail channels requiring real-time price updates, improved operational efficiency, and compliance with sustainability initiatives. According to industry research and investment advisory analyses, ESL has gradually become one of the foundational applications for large retailers implementing smart store solutions, thereby driving overall shipment volumes and market expansion in the electronic paper sector.

However, as market penetration increases and the number of suppliers grows, competition in the ESL market has become increasingly mature. The focus of market development has shifted from technological innovation to large-scale deployment, cost control, and system integration capabilities, with price competition becoming more pronounced. Overall, ESL represents a mature application market characterized by high volume but constrained profit margins.

C.E-Note

Demand is driven by education, business paperless transformation, and creative workflows. Its growth potential is expected to exceed that of e-readers, with the market exhibiting “niche expansion and accelerated product line differentiation.” With improvements in screen refresh technologies (such as E Ink ComfortGaze™) and reduced handwriting latency, e-notebooks are increasingly replacing traditional paper, becoming powerful digital tools for office work, teaching, and research.

D.Electronic Baggage Tag ; EBT

Information is updated using NFC or low-power wireless technologies. This enables the digitalization of boarding and baggage handling processes, replacing manual operations. In addition, information remains clearly readable even under extreme conditions (such as temperature variations and physical impact), effectively improving logistics accuracy while supporting the aviation industry’s paperless initiatives.

E.Color Signage / Digital Art Frame

Full-color technologies (such as Spectra 6) provide rich color saturation and a texture close to that of paper. Its bistable characteristic (consuming power only when the display content changes) enables flexible deployment even in environments without access to power outlets. It is suitable for applications such as retail promotions, public information campaigns, and art displays. Although its dynamic performance is inferior to LCD, its ultra-low power consumption and strong readability under bright light make it a highly competitive display solution in the context of net-zero transformation.

When applied to art frames, it can stably present high-quality color artworks and visual content over extended periods, combining the texture of paper with digital flexibility. Its low power consumption and non-backlit design make it particularly suitable for static displays and long-term exhibitions in cultural and artistic spaces, reducing both energy usage and maintenance costs. Through digital updates, artworks or curatorial themes can be changed at any time, enhancing the scalability and modernity of art exhibitions while preserving a calm, non-intrusive viewing experience.

②Networking products

A.Against the backdrop of increasingly diversified cloud services, as well as the long-term expansion of online video and artificial intelligence applications, the development trend of switch products after Q4 2025 has evolved from a focus on “bandwidth upgrades” to a combination of “multi-rate access + manageability/automation + power delivery capability + cybersecurity/operations.”

B. Multi-rate (1G / 2.5G / 10G) has become the mainstream bridging architecture. Smart homes/communities and small-to-medium-sized environments are gradually advancing fiber-to-the-home (FTTH) and integrated endpoint management. Access-layer switches are evolving toward “2.5G to 10G uplink” configurations, serving as bridging devices for integrated management across residential, community, and operational networks.

C. Demand for Power over Ethernet (PoE) switches is growing at a steeper pace. Increasing power consumption of IoT devices and wireless base stations/access points is driving demand for higher-power PoE ports. Meanwhile, more advanced operations and maintenance features (including automated O&M capabilities) are increasing the proportion of software and service-related revenue.

D. Data center high-speed networking is increasingly driven by AI workloads. Market research estimates that spending on data center switches used in “AI back-end networks” could exceed USD 100 billion by 2030, forming a long-term demand pool for high-end switches.

E. The expansion of open networking and white-box solutions continues. Among large customers and in specific application scenarios, open networking and white-box switches remain a mid-term trend, driving differentiation across the supply chain in terms of hardware-software integration, delivery capabilities, and technical support.

(2)Computer Peripherals (Electro-acoustic components)

As laptops become increasingly thinner and lighter, available internal space continues to shrink. As a result, speaker designs are increasingly adopting elongated rectangular electroacoustic module structures. These designs expand the vibration area within limited thickness, thereby enhancing sound pressure levels and low-frequency performance. At the same time, they incorporate more efficient magnetic circuits and structural designs for electroacoustic components. The overall design direction focuses on achieving thinner profiles, larger vibration amplitudes, and higher efficiency, in order to balance compact size with sound quality.

4.Product Competition

(1)Comsumer Electronics

①E-Paper application products

The market competition for e-paper applications is shifting from a focus on “standalone hardware” to a comprehensive competition in “scenario-based solutions.” In the e-reader segment, brands such as Amazon Kindle and Rakuten Kobo dominate, with differentiation centered on color capabilities, bookstore content, ecosystem integration, and device design. At the same time, they face substitution pressure from tablets and smartphones in reading scenarios. In the retail sector, competition for electronic shelf labels (ESL) places greater emphasis on system integration capabilities, deployment scale, battery life, and backend management platforms. It is also influenced by the adoption pace of large retail chains and price competition. In recent years, e-paper digital signage and information display applications have grown rapidly. Their advantages lie in low power consumption, excellent sunlight readability, and suitability for long-duration static displays. However, they must compete with LCD/LED technologies in terms of color saturation, dynamic performance, and unit cost. As a result, they are primarily deployed in low-frequency update scenarios such as transportation, healthcare, smart cities, and price display. Overall, the focus of competition is shifting from panel specifications to supply chain stability, hardware-software integration, content management, and the ability to implement vertical applications effectively.

E-paper products, leveraging their advantages of low power consumption, no backlight (reducing eye strain), thin, lightweight, and flexible form factors, as well as clear outdoor visibility, are gaining increasing market acceptance. In addition, continuous advancements in touch technology, the mass production and shipment of color e-paper products, and the ongoing decline in panel prices have further driven demand. As application scenarios continue to diversify—spanning smart retail, transportation, healthcare, education, and commercial sectors—the overall market outlook for e-paper is highly promising.

②Networking products

The competitive landscape is becoming increasingly polarized between “price competition in low-end mature products” and “capability-driven competition in the mid-to-high-end segment.” Low-end, unmanaged or mature-spec products continue to face pricing pressure from white-label and regional brands, leading to potential demand contraction and margin erosion. In contrast, mid-to-high-end products—featuring multi-rate support, Power over Ethernet (PoE), manageability, cybersecurity, and maintenance capabilities—are being driven by upgrade cycles in smart buildings, residential communities, and enterprise environments. As a result, competition is shifting toward overall solution capabilities and delivery reliability.

Notably, the rise of AI infrastructure deployment after 2025 has begun to reshape the high-end market landscape. In the data center Ethernet switch segment, new entrants are entering with integrated Ethernet solutions, putting market share pressure on established leaders. Competition is therefore extending beyond pure hardware specifications to encompass ecosystems, system integration, and supply chain collaboration. On the supply side, cost inflation is also emerging as a key factor. Market research indicates that while the campus switch market is expected to recover in 2025, it has not fully offset the decline of the previous year. In addition, demand for AI-related components may drive overall selling prices upward, further intensifying price negotiations between branded vendors and OEM/ODM supply chains, while also accelerating product positioning differentiation.

(2)Computer Peripherals (Electro-acoustic components)

Price and supply capability are the key determinants. Laptop OEMs tend to favor suppliers that offer competitive unit pricing and flexible lead times aligned with demand. In addition, differences in technology may also influence brand manufacturers' acoustic engineers when selecting suppliers. Furthermore, beyond technical considerations, manufacturers are increasingly enhancing factory operations and management by introducing automated equipment. This helps improve production efficiency, reduce labor costs, and enhance overall product quality.

(III).Research and Development

1.R&D expenses in the most recent year and up to the publication date of this Annual Report

Unit: NT$ thousands

Item \ Year	2024	2025
R&D expenses (A)	175,416	238,225
Operating revenue (B)	7,410,030	8,523,490
A/B	2.37%	2.79%

2.Successful R&D technologies or products in the most recent year and up to the publication date of this Annual Report

Product Category		Item
Comsumer Electronics	E-Paper application products	13.3", 28.5", 31.5" Digital Signage / Digital Art Frame 4" eBadger, eReader Bluetooth Page Turner
	Networking products	2.5G 5-Port Switch 2.5G 8-Port Switch 10" Narrow bezel POS 15", 22", 32", 43", 55" POS
Computer Peripherals (Electro-acoustic components)		3208_3H Electro-acoustic components 3209 single magnet Electro-acoustic components 2811_4.2H Electro-acoustic components

(IV).Long-term and Short-term Development Plan

1.Short-term Development Plan

(1)Expand marketing channels via investment in domestic and foreign companies: For the product sales, continue to work with the subsidiaries in Taiwan, Germany and the USA.

(2)Continue to solicit for new orders in the form of OEM/ODM: Given the fierce competition in the consumer electronics market,, the products tend to be quite matured. Therefore, it is not an easy job when they try to secure market shares with their own brand. OEM/ODM may help the market development as the marketing position.

(3)Sprout the existing customers and develop new customers with new product lines and niche products: To seek common ground and respect difference in the product development, and endeavor to plan, and transform the products into, high value-added ones, in order to seize the market opportunities ahead of the others and increase the profit to be sought by the Company.

2.Long-term Development Plan

(1)Increase partners at home and abroad in the form of strategic alliance: In order to improve the partnership with distributors, the Company will use the best effort to seek strategic alliance partners, and ally with each other through mutual investment, hoping to create profit under the same goals and maximize the interest accordingly.

(2)Improve the relationship with marketing partners all over the world: Build the stable partnership with the existing ODM/OEM customers, and provide complete product lines per the customers' needs to drive the Company's growth.

II. Markets and Overview of Production and Sales

(I).Market Analysis

1.Regions of major sales

The diverse range of products developed, manufactured, and sold by the NETRONIX Group currently sees its largest markets in Europe, the United States, and Japan. As the Group continues to expand into emerging markets such as Eastern Europe, the Middle East, and Latin America, revenue from these newly developed regions is expected to gradually increase in 2026.

2.Market share

(1)Comsumer Electronics

①E-Paper application products

NETRONIX Group is one of the world's leading OEM/ODM manufacturers of e-book readers, consistently ranking among the top in global shipment volume. According to industry reports, annual global demand for e-book readers is approximately 15 million units, of which NETRONIX accounts for around 15% market share, making it a key contract manufacturing supplier worldwide.

NETRONIX holds a leading advantage in the manufacturing technology of color e-book readers. Color models represent a significant portion of its overall shipment mix, indicating that its product portfolio has successfully captured the market's upgrade trend. Since the early introduction of e-book readers, demand for education and digital reading has increased following the pandemic, while color reading applications have gradually matured. As a result, the market has entered a new wave of upgrade and replacement cycles, providing strong momentum for future growth.

In addition, full-color e-paper digital signage has emerged as a key application in recent years. NETRONIX will continue to expand into diverse application scenarios and enhance product design capabilities to further increase its overall market share.

②Networking products

Network and point-of-sale (POS) terminal products are primarily based on ODM/OEM business models rather than self-owned brands, and therefore still occupy a niche position in the global market. NETRONIX Group's shipment visibility has been increasing in specific regions and system integration applications, with a gradually expanding presence across targeted market segments.

(2)Computer Peripherals (Electro-acoustic components)

To strengthen its competitive edge and market share across product models, NETRONIX Group is actively developing new products with a focus on high performance and advanced technologies, aiming to enhance customer recognition. The primary objective is to attract leading global laptop brands—such as Lenovo, HP, and Dell—whose market share more directly translates into demand for electro-acoustic components.

3.Future market supply/demand and growth

(1)Comsumer Electronics

①E-Paper application products

A.E-Reader

Driven by pandemic-induced changes in lifestyles, as well as book purchasing and reading habits, demand for digital reading has increased significantly. According to analyses from multiple market research institutions, the global e-book market is expected to maintain a strong growth trajectory in the coming years, with overall market size continuing to expand and potentially reaching the trillion-dollar level.

Looking ahead, demand for e-book readers is expected to follow a pattern of "steady growth driven primarily by replacement and upgrades." Key areas of hardware competition will focus on differentiated features such as thinner and lighter designs, longer battery life, water resistance, handwriting integration, and color displays. Growth momentum is expected to concentrate on color models and integrated "reading + note-taking" devices. As content ecosystems—including digital bookstores, subscription services, and lending mechanisms—continue to mature, usage scenarios for digital reading will further expand, supporting sustained demand for e-book readers. Moreover, as color e-book readers gradually enter the stage of mass production and shipment, they are expected to drive continued upgrades across the overall market.

B.Electronic Shelf Label; ESL

The electronic shelf label (ESL) market continues to grow, driven by demand for retail digitalization, real-time price updates, and improved in-store operational efficiency. However, as the market matures and the number of suppliers increases, ESL products have gradually entered a phase of price competition. The focus of competition has shifted toward large-scale deployment, cost control, and system integration capabilities.

NETRONIX Group adopts a prudent and focused strategy in the ESL segment, concentrating primarily on specific customer needs and differentiated application scenarios rather than fully engaging in price-driven competition within standardized markets. As ESL technology expands into non-retail sectors such as healthcare, logistics, and warehousing, these applications still present certain growth potential. Nevertheless, the overall strategic positioning emphasizes application expansion and the accumulation of system integration experience, rather than serving as a core growth driver for NETRONIX Group.

C.E-Note

The E-Note (e-paper notebook/tablet) market is showing a trend of gradual expansion from a niche segment. On the demand side, growth is primarily driven by digitalization in education, paperless enterprise workflows such as meeting documentation and approval processes, as well as the needs of professionals for annotated reading and creators for handwriting and sketching. Compared to e-book readers designed purely for reading, e-notes place greater emphasis on input functionality and workflow integration, resulting in higher added value.

On the supply side, R&D efforts are focused on low-latency stylus input, handwriting recognition, cloud synchronization, cybersecurity management, and larger, color displays. However, the product category still faces challenges such as relatively high pricing, barriers in software ecosystem integration, and competition from tablets (including those with stylus support). As software experiences continue to mature and application scenarios expand, e-notes are gradually extending from the consumer market into education, business, and healthcare applications, with an overall positive outlook for future development.

D.Electronic Baggage Tag; EBT

The electronic baggage tag market is still at an early stage with a relatively small base, but it holds significant growth potential. Airlines and airports are շարունակously promoting self-service check-in processes and aiming to reduce the costs associated with mishandled or lost baggage. At the same time, travelers increasingly value convenience and reusability, providing a solid foundation for demand.

Battery-free electronic baggage tags can support wireless communication protocols such as RFID, Bluetooth, and NFC, helping to improve baggage identification accuracy while reducing manual handling efforts. As the aviation industry accelerates digital transformation and adopts “contactless” services, electronic baggage tags have already been adopted by some airlines. Looking ahead, as system integration and standardization progress, demand is expected to expand steadily.

E.Color Signage / Digital Art Frame

The supply–demand dynamics of full-color e-paper digital signage are driven by its low power consumption and paper-like display characteristics, making it well-suited for low-frequency update scenarios. As full-color and large-size technologies continue to mature, the range of applications is gradually expanding. On the demand side, use cases include retail window displays, public information boards, transportation environments, and corporate displays, further supported by sustainability and energy-saving policies.

Compared with LCD/LED display technologies, e-paper offers advantages in total cost of ownership for long-duration static displays, including lower energy consumption, reduced heat dissipation requirements, and lower maintenance costs. On the supply side, key factors include the mass production of full-color display modules, scalability to larger sizes, and improvements in refresh performance. In addition, digital art frame applications leverage long battery life, anti-glare properties, and paper-like texture as key differentiators, gradually forming a distinctive new application category.

Full-color e-paper digital signage can be remotely updated via Wi-Fi or LTE and centrally managed through backend systems. Power is only consumed during content updates, after which the display can retain images for extended periods without continuous power supply. These features make it well-suited for creative advertising, public communication, transportation information, and smart city initiatives. It can also be integrated into transit systems such as metro and buses, replacing traditional printed materials. With its positive impact on energy efficiency, carbon reduction, and urban sustainability, it is expected to become an important application direction in the future.

②Networking products

As cloud computing and AI workloads continue to expand, the demand for high-speed broadband is driving upgrades in enterprise and campus networks. Multi-gigabit adoption is accelerating, with 2.5G gradually becoming the new baseline, often paired with 10G uplinks. In addition, as power consumption increases for wireless access points and IoT devices, demand is rising for Power over Ethernet (PoE)—including higher-wattage ports—along with growth in network manageability and automated operations.

However, the rapid build-out of AI infrastructure has also led to tight supply and rising costs for certain switch components. This is prompting customers to accelerate replacement cycles in order to meet cybersecurity and compliance requirements.

(2)Computer Peripherals (Electro-acoustic components)

Notebook (NB) shipments are increase in 2025; however, market conditions beyond 2026 may become more volatile due to uncertainties related to memory supply and broader supply chain pressures. As consumers place greater emphasis on laptop audio quality, electro-acoustic components design and acoustic performance must be further differentiated, with continuous improvements in both hardware and software integration.

In terms of growth, demand is expected to remain stable in the short to mid-term. However, long-term potential will depend on advancements in high performance, intelligent features, and enhanced audio design. This includes the integration of AI-driven and virtual audio technologies, as well as the adoption of more advanced ultra-thin speaker solutions.

4.Competitive edge

(1)Seize the market development trends and launch niche products immediately.

(2)Hold the complete product lines for LAN and WAN, and also provide omnibus services.

(3)As a team with strong ability to manage business in the information and electronics industry, the Company’s products may be innovating constantly.

(4)The investment of human resources build a fine-quality enterprise shared by the "company, shareholders and employees."

(5)Provide complete after-sale services and stabilize existing customer bases.

5.Advantages and disadvantages for long-term development, and response strategies

(1)Advantages

①Balance the marketing of technology and products equally to create the entire operating performance.

②Flexible and resilient management methods to strengthen the competitive strength.

③The diversified operation mitigates the effect posed to the industry’s cycle.

(2)Disadvantages and response strategies

①Generation changes fast and price competition is fierce.

<u>Response strategies</u>

The short life cycle and declining price of electronic products are inevitable for the electronics industry. NETRONIX Group is committed to production management and improvement of the yield rate of the process, so as to reduce unnecessary manpower and materials & expenditures. For the R&D of products, NETRONIX Group continues to maintain the sensitive market trend, and launches innovative and creative niche products to maintain the Company’s ability to make profit.

②Labor cost rises year on year.

<u>Response strategies</u>

NETRONIX Group adopts automated production equipment to improve production efficiency and reduce labor demand and defect rate, so as to cut the production cost. Meanwhile, it adjusts the product portfolio in a timely manner, eliminates outdated and products generated low gross profit margin, and relocates to low-cost territories to engage in the production. In order to improve the utilization of the production capacity, NETRONIX Group also accepts commissioned processing orders, hoping to achieve the overall performance in reduction of costs and upgrading of competitiveness.

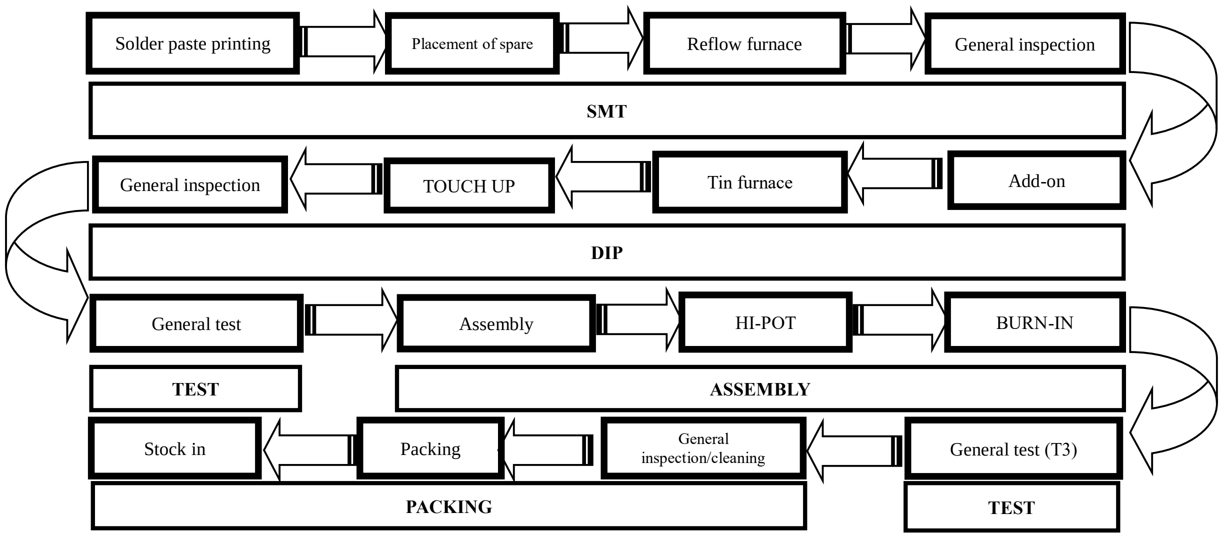
(II).Applications and manufacturing process of main products

1.Application of main products

<table>
<tr><th colspan="3">Main products</th><th>Application</th></tr>
<tr><td rowspan="4">Comsumer Electronics</td><td rowspan="3">E-Paper Application Products</td><td>E-Reader
E-Note</td><td>Free from the restrictions posed by traditional paper, one can read or write in any scenario.
Provides a near paper-like long-duration reading experience. With eye-friendly displays and distraction-free design, it reduces eye strain and allows users to carry a large library anytime, anywhere-enabling them to stay fully immersed in reading without interruptions from notifications or distractions.</td></tr>
<tr><td>Electronic Shelf Label
Electronic Baggage Tag</td><td>Electronic labels equipped with electronic paper displays may help reduce the consumption of traditional label paper and improve convenience significantly.
Enables real-time and accurate display of product prices and information. Through centralized management and remote updates, it reduces manual labeling errors and labor costs, while ensuring price consistency across stores—thereby improving operational efficiency and enhancing customer trust in pricing transparency.</td></tr>
<tr><td>Color Signage
Digital Art Frame</td><td>Suitable for in-store advertising displays or as a replacement for any paper-based posters, this solution not only delivers richer, more vivid, and vibrant color performance, but also features ultra-low power consumption. It enables customers to promote their products while simultaneously achieving low-carbon and sustainable development goals.
With its low power consumption and no-backlight design, it enables the stable, long-term display of high-quality color images and information. Compared with traditional LCD displays or printed materials, it offers superior outdoor readability and a paper-like visual texture, effectively reducing visual fatigue. This makes it particularly suitable for long-duration display applications such as retail window displays, brand showcases, public signage, price displays, and cultural or exhibition spaces.
Through digital management, content can be updated in real time and themes can be flexibly switched, reducing the need for manual replacement and minimizing printing waste—aligning with sustainability and energy-saving trends. In digital art frame applications, it allows artworks to be presented in digital a stable and non-intrusive manner, while supporting curated rotations and archival displays. This creates a new display model that combines aesthetics, efficiency, and environmental value for both commercial and cultural spaces.</td></tr>
<tr><td>Networking products</td><td>Switch</td><td>Enables simultaneous high-speed data transmission across multiple devices, reducing collisions and latency while improving overall network efficiency. It can also integrate Power over Ethernet (PoE) to lower cabling costs.
Typical applications: enterprise, campus, and community network rooms; smart buildings; surveillance systems; wireless access point (Wi-Fi AP) deployment; access control; and Internet of Things (IoT) environments.</td></tr>
</table>

Main products			Application
Comsumer Electronics	Networking products	Android POS (Digital signage) (Information Display)	Used for displaying advertising and informational content, with support for remote content management, scheduling, zoned display, and data reporting (depending on project integration). Typical applications: chain retail, mall directories, restaurant ordering information boards, corporate displays, and queue management or announcement systems in waiting areas.
		Windows-based products (Industrial touch all-in-one PCs) (Industrial PCs) (Industrial control systems)	Provides a stable computing platform with strong peripheral integration capabilities, making it suitable for environments that require the Windows software ecosystem, device drivers, and diverse input/output (I/O) interfaces. Typical applications: factory production line displays and control stations, point-of-sale (POS) terminals and self-service equipment, warehousing and logistics, kiosks, and edge computing with integrated image recognition.
Computer Peripherals		Electro-acoustic components	Including electro-acoustic components and AIO electro-acoustic components for Notebook and the audio products such as Bluetooth.

2.Manufacturing process of main products



(III).Main supplies of materials

The raw materials and key components required for NETRONIX Group's main products include panels(Panel), chips (IC), PCB(PCB), power supply, cases (CASE), optical fiber and sound membrane, etc.. NETRONIX Group always maintains fair partnership with raw materials suppliers, and also develop the second supplier of critical materials and components to maintain the resilience of procurement and disperse the risk of over-concentration of raw materials.

(IV). A list of any suppliers and clients accounting for at least 10% or more of the company's total procurement (sales) amount in either of the past two year, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each, and an explanation of the reason for increases or decreases in the above figures.

1.List of suppliers that have accounted for at least 10% of procurement

Unit: NT$ thousands；%

Item	2024				2025			
	Name	Amount	% of Total Purchases	Relationship	Name	Amount	% of Total Purchases	Relationship
1	Supplier A	2,428,830	48.68	None	Supplier A	2,786,064	45.79	None
	Others	2,560,078	51.32		Others	3,298,259	54.21	
	Total	4,988,908	100.00		Total	6,084,323	100.00	

Reasons for change: Mainly due to the change of the production need.

2.List of clients that have accounted for at least 10% of sales

Unit: NT$ thousands；%

Item	2024				2025			
	Name	Amount	% of Total Sales	Relationship	Name	Amount	% of Total Sales	Relationship
1	Customer A	4,476,859	60.42	None	Customer A	5,377,733	63.09	None
	Others	2,933,171	39.58		Others	3,145,757	36.91	
	Net Sales	7,410,030	100.00		Net Sales	8,523,940	100.00	

Reasons for change: The introduction of new models and color e-Readers has driven a replacement cycle.

III. The number of employees employed in the 2 most recent years and up to the publication date of this Annual Report, their average years of service, average age, and education levels

As of April 14, 2026

Year		2024	2025	As of April 14, 2026
Number of employees	R&D	140	177	176
	Management and administrative	514	495	505
	Manufacturing	685	793	788
	Total	1,339	1,465	1,469
Average Age		41.0	40.6	40.6
Average duration of service		7.1	7.1	6.8
Educational distribution ratio (%)	Ph.D.	0.2	0.2	0.2
	M.S.	6.3	4.6	4.6
	B.S.	35.9	37.5	37.3
	High School	23.2	29.9	29.8
	Below High School	34.4	27.8	28.1

IV. Environmental Protection Expenditures

(I). Any losses suffered by the company in the most recent year and up to this Annual Report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions).

None.

(II). An estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided.

None.

V. Labor Relations

(I). List of employee benefits, in-service training, internal training, retirement system, and implementation status, as well as employer-employee agreements, and protection measures for employee entitlements

1. Since NETRONIX Group was incorporated, it has always valued the labor-management relationship. Therefore, the relationship between it and its employees is considered harmonious. Its management philosophy expressly discloses the idea about "Ethical Management and Pragmatism." Meanwhile, it tries to verify the thought and idea of the employees at all levels via various communication channels in the routine operations.

2. NETRONIX employee compensation

(1)Employee Compensation and Salary Adjustments:

According to Article 19 of the Articles of Incorporation of NETRONIX, if the Company has profits for the year, 5% to 20% shall be allocated as employee compensation. However, if the Company still has accumulated losses, an amount shall first be reserved to cover such losses. Of the aforementioned employee compensation, no less than 10% shall be allocated to grassroots employees. NETRONIX conducts annual employee performance evaluations based on the achievement of actual operating results, assessing management-level indicators, departmental objectives, and individual performance. Employee compensation and salary adjustments are determined in accordance with the evaluation results, so as to appropriately reflect the Company's operating performance or results in employee remuneration. In 2025, NETRONIX implemented annual salary adjustments and distributed employee compensation for 2024.

(2)Performance Bonuses:
NETRONIX evaluates and distributes performance bonuses based on the company's operating conditions, achievement of business targets, and individual performance. In 2025, the company issued performance bonuses for the three major holiday periods.

(3)Incentive Bonuses:
Incentive bonuses are granted when short-term operating targets are achieved, or when individuals demonstrate outstanding performance or make exceptional contributions to the Company, with the aim of enhancing operational performance and motivating employees. In 2025, NETRONIX distributed year-end party incentive bonuses.

(4)Employee Stock Ownership Plan:
NETRONIX and its domestic subsidiaries determine employee eligibility by taking into account factors such as individual seniority, job grade and level, performance, contributions to the Company, and future potential. Employees who meet the subscription criteria may allocate a portion of their monthly salary, combined with company-provided incentives, to purchase Company shares on a regular, fixed-amount basis.

3.NETRONIX employee benefits

(1)gift: prize/gift for Labor Day, and birthday gift coupon.
(2)Insurance category: Employees' group insurance and accidental insurance.
(3)Leisure category: Domestic tours, overseas tours, and brilliant family day activities.
(4)System category: Incentive bonus, employee proposal bonus, complete education and training program, and uninterrupted promotion channels.
(5)Equipment category: Staff canteen, breastfeeding room, gym, and basketball court.
(6)Leave/vocation system: Two days off every seven working days, special leave/annual leave, paternity leave, family care leave, and menstrual leave for female employees.
(7)Subsidies: Marriage allowance, childbirth allowance, funeral allowance, employee continuing education allowance, and travel allowance.
(8)Others: Merchants.

4.In order to improve the employees' professional literacy, NETRONIX organizes the internal training for employees regularly, and participate in the professional training programs organized by various entities and groups proactively per the employees' needs, In 2025, total training hours reached 4,882 hours, with 1,298 participant enrollments. Total training man-hours amounted to 2,190.5 hours, with an average of 5.19 training hours per employee. Total training expenditure was NT$115,670.

Internal training / External training	Employee category	training type
Internal training	New employee training	Basic training courses
	Professional training for current employees	Fire safety training Civil defense training Information security courses ISO training courses Risk management courses Occupational safety and health courses Quality management courses Management competency courses

Internal training / External training	Employee category	training type
External training	Professional training for current employees (Note)	Chemical management courses First aid courses Occupational safety and health management courses ESG courses Corporate governance courses

Note: Professional training provided to employees in specific job roles.

5.All employees of NETRONIX and its domestic subsidiaries are entitled to the labor insurance, national health insurance and employees' group insurance. The insurance benefits shall be governed by related requirements.

6.The subsidiaries of NETRONIX Group in the mainland China appropriate the funds for pension, occupational accident, childbirth, unemployment, medical care and housing (five social insurance and one housing fund) pursuant to the local government's requirements. The various benefits shall be governed by related requirements.

7.The pension of employees of NETRONIX and its domestic subsidiaries is paid in accordance with the Labor Standards Act. They appropriate 6% of the total salaries as the labor pension reserve under the new system and deposited at the labor pension fund account at the Bureau of Labor Insurance on a monthly basis. If any employee wishes to contribute the pension fund voluntarily, they will withhold the fund at the voluntary contribution rate and deposit the same to the labor pension fund account at the Bureau of Labor Insurance. Meanwhile, for the reserved seniority under the old system of the employees who choose to apply the new system later, they will also appropriate sufficient pension fund to the labor pension reserve account under the old system maintained at the Bank of Taiwan, in order to pay the workers' retirement fund and protect the employees' retirement life in the future.

In 2025, the employer contributions made by NETRONIX amounted to NT$11,608 thousand, while employee contributions totaled NT$994 thousand. As the balance in the old pension reserve account is sufficient to cover the present value of total pension obligations for all employees under the old pension scheme, approval has been obtained from the competent authority to suspend further contributions.

(II).Any losses suffered by the company in the most recent year and up to this Annual Report publication date due to labor-management disputes (including any violations of Labor Standards Act indicated in the labor inspection, specifying the disposition dates, disposition reference numbers, the articles of laws violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken.

None。

VI. Cyber security management

(I). Cyber security risk management framework

1.NETRONIX has established Head of Information Security and an Information Security Management Committee, consisting of a total of eight members.

2.On December 31, 2024, NETRONIX obtained the updated ISO/IEC 27001:2022 international certification. In 2024, Valid until December 30, 2027.

3.NETRONIX held two information security management review meetings related to ISO 27001 in 2025.

(II).Cyber security policies, concrete management programs, and investments in resources for cyber security management

NETRONIX Group has adopted its regulations governing control over cyber security inspection. Its IT unit is responsible for controlling and maintaining the information security, and ensuring the validity and effectiveness of its safety regulations and procedures through regular inspection and evaluation on the same.

1.Operating procedure

(1)When data are sent or received via e-mail, the system shall be equipped with firewall and anti-virus software to prevent the invasion of hackers or computer viruses.

(2)The employees shall avoid receiving, sending or downloading any emails or software unrelated to their job duties via the Company’s network, lest they should be considered misappropriating the Company’s network resources and increasing the chance of infection by computer virus.

(3)Without the responsible supervisor’s authorization, the Company’s employees are prohibited from sending the information related to the Company to outsiders via email.

(4)Scrapping, maintenance and transfer of the Company's relevant information hardware shall be countersigned by the information processing department too. If any reusable data storage media and device are not made available any longer, the stored contents shall be removed and then the media and device may be scrapped or destroyed. The device containing any storage media (such as, hard disk drive) shall be checked in detail by the information processing department before disposal of it (scrapping, maintenance and transfer for any other purpose), in order to ensure that any confidential and sensitive data are already removed.

2.Control focus

(1)Whether the Company’s email server is equipped with firewall and anti-virus software to isolate external attacks.

(2)Whether the Company’s computer is equipped with anti-virus software, and virus code is updated, and virus scanning is performed regularly.

(3)Whether the scrapping, maintenance and transfer of information equipment has been countersigned by the information processing department, and whether removal of the stored data is confirmed.

The modern technology is changing rapidly. The online applications of information systems become more and more extensive. As a result, more benefits are generated accordingly, but certain network threats are hiding too. Therefore, NETRONIX Group has taken specific protection measures and arrange certain planning against the obvious and hidden threats.

1.Host and personal computer protection: An EDR system has been deployed, with endpoint protection software installed. It includes whitelist/blacklist controls and sandbox-based protection mechanisms.

2.The backup software has been equipped with the data protection function： There might be bugs existing in the backup operating system’s image or application programs. If any malware is still existing in the network, it might result in persistently repeated infection. Fix the device and apply the latest malware prevention definitions. The latest patch may be applied to recover the operating system image to mitigate the chance of repeated infection.

3.Firewall has been installed to protect and control the enterprise’s intranet, and the control regulations are established for the adequate safety and authority settings. VPN network services can also be included for management to protect users so that they may browse and access personal data safely via the public network.

4.Continue to enhance and implement the information security product functions, hoping to improve the safety of the Company’s entire information system.

5.NETRONIX obtained the updated ISO/IEC 27001:2022 international certification on December 31, 2024. By adopting this internationally recognized "Information Security Management" standard, the company aims to continuously improve its organizational information systems and prevent potential internal security vulnerabilities. The implementation of the ISO/IEC 27001:2022 standard not only reviewed and adjusted the controls from the previous 2013 version but also expanded its scope to include enhanced protection for information security, network security, and privacy, ensuring better alignment with modern cybersecurity management needs. and successfully passed the re-certification audit in 2025.

(III).List any losses suffered in the most recent year and up to the publication date of this Annual Report due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided

1.Incident Description

On March 31, 2025, NETRONIX confirmed that the company website had been compromised by hackers, and some files on the servers were encrypted. After investigation, it was found that the hacker used a cracked account and password to log into the website's backend and modify content, then downloaded ransomware onto the servers to execute encryption. At that time, The company has commissioned an external cybersecurity firm to assist in detecting viruses and restoring normal operations.

2.Impact

The company has contacted the hosting service provider to reset the account credentials and restore accurate data on the website. Additionally, the affected servers will be rebuilt using backup data. Furthermore, the company's main production base is located in China, and it was not impacted by the cyberattack. Therefore, there has been no significant impact on the company's operations.

3.Countermeasures

Upon detecting the cyberattack, NETRONIX immediately disconnected external network access and promptly engaged an external cybersecurity firm to conduct an on-site investigation. In addition to cleaning and restoring the affected systems, malware samples were collected and further analyzed by the cybersecurity firm to identify the full scope of the attack. A comprehensive security assessment was also carried out across all facilities to ensure no residual threats remained. Subsequently, the EDR system was replaced in 2025.

VII. Important Contracts

Nature of Contract	Concerned Parties	Duration of Contract	Main Contents	Restrictive Clauses
Loan Agreement	Taiwan Cooperative Bank	2025.09.24~2026.09.24	Credit loan	None
	Taiwan Business Bank	2025.07.31~2026.07.31	Credit loan	None
	Yuanta Commercial Bank	2026.02.26~2027.02.26	Credit loan	None
	KGI Bank	2025.11.06~2026.11.06	Credit loan	None
	Taipei Fubon Bank	2025.11.13~2026.11.13	Credit/secured loan	Foreign Currency Deposit Guarantee
Commissioned processing contract	Phison Electronics Corp., Zhunan Branch	2015.01.01~per the contract	Commissioned processing and production	None
Cooperative manufacturing contract (Note 1)	Taiwan Semiconductor Ma nufacturing Company Limited	1999.11.15~ per the contract	Wafer foundry	None
	Episil Technologies Inc.	1995.11.30~ per the contract	Wafer foundry	None
	ROHM	2000.02.17~ per the contract	Wafer foundry	None
Patent Assignment Agreement (Note 2)	1.National Taiwan University Hospital, College of Medicine 2.Industrial Technology Research Institute (ITRI)	Effective from October 16, 2015	Assignment of 5 patents in 2 cases of foam artificial brain membrane technology	If this patent is self-manufactured, licensed, or assigned to a third party for manufacturing, use, or implementation outside of Mainland China (including Hong Kong and Macau) or other regions under the jurisdiction of the Republic of China (i.e., Taiwan, Penghu, Kinmen, and Matsu), it must comply with relevant government laws and regulations and shall only be carried out upon approval from the Ministry of Economic Affairs.
Patent License Agreement (Note 2)	Industrial Technology Research Institute (ITRI)	2016.03.01~ the expiration date of this patent	Exclusive License for 1 Case and 4 Patents, Including the Enzyme Treatment Method, the Enzyme Treatment Device Used in the Method, and the Kit Containing the Device	1.Agree to use, implement this patent, or manufacture this product outside the jurisdiction of the Republic of China, excluding Mainland China, Hong Kong, and Macau. 2.In the event of sublicensing the authorized patent to a third party (excluding companies in which more than 50% of the shares are owned by the licensee), a separate sublicensing fee must be negotiated with ITRI (Industrial Technology Research Institute).
Land Lease Agreement (Note 2)	Hsinchu Science Park Administration, Ministry of Science and Technology	2017.09.01~2036.12.31	Land Lease in the Zhuhui Section, Zhubei City, Hsinchu County, Hsinchu Science Park	None
Entrustment Service Agreement (Note 2)	E Company(Note 3)	2021.05.14~2026.05.13	Management of Foam-based Artificial Meninges Clinical Trials in the United States	None
Exclusive Sales Agency Agreement (Note 2)	IG Company (Note 3)	2021.12.22~2026.12.31	Global sales agency cooperation for a negative-pressure thrombectomy catheter system for stroke (excluding Taiwan).	The customer shall not, directly or indirectly, sell products identical to the contract products within the distribution territory.
Commissioned Development Agreement (Note 2)		2022.12.08~ Until the completion of this project	Product Commissioned Development	None
Distribution contract (Note 2)	AM Company (Note 3)	2023.07.01~2028.06.30	Distribution Agreement	None

Note 1: The important contract executed by the subsidiary, Analog Integrations Corporation.
Note 2: The important contract executed by the subsidiary, Taiwan Biomaterial Company Limited
Note 3: Signed NDA with with these companies.

Chapter 5 Financial Status, Financial Performance and Status of Risk Management

I. Analysis of Financial Status

(I). The main reasons for any material change in the company's assets, liabilities, or equity during the past 2 fiscal years, and the effect

Unit:NT$ thousands

Item \ Year	2024	2025	Difference	
			Amount	%
Current assets	6,265,650	6,324,299	58,649	0.94
Property, plant and equipment	853,200	800,035	(53,165)	(6.23)
Intangible assets	343,532	326,794	(16,738)	(4.87)
Other assets	374,560	412,630	38,070	10.16
Total assets	7,836,942	7,863,758	26,816	0.34
Current liabilities	2,598,532	2,750,219	151,687	5.84
Non-current liabilities	282,184	145,233	(136,951)	(48.53)
Total liabilities	2,880,716	2,895,452	14,736	0.51
Shareholders' equity attributable to shareholders of parent	3,141,360	3,076,607	(64,753)	(2.06)
Common Stock	875,069	860,589	(14,480)	(1.65)
Capital surplus	474,521	441,036	(33,485)	(7.06)
Retained earnings	1,864,040	1,813,069	(50,971)	(2.73)
Other equity	(25,841)	(38,087)	(12,246)	47.38
Treasury shares	(46,429)	0	46,429	(100.00)
Non-controlling interests	1,814,866	1,891,699	76,833	4.23
Total equity	4,956,226	4,968,306	12,080	0.24

1. The decrease in non-current liabilities was mainly due to a reduction in long-term borrowings. As the preferential interest rates subsidized by the government expired, an evaluation was conducted and long-term borrowings were replaced with short-term borrowings.
2. Changes in other equity were primarily attributable to exchange rate fluctuations, resulting in variations in translation differences arising from the conversion of the financial statements of foreign operations.
3. Treasury shares were canceled in accordance with applicable regulations due to the failure to transfer them to employees within the prescribed period.

(II). If the effect is of material significance, the measures to be taken in response: None.

II. Financial performance

(I). The main reasons for any material change in operating revenues, operating income, or income before tax during the past 2 fiscal years

Unit: NT$ thousands (Except EPS: NT$)

Year / Item	2024	2025	Amount of Increase(Decrease)	Percentage of Change (%)
Operating revenue	7,410,030	8,523,490	1,113,460	15.03
Gross profit	1,555,044	1,896,093	341,049	21.93
Profit from operations	747,740	1,013,300	265,560	35.52
Non-operating income and expenses	244,012	(37,550)	(281,562)	NM
Income before income tax	991,752	975,750	(16,002)	(1.61)
Profit from continuing operations for the year	788,335	781,969	(6,366)	(0.81)
Profit for the year	788,335	781,969	(6,366)	(0.81)
Other comprehensive income (loss), net of tax	37,207	(20,404)	(57,611)	NM
Total comprehensive income for the year	825,542	761,565	(63,977)	(7.75)
Net income attributable to shareholders of the parent	630,464	555,943	(74,521)	(11.82)
Net income attributable to non-controlling interests	157,871	226,026	68,155	43.17
Comprehensive income attributable to shareholders of the parent	645,204	545,122	(100,082)	(15.51)
Comprehensive income attributable to noncontrolling interests	180,338	216,443	36,105	20.02
Earnings per share	7.33	6.46	(0.87)	(11.87)

1.Gross profit increased due to revenue growth driven by the replacement wave of color e-readers.

2.Operating profit increased as a result of higher revenue, along with effective control of operating costs and expenses.

3.Non-operating income and expenses decreased mainly due to foreign exchange losses arising from exchange rate fluctuations.

4.Other comprehensive income (net of tax) for the period decreased, primarily due to exchange rate impacts, resulting in changes in translation differences from the conversion of financial statements of foreign operations.

5.Net income attributable to non-controlling interests and total comprehensive income attributable to non-controlling interests increased, mainly due to improved profitability of subsidiaries compared to the previous year.

(II).Estimated sales volume and supporting info, and the effect upon the company's financial operations as well as measures to be taken in response.

According to the Company’s business policy and business targets, and in reference to the industrial development trend and the Company’s historical operating performance forecast, NETRONIX Group continues to strengthen the relationship with existing customers to improve the existing product functions in 2026, and also continue to develop new product lines and new market applications. Meanwhile, it will continue to invest in its subsidiaries and integrate related resources to enable the Group’s entities to exert more consolidated effects.

III. Cash Flow Analysis

(I). Analysis of cash flow deviation for the the most recent year

Unit: NT$ thousands

Cash balance at the beginning of the period	Net cash flow from operating activities	Net cash flow due to investment and financing activities	Effect of exchange rate changes	Cash balance	Remedy for cash flow shortfall	
					Investing plan	financing plan
2,097,640	1,375,423	(342,317)	(27,538)	3,103,208	None	None

1. The cash inflow from operating activities is primarily generated from operations.
2. The cash outflow from investing and financing activities is primarily due to repayment of short-term loan and distribution of cash dividend to shareholders result in the net cash outflow from financing activities.

(II). Remedy for cash shortfall: The Company showed no signs of liquidity deficit.

(III). Analysis of cash liquidity in the coming year:

Unit: NT$ thousands

Cash balance at the beginning of the period	Net cash flow from operating activities	Cash Outflow	Cash balance (deficit)	Remedy for cash flow shortfall	
				Investing plan	financing plan
3,103,208	1,269,754	950,694	3,422,268	None	None

1. Operating activities: The expected increase in operating growth and profit results in the net cash inflow.
2. Investing activities: The expected additional long-term equity investment and acquisition of production equipment result in the net cash outflow from investing activities.
3. Financing activities: The expected distribution of cash dividend to shareholders result in the net cash outflow from financing activities.

IV. Material capital expenditures of the most recent year and impact on the Company's finances and operations

None.

V. Investment policy for the most recent year, the main reasons for the profits/losses generated thereby, the improvement plan, and investment plans for the coming year

NETRONIX Group adopts its investment policies in response to the Group’s business development strategies and business needs, and in order to seek adequate long-term strategic partners. Notwithstanding, when the Group evaluates that certain investment project no longer has any significant strategic value, the investment project might be considered as the financial investment.

NETRONIX Group’s future investment policy is still focused on the strategic investment in its core profession and investment in the niche industry. The Group will continue to evaluate the investment plan carefully, and consider disposing of investment positions in a timely manner.

VI. Analyze and assess the following risks in the most recent year and up to the publication date of this Annual Report

(I). The impacts of interest rates, foreign exchange rates fluctuation and inflation situation on the Company's profit and loss, and the future countermeasures

1. NETRONIX Group's cash in banks and borrowings are financial assets and liabilities at floating rate; therefore, the effective interest rate of cash in banks and borrowings would vary with market interest rate, fluctuating future cash flows, If the interest rate had increased or decreased by 0.1%, NETRONIX Group's profit after tax would haveincrease or decreased by NT$2,386 thousand for the years ended December 31, 2025, with all other variable factors remaining constant; NETRONIX Group will, subject to the fluctuation in the interest rate market, adjust the due date for deposit (loan) and interest accrual method to mitigate the impact posed by the fluctuation in interest rate.
2. NETRONIX Group is exposed to currency risk arising from sales, purchases, financial asset investments, and borrowings that are denominated in currencies other than the functional currencies of the Group. These transactions are primarily denominated in NTD, USD, RMB, and EUR, For the years ended December 31, 2025, a 1% appreciation (depreciation) of NTD against USD, RMB and EUR, with all other variables remaining constant, would have increased (decreased) the profit after tax for the years ended December 31, 2025 by NT$10,249 thousand; NETRONIX Group disposes of its USD-denominated receivables at appropriate times upon collection and repays the NTD loans previously secured by USD deposits. NETRONIX Group continues to assess future exchange rate trends, and the current net USD exposure has been reduced to a controllable level.
3. NETRONIX Group's financial department will collect the information related to changes in economic data and inflation in a timely manner, in order to take adequate responsive measures. Meanwhile, the selling price of NETRONIX Group's products is adjusted subject to the sale territories. Therefore, the additional costs resulting from inflation may be reflected in a timely manner.

(II). The policies to engage in high-risk, high-leverage investments, capital lending, endorsements and guarantees, and the derivative transactions, the main reasons for profits and losses, and the future countermeasures

1. NETRONIX Group uses the best effort to develop its core profession, and refrains from any high-risk or highly leveraged investment.
2. NETRONIX Group actually lends loans to its subsidiaries only. The related operations are governed in accordance with the "Operating Procedure for Loaning to Others" and the subsidiaries' "operating procedure for loaning to others."
3. NETRONIX Group makes endorsements/guranatees for the tariff of the Company and subsidiaries, and did not engage in any endorsement or guarantee activities during the year 2025.
4. NETRONIX Group adopts the derivatives trading policy to evade the risk arising from foreign exchange fluctuation, and regularly evaluates and timely adjusts related hedging strategies subject to the Company's overview of operation and market trend. NETRONIX Group did not engage in derivative transactions in 2025.

(III). Future research and development (R&D) plans and the R&D expenses expected to be invested: In the future, the Company will continue improving the existing product functions and develop new smart products, and will also keep planning and developing high value-added and multi-functional products. Please refer to the explanation about the new product development in Chapter 1, Letter to Shareholders (Pages 3~5) for details. The R&D expenses expected to be invested in 2026 account for about 3%~5% of the operating revenue in the current revenue, in order to protect the Company's R&D competitiveness.

(IV). The impacts of changes on important domestic and foreign policies and laws on the Company's finance and business, and the countermeasures: NETRONIX Group's operations are carried out in accordance with the competent authority's laws and regulations. In the most recent year and up to the publication date of this Annual Report, changes in domestic or foreign policies and laws didn't pose any significant impact to NETRONIX Group.It will collect and evaluate the impact posed by any changes in domestic and foreign important policies to the Company's business and finance from time to time. Meanwhile, it will seek advice from professionals to help it take responsive measures in a timely manner.

(V). The impacts of technology changes on the Company's finance and business, and the countermeasures(including cyber security):

1. As the Internet of Things (IoT) era unfolds in the 21st century, the electronic products manufactured by NETRONIX Group bring convenience, comfort, and enjoyable experiences. However, industrial production activities also give rise to concerns regarding environmental impact and overall corporate social responsibility. Upholding its business philosophy of "Integrity, Pragmatism, and Sustainable Operations," NETRONIX Group has obtained carbon neutrality-related certifications (including ISO 14064 for greenhouse gas inventory and ISO 14067 for carbon footprint). It will continue to advance toward ESG-related goals, ensuring that its products comply with global regulations and market trends, while also leveraging smart manufacturing to generate greater value and fulfill its social responsibilities.
2. In recent years, generative AI models have become a prominent topic across industries. As enterprises consider future AI developments and applications, and utilize AI to provide new products and services, they must also recognize that hackers and various cybercrime groups are leveraging AI to increase the success rates of cyberattacks and fraud. This includes challenges such as the use of deepfake fraud techniques, more sophisticated cyberattacks, and increased risks of corporate data breaches. NETRONIX has obtained the updated ISO/IEC 27001:2022 information security certification and continues to implement cybersecurity measures to strengthen the protection of corporate and customer information assets, prevent cyberattacks and unauthorized intrusions, and more cautiously address the risks and threats associated with AI tools.
3. For information on the occurrence of information and communication security risks within NETRONIX Group, please refer to the "Cyber Security Management" section (Pages 80~81) of this annual report.

(VI). The impacts of change of corporate image on the enterprise crisis management and the countermeasures: No such circumstance has occurred to NETRONIX Group in the most recent year and up to the publication date of this Annual Report.

(VII). The expected benefits and possible risks to engage in mergers and acquisitions and the countermeasures:

1. No such circumstance has occurred to NETRONIX Group in the most recent year and up to the publication date of this Annual Report.
2. NETRONIX Group will adhere to laws and regulations by carefully assessing benefits and controlling risks. The purpose is to achieve company growth and shareholder value by maximizing the group's interest and minimizing risks.

(VIII). The expected benefits and possible risks to expand the plant and the countermeasures: NETRONIX Group, through its subsidiary Sable Corporation, invested in Sable Corporation (Vietnam) and built a factory in Vietnam to cater to the supply chain shift of electroacoustic components industry from China to Vietnam, which is expected to achieve the benefits of reducing production costs and expanding production capacity. NETRONIX has continued to evaluate the possible risks in terms of funds, project progress and business order status of various expansion plans before investment and formulated relevant measures to reduce the impact of various risks on the company's operations.

(IX). Risk of procurement and sales concentration, and countermeasures: In consideration of the industrial characteristics, purchase and sale of NETRONIX Group are relatively concentrated. In terms of purchase, since the technology of the critical materials, electronic paper Panel, is dominated by E Ink Holdings Inc., in order to mitigate thee risk, NETRONIX Group works with E Ink Holdings Inc. closely to establish the friendly strategic alliance relationship. To solve the concentrated sales, NETRONIX Group combines both parties' cooperation more closely by improving the entire value of cooperation with customers.

(X). The impacts and risks arising from major transfer or exchange of shares by directors or shareholders with over 10 percent of shares in the Company and the countermeasures: No such circumstance has occurred to NETRONIX Group in the most recent year and up to the publication date of this Annual Report.

(XI). Impact, risk, and response measures related to any change in the administrative authority towards the Company's operations: No such circumstance has occurred to NETRONIX Group in the most recent year and up to the publication date of this Annual Report.

(XII). If there are any litigation, non-litigation or administrative proceedings that has received final judgment or is still ongoing in which the Company, any of its director, general manager, substantial representative, major shareholder (having holding of more than 10%) or subsidiary is a party and has a material impact on the shareholders' interests or stock price, the Company shall disclose the facts in dispute, amount in dispute, filing date, parties, and status as of the printing of the Report: NETRONIX Group isn't subject to any material litigious, non-litigious or administrative suit matters in the most recent year and up to the publication date of this Annual Report.

(XIII). Other material risks and countermeasures: None.

VII. Other material matters

None.

Chapter 6 Special Disclosure

I. Information about affiliates

Please refer to the Market Observation Post System (MOPS) > Individual Company > Electronic Document Download > Affiliated Enterprises “Three Statements” Section.
(Website: https://mopsov.twse.com.tw/mops/web/t57sb01_q10)

II. Issuance of private placement securities in the most recent year and up to the publication date of this Annual Report

Please refer to the Market Observation Post System (MOPS) > Thematic Areas > Investment Section > Private Placement Section > Private Placement Section.
(Website: https://mops.twse.com.tw/mops/#/web/t116sb01)

III. Other items that must be included

None.

IV. Any event that results in substantial impact on the shareholders’ equity or prices of the Company’s securities as prescribed by Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act that have occurred in the most recent year and up to the publication date of this Annual Report

None.

NETRONIX, INC.

Chairman: Shu-Fu Tsung