



達邁科技股份有限公司  
TAIMIDE TECH. INC.

Stock Code: 3645

# **TAIMIDE TECH. INC.**

**2024 Annual Shareholders' Meeting**

## **Handbook**

**Meeting format: Physical shareholder meeting**

**Meeting date: June 25, 2024 (Tuesday)**

**Meeting location: No. 127, Section 3, Wende Road, Xinpu Township,  
Hsinchu County**

### **Notice to Readers**

**This English-version meeting agenda is a summary translation of the Chinese version. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.**

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**One. Meeting Procedures**

**TAIMIDE TECH. INC.**  
**Procedures for 2024**  
**Annual Shareholders' Meeting**

- I. Call to meeting to order
- II. Meeting chair's speech
- III. Reports
- IV. Adoption
- V. Discussion
- VI. Election
- VII. Other motions
- VIII. Extempore motions
- IX. Adjournment

## **Two. Meeting Agenda**

### **TAIMIDE TECH. INC.**

## **Agenda for 2024 Annual Shareholders' Meeting**

Meeting time: 9:00 a.m., June 25, 2024 (Tuesday)

Meeting location: 2nd Floor Conference Room, No. 127, Section 3, Wende Road, Xinpu Township,  
Hsinchu County

- I. Call the meeting to order (report on the total number of shares present)
- II. Meeting chair's speech
- III. Reports
  1. The Company's 2023 business report.
  2. Audit Committee's review report on 2023 final accounting reports.
  3. Report on the implementation status of the Company's first domestic unsecured convertible bonds.
  4. Report on the implementation status of the private placement of common stock in 2023.
- IV. Adoption
  1. The Company's business report and financial statements for 2023.
  2. Earnings distribution proposal for 2023.
- V. Discussion
  1. Amendments to the Company's "Articles of Incorporation".
  2. The Company's plan to increase capital by cash with issuance of common stock through private placement.
- VI. Election: Re-election of directors of the 9th term.
- VII. Other motions
  1. Release of non-compete restrictions on new directors.
- VIII. Extempore motions
- IX. Adjournment

## Reports

No. 1

Subject: The Company's 2023 business report is hereby presented for your review.

Description: For the 2023 business report, please refer to pages 12~13 of this Handbook (Attachment 1).

No. 2

Subject: Audit Committee's review report on the 2023 final accounting reports is hereby presented for your review.

Description: I. The financial statements of the Company for the year 2023 have been audited by CPAs Ya-Yun Chang, Su-Li Feng from Deloitte and Touche and an independent auditors' report with unqualified opinion has been issued, together with the business report and the earnings distribution proposal, have been reviewed by the Audit Committee and the Audit Committee's review report has been issued.

II. For the Audit Committee's review report, please refer to page 14 of this Handbook (Attachment 2).

No. 3

Subject: Report on the implementation status of the Company's first domestic unsecured convertible bonds is hereby presented for your review.

Description: I. In order to repay the bank loans, the Company issued the first domestic unsecured convertible bonds (hereinafter referred to as "the convertible bonds") with a total face value of NT\$600 million, which were approved by the FSC in letter Jin-Guan-Zheng-Fa-Zi No. No. 1110341251 dated May 12, 2022; the convertible bonds were completely raised on June 20, 2022 and listed on CB for trading on June 21, 2022.

II. Please refer to page 15 of this Handbook (Attachment 3) for the main terms and conditions for the issuance of the conversion bond, the conversion situation and the implementation status of the capital utilization plan.

No. 4

Subject: Report on the implementation status of the private placement of common stock in 2023 is hereby presented for your review.

Description: I. To enrich operating capital, prepare for the capital needs of future development, and introduce strategic investors, the Company's shareholders' meeting on June 21, 2023 approved the private placement of common stock for cash capital increase, with the number of shares to be issued within the limit of not more than 10,000,000 shares, and up to a maximum of three times of issue within one year from the date of the resolution.

II. After the resolution of the 2023 regular shareholders' meeting, the Company had not yet conducted the private placement of common stock, and the unissued number of shares was cancelled as resolved by the Board of Directors of the Company on May 10, 2024.

## II. Adoption

No. 1 Proposed by the Board of Directors

Subject: Business report and financial statements for 2023 are hereby presented for your adoption.

Description: I. The financial statements of the Company for the year 2023 were approved by the Board of Directors on March 8, 2024, and have been audited by CPAs Ya-Yun Chang, Su-Li Feng from Deloitte and Touche and an independent auditors' report with unqualified opinion has been issued, together with the business report and the earnings distribution proposal, have been reviewed by the Audit Committee.

- II. Please refer to pages 12~13 (Attachment 1) and 16~36 (Attachment 4) of this Handbook for 2023 business report, independent auditors' report and the above financial statements.

Resolution:

No. 2 Proposed by the Board of Directors

Subject: 2023 earnings distribution proposal is hereby presented for your adoption.

Description: I. For 2023 earnings distribution table, please refer to page 37 of this Handbook (Attachment 5).

II. Cash dividends of NT\$39,661,588 are proposed to be appropriated from the distributable earnings of 2023, with NT\$0.30 per share to be distributed, calculated up to NT\$1 and rounded off below NT\$1; the total amount of the fractional amounts of less than NT\$1 is included in other income of the Company.

III. The chairperson is authorized to set the ex-dividend date, payment date and other related matters after the proposal is approved by the regular shareholders' meeting.

IV. If the number of outstanding shares is affected due to a change in the Company's capital stock, resulting in a change in the dividend distribution rate, it is proposed to request the regular shareholders' meeting to authorize the chairperson to handle the matter in accordance with the Company Act or related laws and regulations.

Resolution:

## Discussion

No. 1 Proposed by the Board of Directors

Subject: Amendments to the Company's "Articles of Incorporation" are hereby presented for your discussion.

Description: I. To comply with the FSC's "Corporate Governance 3.0 - Blueprint for Sustainable Development" and the actual operation of the Company, it is proposed to amend certain provisions of the Company's "Articles of Incorporation".

II. Please refer to pages 38~41 of this Handbook (Attachment 6) for a comparison of the current and amended provisions of the "Articles of Incorporation".

Resolution:

No. 2 Proposed by the Board of Directors

Subject: The Company's plan to increase capital by cash with issuance of common stock through private placement is hereby presented for your discussion.

Description: I. In order to enrich the Company's operating capital, to meet the capital needs for its future development and to bring in strategic investors, the Company intends to increase capital by cash with issuance of common shares in the denomination of NT\$10 per share through a private placement in accordance with Article 43-6 of the "Securities and Exchange Act" and the "Directions for Public Companies Conducting Private Placements of Securities".

II. The number of shares to be issued in the private placement shall not exceed 10,000,000 common shares, and the Board of Directors shall be authorized to issue shares in installments (up to a maximum of three installments) within one year from the date of the resolution of the shareholders' meeting in accordance with the following principles:

III. Method of capital raising and principles of proceeding

(I) Reasons for private placement

1. Reasons for not adopting public offering:

The Company considers that it is not easy to keep abreast of the actual capital-raising market conditions, and in order to enrich the operating capital and bring in strategic

investors, the Company considers that private placement is efficient and straightforward, and the rule that privately placed securities cannot be freely transferred for three years will ensure the long-term equity relationship between the Company and the subscribers. In addition, the proposal to request the Board of Directors to authorize the Company to conduct a private placement in accordance with the actual needs of the Company's operations will also effectively enhance the Company's flexibility in raising capital.

2. Amount of private placement: Within the limit of 10,000,000 shares of common shares.
3. Purpose of capital and expected benefits of the private placement:
  - (1) Purpose of privately placed capital: The capital raised from each installment of the private placement will be used for increase of operating capital, joint research and development of products, purchase of machinery and equipment, construction of a plant, or for strategic alliance to develop related matters, and expansion of the scale of the Company's future operations.
  - (2) Expected benefits: In response to the rapid changes in the industry and electronic technology, long-term strategic investors are introduced at the right time to strengthen the shareholder lineup and optimize the shareholding structure; the capital raised from each installment can be used for investment in equipment, plant construction and business plans to enhance production efficiency and quality assurance, improve financial structure and operational efficiency, reduce operating pressure, expand customer base and strengthen the Company's competitiveness, which in turn will positively benefit shareholders' equity.

(II) Basis and reasonableness of price determination

1. The reference price is determined on the basis of the higher of the following two bases (calculated to the nearest NT\$ cents, with unconditional rounding down)
  - (1) The closing price of the common shares shall be calculated on the basis of the simple arithmetic average of the closing prices of the common shares on the first, third or fifth business day prior to the pricing date, after adjustment for the ex-rights of stock dividends, cash dividends, and capital reduction.
  - (2) The closing price of the common shares shall be calculated on the basis of the simple arithmetic average of the closing prices of the common shares on 30 business day prior to the pricing date, after adjustment for the ex-rights of stock dividends, cash dividends, and capital reduction.
2. The price of the private placement shall be no less than 80% of the aforementioned reference price. The actual price shall not be lower than the range of percentage as resolved by the shareholders' meeting and is authorized to be determined by the Board of Directors subject to future negotiations and market conditions.

The above price was determined in accordance with the "Directions for Public Companies Conducting Private Placements of Securities" and is therefore reasonable.

(III) Selection of private placement subscribers and purpose

The Company has not yet identified any candidates for subscribing the privately placed common stocks. The selection of the subscribers will be made in accordance with Article 43-6 of the Securities and Exchange Act and the Order (2002) Tai-Cai-Zheng-I-Zi No. 0910003455 by Financial Supervisory Commission, Executive Yuan, dated June 13, 2002. The target strategic investors, who, through their experience, technology, knowledge, brand name or business, can assist the Company in improving technology and quality, reducing costs, increasing efficiency and expanding markets through vertical integration, horizontal integration or joint research and development of products or markets in order to enhance the Company's profitability, and is not an employee or related party of the Company.

Those that can directly benefit the Company's long-term development and competitiveness, as well as the interests of its existing shareholders will be given priority. The Company intends to request the shareholders' meeting to authorize the Board of Directors to decide

on the subscribers and report at the first shareholders' meeting after the completion of the private placement of common stocks.

(IV) The need and expected benefits of the subscribers as strategic investors

The Company intends to bring in strategic investors to optimize its shareholding structure in order to respond to the industry trend, enhance operational efficiency, improve its financial structure, and the need for capital for the purchase of machinery and equipment and plant construction, and to use their capital, technology, knowledge, brand name, or business capabilities to provide the Company with production efficiency, quality optimization, expand its customer base, reduce operating costs and operational pressure, and strengthen its long-term competitiveness.

- IV. If there is a need to change the actual issue price, terms and conditions, issue method and other matters in this private placement of common stocks due to changes in laws and regulations, opinions of competent authorities or changes in market conditions, it is intended that the shareholders' meeting can authorize the Board of Directors to handle the matter in its sole discretion.
- V. The rights and obligations of the newly issued shares are the same as those of the existing shares. In accordance with the Securities and Exchange Act, this privately placed shares of the Company may not be sold within three years from the date of delivery, unless the transfer criteria specified in Article 43-8 of the Securities and Exchange Act are met.
- VI. In connection with the capital increase by cash with issuance of common shares through private placement, it is proposed that the shareholders' meeting authorize the chairperson of the Company or his delegate with full power and authority to sign, negotiate, and change all contracts and documents related to the private placement of common shares on behalf of the Company and to deal with all matters necessary for the Company for the issuance of the privately placed common shares.
- VII. After the introduction of strategic investors in the private placement, there will be no significant change in the Company's management rights.
- VIII. In accordance with Article 43-6 of the Securities and Exchange Act, please refer to the Company's website (<http://www.taimide.com.tw>) and the Market Observation Post System (<http://mops.twse.com.tw>), and click on "Private Placement" under "Investment Section"

Resolution:

## Election

No. 1 Proposed by the Board of Directors

Subject: Re-election of directors of the 9th term is hereby proceeded for your voting.

- Description :
- I. The term of office of the directors of the Company will expire on July 29, 2024, and it is proposed to be fully re-elected at this regular shareholders' meeting.
  - II. At the shareholders' meeting, 9 directors (including 3 independent directors) shall be re-elected under the candidate nomination system for a term of three years from June 25, 2024 to June 24, 2027.
  - III. At the 15th meeting of Board of Directors of the 8th term, the "List of candidates for election of directors (Including independent directors)" was approved, and the list of name and the relevant information are set forth below. Shareholders shall elect from the list of candidates for election of directors.
  - IV. The list of director candidates is as follows:



Title	Name	Education	Experience	Current position	Number of shares held
Director	Sheng-Chang Wu	Master in Polymer Science, National Tsing Hua University	President of DER KWEI ENTERPRISE & CO., LTD. President of WIREX LTD. President of TAIMIDE TECH. INC.,	Chairperson of TAIMIDE TECH. INC. Corporate Director Representative/Chairperson of POMIRAN METALIZATION RESEARCH CO., LTD.	7,059,232
Director	Feng Rong Industrial Co., Ltd. Representative: Chi-Teng Hsieh	Dual Master in Business and Supply Chain Management, La Verne University Dual Bachelor of Science in Finance and International Business, California State University	Project Manager of MiTAC Technology Corporation Superintendent of CHEN KOU WEI FOOD ENTERPRISE CO., LTD.	Assistant Vice President of the General Management Department, WHISBIH Group, Chairperson of WHISBIH INTERNATIONAL ENTERPRISE CO., Chairperson of Lucky Logistics Co., Ltd., Chairperson of Qi Lin Investment Co., Ltd., Chairperson of Sichongxi Gudao Hot Spring Leisure Industries Co., Ltd., Chairperson of SAN YO BIOTECH CO., LTD., Chairperson of COORS COMMUNICATIONS CO., LTD., Director of Taiwan FamilyMart Co., Ltd., Corporate Director Representative of TAIMIDE TECH. INC. Supervisor of Lian Shou Investment Industries Co., Ltd., Supervisor of Polyface International Films Co., Ltd., Supervisor of Sheng Kai Investment Industries Co., Ltd., Supervisor of Lian Fun Investment Industries Co., Ltd., Supervisor of Feng Rong Industrial Co., Ltd. Director of Something Bistro PTY LTD.	Corporate entity: 3,399,959 Representative: 0
Director	Chan Fun Investment Co., Ltd. Representative: Fang-Chu Hsieh	Bachelor of Science in Printing Engineering and Design, Chinese Cultural University	Director of Chan Fun Investment Co., Ltd. Director of WAN POLO CO., LTD Supervisor of WeatherRisk Explore Inc. Independent Director of	Director of Chan Fun Investment Co., Ltd. Director of WAN POLO CO., LTD Supervisor of WeatherRisk Explore Inc. Independent Director of KINGSTATE ELECTRONICS CORP. Independent Director of	Corporate entity: 1,800,000 Representative: 0

Title	Name	Education	Experience	Current position	Number of shares held
			KINGSTATE ELECTRONICS CORP. Independent Director of PLASTRON PRECISION CO., LTD. Corporate Supervisor Representative of TAIMIDE TECH. INC.	PLASTRON PRECISION CO., LTD. Corporate Director Representative of TAIMIDE TECH. INC.	
Director	Hsin Mu Energy Co., Ltd. Representative: Chao-Chin Li	Department of Finance and Taxation, National Chung Hsing University	Manager of Underwriting Department, Taiwan Securities Co., Ltd. Vice President of GIGASTORAGE CORPORATION Chairperson of Hsin Jih Energy Co., Ltd., Chief Financial Officer cum Chief Commercial Officer of SyneuRx International (Taiwan) Corp.	Corporate Director Representative of TAIMIDE TECH. INC. Independent Director of RFD Micro Electricity Co. Ltd. Director of EASTERN UNION INTERACTIVE CORP. Director of Hsin Mu Energy Co., Ltd. Director of GINGY TECHNOLOGY INC. Chairperson of Forward Power Co., Ltd. Supervisor of Jing Chuang Energy Co., Ltd. Independent Director of Advanced Lithium Electrochemistry Co., Ltd.	Corporate entity: 2,000,380 Representative: 0
Director	Chih-Hung Yen	Bachelor of Science in Educational Information Science, Tamkang University	President of Bunhong Trade.co Supervisor of TAIMIDE TECH. INC.,	President of Bunhong Trade.co Director of TAIMIDE TECH. INC.	5,566,837
Director	Mei-Ling Tseng	Master in Polymer Science, National Tsing Hua University	Research of Material and Chemical Research Laboratories, Industrial Technology Research Institute Manager of Marketing and Administration Department, INTEGRAL CHEMICAL CO., LTD., Director of TAIMIDE TECH. INC. Executive Vice President of the	Corporate Director Representative of POMIRAN METALIZATION RESEARCH CO., LTD. Director of TAIMIDE TECH. INC.	670,782

Title	Name	Education	Experience	Current position	Number of shares held
			Manufacturing Department, TAIMIDE TECH. INC.		

V. The list of independent director candidates is as follows:

Title	Name	Education	Experience	Current position	Number of shares held	Reason for continuing to nominate the independent director who has served three consecutive terms as candidate
Independent director	Chien-Min Wang	Doctor of Philosophy in Materials Engineering, University of Illinois, USA Master of Science in Metallurgical Materials, National Cheng Kung University	Independent Director of Unictron Technologies Corporation Adjunct Professor of Department of Materials Science and Engineering, National Tsing Hua University Independent Director of TAIMIDE TECH. INC. Evaluation member of the Technology Development Program of the Ministry of Economic Affairs	Managing Supervisor of the Materials Research Society-Taiwan Honorary Director of Taiwan Ceramic Society Evaluation member of the Technology Development Program of the Ministry of Economic Affairs Honorary Director of Powders and Powder Metallurgy Association of the Republic of China Independent Director of Unictron Technologies Corporation Member of Curriculum Committee, National Taipei University of Technology Independent Director of TAIMIDE TECH. INC.	0	Not applicable
Independent director	Shih-Mei Lin	Master in Laws, University College London, UK	Meigui Daomíng Law Office Attorney of K&L Gates Taipei Office Co-location Attorney of Island Taiwan Law Office	Managing Attorney of Dawning Law Office Adjunct Member of Ill-gotten Party Assets Settlement Committee Independent Director of FORTUNE INFORMATION	0	Not applicable

Title	Name	Education	Experience	Current position	Number of shares held	Reason for continuing to nominate the independent director who has served three consecutive terms as candidate
				SYSTEMS CORP. Independent Director of CyberTAN Technology Inc. Independent Director of TAIMIDE TECH. INC. Director of Shin Kong Financial Holding Co., Ltd. Director of MasterLink Securities Corporation		
Independent director	Chien-Ju Lin	M.S., Graduate School of Accounting, National Taiwan University	KPMG Taiwan Yuanta Securities Co., Ltd. EPCiS Technology Co., Ltd. Lumitek Co.,LTD. Taiwan High Speed Rail Corporation Supervisor of Chant Sincere Co., Ltd. Member of Remuneration Committee, FORTUNE INFORMATION SYSTEMS CORP.	Practicing CPA of Youth International & Association CPA Manager of Finance Department, EVER POWER IPP CO., LTD. Independent Director of FORTUNE INFORMATION SYSTEMS CORP. Independent Director of TAIMIDE TECH. INC.	0	Not applicable

VI. Please proceed with the election

Election results:

### Other motions

No. 1 Proposed by the Board of Directors

Subject: Release of non-compete restrictions on new directors is hereby proposed for your discussion.

- Description:
- I. This motion is proposed in accordance with Paragraph 1, Article 209 of the Company Act, "A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the shareholders' meeting the essential contents of such an act and secure its approval.".
  - II. If any of the director elects and their representatives concurrently engage in the same or similar business activities as those of the Company, the Company shall, in accordance with the law, seek the approval of the shareholders' meeting to release the non-compete restrictions on the directors and their representatives.
  - III. Concurrent positions held by the candidates for the Board of Directors of the 9th term:

Name of director candidate	Name of the firm in which the candidate concurrently engages in the same or similar business activities as the Company. and his/her position in the firm
Sheng-Chang Wu	Corporate Director Representative/Chairperson of POMIRAN METALIZATION RESEARCH CO., LTD.
Chan Fun Investment Co., Ltd. Representative: Fang-Chu Hsieh	Independent Director of KINGSTATE ELECTRONICS CORP. Independent Director of PLASTRON PRECISION CO., LTD.
Hsin Mu Energy Co., Ltd. Representative: Chao-Chin Li	Independent Director of RFD Micro Electricity Co. Ltd. Director of EASTERN UNION INTERACTIVE CORP. Director of Hsin Mu Energy Co., Ltd. Director of GINGY TECHNOLOGY INC. Chairperson of Forward Power Co., Ltd. Supervisor of Jing Chuang Energy Co., Ltd. Independent Director of Advanced Lithium Electrochemistry Co., Ltd.
Mei-Ling Tseng	Corporate Director Representative of POMIRAN METALIZATION RESEARCH CO., LTD.
Chien-Min Wang	Independent Director of Unictron Technologies Corporation
Shih-Mei Lin	Independent Director of FORTUNE INFORMATION SYSTEMS CORP. Independent Director of CyberTAN Technology Inc.
Chien-Ju Lin	Manager of Finance Department, EVER POWER IPP CO., LTD. Independent Director of FORTUNE INFORMATION SYSTEMS CORP.

Resolution:

## Extempore motions

## Adjournment

## Three. Attachments

### I. 2023 Business Report

Attachment 1

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

In the past three years, the international economy was impacted by a succession of factors such as the COVID-19 pandemic, the Russian-Ukrainian war and high inflation, and the progress of recovery has been slow. The Company was in the red in 2023, with an operating loss due to a decline in revenue and an increase in operating costs on account of low utilization rate. In the face of uncertainties in global politics, trade dynamics and international relations, as well as changes in the competitive environment, the Company will proactively adjust its market strategies and product lineup in response to market demand to build up the momentum for operational growth.

The Company continues to promote the concept of circular economy and collaborates with the Industrial Technology Research Institute to develop the "PI film green process-VOCs near total recycling", which uses high-efficiency separation and purification technology to solve the problems of fugitive emissions of volatile organic compounds (VOCs), wastewater, and solvents recycling in the traditional manufacturing process, realizing the cycle from raw materials to raw materials, and not emitting greenhouse gases directly in the process, thus achieving zero net emissions, reducing costs and increasing efficiencies. In terms of management of greenhouse gas and energy, we continue to replace obsolete equipment and improve energy efficiency and optimize water resource management. The Company's management team and all of our employees will proactively tackle various adversities and challenges, adhere to a stable business strategy, continue to streamline and reform, improve management efficiency, strive to explore market opportunities, refine research and development and production technology capabilities, and enhance market competitiveness, with a view to creating good operating results to reward all shareholders.

In summary, the Company's operating performance for 2023 is as follows:

In 2023, the consolidated revenue was NT\$1,593,021 thousand and the net loss after tax was NT\$(153,485) thousand; compared with the previous year, the consolidated top line decreased by 15.68% while bottom line decreased by 212.64%; the earnings per share was NT\$(1.06), the consolidated gross profit margin was 15.15% and the operating profit margin was (7.92%).

#### 2. Budget implementation status:

The Board of Directors approved the Company's budget for 2023, but the financial forecast has not been made public.

#### 3. Financial receipts and expenditures and profitability analysis

Unit: Thousands of NTD

Item \ Year		2023	2022	Increase (Decrease) %
Financial receipts and expenditures	Net operating revenue	1,593,021	1,889,360	(15.68%)
	Operating gross profit	241,361	480,972	(49.82%)
	Profit or loss after tax	(153,485)	136,257	(212.64%)
Profitability	Return on assets (%)	(2.51)	3.04	—
	Return on equity (%)	(5.24)	4.59	—
	Operating profit to paid-in capital (%)	(9.53)	10.43	—
	Net profit after tax to paid-in capital (%)	(10.71)	9.79	—
	Net profit margin (%)	(9.63)	7.21	—
	Earnings per share (NTD) (after tax)	(1.06)	1.13	—

#### 4. R&D overview:

TAIMIDE continues to deepen its product technology development to provide materials for mobile devices, automotive devices and soft display applications, providing customers with high quality, high value-added, competitive and new application solutions. TAIMIDE's research and development is focused on the following three main directions.

##### (I) PI films for FPC application:

1. Ultra-thin, highly dimensionally stable PI films The increasing demand for high-density applications such as portable and wearable devices, AI smart integration, and Mini & Micro LEDs is bound to increase the demand for dimensional stability and thinness of flexible substrates.
2. PI films for high frequency and high speed: For the advent of the 5G era, we continue to develop fluorine PI composite films that combine the low moisture absorption, low dielectric, and low signal loss with excellent high temperature resistance, dimensional stability, and mechanical and processing characteristics of PI. In addition, we are developing a new generation of PI composite material formulation technology for hybrid LCP to support the digital high speed transmission of the B5G/6G millimeter wave generation and high frequency signal reception antenna application products to meet the advent of the new communication era.
3. PI films for automotive: It is used in the electric vehicle industry for the key power battery packaging and battery power management systems (BMS) conduction connection with insulation materials and flexible board, mainly as an answer to the requirements for high reliability and lightweight.

##### (II) PI films for optoelectronic applications:

1. Transparent PI films: We continue to develop the key materials required by foldable screens, mainly used in foldable touch and cover, and the products are foldable mobile phones and other mobile information and communication devices.
2. Advanced packaging tapes: We develop special tapes based on PI, which are suitable for grinding and thinning required for advanced packaging processes of high-density semiconductors, heat resistance and viscosity reduction required for special processes (high temperature, sputtering, etc.), temporary tapes for high-density circuit board substrate processes and Mass Transfer of Micro LEDs, etc., and are designed and imported in a customized way by our customers.

(III) PI films for functional applications other than FPC: Such as thick PI graphite film sintering with high heat flux, PI films with high thermal conductivity, etc., which are mainly used for heat dissipation of mobile information and communication devices and modules for in-vehicle heating and temperature control.

Looking ahead, TAIMIDE will continue to focus on the development of new functional polyimide film products and forward-looking technologies and innovative applications, and continue to accumulate technological power, optimize and build up its foundation. The Company's management team and all of our employees will adhere to a stable business strategy, continue to streamline and reform, improve management efficiency, strive to explore market opportunities, refine research and development and production technology capabilities, and enhance market competitiveness, and will also continue to attach importance to the sustainable development of the environment and society, continue to promote zero wastewater discharge, solvent recycling and reuse, take on the Company's commitment to the ESG sustainable development, pursue coexistence and co-prosperity with our customers, society, and the environment, and fulfill the responsibility of ESG sustainable development, and our employees will make every effort to enhance the Company's competitiveness on all fronts and continue to maximize value for our shareholders.

Chairperson of the Board of  
Directors



Managerial Officer



Accounting Officer



II. Audit Committee's review report on 2023 final accounting reports

Attachment 2

**TAIMIDE TECH. INC.**  
**Audit Committee's review report**

The 2023 financial statements of the Company (including the consolidated financial statements) prepared by the Board of Directors have been audited and attested by CPAs Ya-Yun Chang, Su-Li Feng from Deloitte Taiwan, who issued an independent auditors' report.

The financial statements together with the business report, earnings distribution proposal have been reviewed and determined to be accurate by the Audit Committee. In accordance with Article 14 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this review report for your review.

To

The 2024 Annual Shareholders' Meeting of TAIMIDE TECH. INC.

TAIMIDE TECH. INC.

Convener of the Audit Committee: Chien-Ju Lin

March 8, 2024



### III. Issuance and implementation status of corporate bonds

Attachment 3

Type of corporate bonds	1st domestic unsecured convertible bonds (TAIMIDE I / Code 36451)
Issue date	June 21, 2022
Denomination of issuance	NT\$100,000 per board lot
Total denomination	Total 6 thousand board lots issued, with total denomination of NT\$600 million
Interest rate	Coupon rate 0% per annum
Maturity	Three years/ maturity date: June 21, 2025
Issue price	Issued at 108.67% of denomination
Total amount raised	NT\$652,006,370
Reason for raising	Repayment of bank loans
Conversion price	The conversion price was NT\$57 at the time of issuance and the current conversion price is NT\$54.5.
Repayment method	The Company shall repay the bonds held by the bondholders in cash within seven business days from the day after the maturity of the bonds, unless the bondholders convert the bonds into common shares of the Company in accordance with Article 10 of the Measures or exercise the right of sale in accordance with Article 18 of the Measures, or the Company redeems the bonds in advance in accordance with Article 17 of the Measures, or the Company purchases and retires the bonds from the securities dealer. If the aforementioned date falls on a day when the Taipei Stock Exchange is closed, it will be postponed to the next business day.
Terms and conditions of redemption or early settlement	Please refer to the Measures for the Issuance and Conversion of the 1st Domestic Unsecured Convertible Bonds of the Company
Conversion target	The Company's common stocks
Conversion condition	As of April 27, 2024, the start date for suspension of ownership transfer, 0 bonds had been converted.
Implementation status of capital utilization plan	The Company's capital raising by the issuance of the first domestic unsecured convertible bonds in 2022 was completed on June 20, 2022, and the total amount raised was NT\$652,006 thousand, all of which was used to repay bank loans as of June 30, 2022. The capital utilization plan had been implemented.

## **TAIMIDE TECH. INC.**

### **Independent Auditors' Report**

To the Board of Directors and Shareholders of TAIMIDE TECH. INC.:

#### **Audit opinions**

We have audited the accompanying standalone balance sheets of TAIMIDE TECH. INC. as of December 31, 2023 and 2022, and the related standalone statements of comprehensive income, changes in equity, cash flows, and notes to the standalone financial statements (including a summary of significant accounting policies) for the years then ended.

In our opinion, based on our audits, the standalone financial statements referred to above present fairly, in all material respects, the financial position of TAIMIDE TECH. INC. as of December 31, 2023 and 2022, and its standalone financial performance and cash flows for the years then ended, in conformity with the requirements of Regulations Governing the Preparation of Financial Reports by Securities Issuers.

#### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the standalone Financial Statements section of our report. Independently governed staff in the accounting firm that the CPAs belong to have followed moral regulations in honor of the profession of CPA and have remained independent of TAIMIDE TECH. INC. and fulfilled other responsibilities under the said regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of TAIMIDE TECH. INC. for the year ended December 31, 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the standalone financial statements of TAIMIDE TECH. INC. for the year ended December 31, 2023 are stated as follows:

### Authenticity of sales revenue

TAIMIDE TECH. INC. was affected by the decline in demand in the overall market in 2023. We compared the annual sales growth rates of the major sales customers to 2022. If their sales had positive growths in 2023 as opposed to the overall decline trend in the market, the sales revenue of these customers was considered as a source of potential fraud risk and was therefore judged to be a key audit matter, and audit procedures performed for these customers to address the above risk were as follows:

1. To understand and test the internal control system and operating procedures related to the sales transaction cycle to confirm and evaluate the effectiveness of the internal control procedures related to the sales transactions.
2. For the breakdown of sales revenue, a sample of the above-mentioned potential risky sales customers was selected for audit, and customers and external related certificates were examined to confirm the authenticity of sales revenue, and to examine whether the subsequent collection from the sales customers was abnormal.

### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

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

While preparing the standalone financial statements, the management is responsible for also evaluating the ability of TAIMIDE TECH. INC. to continue with the operation and disclosing related matters and adopting the accounting basis for continued operation, among others. Unless the management intends to liquidate TAIMIDE TECH. INC. or discontinue operation or there are no other actually feasible solutions than liquidation or discontinued operation.

Those charged with governance, Including the Audit Committee, are responsible for overseeing the financial reporting process of TAIMIDE TECH. INC.

### **Auditor's Responsibilities for the Audit of the standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. The term of "reasonable assurance" refers to high level of assurance. Nevertheless, the audit performed according to the Auditing Standards cannot guarantee the discovery of material misstatement in the standalone financial statements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be

expected to influence the economic decisions of users taken on the basis of the standalone financial statements.

As part of an audit in accordance with the auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risk of material misstatement of the standalone financial statements due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of TAIMIDE TECH. INC.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management level.
4. Reach a conclusion with regard to the adequacy of the accounting basis adopted to continue with operation by the management and whether significant uncertainties of events or conditions that might result in significant concerns about the ability of TAIMIDE TECH. INC. to continue with operation exist or not according to the evidence obtained from the audit. In case where we consider that such events or circumstances have a material uncertainty, then relevant disclosure of the standalone financial statements are required to be provided in our audit report to allow users of standalone financial statements to be aware of such events or circumstances, or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. Future events or conditions, however, are likely to result in TAIMIDE TECH. INC. no longer capable of continuing with operation.
5. Evaluate the overall presentation, structure and content of the standalone financial statements, including relevant notes, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entity of TAIMIDE TECH. INC., and express an opinion on standalone financial statements. We are responsible for the direction, supervision and performance of the audit of TAIMIDE TECH. INC.. We remain solely responsible for our audit opinion.

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

We also provide the governance units with statements that we have complied with relevant matters that may reasonably be thought to bear on our independence, and we have also communicated with the governance units on all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of auditors.

From the matters communicated with those charged with governance, we determine those matters that were most significant in the audit of the 2023 standalone financial statements of TAIMIDE TECH. INC. and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte Taiwan

CPA Chang Ya-Yun

CPA Fang Su-Li

Approval document No. of the Financial  
Supervisory Commission

Financial Management Certificate Audit Zi  
No. 1110348898

Approval document No. of the Financial  
Supervisory Commission

Financial Management Certificate VI Zi No.  
0940161384

March 8, 2024

TAIMIDE TECH. INC.  
Standalone Balance Sheets  
December 31, 2023 and 2022

												Unit: Thousands of NTD	
Code	Assets	December 31, 2023		December 31, 2022		Code	Liabilities and equity	December 31, 2023		December 31, 2022			
		Amount	%	Amount	%			Amount	%	Amount	%		
	Current assets						Current liabilities						
1100	Cash and cash equivalents (Notes 4, 6 and 31)	\$ 319,541	7	\$ 345,521	7	2100	Short-term loans (Notes 17 and 31)	\$ -	-	\$ 90,000	2		
1136	Financial assets at amortized cost - non-current (Notes 4, 9, and 31)	5,626	-	-	-	2120	Financial liabilities at fair value through profit or loss-current (Notes 4, 7, 18 and 31)	1,014	-	3,894	-		
1150	Notes receivable (Notes 4, 10 and 31)	25,073	1	1,703	-	2130	Contract liabilities - current (Notes 4 and 24)	13	-	9	-		
1170	Accounts receivable (Notes 4, 10, 24 and 31)	229,804	5	247,865	5	2170	Notes and accounts payable (Note 31)	49,433	1	17,827	-		
1180	Accounts receivable - related parties (Notes 4, 24, 31 and 32)	159,062	3	31,454	1	2206	Remuneration payable to employees and directors (Note 25)	-	-	21,520	1		
1210	Other receivables - related parties (Notes 31 and 32)	10	-	2	-	2213	Payables for equipment (Note 31)	30,194	1	45,959	1		
130X	Inventories (Notes 4, 5 and 11)	439,611	10	608,289	12	2219	Other payables (Notes 19, 31 and 32)	131,080	3	134,713	3		
1470	Other current assets (Notes 4 and 16)	45,086	1	56,178	1	2230	Current tax liabilities (Notes 4 and 26)	10,261	-	13,871	-		
11XX	Total current assets	1,223,813	27	1,291,012	26	2280	Lease liabilities - current (Notes 4, 14 and 31)	15,023	-	14,610	-		
	Non-current assets					2321	Corporate bonds due or with put option exercisable within one year (Notes 4, 18 and 31)	583,415	13	-	-		
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 31)	467	-	439	-	2322	Long-term loans due within one year (Notes 17, 31 and 33)	246,362	5	246,319	5		
1535	Financial assets at amortized cost - non-current (Notes 4, 9, 31 and 33)	16,923	1	16,923	-	2399	Other current liabilities (Notes 4, 20, 29 and 32)	35,219	1	5,386	-		
1550	Investment accounted for using the equity method (Notes 4 and 12)	106,992	2	202,535	4	21XX	Total current liabilities	1,102,014	24	594,108	12		
1600	Property, plant and equipment (Notes 4, 5, 13 and 33)	3,111,728	68	3,302,899	67		Non-current liabilities						
1755	Right-of-use assets (Notes 4 and 14)	104,714	2	118,462	3	2530	Corporate bonds payable (Notes 4, 18 and 31)	-	-	572,433	12		
1780	Intangible assets (Notes 4 and 15)	6,323	-	8,845	-	2540	Long-term loans (Notes 17, 31 and 33)	580,298	13	664,101	13		
1915	Prepayments for equipment	7,891	-	4,552	-	2580	Lease liabilities - non-current (Notes 4, 14 and 31)	94,180	2	107,911	2		
1920	Refundable deposits	3,059	-	3,059	-	2645	Deposits received	19	-	19	-		
1975	Net defined benefit assets - non-current (Notes 4 and 21)	353	-	1,121	-	25XX	Total non-current liabilities	674,497	15	1,344,464	27		
15XX	Total non-current assets	3,358,450	73	3,658,835	74	2XXX	Total liabilities	1,776,511	39	1,938,572	39		
							Equity (Notes 4, 18, 22 and 23)						
						3110	Common stock capital	1,322,053	29	1,317,990	27		
						3200	Capital surplus	593,455	13	582,422	12		
							Retained earnings						
						3310	Legal reserve	279,983	6	264,789	5		
						3320	Special reserve	1,586	-	2,538	-		
						3350	Undistributed earnings	611,310	13	845,122	17		
						3300	Total retained earnings	892,879	19	1,112,449	22		
						3400	Other equity	( 2,635 )	-	( 1,586 )	-		
						3XXX	Total equity	2,805,752	61	3,011,275	61		
1XXX	Total assets	\$ 4,582,263	100	\$ 4,949,847	100		Total liabilities and equity	\$ 4,582,263	100	\$ 4,949,847	100		

The accompanying notes are an integral part of the standalone financial report.

Chairperson: Sheng-Chang Wu

Managerial Officer: Chen-Ying Huang

Accounting Officer: Tai-Tsun Chen

TAIMIDE TECH. INC.  
Standalone Statements of Comprehensive Income  
From January 1 to December 31, 2023 and 2022

Unit: In thousands of NTD; except (loss) earnings per share in NTD

Code		2023		2022	
		Amount	%	Amount	%
4110	Total operating revenue	\$ 1,572,167	101	\$ 1,847,628	102
4170	Returns and discounts on sales	<u>16,264</u>	<u>1</u>	<u>32,296</u>	<u>2</u>
4100	Net operating revenue (Notes 4, 24 and 32)	1,555,903	100	1,815,332	100
5000	Operating cost (Notes 11, 25 and 32)	<u>1,278,509</u>	<u>82</u>	<u>1,331,516</u>	<u>73</u>
5900	Operating gross profit	277,394	18	483,816	27
5910	Realized (Unrealized) profit with subsidiaries	( <u>14,689</u> )	( <u>1</u> )	<u>18,885</u>	<u>1</u>
5950	Realized operating profit	<u>262,705</u>	<u>17</u>	<u>502,701</u>	<u>28</u>
	Operating expense (Note 25)				
6100	Selling expense	36,060	2	30,253	2
6200	Administrative expense	85,131	6	92,878	5
6300	Research and development expense	178,205	11	147,933	8
6450	Expected credit impairment losses (recovery benefits)	<u>4</u>	<u>-</u>	( <u>37</u> )	<u>-</u>
6000	Total operating expense	<u>299,400</u>	<u>19</u>	<u>271,027</u>	<u>15</u>
6900	Net operating (loss) profit	( <u>36,695</u> )	( <u>2</u> )	<u>231,674</u>	<u>13</u>
	Non-operating income and expenses				
7100	Interest income (Note 25)	3,144	-	991	-
7010	Other income (Notes 25, 29 and 32)	8,625	1	5,394	-
7020	Other gain and loss (Note 25)	6,170	-	9,612	1

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Code		2023		2022	
		Amount	%	Amount	%
7050	Financial costs (Notes 4 and 25)	( \$ 29,027 )	( 2 )	( \$ 27,655 )	( 2 )
7070	Share of loss of subsidiaries accounted for using the equity method	( 79,777 )	( 5 )	( 76,000 )	( 4 )
7000	Total non-operating income and expense	( 90,865 )	( 6 )	( 87,658 )	( 5 )
7900	Net (loss) profit before tax	( 127,560 )	( 8 )	144,016	8
7950	Income tax expense (benefit) (Notes 4 and 26)	11,708	1	( 4,742 )	-
8200	Net profit (loss) for the year	( 139,268 )	( 9 )	148,758	8
	Other comprehensive income				
8310	Items not reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans (Note 21)	( 1,223 )	-	3,182	-
8316	Unrealized valuation gain or loss on investments in equity instruments at fair value through other comprehensive income (Note 22)	28	-	145	-
8360	Items that may be reclassified subsequently to profit or loss:				
8380	Share of other comprehensive income of subsidiaries accounted for using the equity method (Note 22)	( 1,077 )	-	808	-
8300	Other comprehensive income for the year	( 2,272 )	-	4,135	-
8500	Total comprehensive income for the year	( \$ 141,540 )	( 9 )	\$ 152,893	8
	(Loss) earnings per share (Note 27)				
9750	Basic	( \$ 1.06 )		\$ 1.13	
9850	Diluted	( \$ 1.06 )		\$ 1.12	

The accompanying notes are an integral part of the standalone financial report.

Chairperson: Sheng-Chang Wu

Managerial Officer: Chen-Ying Huang Accounting Officer: Tai-Tsun Chen



TAIMIDE TECH. INC.  
Standalone Statement of Changes in Equity  
From January 1 to December 31, 2023 and 2022

Unit: Thousands of NTD

Code		Common stock capital		Capital surplus	Retained earnings			Other equity		Total equity
		Number of shares (in thousands)	Amount		Legal reserve	Special reserve	Undistributed earnings	Exchange differences on translation of the financial statements of foreign operations	Unrealized gain or loss on financial assets at fair value through other comprehensive income	
A1	Balance at January 1, 2022	131,018	\$ 1,310,185	\$ 478,342	\$ 234,484	\$ 2,290	\$ 880,990	( \$ 2,363 )	( \$ 176 )	\$ 2,903,752
	Distribution of earnings for 2021									
B1	Legal reserve	-	-	-	30,305	-	( 30,305 )	-	-	-
B3	Provision of special reserve	-	-	-	-	248	( 248 )	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	-	( 157,255 )	-	-	( 157,255 )
	Changes in other capital surplus:									
C5	Issuance of convertible bonds recognized as a component of equity	-	-	79,259	-	-	-	-	-	79,259
C17	Unclaimed dividends to shareholders after the statute of limitations	-	-	9	-	-	-	-	-	9
D1	Net profit for 2022	-	-	-	-	-	148,758	-	-	148,758
D3	Other comprehensive income for 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,182</u>	<u>808</u>	<u>145</u>	<u>4,135</u>
D5	Total comprehensive income for 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>151,940</u>	<u>808</u>	<u>145</u>	<u>152,893</u>
M7	Change in ownership interests in subsidiaries	-	-	2,470	-	-	-	-	-	2,470
N1	Share-based payment transaction	<u>781</u>	<u>7,805</u>	<u>22,342</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,147</u>
Z1	Balance at December 31, 2022	131,799	1,317,990	582,422	264,789	2,538	845,122	( 1,555 )	( 31 )	3,011,275
	Distribution of earnings for 2022									
B1	Legal reserve	-	-	-	15,194	-	( 15,194 )	-	-	-
B17	Reversal of special reserve	-	-	-	-	( 952 )	952	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	-	( 79,079 )	-	-	( 79,079 )
	Changes in other capital surplus:									
C17	Unclaimed dividends to shareholders after the statute of limitations	-	-	23	-	-	-	-	-	23
D1	Net loss for 2023	-	-	-	-	-	( 139,268 )	-	-	( 139,268 )
D3	Other comprehensive income for 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 1,223 )</u>	<u>( 1,077 )</u>	<u>28</u>	<u>( 2,272 )</u>
D5	Total comprehensive income for 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 140,491 )</u>	<u>( 1,077 )</u>	<u>28</u>	<u>( 141,540 )</u>
N1	Share-based payment transaction	<u>406</u>	<u>4,063</u>	<u>11,010</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,073</u>
Z1	Balance at December 31, 2023	<u>132,205</u>	<u>\$ 1,322,053</u>	<u>\$ 593,455</u>	<u>\$ 279,983</u>	<u>\$ 1,586</u>	<u>\$ 611,310</u>	<u>( \$ 2,632 )</u>	<u>( \$ 3 )</u>	<u>\$ 2,805,752</u>

The accompanying notes are an integral part of the standalone financial report.

Chairperson: Sheng-Chang Wu

Managerial Officer: Chen-Ying Huang

Accounting Officer: Tai-Tsun Chen

TAIMIDE TECH. INC.  
Standalone Statements of Cash Flows  
From January 1 to December 31, 2023 and 2022

Unit: Thousands of NTD

Code		2023	2022
	Cash flows from operating activities		
A10000	Net profit (loss) before tax for the year	( \$ 127,560 )	\$ 144,016
A20010	Income and expense items		
A20100	Depreciation expense	326,502	321,676
A20200	Amortization expense	3,233	4,067
A20300	Expected credit impairment losses (reversal gain)	4	( 37 )
A20400	Net (profit) loss on financial liabilities at fair value through profit or loss	( 2,880 )	3,180
A20900	Financial cost	29,027	27,655
A21200	Interest income	( 3,144 )	( 991 )
A21900	Share-based payment remuneration cost	-	270
A22400	Share of loss of subsidiaries accounted for using the equity method	79,777	76,000
A23700	Loss on decline in value of inventories	60,887	37,928
A23900	Unrealized (Realized) profit with subsidiaries	14,689	( 18,885 )
A24100	Net gain on foreign exchange	( 3,290 )	( 12,792 )
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	( 23,370 )	39,403
A31150	Accounts receivable	17,421	167,980
A31160	Accounts receivable - related parties	( 127,608 )	95,072
A31190	Other receivables - related parties	( 8 )	-
A31200	Inventories	107,791	( 156,046 )
A31240	Other current assets	11,099	41,011
A31990	Net defined benefit assets	( 455 )	2,061
A32125	Contract liabilities	4	( 5 )
A32150	Notes and accounts payable	33,254	( 145,944 )
A32180	Other payables	( 3,488 )	( 46,032 )
A32230	Other current liabilities	29,833	( 527 )
A32240	Net defined benefit liabilities	-	( 2,480 )
A32990	Remuneration payable to employees and directors	( 21,520 )	( 35,389 )
A33000	Net cash inflows from operations	400,198	541,191
A33100	Interest received	3,137	951
A33300	Interest paid	( 18,180 )	( 21,920 )
A33500	Income tax paid	( 15,318 )	( 77,457 )
AAAA	Net cash in-flows from operating activities	<u>369,837</u>	<u>442,765</u>

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Code		2023	2022
	Cash flows from investing activities		
B00040	Acquisition of financial assets at amortized cost	( \$ 5,626 )	( \$ 8,392 )
B00050	Disposal of financial assets at amortized cost	-	10,768
B01800	Acquisition of long-term equity investments accounted for using the equity method	-	( 255,276 )
B02700	Purchase of property, plant and equipment	( 135,869 )	( 221,093 )
B03800	Decrease in refundable deposits	-	2,703
B04500	Purchase of intangible asset	( 711 )	( 2,398 )
B07100	Increase in prepayments for equipment	( 3,339 )	-
B07200	Decrease in prepayments for equipment	-	2,662
BBBB	Net cash outflows from investing activities	( <u>145,545</u> )	( <u>471,026</u> )
	Cash flows from financing activities		
C00100	Increase in short-term loans	260,000	800,000
C00200	Decrease in short-term loans	( 350,000 )	( 710,000 )
C01200	Issuance of convertible bonds	-	646,723
C01600	Borrowing of long-term loans	300,000	562,000
C01700	Repayment of long-term loans	( 383,760 )	( 1,194,089 )
C04020	Repayment of principal for lease liabilities	( 14,685 )	( 14,409 )
C04500	Cash dividends to shareholders	( 79,079 )	( 157,255 )
C04800	Employee exercise of stock options	15,073	29,814
C09900	Unclaimed dividends to shareholders after the statute of limitations	<u>23</u>	<u>9</u>
CCCC	Net cash outflows from financing activities	( <u>252,428</u> )	( <u>37,207</u> )
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>2,156</u>	<u>3,199</u>
EEEE	Net decrease in cash and cash equivalents	( 25,980 )	( 62,269 )
E00100	Balance of cash and cash equivalents at the beginning of the year	<u>345,521</u>	<u>407,790</u>
E00200	Balance of cash and cash equivalents at the end of the year	<u>\$ 319,541</u>	<u>\$ 345,521</u>

The accompanying notes are an integral part of the standalone financial report.

Chairperson: Sheng-Chang Wu

Managerial Officer: Chen-Ying Huang

Accounting Officer: Tai-Tsun Chen

## Representation Letter

We hereby declare that we have confirmed, as identical, the companies which shall be included in the consolidated financial statements of the affiliates and the ones which shall be included in the consolidated financial statements in accordance with IFRS 10; the related information has been disclosed in consolidated financial statements and will hence not be included in consolidated financial statements of the affiliates for the year ended December 31, 2023, (January 1 to December 31, 2023) in accordance with "Criteria Governing Preparation of Affiliation Reports" and "Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises."

Declared by

Company name: TAIMIDE TECH. INC.

Person in Charge: Sheng-Chang Wu

March 8, 2024

## **Independent Auditors' Report**

To the Board of Directors and Shareholders of TAIMIDE TECH. INC.:

### **Audit opinions**

We have audited the accompanying consolidated balance sheets of TAIMIDE TECH. INC. and its subsidiaries as of December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows, and notes to the consolidated financial statements (including a summary of significant accounting policies) for the years then ended.

In our opinion, based on our audits, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of TAIMIDE TECH. INC. and its subsidiaries as of 年 December 31, 2023 and 2022, and its consolidated financial performance and cash flows for the years then ended, are in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. Independently governed staff in the accounting firm that the CPAs belong to have followed moral regulations in honor of the profession of CPA and have remained independent of TAIMIDE TECH. INC. and its subsidiaries and fulfilled other responsibilities under the said regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of TAIMIDE TECH. INC. and its subsidiaries for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the consolidated financial statements of TAIMIDE TECH. INC. and its subsidiaries for the year ended December 31, 2023 are stated as follows:

#### Authenticity of sales revenue

AIMIDE TECH. INC. and subsidiaries were affected by the decline in demand in the overall market in 2023. We compared the annual sales growth rates of the major sales of customers to 2022. If their sales had positive growths in 2023 as opposed to the overall decline trend in the market, the sales revenue of these customers was considered as a source of potential fraud risk and was therefore judged to be a key audit matter, and audit procedures performed for these customers to address the above risk were as follows:

1. To understand and test the internal control system and operating procedures related to the sales transaction cycle to confirm and evaluate the effectiveness of the internal control procedures related to the sales transactions.
2. For the breakdown of sales revenue, a sample of the above-mentioned potential risky sales customers was selected for audit, and customers and external related certificates were examined to confirm the authenticity of sales revenue, and to examine whether the subsequent collection from the sales customers was abnormal.

### **Other Matters**

TAIMIDE TECH. INC. has prepared the standalone financial statements for 2023 and 2022, to which we have also issued an independent auditors' report with unqualified opinion on record for reference.

### **Responsibilities of Management Level and Those Charged with Governance for the Consolidated Financial Statements**

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

While preparing the consolidated financial statements, the management is responsible for also evaluating the ability of TAIMIDE TECH. INC. and its subsidiaries to continue with the operation and disclosing related matters and adopting the accounting basis for continued operation, among others. Unless the management intends to liquidate TAIMIDE TECH. INC. and its subsidiaries or discontinue operation or there are no other actually feasible solutions than liquidation or discontinued operation.

Those charged with governance, Including the Audit Committee, are responsible for overseeing the financial reporting process of TAIMIDE TECH. INC. and its subsidiaries

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. The term of "reasonable assurance" refers to

high level of assurance. Nevertheless, the audit performed according to the Auditing Standards cannot guarantee the discovery of material misstatement in the consolidated financial statements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of an audit in accordance with the auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risk of material misstatement of the consolidated financial statements due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of TAIMIDE TECH. INC. and its subsidiaries.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management level.
4. Reach a conclusion with regard to the adequacy of the accounting basis adopted to continue with operation by the management and whether significant uncertainties of events or conditions that might result in significant concerns about the ability of TAIMIDE TECH. INC. and its subsidiaries to continue with operation exist or not according to the evidence obtained from the audit. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. Future events or conditions, however, are likely to result in TAIMIDE TECH. INC. and its subsidiaries no longer capable of continuing with operation.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including relevant notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entity of TAIMIDE TECH. INC. and its subsidiaries, and express an opinion on consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of TAIMIDE TECH. INC. and its subsidiaries. We remain solely responsible for our audit opinion.

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

We also provide the governance units with statements that we have complied with relevant matters that may reasonably be thought to bear on our independence, and we have also communicated with the governance units on all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of auditors.

From the matters communicated with those charged with governance, we determine those matters that were of most significant in the audit of the 2023 consolidated financial statements of TAIMIDE TECH. INC. and its subsidiaries and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte Taiwan

CPA Chang Ya-Yun

CPA Fang Su-Li

Approval document No. of the Financial  
Supervisory Commission

Financial Management Certificate Audit  
Zi No. 1110348898

Approval document No. of the Financial  
Supervisory Commission

Financial Management Certificate VI Zi No.  
0940161384

March 8, 2024



TAIMIDE TECH. INC. and Subsidiaries  
Consolidated Balance Sheets  
December 31, 2023 and 2022

						Unit: Thousands of NTD					
Code	Assets	December 31, 2023		December 31, 2022		Code	Liabilities and equity	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%			Amount	%	Amount	%
	Current assets						Current liabilities				
1100	Cash and cash equivalents (Notes 4, 6 and 31)	\$ 366,633	8	\$ 454,318	9	2100	Short-term loans (Notes 17, 31 and 33)	\$ 105,000	2	\$ 130,000	3
1136	Financial assets at amortized cost - current (Notes 4, 9 and 31)	15,626	-	-	-	2120	Financial liabilities at fair value through profit or loss-current (Notes 4, 7, 18 and 31)	1,014	-	3,894	-
1150	Notes receivable (Notes 4, 10 and 31)	75,129	1	27,967	1	2130	Contract liabilities - current (Notes 4 and 24)	3,400	-	161	-
1170						2170	Notes and accounts payable (Notes 31 and 32)	50,791	1	18,710	-
	Accounts receivable (Notes 4, 10, 24 and 31)	322,786	7	257,799	5	2206	Remuneration payable to employees and directors (Note 25)	-	-	21,520	1
130X	Inventories (Notes 4, 5 and 11)	480,481	10	643,790	12	2213	Payables for equipment (Note 31)	30,420	1	72,171	1
1470	Other current assets (Notes 4 and 16)	64,943	1	78,057	1	2219	Other payables (Notes 19 and 31)	144,391	3	152,033	3
11XX	Total current assets	1,325,598	27	1,461,931	28	2230	Current tax liabilities (Notes 4 and 26)	10,287	-	13,871	-
	Non-current assets					2280	Lease liabilities - current (Notes 4, 14 and 31)	22,113	1	21,684	1
1517						2321	Corporate bonds due or with put option exercisable within one year (Notes 4, 18 and 31)	583,415	12	-	-
	Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 31)	467	-	439	-	2322	Long-term loans due within one year (Notes 17, 31 and 33)	262,700	5	268,655	5
1535	Financial assets at amortized cost - non-current (Notes 4, 9, 31 and 33)	16,923	1	16,923	-	2399	Other current liabilities (Notes 4, 20, 29 and 32)	35,795	1	6,244	-
1600	Property, plant and equipment (Notes 4, 5, 13 and 33)	3,303,570	68	3,521,403	68	21XX	Total current liabilities	1,249,326	26	708,943	14
1755	Right-of-use assets (Notes 4 and 14)	167,347	4	188,608	4		Non-current liabilities				
1780	Intangible assets (Notes 4 and 15)	7,249	-	10,015	-		Corporate bonds payable (Notes 4, 18 and 31)	-	-	572,433	11
1915	Prepayments for equipment	12,069	-	5,908	-	2530	Long-term loans (Notes 17, 31 and 33)	619,710	13	719,849	14
1920	Refundable deposits	5,044	-	5,029	-	2540	Lease liabilities - non-current (Notes 4, 14 and 31)	152,992	3	173,820	3
1975	Net defined benefit assets (Notes 4 and 21)	353	-	1,121	-	2580	Deposits received	19	-	19	-
15XX	Total non-current assets	3,513,022	73	3,749,446	72	25XX	Total non-current liabilities	772,721	16	1,466,121	28
						2XXX	Total liabilities	2,022,047	42	2,175,064	42
							Equity attributable to owners of the Company (Notes 4, 18, 22, 23 and 28)				
						3110	Common stock capital	1,322,053	27	1,317,990	25
						3200	Capital surplus	593,455	12	582,422	11
							Retained earnings				
						3310	Legal reserve	279,983	6	264,789	5
						3320	Special reserve	1,586	-	2,538	-
						3350	Undistributed earnings	611,310	13	845,122	17
						3300	Total retained earnings	892,879	19	1,112,449	22
						3400	Other equity	( 2,635 )	-	( 1,586 )	-
						31XX	Total owners' equity of the Company	2,805,752	58	3,011,275	58
						36XX	Non-controlling interests (Notes 4, 22 and 28)	10,821	-	25,038	-
						3XXX	Total equity	2,816,573	58	3,036,313	58
1XXX	Total assets	\$ 4,838,620	100	\$ 5,211,377	100		Total liabilities and equity	\$ 4,838,620	100	\$ 5,211,377	100

The accompanying notes are an integral part of the consolidated financial statements

Chairperson: Sheng-Chang Wu

Managerial Officer: Chen-Ying Huang

Accounting Officer: Tai-Tsun Chen

TAIMIDE TECH. INC. and Subsidiaries  
Consolidated Statements of Comprehensive Income  
From January 1 to December 31, 2023 and 2022

Unit: In thousands of NTD; except (loss) earnings per share in NTD

Code		2023		2022	
		Amount	%	Amount	%
4110	Total operating revenue	\$ 1,609,718	101	\$ 1,922,686	102
4170	Returns and discounts on sales	<u>16,697</u>	<u>1</u>	<u>33,326</u>	<u>2</u>
4100	Net operating revenue (Notes 4, 24 and 32)	1,593,021	100	1,889,360	100
5000	Operating cost (Notes 11, 25 and 32)	<u>1,351,660</u>	<u>85</u>	<u>1,408,388</u>	<u>75</u>
5900	Operating gross profit	<u>241,361</u>	<u>15</u>	<u>480,972</u>	<u>25</u>
	Operating expense (Note 25)				
6100	Selling expense	48,409	3	45,065	2
6200	Administrative expense	100,746	6	114,502	6
6300	Research and development expense	218,231	14	183,742	10
6450	Expected credit impairment losses	<u>88</u>	<u>-</u>	<u>125</u>	<u>-</u>
6000	Total operating expense	<u>367,474</u>	<u>23</u>	<u>343,434</u>	<u>18</u>
6900	Net operating (loss) profit	( <u>126,113</u> )	( <u>8</u> )	<u>137,538</u>	<u>7</u>
	Non-operating income and expenses				
7100	Interest income (Note 25)	3,730	-	1,824	-
7010	Other income (Notes 25, 29 and 32)	9,152	1	10,592	1
7020	Other gain and loss (Note 25)	5,721	-	10,088	1
7050	Financial costs (Note 25)	( <u>34,124</u> )	( <u>2</u> )	( <u>30,972</u> )	( <u>2</u> )
7000	Non-operating income and expenses Total	( <u>15,521</u> )	( <u>1</u> )	( <u>8,468</u> )	<u>-</u>
7900	Net (loss) profit before tax	( 141,634 )	( 9 )	129,070	7
7950	Income tax expense (benefit) (Notes 4 and 26)	<u>11,851</u>	<u>1</u>	( <u>7,187</u> )	<u>-</u>
8200	Net profit (loss) for the year	( <u>153,485</u> )	( <u>10</u> )	<u>136,257</u>	<u>7</u>

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Code		2023		2022	
		Amount	%	Amount	%
	Other comprehensive income				
8310	Items not reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans (Note 21)	( \$ 1,223 )	-	\$ 3,182	-
8316	Unrealized valuation gain or loss on investments in equity instruments at fair value through other comprehensive income (Note 22)	28	-	145	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of the financial statements of foreign operations (Note 22)	( 1,077 )	-	808	-
8300	Other comprehensive income for the year	( 2,272 )	-	4,135	-
8500	Total comprehensive income for the year	( \$ 155,757 )	( 10 )	\$ 140,392	7
	Net (loss) profit attributable to:				
8610	Owners of the Company	( \$ 139,268 )	( 9 )	\$ 148,758	8
8620	Non-controlling interests	( 14,217 )	( 1 )	( 12,501 )	( 1 )
8600		( \$ 153,485 )	( 10 )	\$ 136,257	7
	Total comprehensive income attributable to:				
8710	Owners of the Company	( \$ 141,540 )	( 9 )	\$ 152,893	8
8720	Non-controlling interests	( 14,217 )	( 1 )	( 12,501 )	( 1 )
8700		( \$ 155,757 )	( 10 )	\$ 140,392	7
	(Loss) earnings per share (Note 27)				
9750	Basic	( \$ 1.06 )		\$ 1.13	
9850	Diluted	( \$ 1.06 )		\$ 1.12	

The accompanying notes are an integral part of the consolidated financial statements

Chairperson: Sheng-Chang Wu    Managerial Officer: Chen-Ying Huang    Accounting Officer: Tai-Tsun Chen

TAIMIDE TECH. INC. and Subsidiaries  
Consolidated Statements of Changes in Equity  
From January 1 to December 31, 2023 and 2022

Unit: Thousands of NTD

		Equity attributable to owners of the Company							Other equity			
		Common stock capital			Retained earnings			Exchange differences on translation of the financial statements of foreign operations	Unrealized gain or loss on financial assets at fair value through other comprehensive income	Total	Non-controlling interests	Total equity
Code		Number of shares (in thousands)	Amount	Capital surplus	Legal reserve	Special reserve	Undistributed earnings					
A1	Balance at January 1, 2022	131,018	\$ 1,310,185	\$ 478,342	\$ 234,484	\$ 2,290	\$ 880,990	( \$ 2,363 )	( \$ 176 )	\$ 2,903,752	( \$ 4,832 )	\$ 2,898,920
	Distribution of earnings for 2021											
B1	Legal reserve	-	-	-	30,305	-	( 30,305 )	-	-	-	-	-
B3	Provision of special reserve	-	-	-	-	248	( 248 )	-	-	-	-	-
B5	Cash dividends to shareholders of the Company	-	-	-	-	-	( 157,255 )	-	-	( 157,255 )	-	( 157,255 )
	Changes in other capital surplus:											
C5	Issuance of convertible bonds recognized as a component of equity	-	-	79,259	-	-	-	-	-	79,259	-	79,259
C17	Unclaimed dividends to shareholders after the statute of limitations	-	-	9	-	-	-	-	-	9	-	9
D1	Net profit (loss) for 2022	-	-	-	-	-	148,758	-	-	148,758	( 12,501 )	136,257
D3	Other comprehensive income for 2022	-	-	-	-	-	3,182	808	145	4,135	-	4,135
D5	Total comprehensive income for 2022	-	-	-	-	-	151,940	808	145	152,893	( 12,501 )	140,392
M7	Change in ownership interests in subsidiaries	-	-	2,470	-	-	-	-	-	2,470	( 2,470 )	-
N1	Share-based payment transaction	781	7,805	22,342	-	-	-	-	-	30,147	117	30,264
O1	Non-controlling interests	-	-	-	-	-	-	-	-	-	44,724	44,724
Z1	Balance at December 31, 2022	131,799	1,317,990	582,422	264,789	2,538	845,122	( 1,555 )	( 31 )	3,011,275	25,038	3,036,313
	Distribution of earnings for 2022											
B1	Legal reserve	-	-	-	15,194	-	( 15,194 )	-	-	-	-	-
B17	Reversal of special reserve	-	-	-	-	( 952 )	952	-	-	-	-	-
B5	Cash dividends to shareholders of the Company	-	-	-	-	-	( 79,079 )	-	-	( 79,079 )	-	( 79,079 )
	Changes in other capital surplus											
C17	Unclaimed dividends to shareholders after the statute of limitations	-	-	23	-	-	-	-	-	23	-	23
D1	Net loss for 2023	-	-	-	-	-	( 139,268 )	-	-	( 139,268 )	( 14,217 )	( 153,485 )
D3	Other comprehensive income for 2023	-	-	-	-	-	( 1,223 )	( 1,077 )	28	( 2,272 )	-	( 2,272 )
D5	Total comprehensive income for 2023	-	-	-	-	-	( 140,491 )	( 1,077 )	28	( 141,540 )	( 14,217 )	( 155,757 )
N1	Share-based payment transaction	406	4,063	11,010	-	-	-	-	-	15,073	-	15,073
Z1	Balance at December 31, 2023	132,205	\$ 1,322,053	\$ 593,455	\$ 279,983	\$ 1,586	\$ 611,310	( \$ 2,632 )	( \$ 3 )	\$ 2,805,752	\$ 10,821	\$ 2,816,573

The accompanying notes are an integral part of the consolidated financial statements

Chairperson: Sheng-Chang Wu

Managerial Officer: Chen-Ying Huang

Accounting Officer: Tai-Tsun Chen

TAIMIDE TECH. INC. and Subsidiaries

Consolidated Statement of Cash Flows

From January 1 to December 31, 2023 and 2022

Unit: Thousands of NTD

Code		2023	2022
	Cash flows from operating activities		
A10000	Net profit (loss) before tax for the year	( \$ 141,634 )	\$ 129,070
A20010	Income and expense items		
A20100	Depreciation expense	374,471	348,687
A20200	Amortization expense	3,477	4,118
A20300	Expected credit impairment losses	88	125
A20400	Net (profit) loss on financial liabilities at fair value through profit or loss	( 2,880 )	3,180
A20900	Financial cost	34,124	30,972
A21200	Interest income	( 3,730 )	( 1,824 )
A21900	Share-based payment remuneration cost	-	450
A23700	Loss on decline in value of inventories	70,738	34,864
A24100	Net gain on foreign exchange	( 3,264 )	( 13,268 )
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	( 47,162 )	64,882
A31150	Accounts receivable	( 65,574 )	179,640
A31200	Inventories	92,589	( 135,231 )
A31240	Other current assets	13,220	38,160
A31990	Net defined benefit assets	( 455 )	2,061
A32125	Contract liabilities	3,239	( 7,839 )
A32150	Notes and accounts payable	33,698	( 146,187 )
A32180	Other payables	( 7,589 )	( 36,817 )
A32230	Other current liabilities	29,551	( 856 )
A32240	Net defined benefit liabilities	-	( 2,480 )
A32990	Remuneration payable to employees and directors	( <u>21,520</u> )	( <u>35,389</u> )
A33000	Net cash inflows from operations	361,387	456,318
A33100	Interest received	3,427	1,537
A33300	Interest paid	( 23,190 )	( 25,255 )
A33500	Income tax paid	( <u>15,238</u> )	( <u>78,506</u> )
AAAA	Net cash in-flows from operating activities	<u>326,386</u>	<u>354,094</u>

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Code		2023	2022
	Cash flows from investing activities		
B00040	Acquisition of financial assets at amortized cost	( \$ 15,626 )	( \$ 8,392 )
B00050	Disposal of financial assets at amortized cost	-	10,768
B02700	Purchase of property, plant and equipment	( 175,678 )	( 361,363 )
B03700	Increase in refundable deposits	( 15 )	-
B03800	Decrease in refundable deposits	-	2,702
B04500	Purchase of intangible asset	( 711 )	( 3,619 )
B07100	Increase in prepayments for equipment	( 6,161 )	-
B07200	Decrease in prepayments for equipment	-	3,429
BBBB	Net cash outflows from investing activities	( <u>198,191</u> )	( <u>356,475</u> )
	Cash flows from financing activities		
C00100	Increase in short-term loans	570,000	1,135,000
C00200	Decrease in short-term loans	( 595,000 )	( 1,120,000 )
C01200	Issuance of convertible bonds	-	646,723
C01600	Borrowing of long-term loans	300,000	629,000
C01700	Repayment of long-term loans	( 406,094 )	( 1,206,847 )
C03100	Refund of deposits received	-	( 390 )
C04020	Repayment of principal for lease liabilities	( 21,760 )	( 21,073 )
C04500	Cash dividends to shareholders	( 79,079 )	( 157,255 )
C04800	Employee exercise of stock options	15,073	29,814
C05800	Changes in non-controlling interests	-	44,724
C09900	Unclaimed dividends to shareholders after the statute of limitations	<u>23</u>	<u>9</u>
CCCC	Net cash outflows from financing activities	( <u>216,837</u> )	( <u>20,295</u> )
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>957</u>	<u>3,969</u>
EEEE	Net decrease in cash and cash equivalents	( 87,685 )	( 18,707 )
E00100	Balance of cash and cash equivalents at the beginning of the year	<u>454,318</u>	<u>473,025</u>
E00200	Balance of cash and cash equivalents at the end of the year	<u>\$ 366,633</u>	<u>\$ 454,318</u>

The accompanying notes are an integral part of the consolidated financial statements

Chairperson: Sheng-Chang Wu    Managerial Officer: Chen-Ying Huang    Accounting Officer: Tai-Tsun Chen

## TAIMIDE TECH. INC.

## 2023 Earnings Distribution Table

Unit: NTD

<b>Undistributed earnings at the beginning of the period</b>		<b>751,800,201</b>
Remeasurement of defined benefit plans included in retained earnings	(1,222,891)	
<b>Undistributed earnings after adjustment</b>		<b>750,577,310</b>
Net loss for the period	(139,268,196)	
Provision of special reserve in accordance with the law	(1,048,777)	
<b>Available-for-distribution earnings for the period</b>		<b>610,260,337</b>
Distribution items		
Cash dividends per share (NT\$0.30/Share)	(39,661,588)	
<b>Undistributed earnings at the end of the period</b>		<b>570,598,749</b>

Note: Cash dividends were calculated based on the number of outstanding shares of 132,205,294 on 2024/02/28.

If the number of outstanding shares is affected due to a change in the Company's capital stock, resulting in a change in the dividend distribution rate, it is proposed to request the regular shareholders' meeting to authorize the chairperson to handle the matter in accordance with the Company Act or related laws and regulations.

Chairperson of the Board of Directors



Managerial Officer



Accounting Officer



## VI. Comparison of the Current and Amended Provisions of the Articles of Incorporation

Attachment 6

Provision before amendments	Provision after amendments	Description
Chapter 4 Directors and Audit Committee	Chapter 4 Directors and <b>Functional Audit</b> Committee	Amended in accordance with the actual operation of the Company
<p>Article 22</p> <p>The Company shall have five to nine directors, who shall be elected by the shareholders' meeting from among persons capable of conduct for a term of three years and shall be eligible for re-election.</p> <p>Since 2018, the Company shall adopt a candidate nomination system for the election of directors in accordance with Article 192-1 of the Company Act, and the shareholders shall elect the directors from the list of candidates.</p> <p>The number of independent directors shall not be less than three, and shall not be less than one-fifth of the total number of directors. The professional qualifications, shareholdings, restrictions on concurrent employment, nomination and election of independent directors and other matters to be followed shall be in accordance with the relevant regulations of the competent securities authorities.</p> <p>In addition, the Company may purchase liability insurance for directors during their term of office in respect of their liability under the law for the scope of their execution of business.</p>	<p>Article 22</p> <p>all have five to nine directors, who shall be elected by the shareholders' meeting from among persons capable of conduct for a term of three years and shall be eligible for re-election.</p> <p>Since 2018, the Company shall adopt a candidate nomination system for the election of directors in accordance with Article 192-1 of the Company Act, and the shareholders shall elect the directors from the list of candidates.</p> <p>The number of independent directors shall not be less than three, and shall not be less than <b>one-third</b> <del>one-fifth</del> of the total number of directors. The professional qualifications, shareholdings, restrictions on concurrent employment, nomination and election of independent directors and other matters to be followed shall be in accordance with the relevant regulations of the competent securities authorities.</p> <p>In addition, the Company may purchase liability insurance for directors during their term of office in respect of their liability under the law for the scope of their execution of business.</p>	Amended in accordance with FSC's "Corporate Governance 3.0 - Blueprint for Sustainable Development" and the actual operation of the Company
	<p><b><u>Article 22-2</u></b></p> <p><b><u>The Board of Directors may establish</u></b></p>	Amended in accordance with the actual operation



Provision before amendments	Provision after amendments	Description
	<u>various functional committees for the purpose of improving supervisory capabilities and strengthening management mechanism, and their charters shall be formulated separately in accordance with relevant laws and regulations and the Company's Articles of Incorporation.</u>	of the Company
<p>Article 33</p> <p>If there is any surplus earnings as indicated by the Company's final accounts, 10% of the annual earnings shall be set aside as legal reserve after paying taxes and making up for accumulated losses in accordance with the law. But if the legal reserve has reached the Company's paid-in capital, no further provision shall be made, and the remainder shall be set aside as or reversed from special reserve as provided by law. If there are still remaining earnings, the Board of Directors shall prepare for the distribution of the remaining earnings together with the accumulated undistributed earnings as dividends to shareholder, and submit it to the shareholders' meeting for resolution on the distribution.</p> <p>The Company's dividend policy is to cater to the current and future development plans with consideration of the investment environment, capital requirements and domestic and international competition, and the interests of shareholders; dividends to shareholders may be distributed in cash</p>	<p>Article 33</p> <p>If there is any surplus earnings as indicated by the Company's final accounts, 10% of the annual earnings shall be set aside as legal reserve after paying taxes and making up for accumulated losses in accordance with the law. But if the legal reserve has reached the Company's paid-in capital, no further provision shall be made, and the remainder shall be set aside as or reversed from special reserve as provided by law. If there are still remaining earnings, the Board of Directors shall prepare a proposal to appropriate <u>at least 40%</u> <del>of the remaining earnings together with the accumulated undistributed earnings for distribution</del> as dividends/bonuses to shareholder, and submit it to the shareholders' meeting for resolution on the distribution.</p> <p><u>The accumulated undistributed earnings of prior years may also be included in the distribution of earnings in the preceding paragraph</u></p> <p>The Company's dividend policy is to cater to the current and future development plans with consideration of the investment environment, capital requirements and domestic and international competition, and the interests of shareholders; dividends to shareholders may be distributed in cash or in stocks, with cash</p>	Amended in accordance with the actual operation of the Company

Provision before amendments	Provision after amendments	Description
or in stocks, with cash dividends not less than 10% of the total dividends.	dividends not less than 10% of the total dividends.	
<p>Article 35</p> <p>These Articles of Incorporation were established on June 9, 2000 by a meeting of the founders with the consent of all the founders.</p> <p>The 1st amendments were made on May 29, 2003.</p> <p>The 2nd amendments were made on May 25, 2005.</p> <p>The 3rd amendments were made on June 6, 2006.</p> <p>The 4th amendments were made on June 19, 2008.</p> <p>The 5th amendments were made on June 19, 2009.</p> <p>The 6th amendments were made on June 15, 2010.</p> <p>The 7th amendments were made on June 21, 2012.</p> <p>The 8th amendments were made on June 24, 2016.</p> <p>The 9th amendments were made on June 22, 2017.</p> <p>The 10th amendments were made on June 21, 2019.</p> <p>The 11th amendments were made on June 24, 2020.</p> <p>The 12th amendments were made on July 30, 2021.</p> <p>The 13th amendments were made on June 24, 2022.</p>	<p>Article 35</p> <p>These Articles of Incorporation were established on June 9, 2000 by a meeting of the founders with the consent of all the founders.</p> <p>The 1st amendments were made on May 29, 2003.</p> <p>The 2nd amendments were made on May 25, 2005.</p> <p>The 3rd amendments were made on June 6, 2006.</p> <p>The 4th amendments were made on June 19, 2008.</p> <p>The 5th amendments were made on June 19, 2009.</p> <p>The 6th amendments were made on June 15, 2010.</p> <p>The 7th amendments were made on June 21, 2012.</p> <p>The 8th amendments were made on June 24, 2016.</p> <p>The 9th amendments were made on June 22, 2017.</p> <p>The 10th amendments were made on June 21, 2019.</p> <p>The 11th amendments were made on June 24, 2020.</p> <p>The 12th amendments were made on July 30, 2021.</p> <p>The 13th amendments were made on June 24,</p>	<p>The dates of amendments were added.</p>

Provision before amendments	Provision after amendments	Description
The 14th amendments were made on June 21, 2023.	<p>2022.</p> <p>The 14th amendments were made on June 21, 2023.</p> <p><b><u>The 15th amendments were made on June 25, 2024.</u></b></p>	

## Four. Appendices

### Appendix 1: Articles of Incorporation (Before Amendments)

#### Chapter 1. General provisions

Article 1. The Company is organized under the provisions of the Company Act as a corporation limited by shares and is named TAIMIDE TECH. INC.

The English name of the Company is TAIMIDE TECHNOLOGY INCORPORATION.

Article 2. The businesses of the Company are as follows:

1. CC01080 Electronics Components Manufacturing
2. F119010 Wholesale of Electronic Materials
3. F219010 Retail Sale of Electronic Materials
4. F401010 International Trade
5. V. C801100 Synthetic Resin and Plastic Manufacturing
6. C805990 Other Plastic Products Manufacturing
7. C801010 Basic Chemical Industrial
8. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3. The Company has its head office in Hsinchu County, Taiwan, and may establish branches in Taiwan and abroad, if necessary, by resolution of the Board of Directors.

Article 4. The Company's announcement shall be made in accordance with Article 28 of the Company Act and other relevant laws and regulations.

Article 5. The Company may provide endorsement or guarantee for its business needs in accordance with the resolutions of the Board of Directors.

Article 6. In order to achieve the goal of diversified operations, the total amount of the Company's investments in other businesses may exceed 40% of the Company's paid-in capital.

#### Chapter 2. Shares

Article 7. The Company's capital is set at NT\$2 billion, divided into 200 million shares with a par value of NT\$10 per share, which are authorized to be issued by the Board of Directors in installments, of which 30 million shares are reserved for stock warrants, preferred shares with warrants, or corporate bonds with warrants.

- Article 8. The Company's stock certificates shall be in registered form and shall be issued with sequential number and shall state the matters set forth in Article 162 of the Company Act, and shall be signed or sealed by the directors on behalf of the Company and shall be duly certified or authenticated by the bank which is competent to certify shares under the laws before issuance thereof: The Company shall be exempted from printing its share certificate and shall register the issued shares with a centralized securities depositary institution and follow the regulations of that institution. Shares issued under the preceding paragraph shall be registered with a centralized securities depositary institution and follow the regulations of that institution.
- Article 9. The transfer of shares shall be effected with the transferor and transferee endorsing the stock certificates and filling out the transfer application form respectively, which shall be recorded by the Company in the shareholders' roster to complete the transfer procedure. Those who request a name change due to inheritance shall submit legal documents as proof. Transfer of shares of the Company shall not be used against the Company before the completion of the transfer procedure
- Article 10. If a share certificate is lost, the owner shall immediately report for the loss of the share certificate and apply to the competent court for a public notice within five days; after the decision of ex-right is confirmed, the owner shall apply for the issuance of a new share certificate with the above-mentioned proof.
- The Company's stock affairs are handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" unless otherwise provided by laws and regulations or securities regulations.
- Article 11. The Company may restrict the transfer of shares subscribed by employees upon the issuance of new shares for a period of up to two years.
- Article 12. If a pledge is created for shares, the pledgor and the pledgee should fill out an application form and register with the Company within three days of the creation of the pledge. The pledge may not be used against the Company without such notice.
- Article 13. The transfer of shares shall be suspended within 60 days prior to a regular shareholders' meeting, within 30 days prior to an extraordinary shareholders' meeting, or within five days prior to the base date on which the Company decides to distribute dividends and bonuses or other benefits.

### Chapter 3. Shareholders' meeting

- Article 14. The shareholders' meeting shall be divided into two types of meetings: regular and interim. The regular meeting shall be convened annually by the Board of Directors within six months after the end of each fiscal year. The interim meeting shall be convened when necessary in accordance with the relevant laws and regulations.
- Article 15. The Company shall announce or notify the shareholders of the date, time, location, and the reason for the meeting 30 days in advance for the regular shareholders' meeting and 15 days in advance for the interim

shareholders' meeting.

The Company's shareholders' meetings may be held by video conference or other means announced by the central competent authorities. If a shareholders' meeting is held by video conference, the shareholders who participate in the meeting by video are deemed to be present in person. The conditions, operating procedures and other matters to be complied with for the holding of a video shareholders' meeting shall be in accordance with the provisions of the competent securities authorities.

Article 16. If a shareholder is unable to attend a shareholders' meeting for any reason, he/she may appoint a proxy to attend the shareholders' meeting by issuing a proxy form issued by the Company stating the scope of authorization.

When the Company convenes a shareholders' meeting, shareholders may exercise their voting rights in writing or by electronic means, in addition to attending the meeting in person, in accordance with the methods set forth in the notice of the shareholders' meeting.

A shareholder who exercises his or her voting rights in writing or by electronic means is deemed to be present in person at the shareholders' meeting. However, extempore motions and amendments to the original proposals at that shareholders' meeting are deemed as abstention. The declaration of intent is governed by Article 177-2 of the Company Act.

Article 17. The meeting chair of the shareholders' meeting shall be the chairperson. If the chairperson is absent from work or unable to exercise his or her duties and responsibilities for any reason, the chairperson shall designate one of the directors to act on his or her behalf; if the chairperson does not make such a designation, the directors shall elect one among themselves to act as the meeting chair.

Article 18. The shareholders shall have one voting right per share. However, those with circumstances specified in Article 179 of the Company Act shall not have any voting rights.

Article 19. The following matters shall be resolved by the shareholders' meeting.

1. Changes in the Articles of Incorporation.
2. Merger or dissolution with other companies or conclusion of business contracts with other enterprises.
3. Dissolution of the Company and distribution of properties after dissolution.
4. Changes in all or a substantial part of the Company's properties.
5. Business report, adoption of financial statements, earnings distribution or losses make-up proposal.
6. Decision on the election and dismissal of directors.
7. Acts performed by directors for themselves or others that fall within the scope of the Company's business.

8. Any other matters required by law to be resolved by the shareholders' meeting.

Article 20. Unless otherwise provided in the Company Act, resolutions of the shareholders' meeting shall be made with the presence of shareholders representing a majority of the total number of issued shares, and the consent of a majority of the shareholders' voting rights present.

Article 21. The resolution of the shareholders' meeting shall be made when the Company intends to cancel the public offering of its shares, and this Article shall remain unchanged during the period when the Company is listed on the Emerging Stock Market and the TWSE/TPEX.

#### Chapter 4. Directors and Audit Committee

Article 22. The Company shall have five to nine directors, who shall be elected by the shareholders' meeting from among persons capable of conduct for a term of three years and shall be eligible for re-election.

Since 2018, the Company shall adopt a candidate nomination system for the election of directors in accordance with Article 192-1 of the Company Act, and the shareholders shall elect the directors from the list of candidates.

The number of independent directors shall not be less than three, and shall not be less than one-fifth of the total number of directors. The professional qualifications, shareholdings, restrictions on concurrent employment, nomination and election of independent directors and other matters to be followed shall be in accordance with the relevant regulations of the competent securities authorities.

In addition, the Company may purchase liability insurance for directors during their term of office in respect of their liability under the law for the scope of their execution of business.

Article 22-1 The Company shall establish an Audit Committee in lieu of supervisors' duties and responsibilities in accordance with Article 14-4 of the Securities and Exchange Act effective from the re-election of new directors in 2021. The Audit Committee shall consist of all independent directors. The duties, charter of the Audit Committee, the exercise of its powers and duties, and other matters to be complied with shall be in accordance with the relevant laws and regulations.

The provisions of the Company Act, the Securities and Exchange Act, or other laws and regulations regarding supervisors are applicable mutatis mutandis to the Audit Committee.

Article 23. The chairperson should be elected from among the directors with the presence of at least two-thirds of the directors and the consent of a majority of the directors present, and the chairperson shall represent the Company externally.

Article 24. The matters to be discussed by the Board of Directors shall be in accordance with the provisions of Article 7 of the Rules of Procedure for the Board of Directors' Meetings.

The Board of Directors' meetings shall be convened by the chairperson. The Board of Directors' meetings shall be convened by the director who receives the most ballots representing the voting rights, except for

the first Board of Directors' meeting of each term. The first Board of Directors' meeting of each term shall be convened within 15 days after re-election. The rest of the Board of Directors' meetings shall be convened by the chairman of the Board of Directors every quarter. Unless otherwise provided in the Company Act, a resolution of the Board of Directors shall be made with the presence of a majority of the directors and the consent of a majority of the directors present.

The Board of Directors' meetings shall be convened by giving notice to the directors and supervisors 7 days in advance, but may be convened at any time in case of emergency. Notice of the convening of the Board of Directors' meetings may be given in writing, by facsimile, or by e-mails.

Article 25. The meeting chair of the Board of Directors' meeting shall be the chairperson. If the chairperson is absent from work or unable to exercise his or her duties and responsibilities for any reason, the chairperson shall designate one of the directors to act on his or her behalf; if the chairperson does not make such a designation, the directors shall elect one among themselves to act as the meeting chair.

Article 26. The directors shall attend the Board of Directors' meetings in person. If a director is unable to attend the Board of Directors' meetings for any reason, he/she may appoint another director to act as his/her proxy. Each proxy may be appointed by one person only. The proxy is subject to the provisions of Article 205 and Article 208 of the Company Act. If the Board of Directors' meeting is held by video conference, the directors who participate in the meeting by video are deemed to be present in person.

Article 27. The directors shall exercise their powers and duties in accordance with the resolutions by the Board of Directors and the shareholders' meeting.

Article 28. Regarding the compensation for directors, the Remuneration Committee shall evaluate the extent of their participation in the Company's operations and the value of their contributions, and the Board of Directors is authorized to determine the compensation of directors based on the Remuneration Committee's recommendation and taking into account the usual standards of the industry.

#### Chapter 5. Managerial officers

Article 29. The Company may have a president, whose appointment, dismissal and compensation shall be in accordance with Article 29 of the Company Act.

#### Chapter 6. Accounting

Article 30. The fiscal year of the Company shall commence on January 1 and end on December 31. At the end of each fiscal year, the Company shall conduct the year-end accounting close.

Article 31. In accordance with Article 228 of the Company Act, the Board of Directors shall prepare the following accounting reports at the end of each fiscal year and submit them to the Audit Committee for examination 30 days prior to the shareholders' meeting and then to the regular shareholders' meeting for adoption.

1. Business report.



2. Financial statements.
3. Earnings distribution or losses make-up proposal.

Article 32. If the Company makes a profit in a year, the Company shall set aside 6% to 15% of the profit as remuneration to employees, in stock or cash as resolved by the Board of Directors in the form of stock or cash; the Company may set aside not more than 3% of the above profit as remuneration to directors as resolved by the Board of Directors. Proposal for profit-sharing remuneration for employees and profit-sharing remuneration for directors should be reported to the shareholders' meeting.

However, if the Company still has accumulated losses, the amount of loss make-up shall be reserved first, and then the profit-sharing remuneration for employees and directors can be appropriated in accordance with the aforementioned percentages.

The Company's employee stock options, employee profit-sharing remuneration, and employee stock subscriptions may be granted to employees of the holding or subordinate companies who meet certain criteria.

Article 33. If there is any surplus earnings as indicated by the Company's final accounts, 10% of the annual earnings shall be set aside as legal reserve after paying taxes and making up for accumulated losses in accordance with the law. But if the legal reserve has reached the Company's paid-in capital, no further provision shall be made, and the remainder shall be set aside as or reversed from special reserve as provided by law. If there are still remaining earnings, the Board of Directors shall prepare for the distribution of the remaining earnings together with the accumulated undistributed earnings as dividends to shareholder, and submit it to the shareholders' meeting for resolution on the distribution.

The Company's dividend policy is to cater to the current and future development plans with consideration of the investment environment, capital requirements and domestic and international competition, and the interests of shareholders; dividends to shareholders may be distributed in cash or in stocks, with cash dividends not less than 10% of the total dividends.

#### Chapter 7. Supplementary provisions

Article 34. Any matters not covered by these Articles of Incorporation should be handled in accordance with the Company Act and related regulations.

Article 35. These Articles of Incorporation were established on June 9, 2000 by a meeting of the founders with the consent of all the founders.

The 1st amendments were made on May 29, 2003.

The 2nd amendments were made on May 25, 2005.

The 3rd amendments were made on June 6, 2006.

The 4th amendments were made on June 19, 2008.

The 5th amendments were made on June 19, 2009.

The 6th amendments were made on June 15, 2010.

The 7th amendments were made on June 21, 2012.

The 8th amendments were made on June 24, 2016.

The 9th amendments were made on June 22, 2017.

The 10th amendments were made on June 21, 2019.

The 11th amendments were made on June 24, 2020.

The 12th amendments were made on July 30, 2021.

The 13th amendments were made on June 24, 2022.

The 14th amendments were made on June 21, 2023.

## Appendix 2: Procedures for Election of Directors

Article 1. In order to conduct election of directors in a fair, just, and open manner, the Company hereby establishes the Procedures in accordance with Articles 21 and 41 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies".

Article 2. Unless otherwise provided by law or the Articles of Incorporation, the election of directors of the Company shall be conducted in accordance with the Procedures.

Article 3. The election of directors of the Company shall have the overall composition of the Board of Directors taken into consideration. The composition of the Board of Directors shall be made with diversity taken into account, and appropriate diversity guidelines should be formulated with respect to the Company's operations, business model and development needs, including, but not be limited to, the following two major criteria:

1. Basic criteria and values: Gender, age, nationality and culture, etc.
2. Professional knowledge and skills: professional background (e.g. law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.

The members of the Board of Directors should generally have the necessary knowledge, skill, and experience to perform their duties; the Board of Directors as a whole should have the following competencies:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability
3. Business management ability
4. Crisis management ability
5. Industry knowledge
6. International market perspective
7. Leadership ability
8. Decision-making ability

No more than half of the directors shall be related to each other as spouses or relatives within the second degree of kinship.

Adjustments to the composition of the Board of Directors should be considered in light of the results of the performance evaluation.

Article 4. The qualifications of the Company's independent directors shall comply with the requirements under Articles 2, 3, and 4 of the "Regulations Governing Appointment of Independent Directors and Compliance

Matters for Public Companies".

The election of independent directors of the Company shall comply with the provisions of Articles 5, 6, 7, 8, and 9 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", and shall be conducted in accordance with the provisions of Article 24 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies".

Article 5. The election of directors of the Company shall be conducted in accordance with the procedures of the candidate nomination system stipulated in Article 192-1 of the Company Act.

If the number of directors is less than five due to discharge of any directors for any reason, the Company shall hold a by-election at the upcoming shareholders' meeting. However, if the vacancy of directors reaches one-third of the number of directors stipulated in the Articles of Incorporation, the Company shall hold an interim shareholders' meeting within 60 days from the date of the occurrence of the fact for a by-election.

If the number of independent directors is insufficient to meet the requirement of the proviso of Paragraph 1, Article 14-2 of the Securities and Exchange Act, a by-election shall be held at the upcoming shareholders' meeting; and if all of the independent directors are discharged, the Company shall hold an interim shareholders' meeting within 60 days from the date of occurrence of the fact for a by-election.

Article 6. The Company shall adopt the cumulative voting system for the election of directors. Each share shall have the same number of voting rights as the number of directors to be elected, and the ballots can be cast for a single candidate or split amount several candidates.

Article 7. The Board of Directors shall prepare ballots equal to the number of directors to be elected, and distribute them to the shareholders attending the shareholders' meeting with their numbers of voting rights specified. The names of the candidates may be substituted by the attendance card numbers printed on the ballots.

Article 8. The number of directors of the Company will be as specified in the Company's Articles of Incorporation, with voting rights separately calculated for independent and non-independent directors. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially. In the event that two or more candidates receive the same number of voting rights, thus exceeding the specified number of directors, those receiving the same number of voting rights shall draw lots to determine the winner, and the meeting chair shall draw lots on behalf of those who are not in attendance.

Article 9. Before the election begins, the meeting chair shall appoint a number persons with shareholder status as vote monitoring and counting personnel to perform the relevant tasks. The ballot box shall be prepared by the Board of Directors, and opened for examination in public by the vote monitoring personnel before the voting is taken.

Article 10. A ballot is invalid under any of the following circumstances:

1. The ballot is not prepared by the person with the convening right.
2. A blank ballot is placed in the ballot box.

3. The writing is unclear and indecipherable or has been altered.
4. The candidate entered does not match the list of director candidates.
5. Other words are entered than the voting rights allotted.

Article 11. The voting results shall be tallied on site immediately and announced by the meeting chair on site, including the list of director elects and the number of voting rights they receive.

The ballots for the aforementioned election shall be sealed and signed by the vote monitoring personnel and kept in a safe place for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 12. The Board of Directors of the Company shall issue a notice of election to each of the director elect.

Article 13. The Procedures, and any amendments hereto, shall be implemented after approval by the shareholders' meeting.

### Appendix 3: Rules of Procedure for Shareholders' Meeting

Article 1. In order to establish a good governance system for the Company's shareholders' meetings, improve the supervisory function and strengthen the management mechanism, the Company hereby sets forth these Rules in accordance with Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Article 2. The meeting procedure for the Company's shareholders' meetings shall be governed by these Rules unless otherwise provided by law or the Articles of Association.

Article 3. Unless otherwise provided by law, the Board of Directors shall convene the shareholders' meetings of the Company.

The Board of Directors shall resolve any change in the format of convening a shareholders' meeting of the Company, and shall make such a resolution at the latest prior to the mailing of the notice of the shareholders' meeting.

The Company shall send the notice of the shareholders' meeting, the proxy form, and the subject and explanatory materials of the proposals for adoption, discussion, and election or dismissal of directors to the Market Observation Post System (MOPS) 30 days prior to the regular shareholders' meeting or 15 days prior to the interim shareholders' meeting. 21 days before a regular shareholders' meeting or 15 days before a special shareholders' meeting, the electronic versions of the shareholders' meeting handbook and supplementary materials of the meeting shall be prepared and uploaded to the information reporting website designated by the Financial Supervisory Commission.

However, if the Company has a paid-in capital of NT\$10 billion or more as of the end of the most recent fiscal year, or if the shareholding of foreign and Mainland shareholders as recorded in the shareholders' roster for the regular shareholders' meeting in the most recent fiscal year has reached 30% or more, the electronic transmission of the aforementioned electronic file shall be completed 30 days before the convening of the regular shareholders' meeting. The meeting handbook and supplementary materials of the meeting should be made available to shareholders 15 days before the shareholders' meeting, and are exhibited on the premises of the Company and the professional stock affairs agency appointed by the Company, and are distributed on-site in the shareholders' meeting.

The aforementioned handbook and supplementary information shall be made available to shareholders on the date of the shareholders' meeting in the following manner:

1. When a face-to-face shareholders' meeting is held, they shall be distributed at the shareholders' meeting.
2. When a video-assisted shareholders' meeting is held, they shall be distributed at the shareholders' meeting and transmitted to the video conference platform in electronic files.
3. When a video shareholders' meeting is held, they shall be transmitted to the video conference platform in electronic files.

The notice and announcement should specify the causes for convening the meeting; with the corresponding party's consent, the meeting notice may be given in an electronic form.

The election or dismissal of directors and independent directors, change of the Article of Incorporation, reduction of capital, application for suspension of a public offering, permission for directors to compete for business, transfer of earnings to capital, transfer of reserves to capital, dissolution, merger, demerger, or the matters set forth in Article 185, Paragraph 1 of the Company Act, Article 26-1 and 43-6 of the Securities and Exchange Act, Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers should be listed and explained in the cause for convening and must not be proposed as extempore motions; the main contents thereof should be stated, and shall not be proposed by extempore motions;

Where re-election of all directors and independent directors and the date of their assumption of offices are stated in the causes for convening the shareholders' meeting, after the completion of the re-election in the meeting, such date of their assumption of offices may not be altered by any extempore motion or other means in the same meeting.

Shareholders holding more than 1% of the total number of issued shares may submit a proposal to the Company for a regular shareholders' meeting. However, the number of items in the proposal is limited to one. A proposal containing more than one item will not be included in the meeting agenda. In addition, when any of the circumstances of Paragraph 4 of Article 172-1 of the Company Act applies to a proposal put forward by a shareholder, the Board of Directors may exclude it from the meeting agenda. Shareholders may submit proposals for the purpose of urging the Company to promote the public interest or fulfill its social responsibility. Procedurally, it shall be limited to one proposal in accordance with the relevant provisions of Article 172-1 of the Company Act, and submissions with more than one proposal shall not be included in the agenda.

The Company shall announce the acceptance of shareholders' proposals, written or electronic means of acceptance, the place of acceptance, and the period of acceptance should be no less than ten days prior to the date of the regular shareholders' meeting.

Each of such proposals is limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the annual general meeting of shareholders and take part in the discussion of the proposal.

Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results and shall list in the meeting notice the proposals that conform to the provisions of this article. With regard to the proposals submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the board of directors at the shareholders' meeting to be convened.

Article 4. For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization..

Each shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting and shall deliver the proxy form to the Company at least five days before the date of the shareholders' meeting. When a duplicate proxy form is served, the one received earliest shall prevail, unless a declaration is made to cancel the previous proxy form.

Once a proxy form is received by the Company, if a shareholder wishes to attend the shareholders' meeting in person or to exercise their voting rights in writing or by electronic means, a written proxy rescission notice shall be filed with the Company two days prior to the date of the shareholders' meeting, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

Once a proxy form is received by the Company, if a shareholder wishes to attend the shareholders' meeting by electronic means, a written proxy rescission notice shall be filed with the Company two days prior to the date of the shareholders' meeting, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

Article 5. (Principles for the location and time of a shareholders' meeting)

The location for a shareholders' meeting shall be the premises of the Company or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to independent directors' opinions with respect to the place and time of the meeting.

The Company shall not be restricted from holding a video shareholders' meeting on the location as described above.

Article 6. (Preparation of a sign-in book and other documents)

The Company shall state, in the meeting notice, the sign-in time and place for shareholders, solicitors, and proxies (hereinafter referred to as "shareholders"), and other matters that shall be noted.

The above-mentioned time for the acceptance of registrations for shareholders' attendance shall be at least 30 minutes prior to the start of the meeting; the registration area shall be clearly marked, and adequate and appropriate personnel shall be assigned to handle the registrations; The acceptance of registrations for shareholders' meetings by video conference should be 30 minutes before the start of the meeting on the video conferencing platform of the shareholders' meeting, and the shareholders who complete the registrations shall be deemed to attend the shareholders' meeting in person.

Shareholders shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company must not arbitrarily add requirements for other documents from the shareholders in support of their eligibility to attend. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish a signature book for the attending shareholders to sign in, or the attending shareholders shall submit a sign-in card to sign in on their behalf.



The Company should furnish attending shareholders with the meeting handbook, annual report, attendance card, speaker slips, voting ballots, and other meeting materials. Where there is an election of directors, ballots should also be furnished.

When a shareholder is a government or a corporation, the number of representatives to attend the shareholders' meeting is not limited to one. When a corporation is entrusted to attend a shareholders' meeting, only one representative can be appointed to attend.

When a shareholders' meeting is held by video conference, shareholders who wish to attend by video conference should register with the Company two days prior to the shareholders' meeting.

If a shareholders' meeting is held by video conference, the Company shall upload the meeting handbook, annual report and other relevant information to the video conferencing platform at least 30 minutes prior to the meeting and continue to disclose them until the end of the meeting.

Article 6-1: (For a video shareholders' meeting, matters to be included in the notice of the meeting)

The Company shall set forth the following in the notice of shareholders' meeting when convening a shareholders' meeting by video means:

1. The way shareholders participate in the video conference and exercise their rights.
2. The handling of obstacles to the video conferencing platform or video participation due to natural disasters, events or other force majeure circumstances shall include at least the following:
  - (1) The time when the aforementioned obstacles continue and cannot be removed, and the date when the meeting must be postponed or reconvened.
  - (2) Shareholders who have not registered to participate in the original meeting by video conference shall not participate in the postponed or reconvened meeting.
  - (3) If a video-assisted shareholders' meeting cannot be reconvened by video conference, the shareholders' meeting shall continue if the total number of shares present reaches the legal quota for the shareholders' meeting after deducting the number of shares attending the shareholders' meeting by video conference, and the number of shares attending the shareholders' meeting by video conference shall be counted in the total number of shares present for the shareholders' meeting, and shall be deemed abstain from all proposals for that shareholders' meeting.
  - (4) In the event that the results of all motions have been announced and no extempore motion has been made, the handling method.
3. The Company shall convene a shareholders' meeting by video conference and shall state the appropriate alternative measures for shareholders who have difficulties in participating in the shareholders' meeting by video conference.

Article 7. (Meeting chair and attendees at shareholders' meetings)

If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. When the Chairman is on leave or unable to exercise the powers as the chair for any reason, the Vice Chairman shall chair the meeting on his behalf. Where there is no such a position as Vice Chairman or the Vice Chairman is on leave or unable to exercise the powers as the chair for any reason, the Chairman shall appoint one of the managing directors to act as the chair. Where there is no such a position as managing director, the Chairman shall appoint one of the directors to act as the chair. Where the Chairman fails to make such a designation, the managing directors or directors shall select, from among themselves, one person to serve as the chair.

When a managing director or director serves as the chair, as referred to in the preceding paragraph, the director shall have held that position for six months or more with great understanding of the Company's financial position and business conditions. The same shall apply for a representative of a corporate director to serve as the chair.

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

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

The Company may appoint its attorneys, CPAs, or relevant persons retained by it to attend a shareholders' meeting in a non-voting capacity.

#### Article 8. (Evidence of the audio or video recordings of the shareholders' meeting)

The Company shall make an uninterrupted audio and video recording of the entire process of the shareholders' meeting from shareholders' sign-in, the proceedings of the meeting, as well as the process of voting and vote counting.

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

If a shareholders' meeting is held by video conference, the Company shall keep records of the shareholders' registration, sign-in, attendance, questions, voting, and the Company's vote counting results, and shall make an uninterrupted audio and video recording of the entire video conference.

The Company shall keep the aforementioned information and audio and video recordings throughout the life of the Company period and provide the audio and video recordings to the person appointed to administer the video conference for retention.

If the shareholders' meeting is held by video means, the Company is advised to record the operating interface

of the backend of the video conference platform.

Article 9. (Attendance at shareholders' meetings shall be counted based on numbers of shares) The number of shares in attendance shall be calculated according to the shares indicated by sign-in book or the sign-in cards handed in, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order upon the meeting time and disclose information concerning the number of non-voting shares and number of shares represented by shareholders attending the meeting.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. When there are still insufficiently attending shareholders representing more than one-third of the total issued shares after two postponements, the meeting chair shall announce the meeting to be aborted. If the meeting is held by video conference, the Company shall also announce the meeting to be aborted on the video conferencing platform of the shareholders' meeting.

When there are still insufficient attending shareholders representing more than one-third of the total issued shares after two postponements, a tentative resolution may be adopted in accordance with Article 175, Paragraph 1 of the Company Act and all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month. If the shareholders' meeting is held by video conference, the shareholders who wish to attend the meeting by video conference shall re-register with the Company in accordance with Article 6.

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

Article 10. (Proposal discussion)

If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on the proposals on the agenda one by one (including extempore motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution by the shareholders' meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders' meeting convened by a party with the power to convene other than the Board of Directors.

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

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

#### Article 11. (Speeches by shareholders)

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

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

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

Attending shareholders may not interfere with the speaking shareholders without the Chairman's consent and the speaking shareholders. The Chairman will have the violating shareholders stopped.

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

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

If the shareholders' meeting is convened by video conference, shareholders participating by video conference may ask questions by text on the video conferencing platform after the meeting chair calls the meeting to order and before the meeting is adjourned, and the number of questions shall not exceed two for each proposal, and each time shall be limited to 200 words, and the provisions of Paragraphs 1 to 5 shall not apply.

If the preceding question does not violate the regulations or is within the scope of the proposal, it is appropriate to disclose the question on the video conferencing platform of the shareholders' meeting for public information.

#### Article 12. (Counting of voting shares and a recusal policy)

Votes cast at shareholders' meetings shall be calculated based on numbers of shares.

With respect to resolutions by a shareholders' meeting, the number of shares held by a shareholder without voting rights shall not be calculated as part of the total number of outstanding shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such

a relationship would prejudice the interests of the Company, that shareholder may not vote on that item and may not exercise voting rights as a proxy for any other shareholder.

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

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

Article 13. Each shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, Paragraph 2 of the Company Act.

When the Company holds a shareholders' meeting, it shall adopt the exercise of voting rights by electronic means and may adopt the exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder who exercises his or her voting rights in writing or by electronic means is deemed to be present in person at the shareholders' meeting, but to have waived their rights with respect to the extempore motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extempore motions and amendments to original proposals.

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

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. If the shareholder exercises the voting right in writing or by electronic means and appoints a proxy with a proxy form to attend the shareholders' meeting, the voting right exercised by the attending proxy at the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a vote by the shareholders. After the public offering of the Company's shares, at the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and

against and the number of abstentions, shall be entered on the MOPS.

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

Vote monitoring and counting personnel for the voting on proposals shall be appointed by the chair, provided all scrutineers be shareholders of the Company.

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

After the meeting chair calls the Company's shareholders' meeting by video conference to order, the shareholders participating by video conference shall vote on the proposals and the elections through the video conferencing platform, and the voting shall be completed before the meeting chair announces the end of the voting, and any delay shall be deemed as abstention.

If a shareholders' meeting is convened by video conference, a one-time vote count shall be conducted after the meeting chair announces the close of voting and the voting and election results shall be announced

When the Company convenes a video-assisted shareholders' meeting, shareholders who have registered to attend the shareholders' meeting by video conference in accordance with Article 6 and wish to attend the face-to-face shareholders' meeting in person shall deregister in the same manner as they have registered two days prior to the shareholders' meeting; if they deregister after that time, they can attend the shareholders' meeting by video conference only.

A shareholder who exercises his or her voting rights in writing or by electronic means and does not revoke his or her declaration of intent to attend the shareholders' meeting by video means may not exercise his or her voting rights on the original motion or propose amendments to the original motion or exercise his or her voting rights on amendments to the original motion, except for an extempore motion.

#### Article 14. (Elections)

In the event of an election of directors in a shareholders' meeting, the election results, including the list of elected directors and the number of their elected rights, should be announced on the spot in accordance with the relevant election regulations established by the Company.

The ballots for the aforementioned election shall be sealed and signed by the vote monitoring personnel and kept in a safe place for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 15. Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall

be affixed with the signature or seal of the meeting chair and shall be distributed to all shareholders within twenty days after the close of the meeting. The preparation and distribution of the meeting minutes can be done electronically.

The distribution of the aforementioned resolutions can be entered into the Market Observation Post System to be publicly announced.

The minutes of meeting should correctly record the year, month, day, location, name of the meeting chair, voting method, the essentials of the proceedings and the voting results (including the statistical weights). If there is an election of directors, the votes received by each nominee shall also be disclosed. The minutes are to be kept permanently during the Company's existence.

If a shareholders' meeting is held by video means, the minutes of the meeting shall include, in addition to the matters required to be recorded under the preceding paragraph, the starting and ending time of the shareholders' meeting, the method of holding the meeting, the names of the meeting chair and the recorder, and the method and circumstances of dealing with the situation in the event that the video conferencing platform or participation by video means is impaired due to natural disaster, event or other force majeure should be recorded.

In addition to following the aforementioned provisions, the Company shall, when convening a video shareholders' meeting, state the appropriate alternative measures for shareholders who have difficulties in participating in the shareholders' meeting by video means.

#### Article 16. (Public announcement)

On the day of the shareholders' meeting, the Company should compile in the prescribed format a statistical statement of the number of shares obtained by solicitors, the number of shares represented by proxies, and the number of shares attended by shareholders in writing or by electronic means and shall make an express disclosure in the shareholders' meeting. If the shareholders' meeting is held by video means, the Company shall upload the aforementioned information to the video conferencing platform of the shareholders' meeting at least 30 minutes prior to the start of the meeting and continue to disclose the information until the end of the meeting.

When the Company convenes a shareholders' meeting by video means, the Company shall disclose the total number of shares of shareholders present on the video conferencing platform when the meeting is called to order. The same applies if the total number of shares and voting rights of shareholders present are also counted at the meeting.

If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or required by TWSE (TPEX), the Company shall upload the content of such resolution to the Market Observation Post System within the prescribed time period.

#### Article 17. (Maintenance of the order of the meeting location)

Staff handling administrative affairs of a shareholders' meeting shall wear an identification badge or an armband.

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

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

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

#### Article 18. (Recess and resumption of a shareholders' meeting)

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

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

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

#### Article 19. (Disclosure of information for video conference)

If a shareholders' meeting is held by video conference, the Company shall disclose the voting results of each proposal and election results on the video conferencing platform of the shareholders' meeting immediately after the close of voting in accordance with the regulations, and shall continue to do so for at least fifteen minutes after the meeting chair announces the adjournment of the meeting.

#### Article 20. (Location of the meeting chair and recorder of the video shareholders' meeting)

The meeting chair and the recorder shall be present at the same venue in the country when the Company convenes a shareholders' meeting by video conference, and the meeting chair shall announce the address of such location at the time the meeting is called to order.

#### Article 21. (Handling of disconnection)

If a shareholders' meeting is held by video means, the Company may provide a simple connection test for shareholders before the meeting and provide relevant services immediately before and during the meeting to assist in handling technical problems of communication.



If a shareholders' meeting is convened by video conference, the meeting chair shall, at the time of calling the meeting to order, separately announce, except for the circumstances specified in Article 44-20-4 of the Regulations Governing the Administration of Shareholder Services of Public Companies that do not require the adjournment or resumption of the meeting, if, before the meeting chair announces the adjournment of the meeting, there is an obstacle to participation on the video conferencing platform or by video means that lasts for more than 30 minutes due to a natural disaster, an event or other force majeure, the meeting shall be adjourned and resumed within five days. The provisions of Article 182 of the Company Act shall not apply

In the event of an adjournment or reconvening of a meeting under the preceding Paragraph, shareholders who have not registered to participate in the original meeting by video conference shall not participate in the postponed or reconvened meeting.

For the postponed or reconvened meeting in accordance with the second paragraph, if a shareholder who has registered to attend the original shareholders' meeting by video means and has completed the registration for the meeting, but does not participate in the adjourned or reconvened meeting, the number of shares, voting rights and election rights exercised at the original shareholders' meeting shall be counted in the total number of shares, voting rights and election rights of the shareholders attending the adjourned or reconvened meeting.

If the shareholders' meeting is adjourned or reconvened in accordance with the second paragraph, there is no need to discuss and resolve again if the voting and counting of votes have been completed and the voting results or the list of directors elected have been announced.

If the Company holds a video-assisted shareholders' meeting and the video conference cannot be reconvened in accordance with Paragraph 2, the shareholders' meeting shall continue if the total number of shares present, after deducting the number of shares attending the shareholders' meeting by video means, still reaches the legal quota for the shareholders' meeting, without the need to adjourn or reconvene the meeting in accordance with Paragraph 2.

In the event that the meeting should be continued under the preceding paragraph, the number of shares attending the shareholders' meeting by video means shall be counted in the total number of shares attended, but shall be deemed to be abstained for the purpose of all proposals at that meeting.

If the Company adjourns or reconvenes the meeting in accordance with Paragraph 2, the Company shall comply with the provisions set forth in Paragraph 7, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, and shall complete the relevant preliminary work in accordance with the date of the original shareholders' meeting and the provisions of each Article.

In accordance with the latter part of Article 12 and Paragraph 3 of Article 13 of the Regulations Governing the Use of Proxies for Attendance at shareholders' meetings of Public Companies and the period set forth in Paragraph 2 of Article 44-5, Article 44-15 and Paragraph 1 of Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall follow the date of the

shareholders' meeting for the postponement or reconvening of the meeting as stipulated in Paragraph 2.

Article 22. (Handling of digital gaps)

When convening a shareholders' meeting by video means, the Company shall provide the appropriate alternative measures for shareholders who have difficulties in participating in the shareholders' meeting by video means.

Article 23. These Rules, and any amendments hereto, shall be implemented after approval by the shareholders' meetings.

The 1st amendments were made on November 26, 2010.

The 2nd amendments were made on June 21, 2012.

The 3rd amendments were made on June 24, 2015.

The 4th amendments were made on June 24, 2020.

The 5th amendments were made on July 30, 2021.

The 6th amendments were made on June 24, 2022.

Appendix 4: Impact of stock dividends on the Company's operating performance, earnings per share and return on shareholders' investment

Item			Year	2023 (Estimate)
Paid-in capital at the beginning of the period				NT\$1,322,052,940
Distribution of stock and cash dividends in the year	Cash dividends per share			\$0.3 (Note 1)
	Number of allotted shares per share for capital increase from capital surplus			-
	Number of allotted shares per share for capital increase from earnings			-
Changes in operating performance	Operating profit			Not applicable (Note 2)
	Percentage of increase (decrease) in operating profit over the same period last year			
	Net profit after tax			
	Percentage of increase (decrease) in net profit after tax over the same period last year			
	Earnings per share			
	Percentage of increase (decrease) in earnings per share over the same period last year			
	Average annual return on investment (inverse of the average annual price to earnings ratio)			
Pro forma earnings per share and price to earnings ratio	If the earnings are fully distributed as cash dividends instead of being used for capital increase	Pro forma earnings per share		Not applicable (Note 2)
		Pro forma average annual return on investment		
	If there is no capital increase from capital surplus	Pro forma earnings per share		
		Pro forma average annual return on investment		
	If the capital surplus and earnings are fully distributed as cash dividends instead of being used for capital increase	Pro forma earnings per share		
		Pro forma average annual return on investment		

Note 1: To be resolved at the 2024 annual shareholders' meeting.

Note 2: The Company is not required to disclose financial forecast for 2024 in accordance with the "Regulations Governing the Publication of Financial Forecasts of Public Companies".

## Appendix 5: Shareholdings of directors

1. The paid-in capital of the Company is NT\$1,322,052,940 and the number of issued shares is 132,205,294.

2. In accordance with the provisions of Article 26 of the Securities and Exchange Act:

The minimum number of shares to be held by all directors is 8,000,000 shares (Note 1).

3. As of the date of suspension of stock transfer for the shareholders' meeting (2024.04.27), the number of shares held by all directors as recorded on the shareholders' roster is as follows:

Title	Name	Date elected	Term of office	Shareholding when elected		Shareholding at present (Note 2)	
				Number of shares	Percentage	Number of shares	Percentage
Chairperson	Sheng-Chang Wu	2021/07/30	3	7,059,232	5.40%	7,059,232	5.34%
Director	Feng Rong Industrial Co., Ltd. Representative: Chi-Teng Hsieh	2021/07/30	3	3,401,959	2.60%	3,399,959	2.57%
Director	Hsin Mu Energy Co., Ltd.	2021/07/30	3	1,181,380	0.90%	2,000,380	1.51%
Director	Representative of Chan Fun Investment Co., Ltd.: Fang-Chu Hsieh	2021/07/30	3	1,443,037	1.10%	1,800,000	1.36%
Director	Chih-Hung Yen	2021/07/30	3	3,638,310	2.78%	5,566,837	4.21%
Director	Mei-Ling Tseng	2021/07/30	3	594,945	0.45%	670,782	0.51%
Independent director	Shih-Mei Lin	2021/07/30	3	-	-	-	-
Independent director	Chien-Min Wang	2021/07/30	3	-	-	-	-
Independent director	Chien-Ju Lin	2022/06/24	2	-	-	-	-
Total shareholding of all directors				17,318,863	13.23%	20,497,190	15.50%

Note 1: The minimum number of shares to be held is calculated at a 20% off discount to the statutory percentage because the requirement for independent directors is met.

Note 2: The paid-in capital was NT\$1,322,052,940 as of April 27, 2024.