

# Unictron Technologies Corporation

## Meeting Agenda (Translation)

### 2024 Annual General Shareholders' Meeting

Meeting Time: May 31, 2024

Place: 2F, No. 428, Kewang Road, Longtan District, Taoyuan  
City, Taiwan (208 Conference Room in Aspire Resort)

If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese language version shall prevail.

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# One. Meeting Procedure

## Unictron Technologies Corporation

### Procedure for the 2024 Annual Meeting of Shareholders

- I. Call the Meeting to Order
- II. Chairperson Remarks
- III. Report Items
- IV. Recognition Items
- V. Extraordinary Motions
- VI. Adjournment

## Two. Meeting Agenda

### Unictron Technologies Corporation

### Year 2024 Agenda of Annual Meeting of Shareholders

Time: 9:00 a.m. on Friday, May 31, 2024

Place: 2F, No. 428, Kewang Road, Longtan District, Taoyuan City, Taiwan (208 Conference Room in Aspire Resort)

The method for convening: physical shareholders' meeting

#### **I. Call the Meeting to Order (reporting present shares)**

#### **II. Chairperson Remarks**

#### **III. Report Items**

- (I) 2023 Business Report
- (II) Audit Committee's Review Report on the 2023 Financial Statements
- (III) 2023 remunerations distribution to employees and director
- (IV) 2023 profits distribution and cash dividends
- (V) The amendment of Rules of Procedure for Board of Directors' Meetings.

#### **IV. Recognition Items**

- (I) 2023 Business Report and Financial Statements
- (II) Distribution of 2023 Profits

#### **V. Extraordinary Motions**

#### **VI. Adjournment**

### Three. Report Items

#### (I) 2023 Business Report

#### 2023 Business Report

2023 business report and 2024 business plans:

##### I. 2023 business results

##### (I) Results of implemented business plan

The Company's consolidated operating revenue in 2023 was NT\$1,380,876 thousand, reducing by approximately 8% from 2022. After settlement, the after-tax net profit attributable to the owners of the parent company of the full year was NT\$195,973 thousand, reducing by approximately 27% from 2022.

Summary	2023	2022	Rate of increase/decrease
Operating revenue	1,380,876	1,498,552	-8%
Gross operating profit	498,216	591,388	-16%
Net operating profit	205,801	255,703	-20%
Net profit before tax	222,283	312,356	-29%
Net income attributable to parent	195,973	269,773	-27%

(II) Implementation of budget: the Company has not prepared financial projections for Year 2023 and therefore not applicable.

##### (III) Financial incomes, expenditures, and profits

Analysis item		Year 2023
Financial structure	Debt to assets ratio	17%
	Financial liability ratio	-
	Ratio of long-term capital to fixed assets	322%
Solvency	Current ratio	433%
	Quick ratio	334%
	Times interest earned (pre-tax) (times)	93
Profitability	Return on total assets	9%
	Return on shareholders' equity	12%
	Net profit margin	14%
	Earnings per share (EPS)	4.18

##### (IV) R&D status

The R&D expenses invested this year amounted to NT\$129,497 thousand, which is 9.38% of the total revenue. As the Company's core competitiveness is the material formula and process technology as well as technology of radio frequency circuit design, the Company, based on customers' needs and the future development direction of the electronics industry, is committed to researching and manufacturing key electronic components, and continues to develop new niche products.

## II. 2024 business plan and outlook

### (I) Operation direction:

Innovative and customized product design, and manufacturing capabilities are the Company's core competitiveness. Continuous R&D of new products is the consistent business philosophy of Unictron Technologies. With the efforts of the R&D team, new products are launched every year. Over the years, the Company has obtained or applied for more than 100 patents in various countries.

### (II) Expected production, sales and R&D status:

1. Electronic ceramic components: The Company will continue to develop a full range of antenna design and services, including the development of high precision positioning antennas, array antennas and antenna modules for low-orbit satellite ground receiving stations, 5G millimeter wave communications, intelligent water buoys, liquid level sensors and flow meters.
2. Modules and system products: Apart from being convenient for customers to use or install, modules and system products can support systematic design based on components technology process, whose added value is higher than that of components. Therefore, the Company will continue to expand the market share of such products in the future.
3. Other electronic components: The Company is a supplier of circuit protection component solutions, providing its customers with a various circuit protection components. As the circuit protection component be used in all type of electronic products, the Company will continue improving the design and service capability.

### (III) Future company development strategies, and effects from external competition environment, legal environment, and macro operating environment:

The market outlook for the first half of 2024 is still conservative. Although inter-industry inventory levels have declined, there is insufficient confidence in future economic momentum and inflationary spike is still a problem, which has slowed down the rebound in the industry. Nevertheless, the company will still keep track of customer conditions and adjust production capacity to the best possible state. In the long run, the Company's core competitiveness and continuous growth in revenue will remain unchanged.

In addition to continuous R&D, design and launch of new products, the Company is also committed to promoting automation of production line and improving yields, continuously reducing costs and improving product competitiveness. In terms of production of the R&D results, the Company also continuously applies for patents in various countries to protect the intellectual property rights.

For sustainable management and environmental protection, the Company has formulated a strategy of sustainable development based on the principles of environmental protection, social responsibility, and corporate governance. We aim to balance the interests of our stakeholders through sound and sustainable corporate governance, protect the global environment, and fulfill our corporate social responsibility through social participation.

Chairperson:



President:



Accounting Manager:



## **(II) Supervisor's Review Report on the 2023 Financial Statements**

### **Audit Committee's Review Report**

The board of directors has prepared the 2023 business report, consolidated financial statements, and the profit distribution proposal. The financial statements have been audited by Tang, Tzu-Jie, CPA, and Chang, Huei-Jen, CPA from KPMG Taiwan, with the audit report presented. We have reviewed the above business report, financial statements, and the profit distribution proposal, to which we have found no misstatement, and we hereby issue a review report as presented above in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please proceed to review it.

To

Unictron Technologies Corporation Year 2024 Agenda of Annual Meeting of Shareholders

Convener of the Audit Committee: Cheng, Wei-Shun

鄭維順



February 27, 2024

## **(III) 2023 remunerations distribution to employees and director**

In accordance with the Company charter, the remuneration of directors for the year 2023 was NT\$1,869,173 and the remuneration of employees was NT\$24,922,313, all of which were paid in cash.

## **(IV) 2023 earnings distribution and cash dividends**

1. According to the Articles of Incorporation, if the Company is to distribute all or part of the dividends and bonuses, it should be distributed in cash. The resolution shall be adopted in a board meeting attended by two-thirds or more of the directors with the majority of the attending directors in favor, then reported to the shareholders' meeting.
2. The distributed earnings of the Company are the retained earnings of 2023. With cash dividends for each ordinary share being NT\$3.6, the total amount of cash dividends is NT\$ 168,751,170.
3. The percentage of cash dividends is calculated up to the unit of NT\$ and rounded off to the nearest NT\$, and the total amount of deficiencies less than NT\$ 1 is adjusted by decimal places from largest to smallest and account numbers from front to back in order to meet the total amount of cash dividends distributed.
4. In the event that the payout ratio of shareholders is affected by changes in the Company's share capital and the number of outstanding shares and requires adjustment, the Chairperson shall be authorized to deal with it and revise the distribution record date.

## **(V) The amendment of Rules of Procedure for Board of Directors' Meetings**

In order to conform to amendments to related commercial laws and the needs of the Company's practice, the Company hereby proposes to amend the Rules of Procedure for Board of Directors' Meetings. Please refer to page 8 [Attachment I] for details.

## Four. Recognition Items

Proposal: [Proposed by the Board]

Proposal: Adoption of the 2023 Business Report and Financial Statements

Explanation:

1. Unictron Technologies Corporation's 2023 Financial Statements have been audited by Tzu-Chieh Tang CPA, and Huei-Chen Chang, CPA from KPMG Taiwan, which can properly show the financial status and cash flow of the Company by the end of December 31 of the Year 2023.
2. The 2023 Business Report, independent auditors' report and financial statements please refer to page 4-5 and page 9-26 [Attachment II].

Resolution

Proposal: [Proposed by the Board]

Proposal: Adoption of the Proposal for Distribution of 2023 Earnings

Explanation: Earnings Distribution Table of Year 2023:

Unictron Technologies Corporation  
Earnings Distribution Table  
Year 2023

Unit: NTDS\$

Items	Amount
Unappropriated retained earnings of prior years	227,567,621
Add: Remeasurement of defined benefit plans	228,428
Add: net profit after tax in year 2023	195,973,239
Subtotal	423,769,288
Less: 10% legal reserve	-19,620,167
Add: Reverse for special reserve	10,000,732
Distributable profits of the Year	414,149,853
Less: distributable items	
Cash Dividend to shareholders-NT\$3.6	-168,751,170
Unappropriated retained earnings	245,398,683

Chairperson:



President:



Accounting Manager:



Resolution

## Five. Extraordinary Motions

## Six. Adjournment

## Unictron Technologies Corporation

## Comparison Table of Rules of Procedure for Board of Directors' Meetings before and after revision

Articles	Unrevised Articles	Revised Articles	Description
Article 8	<p>When a board meeting of the Company is convened, the Finance Department shall prepare relevant information for the reference of directors at any time.</p> <p>Depending on the content of the agenda, personnel from the relevant departments or subsidiaries may be notified to attend the board meeting. If necessary, CPAs, lawyers or other professionals may also be invited to attend meetings and give explanations. However, they shall leave the meeting during the discussion and voting .</p> <p>Immediately upon the attendance of more than half of the directors, the meeting shall be called to order by the chairperson of the board.</p> <p>At the scheduled meeting time, if half of all directors are absent, the chairperson may announce a postponement of the meeting. The number of postponements is limited to two. If the quorum is still insufficient after two postponements, the chair may re-convene in accordance with the procedures specified in Article 3, Paragraph 1.</p> <p>All Directors referred to in the preceding paragraph and Article 16, Paragraph 2, Subparagraph 2 shall be counted as the actual number of persons currently in office.</p>	<p>When a board meeting of the Company is convened, the Finance Department shall prepare relevant information for the reference of directors at any time. Depending on the content of the agenda, personnel from the relevant departments or subsidiaries may be notified to attend the board meeting. If necessary, CPAs, lawyers or other professionals may also be invited to attend meetings and give explanations. However, they shall leave the meeting during the discussion and voting .</p> <p>Immediately upon the attendance of more than half of the directors, the meeting shall be called to order by the chairperson of the board.</p> <p>At the scheduled meeting time, if half of all directors are absent, the chairperson may announce a postponement of the meeting <b>on that day</b>. The number of postponements is limited to two. If the quorum is still insufficient after two postponements, the chair may re-convene in accordance with the procedures specified in Article 3, Paragraph 1.</p> <p>All Directors referred to in the preceding paragraph and Article 16, Paragraph 2, Subparagraph 2 shall be counted as the actual number of persons currently in office.</p>	Revision as required by rules and actual situations
Article 11	<p>The Board meeting of the Company shall proceed in accordance with the agenda scheduled in the notice of the meeting, but changes may be made with the consent of more than half of the directors present.</p> <p>The chairman shall not declare the meeting adjourned without the consent of more than half of the directors present.</p> <p>During a board meeting, if the number of directors present does not reach more than half of the directors present, upon the proposal of the directors present, the chairperson shall announce the suspension of the meeting, and the provisions of Article 8, Paragraph 4 shall apply.</p>	<p>The Board meeting of the Company shall proceed in accordance with the agenda scheduled in the notice of the meeting, but changes may be made with the consent of more than half of the directors present.</p> <p>The chairman shall not declare the meeting adjourned without the consent of more than half of the directors present.</p> <p>During a board meeting, if the number of directors present does not reach more than half of the directors present, upon the proposal of the directors present, the chairperson shall announce the suspension of the meeting, and the provisions of Article 8, Paragraph 4 shall apply.</p> <p><b><u>Article 7, Paragraph 3 shall apply to the appointment of proxies of the chairperson who is unable to preside over the meeting or adjourned without complying with the provisions of paragraph 2 when board meetings are in progress.</u></b></p>	
Article 18	<p>The establishment and <b>amendments</b> of these Rules and Procedures shall be subject to the approval of the Board of Directors, and shall be reported to the shareholders' meeting. The board of directors may be authorized to resolve any amendments in the future.</p>	<p>The establishment of these Rules and Procedures shall be subject to the approval of the Board of Directors, and shall be reported to the shareholders' meeting.</p> <p>The board of directors may be authorized to resolve any amendments in the future.</p>	Revision as required by actual situations
Article 19	<p>These Rules of Procedure were established on June 27, 2018. Effective and applicable upon the completion of the public offering of the Company.</p> <p>The first amendment was made on July 14, 2020.</p> <p>The second amendment was made on March 11, 2021.</p>	<p>These Rules of Procedure were established on June 27, 2018. Effective and applicable upon the completion of the public offering of the Company.</p> <p>The first amendment was made on July 14, 2020.</p> <p>The second amendment was made on March 11, 2021.</p> <p><b><u>The third amendment was made on February 27, 2024.</u></b></p>	Date of revision

## Independent Auditors' Report

To the Board of Directors of Unictron Technologies Corporation

### Opinion

We have audited the consolidated financial statements of Unictron Technologies Corporation and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), and interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of 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 Group's consolidated financial statements for the year ended December 31, 2023 are stated as follows:

#### I. Revenue recognition

Please refer to Note 4(15) to the consolidated financial reports for the accounting policies related to revenue and Note 6(19) to the consolidated financial reports for disclosures related to revenue recognition.

Description on the Key Audit Matters:

The Unictron Group's sales to customers involve different types of transaction terms. The Unictron Group is required to identify the timing of transfer of control of goods to customers based on the sales terms of individual transactions. Therefore, the revenue recognition testing is one of the important evaluation matters performed in our audit of the Unictron Group's parent-only financial reports.

Audit procedures:

Our main audit procedures for the above key audit matters included testing the sales and payment collection operations and the internal control related to its financial reporting, and reviewing the sales contracts or evidence of transactions to assess whether the timing of revenue recognition was based on the terms of the transactions with the customers; testing a sample of sales transactions for the period before and after the end of the year to identify the timing at which the control over the goods was transferred to the

customer to satisfy the contractual obligations in order to assess whether the accounting treatment of the timing of revenue recognition was appropriate; reviewing whether significant sales returns and discounts were incurred in the subsequent period to understand and analyze the reasons in order to assess the appropriateness of revenue and related sales returns and discounts in the period in which they are recognized.

## II. Inventory valuation

Please refer to Note 4(8) to the consolidated financial reports for the accounting policies related to inventory valuation; Please refer to Note 5 to the consolidated financial reports for the description on accounting estimates and assumption uncertainties related to inventory valuation; Please refer to Note 6(6) to the consolidated financial reports for the provision of inventory falling price loss.

Description on the Key Audit Matters:

Inventories are subsequently measured at the lower of costs or net realizable value. Due to rapid technological advancement, the costs of inventories may exceed their net realizable value due to obsolescence or a decrease in sales price, resulting in inventory falling price loss. The evaluation of net realizable value involves management's subjective judgment. Therefore, inventory valuation is one of the important evaluation matters in our audit of Unictron Technologies Corporation's consolidated financial reports.

Audit procedures:

Our main audit procedures for the above key audit matters included reviewing the inventory aging statements provided by the Unictron Group and analyzing the changes in inventory aging; sampling the accuracy of the inventory aging statements; reviewing the valuation of inventories and confirming that the accounting policies established by the Unictron Group were followed; and evaluating the reasonableness of the allowance for inventory falling price loss and provision policy formulated by the management.

## Other Matter

Unictron Technologies Corporation has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have audited and expressed an unqualified opinion.

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

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

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

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Group's financial reporting process.

## Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- I. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 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.

The engagement partners on the audit resulting in this independent auditors' report are Tzu-Chieh Tang and Huei-Chen Chang.

KPMG  
Taipei, Taiwan (Republic of China)  
February 27, 2024

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**Unictron Technologies Corporation and Subsidiaries**

**Consolidated Balance Sheets**

**December 31, 2023 and 2022**

**(Expressed in Thousands of New Taiwan Dollars)**

		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
<b>Assets</b>					
<b>Current assets:</b>					
1100	Cash and cash equivalents (Note 6(1))	\$ 382,556	18	603,230	27
1110	Financial assets at fair value through profit or loss - current (Note 6(2))	3,945	-	25	-
1120	Financial assets at fair value through other comprehensive income - current (Note 6(3))	248,390	12	80,509	3
1136	Financial assets measured at amortized cost - current (Notes 6(4) and 8)	215,600	10	216,100	10
1170	Notes and accounts receivable, net (Notes 6(5) and (19))	265,100	13	259,099	11
1180	Accounts receivable - related parties, net (Notes 6(5), (19) and 7)	8,114	1	24,266	1
1310	Inventories (Note 6(6))	329,003	16	372,885	17
1410	Prepayments and other current assets	7,498	-	17,079	1
	<b>Total current assets</b>	<b>1,460,206</b>	<b>70</b>	<b>1,573,193</b>	<b>70</b>
<b>Non-current assets:</b>					
1600	Property, plant and equipment (Notes 6(7) and 7)	541,882	26	588,144	26
1755	Right-of-use assets (Note 6(8))	30,426	2	43,772	2
1780	Intangible assets (Note 6(10))	6,321	-	6,012	-
1840	Deferred income tax assets (Note 6(16))	26,914	1	18,680	1
1915	Prepayments for equipment	12,836	1	13,753	1
1920	Refundable deposits	5,205	-	4,766	-
	<b>Total non-current assets</b>	<b>623,584</b>	<b>30</b>	<b>675,127</b>	<b>30</b>
	<b>Total assets</b>	<b>\$ 2,083,790</b>	<b>100</b>	<b>2,248,320</b>	<b>100</b>

(Continued)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**Unictron Technologies Corporation and Subsidiaries**

**Consolidated Balance Sheets (continued)**

**December 31, 2023 and 2022**

**(Expressed in Thousands of New Taiwan Dollars)**

		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
<b>Liabilities and equity</b>					
<b>Current liabilities:</b>					
2100	Short-term borrowings (Note 6(11))	\$ -	-	86,720	4
2120	Financial liabilities at fair value through profit or loss - current(Note 6(2))	13	-	633	-
2170	Notes and accounts payable	107,633	5	115,773	5
2180	Accounts payable - related parties (Note 7)	17	-	10	-
2219	Other payables (Note 6(20))	190,121	9	263,673	12
2220	Other payables - related parties (Note 7)	6,006	-	3,302	-
2230	Current income tax liabilities	10,447	1	22,110	1
2250	Provision for liabilities - current (Note 6(13))	182	-	1,277	-
2280	Lease liabilities-current (Note 6(12))	7,887	-	16,712	1
2282	Lease liabilities - related parties - current (Notes 6(12) and 7)	4,681	-	4,625	-
2300	Other current liabilities (Note 6(19))	10,614	1	16,669	1
<b>Total current liabilities</b>		<b>337,601</b>	<b>16</b>	<b>531,504</b>	<b>24</b>
<b>Non-current liabilities:</b>					
2581	Lease liabilities non-current (Note 6(12))	5,360	-	5,137	-
2582	Lease liabilities - related parties - non-current (Notes 6(12) and 7)	11,952	1	16,633	1
2570	Deferred income tax liabilities (Note 6(16))	1,595	-	1,164	-
2640	Net defined benefit liabilities - non-current (Note 6(15))	2,938	-	3,862	-
<b>Total non-current liabilities</b>		<b>21,845</b>	<b>1</b>	<b>26,796</b>	<b>1</b>
<b>Total liabilities</b>		<b>359,446</b>	<b>17</b>	<b>558,300</b>	<b>25</b>
<b>Equity (Notes 6(17))</b>					
3110	Common stock	478,753	23	478,753	21
3200	Capital surplus	690,174	33	690,174	31
Retained earnings:					
3310	Legal reserve	145,073	7	117,973	5
3320	Special reserve	10,001	1	1,236	-
3350	Unappropriated earnings	423,768	20	497,809	22
		578,842	28	617,018	27
Other equity:					
3410	Exchange differences on translation of foreign operations	(927)	-	(886)	-
3420	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	63,427	3	(9,114)	-
Total other equity		62,500	3	(10,000)	-
3500	Treasury stock	(85,925)	(4)	(85,925)	(4)
<b>Total equity</b>		<b>1,724,344</b>	<b>83</b>	<b>1,690,020</b>	<b>75</b>
<b>Total liabilities and equity</b>		<b>\$ 2,083,790</b>	<b>100</b>	<b>2,248,320</b>	<b>100</b>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**Unictron Technologies Corporation and Subsidiaries**

**Consolidated Statements of Comprehensive Income**

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars,

Except for Earnings Per Share)

		2023		2022	
		Amount	%	Amount	%
4000	Net revenue (Notes 6(19), 7 and 14)	\$ 1,380,876	100	1,498,552	100
5000	Operating costs (Notes 6(6), (7), (8), (10), (12), (13), (15), (20), 7 and 12)	(882,660)	(64)	(907,164)	(61)
	<b>Gross profit</b>	<b>498,216</b>	<b>36</b>	<b>591,388</b>	<b>39</b>
	<b>Operating expenses (Notes 6(5), (7), (8), (10), (12), (15), (20), 7 and 12):</b>				
6100	Marketing expenses	(53,260)	(4)	(71,548)	(4)
6200	Administrative expenses	(107,337)	(8)	(118,017)	(8)
6300	Research and development expenses	(129,497)	(9)	(146,930)	(10)
6450	Expected credit gain (loss)	(2,321)	-	810	-
6000	<b>Total operating expenses</b>	<b>(292,415)</b>	<b>(21)</b>	<b>(335,685)</b>	<b>(22)</b>
	<b>Operating income</b>	<b>205,801</b>	<b>15</b>	<b>255,703</b>	<b>17</b>
	<b>Non-operating income and expenses (Notes 6(9), (12), (14), (21), (23), 7 and 12):</b>				
7100	Interest income	5,971	-	2,767	-
7010	Other income	18,824	1	17,127	1
7020	Other gains and losses	(5,889)	-	37,662	3
7050	Finance costs	(2,424)	-	(903)	-
	<b>Total non-operating income and expenses</b>	<b>16,482</b>	<b>1</b>	<b>56,653</b>	<b>4</b>
	<b>Income before income tax</b>	<b>222,283</b>	<b>16</b>	<b>312,356</b>	<b>21</b>
7950	<b>Less: Income tax expenses (Note 6(16))</b>	<b>(26,310)</b>	<b>(2)</b>	<b>(42,583)</b>	<b>(3)</b>
	<b>Net income</b>	<b>195,973</b>	<b>14</b>	<b>269,773</b>	<b>18</b>
	<b>Other comprehensive income (Note 6(17)):</b>				
8310	<b>Items that will not be reclassified subsequently to profit or loss</b>				
8311	Remeasurement of defined benefit plans	228	-	1,221	-
8316	Unrealized gain (loss) from investments in equity instruments measured at fair value through other comprehensive income	72,541	5	(9,114)	(1)
8349	Income taxes related to items that may not be reclassified	-	-	-	-
		<b>72,769</b>	<b>5</b>	<b>(7,893)</b>	<b>(1)</b>
8360	<b>Items that may be subsequently reclassified to profit or loss</b>				
8361	Exchange differences on translation of foreign operations	(41)	-	350	-
8399	Income taxes related to items that may be reclassified	-	-	-	-
		<b>(41)</b>	<b>-</b>	<b>350</b>	<b>-</b>
	<b>Other comprehensive income of the period</b>	<b>72,728</b>	<b>5</b>	<b>(7,543)</b>	<b>(1)</b>
	<b>Total comprehensive income of the period</b>	<b>\$ 268,701</b>	<b>19</b>	<b>262,230</b>	<b>17</b>
	<b>Earnings per share (Unit: NT\$, Note 6(18))</b>				
9750	<b>Basic earnings per share</b>	<b>\$ 4.18</b>		<b>5.68</b>	
9850	<b>Diluted earnings per share</b>	<b>\$ 4.15</b>		<b>5.58</b>	

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**Unictron Technologies Corporation and Subsidiaries**  
**Consolidated Statements of Changes in Equity**  
For the years ended December 31, 2023 and 2022  
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributed to owners of parent						Other equity items					
	Retained earnings					Total	Exchange	Unrealized losses on		Total	Treasury	Total equity
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriate d earnings		differences on translation of foreign operations---	financial assets at fair value through other comprehensive income				
<b>Balance of January 1, 2022</b>	\$ 478,753	690,174	88,824	1,341	519,173	609,338	(1,236)	-	-	(1,236)	-	1,777,029
Net income of the period	-	-	-	-	269,773	269,773	-	-	-	-	-	269,773
Other comprehensive income of the period	-	-	-	-	1,221	1,221	350	(9,114)	-	(8,764)	-	(7,543)
Total comprehensive income of the period	-	-	-	-	270,994	270,994	350	(9,114)	-	(8,764)	-	262,230
Appropriation and distribution of earnings:												
Legal reserve	-	-	29,149	-	(29,149)	-	-	-	-	-	-	-
Special reserve	-	-	-	(105)	105	-	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(263,314)	(263,314)	-	-	-	-	-	(263,314)
Repurchase of treasury stock	-	-	-	-	-	-	-	-	-	(85,925)	-	(85,925)
<b>Balance of December 31, 2022</b>	<b>478,753</b>	<b>690,174</b>	<b>117,973</b>	<b>1,236</b>	<b>497,809</b>	<b>617,018</b>	<b>(886)</b>	<b>(9,114)</b>	<b>(10,000)</b>	<b>(85,925)</b>	<b>(85,925)</b>	<b>1,690,020</b>
Net income of the period	-	-	-	-	195,973	195,973	-	-	-	-	-	195,973
Other comprehensive income of the period	-	-	-	-	228	228	(41)	72,541	72,500	-	-	72,728
Total comprehensive income of the period	-	-	-	-	196,201	196,201	(41)	72,541	72,500	-	-	268,701
Appropriation and distribution of earnings:												
Legal reserve	-	-	27,100	-	(27,100)	-	-	-	-	-	-	-
Special reserve	-	-	-	8,765	(8,765)	-	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(234,377)	(234,377)	-	-	-	-	-	(234,377)
<b>Balance of December 31, 2023</b>	<b>\$ 478,753</b>	<b>690,174</b>	<b>145,073</b>	<b>10,001</b>	<b>423,768</b>	<b>578,842</b>	<b>(927)</b>	<b>63,427</b>	<b>62,500</b>	<b>(85,925)</b>	<b>(85,925)</b>	<b>1,724,344</b>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**Unictron Technologies Corporation and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
For the years ended December 31, 2023 and 2022  
(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
<b>Cash flows from operating activities:</b>		
<b>Income before income tax</b>	\$ 222,283	312,356
<b>Adjustments for:</b>		
Income and expenses items		
Depreciation expenses	124,962	98,334
Amortization expenses	3,711	3,903
Expected credit impairment loss (reversal gain)	2,321	(810)
Interest expenses	2,424	903
Interest income	(5,971)	(2,767)
Dividend income	(11,870)	(7,150)
Loss (Gain) on disposal of property, plant and equipment	112	(61)
Gain on disposal of investment property	-	(36,821)
Total income and expenses items	115,689	55,531
Changes in assets/liabilities related to operating activities:		
Net changes in assets related to operating activities:		
Financial assets at fair value through profit or loss	(3,920)	540
Notes and accounts receivable	(8,322)	92,983
Accounts receivable - related parties	16,152	(3,946)
Inventories	43,882	(64,246)
Prepayments and other current assets	9,575	(4,852)
Total net changes in assets related to operating activities	57,367	20,479
Net changes in liabilities related to operating activities:		
Financial liabilities at fair value through profit or loss	(620)	610
Notes and accounts payable	(8,140)	(73,122)
Accounts payable - related parties	7	10
Other payables	(59,694)	(7,746)
Other payables - related parties	2,704	3,100
Provision for liabilities	(1,095)	(458)
Other current liabilities	(6,055)	1,668
Net defined benefit liabilities	(696)	(693)
Total net changes in liabilities related to operating activities	(73,589)	(76,631)
Total net changes in assets and liabilities related to operating activities	(16,222)	(56,152)
Total adjustments	99,467	(621)
Cash inflows from operations	321,750	311,735
Interest received	5,977	2,702
Interest paid	(2,647)	(705)
Income taxes paid	(45,761)	(89,218)
<b>Net cash inflows from operating activities</b>	279,319	224,514

(Continued)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**Unictron Technologies Corporation and Subsidiaries**  
**Consolidated Statements of Cash Flows (continued)**  
For the years ended December 31, 2023 and 2022  
(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(95,340)	(89,623)
Acquisition of financial assets measured at amortized cost	-	(215,000)
Proceeds from repayments of financial assets at amortized cost	500	-
Acquisition of property, plant and equipment (including prepayments for equipment)	(69,209)	(153,013)
Price for disposal of property, plant and equipment	-	1,067
Increase in refundable deposits	(439)	(589)
Acquisition of intangible assets	(4,023)	(1,840)
Acquisition of investment property	-	(137)
Price for disposal of investment property	-	64,070
Dividends received	11,870	7,150
<b>Net cash outflows from investing activities</b>	<b>(156,641)</b>	<b>(387,915)</b>
<b>Cash flows from financing activities:</b>		
Increase (decrease) in short-term borrowings	(86,720)	13,839
Decrease in deposits received	-	(1,130)
Principal repayment of leases	(22,224)	(18,639)
Cash dividends paid	(234,377)	(263,314)
Cost of treasury stock repurchase	-	(85,925)
<b>Net cash outflows from financing activities</b>	<b>(343,321)</b>	<b>(355,169)</b>
<b>Effect of changes in exchange rates</b>	<b>(31)</b>	<b>280</b>
<b>Decrease in cash and cash equivalents of the period</b>	<b>(220,674)</b>	<b>(518,290)</b>
<b>Balance of cash and cash equivalents at beginning of period</b>	<b>603,230</b>	<b>1,121,520</b>
<b>Balance of cash and cash equivalents at end of period</b>	<b>\$ 382,556</b>	<b>603,230</b>

## Independent Auditors' Report

To the Board of Directors of Unictron Technologies Corporation

### Opinion

We have audited the parent-company-only financial statements of Unictron Technologies Corporation (the "Company"), which comprise the parent-company-only balance sheets as of December 31, 2023 and 2022, and the parent-company-only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent-company-only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent-company-only financial statements present fairly, in all material respects, the financial position of the company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### Basis of opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the parent-company-only financial statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significant in our audit of the parent-company-only financial statements of the current period. These matters were addressed in the context of our audit of parent-company-only 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 Company's parent-company-only financial statements for the year ended December 31, 2023 are stated as follows :

#### I. Revenue recognition

Please refer to Note 4(15) to the parent-company-only financial reports for the accounting policies related to revenue recognition and Note 6(20) to the parent-company-only financial reports for disclosures related to revenue recognition.

Description on the Key Audit Matters:

Unictron Technologies Corporation's sales to customers involve different types of transaction terms. Unictron Technologies Corporation is required to identify the timing of transfer of control of goods to customers based on the sales terms of individual transactions. Therefore, the revenue recognition testing is one of the important evaluation matters performed in our audit of Unictron Technologies Corporation's parent-company-only financial reports.

Audit procedures:

Our main audit procedures for the above key audit matters included testing the sales and payment collection operations and the internal control related to its financial reporting, and reviewing the sales contracts or evidence of transactions to assess whether the timing of revenue recognition was based on the terms of the transactions with the customers; testing a sample of sales transactions for the period before and after the end of the year to identify the timing at which the control over the goods was transferred to the customer to satisfy the contractual obligations in order to assess whether the timing of revenue recognition was appropriate; reviewing whether significant sales returns and discounts were incurred in the subsequent period to understand and analyze the reasons in order to assess the appropriateness of revenue and related sales returns and discounts in the period in which they are recognized.

## II. Inventory valuation

Please refer to Note 4(7) to the parent-company-only financial reports for the accounting policies related to inventory valuation; Please refer to Note 5 to the parent-company-only financial reports for the description on accounting estimates and assumption uncertainties related to inventory valuation; Please refer to Note 6(6) to the parent-company-only financial reports for the provision of inventory falling price loss.

Description on the Key Audit Matters:

Inventories are subsequently measured at the lower of costs or net realizable value. Due to the rapid technology advancement, the costs of inventories may exceed their net realizable value due to obsolescence or a decrease in sales price, resulting in inventory falling price loss. The evaluation of net realizable value involves management's subjective judgment. Therefore, inventory valuation is one of the important evaluation matters in our audit of Unictron Technologies Corporation's parent-company-only financial reports.

Audit procedures:

Our main audit procedures for the above key audit matters included reviewing the inventory aging statements provided by Unictron Technologies Corporation and analyzing the changes in inventory aging; sampling the accuracy of the inventory aging statements; reviewing the valuation of inventories and confirming that the accounting policies established by Unictron Technologies Corporation were followed; and evaluating the reasonableness of the allowance for inventory falling price loss and provision policy formulated by the management.

## **Responsibility of management and those charged with Governance for the Parent-Company-Only Financial Statements**

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

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

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

### **Auditor’s Responsibilities for the Audit of the Parent-Company-Only Financial Statements**

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

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

- I. Identify and assess the risks of material misstatement of the parent-company-only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate or provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- II. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- III. Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by management .
- IV. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the parent-company-only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- V. Evaluate the overall presentation, structure and content of the parent-company-only financial statements, including the disclosures, and whether the parent-company-only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- VI. Obtain sufficient appropriate audit evidence regarding the financial information of the investees accounted for using the equity method to express an opinion on the parent-company-only financial statements. We are responsible for the direction, supervision and performance of the audit. We remained solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent-company-only financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstance, 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.

The engagement partners on the audit resulting in this independent auditors’ report are Tzu-Chieh Tang and Huei-Chen Chang

KPMG  
Taipei, Taiwan  
Republic of China  
February 27, 2024

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

**Unictron Technologies Corporation**

**Parent-Company-Only Balance Sheets**

**December 31, 2023 and 2022**

**(Expressed in Thousands of New Taiwan Dollars)**

	<b>December 31, 2023</b>		<b>December 31, 2022</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Assets</b>				
<b>Current assets:</b>				
1100 Cash and cash equivalents (Note 6(1))	\$ 362,966	18	593,562	27
1110 Financial assets at fair value through profit or loss - current (Note 6(2))	3,945	-	25	-
1120 Financial assets at fair value through other comprehensive income - current (Note 6(3))	248,390	12	80,509	4
1137 Financial assets measured at amortized cost - current (Notes 6(4) and 8)	215,600	10	216,100	10
1170 Notes and accounts receivable, net (Notes 6(5) and (20))	237,440	12	238,881	11
1180 Accounts receivable - related parties (Notes 6(5), (20) and 7)	25,205	1	34,981	1
1310 Inventories (Note 6(6))	323,053	16	367,549	16
1410 Prepayments and other current assets	7,389	-	11,155	-
<b>Total current assets</b>	<b>1,423,988</b>	<b>69</b>	<b>1,542,762</b>	<b>69</b>
<b>Non-current assets:</b>				
1550 Investments accounted for using the equity method (Note 6(7))	24,557	1	11,048	1
1600 Property, plant and equipment (Notes 6(8) and 7)	541,195	26	586,977	26
1755 Right-of-use assets (Note 6(9))	22,533	1	41,714	2
1780 Intangible assets (Note 6(11))	6,157	-	5,504	-
1840 Deferred income tax assets (Note 6(17))	26,914	2	18,680	1
1915 Prepayments for equipment	12,836	1	19,576	1
1920 Refundable deposits	3,998	-	3,986	-
<b>Total non-current assets</b>	<b>638,190</b>	<b>31</b>	<b>687,485</b>	<b>31</b>
<b>Total assets</b>	<b>\$ 2,062,178</b>	<b>100</b>	<b>2,230,247</b>	<b>100</b>

(Continued)

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

**Unictron Technologies Corporation**

**Parent-Company-Only Balance Sheets (continued)**

**December 31, 2023 and 2022**

**(Expressed in Thousands of New Taiwan Dollars)**

	<b>December 31, 2023</b>		<b>December 31, 2022</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Liabilities and equity</b>				
<b>Current liabilities:</b>				
2100 Short-term borrowings (Note 6(12))	\$ -	-	86,720	4
2120 Financial liabilities at fair value through profit or loss - current(Note 6(2))	13	-	633	-
2170 Notes and accounts payable	100,207	5	106,160	5
2180 Accounts payable - related parties (Note 7)	470	-	1,158	-
2219 Other payables (Note 6(21))	185,152	9	257,445	11
2220 Other payables - related parties (Note 7)	6,076	-	3,302	-
2230 Current income tax liabilities	9,511	-	21,159	1
2252 Provision for liabilities - current (Note 6(14))	182	-	1,277	-
2280 Lease liabilities-current (Note 6(13))	5,255	-	14,526	1
2282 Lease liabilities - related parties - current (Notes 6(13) and 7)	4,681	-	4,625	-
2399 Other current liabilities (Note 6(20))	9,740	1	16,426	1
<b>Total current liabilities</b>	<b>321,287</b>	<b>15</b>	<b>513,431</b>	<b>23</b>
<b>Non-current liabilities:</b>				
2570 Deferred income tax liabilities (Note 6(17))	1,595	-	1,164	-
2581 Lease liabilities non-current (Note 6(13))	62	-	5,137	-
2582 Lease liabilities - related parties - non-current (Notes 6(13) and 7)	11,952	1	16,633	1
2640 Net defined benefit liabilities - non-current (Note 6(16))	2,938	-	3,862	-
<b>Total non-current liabilities</b>	<b>16,547</b>	<b>1</b>	<b>26,796</b>	<b>1</b>
<b>Total liabilities</b>	<b>337,834</b>	<b>16</b>	<b>540,227</b>	<b>24</b>
<b>Equity (Notes 6(18))</b>				
3110 Common stock	478,753	23	478,753	21
3200 Capital surplus	690,174	34	690,174	31
Retained earnings:				
3310 Legal reserve	145,073	7	117,973	5
3320 Special reserve	10,001	-	1,236	-
3350 Unappropriated earnings	423,768	21	497,809	23
	578,842	28	617,018	28
Other equity:				
3410 Exchange differences on translation of foreign operations	(927)	-	(886)	-
3420 Unrealized gains (losses) on financial assets at fair value through other comprehensive income	63,427	3	(9,114)	-
Total other equity	62,500	3	(10,000)	-
3500 Treasury stock	(85,925)	(4)	(85,925)	(4)
<b>Total equity</b>	<b>1,724,344</b>	<b>84</b>	<b>1,690,020</b>	<b>76</b>
<b>Total liabilities and equity</b>	<b>\$ 2,062,178</b>	<b>100</b>	<b>2,230,247</b>	<b>100</b>

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

**Unictron Technologies Corporation**  
**Parent-Company-Only Statements of Comprehensive Income**  
**For the years ended December 31, 2023 and 2022**  
**(Expressed in Thousands of New Taiwan Dollars)**

		<b>2023</b>		<b>2022</b>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Net revenue (Notes 6(20) and 7)	\$ 1,346,243	100	1,462,060	100
5000	Operating costs (Notes 6(6), (8), (9), (11), (13), (14), (16), (21), 7 and 12)	<u>(865,025)</u>	<u>(64)</u>	<u>(880,634)</u>	<u>(60)</u>
	<b>Gross profit</b>	481,218	36	581,426	40
5910	Realized (Unrealized) gain on sales	<u>2,017</u>	<u>-</u>	<u>(560)</u>	<u>-</u>
	<b>Realized gross profit</b>	483,235	36	580,866	40
	<b>Operating expenses (Notes 6(5), (8), (9), (11), (13), (15), (16), (21), 7 and 12):</b>				
6100	Marketing expenses	(50,477)	(4)	(68,580)	(5)
6200	Administrative expenses	(91,994)	(7)	(103,341)	(7)
6300	Research and development expenses	(127,028)	(9)	(145,462)	(10)
6450	Expected credit gain	826	-	855	-
6000	<b>Total operating expenses</b>	<u>(268,673)</u>	<u>(20)</u>	<u>(316,528)</u>	<u>(22)</u>
	<b>Operating income</b>	214,562	16	264,338	18
	<b>Non-operating income and expenses (Notes 6(10), (13), (15), (22), 7 and 12):</b>				
7100	Interest income	5,949	-	2,751	-
7010	Other income	15,844	1	14,839	1
7020	Other gains and losses	(5,650)	-	37,632	2
7050	Finance costs	(2,390)	-	(863)	-
7070	Share of profits (losses) of subsidiaries recognized using the equity method	<u>(6,032)</u>	<u>-</u>	<u>(6,341)</u>	<u>-</u>
	<b>Total non-operating income and expenses</b>	7,721	1	48,018	3
	<b>Income before income tax</b>	222,283	17	312,356	21
7950	<b>Less: Income tax expenses (Note 6(17))</b>	<u>(26,310)</u>	<u>(2)</u>	<u>(42,583)</u>	<u>(3)</u>
	<b>Net income</b>	195,973	15	269,773	18
	<b>Other comprehensive income (Note 6(18)):</b>				
8310	<b>Items that will not be reclassified subsequently to profit or loss</b>				
8311	Remeasurement of defined benefit plans	228	-	1,221	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	72,541	5	(9,114)	-
8349	Income taxes related to items that may not be reclassified	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		72,769	5	(7,893)	-
8360	<b>Items that may be subsequently reclassified to profit or loss</b>				
8361	Exchange differences on translation of foreign operations	(41)	-	350	-
8399	Income taxes related to items that may be reclassified	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		(41)	-	350	-
	<b>Other comprehensive income of the period</b>	72,728	5	(7,543)	-
	<b>Total comprehensive income of the period</b>	<u>\$ 268,701</u>	<u>20</u>	<u>262,230</u>	<u>18</u>
	<b>Earnings per share (Unit: NT\$, Note 6(19))</b>				
9750	<b>Basic earnings per share</b>	<u>\$ 4.18</u>		<u>5.68</u>	
9850	<b>Diluted earnings per share</b>	<u>\$ 4.15</u>		<u>5.58</u>	

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

**Unictron Technologies Corporation**

**Parent-Company-Only of Statement of Changes in Equity**

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Common stock	Capital surplus	Retained earnings				Exchange differences on translation of foreign operations	Other equity items		Treasury stock	Total equity
			Legal reserve	Special reserve	Unappropriated earnings	Total		Unrealized losses on financial assets at fair value through other comprehensive income	Total		
<b>Balance of January 1, 2022</b>	\$ 478,753	690,174	88,824	1,341	519,173	609,338	(1,236)	-	(1,236)	-	1,777,029
Net income of the period	-	-	-	-	269,773	269,773	-	-	-	-	269,773
Other comprehensive income of the period	-	-	-	-	1,221	1,221	350	(9,114)	(8,764)	-	(7,543)
Total comprehensive income of the period	-	-	-	-	270,994	270,994	350	(9,114)	(8,764)	-	262,230
Appropriation and distribution of earnings:											
Legal reserve	-	-	29,149	-	(29,149)	-	-	-	-	-	-
Special reserve	-	-	-	(105)	105	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(263,314)	(263,314)	-	-	-	-	(263,314)
Repurchase of Treasury stock	-	-	-	-	-	-	-	-	-	(85,925)	(85,925)
<b>Balance of December 31, 2022</b>	478,753	690,174	117,973	1,236	497,809	617,018	(886)	(9,114)	(10,000)	(85,925)	1,690,020
Net income of the period	-	-	-	-	195,973	195,973	-	-	-	-	195,973
Other comprehensive income of the period	-	-	-	-	228	228	(41)	72,541	72,500	-	72,728
Total comprehensive income of the period	-	-	-	-	196,201	196,201	(41)	72,541	72,500	-	268,701
Appropriation and distribution of earnings:											
Legal reserve	-	-	27,100	-	(27,100)	-	-	-	-	-	-
Special reserve	-	-	-	8,765	(8,765)	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(234,377)	(234,377)	-	-	-	-	(234,377)
<b>Balance of December 31, 2023</b>	\$ 478,753	690,174	145,073	10,001	423,768	578,842	(927)	63,427	62,500	(85,925)	1,724,344

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

**Unictron Technologies Corporation**  
**Parent-Company-Only of Statement of Cash Flows**  
For the years ended December 31, 2023 and 2022  
(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
<b>Cash flows from operating activities:</b>		
<b>Income before income tax of the period</b>	\$ 222,283	312,356
<b>Adjustments for:</b>		
Income and expenses items		
Depreciation expenses	121,938	95,319
Amortization expenses	3,370	3,459
Expected credit impairment reversal gain	(826)	(855)
Interest expenses	2,390	863
Interest income	(5,949)	(2,751)
Dividend income	(11,870)	(7,150)
Share of losses of subsidiaries recognized using the equity method	6,032	6,341
Gain on disposal of property, plant and equipment	112	(61)
Gain on disposal of investment property	-	(36,821)
Unrealized (realized) gain on sales between affiliated companies	(2,017)	560
Total income and expenses items	113,180	58,904
Changes in assets/liabilities related to operating activities:		
Net changes in assets related to operating activities:		
Financial assets at fair value through profit or loss	(3,920)	540
Notes and accounts receivable	2,267	88,279
Accounts receivable - related parties	9,776	(5,613)
Inventories	44,496	(69,606)
Prepayments and other current assets	3,760	901
Total net changes in assets related to operating activities	56,379	14,501
Net changes in liabilities related to operating activities:		
Financial liabilities at fair value through profit or loss	(620)	610
Notes and accounts payable	(5,953)	(69,774)
Accounts payable - related parties	(688)	760
Other payables	(58,434)	(4,633)
Other payables - related parties	2,774	3,080
Provision for liabilities	(1,095)	(458)
Other current liabilities	(6,686)	2,020
Net defined benefit liabilities	(696)	(693)
Total net changes in liabilities related to operating activities	(71,398)	(69,088)
Total net changes in assets and liabilities related to operating activities	(15,019)	(54,587)
Total adjustments	98,161	4,317
Cash inflows from operations	320,444	316,673
Interest received	5,955	2,687
Interest paid	(2,613)	(666)
Income taxes paid	(45,761)	(89,218)
<b>Net cash inflows from operating activities</b>	278,025	229,476

(Continued)

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

**Unictron Technologies Corporation**

**Parent-Company-Only of Statement of Cash Flows (continued)**

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	<u>2023</u>	<u>2022</u>
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(95,340)	(89,623)
Acquisition of financial assets measured at amortized cost	-	(215,000)
Proceeds from repayments of financial assets at amortized cost	500	-
Acquisition of investments accounted for using the equity method	(17,565)	(4,465)
Acquisition of property, plant and equipment (including prepayments for equipment)	(63,356)	(158,697)
Price for disposal of property, plant and equipment	-	1,067
Acquisition of investment property	-	(137)
Price for disposal of investment property	-	64,070
Acquisition of intangible assets	(4,023)	(1,840)
Increase in refundable deposits	(12)	(526)
Dividends received	11,870	7,150
<b>Net cash outflows from investing activities</b>	<u>(167,926)</u>	<u>(398,001)</u>
<b>Cash flows from financing activities:</b>		
Increase (decrease) in short-term borrowings	(86,720)	13,839
Decrease in deposits received	-	(1,130)
Principal repayment of leases	(19,598)	(16,186)
Cash dividends paid	(234,377)	(263,314)
Cost of treasury stock repurchase	-	(85,925)
<b>Net cash outflows from financing activities</b>	<u>(340,695)</u>	<u>(352,716)</u>
<b>Decrease in cash and cash equivalents of the period</b>	<u>(230,596)</u>	<u>(521,241)</u>
<b>Balance of cash and cash equivalents at beginning of period</b>	<u>593,562</u>	<u>1,114,803</u>
<b>Balance of cash and cash equivalents at end of period</b>	<u><b>\$ 362,966</b></u>	<u><b>593,562</b></u>

# Unictron Technologies Corporation

## Articles of Incorporation

### Chapter 1 General Provisions

- Article 1: The Company is organized in accordance with the provisions of the Company Act, and is named Unictron Technologies Corporation.
- Article 2: Business of the Company is as follows:
- I. CC01080 Electronic Parts and Components Manufacturing
  - II. F113020 Wholesale of Electrical Appliances
  - III. F119010 Wholesale of Electronic Materials
  - IV. F213010 Retail Sale of Electrical Appliances
  - V. F219010 Wholesale of Electronic Materials
  - VI. I301010 Software Design Services
  - VII. I501010 Product Designing
  - VIII. 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, and may establish, withdraw or relocate its operations if necessary by resolution of the Board of Directors and approval of the competent authorities.
- Article 4: When the Company may, for business purposes, provide guarantees and make investments in other businesses, the total amount may exceed 40% of the Company's paid-in capital, which shall not be limited by the investment amount stipulated in Article 13 of the Company Act. The Board of Directors shall resolve on the matter of guarantees and reinvestments.

### Chapter 2 Shares

- Article 5: The total capital of the Company is NT\$800 million, which is divided into eighty million shares and the amount of each share is NT\$10. The unissued shares are authorized to be issued by the Board of Directors in installments.
- In the event that the provisions of the current charters conflict with the provisions of the Company Act, the Securities and Exchange Act and relevant laws and regulations on public offering companies, the provisions of the laws and regulations shall be applied.
- Within the total capital of the Company, NT\$100 million, representing 10 million shares, is reserved for the issuance of employee stock warrants, special shares with subscription rights or shares with subscription rights, which shall be issued by installment in terms of the resolution of the board of directors.
- The Company may issue employee warrants at a price below the market price, provided that they are issued

with the approval of two-thirds of the shareholders who represent more than half of the total number of issued shares attending the board meeting for voting. The issuance shall be made in installments within one year from the date of the resolution of the board meeting.

If the Company buys treasury stock back and intends to transfer them to employees at a price lower than the average price of the shares actually repurchased, the transfer should be approved by two-thirds of the shareholders present at the most recent shareholders' meeting representing a majority of the total number of issued shares before the transfer is made.

Article 6: The objects of transfer of treasury stocks acquired by the Company in accordance with the law, the objects of issuance of employee stock options, the employees who take up shares upon the issuance of new shares, and the objects of issuance of new shares with restricted rights of employees may include employees of control or subordinate companies who meet the conditions set by the Board of Directors or persons authorized by it.

Article 7: The shares of the Company shall be issued in registered form under the signatures and seals of the directors representing the Company and shall be issued in accordance with the law.

The share certificates for shares issued by the Company may be combined and printed for the total number of shares issued, or may be dispensed with, provided that the share certificates are issued in accordance with the provisions of the Act.

Article 8: The transfer of shares of the Company shall cease not later than sixty days prior to the date of an ordinary general meeting, not later than thirty days prior to the date of an extraordinary general meeting, or not later than five days prior to the date on which the Company decides to distribute dividends and bonuses or other benefits.

The transfer, inheritance, bestow, loss reporting, pledge of rights, loss of seal, change of address, etc. of the shares of the Company shall be made in accordance with the Company Act and relevant laws and regulations. Except as otherwise provided in the Act and the Securities Regulations, the "Regulations Governing the Administration of Shareholder Services of Public Companies " shall be followed.

### **Chapter 3 Shareholders' Meeting**

Article 9: There shall be two types of shareholders' meetings: annual general meetings and extraordinary general meetings. The former one shall be held once a year, within six months after the end of each fiscal year, by the Board of Directors in accordance with the law. Extraordinary general meeting shall be held in accordance with law when necessary.

The Company's shareholders' meetings may be held by video conference or other means announced by the central competent authority.

Article 9-1: The shareholders of the Company shall be notified 30 days in advance of the convening of a annual general meeting and 15 days in advance of the convening of an extraordinary general meeting. The notice and announcement shall state the reason for the convening of the shareholders' meeting, and the notice may be given by electronic means if the privies agree.

- Article 10: Shareholders may appoint a proxy to attend the shareholders' meeting at each shareholders' meeting by presenting an authorization letter issued by the Company, with the scope of authorization stated. In addition to the provisions of the Company Law, the use of authorization letters for shareholders shall be governed by Article 25-1 of the Securities and Exchange Act and the "Rules Governing the Use of Authorization Letter for Attendance at Shareholders' Meetings of Public Companies".
- Article 11: Except as otherwise provided in the Company Law, each share represents a voting right. There are no voting rights for shares that are legally owned by the Company.
- Article 12: Except as otherwise provided in the Company Law, a resolution at a shareholders' meeting shall be made with the consent of a majority of the votes of the shareholders present. Voting rights shall be used by written or electronic means in a board meeting. After the Company's shares are listed on the stock exchange, electronic means shall be included as one of the channels for exercising voting rights at shareholders' meetings. Shareholders who exercise their voting rights electronically shall be deemed to be present in person, and all related matters shall be handled in accordance with the provisions of the Law.
- Article 12-1: The minutes of the shareholders' meeting shall be signed or sealed by the chairperson and kept in the Company, together with the signature book of the shareholders present and the proxy agents. The minutes may be prepared and distributed electronically. The minutes may be distributed by announcement. The minutes shall record the year, month, day and place of the meeting, the name of the chairman, the method of resolution, the main points of the proceedings and the result thereof. The minutes shall be kept permanently in the duration of the Company. The book of signatures of shareholders attending the meeting and authorization letter for the proxy shall be kept for at least one year unless otherwise provided in the Company Act.

#### **Chapter 4 Directors and Committees**

- Article 13: The Company shall have seven to nine directors for a term of three years, who shall be elected by the shareholders' meeting from competent directors. Those re-elected will stay for another term. The Company shall adopt a nomination system for the election of directors. The shareholders' meeting shall elect the directors from the Directors and Independent Directors Candidates Lists. The election of directors of the Company shall adopt a single cumulative election, whereby each share shall carry the same number of votes as the number of directors to be elected, and either one person shall be elected centrally, or a number of persons shall be allocated to elect the person whose votes represent the greater number of votes. The Company may purchase liability insurance for the benefit of its Directors in respect of any liability incurred by them in the performance of their duties under the Law. The quota for directors shall include independent directors. The number of independent directors shall not be less than three, shall not be less than one-fifth of the number of directors, and shall be nominated by candidates. The professional qualifications, shareholdings, restrictions on part-time positions, 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.
- Article 13-1: If a vacancy in the number of directors reaches one-third, the Board of Directors shall convene an

extraordinary general meeting within sixty days to elect a replacement director, whose term of office shall be limited to the term of the replacement.

Article 13-2: If the term of office of a director expires before the director is re-elected, the director's term of office shall be extended until the re-elected director assumes office. However, the competent authority may order the company to re-elect a director within a period of time in accordance with its authority. If the director is not re-elected a director within the period of time, he or she shall be dismissed from office upon the expiration of the period of time.

Article 14: The Board of Directors shall be organized by the Directors, with at least two-thirds of the Directors present and a majority of the Directors present agreeing to elect the Chairman among Directors. Vice-chairman shall be elected in the same way when necessary. The chairman of the board shall represent the Company externally and be the chairman of the shareholders' meeting and the board meeting internally. Unless otherwise provided in the Company Law, the Board of Directors shall be convened by the Chairman.

Article 15: If the Chairman of the Board of Directors is absent from office or is unable to exercise his powers for any reason, he shall be represented in accordance with the provisions of Article 208 of the Company Act.

Article 16: The Board of Directors is authorized to determine the compensation of all directors in accordance with the extent of their participation and contribution to the company operations of the Company and with reference to the level in other places. The directors of the Company may also be paid traffic allowance with reference to the level of their peers.

The Company has independent directors, who may be remunerated differently from general directors and receive fixed monthly remuneration with reference to industry standards. They do not participate in the distribution of the Company's profits.

Article 16-1: The Directors of the Company may establish other functional committees, the organizational procedures of which shall be established by the Board of Directors.

The Company shall establish an Audit Committee in accordance with the Securities and Exchange Act, consisting of all independent directors, one of whom shall be the convener, and at least one of whom shall be an accountant or a member of the audit committee. The resolutions of the Audit Committee shall be approved by at least over a half of all members. The Audit Committee established by law shall be responsible for the implementation of the power and function of the Supervisor stipulated in the Company Act, the Securities and Exchange Act, other laws and regulations, the Company's Articles of Incorporation and the Regulations. The first Audit Committee of the Company shall be established on the date of the first election of the independent directors appointed in accordance with Article 13. The provisions of the Articles of Association regarding the Supervisors shall cease to apply upon the formation of the Audit Committee. The term of office of the elected Supervisors shall expire on the date of the establishment of the first Audit Committee of the Company.

Article 17: The Board of Directors shall be convened by written, e-mail or facsimile notice to each Director seven days in advance, stating the reason for the convening. In case of emergency, the Board of Directors may be convened at any time and may also be convened in writing, by electronic means or by facsimile.

Resolutions of the Board of Directors shall, unless otherwise provided in the Companies Act, be made with the presence of a majority of the Directors and shall be carried out with the consent of a majority of the Directors present. If a meeting of the Board is held by video conference, a Director who participates in the meeting by video conference shall be deemed to be present in person.

Article 18: If a director is unable to attend the board meeting for any reason, he/she may appoint another director to

attend the board meeting on his/her behalf. However, when a director attends the board meeting by proxy, the proxy shall be limited to one person.

## **Chapter 5 Manager**

Article 19: The Company may have a CEO, a chief strategist, a president and a vice president, each of whom shall be appointed, dismissed and remunerated in accordance with the provisions of Article 29 of the Company Act.

## **Chapter 6 Accounting**

Article 20: The Board of Directors shall prepare a report on operations, financial statements, and proposals for appropriation of surplus or deficit, and submit them to the Audit Committee for examination before submitting them to the shareholders' meeting in accordance with the law.

Article 21: If the Company makes profits in a year, 10% to 15% of them shall be provided as employees' remuneration and no more than 3% should be provided as directors' remuneration. However, where the Company has accumulated losses, the amount for compensation shall be set aside first.

The recipients of stock or cash distribution for employees' remuneration in the preceding paragraph, may include the employees of the controlling or subordinate companies meeting the conditions set by the board of directors or its authorized persons.

Article 21-1:

For any earning in the Company's annual final accounts, it shall be distributed in the following order:

- (1) Tax payment.
- (2) Deficit compensation.
- (3) 10% of the earning is provided as the legal reserve; however, where the legal reserve reaches the paid-up capital of the Company, this is not required.
- (4) Provide or reverse the special reserve pursuant to laws and regulations if necessary.
- (5) The rest is shareholders' bonus, and with the accumulated undistributed earnings from previous years, for the Board to draft a distribution proposal.

The Company's dividend policy will depend on factors such as current and future development plans, investment environment, capital needs, domestic and foreign competition conditions, and capital budgets, while taking the interests of shareholders and the Company's long-term financial planning into account. The Board drafts a profit distribution proposal for the distributable earnings above; of which, the distribution of shareholders' dividend bonuses of each year should not be less than 10% of distributable earnings for the year; however, where the accumulated distributable earnings are less than 10% of the paid-in share capital, the distribution may be exempted; when distributing the shareholders' dividend bonuses, such may be distributed in the form of cash or shares, and the cash dividends shall not be less than 10% of the total dividends; provided that the actual distribution percentage shall be handled pursuant to the resolution of the shareholders' meeting. If the Company is to distribute all or part of the dividends and bonuses, it intends to distribute such in cash. The resolution shall be adopted in a board meeting attended by two-third or more of the directors with the majority of the attending directors in favor, then reported to the shareholders' meeting.

If the Company distributes cash from the legal reserve or capital reserve pursuant to Article 241 of the Company Act, the resolution shall be adopted in a board meeting attended by two-third or more of the directors with the majority of the attending directors in favor, then reported to the shareholders' meeting.

## **Chapter 7 Supplementary provisions**

Article 22: All matters not covered by these Articles of Association shall be governed by the provisions of the Company Act and other relevant laws and regulations. However, the internal organization and details of business procedures of the Company shall be determined by the Board of Directors.

Article 23: The Articles of Incorporation were established on April 1, 1988.

The first amendment was made on Oct. 11, 1988.  
The second amendment was made on Sept. 8, 1994.  
The third amendment was made on Aug. 15, 1997.  
The fourth amendment was made on July 26, 1999.  
The fifth amendment was made on Nov. 5, 2000.  
The sixth amendment was made on Sept. 12, 2001.  
The seventh amendment was made on Aug. 28, 2002.  
The eighth amendment was made on Aug. 22, 2003.  
The ninth amendment was made on Sept. 15, 2003.  
The tenth amendment was made on Oct. 13, 2003.  
The eleventh amendment was made on Nov. 16, 2005.  
The twelfth amendment was made on May 22, 2006.  
The thirteenth amendment was made on Sept. 20, 2006.  
The fourteenth amendment was made on May 16, 2007.  
The fifteenth amendment was made on May 16, 2007.  
The sixteenth amendment was made on July 12, 2007.  
The seventeenth amendment was made on June 26, 2013.  
The eighteenth amendment was made on June 29, 2016.  
The nineteenth amendment was made on June 27, 2018.  
The twentieth amendment was made on May 28, 2019.  
The twenty-first amendment was made on Oct. 8, 2020.  
The twenty-second amendment was made on June 22, 2022.

# Unictron Technologies Corporation

## Rules and Procedures of Shareholders' Meeting

Article 1: The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 2: The shareholders present shall mean the shareholders themselves, the representatives of the corporate shareholders and the representatives appointed by the shareholders in accordance with the law.

Article 3: Unless otherwise provided by law, Shareholders' Meetings of the Company shall be convened by the Board of Directors.

The convening of an annual general meeting shall be made 20 days in advance, and the convening of an extraordinary general meeting shall be made 10 days in advance by sending a written or electronic notice of the date and place of the meeting and the proposed matters. This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting handbook and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, 15 days prior to the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the professional shareholder services agent designated.

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

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

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

Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

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

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

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

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

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

Article 4: For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form

issued by this Corporation and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

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

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting electronically, a written notice of proxy cancellation shall be submitted to the Company before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5: The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.

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

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

This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. Voting at a shareholders meeting shall be calculated based on the number of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

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

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

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

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

Article 6: To convene a virtual shareholders meeting, this Corporation shall include the follow particulars in the shareholders meeting notice:

- I. How shareholders attend the virtual meeting and exercise their rights.
- II. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
  - (I) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume
  - (II) Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
  - (III) In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on the meeting agenda of that shareholders meeting.
  - (IV) Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.

III. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending virtual shareholders meeting online shall be specified.

Article 7: If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair.

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

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

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

Article 8: The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

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

Article 9: The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

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

Where a shareholders meeting is held online, this Corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by this Corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end. The information and audio and video recording in the preceding paragraph shall be properly kept by this Corporation during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

Article 10: Deleted.

Article 11: The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the chair shall declare the meeting adjourned. The cancelling of a meeting for want of quorum shall be announced on the virtual meeting platform if the meeting is convened by virtual conference. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one-third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. If a shareholders' meeting is to be held by virtual conference, the shareholders wishing to attend it by video conference should register again with the Company according to Article 5.

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

Article 12: If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

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

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of

directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

In addition to the proposals listed on the Agenda, other proposals or amendments or substitutions to original proposals by shareholders should be seconded by other shareholders.

- Article 13: Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.
- Article 14: Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.  
When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.
- Article 15: When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting. When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.
- Article 16: After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
- Article 17: If the shareholders' meeting is held by virtual conference, attending shareholders may ask questions in text on the virtual meeting platform after the chairman calls the meeting to order and before the meeting is adjourned. During each proposal, there is no more than two questions and each question is no more than 200 words. Articles 13 to 15 is inapplicable to it.
- Article 18: If the chairman considers that the discussion of a proposal is ready to be put to the vote, the chairman may declare that the discussion has ceased and put it to the vote.
- Article 19: Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. Vote counting shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.
- Article 20: 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 if the agenda fails to be completed.
- Article 21: Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands. The chair may direct the proctors or security personnel to help maintain order at the meeting place. When a meeting is in progress, the chair may announce a break based on time considerations.
- Article 22: When a meeting is in progress, 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.
- Article 23: Voting at a shareholders meeting shall be calculated based the number of shares.  
With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.  
When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of this Corporation, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.  
The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.  
With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.
- Article 24: A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.  
When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. (For companies that are required to adopt electronic voting in accordance with the first provision of Article 177-1 of the Companies Act, the Company shall adopt electronic means and may adopt written means to exercise its voting rights when it convenes a shareholders' meeting after listing on the stock exchange.) When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.

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

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

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

If the Chairman consults all shareholders present and there is no dissenting voice, the proposal shall be deemed to have been carried and shall have the same effect as a poll. If there is dissenting voice, a poll shall be taken in accordance with the provisions stipulated in the former provisions.

If a shareholders' meeting is held by virtual conference, attending shareholders shall vote on all proposals and elections through the video conference platform after the chairman calls the meeting to order and shall complete the voting before the chairman announces the end of the voting, and any delay shall be deemed as abstention.

If a shareholders' meeting is held by virtual conference, the votes shall be counted in one go. The results of the voting and election shall be announced by the chairman.

- Article 25: 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 it 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.
- Article 26: The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors not elected and the number of votes they received. The ballot papers for the above election shall be sealed and signed by the scrutineers and kept properly 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 27: Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes and shall be carried out in accordance of Article 183 of Company Act.  
The resolutions of the meeting and the results thereof shall be recorded and shall be retained for as long as the Company shall continue in office.
- Article 28: All matters not covered by these Rules shall be governed by the provisions of the Companies Act and the relevant Acts and the Articles of Association of the Company.
- Article 29: These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.
- Article 30: The Rules was made on June 30, 2017 and was made effective upon completion of the public offering of the Company.  
The first amendment to the Rules was made on June 27, 2018.  
The second amendment to the Rules was made on Oct. 8, 2020.  
The third amendment to the Rules was made on Aug. 5, 2021.  
The fourth amendment to these Regulations was made on June 15, 2023.

## **Unictron Technologies Corporation**

### **Rules of Procedure for Board of Directors' Meetings**

#### Article 1 (Basis for Formulation of the Rules)

In order to establish a good governance system, sound supervisory function and strengthen the management function of the Board of Directors of the Company, these Rules are established in accordance with the Regulations Governing Procedure for Board of Directors' Meetings of Public Companies for compliance.

#### Article 2 (Scope of the Rules)

The Company's board of directors' meeting procedures, main contents, operating procedures, required items in the meeting minutes, announcement, and other matters to be followed shall be handled in accordance with the provisions of these rules.

#### Article 3 (Convening of the Board of Directors and Meeting Notices)

The Company's board meeting shall be convened at least once per quarter. The reasons for the meeting shall be specified. The directors shall be notified seven days in advance. However, in case of emergency, the board meeting may be convened at any time.

The aforementioned notice may be transmitted electronically with the counter-party's consent.

Except for emergencies or justifiable reasons, the matters specified in Article 12, paragraph 1 shall be listed in the reason for convening the meeting and shall not be proposed as an impromptu motion.

#### Article 4 (Notice of Meeting and Meeting Materials)

The finance department is designated by the Company's board of directors for meeting matters.

The unit responsible for parliamentary affairs shall draft the contents of the board meeting and provide sufficient meeting materials, which shall be sent together with the meeting notice.

If the directors deem the meeting materials insufficient, they may request the responsible unit for supplementary information. If the directors deem the proposal materials insufficient, they may postpone the review of the proposal with the resolution of the board of directors.

#### Article 5 (Preparation of the Attendance Book and Directors' Attendance by Proxy)

When a board meeting of the Company is convened, an attendance book shall be prepared for the signature of the attending directors for inspection and reference.

A director shall attend a board meeting in person. If a director cannot attend a meeting in person, he/she may appoint another director to attend the meeting on his/her behalf in accordance with the Company's Articles of Incorporation; if a director participates in a meeting via video conference, it shall be deemed that he/she attended the meeting in person.

When a director appoints another director to attend a board meeting on his/her behalf, he/she shall issue a letter of proxy each time and state the scope of authorization with respect to the reasons for convening the meeting.

The proxy in the second paragraph is limited to one person.

#### Article 6 (Guidelines for Location and Time of Board Meetings)

Board meetings of the Company shall be held at the Company's premises and during business hours, or at other locations and times that are convenient for the attendance of directors and appropriate for board meetings.

#### Article 7 (Board Chairperson and Proxies)

If the board meeting of the Company is convened by the chairman, the chairman shall preside over the meeting. However, the director who received the most votes at the shareholders' meeting shall preside over the first meeting of the Board of Directors at the commencement of each term; the chairman shall serve as the right convening party. In situations where two or more directors are authorized to convene the meeting, the conveners are required to choose a chair from amongst themselves.

When a majority of the directors convenes the board meeting in accordance with Article 203, Paragraph 4 or Article 203-1, Paragraph 3 of the Company Act, one person shall be elected by the directors from among themselves to chair the meeting.

In the event that the chairperson is absent or unable to exercise their official duties due to any

circumstance, the chairperson shall appoint a director to serve as the deputy. In the absence of such a designation from the chairperson, one individual shall be chosen from among the directors to serve as deputy.

#### Article 8 (Reference materials, attendees, and convening of the Board meeting)

When a board meeting of the Company is convened, the Finance Department shall prepare relevant information for the reference of directors at any time.

Depending on the content of the agenda, personnel from the relevant departments or subsidiaries may be notified to attend the board meeting. If necessary, CPAs, lawyers or other professionals may also be invited to attend meetings and give explanations. However, they shall leave the meeting during the discussion and voting .

Immediately upon the attendance of more than half of the directors, the meeting shall be called to order by the chairperson of the board.

At the scheduled meeting time, if half of all directors are absent, the chairperson may announce a postponement of the meeting on that day. The number of postponements is limited to two. If the quorum is still insufficient after two postponements, the chair may re-convene in accordance with the procedures specified in Article 3, Paragraph 1.

All Directors referred to in the preceding paragraph and Article 16, Paragraph 2, Subparagraph 2 shall be counted as the actual number of persons currently in office.

#### Article 9 (Evidence and Recording of Audio or Videotaping of Board Meetings)

As evidentiary material, board meetings of the company shall be audio or video recorded in their entirety and preserved for a minimum of five years. The retention may be maintained in an electronic format.

Before the expiry of the retention period referred to in the preceding paragraph, in the event of a lawsuit on an issue resolved by the board of directors, the relevant audio or video recording evidence shall be kept until the end of the lawsuit.

If the board meeting is convened by video conference, the video and audio data shall be part of the meeting minutes and shall be properly kept during the existence of the company.

#### Article 10 (Meeting Content)

The contents of the Company's periodic board meetings shall at least include the following items:

1. Management Presentations:
  - (1) Minutes of the previous meeting and their implementation.
  - (2) Important financial and business reports.
  - (3) Internal audit report.
  - (4) Other important matters to report.
2. Discussion:
  - (1) Discussion items reserved from the previous meeting.
  - (2) Matters scheduled for discussion at the meeting.
3. Extraordinary Motions.

#### Article 11 (Discussion of proposals)

The Board meeting of the Company shall proceed in accordance with the agenda scheduled in the notice of the meeting, but changes may be made with the consent of more than half of the directors present.

The chairman shall not declare the meeting adjourned without the consent of more than half of the directors present.

During a board meeting, if the number of directors present does not reach more than half of the directors present, upon the proposal of the directors present, the chairperson shall announce the suspension of the meeting, and the provisions of Article 8, Paragraph 4 shall apply.

Article 7, Paragraph 3 shall apply to the appointment of proxies of the chairperson who is unable to preside over the meeting or adjourned without complying with the provisions of paragraph 2 when board meetings are in progress.

#### Article 12 (Items to be discussed by the Board of Directors)

The following matters shall be submitted to the board of directors for discussion:

1. The Company's business plan.
2. The annual financial report and the second quarter financial report that must be audited and certified by CPAs.
3. Establishment or amendment of the internal control system in accordance with Article 14-1 of the Securities and Exchange Act, and evaluation of the effectiveness of the internal control system.
4. Establishment or amendment of the Procedures for the Acquisition or Disposal of Assets, Engagement in Derivative Transactions, Loaning of Funds, Endorsement or Guarantee for Others, and Procedures for Significant Financial Business Acts in accordance with Article 36-1 of the Securities and Exchange Act.
5. Offering, issuance or private placement of equity-type securities.
6. Appoint or dismiss senior management (general manager, vice general manager) and determine their remuneration.
7. The appointment or discharge of a financial, accounting, or internal audit officer.
8. Donations to related parties or significant donations to non-related parties. However, the public welfare donations for emergency relief due to major natural disasters may be submitted to the next board meeting for ratification.
9. Significant matters that are subject to the resolution of the shareholders' meeting or the board of directors in accordance with Article 14-3 of the Securities and Exchange Act, other laws and regulations or the articles of association, or major matters as required by the competent authorities.

The related parties referred to in Subparagraph 8 of the preceding paragraph mean the related parties regulated by the Regulations Governing the Preparation of Financial Reports by Securities Issuers; the material donations to non-related parties as used herein mean the amount of each donation or the cumulative donation to the same object NT\$3 million or more, or 1% of the net operating revenue or 5% of the paid-in capital in the most recent financial report certified by a CPA.

The one-year period referred to in the preceding paragraph refers to the period from the date of the board meeting held as the basis, and the part that has been resolved by the board of directors meeting can be excluded from the calculation.

If the Company has independent directors, a minimum of one independent director must be present at each board meeting in person. In regard to matters that are to be presented to the board of directors for resolution in paragraph 1, all independent directors are required to be present at the board meeting. In the event that an independent director is unable to physically attend the meeting, an alternative independent director shall be designated to do so. Any dissenting or qualified opinion of an independent director shall be recorded in the minutes of the board meeting; if an independent director cannot attend a board meeting to express an objection or qualified opinion, unless there is a valid reason, a written opinion shall be issued in advance and recorded in the minutes of the board meeting .

#### Article 13 (Voting "I")

If the chairman considers that the discussion of a proposal is ready to be put to the vote, the chairman may declare that the discussion has ceased and put it to the vote.

When the Company's board of directors is voted on, if there is no objection from all directors present after the chairperson has consulted, it shall be deemed as passed, and its effect shall be the same as that of "passed by voting". Any objection raised by the chair shall be put to the vote.

The method of voting shall be determined by the Chairman from one of the following provisions. However, if the attendees have objections, they shall be decided by a majority opinion:

1. By show of hands or voting machine.
2. Voting by name.
3. Voting by ballot.

All directors referred to in the preceding two paragraphs do not include directors who are not allowed

to exercise voting rights under Article 15, paragraph 1

Article 14 (Voting "II" and scrutineering and counting methods)

Resolutions of the Board of Directors shall, unless otherwise provided in the Companies Act and the Securities and Exchange Act, be made with the presence of a majority of the Directors and shall be carried out with the consent of a majority of the Directors present.

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 it will be put to a vote. However, when any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

In order to oversee the vote on a proposal, the chair may designate vote scrutineers and tellers, if necessary; nevertheless, it is compulsory that all voting scrutineer personnel maintain the director position.

The results of the voting shall be announced on the spot and recorded.

Article 15 (Regulation of recusal for directors)

When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, managerial officers, and other stakeholders attending or present at board meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director.

If a director's spouse, second-degree relatives and other blood relatives, or a company with a controlling and subordinate relationship with the director has an interest in an item at the meeting of the preceding paragraph, it shall be deemed that the director has a conflict of interest in the matter.

For the resolution of the board of directors of the Company, the provisions of Article 180, paragraph 2 of the Company Act shall apply mutatis mutandis to directors who are not in accordance with the regulations to exercise voting rights in accordance with Article 206, paragraph 4 of the Company Act.

Article 16 (Minutes and Signatures)

The proceedings of the board of directors of the Company shall be recorded in the minutes containing the following details:

1. Term (or year), time and place of the meeting.
2. Chairman's name
3. Directors' attendance, including the names and numbers of directors present, leave of absence, and absences.
4. The names and titles of the attendees.
5. Chairman's name.
6. Management Presentations.
7. Matters for discussion: resolution methods and results of each proposal, summaries of speeches by directors, experts and other personnel, names of directors with interests involved in accordance with paragraph 1 of the preceding article, explanations of important details of the interests, reasons for recusal or non-recusal, recusal and qualified opinions, objections or reservations that are recorded or recorded, and the written opinions issued by independent directors in accordance with Article 12, Paragraph 4.
8. Extraordinary motion: name of mover, method of resolution and result of motion, summaries of speeches by directors, experts and other persons, name of director with interest under paragraph 1 of the preceding article, explanation of important details of the interest, and whether they should recusal or not recusal The reasons, recusals, and objections or reservations shall be recorded or stated in writing.
9. Other information required to be disclosed.

The resolutions reached by the board of directors that fall under any of the following categories must be documented in the minutes of the meeting and announced and reported on the information

network designated by the Financial Supervisory Commission, Executive Yuan within two days from the board meeting date:

1. Where an independent director has dissenting or qualified opinion with record or written statement.
2. The Company has established the Audit Committee. The resolution was not approved by the Audit Committee of the Company, but was approved by more than two-thirds of all directors. The board of directors' attendance book is an integral part of the minutes of the meeting and shall be properly kept during the existence of the company.

The minutes shall be affixed with the signatures or seals of the meeting chair and minutes taking, and distributed to all directors within 20 days after the meeting. The minutes shall also be included in the important files of the Company and retained permanently and properly during the existence of the Company.

The preparation and distribution of the minutes of meeting referred to in paragraph 1 may be made electronically.

#### Article 17 (Principles of delegation of authority by the Board of Directors)

Except for the matters in Article 12, paragraph 1 that shall be discussed by the board of directors of the company, the board of directors may authorize the chairperson to exercise the powers of the board of directors in accordance with laws and regulations or the articles of association of the company. The content of authorization and the principles for handling are as follows:

1. Approval of important contracts.
2. Approval of real estate mortgage loans and other borrowings.
3. Approval of the acquisition and disposal of the general property and real estate of the company.
4. Appointment of directors and supervisors of re-invested companies.
5. Approval of the ex-date of capital increase or decrease, ex-dividend date, rights offering or subscription, and change of dividend distribution ratio, etc.
6. Others Execute all affairs of the Company in accordance with laws and regulations, the Articles of Incorporation of the Company, and the resolutions of shareholders' meetings and board of directors' meetings.

#### Article 18 (Supplementary Provisions)

The establishment of these Rules and Procedures shall be subject to the approval of the Board of Directors, and shall be reported to the shareholders' meeting. The board of directors may be authorized to resolve any amendments in the future.

#### Article 19 (Effectiveness and Amendment of the Rules)

These Rules of Procedure were established on June 27, 2018. Effective and applicable upon the completion of the public offering of the Company.

The first amendment was made on July 14, 2020.

The second amendment was made on March 11, 2021.

The third amendment was made on February 27, 2024.

## Current Shareholding of Directors

- I. The paid-up capital of the Company is NT\$478,753,250, with 47,875,325 shares. In accordance with Article 26 of the Securities and Exchange Act and Article 2-2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies", the percentage of shareholding of all directors and supervisors, other than independent directors, is reduced to 80% if the shareholding of independent directors is not counted and if more than two independent directors are elected.
- II. The minimum number of shares required to be held by all Directors of the Company is 3,830,026 shares.
- III. The actual number of shares held by all directors of the Company was 18,451,081 as at the date of cessation of transfer at the general meeting held on 2 April 2024, which was in compliance with the requirements. The shareholding of the Directors:

Apr. 2, 2024

Job title	Name	Shareholding (shares)	Shareholding percentage (%)
Chairman	SU, KAI-CHIEN	900,000	1.88
Director	Lee, Ran-Rong (representative of Darfon Electronics Corp.)	17,551,081	36.66
Director	Chris Wang (representative of Darfon Electronics Corp.)	17,551,081	36.66
Director	CHANG, MING-CHU (representative of Darfon Electronics Corp.)	17,551,081	36.66
Independent director	CHENG, WEI-SHUN	0	0.00
Independent director	WANG, YUNG-HO	0	0.00
Independent director	WANG, CHIEN-MIN	0	0.00
Independent director	SHEN, HSI-WEN	0	0.00
Total		18,451,081	38.54