股票代號：3494

誠研科技股份有限公司

HiTi Digital, Inc.

Handbook for the 2024 Annual Meeting of Shareholders

TIME: 9:00 a.m., June 20, 2024
PLACE: 1F., No. 207-2, Sec. 3, Beixin Rd., Xindian Dist., New Taipei City - Meeting Room 1A "Taipei Innovation City Convention Center"

I. Meeting Procedure

HiTi Digital, Inc.

Procedure for the 2024 Annual Meeting of Shareholders

1. Call the Meeting to Order

2. Chairperson Remarks

3. Company Reports

4. Proposals

5. Discussion

6. Election

7. Other Discussions

8. Questions and Motions

9. Adjournment

HiTi Digital, Inc.
Year 2024
Agenda of Annual Meeting of Shareholders

TIME: 9:00 a.m. on Thursday, June 20, 2024

PLACE: 1F., No. 207-2, Sec. 3, Beixin Rd., Xindian Dist., New Taipei City - Meeting Room 1A "Taipei Innovation City Convention Center"

Meeting Method: Physical Meeting

Call the Meeting to Order.

Chairperson Remarks

1. Company Reports
   (1) 2023 Business Report
   (2) 2023 Audit Committee’s Review Report
   (3) Report on the Implementation of Private Placement in 2023
   (4) Report on the Company’s Accumulated Losses Reaching Half of the Paid-in Capita
   (5) Progress in execution of improvement plans to the company's short term financing exceeding the set limit.
2. Proposals
   (1) 2023 Business Report and Consolidated Financial Statements
   (2) 2023 Loss Offset Proposal
3. Discussion
   (1) Proposal for a capital reduction plan to offset company losses
   (2) Proposed Private Placement of Ordinary Shares and Convertible Corporate Bonds with Domestic Guarantee
4. Elections
   (1) The 9rd Election of Directors
5. Other Discussions
   (1) Proposal for Release the Prohibition on Directors from Participation in Competitive Business.
6. Questions and Motions
7. Adjournment

1. Company Reports

Report No. 1

2023 Business Report

Explanation:

The 2023 Business Report is attached as Attachment 1.

Report No. 2

2023 Audit Committee’s Review Report

Explanation:

The 2023 Audit Committee’s Review Report is attached as Attachment 2. ◦

Report No. 3

Report on the Implementation of Private Placement in 2023

Explanation:

1. In accordance with the provisions of the Directions for Public Companies Conducting Private Placements of Securities, the private placement of ordinary shares approved at the Company's 2022 Shareholders' Meeting has completed the registration change on August 23, 2023. Please refer to Attachment 3 for details.
2. In accordance with Directions for Public Companies Conducting Private Placements of Securities.
3. This private placement of 20,000,000, totaling NT$200,000,000, was all used as central bank bills and had been used as of the third quarter of 2023.

Report No. 4

Report on the Company’s Accumulated Losses Reaching Half of the Paid-in Capital

Explanation:

1. In accordance with Article 211 of the Company Act.
2. As of December 31, 2022, the Company's accumulated losses amount to NT$722,902,036, which exceeds half of the paid-in capital due to continuous operating losses for five consecutive years.

Report No. 5

Progress in execution of improvement plans to the company's short term financing exceeding the set limit.

Explanation:

1. Issued per 7 July 2023 Order No.Financial-Supervisory-Securities-Auditing 1120347850 by the Financial Supervisory Commission.
2. The company's short term financing of its subsidiary (Chien-Hua Coating Technology Inc.) has a remaining balace of $60,000,000 NTD, exceeding theset limit of $47,706,000 NTD, and must therefore provide an improvement plan, seasonal public announcements on execution thereof, and seasonal reports to the board of directors, and subsequently to the shareholders' meeting.
3. The company has received private placement funds of $200,000,000 NTD on 30 June 2023, and has applied to the relevant commissions for capital increase via new stocks. This application was passed by the Ministry of Economic Affairson 23 August 2023, increasing the company's net worth, and thereby increasing the financing capital limit to $55,723,000 NTD, alleviating the issue of excess financing.

2. Proposals

Proposal 1 (Proposed by the Board):

2023 Business Report and Consolidated Financial Statements

Explanation:

1. The Company's 2023 financial statements have been audited and certified by joint auditors YAO ,YU-LIN and WU,JIA-HONG from ShineWing CPAs(Taiwan). The Business Report has been approved by the Board of Directors on March 14, 2024, and has been submitted to the Audit Committee for review and approval.
2. Enclosed are the 2023 Business Report, Audit Committee Review Report, and Auditor's Review Report. Please refer to Attachment 1, Attachment 2, and Attachment 4 for details.

Resolution:

Proposal 2 (Proposed by the Board):

2023 Loss Offset Proposal

Explanation:

1. The Company's net loss after tax for the year 2023 is NT$203,990,558. After adjusting for the accumulated losses carried forward from previous years (NT$722,902,036)) and the capital surplus arising from changes in ownership equity of subsidiary (NT$46,164,603), the remaining balance of accumulated losses at the end of the period is NT$973,057,197.
2. The Company's loss offset table is as follows:

HiTi Digital, Inc.
Loss Offset Table
Year 2023

Unit: NTD

Item	Amount
Accumulated Losses at January 1, 2023	(722,902,036)
(Plus/Minus):	
Net Loss for the Year 2023	(203,990,558)
Re-measurement of Defined Benefit Plans - Current Period Changes	
Retained Earnings Available for Distribution (IFRS) at December 31, 2023	(926,892,594)
(Plus/Minus): Adjustment to retained earnings in relation to equityaccounted investments	(46,164,603)
Accumulated Losses at December 31, 2023	(973,057,197)

Chairman: HUANG, FU
Manager: HUANG, GUAN-ZHI
Accounting Supervisor: SUN, MING-HONG

Resolution:

3. Discussion

Proposal 1 (Proposed by the Board):

Proposal for a capital reduction plan to offset company losses. Please proceed to discuss

Explanation:

(1) Reason for reduction: For purposes of strengthening financial structure and business development, the company proposes to carry out a capital reduction plan to eliminate accumulated deficit in accordance with Article 168 of the Company Act.
(2) Total amount: NTD$792,000,000
(3) Cancelled shares: 79,200,00 shares of common stock.
(4) Cancellation ratio: 55%. The cancelled shares are determined by the shareholding ratio of shareholders in the register of shareholders on the record date of the reduction, i.e. for every 1,000 shares, 550 shares will be cancelled. Shareholding of less than one share after reduction shall be paid in cash. Fractional shares will be purchased by persons arranged by the Chairman as authorized by the Board.
(5) Paid-in capital after reduction: NTD$648,000,000 (share par value NTD$10, total 64,800,000 shares issued).
(6) The company shall file the capital reduction plan with the Financial Supervisory Commission for approval after the resolution by the Annual Meeting of Shareholders, and authorize the Board to set up a reduction record date and to conduct the reduction procedures.
(7) It is proposed that the Board of Directors be authorized to take any action that may be required in connection with the capital reduction plan as a result of any amendment to applicable laws or regulations or as required by the competent authorities.
(8) proposed not to distribute dividends, compensation of directors and supervisors, and employee bonus.

Resolution:

Proposal 2 (Proposed by the Board):

Proposed Private Placement of Ordinary Shares and Convertible Corporate Bonds with Domestic Guarantee. Please proceed to discuss.

Explanation:

To deal with changes in the overall operating environment in the future, replenish operating funds, repay bank loans, improve the company's financial structure, purchase or invest in other projects needed for the company's long-term development, it is proposed to authorize the board of directors to issue no more than 70 million common shares and no more than NT$ 700 million in domestic convertible bonds, depending on market conditions and the company's capital requirements. The funding is planned to be raised one or two times in an appropriate manner as per the company's articles of incorporation and related laws and regulations, from the date of the shareholders' meeting resolution.

According to the relevant regulations of Article 43-6 of the Securities Exchange Act, the main contents of issuing private placement common shares and domestic convertible corporate bonds are explained as follows:

I. Basis and rationality for setting the private placement price:

1. The actual issue price of this private placement common shares will be set at no less than 80% of the reference price.
2. The reference price for calculating this private placement common shares should be based on the

higher of the simple arithmetic average of the company's common share closing prices minus the ex-rights of free stock distribution and dividends, and adding back the post-reduction ex-rights share price for one, three, or five business days prior to the pricing date and 30 business days before the pricing date. The actual price will be determined by the board of directors in accordance with relevant legal provisions.

3.The explanations related to this domestic convertible corporate bonds are as follows:

(1) Each bond will be denominated at a round figure of NT$ 100,000.

(2) Details on the issue period, issue price, issue interest rate, issue conditions, buy-back conditions, and sell-back conditions are provided in the attachment.

(3) The types, names, and amount of collateral, and agreed matters are to be decided.

(4) The trustee for the corporate bond is to be decided.
The agent for bond redemption and interest payment is to be decided.
The conversion base date and possible dilution of stock rights are to be decided.

(5) The setting of the reference price for this private placement of domestic secured convertible corporate bonds is based on the simple arithmetic average of the closing price of ordinary shares on one, three, or five business days before the pricing date, deducted from the ex-rights and dividend of free distribution of shares, and added back the share price after the ex-rights of the capital reduction. It is compared with the simple arithmetic average of the ordinary shares closing price on 30 business days before the pricing day, deducted from the ex-rights and dividend of free distribution of shares, and added back the share price after the ex-rights of the capital reduction. The higher one is selected as the benchmark price. The setting of the conversion price will be no less than 80% of the benchmark price times the conversion premium rate.

(6) The issuance price of this private placement of domestic secured convertible corporate bonds should not be lower than 80% of the theoretical price. The setting of the issuance price of this private placement of domestic secured convertible corporate bonds will be submitted to the shareholders' meeting to authorize the board of directors, considering the specific circumstances in the future and taking into account the company's operational performance, future outlook, and market conditions. The setting of the issuance price and the conversion price of the above-mentioned private placement of secured convertible corporate bonds complies with the provisions of the matters to be noted by publicly issued companies for private placement of securities, so it is reasonable.

(7) If the set conversion price is lower than the par value of the shares due to market factors in the future, it is reasonable because it is handled according to the pricing basis of laws and regulations and reflects the market price situation. If it causes an increase in accumulated losses that affects shareholders' rights and interests, it will be evaluated by shareholders at the next year's shareholders' meeting based on the annual business results and discussed whether to reduce capital to offset losses.

4.The actual pricing date and the actual private placement price (including the conversion price of the private placement of secured convertible corporate bonds) are authorized by the board of directors to be determined based on the specific circumstances and market conditions in the future within the range of the percentage approved by the shareholders' meeting.

5. The pricing method of this private placement is based on the provisions of the "Directions for Public Companies Conducting Private Placements of Securities", and considering the future development of the company and the transfer timing, object, and quantity of the private placement securities are strictly limited, and it is not possible to handle the listing within three years, and the liquidity is poor, so the setting of this private placement price is reasonable and will not have a significant impact on the rights and interests of shareholders.

II. Method of selecting specific persons for private placement:

1. The prospective applicants for this private placement are limited to specific individuals who comply with Article 43-6 of the Securities and Exchange Act and the amendments in the letter Tai-Cai-Zhen(I)-Zi No. 0910003455 issued by the former Ministry of Finance Securities and Futures Commission on June 13, 2002, and the "Directions for Public Companies Conducting Private Placements of Securities" revised by the letter Jin-Guan-Zhen-Fa-Zi No. 1010055995 issued by the Financial Supervisory Commission on January 8, 2013, and other relevant instructions. The prospective applicants we are currently planning to engage are primarily internal individuals or related parties, and strategic investors who could potentially expand the Company's business.
2. The subscriber is proposed to be a strategic investor:
   (1) Selection criteria and objectives of subscribers: The selection criteria prioritize individuals who have a good understanding of the Company's operations and can directly or indirectly contribute to the Company's future operations. They should meet the requirements of the regulatory authorities for specific individuals.
   (2) Necessity: The Company aims to improve operational performance and strengthen the financial structure, and consider enhancing the stability of management by introducing the funds of the candidates, which will contribute to the company's operations and business development and can improve the overall operating condition of the company and enhance the cohesion within the company.
   (3) Expected benefits: By infusing the candidate's funds, it can reduce the pressure of operating capital costs and strengthen the financial structure.
3. Subscriber List: The current aubscriber being discussed bre insider or related party, as detailed below, and it is proposed to authorize the board of directors to change the situation within this candidate list

Subscriber	Relationship with the Company
Guang Feng Investment Co., Ltd.	Legal Chairman of the Company
LI, FANG-ZHONG	Independent Director of the Company
HUANG, CHUAN	Related Party of the Company
HUANG, FU	Representative of the Legal Chairman of the Company
YIN, FEI-FAN	Related Party of the Company
Bonkai Investment Co., Ltd.	Related Party of the Company
KUO CHIEN LEASING CO., LTD	Related Party of the Company
Bang Guo Investment Co., Ltd.	Related Party of the Company

4.The relationship between the corporate shareholders among the top ten shareholders and the Company, along with their respective shareholding percentages, is as follows:

Corporate Subscribers	Names of the Top Ten Shareholders	Shareholding Percentage	Relationship with the Company
Guang Feng Investment Co., Ltd.	HUANG, FU	84.554%	Representative of the Legal Chairman of the Company
	HUANG, CHUAN	15.393%	Related Party of the Company
	YIN, FEI-FAN	0.053%	Related Party of the Company
Bonkai Investment Co., Ltd.	HUANG, CHUAN	80%	Related Party of the Company
	YIN, FEI-FAN	20%	Related Party of the Company
KUO CHIEN LEASING CO., LTD	HUANG, CHUAN	100%	Related Party of the Company
Bang Guo Investment Co., Ltd.	HUANG, FU	8.24%	Representative of the Legal Chairman of the Company
	YIN, FEI-FAN	32.94%	Related Party of the Company
	HUANG, CHUAN	58.82%	Related Party of the Company

III. Reasons for conducting private placement:

1.Reason for not using public fundraising: In response to changes in the overall operating environment in the future, to enrich operational funds, repay bank loans, improve the company's financial structure, purchase or reinvest, or other capital needs for the company's long-term development. Considering the capital market conditions, issuing costs, timeliness, and feasibility of private placement fundraising, as well as the restriction that privately placed securities cannot be freely transferred within three years, it can ensure and strengthen a closer long-term cooperation relationship with strategic partners. Therefore, it is necessary to increase capital through private placement this time.

2.Use of funds from private placement and expected benefits:

This private offering of securities can be carried out once or twice within one year from the date of the resolution of the shareholders' meeting. The intended uses of the funds raised and the expected benefits are as follows:

The company plan to privately place 70 million common shares and issue 700 million New Taiwan dollars in convertible corporate bonds. The funds will be used for a variety of purposes, such as strengthening operating funds, repaying bank loans, making purchases or investments, or meeting other funding needs for the long-term development of the company. The expected benefits are to reduce the company's operational risk, improve the company's financial structure, and enhance the future operational performance of the company.

IV. Before deciding to carry out this private offering, there were no significant changes in the company's management rights within the last year. The anticipated private placement of 70 million common shares or issuance of 700 million New Taiwan dollars in convertible corporate bonds will not result in significant changes in the company's management rights after the private placement.

V. Other matters to be stated:

1.The common shares converted from this private placement and domestic convertible corporate bonds with security are the same as the common shares already issued by the company.

2. For the securities of this private placement, it is proposed to authorize the board of directors to apply for the approval letter that meets the listing standards from Taiwan Stock Exchange after three years from the date of delivery of the private placement, and subsequently apply for the relevant public offering and listing transactions to the competent authority.
3. Please refer to the attachment for the issuance and conversion method (provisional) of the domestic convertible corporate bonds with security in this private placement.
4. The main contents of this private offering of securities, including the actual number of private shares, actual private placement price, fundraising amount, actual issuance method, issuance conditions, conversion price, selection of subscribers, reference date, project plan, use and progress of funds, expected benefits, and other relevant matters, as well as all matters related to the issuance plan, will be submitted to the shareholders' meeting for authorization for the board of directors to adjust, determine, and carry out depending on market conditions. In the future, if there are changes in laws or regulations or requirements from competent authorities for revision, or if there is a need to change due to operational assessments or objective environmental needs, the board of directors will have full authority to deal with it beyond the pricing of the private placement.
5. In addition to the above authorization scope, it is proposed to authorize the chairman or his designated representative to approve and represent the company in signing, discussing, and changing all matters related to the issuance of private placement securities.
   Attachment 5: Domestic Convertible Corporate Bond Issuance Private Placement and Conversion Method (Provisional)

Resolution:

4. Elections

Proposal:

The company is responsible for identifying and evaluating nominees for director and independent director seats, and recommending to the Board a slate of nominees for the 9th Directors and Independent Directors election. (Proposed by the Board of Directors)

Explanation:

1. The three-year term of 4 Directors and 3 Independent Directors of the 9th Board will be end on 07/19/2024. Accordingly, the company proposes to duly elect new Board members at this year's Annual Meeting of Shareholders.
2. The Board election proposal has been approved by 05/09/2024 the 21th meeting of the 8th Board of the company.
3. The shareholders' meeting shall elect 4 Directors and 3 Independent Directors. Their three-year term will start from 06/20/2024 and conclude on 06/19/2024.

4. In accordance with Article 192-1 of the Company Act of Candidate nomination system. Personal information of the 7 nominees is as Attachment 5

Voting Results

5. Other Discussions

Proposal:

Proposal for Release the Prohibition on Directors from Participation in Competitive Business. Please proceed to discuss.

Explanation:

1. According to Article 209, paragraph 1 of the Company Law, directors who, for themselves or others run businesses which are similar to the business of the Company, shall report to and obtain permission from the shareholders' meeting.
2. Considering the fact that the new director of the company may also serve as directors or managers of company's invested enterprise, without prejudice to the company's interest, the release of restrictions of competitive activities of Director is proposed to the Shareholders' Meeting for approval if the nominee is elected (including the representative appointed by the director).
3. Please proceed to discuss.

Name	Current Position
HUANG, FU	#HiTi Digital, Inc -VP of Global Business Administration #Guang Feng Investment Co., Ltd. -the representative appointed by the director # CHC Technology Inc.- Directo

Resolution:

6. Questions and Motions

7. Adjournment

【Attachment 1】

2023 Business Report

Dear shareholders, Thank you to all shareholders for taking the time out of their busy schedules to attend the company's annual shareholders' meeting. Here I will report the company's operating situation over the past year.

1. 2023 Business Plan Implementation Results
   The company's consolidated operating income totals NT$ 675,907 thousand, the net operating loss is NT$ 215,819 thousand, and the pre-tax net loss for the period is NT$ 265,403 thousand.

   Looking back on 2022, the COVID-19 pandemic plunged the world into chaos over the past 3 years, leading to a severe but brief economic recession, followed by an economic recovery in the post-COVID era. The pandemic has profoundly changed the business environment, and the policies implemented by various governments in response to COVID-19 have pulled the economy out of a long stagnation before the epidemic and marked the advent of a new era. As the COVID-19 pandemic gradually eases, countries have successively announced the lifting of border controls, directly or indirectly driving the recovery of global economy and civilian activities, thereby gradually restoring the demand for photo printing, especially in advanced regions like Europe and America, the company's business orders and operating conditions are also growing month by month. However, the shortage of key component supplies and the extended supply schedule have not improved with the epidemic. The company immediately took relevant measures, carried out research and development of new platform architecture, adjusted with market demand, and discussed market conditions and project planning with important partners in various regional markets worldwide. At the same time, the production efficiency of the factories was flexibly adjusted, allowing the group to be agile during the epidemic and maintain a steady pace, in the hope of continuing to expand business services to customers under the dual impacts of the epidemic and shortage of materials. In addition to continuously operating the self-service photo printing service system of the chain channel in response to market demand, the company's direct card printing machine and roll-type photo printer have also achieved a lot. In China, Asia Pacific and Middle East markets, they continue to expand machine shipments to increase market share. Furthermore, in Europe and East Asia, we have received recognition from channel customers and signed contract orders for photo printer consumables, continuing to promote the utilization of factory capacity and thereby increase market share and meet customer needs.

2. Summary of the 2024 business plan:
   (1) Continuously expanding market share in Europe (America):
   Currently, the company is the only integrated supplier capable of producing dye-sub printers, photo paper and ribbon, giving it a competitive advantage through vertical integration (completed in 2019). Currently, there exists four dye-sub photo printer manufacturers in the world (Sinfonia, Citizen, Canon and HiTi), and two major media manufacturers (paper and ribbon), in Dai Nippon Printing (DNP) and HiTi, with HiTi being the only manufacture capable of producing both parts of the product in house, providing an advantage in costs. Together with industry-leading a green production process for photo paper, these key advantages will form the basis for integrating the company into the supply chain of large print retailers across the globe. Currently, HiTi has begun regular supply of products to Europe’s largest photo printing company and the local industry leader. Our new partner’s revenue and margins have demonstrated strong growth in recent years and serves as a leading indicator to

the strength and scale of the photo market in Europe. Now that HiTi has broken into the European market, its goals are set on American giants Walgreens and CVS (the largest and second largest retail chain in the US, with 17,000 locations between them), through discussion and close partnership with existing players in the field. The company expects to establish memoranda of understanding with these partners and begin expanding its North American footprint this year.

(2) Expanding market share through new consumables:

In recent years, due to the epidemic and global climate change, rising sea levels, etc., people have started thinking about how to coexist with the natural environment, and enterprises are also considering how to protect the earth while growing revenues, achieving sustainable operation. Because of the epidemic and natural disasters, many brand supply chains have been cut off, affecting company revenue. In view of environmental protection requirements, dye-sublimation printing technology does not have the issue of traditional silver salt equipment photo printing generating toxic wastewater polluting the environment. In addition to focusing on the application research and development of photo printing machine equipment, we are also continuously improving the second-generation G2 photo paper, and developing unique formulas and advanced materials in the world, striving for the advanced development of dye-sublimation printing trend technology, adopting more environmentally friendly formulas, leading the global industry. Looking forward to 2022, we will continue to reduce manufacturing costs, enhance production processing technology or formula materials, introduce environmental protection materials, increase competitive advantages, and our company will also continue to grow rapidly in the photo printing market and drive a substantial increase in market share and sales amount.

The demand for global photo systems is strong. We will introduce convenient photo systems (chain drug and cosmetic channels and post offices for certificates), based on convenience, coupled with a relatively low investment threshold. We will start installing machines in the US and Canada through 3 cooperation partners. In addition, we will combine a small photo machine (Cut Sheet Printer) with a tablet computer to simplify the process for easy use through a built-in App, aiming at retail channels with a daily print volume of < 50 photos, and offering more favorable entry thresholds to expand sales performance in developing countries such as Latin America, Asia, and Africa. Our company's product development team is actively developing a variety of software, system peripherals, payment systems, and other integrated systems designed for different business application needs. And provide system integrators and distributors with more advantageous prices and quality and more delicate and intimate services. In addition to the Dye-Sublimation Photo Business Division adopting the method of diversifying key component and photo paper suppliers to reduce production costs, shorten stocking time, and alleviate financial pressure, thereby improving product price competitiveness, it also adjusts the group investment structure and redefines the positioning of each subsidiary to save related costs and expenditures.

Chairman: HUANG, FU President: HUANG, GUAN-CHI CAO:SUN, MING-HYNG

【Attachment 2】

HiTi Digital Inc.
Audit Committee Review Report

The Board of Directors prepared the consolidated financial statements and parent company only financial statements of the Company for the year ended December 31, 2023, which were audited by CPA YAO, YU-LIN and CPA WU, JIA-HONG at ShineWing CPAs(Taiwan) issued an audit report without qualified opinion.

After examining the abovementioned financial statements, business report and proposal for distribution of earnings, the Audit Committee found no discrepancy and issued a report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

2024 Annual Shareholders' Meeting,

Audit Committee

Convener: LEE, FANG-ZHONG

March 27, 2024

【Attachment 3】

Implementation of Private Placement

Use of private equity funds： Enrich operation funds			
Scheduled expenditure amount	0	**Cumulative scheduled expenditure amount**	0
		Cumulative scheduled expenditure percentage %	0.00
Actual amount spent	0	**Cumulative actual amount spent**	0
		Cumulative actual amount spent percentage %	0.00
Unspent funds balance and purpose description	Not applicable		
Reasons for being ahead or behind and improvement plans	Not applicable		

Use of private equity funds： Pay up the bank loan			
Scheduled expenditure amount	200,000,000	**Cumulative scheduled expenditure amount**	200,000,000
		Cumulative scheduled expenditure percentage %	100.00
Actual amount spent	200,000,000	**umulative actual amount spent**	200,000,000
		Cumulative actual amount spent percentage %	100.00
Unspent funds balance and purpose description	All of it was used to repay bank borrowings and had been		

	used up as of the third quarter of 2023
Reasons for being ahead or behind and improvement plans	Not applicable

Use of private equity funds： OTHERS			
Scheduled expenditure amount	0	**Cumulative scheduled expenditure amount**	0
		Cumulative scheduled expenditure percentage %	0.00
Actual amount spent	0	**umulative actual amount spent**	0
		Cumulative actual amount spent percentage %	0.00
Unspent funds balance and purpose description	Not applicable		
Unspent funds balance and purpose description	Not applicable		

【Attachment 4】

Independent Auditors' Report

To the Board of Directors and Shareholders of HiTi Digital Inc:

Opinion

We have audited the parent company only financial statements of HiTi Digital Inc. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2023 and 2022, the parent company only statements of comprehensive income, parent company only statements of changes in equity, and parent company only statements of cash flows for the years ended December 31, 2023 and 2022, and notes to the parent company only 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 the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission 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 auditing standards 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 Code of Professional Ethics for Certified Public Accountant of the Republic of China (the "Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key audit matters for this parent company only financial statement for the year ended December 31, 2023 are stated as follows:

<u>Valuation of inventory</u>

Explanation for key auditing item:

Inventory at HiTi Digital Inc. as of the date of authorization of its financial statement was 12% of total assets. Additionally, the value of its inventory may be affected by market demand for related products, creating risks of its inventory costs exceeding its net realizable value. Hence, inventory valuation was one of our key audit matters for this financial report. For related accounting policy, critical accounting judgments and major sources of estimation and assumption uncertainty, please see section 四(七）, 五(一）, and 六(四）.

How the matter was addressed in our audit:

1. Evaluate the soundness of policies for inventory depreciation or slow-moving categorization
2. Examine stock age data and analyze changes in stock age in the past two years to determine major abnormalities
3. Evaluate if inventory cost reduction is properly implemented according to existing policy, and to examine the viability of the implemented sales price, to determine if the rate of inventory depreciation is appropriate.

<u>Write off of equity method investment and technology shares</u>

Explanation for key auditing item:

HiTi Digital Inc. purchase CHC Technology Inc. shares at a premium, and categorized the difference in purchase price and net value as technology shares, thus recognizing it as equity method investment. This has a major impact on the financial report of HiTi Digital Inc. as a whole. Under international accounting standards, if equity method investments show signs of requiring write-off, management should evaluate whether the recoverable amount of said asset would be lower than book value.

When management evaluates the recoverable amount of an equity method investment, they must estimate the usage value of the cash generating unit. To calculate usage value, management should estimate predicted future cash flow from the cash generating unit, and thereby decide on an appropriate discount rate for calculating current value. As such estimates involve subjective decisions, and can be affected by future market or economic circumstances; it involves a high degree of uncertainty. Hence, the write-off of equity method investment and technology shares is listed as a key audit matter. For related accounting policy, critical accounting judgments and major sources of estimation and assumption uncertainty, please see sections 四（八）, 五（三）, and 六（五）.

The audit procedures performed by the auditor are as follows:

1. Understand the process and basis by which management estimates the future operating outlook of CHC Technology Inc., including the forecasted sales growth rate and profit margin.
2. Review whether the estimated future operating cash flows are consistent with the future operating plan and inquire about the future sales growth rate and profit margin prepared by CHC Technology Inc., considering recent operating results, historical trends, and the overall industry situation.

<u>Revenue Recognition</u>

Key Audit Matters Explanation

Revenue is the fundamental business activity for the sustainable operation of a company, and it is crucial for the operational performance of the company. There is a general pressure in management to achieve projected financial or business performance targets. Therefore, auditing standards presuppose that revenue recognition carries significant risk. Hence, this accountant considers the timing of the transfer of control of the sales product and the recognition of sales revenue as one of the key audit matters.

Please refer toSection 四(十六) and 六(十六) for related accounting policies and relevant disclosure information.

Audit procedures carried out are as follows:

1. Evaluate whether the revenue recognition accounting policy complies with relevant bulletin regulations.
2. Test the design and implementation of internal control systems related to revenue recognition.
3. Analyze changes in the top ten customers, compare actual figures with the same period last year to understand whether there are significant changes and abnormal situations.
4. Select a period before and after the financial reporting date, verify revenue transactions and various vouchers, to evaluate the appropriate cut-off of business income records.

Other Matters

HiTi Digital Inc. has prepared individual financial reports for 2022 and 2021, and this accountant has issued unqualified audit reports, which are available for reference.

Consolidated Financial Statement for HiTi Digitial Inc and its subsidiaryforyear 2022 was audited by other accountant and issued unqualified audit reports on March 23, 2023.

Responsibility of Management and Governing Units for the Consolidated Financial Statements

The responsibility of management is to prepare consolidated financial statements that fairly represent the financial position in accordance with the financial reporting preparation standards for securities issuers, and to maintain necessary internal controls related to the preparation of the consolidated financial statements to ensure that they do not contain materially misstated due to fraud or error.

When preparing the consolidated financial statements, management's responsibilities also include assessing the ability of HiTi Digital Inc. and its subsidiaries to continue operations, disclosing relevant matters, and adopting the going concern accounting basis, unless management intends to liquidate HiTi Digital Inc. and its subsidiaries or cease operations, or unless there is no other feasible alternative except liquidation or cessation of operations.

The governance units (including the audit committee) of HiTi Digital Inc. and its subsidiaries are responsible for supervising the financial reporting process.

Responsibility of the Auditor for the Audit of the Consolidated Financial Statements

The purpose of this auditor's audit of the consolidated financial statements is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement due to fraud or error, and to issue an audit report. Reasonable assurance is a high level of assurance, but an audit performed in accordance with auditing standards cannot guarantee that all material misstatements in the consolidated financial statements will be detected. Misstatements may result from fraud or error. If the individual or aggregate amount of the misstatement can reasonably be expected to affect the economic decisions of the users of the consolidated financial statements, it is considered material.

When conducting an audit in accordance with auditing standards, this accountant exercises professional judgment and professional skepticism. This accountant also performs the following work:

1. Identify and assess the risks of material misstatement in the consolidated financial statements due to fraud or error; design and implement appropriate responses to the assessed risks; and obtain sufficient and appropriate audit evidence as the basis for the audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.
2. Obtain an understanding of internal control relevant to the audit to design appropriate audit procedures under the circumstances, but not to express an opinion on the effectiveness of HiTi Digital Inc. and its subsidiaries' internal control.
3. Assess the appropriateness of the accounting policies adopted by the management, and the reasonableness of their accounting estimates and related disclosures.
4. Based on the obtained audit evidence, conclude on the appropriateness of management's use of the going concern basis of accounting, and whether a significant uncertainty exists that may cast significant doubt on HiTi Digital Inc. and its subsidiaries' ability to continue as a going concern. If

the auditor believes such events or circumstances present significant uncertainty, they must alert the users of the consolidated financial statements in the audit report to the related disclosures in the consolidated financial statements or amend the audit opinion if these disclosures are inappropriate. The auditor's conclusion is based on the audit evidence obtained up to the date of the audit report. However, future events or circumstances could lead to HiTi Digital Inc. and its subsidiaries no longer being able to continue as a going concern.

5. Evaluate the overall presentation, structure, and content of the consolidated financial statements (including related notes), and whether the consolidated financial statements adequately represent the relevant transactions and events.

6. Obtain sufficient and appropriate audit evidence about the financial information of the entities within the HiTi Digital Inc. group to express an opinion on the consolidated financial statements. The auditor is responsible for directing, supervising, and performing the group audit and for forming the group audit opinion.

The auditor communicates with the governance entity on matters including the planned scope and timing of the audit, and significant audit findings (including significant deficiencies in internal control identified during the audit).

The auditor also provides the governance entity with a statement from the firm's personnel, who are subject to the independence rules, stating that they have complied with the relevant independence requirements of the Code of Ethics for Professional Accountants, and communicates all relationships and other matters that may reasonably be thought to bear on the auditor's independence (including related safeguards).

From matters communicated with the governance entity, the auditor determines the key audit matters to be included in the audit report for the consolidated financial statements of HiTi Digital Inc. and its subsidiaries for the year 2023. The auditor describes these matters in the audit report, unless a law or regulation precludes public disclosure of the matter, or in extremely rare circumstances when the auditor determines that a matter should not be communicated in the report because the adverse consequences of doing so would outweigh the public interest benefits.

ShineWing Taiwan CPA

CPAs: Yao Yu-Lin

Wu Jia-Hong

Securities and Futures Bureau, Financial Supervisory Commission

Approval No: (2018) Jin-Guan-Zheng-Shen-Zi No.1070342733

(2018) Jin-Guan-Zheng-Shen-Zi No.1070342733

March 27, 2024

HiTi Digital Inc.
Parent Company Only Balance Sheets
At December 31, 2023 and 2022

(In thousands of New Taiwan Dollars)

Code	Assets	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current Assets				
1100	Cash and cash equivalents (Note (6)1)	$ 7,059	1	$ 41,552	3
1150	Net notes receivable (Note (6)2)	3	-	3	-
1170	Net accounts receivable (Note (6)3)	17,420	1	12,314	1
1180	Net accounts receivable from related parties (Note (7))	17,384	1	40,973	3
1200	Other receivables	1,088	-	3,840	-
1210	Other receivables from related parties (Note (7))	59,956	4	81,627	6
1220	Current tax assets	20	-	21	-
1310	Inventories (Note (7) 4, (9))	167,774	12	201,404	14
1410	Prepayments	23,288	2	6,152	-
1476	Other financial assets – current (Note (9))	27,414	2	22,257	2
1479	Other current assets	1,525	-	142	-
11xx	Total current assets	410,285	23	410,285	29
	Noncurrent Assets				
1550	Investment accounted for using the equity method (Note (6) 5)	269,710	19	186,705	13
1600	Property, plant and equipment (Note (6) 6, (8))	582,978	42	617,536	43
1755	Right-of-use assets (Note (6)7)	42,463	3	42,315	3
1780	Intangible assets (Note (6)8)	1,988	-	7,714	1
1840	Deferred tax assets (Note (6)21)	54,161	4	54,161	4
1915	Prepayment for equipment (Note (7))	63,191	5	62,900	4
1920	Refundable deposit (Note (8))	51,957	4	38,005	3
15xx	Total noncurrent assets	1,066,448	71	1,009,336	71
1xxx	Total assets	$ 1,419,621	100	$ 1,419,621	100

Code	Liabilities and Equity	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current Liabilities				
2100	Short-term loans (Note (6) 9)	$ 118,304	9	$ 89,146	7
2130	Notes payable	1,672	-		-
2150	Notes payable	3,119	-	1,708	-
2170	Accounts payable	72,972	-	74,852	5
2180	Accounts payable to related parties (Note (7))		5	-	-
2200	Other payables	65,932	5	69,020	5
2220	Other payables to related parties (Note (7))	38,910	3	38,406	3
2280	Lease liabilities – current (Note (6)7)	4,575	-	2,823	-
2399	Other current liabilities	53,776	4	58,049	4
2320	Long term borrowings with terms under one fiscal year (Note (6)10)	493,307	36	16,951	1
21xx	Total current liabilities	350,955	25	350,955	25
	Noncurrent liabilities				
2540	Long term loans (Note (6)10)	43,557	3	506,238	36
2570	Deferred income tax liabilities (Note (6)21)	420	-	420	-
2580	Lease liabilities – noncurrent (Note (6)7)	39,783	3	41,072	3
2645	Deposits received	3,067	-	1,837	-
2670	Other noncurrent liabilities (Note (6)5)	-	-	-	-
25xx	Total noncurrent liabilities	86,827	6	549,567	39
2xxx	Total liabilities	939,394	68	900,522	64
	Equity				
3100	Share capital (Note (6)12)				
3110	Ordinary shares	1,440,000	104	1,240,000	87
3200	Capital surplus (Note (6)13)	12,765	1	33,017	2
3300	Retained earnings (Note (6)14)				
3350	Unappropriated retained earnings	(973,057)	(51)	(722,902)	(51)
3400	Other equity interests (Note (6)15)	(29,724)	(2)	(31,016)	(2)
3xxx	Total equity	449,984	32	519,099	36
	Total liabilities and equity	$ 1,389,378	100	$ 1,419,621	100

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

Chairman: HUANG, FU   CEO: HUANG, KUAN-CHIH   Accounting Manager: SUN, MING-HUNG

HiTi Digital Inc.
Individual Statement of Comprehensive Income
Years ended December 31, 2023 and 2021

(In thousands of New Taiwan Dollars)

Code	Item	2023 Amount	2023 %	2022 Amount	2022 %
4000	Operating revenue (Note (6)16)	$ 548,549	100	$ 569,175	100
5000	Operating cost (Note (6)4, 17)	(640,438)	(99)	(565,165)	(99)
5900	Gross profit (loss) from operations	8,111	1	4,010	1
5910	Unrealized operating loss and profit	7,776	1	5,312	1
5950	Gross operating income (loss)	15,887	2	9,322	2
	Operating expenses				
6100	Marketing expenses	(39,741)	(6)	(58,546)	(10)
6200	Administrative expenses	(82,485)	(13)	(94,754)	(17)
6300	Research expenses	(29,296)	(5)	(31,142)	(5)
6450	Expected credit losses (reversal) (Note (6)3)	-	-	(3,378)	(1)
6000	Total operating expenses	(151,522)	(24)	(187,820)	(33)
6900	Net operating income (loss)	(135,635)	(22)	(178,498)	(31)
	Non-operating income and expenses				
7100	Interest income	1,296	-	891	-
7010	Other income (Note (6)18)	24,332	4	22,824	4
7020	Other gains and losses (Note (6)19)	(1,139)	-	7,102	1
7050	Finance costs (Note (6)20)	(33,197)	(5)	(17,259)	(3)
7070	Share of profit (loss) of associates and joint ventures accounted for using equity method	(59,647)	(9)	(71,523)	(12)
7000	Total non-operating income and expenses	(68,355)	(10)	(57,965)	(10)
7900	Income (loss) before income tax	(203,990)	(41)	(236,463)	(41)
7950	Income tax expense (Note (6)21)	-	-	-	-
8200	Net income (loss)	(203,990)	(32)	(236,463)	(41)
	Other comprehensive income (loss) (Note (6)22)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit obligation	-	-	-	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences arising from translation of foreign operations	1,292	-	(10,475)	(2)
8300	Other comprehensive income (loss) for the year, net of income tax	1,292	-	(10,475)	(2)
8500	Total Comprehensive Income (loss) for the year	($ 202,698)	(32)	($ 246,938)	(43)
	Earnings per share				
9750	Basic Earnings per share (Note (6)23)	($ 1.52)		($ 1.94)	

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

Chairman: HUANG, FU CEO: HUANG, KUAN-CHIH Accounting Manager: SUN, MING-HUNG

HiTi Digital Inc.

Individual Entity Statement of Changes in Equity

Years Ended December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

Item	Common stock	Capital surplus	Retained earnings	Exchange differences on translation of foreign financial statements	Total equity
Balance, January 1, 2022	$ 1,200,000	$ 12,765	($ 486,439)	($ 20,541)	$ 705,785
Special reserve used to offset accumulated deficits	-	-	(236,463)	-	(236,463)
Net profit (loss)	-	-	-	(10,475)	(10,475)
Other comprehensive income (loss), net of tax	40,000	-	-	-	40,000
Capital Reduction	-	20,252	-	-	20,252
Balance, December 31, 2022	$ 1,240,000	$ 33,017	($ 722,902)	($ 31,016)	$ 519,099
Net profit (loss)	-	-	(203,990)	-	(203,990)
Other comprehensive income (loss), net of tax	-	-	-	1,292	1,292
Cash capital increase	200,000	-	-	-	200,000
Changes in percentage of ownership interests in subsidiaries	-	(20,252)	(46,165)	-	(66,417)
Balance, December 31, 2023	$ 1,440,000	$ 33,017	($ 973,057)	($ 29,724)	$ 449,984

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

Chairman: HUANG, FU　　CEO: HUANG, KUAN-CHIH　　Accounting Manager: SUN, MING-HUNG

HiTi Digital Inc.

Individual Statements of Cashflow

Years Ended December 31, 2022 and 2021

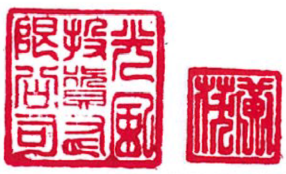
(In Thousands of New Taiwan Dollars)

Item	2023	2022
CASH FLOW FROM OPERATING ACTIVITIES		
Profit (loss) before tax	($ 203,990)	($ 236,463)
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	41,955	56,731
Amortization expense	5,726	7,277
Expected credit loss (reversal)	-	3,378
Devaluation of stock (reversal)	(3,645)	
Interest expense	33,197	17,259
Interest income	(1,296)	(891)
Share of loss (profit) of associates and joint ventures accounted for using equity method	59,647	71,523
Property, plant and equipment transferred to expenses	-	1
Unrealized profit (loss) from sales	(7,776)	(5,312)
Liquidation debt income	-	-
Leasehold improvements	94	(845)
Total Loss after adjustments	127,902	149,121
Changes in operating assets		
Net changes in assets from operating activities		
Decrease (increase) in notes receivable	1	2
Increase (decrease) in accounts receivable	(5,106)	(8,647)
Decrease (increase) in accounts receivable to related parties	23,589	(33,793)
Decrease (increase) in other accounts receivable	2,752	(3,803)
Decrease (increase) in other accounts receivable from related parties	21,671	(23,634)
Decrease (increase) in inventories	37,332	(37,747)
Decrease (increase) in prepayment	(17,136)	6,486
Decrease (increase) in advanced payment	1,672	-
Decrease in other liquid assets	(1,383)	664
Increase in other financial assets	(5,157)	(11,793)
Decrease (increase) in net defined benefit assets	-	404
Increase in notes payable	1,411	1,160
Increase (decrease) in accounts payable	(1,880)	35,245
Decrease in accounts payable to related parties	-	(510)
Increase (decrease) in other accounts payable	(3,088)	10,860
Increase (decrease) in other accounts payable to related parties	504	(9,901)
Increase (decrease) in other liabilities	(4,273)	25,742
Decrease in net defined benefit liabilities	-	-
Total net changes in operating assets and liabilities	(50,909)	(49,265)

Item	2023	2022
Total Adjustments	$ 178,811	$ 99,856
Cash generated from operations	(25,179)	(136,607)
Interest received	1,296	891
Interest paid	(33,292)	(17,259)
Income tax refund (paid)	-	132
Net cash flow from (used in) operating activities	(57,175)	(152,843)
CASH FLOWS FROM INVESTING ACTIVITIES		
Stocks returned from investment company due to capital reduction under equity method	(200,000)	-
Acquisition of property, plant and equipment	(4,104)	(3,270)
Disposal of property, plant and equipment	828	-
Increase in refundable deposits	(13,952)	(30,594)
Decrease (increase) in other accounts receivable from related parties	-	16,541
Increase in intangible assets	-	-
Decrease in prepayment for equipment	(291)	(62,525)
Received dividend	-	20,881
Net cash flows from investing activities	(217,519)	(58,967)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short term loans	29,158	(20,854)
Initiation of long term loans	29,810	440,000
Repayment of long term loans	(16,135)	(201,896)
Increase (decrease) in refundable deposits	1,230	(291)
Payment of capital lease principal	(3,862)	(7,537)
Cash capital increase	200,000	40,000
Net cash flows from financing activities	240,201	249,422
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(34,493)	37,612
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	41,552	3,940
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 7,059	$ 41,552

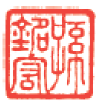
(The accompanying notes are an integral part of the consolidated financial statements.)

Chairman: HUANG, FU



CEO: HUANG, KUAN-CHIH

Accounting Manager: SUN, MING-HUNG



HiTi Digital Inc. and its subsidiaries

Representation Letter

December 31, 2023

Our company's fiscal year 2023 (from January 1, 2023, to December 31, 2023) follows the "Guidelines for the Preparation of Related Business Consolidated Business Reports, Related Business Consolidated Financial Statements and Related Reports." The companies included in the consolidated financial statements of related enterprises and those included in the consolidated financial statements of parent and subsidiaries according to IFRS 10 are the same. All relevant information that should be disclosed in the consolidated financial statements of related enterprises has been disclosed in the aforementioned consolidated financial statements of parent and subsidiaries. Therefore, separate consolidated financial statements for related enterprises are not additionally prepared.

Company: HiTi Digital Inc.

Responsible person: GUANFENG INVESTMENT CO.

Representative.: HUANG FU

March 14, 2024

Independent Auditors' Report

To the Board of Directors and Shareholders of HiTi Digital Inc:

Opinion

HiTi Digital Inc. and its subsidiaries have completed the audit of the consolidated balance sheet as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity, cash flows, and the notes to the consolidated financial statements (including a summary of significant accounting policies) for the years ended December 31, 2023 and 2022.

In the auditor's opinion, the consolidated financial statements fairly present, in all material respects, the consolidated financial position of HiTi Digital Inc. and its subsidiaries as of December 31, 2023 and 2022, and their consolidated financial performance and cash flows for the years ended December 31, 2023 and 2023, in conformity with the issuer's financial reporting standards and International Financial Reporting Standards, International Accounting Standards, interpretations, and interpretive announcements approved and issued by the Financial Supervisory Commission.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Consolidated Financial Statements by Certified Public Accountants and auditing standards 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 Code of Professional Ethics for Certified Public Accountant of the Republic of China (the "Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, CY. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion therein, we do not provide a separate opinion on these matters. Key audit matters for this parent company only financial statement for the year ended December 31, 2023 are stated as follows:

<u>Valuation of inventory</u>
Explanation for key auditing item:

Inventory at HiTi Digital Inc. and its subsidiaries as of the date of authorization of its financial statement was 13% of total assets. Additionally, the value of its inventory may be affected by market demand for related products, creating risks of its inventory costs exceeding its net realizable value. Hence, inventory valuation was one of our key audit matters for this financial report. For related accounting policy, critical accounting judgments and major sources of estimation and assumption uncertainty, please see sections (八)、五(一) and 六(四).

The audit procedures performed by the auditor are as follows:

1. Evaluate the reasonableness of the policy for inventory depreciation or obsolescence

provision.
2. Review the inventory age reports, analyze the changes in inventory aging over the past two years, and understand if there are any significant abnormal situations.
3. Assess whether the impairment of inventory has been provided in accordance with established policies, and review the appropriateness of the sales prices used to evaluate the adequacy of the inventory devaluation loss.

<u>Impairment Assessment of Intangible Assets - R&D Technology Rights</u>

Key Audit Matters Explanation
HiTi Digital Inc. acquired the equity of CHC Technology Inc. at a premium and recognized the difference between the acquisition price and the equity net value as intangible assets - R&D technology rights, which are significant to the overall financial statements of HiTi Digital Inc. Management, in accordance with International Accounting Standards, should assess whether the recoverable amount of the asset is lower than its carrying amount when there are indicators of impairment of intangible assets - R&D technology rights.

When management assesses the recoverable amount of intangible assets - R&D technology rights, it needs to estimate the value in use of the cash-generating unit. To calculate the value in use, management should estimate the future cash flows generated by the cash-generating unit and determine the appropriate discount rate for calculating present value. Given the high level of estimation uncertainty involved in these key assumptions, which could be affected by future market conditions or economic trends, the impairment assessment of intangible assets - R&D technology rights is considered a key audit matter this year. For related accounting policies, significant accounting judgments and estimates, and relevant disclosure information, please refer to Notes 四(十一)、五(三) and 六(七).

The audit procedures performed by the auditor are as follows:

1. Understand the process and basis by which management estimates the future operating outlook of CHC Technology Inc., including the forecasted sales growth rate and profit margin.
2. Review whether the estimated future operating cash flows are consistent with the future operating plan and inquire about the future sales growth rate and profit margin prepared by CHC Technology Inc., considering recent operating results, historical trends, and the overall industry situation.

<u>Revenue Recognition</u>

Key Audit Matters Explanation

Revenue is the fundamental business activity for the sustainable operation of a company, and it is crucial for the operational performance of the company. There is a general pressure in management to achieve projected financial or business performance targets. Therefore, auditing standards presuppose that revenue recognition carries significant risk. Hence, this accountant considers the timing of the transfer of control of the sales product and the recognition of sales revenue as one of the key audit matters.

Please refer toSection 四(十六) and 六(十六) for related accounting policies and relevant disclosure information.

Audit procedures carried out are as follows:
1. Evaluate whether the revenue recognition accounting policy complies with relevant bulletin regulations.
2. Test the design and implementation of internal control systems related to revenue recognition.

3. Analyze changes in the top ten customers, compare actual figures with the same period last year to understand whether there are significant changes and abnormal situations.
4. Select a period before and after the financial reporting date, verify revenue transactions and various vouchers, to evaluate the appropriate cut-off of business income records.

Other Matters

HiTi Digital Inc. has prepared individual financial reports for 2022 and 2021, and this accountant has issued unqualified audit reports, which are available for reference.

Consolidated Financial Statement for HiTi Digitial Inc and its subsidiaryforyear 2022 was audited by other accountant and issued unqualified audit reports on March 23, 2023.

Responsibility of Management and Governing Units for the Consolidated Financial Statements

The responsibility of management is to prepare consolidated financial statements that fairly represent the financial position in accordance with the financial reporting preparation standards for securities issuers, and to maintain necessary internal controls related to the preparation of the consolidated financial statements to ensure that they do not contain materially misstated due to fraud or error.

When preparing the consolidated financial statements, management's responsibilities also include assessing the ability of HiTi Digital Inc. and its subsidiaries to continue operations, disclosing relevant matters, and adopting the going concern accounting basis, unless management intends to liquidate HiTi Digital Inc. and its subsidiaries or cease operations, or unless there is no other feasible alternative except liquidation or cessation of operations.

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When conducting an audit in accordance with auditing standards, this accountant exercises professional judgment and professional skepticism. This accountant also performs the following work:

1. Identify and assess the risks of material misstatement in the consolidated financial statements due to fraud or error; design and implement appropriate responses to the assessed risks; and obtain sufficient and appropriate audit evidence as the basis for the audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.
2. Obtain an understanding of internal control relevant to the audit to design appropriate audit procedures under the circumstances, but not to express an opinion on the effectiveness of HiTi Digital Inc. and its subsidiaries' internal control.
3. Assess the appropriateness of the accounting policies adopted by the management, and the

reasonableness of their accounting estimates and related disclosures.

4. Based on the obtained audit evidence, conclude on the appropriateness of management's use of the going concern basis of accounting, and whether a significant uncertainty exists that may cast significant doubt on HiTi Digital Inc. and its subsidiaries' ability to continue as a going concern. If the auditor believes such events or circumstances present significant uncertainty, they must alert the users of the consolidated financial statements in the audit report to the related disclosures in the consolidated financial statements or amend the audit opinion if these disclosures are inappropriate. The auditor's conclusion is based on the audit evidence obtained up to the date of the audit report. However, future events or circumstances could lead to HiTi Digital Inc. and its subsidiaries no longer being able to continue as a going concern.
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6. Obtain sufficient and appropriate audit evidence about the financial information of the entities within the HiTi Digital Inc. group to express an opinion on the consolidated financial statements. The auditor is responsible for directing, supervising, and performing the group audit and for forming the group audit opinion.

The auditor communicates with the governance entity on matters including the planned scope and timing of the audit, and significant audit findings (including significant deficiencies in internal control identified during the audit).

The auditor also provides the governance entity with a statement from the firm's personnel, who are subject to the independence rules, stating that they have complied with the relevant independence requirements of the Code of Ethics for Professional Accountants, and communicates all relationships and other matters that may reasonably be thought to bear on the auditor's independence (including related safeguards).

From matters communicated with the governance entity, the auditor determines the key audit matters to be included in the audit report for the consolidated financial statements of HiTi Digital Inc. and its subsidiaries for the year 2023. The auditor describes these matters in the audit report, unless a law or regulation precludes public disclosure of the matter or in extremely rare circumstances when the auditor determines that a matter should not be communicated in the report because the adverse consequences of doing so would outweigh the public interest benefits.

ShineWing Taiwan CPA

CPA: Yao Yu-Lin　　　　　　　　Wu Jia-Hong

Securities and Futures Bureau, Financial Supervisory Commission

Approval No:　(2018) Jin-Guan-Zheng-Shen-Zi No.1070342733

(2018) Jin-Guan-Zheng-Shen-Zi No.1070342733

March 27, 2024

HiTi Digital Inc. and its subsidiaries

Consolidated Balance Sheet

December 31, 2023 and 2022

(In thousands of New Taiwan Dollars)

Code	Assets	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current Assets				
1100	Cash and cash equivalents (Section 六(一))	$ 14,784	1	$ 64,310	3
1150	Net notes receivable (Section 六(二))	2	-	2	-
1170	Net accounts receivable (Section 六(三), (十六), 八)	28,338	1	25,298	1
1200	Other receivables	1,088	-	3,840	-
1220	Current tax assets	1,706	-	30	-
130x	Inventories (Section 六(四), 八)	246,581	13	329,765	16
1410	Prepayments (Section 六(九))	29,818	2	54,149	3
1476	Other financial assets – current (Section 八)	42,577	2	29,882	1
1479	Other current assets (Section 六(九))	9,242	-	9,103	-
11xx	Total current assets	374,136	19	516,379	24
	Noncurrent Assets				
1600	Property, plant and equipment (Section 六(五), 八)	1,301,689	68	1,376,416	64
1755	Right-of-use assets (Section 六(六))	43,468	2	42,931	2
1780	Intangible assets (Section 六(七))	67,196	4	89,107	4
1840	Deferred tax assets (Section 六(二十一))	61689	3	62,174	3
1915	Prepayment for equipment	14,202	1	28,521	1
1920	Refundable deposit (Section 八)	54,039	3	47,547	2
15xx	Total noncurrent assets	1,542,283	81	1,646,696	76
1xxx	Total assets	$ 1,916,419	100	$ 2,163,075	100

(Continued)

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		December 31, 2023		December 31, 2022	
Code	Liabilities and Equity	Amount	%	Amount	%
	Current Liabilities				
2100	Short-term loans (Section 六(八), (二十四), 八)	$ 118,304	7	$ 95,138	4
2150	Notes payable	1,672	-	1,736	-
2170	Accounts payable	3,119	5	83,476	4
2200	Other payables	72,972	6	98,643	5
2220	Other payables to related parties (Section 六(二十四), 七)	65,932	-	7,130	-
2280	Lease liabilities – current (Section 六(六), (二十四))	5,008	-	3,364	-
2320	Long term borrowings with terms under one fiscal year (Section 六(九), (二十四), 八)	519,366	27	68,219	3
2399	Other current liabilities –other	58,430	3	97,744	5
21xx	Total current liabilities	916,549	48	455,450	21
	Noncurrent liabilities				
2540	Long term loans (Section 六(九), (二十四), 八)	66,829	3	529,267	25
2570	Deferred income tax liabilities (Section 六(二十一))	420	-	484	-
2580	Lease liabilities – noncurrent (Section 六(六), (二十四))	40,368	2	41,158	2
2622	Long-term payables - related parties (Section 六(二十四), 七)	300,846	16	268,830	12
2645	Deposits received (Section 六(二十四))	3,067	1	3,354	-
25xx	Total noncurrent liabilities	411,530	22	843,093	39
2xxx	Total liabilities	1,328,079	70	1,298,543	60
	Equity				
	Equity attributable to owners of the parent company				
3110	Ordinary shares (Section 六(十一))	1,440,000	75	1,240,000	57
3200	Capital surplus (Section 六(十二))	12,765	1	33,017	1
3350	Unappropriated retained earnings (Section 六(十三))	(973,057)	(51)	(722,902)	(33)
3400	Other equity interests (Section 六(十四))	(29,724)	(2)	(31,016)	(1)
31xx	Total equity attributable to owners of the parent company	449,984	23	519,099	24
36xx	Non-controlling interests (Section 六(十五))	138,356	7	345,433	16
3xxx	Total equity	558,340	30	864,532	40
	Total liabilities and equity	$ 1,916,419	100	$ 2,163,075	100

(The accompanying notes are part of these consolidated financial statements)

Chairman: HUANG, FU CEO: HUANG, KUAN-CHIH Accounting Manager: SUN, MING-HUNG

HiTi Digital Inc. and its subsidiaries

Consolidated Statement of Comprehensive Income

Years ended December 31, 2023 and 2022

(In thousands of New Taiwan Dollars)

Code	Item	2023 Amount	2023 %	2022 Amount	2022 %
4000	Operating revenue (Section 六(十六))	$ 648,549	100	$ 442,569	100
5000	Operating cost (Section 六(四))	(640,438)	(94)	(460,288)	(102)
5900	Gross profit (loss) from operations	8,111	6	(17,719)	(2)
5910	Unrealized operating loss and profit			13,221	
5950	Gross operating income (loss)			(4,498)	
	Operating expenses				
6100	Marketing expenses	(86,687)	(13)	(66,715)	(21)
6200	Administrative expenses	(105,814)	(16)	(74,624)	(25)
6300	Research expenses	(62,201)	(9)	(35,615)	(13)
6450	Expected credit losses (reversal) (Note (6)3)	88	-	(56)	(1)
6000	Total operating expenses	(254,614)	(38)	(177,010)	(60)
6900	Net operating income (loss)	(215,819)	(32)	(181,508)	(62)
	Non-operating income and expenses				
7100	Interest income	1,482	-	891	-
7010	Other income (Section 六(十八))	6,641	1	22,824	1
7020	Other gains and losses (Section 六(十九))	(12,909)	(1)	7,102	2
7050	Finance costs (Section 六(二十))	(44,798)	(7)	(17,259)	(7)
7070	Share of profit (loss) of associates and joint ventures accounted for using equity method			(71,523)	
7000	Total non-operating income and expenses	(49,584)	(7)	(57,965)	(4)
7900	Income (loss) before income tax	(265,403)	(39)	(236,463)	(66)
7950	Income tax expense (Section 六(二十一))	(12,081)	(2)	-	-
8200	Net income (loss)	($ 277,484)	(41)	(236,463)	(66)
	Other comprehensive income (loss) (Section 六(二十二))				
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences arising from translation of foreign operations	(10,475)	-	(10,475)	(2)
8300	Other comprehensive income (loss) for the year, net of income tax	(10,475)	-	(10,475)	(2)
8500	Total Comprehensive Income (loss) for the year	($ 246,938)	(48)	($ 246,938)	(68)
8600	Net loss attributable to:				
8610	Parent Company Owner	($ 203,990)		($ 236,463)	
8620	Non-controlling interests	(73,494)		(118,124)	
		($ 277,484)		($ 354,587)	
8700	Total consolidated profit or loss is attributable to:				
8710	Parent Company Owner	($ 202,698)		($ 246,938)	
8720	Non-controlling interests	(73,494)		(118,124)	
		($ 276,192)		($ 365,062)	
	Earnings per share (Section 六(二十三))				
9750	Basic Earnings per share (yuan)	($ 1.94)		($ 1.94)	

(The accompanying notes are part of these consolidated financial statements)

Chairman: HUANG, FU　　CEO: HUANG, KUAN-CHIH　　Accounting Manager: SUN, MING-HUNG

HiTi Digital Inc. and its subsidiaries

Consolidated Statement of Changes in Equity

Years ended December 31, 2023 and 2022

(In thousands of New Taiwan Dollars)

Item	Common stock	Capital surplus	Retained earnings	Exchange differences on translation of foreign financial statements	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
Balance, December 31, 2022	$ 1,200,000	$ 12,765	($ 486,439)	($ 20,541)	$ 705,785	$ 333,809	$ 1,039,594
Net profit (loss)	-	-	(236,463)	-	(236,463)	(118,124)	(354,587)
Other comprehensive income (loss), net of tax	-	-	-	(10,475)	(10,475)	-	(10,475)
Cash capital increase	40,000	-	-	-	40,000	-	40,000
Changes in percentage of ownership interests in subsidiaries	-	20,252	-	-	20,252	(20,252)	-
Increase or decrease in non-controlling interests	-	-	-	-	-	150,000	150,000
Balance, December 31, 2022	$ 1,240,000	$ 33,017	($ 722,902)	($ 31,016)	$ 519,099	($ 73,494)	$ 864,532
Net profit (loss)	-	-	(230,990)	-	(203,990)	-	(277,484)
Other comprehensive income (loss), net of tax	-	-	-	1,292	1,292	-	1,292
Cash capital increase	200,000	-	-	-	200,000	(20,252)	200,000
Changes in percentage of ownership interests in subsidiaries	-	(20,252)	(46,165)	-	(66,417)	66,417	-
Increase or decrease in non-controlling interests	-	-	-	-	-	(200,000)	(200,000)
Balance, December 31, 2023	$ 1,440,000	$ 12,765	($ 973,057)	($ 29,724)	$ 449,984	$ 138,356	$ 588,340

(The accompanying notes are part of these consolidated financial statements)

Chairman: HUANG, FU CEO: HUANG, KUAN-CHIH Accounting Manager: SUN, MING-HUNG

HiTi Digital Inc. and its subsidiaries

Consolidated Cash Flow Statement

Years ended December 31, 2023 and 2022

(In thousands of New Taiwan Dollars)

Item	2023	2022
Profit (loss) before tax	($ 256,403)	($ 354,493)
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	88,604	127,204
Amortization expense	21,957	23,484
Expected credit loss (reversal)	(88)	3,593
Devaluation of stock (reversal)	(6,655)	-
Interest expense	44,798	34,983
Interest income	(1,482)	(357)
Loss of disposal and scrapping of property, plant and equipment	268	247
Liquidation debt income	11,175	-
Leasehold improvements	846	(846)
Total Loss after adjustments	158,308	188,308
Changes in operating assets		
Net changes in assets from operating activities		
Decrease (increase) in notes receivable	-	3
Decrease (increase) in accounts receivable	(2,952)	(9,472)
Decrease (increase) in other accounts receivable	2,752	(3,803)
Decrease (increase) in inventories	89,783	10,787
Decrease (increase) in prepayment	24,331	13,346
Decrease (increase) in other liquid assets	(139)	(3,411)
Decrease (increase) in other financial assets	4,189	(11,805)
Decrease (increase) in net defined benefit assets	-	404
Total net changes in assets from operating activities	(117,964)	(3,951)
Changes in operating liabilities		
Increase in notes payable	1,394	1,188
Increase in accounts payable	2,462	27,285
Decrease in other accounts payable	10,358	(629)
Increase in other liquid liabilities	(39,314)	17,935
Total net changes in liabilities from operating activities	(25,110)	45,779
Total Adjustments	251,535	230,136
Cash generated from operations	(13,868)	(124,357)
Interest received	1,482	357
Interest paid	(44,798)	(34,983)
Income tax refund	(9,376)	132
Net cash flow from (used in) operating activities	(66,560)	(158,851)

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Item	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	($ 5,534)	($ 5,971)
Disposal of property, plant and equipment	979	-
Acquisition of intangible assets	(46)	-
Decrease (increase) in refundable deposits	(6,492)	(30,842)
Increase in prepayment for equipment	(540)	(2,819)
Decrease in other noncurrent assets	38	38
Net cash flows from investing activities	(11,633)	(39,594)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short term loans	30,103	(40,176)
Initiation of long term loans	(11,291)	244,094
Repayment of long term loans	(287)	-
Decrease in refundable deposits	(287)	(270)
Other payables - increase in related parties	32,616	24,667
Payment of capital lease principal	(5,417)	(9,572)
Cash capital increase	200,000	40,000
Uncontrolling rights modify	(200,000)	
Net cash flows from financing activities	45,724	258,743
Effect of exchange rate changes on cash and cash equivalents	(173)	(11,425)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(32,642)	48,873
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	64,310	15,437
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 31,668	$ 64,310

(The accompanying notes are part of these consolidated financial statements)

Chairman: HUANG, FU

CEO: HUANG, KUAN-CHIH

Accounting Manager: SUN, MING-HUNG

【Attachment 5】

HiTi Digital Inc.

Domestic Convertible Corporate Bond Issuance Private Placement and Conversion Method (Provisional)

I. Issuing company: HiTi Digital Inc.
II. Total issuance amount: Up to NT$ 600 million.
III. Issuance date: To be issued within one year after the approval of the 2023 annual shareholders' meeting.
IV. Issuance method: The company's bonds will be issued in accordance with Article 43-6 of the Securities Exchange Act.
V. Types, Denominations, and Issue Price of Corporate Bonds:
This corporate bond is a privately issued convertible bond, with a denomination of NT$ 100,000 or its multiple. The issue price should not be less than 80% of the theoretical price, which is set by a pricing model that simultaneously considers all rights included in the issuance conditions.
VI. Corporate Bond Coupon Rate and Interest Payment Method: To be determined by the Board of Directors.
VII. Issuance Period: Not more than 5 years from the date of issuance.
VIII. Repayment Method:
Except for those already converted, repurchased, redeemed, or cancelled, these corporate bonds will be repaid in cash by the company at their face value or with added interest compensation upon maturity.
IX. Conversion Subject: Newly issued common shares of HiTi Digital Inc..
X. Conversion:
1. Conversion Period for the Corporate Bonds:
   Except for those that have been early redeemed, repurchased, cancelled, or those that have exercised their conversion rights or according to the non-convertible period in the issuance contract, the bondholders can request the company for conversion into the company's common shares at any time from a certain period after issuance to a certain period before the bond maturity.
2. Conversion Procedure for the Corporate Bonds:
   When requesting conversion, bondholders should prepare a "Conversion Notice" and submit it along with the documents or proofs required by the law to the company.
3. Determination and Adjustment of the Conversion Price of Corporate Bonds:
   The conversion price shall not be less than 80% of the simple arithmetic average of the closing prices of common shares one, three, or five business days before the pricing date after deducting the ex-rights and ex-dividend prices of bonus shares and adding back the ex-rights prices after capital reduction, or the simple arithmetic average of the closing prices of common shares thirty business days before the pricing date after deducting the ex-rights and ex-dividend prices of bonus shares and adding back the ex-rights prices after capital reduction. The actual price will be proposed to the shareholders' meeting for authorization to the board of directors to set it in accordance with the relevant laws. The adjustment of the conversion price is to be determined by the board of directors.
4. Allocation of Dividends in the Conversion Year:
   Bondholders are not entitled to dividends or interest before conversion. After conversion, they have the right to share dividends or interest with the issuing company's common shares, which is the same as other common shareholders.
5. Rights and Obligations after Conversion:
   Except for the limitation of transfer within three years after receipt according to Article 43-8 of the

Securities Exchange Act, the rights and obligations of the common shares exchanged for the bonds are the same as the original common shares.

XI. Conditions for the Issuing Company's Early Redemption: To be determined by the Board of Directors.

XII. Bondholder Repurchase Conditions:

The company may choose not to set a repurchase right, or the bondholder may request the issuing company to redeem all or part of the bonds at a price calculated by a certain rate of return per year after a certain period of issuance.

XIII. Other Important Agreed Matters:

The conditions for the issuance of the company's bonds and other matters not yet finalized are authorized to be determined, adjusted, and handled by the Board of Directors.

Election list of directors (including independent directors) for the 9th session

【Attachment 6】

被提名人類別	被提名人姓名	戶號	統編 / 身分證字號	學歷	經歷	現職
董事	光風投資有限公司	201	27408570	不適用	不適用	誠研科技(股)公司董事
董事	國錢租賃有限公司	62201	55835912	不適用	不適用	無
董事	李開源	X	F123381460	國立臺灣大學森林系	維渥特科技(股)公司董事長	維渥特科技(股)公司董事長
董事	饒穎超	X	C120944382	實踐大學會計系	安永聯合會計師事務所副理	康橋聯合會計師事務所長 基碩科技(股)公司副總經理
獨立董事	沈慧誠	X	P120293951	國立政治大學法律系	安馳科技(股)公司董事 中華民國證券商業同業公會理事	美好證券(股)公司資深副總經理
獨立董事	李方中	30790	A120242621	對外經濟貿易大學法學博士 國立臺灣大學工學博士 私立東吳大學法律專業碩士	台北市水利技師公會第五、六屆理事長 中華工程仲裁協會理事	生物資源暨農學院附設水工試驗所 專案計畫研究員
獨立董事	李芳彬	X	R122450492	銘傳大學會計系	安侯建業會計師事務所(審計部)副理 菁英證券(股)公司(承銷部)副理 旭揚管理顧問(股)公司副理 正新顧問(股)公司副理 牧東光電(股)公司稽核資深經理	無

【Appendix 1】

Appendix 1: HiTi Digital, Inc. - Shareholding Status of All Directors
1. As of the record date of this shareholders' meeting, the Company has issued 144,000,000 shares with 0 treasury shares.
2. In accordance with Article 2, Paragraph 3 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies", if the Company's paid-in capital is over one billion and less than two billion, the total minimum shareholding for all directors should be 10,800,000 shares (as there are three independent directors, the shareholding percentage of directors outside of independent directors can be calculated at 80%)
3. The individual and total shareholding of each director as recorded in the shareholder registry is as follows, in compliance with Article 26 of the Securities and Exchange Act:

Title	Name	Appointment Date	Term (years)	Shares held at appointment		Percentage of Issued Shares at that time	
				Number of Shares	Percentage of Issued Shares at that time	Number of Shares	Percentage of Issued Shares at that time
Chairman	Guang Feng Investment Co., Ltd. Rep: HUANG, FU	2021.07.20	3	11,724,284	6.53%	12,825,687	8.91%
Director	LI, KAI-YUAN	2021.07.20	3	–	0.00%	–	0.00%
Independent Director	LI, FANG-ZHONG	2021.07.20	3	365,000	0.20%	244,078	0.17%
Independent Director	JIANG, YONG-XIN	2021.07.20	3	–	0.00%	–	0.00%
Independent Director	LI, FANG-BIN	2021.07.20	3	–	0.00%	–	0.00%
Subtotal of Directors' Shareholding				12,089,284	6.73%	13,069,765	9.08%

Appendix 2:
Information regarding shareholders proposing resolutions holding more than one percent of the total issued shares:
(1) Pursuant to Article 172-1 of the Company Act, shareholders holding more than one percent of the total issued shares of the Company may submit written proposals for this 2024 shareholders' meeting. The proposal submission period is from April 18, 2024, to April 28, 2024.
(2) Proposals made by shareholders holding more than one percent of the total issued shares for this 2023 shareholders' meeting: None.
Appendix 5:
Impact of the current bonus share distribution on the Company's business performance, earnings per share, and return on investment by shareholders: Not applicable.