

Stock Code: 4 5 3 6



TOPKEY CORPORATION

HANDBOOK FOR THE 2024 ANNUAL SHAREHOLDER'S MEETING

Convening Method: Physical Shareholders' Meeting

May 31, 2024

No. 17, 20th Rd., Industrial Park, Taichung City, Taiwan
(B1 Meeting Room of Topkey Corporation)

Note to Readers: 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.

TABLE OF CONTENTS

I.	Meeting Procedure.....	1
II.	Meeting Agenda.....	2
	1. Chair’s Statement.....	2
	2. Report Matters.....	3
	3. Ratification Matters.....	4
	4. Discussion Matters.....	6
	5. Extraordinary Motion.....	7
	6. Adjournment.....	7
III.	Relevant Attachments for Reference.....	8
	1. Business Report.....	8
	2. Review Report of the Audit Committee.....	11
	3. Report on 2023 remuneration for Employees and Directors.....	12
	4. 2023 CPAs’ Audit Report and Financial Statements.....	13
	5. Cross Reference Table of Amendment of the Company’s “Articles of Incorporation”.....	34
IV.	Appendices.....	39
	1. The Company’s “Rules of Procedure for Shareholders’ Meetings”	39
	2. The Company’s “Articles of Incorporation” before Amendment.....	47
	3. Shareholding of Directors.....	52



TOPYKEY CORPORATION

Meeting Procedure of 2024 Annual Shareholders' Meeting

I. Chair's Statement

II. Report Matters

III. Ratification Matters

IV. Discussion Matters

V. Extraordinary Motion

VI. Adjournment



TOPKEY CORPORATION

Meeting Agenda of 2024 Annual Shareholders' Meeting

Time : May 31, 2024 (Friday) at 9:00 a.m.

Place : No. 17, 20th Rd., Industrial Park, Taichung City, Taiwan (B1 Meeting Room of Topkey Corporation)

Attendants : Whole Shareholders and Equity Representatives

Chair : Chairman Shen, Wen-Chen (@Walter Shen)

I. Chair's Statement

II. Report Matters:

(1) 2023 Business Report.

(2) The Audit Committee's Report of Review on the Company's 2023 Final Statements.

(3) Report on 2023 remuneration for Employees and Directors.

III. Ratification Matters:

(1) Proposal of the Company's 2023 Business Report and Financial Statements.

(2) Proposal of the Company's 2023 Earnings Distribution.

IV. Discussion Matters:

(1) To discuss and approve the amendment of Partial Articles of the Company's "Articles of Incorporation".

V. Extraordinary Motion

VI. Adjournment

II. Report Matters

Proposal 1 【Proposed by the Board of Directors】

Proposal : The 2023 business report is submitted for your review.

Explanation : For details of the 2023 business report, please see Attachment 1.
(Please refer to pages 8-10 of the Handbook.)

Proposal 2 【Proposed by the Board of Directors】

Proposal : The audit committee's report on the Company's 2023 final statements is submitted for your review.

Explanation : For details of the audit committee's review report, please see Attachment 2.
(Please refer to pages 11 of the Handbook.)

Proposal 3 【Proposed by the Board of Directors】

Proposal : The report on 2023 remuneration for Employees and Directors is submitted for your review.

Explanation : Pursuant to Article 30 of the Company's articles of incorporation, in case of making profit in the Company's final accounts, 3% to 10% shall be appropriated as the profit-sharing compensation for the employees, and no more than 5% for the directors. For details of proposed distribution of the 2023 remuneration for employees and directors, please see Attachment 3.
(Please refer to page 12 of the Handbook.)

III. Ratificaion Matters

Proposal 1 【Proposed by the Board of Directors】

Proposal : The proposal of the 2023 business report and financial statements are submitted for your adoption.

Explanation :

1. The Company's 2023 financial statements have been reviewed and certified by CPA Wu, Shao-Chun and CPA Tseng, Done-Yuin of Deloitte & Touche, and an audit report is issued.
2. The business report and the financial statements have been approved by the Board of Directors and reviewed by the Audit Committee.
3. For details of the business report, financial statements and CPAs' audit report, please see Attachment 1 (Please refer to pages 8-10 of the Handbook) and Attachment 4 (Please refer to pages 13-33 of the Handbook.)
4. Please adopt the matters.

Resolution :

Proposal 2 【Proposed by the Board of Directors】

Proposal : The proposal of the 2023 earnings distribution is submitted for your adoption.

Explanation :

1. The Board of Directors of the Company drew up the earnings distribution proposal as follows, in accordance with the company's articles of incorporation on February 29, 2024:

TOPKEY CORPORATION
2023 EARNINGS DISTRIBUTION TABLE

Unit: NT\$

Undistributed earnings at the beginning of the period	\$ 3,083,584,724
+ Net profit after tax of the current year	1,415,376,606
Offset Items	
- Legal surplus reserve (10%)	(141,537,661)
- Special surplus reserve reversed according to the law (Note 1)	(42,654,899)
Earnings available for distribution for the current year	4,314,768,770
Distribution Items	
Shareholders' dividend	
(Stock dividend is about NT\$0 per share in a total amount of NT\$0)	0
(Cash dividend is about NT\$8.5 per share in a total amount of NT\$771,970,000)	(771,970,000)
Undistributed earnings at the end of the period	\$ 3,542,798,770

Note 1: The balance of other equity items in "equity" as of the end of 2023 was -NT\$372,946,002, for which the Company has appropriated the special surplus reserve in the amount of NT\$330,291,103. In accordance with the provisions of Letter with reference to File of Chin-kuan-cheng-fa-tzu No. 1010012865, the special surplus in NT\$42,654,899 shall be appropriated in 2023.

Chairman Shen, Wen-Shen General Manager: Shen, Pei-Ni Chief Financial Officer: Chang, Chiu-Sen

2. Each share as above-mentioned is calculated by the outstanding shares of 90,820,000 as of the end of 2023.
3. If before the base date of earnings distribution, the Company repurchases its own shares, transfers and cancels the treasury stock, converts the convertible bonds or exercises the employee stock warrants, etc. so as to incur changes of the number of outstanding shares on the base date of the Company's earnings distribution, it is proposed that the shareholders' meeting authorizes the Board of Directors adjusts the dividend distribution rate for the shareholders, subject to the actual outstanding shares on the earnings distribution date as per the shareholders' dividend amount in this earnings distribution proposal.
4. Pursuant to Article 66-9 of the current Income Act, from 2018, if there are any earnings of the current year not distributed by a profit-seeking enterprise, an additional profit-seeking income tax shall be levied at the rate of five percent on such undistributed surplus earnings. Effective 2018, the aforesaid tax shall be levied at the rate of five percent. In accordance with the provisions of the Ministry of Finance's Letter with reference to File of Tai-tsai-shui No. 871941343 on April 30, 1998, the earning distribution shall adopt the individual identification method. The Company's earnings are distributed on the basis of priority distribution of distributable earnings in 2022; in case of any deficiency, the previous accumulated distributable earnings shall be distributed based on the sequence of last in and first out, subject to the sequence of year when the earnings are gained.

5. After the distribution of the shareholders' dividend from earnings is approved by the regular shareholders' meeting, the Board of Directors shall be authorized to set the ex-dividend base date; the cash dividend distributed for this time shall be calculated in up to NT\$1 with the fractional amount below NT\$1 re-accounted into the employees' welfare committee.
6. In terms of this proposal, if the laws change, amendment thereof is approved by the competent authority, or amendment is required due to the change of objective environment, it is proposed that the Board of Directors handles the matters with full authority under the authorization of the shareholders' meeting.
7. Please adopt the proposal.

Resolution:

IV. Discussion Matters

Proposal 1 : 【Proposed by the Board of Directors】

Proposal : The proposal of amendment of partial articles of the Company's "Articles of Incorporation" is submitted for your decision.

Explanation :

1. In accordance with Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, and Paragraph 5, Article 240 of the Company Act, partial articles of the Company's "Articles of Incorporation" are appended and amended.
2. This is handled in accordance with Letter of the Central Taiwan Science Park, the Ministry of Science and Technology with reference to File of Chung-tou-tzu No. 1080019741 on September 11, 2019. Due to the Company's needs for stationing at the Central Taiwan Science Park, the location of our headquarters shall be amended into "the Central Taiwan Science Park", and the business activities, approved for admission to the science park, shall be together amended and included in "the scope of the company's business". For details of the cross reference table of amendments of related articles, please see Attachment 5. (Please refer to pages 34-38 of the Handbook.)
3. This proposal has been approved by the resolutions of the Board of Directors meetings on November 9, 2023 and February 29, 2024. It is submitted to the shareholders' meeting for discussion.

Resolution:

V. Extraordinary Motion

VI. Adjournment

III. Relevant Attachments for Reference

I. Business Report

TOPKEY CORPORATION

Business Report

2023

In 2023, the global economy had a poor performance as a result of global inflation and tense geopolitics; on top of that, the customers' orders declined in the sports and leisure industry under the influence of high stock. Therefore, the consolidated revenue of Topkey Corporation dropped to NT\$9.267 billion in 2023. In terms of profit, impacted by decline of orders and drop of yield, the margin slumped by 2.69%, compared with 2022; in addition, under the circumstances that there was no injection of income from the foreign currency exchange in respect of non-operating income, the earnings per share in 2023 was only achieved in the second highest record of NT\$15.58.

Since its establishment, Topkey has adhered to the business philosophy of "sincerity, diligence, innovation and gratitude", working on becoming a human-friendly enterprise with five winning concepts of "customers' satisfaction, employees' pleasure, shareholders' interests, sustainable development, and feedback to the society". Looking forward to the future, the Topkey's management team will continue to reinforce implementation of ESG, promote financial information transparency in compliance with the regulations of the competent authority, make corporate governance more sophisticated, make efforts to achieve carbon neutrality, and move towards the goal of net zero emissions in pursuit of corporate consolidated and sustainable development; we anticipate to create higher economic benefits, and fulfil the whole shareholders' commitments and expectations.

The report on 2023 business results is as follows:

1. 2023 Business Report

(1) Implementation Results of Business Plan

As Topkey's parent company only financial statements indicated, the operating revenue in 2023 was NT\$7.328 billion, accounting for a decrease of NT\$0.917 billion compared with NT\$8.245 billion in 2022 with a decline of 11.12%; the margin in 2023 was 19.81%, decreasing by 2.30% compared with 22.11% in the previous year; the pre-tax net profit was 24.25%, decreasing by 9.02% compared with 33.27% in the previous year.

As Topkey's consolidated financial statements showed, the net operating revenue in 2023 was NT\$9.267 billion, decreasing by NT\$1.698 billion compared with NT\$10.965 billion in 2022 with a decline of 15.49%; under the influence of slump of the operational scale in 2023, the consolidated margin was 32.71%, decreasing by 2.69% compared with 35.40% in the previous year; the consolidated pre-tax net profit was 21.55%, representing a decrease of 7.28% compared with 28.83% in the previous year.

As a whole, the net profit after tax, attributable to the Company in 2023, was NT\$1.415 billion, decreasing by NT\$0.845 billion less than NT\$2.26 billion in 2022 at a decline rate of 37.37%. The earnings per share after tax was NT\$15.58, declining by 37.40% less than NT\$24.89 in the previous year.

(2) Analysis of Profit and Loss, and Profitability of Topkey's Parent Company Only and Consolidated Financial Reports

Unit: NT\$ Thousand; %

Analysis Items \ Year			2023	2022	Increase (Decrease) (%)
Analysis of Profit and Loss	Operating Revenue	Consolidated	9,266,547	10,965,309	-15.49%
		Parent Company Only	7,327,891	8,245,125	-11.12%
	Operating Margin	Consolidated	3,030,788	3,881,806	-21.92%
		Parent Company Only	1,451,758	1,822,875	-20.36%
	After-tax Net Profit (Attributable to Shareholder of the Parent Company)	Parent Company Only/Consolidated	1,415,377	2,260,065	-37.37%
Profitability	Return on Assets (%)	Consolidated	9.92	17.04	-41.78%
		Parent Company Only	11.50	19.10	-39.79%
	Return on Equity (%)	Consolidated	17.09	32.03	-46.64%
		Parent Company Only	18.04	33.95	-46.86%
	Ratio of Pre-tax Net Profit to Paid-in Capital (%)	Consolidated	219.86	348.07	-36.83%
		Parent Company Only	195.65	302.02	-35.22%
	Net Profit (%)	Consolidated	15.27	20.61	-25.91%
		Parent Company Only	19.31	27.41	-29.55%
	Earnings per Share (Dollar)	Parent Company Only/Consolidated	15.58	24.89	-37.40%

(3) Research and Development Results

1. Develop the light-weighted carbon-fiber bike rim with weight decreased by 20% around.
2. Combine carbon fiber with Twaron to greatly improve the anti-twisting performance of rackets.
3. Develop the removable and ventilation-adjusted splitter and flank of helmet, which can reduce cycling wind resistance, and adjust cycling balance.
4. Develop the new-model helmet lens and the actuating mechanism with mandible moving forward, and obtain the practical new-model patent.
5. Develop the light-weighted 800g carbon-fiber economy-class seat back.
6. Develop the bedplate of new-model advanced imaging inspection equipment.
7. Develop the headrest of advanced imaging inspection equipment in 15° slope.

2. Overview of 2024 Business Plan

(1) Business Policy

1. Continue to lay out the future.
2. Reinforce technology innovation.
3. Take the lead for renovation in a fast speed.
4. Implement lean production.

(2) The Company's Future Development Strategies

1. Become the composites technology provider, ranging from concept design to production quality.
2. Fastly develop design drawing and improve production effective and capacity.
3. Enlarge the market share of each product.

(3) Important Production and Marketing Strategies

1. Continue to expand investment in order to diversify operation risks and satisfy customers' demands for orders.
2. Develop new products and new application technology markets.
3. Enhance production efficiency and flexibility in order to shorten production cycles.
4. Continue to promote lean production and increase competitiveness.
5. Continue to make processes lean in order to achieve manpower-saving and improve yield.

(4) Impact of External Competitive Environment, Regulatory Environment and Macro Operation Environment

Over this year, inflation in major developed countries or economies in the world has been slightly relaxed. Most of economists predict that favorable news of interest rate cut will come in the first half of this year. However, through the end of last year to early this year, economy of the US and the European Union is better than what is expected with stable labor market, and inflation has not been significantly reduced. As a result, the US Federal Reserve and the European Central Bank released information on suspension or postponement of interest rate cut. Besides, the geopolitical risks warm up, and it is impossible for cease of various wars (including the Ukraine-Russia War, the Gaza Strip War, the Red Sea Crisis, etc.) within a short time. Accordingly, it is expected that the global economy will still be in a downturn this year.

Since the Climate Change Response Act was published and enforced last February, the heaviest carbon emitters in an annual emission volume of up to 25,000 tons will be imposed the carbon fee effective this year in Taiwan. In addition, in 2026, the European Union will implement the Carbon Border Adjustment Mechanism (CBAM) to assess the carbon border tax upon products which are imported to the EU such as cement, fertilizer, steel, aluminum, chemical, power, etc. As a trend, to achieve net-zero emission has become a significant issue which affects the long-term operational competitiveness of businesses in pursuit of sustainable development.

In order to achieve the sustainable development goal, Topkey continues, in the course of operation, to import the low-carbon manufacturing process, enhance the energy efficiency, use the low-carbon or carbon-free power and fuel, promote the circular economy in order to save energy and reduce carbon, and strive to move towards the carbon neutrality and net zero carbon emission goal. However, the external operation environment might be interrupted by the weak global economy this year. In spite of such an interruption, the stock in the bicycle market has been continuously digested through last year to the first half of this year, and it is expected to return to a healthy level in the second half of this year. Topkey's management team will keep guiding the entire colleagues to perform lean production and enhance competitiveness in order to satisfy customers' commitments. Topkey will also make efforts in promoting the business policy of "continuously laying out the future", "reinforcing technology innovation", "taking the lead for renovation in a fast speed", and "implementing lean production", based on the solid foundation built from long-term focus on composites, concentrate on development of products of composites in each field, and expand their applications for the purpose of ensuring the competition advantages of sustainable development.

Chairman: Shen, Wen-Chen

General Manager: Shen, Pei-Ni

Chief Accounting
Officer: Chang, Chiu-Sen

II. The Audit Committee's Review Report

THE AUDIT COMMITTEE'S REVIEW REPORT

The Board of Directors has prepared the proposals of the Company's 2023 Annual Business Report, Financial Statements (Including Consolidated and Parent Company Only Financial Statements) and Earnings Distribution, among which the Financial Statements have been audited by authorized CPA Wu, Shao-Chun and CPA Tseng, Done-Yuin of Deloitte & Touche and an audit report has been prepared by them in this regard. The aforesaid business report, financial statements & earnings distribution proposals have been reviewed by this Audit Committee and it is deemed that no nonconformity is involved. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report for your review.

To the Attention of

2024 Annual Shareholders' Meeting of the Company

TOPKEY CORPORATION

Convener of the Audit Committee: YANG, SHEN-CHEN

February 29, 2024

III. Report on 2023 Remuneration for Employees and Directors

1. The Company's 2023 remuneration for employees and directors has been approved by deliberation at the meeting of the Remuneration Committee and the Board of Directors on February 29, 2024.
2. In accordance with Article 30 of the Company's articles of incorporation, in case of gaining profit in each year's final accounts, 3% - 10% shall be appropriated as the profit-sharing compensation for the employees and no more than 5% for the directors. The distribution of the 2023 profit-sharing compensation for employees and directors is proposed as follows:

Item	Ratio %	Remuneration allocation amount
1. Remuneration for Employees	Approximately 4.52%	NT\$ 85,546,150
2. Remuneration for Directors	Approximately 1.70%	NT\$ 32,150,310

IV.2023 Independent Auditors' Report and Consolidated Financial Statement

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for the year ended December 31, 2023 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard No. 10, "Consolidated Financial Statements". Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we have not prepared a separate set of consolidated financial statements of affiliates.

Very truly yours,

Topkey Corporation

By

SHEN WEN CHEN
President

February 29, 2024

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Topkey Corporation

Opinion

We have audited the accompanying consolidated financial statements of Topkey Corporation and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2023, December 31, 2022 and January 1, 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 material accounting policy information (collectively referred to as the “consolidated financial statements”).

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, December 31, 2022 and January 1, 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 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the 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 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, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the Group's consolidated financial statements for the year ended December 31, 2023 is as follows:

Revenue Recognition

The Group's sales revenue mainly comes from the manufacture and sale of sporting goods, carbon fiber products, glass fiber products, and composite materials. A significant portion of export sales to customers increased significantly has a material impact on the financial statements. Therefore, we identified recognition authenticity of sales revenue as a key audit matter. For the accounting policies on the recognition of sales revenue, refer to Note 4.

Our key audit procedures performed in respect of revenue recognition included the following:

1. We understood and evaluated the design and appropriateness of implementation of the internal controls related to the recognition of sales revenue, and tested the continuous effectiveness of its controls during the year.
2. We selected samples of the sales revenue receipts and vouched the documents to sales order, delivery of goods and receipt vouchers related to sales revenue and verified the occurrence of the sales revenue.

Other Matter

We have also audited the parent company only financial statements of Topkey Corporation as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified 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 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, 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 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 maintain professional skepticism throughout the audit. We also:

1. 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.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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.
5. 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.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of 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 audits resulting in this independent auditors' report are Shao-Chun Wu and Done-Yuin Tseng.

Deloitte & Touche
Taipei, Taiwan
Republic of China
February 29, 2024

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. 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 independent auditors' report and consolidated financial statements shall prevail.

TOPKEY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022 (Adjusted)		January 1, 2022 (Adjusted)	
	Amount	%	Amount	%	Amount	%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 5,486,707	40	\$ 6,986,828	43	\$ 4,307,176	38
Financial assets at fair value through profit or loss - current	-	-	-	-	2,887	-
Financial assets at amortized cost - current (Notes 7 and 25)	20,228	-	189,208	1	225,828	2
Trade receivables (Note 8)	1,580,481	12	2,252,128	14	1,832,688	16
Other receivables (Note 8)	49,662	-	66,641	-	59,044	1
Other receivables from related parties	-	-	-	-	49,842	1
Current tax assets	684	-	-	-	-	-
Inventories (Note 9)	1,508,169	11	2,704,909	17	1,941,829	17
Other current assets	<u>201,318</u>	<u>1</u>	<u>172,634</u>	<u>1</u>	<u>141,152</u>	<u>1</u>
Total current assets	<u>8,847,249</u>	<u>64</u>	<u>12,372,348</u>	<u>76</u>	<u>8,560,446</u>	<u>76</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 10)	-	-	-	-	-	-
Property, plant and equipment (Note 12)	4,178,032	31	3,072,060	19	1,949,079	17
Right-of-use assets (Note 13)	534,148	4	591,185	4	599,675	5
Deferred tax assets (Note 20)	101,701	1	101,964	1	37,266	1
Refundable deposits	12,199	-	14,890	-	17,985	-
Other non-current assets	<u>54,009</u>	<u>-</u>	<u>63,816</u>	<u>-</u>	<u>86,536</u>	<u>1</u>
Total non-current assets	<u>4,880,089</u>	<u>36</u>	<u>3,843,915</u>	<u>24</u>	<u>2,690,541</u>	<u>24</u>
TOTAL	<u>\$ 13,727,338</u>	<u>100</u>	<u>\$ 16,216,263</u>	<u>100</u>	<u>\$ 11,250,987</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 14 and 25)	\$ 1,828,728	13	\$ 4,850,898	30	\$ 2,132,450	19
Notes payable and trade payables	399,963	3	661,690	4	609,381	5
Other payables (Note 15)	581,516	4	747,829	5	657,641	6
Current tax liabilities (Note 20)	348,645	3	368,493	2	156,127	1
Lease liabilities - current (Note 13)	44,727	-	43,859	-	70,830	1
Current portion of long-term borrowings (Note 14)	47,462	-	22,353	-	-	-
Endorsement and guarantee liabilities	-	-	-	-	138,450	1
Other current liabilities	<u>664,971</u>	<u>5</u>	<u>429,974</u>	<u>3</u>	<u>324,470</u>	<u>3</u>
Total current liabilities	<u>3,916,012</u>	<u>28</u>	<u>7,125,096</u>	<u>44</u>	<u>4,089,349</u>	<u>36</u>
NON-CURRENT LIABILITIES						
Long-term borrowings (Note 14)	587,450	4	55,883	-	40,606	-
Deferred tax liabilities (Note 20)	525,644	4	518,691	3	486,246	4
Lease liabilities - non-current (Note 13)	231,644	2	276,686	2	288,570	3
Guarantee deposits	217	-	62,390	1	276,140	3
Other non-current liabilities	<u>21,764</u>	<u>-</u>	<u>54,777</u>	<u>-</u>	<u>80,247</u>	<u>1</u>
Total non-current liabilities	<u>1,366,719</u>	<u>10</u>	<u>968,427</u>	<u>6</u>	<u>1,171,809</u>	<u>11</u>
Total liabilities	<u>5,282,731</u>	<u>38</u>	<u>8,093,523</u>	<u>50</u>	<u>5,261,158</u>	<u>47</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Capital stock	908,200	7	908,200	6	908,200	8
Capital surplus	1,639,532	12	1,639,532	10	1,639,532	15
Retained earnings						
Legal reserve	1,029,440	8	803,434	5	720,269	6
Special reserve	330,291	2	619,193	4	562,808	5
Unappropriated earnings	4,498,962	33	4,019,709	24	2,444,114	22
Other equity						
Exchange differences on translation of the financial statement of foreign operations	(362,946)	(3)	(320,291)	(2)	(609,193)	(6)
Unrealized valuation loss on financial assets at fair value through other comprehensive income	<u>(10,000)</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>
Total equity attributable to owners of the Company	8,033,479	59	7,659,777	47	5,655,730	50
NON-CONTROLLING INTERESTS	<u>411,128</u>	<u>3</u>	<u>462,963</u>	<u>3</u>	<u>334,099</u>	<u>3</u>
Total equity	<u>8,444,607</u>	<u>62</u>	<u>8,122,740</u>	<u>50</u>	<u>5,989,829</u>	<u>53</u>
TOTAL	<u>\$ 13,727,338</u>	<u>100</u>	<u>\$ 16,216,263</u>	<u>100</u>	<u>\$ 11,250,987</u>	<u>100</u>

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

TOPKEY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
NET REVENUE (Note 18)	\$ 9,266,547	100	\$ 10,965,309	100
COST OF GOODS SOLD (Notes 9 and 19)	<u>6,235,759</u>	<u>67</u>	<u>7,083,503</u>	<u>65</u>
GROSS PROFIT	<u>3,030,788</u>	<u>33</u>	<u>3,881,806</u>	<u>35</u>
OPERATING EXPENSES				
Selling and marketing expenses (Note 19)	204,751	2	234,743	2
General and administrative expenses (Note 19)	669,591	7	698,243	6
Research and development expenses (Note 19)	447,713	5	402,684	4
Expected credit loss (Note 8)	<u>5,592</u>	<u>-</u>	<u>4,664</u>	<u>-</u>
Total operating expenses	<u>1,327,647</u>	<u>14</u>	<u>1,340,334</u>	<u>12</u>
INCOME FROM OPERATIONS	<u>1,703,141</u>	<u>19</u>	<u>2,541,472</u>	<u>23</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	230,669	2	106,753	1
Government grants income	88,964	1	64,341	-
Other gains	73,110	1	86,837	1
Gain (loss) on disposal of property, plant and equipment	7,669	-	(1,422)	-
Net foreign exchange gain (loss)	(14,493)	-	519,323	5
Reversal of impairment (loss) on property, plant and equipment (Note 12)	8,664	-	(45,272)	-
Finance costs (Note 19)	(94,435)	(1)	(104,257)	(1)
Other losses	(6,533)	-	(3,626)	-
Net loss on financial assets at fair value through profit or loss	<u>-</u>	<u>-</u>	<u>(2,944)</u>	<u>-</u>
Total non-operating income and expenses	<u>293,615</u>	<u>3</u>	<u>619,733</u>	<u>6</u>
INCOME BEFORE INCOME TAX	1,996,756	22	3,161,205	29
INCOME TAX EXPENSE (Note 20)	<u>513,321</u>	<u>6</u>	<u>739,194</u>	<u>7</u>
NET INCOME	<u>1,483,435</u>	<u>16</u>	<u>2,422,011</u>	<u>22</u>

(Continued)

TOPKEY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	\$ (57,334)	-	\$ 235,106	2
Income tax relating to items that will be reclassified subsequently to profit or loss (Note 20)	<u>10,664</u>	<u>-</u>	<u>60,810</u>	<u>1</u>
Other comprehensive income (loss) for the year, net of income tax	<u>(46,670)</u>	<u>-</u>	<u>295,916</u>	<u>3</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,436,765</u>	<u>16</u>	<u>\$ 2,717,927</u>	<u>25</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,415,377	15	\$ 2,260,065	21
Non-controlling interests	<u>68,058</u>	<u>1</u>	<u>161,946</u>	<u>1</u>
	<u>\$ 1,483,435</u>	<u>16</u>	<u>\$ 2,422,011</u>	<u>22</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,372,722	15	\$ 2,548,967	23
Non-controlling interests	<u>64,043</u>	<u>1</u>	<u>168,960</u>	<u>2</u>
	<u>\$ 1,436,765</u>	<u>16</u>	<u>\$ 2,717,927</u>	<u>25</u>
EARNINGS PER SHARE (Note 21)				
Basic	<u>\$ 15.58</u>		<u>\$ 24.89</u>	
Diluted	<u>\$ 15.49</u>		<u>\$ 24.71</u>	

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

(Concluded)

TOPKEY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owner of the Company									
	Common Shares (Note 17)	Capital Surplus (Note 17)	Retained Earnings (Note 17)			Other Equity		Total	Non-controlling Interests (Note 11)	Total Equity
			Legal Reserve	Special reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Loss on Financial Assets at Fair Value through Other Comprehensive Income			
BALANCE AT JANUARY 1, 2022	\$ 908,200	\$ 1,639,532	\$ 720,269	\$ 562,808	\$ 2,444,114	\$ (609,193)	\$ (10,000)	\$ 5,655,730	\$ 334,099	\$ 5,989,829
Appropriation of 2021 earnings										
Legal reserve	-	-	83,165	-	(83,165)	-	-	-	-	-
Special reserve	-	-	-	56,385	(56,385)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(544,920)	-	-	(544,920)	-	(544,920)
Cash dividends distributed by the subsidiaries	-	-	-	-	-	-	-	-	(40,096)	(40,096)
	-	-	83,165	56,385	(684,470)	-	-	(544,920)	(40,096)	(585,016)
Net profit for the year ended December 31, 2022	-	-	-	-	2,260,065	-	-	2,260,065	161,946	2,422,011
Other comprehensive income for the year ended December 31, 2022, net of income tax	-	-	-	-	-	288,902	-	288,902	7,014	295,916
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	2,260,065	288,902	-	2,548,967	168,960	2,717,927
BALANCE AT DECEMBER 31, 2022	908,200	1,639,532	803,434	619,193	4,019,709	(320,291)	(10,000)	7,659,777	462,963	8,122,740
Appropriation of 2022 earnings										
Legal reserve	-	-	226,006	-	(226,006)	-	-	-	-	-
Special reserve	-	-	-	(288,902)	288,902	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(999,020)	-	-	(999,020)	-	(999,020)
Cash dividends distributed by the subsidiaries	-	-	-	-	-	-	-	-	(115,878)	(115,878)
	-	-	226,006	(288,902)	(936,124)	-	-	(999,020)	(115,878)	(1,114,898)
Net profit for the year ended December 31, 2023	-	-	-	-	1,415,377	-	-	1,415,377	68,058	1,483,435
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	(42,655)	-	(42,655)	(4,015)	(46,670)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	1,415,377	(42,655)	-	1,372,722	64,043	1,436,765
BALANCE AT DECEMBER 31, 2023	\$ 908,200	\$ 1,639,532	\$ 1,029,440	\$ 330,291	\$ 4,498,962	\$ (362,946)	\$ (10,000)	\$ 8,033,479	\$ 411,128	\$ 8,444,607

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

TOPKEY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022 (Adjusted)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,996,756	\$ 3,161,205
Adjustments for:		
Depreciation expenses	398,667	408,746
Expected credit loss	5,592	4,664
Net loss on financial assets at fair value through profit or loss	-	2,948
Finance costs	94,435	104,257
Interest income	(230,669)	(106,753)
Loss (gain) on disposal of property, plant and equipment	(7,669)	1,422
(Reversal of) impairment loss on property, plant and equipment impairment loss	(8,664)	45,272
Write-downs (reversal) of inventories	42,077	(9,126)
Net loss on unrealized foreign currency exchange	15,414	45,931
Amortization of prepayments	42,286	47,982
Gain on lease modification	(266)	(20,391)
Changes in operating assets and liabilities:		
Trade receivables	593,000	(467,983)
Other receivables	2,234	(14,317)
Inventories	1,138,915	(729,324)
Other current assets	(62,575)	(70,645)
Notes payable	200	-
Trade payables	(220,403)	83,106
Other payables	(119,349)	83,194
Other current liabilities	235,305	103,666
Other non-current liabilities	(33,013)	(25,470)
Cash generated from operations	3,882,273	2,648,384
Interest received	245,500	112,462
Interest paid	(95,129)	(103,919)
Income tax paid	(515,738)	(498,404)
Net cash generated from operating activities	<u>3,516,906</u>	<u>2,158,523</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at amortized cost	-	(209,849)
Proceeds from disposal of financial assets at amortized cost	168,563	250,321
Acquisition of property, plant and equipment	(1,495,480)	(1,411,071)
Proceeds from disposal of property, plant and equipment	18,304	1,178
Decrease in refundable deposits	2,682	3,519
Decrease in other receivables from related parties	-	49,842
Increase in other non-current assets	(5,608)	(6,642)
Increase in prepayments for equipment	(10,744)	(21,092)
Net cash used in investing activities	<u>(1,322,283)</u>	<u>(1,343,794)</u>

(Continued)

TOPKEY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022 (Adjusted)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	\$ 2,818,611	\$ 5,713,455
Repayments of short-term borrowings	(5,822,761)	(3,005,240)
Proceeds from long-term borrowings	585,207	40,187
Repayments of long-term borrowings	(24,151)	(5,200)
Decrease in guarantee deposits	(62,170)	(216,498)
Repayments of the principal portion of lease liabilities	(43,787)	(48,595)
Cash dividends distributed to owners of the Company	(999,020)	(544,920)
Cash dividends distributed to non-controlling interests	(115,878)	(40,096)
Repayments of endorsement and guarantee liabilities	<u>-</u>	<u>(138,450)</u>
Net cash generated from (used in) financing activities	<u>(3,663,949)</u>	<u>1,754,643</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS	<u>(30,795)</u>	<u>110,280</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,500,121)	2,679,652
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>6,986,828</u>	<u>4,307,176</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 5,486,707</u>	<u>\$ 6,986,828</u>

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

(Concluded)

NDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Topkey Corporation

Opinion

We have audited the accompanying parent company only financial statements of Topkey Corporation (the "Company"), which comprise the parent company only balance sheets as of December 31, 2023, December 31, 2022 and January 1, 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 material accounting policy information (collectively referred to as the "parent company only financial statements").

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2023, December 31, 2022 and January 1, 2022, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the 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 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. 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 parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the 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 of the Company's financial statements for the year ended December 31, 2023 is as follows:

Revenue Recognition

The Company's sales revenue mainly comes from the manufacture and sale of sporting goods, carbon fiber products, glass fiber products, and composite materials. A significant portion of export sales to customers increased significantly has a material impact on the financial statements. Therefore, we identified recognition authenticity of sales revenue as a key audit matter. For the accounting policies on the recognition of sales revenue, refer to Note 4.

Our key audit procedures performed in respect of revenue recognition included the following:

1. We understood and evaluated the design and appropriateness of implementation of the internal controls related to the recognition of sales revenue, and tested the continuous effectiveness of its controls during the year.
2. We selected samples of the sales revenue receipts and vouched the documents to sales order, delivery of goods and receipt vouchers related to sales revenue and verified the occurrence of the sales revenue.

Responsibilities 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 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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' 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 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 parent company only financial statements.

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

1. 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 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.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. 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.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the 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 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 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 audits resulting in this independent auditors' report are Shao-Chun Wu and Done-Yuin Tseng.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 29, 2024

Notice to Readers

The accompanying parent company only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. 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 independent auditors' report and parent company only financial statements shall prevail.

TOPKEY CORPORATION

BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2023		December 31, 2022 (Adjusted)		January 1, 2022 (Adjusted)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 2,166,616	18	\$ 3,014,193	23	\$ 3,263,026	30
Financial assets at amortized cost - current (Notes 7 and 25)	17,000	-	17,000	-	-	-
Trade receivables (Note 8)	1,187,965	10	1,821,754	14	1,082,314	10
Trade receivables from related parties (Note 24)	81,259	1	179,816	2	210,264	2
Other receivables (Note 8)	27,464	1	29,672	-	21,747	-
Other receivables from related parties (Note 24)	1,961	-	2,062	-	51,894	-
Inventories (Note 9)	496,956	4	995,132	8	786,251	7
Other current assets	<u>142,234</u>	<u>1</u>	<u>96,769</u>	<u>1</u>	<u>79,450</u>	<u>1</u>
Total current assets	<u>4,121,455</u>	<u>35</u>	<u>6,156,398</u>	<u>48</u>	<u>5,494,946</u>	<u>50</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 10)	-	-	-	-	-	-
Investments accounted for using the equity method (Note 11)	5,193,592	43	5,207,584	40	4,866,209	44
Property, plant and equipment (Note 12)	2,263,908	19	1,134,724	9	283,115	3
Right-of-use assets (Note 13)	222,593	2	251,999	2	263,559	3
Deferred tax assets (Note 20)	101,701	1	101,964	1	37,266	-
Refundable deposits	8,526	-	9,425	-	8,700	-
Other non-current assets	<u>26,829</u>	<u>-</u>	<u>32,981</u>	<u>-</u>	<u>38,723</u>	<u>-</u>
Total non-current assets	<u>7,817,149</u>	<u>65</u>	<u>6,738,677</u>	<u>52</u>	<u>5,497,572</u>	<u>50</u>
TOTAL	<u>\$ 11,938,604</u>	<u>100</u>	<u>\$ 12,895,075</u>	<u>100</u>	<u>\$ 10,992,518</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 14)	\$ 520,000	4	\$ 1,556,000	12	\$ 1,994,000	18
Notes payable and trade payables	100,113	1	175,514	1	182,844	2
Trade payables to related parties (Note 24)	1,013,555	9	1,646,105	13	1,214,781	11
Other payables (Note 15)	198,041	2	240,260	2	234,230	2
Other payables to related parties (Note 24)	1,003	-	7,926	-	18,988	-
Current tax liabilities (Note 20)	334,899	3	342,274	3	143,674	2
Lease liabilities - current (Note 13)	28,854	-	28,216	-	31,858	-
Endorsement and guarantee liabilities	-	-	-	-	138,450	1
Other current liabilities	<u>610,477</u>	<u>5</u>	<u>373,377</u>	<u>3</u>	<u>298,829</u>	<u>3</u>
Total current liabilities	<u>2,806,942</u>	<u>24</u>	<u>4,369,672</u>	<u>34</u>	<u>4,257,654</u>	<u>39</u>
NON-CURRENT LIABILITIES						
Long-term borrowings (Note 14)	349,691	3	-	-	-	-
Deferred tax liabilities (Note 20)	525,644	4	518,691	4	486,246	4
Lease liabilities - non-current (Note 13)	201,084	2	229,988	2	236,501	2
Guarantee deposits	-	-	62,170	1	276,140	3
Other non-current liabilities	<u>21,764</u>	<u>-</u>	<u>54,777</u>	<u>-</u>	<u>80,247</u>	<u>1</u>
Total non-current liabilities	<u>1,098,183</u>	<u>9</u>	<u>865,626</u>	<u>7</u>	<u>1,079,134</u>	<u>10</u>
Total liabilities	<u>3,905,125</u>	<u>33</u>	<u>5,235,298</u>	<u>41</u>	<u>5,336,788</u>	<u>49</u>
EQUITY						
Capital stock	908,200	7	908,200	7	908,200	8
Capital surplus	1,639,532	14	1,639,532	13	1,639,532	15
Retained earnings						
Legal reserve	1,029,440	8	803,434	6	720,269	7
Special reserve	330,291	3	619,193	5	562,808	5
Unappropriated earnings	4,498,962	38	4,019,709	31	2,444,114	22
Other equity						
Exchange differences on translation of the financial statement of foreign operations	(362,946)	(3)	(320,291)	(3)	(609,193)	(6)
Unrealized valuation loss on financial assets at fair value through other comprehensive income	<u>(10,000)</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>
Total equity	<u>8,033,479</u>	<u>67</u>	<u>7,659,777</u>	<u>59</u>	<u>5,655,730</u>	<u>51</u>
TOTAL	<u>\$ 11,938,604</u>	<u>100</u>	<u>\$ 12,895,075</u>	<u>100</u>	<u>\$ 10,992,518</u>	<u>100</u>

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

TOPKEY CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
NET REVENUE (Notes 18 and 24)	\$ 7,327,891	100	\$ 8,245,125	100
COST OF GOODS SOLD (Notes 9, 19 and 24)	<u>5,880,691</u>	<u>80</u>	<u>6,418,393</u>	<u>78</u>
GROSS PROFIT	1,447,200	20	1,826,732	22
REALIZED (UNREALIZED) GAIN ON TRANSACTIONS WITH SUBSIDIARIES	<u>4,558</u>	<u>-</u>	<u>(3,857)</u>	<u>-</u>
GROSS PROFIT	<u>1,451,758</u>	<u>20</u>	<u>1,822,875</u>	<u>22</u>
OPERATING EXPENSES				
Selling and marketing expenses (Note 19)	74,151	1	93,296	1
General and administrative expenses (Note 19)	304,740	4	328,077	4
Research and development expenses (Note 19)	44,866	1	40,473	1
Expected credit loss (Note 8)	<u>5,286</u>	<u>-</u>	<u>4,664</u>	<u>-</u>
Total operating expenses	<u>429,043</u>	<u>6</u>	<u>466,510</u>	<u>6</u>
INCOME FROM OPERATIONS	<u>1,022,715</u>	<u>14</u>	<u>1,356,365</u>	<u>16</u>
NON-OPERATING INCOME AND EXPENSES				
Share of profit of subsidiaries (Note 11)	664,594	9	1,158,697	14
Interest income	93,360	1	55,024	1
Other gains	46,487	1	51,564	1
Reversal of impairment loss on property, plant and equipment (Note 12)	8,664	-	(45,272)	(1)
Finance costs (Note 19)	(15,715)	-	(26,349)	-
Net foreign exchange gain (loss)	(43,176)	(1)	193,830	2
Other losses	<u>(23)</u>	<u>-</u>	<u>(880)</u>	<u>-</u>
Total non-operating income and expenses	<u>754,191</u>	<u>10</u>	<u>1,386,614</u>	<u>17</u>
INCOME BEFORE INCOME TAX	1,776,906	24	2,742,979	33
INCOME TAX EXPENSE (Note 20)	<u>361,529</u>	<u>5</u>	<u>482,914</u>	<u>6</u>
NET INCOME	<u>1,415,377</u>	<u>19</u>	<u>2,260,065</u>	<u>27</u>

(Continued)

TOPKEY CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	\$ (53,319)	-	\$ 228,092	3
Income tax relating to items that will be reclassified subsequently to profit or loss (Note 20)	<u>10,664</u>	<u>-</u>	<u>60,810</u>	<u>1</u>
Other comprehensive income (loss) for the year, net of income tax	<u>(42,655)</u>	<u>-</u>	<u>288,902</u>	<u>4</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,372,722</u>	<u>19</u>	<u>\$ 2,548,967</u>	<u>31</u>
EARNINGS PER SHARE (Note 21)				
Basic	<u>\$ 15.58</u>		<u>\$ 24.89</u>	
Diluted	<u>\$ 15.49</u>		<u>\$ 24.71</u>	

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

(Concluded)

TOPKEY CORPORATION

STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	Common Shares (Note 17)	Capital Surplus (Note 17)	Retained Earnings (Note 17)			Other Equity		Total Equity
			Legal Reserve	Special reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Loss on Financial Assets at Fair Value through Other Comprehensive Income	
BALANCE AT JANUARY 1, 2022	\$ 908,200	\$ 1,639,532	\$ 720,269	\$ 562,808	\$ 2,444,114	\$ (609,193)	\$ (10,000)	\$ 5,655,730
Appropriation of 2021 earnings								
Legal reserve	-	-	83,165	-	(83,165)	-	-	-
Special reserve	-	-	-	56,385	(56,385)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(544,920)	-	-	(544,920)
	-	-	83,165	56,385	(684,470)	-	-	(544,920)
Net profit for the year ended December 31, 2022	-	-	-	-	2,260,065	-	-	2,260,065
Other comprehensive income for the year ended December 31, 2022, net of income tax	-	-	-	-	-	288,902	-	288,902
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	2,260,065	288,902	-	2,548,967
BALANCE AT DECEMBER 31, 2022	908,200	1,639,532	803,434	619,193	4,019,709	(320,291)	(10,000)	7,659,777
Appropriation of 2022 earnings								
Legal reserve	-	-	226,006	-	(226,006)	-	-	-
Special reserve	-	-	-	(288,902)	288,902	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(999,020)	-	-	(999,020)
	-	-	226,006	(288,902)	(936,124)	-	-	(999,020)
Net profit for the year ended December 31, 2023	-	-	-	-	1,415,377	-	-	1,415,377
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	(42,655)	-	(42,655)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	1,415,377	(42,655)	-	1,372,722
BALANCE AT DECEMBER 31, 2023	\$ 908,200	\$ 1,639,532	\$ 1,029,440	\$ 330,291	\$ 4,498,962	\$ (362,946)	\$ (10,000)	\$ 8,033,479

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

TOPKEY CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022 (Adjusted)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,776,906	\$ 2,742,979
Adjustments for:		
Depreciation expenses	65,392	74,601
Expected credit loss	5,286	4,664
Finance costs	15,715	26,349
Interest income	(93,360)	(55,024)
Share of profit of subsidiaries	(664,594)	(1,158,697)
Loss (gain) on disposal of property, plant and equipment	(335)	245
(Reversal of) impairment loss on property, plant and equipment	(8,664)	45,272
Write-downs of inventories	33,841	10,705
Unrealized (realized) gain on the transactions with subsidiaries	(4,558)	3,857
Net loss (gain) on unrealized foreign currency exchange	6,400	(1,365)
Amortization of prepayments	2,684	2,824
Gain on lease modification	-	(287)
Changes in operating assets and liabilities:		
Trade receivables	689,554	(734,403)
Other receivables	6,410	(4,443)
Inventories	464,335	(219,586)
Other current assets	(48,031)	(19,445)
Notes payable	200	-
Trade payables	(677,037)	450,445
Other payables	(28,578)	9,336
Other current liabilities	237,100	74,548
Other non-current liabilities	(33,013)	(25,470)
Cash generated from operations	1,745,653	1,227,105
Interest received	89,213	50,049
Interest paid	(16,305)	(26,114)
Income tax paid	(351,024)	(255,757)
Net cash generated from operating activities	<u>1,467,537</u>	<u>995,283</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at amortized cost	-	(17,000)
Acquisition of property, plant and equipment	(1,165,989)	(933,470)
Proceeds from disposal of property, plant and equipment	1,825	338
Decrease (increase) in refundable deposits	899	(725)
Decrease in other receivables from related parties	-	49,842
Increase in other non-current assets	(7)	(223)
Increase in prepayments for equipment	(5,956)	(17,423)
Dividends received	<u>629,825</u>	<u>1,041,557</u>
Net cash generated from (used in) investing activities	<u>(539,403)</u>	<u>122,896</u>

(Continued)

TOPKEY CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022 (Adjusted)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	\$ 1,149,000	\$ 2,337,000
Repayments of short-term borrowings	(2,185,000)	(2,775,000)
Proceeds from long-term borrowings	349,691	-
Decrease in guarantee deposits	(62,170)	(216,720)
Repayments of the principal portion of lease liabilities	(28,212)	(28,922)
Cash dividends distributed to owners of the Company	(999,020)	(544,920)
Repayments of endorsement and guarantee liabilities	<u>-</u>	<u>(138,450)</u>
Net cash used in financing activities	<u>(1,775,711)</u>	<u>(1,367,012)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(847,577)	(248,833)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>3,014,193</u>	<u>3,263,026</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 2,166,616</u>	<u>\$ 3,014,193</u>

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

(Concluded)

V. Cross Reference Table of Amendment of the Company's "Articles of Incorporation"

Name: T-CG-01-XX04 Articles of Incorporation

Amended Article No.	Current Article No.	Amended Article	Current Article	Explanation on Amendment
Article 2	Article 2	The Company <u>is engaged in the research, design, development, manufacture, and sale:</u> I. <u>Thermal Plastic Composite Fiber Materials & Components (including TP Prepreg and 3C Products).</u> II. <u>Thermal Set Composite Materials & Components (including Transportation and Aircraft Interior Equipment, CF Related Prepregs and Components).</u> III. <u>Medical Composite Fiber Parts & Components.</u> <u>Business classification and code of the above-mentioned products' scope of business:</u> 1. C901990 Other non-metallic mineral products manufacturing. 2. C802120 Industrial and additive manufacturing. 3. C805050 Industrial plastic products manufacturing. 4. CA02010 Manufacturing of metal structure and architectural components. 5. CD01060 Aircraft and parts manufacturing. 6. CF01011 Medical devices manufacturing. 7. CD01050 Bike and its parts manufacturing. 8. CD01990 Other transport equipment and its parts manufacturing. 9. F401010 International trade (<u>Limited to the above-mentioned related products</u>). <u>Business operation for the following items can be only conducted outside of the science park.</u>	The scope of business of the Company is as follows: <u>(This article is newly appended.)</u> 1. CH01010 Sporting goods manufacturing. 2. C901020 Glass and glass products manufacturing. 3. C901990 Other non-metallic mineral products manufacturing. 4. C802120 Industrial and additive manufacturing. 5. C805050 Industrial plastic products manufacturing. 6. CA02010 Manufacturing of metal structure and architectural components. 7. CD01060 Aircraft and parts manufacturing. 8. CJ01010 Cap manufacturing. 9. CF01011 Medical devices manufacturing. 10. CD01010 Ship and its parts manufacturing. 11. CD01050 Bike and its parts manufacturing. 12. CB01990 Other machinery manufacturing. 13. CD01990 Other transport equipment and its parts manufacturing. 14. I199990 Other consultancy. 15. F107990 Other chemicals wholesaling. 16. F207990 Other chemicals retailing. 17. F401010 International trade. 18. I101100 Aviation consulting. 19. H703100 Real estate lease. 20. CQ01010 Molds manufacturing.	This is handled in accordance with Letter of the Central Taiwan Science Park, the Ministry of Science and Technology with reference to File of Chung-tou-tzu No. 1080019741 on September 11, 2019. Due to the Company's needs for stationing at the Central Taiwan Science Park, content of some articles in the Articles of Incorporation shall be amended to meet the original requirements of approved investment.

Amended Article No.	Current Article No.	Amended Article	Current Article	Explanation on Amendment
		10. CH01010 Sporting goods manufacturing. 11. C901020 Glass and glass products manufacturing. 12. CJ01010 Cap manufacturing. 13. CD01010 Ship and its parts manufacturing. 14. CB01990 Other machinery manufacturing. 15. I199990 Other consultancy. 16. F107990 Other chemicals wholesaling. 17. F207990 Other chemicals retailing. 18. I101100 Aviation consulting. 19. H703100 Real estate lease. 20. CQ01010 Molds manufacturing. 21. F106030 Molds wholesaling. 22. F206030 Molds retailing. 23. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.	21. F106030 Molds wholesaling. 22. F206030 Molds retailing. 23. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.	
Article 3	Article 3	The Company shall have its head office in <u>the Central Taiwan Science Park</u> , the Republic of China, and may, pursuant to a resolution adopted at the meeting of the Board of Directors, set branch offices within or outside the territory of the Republic of China.	The Company shall have its head office in Taichung City , the Republic of China, and may, pursuant to a resolution adopted at the meeting of the Board of Directors, set branch offices within or outside the territory of the Republic of China.	This is handled in accordance with Letter of the Central Taiwan Science Park, the Ministry of Science and Technology with reference to File of Chung-tou-tzu No. 1080019741 on September 11, 2019. Due to the Company's needs for stationing at the Central Taiwan Science Park, content of some articles in the Articles of Incorporation shall be amended to meet the original requirements of approved investment.
Article 14	Article 14	Shareholders' meetings are divided into the regular shareholders' meeting and the special shareholders' meeting. Regular meetings shall be convened at least once a year <u>by the Board of</u>	Shareholders' meetings are divided into the regular shareholders' meeting and the special shareholders' meeting. Regular meetings shall be convened at least once a year according to the law within six	Amendments are made in accordance with Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies,

Amended Article No.	Current Article No.	Amended Article	Current Article	Explanation on Amendment
		Directors according to the law within six months after close of each fiscal year. Special meetings shall be convened whenever necessary according to the laws and regulations. A notice shall be made for convening shareholders' meetings in accordance with the Company Act and the relevant statutory regulations, published by the competent authority. With the consent of shareholders, the notice for convening shareholders' meetings shall be made by the electronic means. <u>The Company shall convene either the physical or virtual shareholders' meetings (including the virtual-only shareholders' meeting and video-assisted shareholders' meeting), or the shareholders' meeting by other means, published by the central competent authority. The Company shall be subject to prescriptions provided for by the competent authority in charge of securities affairs, including the prerequisites, procedures, and other compliance matters.</u>	months after close of each fiscal year. Special meetings shall be convened whenever necessary according to the laws and regulations. A notice shall be made for convening shareholders' meetings in accordance with the Company Act and the relevant statutory regulations, published by the competent authority. With the consent of shareholders, the notice for convening shareholders' meetings shall be made by the electronic means. <u>(This article is newly appended.)</u>	expressly stipulating the way by which the company convenes the shareholders' meeting can be either a physical shareholders' meeting or a virtual one (including virtual-only or video-assisted shareholders' meeting).
Article 29	Article 29	At the end of each fiscal year, the Board of Directors of the Company shall prepare various statements and records such as (1) the business report, (2) the financial statements, and (3) the surplus earning distribution or loss off-setting proposals, etc., send them to the Audit Committee for review within 30 days prior to the regular shareholders' meeting, and then submit the same to the regular shareholders' meeting for acceptance.	At the end of each fiscal year, the Board of Directors of the Company shall prepare the statements, as stipulated in Article 228 of the Company Act , send them to the Audit Committee for review within 30 days prior to the regular shareholders' meeting, and then submit the same to the regular shareholders' meeting for acceptance.	Explicitly stipulate the statements and records, as set out in Article 228, the Company Act.
Article 30	Article 30	In case the Company gains profit in the year, the following profit-sharing compensation shall be appropriated as follows:	In case the Company gains profit in the year, the following profit-sharing compensation shall be appropriated as follows:	In accordance with Paragraph 5, Article 240 of the Company Act, it is explicitly stipulated in the

Amended Article No.	Current Article No.	Amended Article	Current Article	Explanation on Amendment
		1. 3% - 10% of profit-sharing compensation for employees. 2. No more than 5% of profit-sharing compensation for directors. However, the accumulated losses of the Company, if any, shall be covered first. The preceding profit-sharing compensation for employees shall be distributed in stock or cash, including the employees of subsidiaries who meet the specific requirements. After closing of accounts, if there is profit, the Company shall first pay the income tax according to the law, make up the losses for the preceding years, then set aside a legal reserve of 10% of the net profit, and appropriate or reverse special surplus reserve pursuant to the regulations of the competent authority; the remaining profit shall be distributed to pay the dividend. <u>When the Board of Directors prepares the proposal of distribution in the form of new shares to be issued by the company, in case of any earnings, along with the undistributed earnings at the beginning of the period, such a distribution shall be made after a resolution is adopted by the shareholders' meeting. In accordance with Paragraph 5, Article 240 of the Company Act, the Company shall authorize the Board of Directors by a resolution adopted by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares of the company, to pay in the form of cash the distributable dividends and bonuses, or legal reserve and capital reserve in whole or in part, as stipulated in Paragraph 1,</u>	1. 3% - 10% of profit-sharing compensation for employees. 2. No more than 5% of profit-sharing compensation for directors. However, the accumulated losses of the Company, if any, shall be covered first. The preceding profit-sharing compensation for employees shall be distributed in stock or cash, including the employees of subsidiaries who meet the specific requirements. After closing of accounts, if there is profit, the Company shall first pay the income tax according to the law, make up the losses for the preceding years, then set aside a legal reserve of 10% of the net profit, and appropriate or reverse special surplus reserve pursuant to the regulations of the competent authority; the remaining profit shall be distributed to pay the dividend. Any earnings left shall be distributed, along with the undistributed earnings at the beginning of the period, by the resolution of the shareholders' meeting. <u>(This article is newly appended.)</u>	Articles of Incorporation to authorize the Board of Directors to adopt a special resolution to distribute the cash dividends with a report submitted to the shareholders' meeting. However, if the distribution is made in the form of stock, a resolution of the shareholders' meeting is still required.

Amended Article No.	Current Article No.	Amended Article	Current Article	Explanation on Amendment
		Article 241 of the Company Act; a report thereof shall be submitted to the shareholders' meeting. (The content of the following articles is omitted.)	(The content of the following articles is omitted.)	
Article 30-1	Article 30-1	The earnings distribution or loss make-up of the Company shall be made at the end of each fiscal year. The earnings distribution in cash shall be made by a resolution of the Board of Directors meeting with a report submitted to the shareholders' meeting, pursuant to Article 228-1, and Paragraph 5 of Article 240, the Company Act; it is not necessary to be submitted to the shareholders' meeting for acceptance. (The content of the following articles is omitted.)	The earnings distribution or loss make-up of the Company shall be made at the end of each fiscal year. (The content of the following articles is omitted.)	It is explicitly stipulated that the interim earnings distribution in cash can be only made by a general resolution of the Board of Directors meeting without need for acceptance of the shareholders' meeting. However, if it is made in the form of stock, a resolution of the shareholders's meeting is still required.
Article 33	Article 33	This Article of Incorporation was adopted on April 22, 1980. The 1st amendment was made on June 10, 1980. (.... Omitted.) The 25th amendment was made on May 27, 2020. The 26th amendment was made on May 31, 2024.	This Article of Incorporation was adopted on April 22, 1980. The 1st amendment was made on June 10, 1980. (.... Omitted.) The 25th amendment was made on May 27, 2020.	Amend the article by appending the date of amendment.
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IV. Appendices

1. The Company's "Rules of Procedure for Shareholders' Meeting"

1. General Provisions

1.1. Purpose of Adoption

To establish a strong governance system and sound supervisory capabilities for the Company's shareholders' meetings, and to strengthen management capabilities, these Rules are adopted pursuant to the Company Act and the relevant provisions.

1.2. Scope of Application

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

1.3. Responsible Unit

The financial headquarters is the management unit of these Rules.

1.4. Definition of Terms

None

2. Topic Content

2.1. Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors.

Changes to how the Company convenes its shareholders' meeting shall be resolved by the Board of Directors, and shall be made no later than mailing of the shareholders' meeting notice.

The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for adoption, matters for deliberation, or the election or dismissal of directors, 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 agenda 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. However, the Company has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders' meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders' meeting. Before 15 days before 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 Company and the professional shareholder services agent designated thereby.

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:

1. For physical shareholders' meetings, to be distributed on-site at the meeting.

2. For hybrid shareholders' meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.

3. For virtual-only shareholders' meetings, electronic files shall be shared on the virtual meeting platform.

The shareholders who hold 3% or more of the total number of issued shares for consecutive one year or more shall specify in writing the items and reasons of the proposals and ask the Board of Directors to convene a special shareholders' meeting.

Election or dismissal of directors, 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 Paragraph 1, Article 185 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 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.

2.2. A shareholder holding one percent or more of the total number of issued shares may submit to the Company 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 Paragraph 4, Article 172-1 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, the Company 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 discussion of the proposal.

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

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

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 the Company 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 the Company, 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 the Company at latest 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.

If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders' meeting online, a written notice of proxy cancellation shall be submitted to the Company 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.

- 2.4. 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 shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company 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. The Company 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.

The Company 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, 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 the Company two days before the meeting date. In the event of a virtual shareholders' meeting, the Company 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.

- 2.5. To convene a virtual shareholders' meeting, the Company shall include the follow particulars in the shareholders' meeting notice:

1. How shareholders attend the virtual meeting and exercise their rights.

2. 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:

(1) 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.

(2) Shareholders not having registered to attend the affected virtual shareholders' meeting shall not attend the postponed or resumed session

(3) 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 shareholders' 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 meeting agenda of that shareholders' meeting.

(4) Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.

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

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

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

- 2.7. If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the chairman of the board. When the chairman of the board is on leave or for any reason unable to exercise the powers of the chairman, the vice chairman shall act in place of the chairman; if there is no vice chairman or the vice chairman also is on leave or for any reason unable to exercise the powers of the vice chairman, the chairman shall appoint one director to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairman does not make such a designation, the directors shall select from among themselves one person to serve 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 chairman of the board in person and attended by a majority of the directors 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.

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

- 2.8. 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, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, 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 the Company 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.

In case of a virtual shareholders' meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.

- 2.9.** Attendance at shareholders' meetings shall be calculated based on numbers 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. In addition, the number of shares whose voting rights are exercised by correspondence of electronically, as adopted by the Company, shall be calculated altogether.

The chair shall call the meeting to order at the appointed meeting time and disclose relevant 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. In the event of a virtual shareholders' meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month; in the event of a virtual shareholders' meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 2.4.

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.

- 2.10.** 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. After the meeting is adjourned, shareholders shall not elect another chair to continue the meeting at the original place or another venue. 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.

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

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account 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.

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.

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 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.

Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply. As

long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

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

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

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.

- 2.13. A shareholder of the Company shall be entitled to one vote for each share held, unless otherwise provided for in the laws. When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as 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.

- 2.14. 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 Paragraph 2, Article 179 of the Company Act.

When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder 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 the Company 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 the Company 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 online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, 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 the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

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

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

Vote counting for shareholders' meeting proposals or elections 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.

When the Company convenes a virtual shareholders' meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders' meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When the Company convenes a hybrid shareholders' meeting, if shareholders who have registered to attend the meeting online in accordance with Article 2.4 decide to attend the physical shareholders' meeting in person, they shall revoke their registration two days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders' meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders' meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

- 2.15. 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 and supervisors not elected and number of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

- 2.16. Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes of the preceding paragraph may be produced and distributed in electronic form. The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of the Company.

When a proposal comes to a vote at a shareholders' meeting, if the chair puts the matter before all shareholders present at the meeting and none voices an objection, the matter is deemed approved. If an objection is made in that regard, the adoption of the voting method and passage of the number of voting rights, and the proportion of voting rights shall be specified.

Where a virtual shareholders' meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders' meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes. When convening a virtual-only shareholders' meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders' meeting online.

- 2.17. On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders' meeting. In the event a virtual shareholders' meeting, the Company shall upload the above 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.

During the Company's virtual shareholders' meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

- 2.18. 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 proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

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

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

2.19. In the event of a virtual shareholders' meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

2.20. When the Company convenes a virtual-only shareholders' meeting, both the chair and secretary shall be in the same location in Taiwan, and the chair shall declare the address of their location when the meeting is called to order.

2.21. In the event of a virtual shareholders' meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

In the event of a virtual shareholders' meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Paragraph 4, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders' meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders' meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders' meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders' meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.

When the Company convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, still meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, 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, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.

When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders' meeting in accordance with the requirements listed under Paragraph 7, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under the second half of Article 12, and Paragraph 3, Article 13 of Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies, and Paragraph 2 of Article 44-5, Article 44-15, and Paragraph 1 of Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders' meeting that is postponed or resumed under the second paragraph.

2.22. When convening a virtual-only shareholders' meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online.

3. Supplementary Provisions

3.1. Method and Procedure of Adoption, Amendment and Revocation.

These Rules of Procedure shall take effect after having been approved in sequence by the Audit Committee and the Board of Directors, and submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.

3.2. Announced Date of Implementation and Date of Amendment.

These Rules of Procedure shall take effect after announcement on June 15, 2010.

The 1st amendment was made on May 16, 2011.

The 2nd amendment was made on October 25, 2011.

The 3rd amendment was made on June 12, 2012.

The 4th amendment was made on June 10, 2013.

The 5th amendment was made on May 27, 2015.

The 6th amendment was made on May 31, 2016.

The 7th amendment was made on May 27, 2020.

The 8th amendment was made on July 29, 2021.

The 9th amendment was made on May 31, 2023.

4. Attachments and Forms Generated

None

2. The Company's "Articles of Incorporation" before Amendment

Chapter I General Provisions

- Article 1: The Company is incorporated, as a company limited by shares, under the Company Law of the Republic of China, and its name is 拓凱實業股份有限公司 in the Chinese language, and Topkey Corporation in the English language.
- Article 2: The scope of business of the Company is as follows:
1. CH01010 Sporting goods manufacturing.
 2. C901020 Glass and glass products manufacturing.
 3. C901990 Other non-metallic mineral products manufacturing.
 4. C802120 Industrial and additive manufacturing.
 5. C805050 Industrial plastic products manufacturing.
 6. CA02010 Manufacturing of metal structure and architectural components.
 7. CD01060 Aircraft and parts manufacturing.
 8. CJ01010 Cap manufacturing.
 9. CF01011 Medical devices manufacturing.
 10. CD01010 Ship and its parts manufacturing.
 11. CD01050 Bike and its parts manufacturing.
 12. CB01990 Other machinery manufacturing.
 13. CD01990 Other transport equipment and its parts manufacturing.
 14. I199990 Other consultancy.
 15. F107990 Other chemicals wholesaling.
 16. F207990 Other chemicals retailing.
 17. F401010 International trade.
 18. I101100 Aviation consulting.
 19. H703100 Real estate lease.
 20. CQ01010 Molds manufacturing.
 21. F106030 Molds wholesaling.
 22. F206030 Molds retailing.
 23. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3: The Company shall have its head office in Taichung City, the Republic of China, and may, pursuant to a resolution adopted at the meeting of the Board of Directors, set branch offices within or outside the territory of the Republic of China.
- Article 4: Public announcements of the Company shall be made according to Article 28 of the Company Act.
- Article 5: The Company shall make external guarantee for the business needs.
- Article 6: This article is deleted.
- Article 7: Unrestricted by Article 13 of the Company At, the Company shall reinvest in other enterprises for the business needs.

Chapter II Shares

- Article 8: The total capital stock of the Company shall be in the amount of 1,800,000,000 New Taiwan Dollars, divided into 180,000,000 shares, at one New Taiwan Dollars each, among which the unissued shares shall be issued in installments, depending on business needs of the company.
- Article 9: The Company is exempted from printing any share certificate for the shares issued. However, the issued shares should be registered with a centralized securities depository enterprise.
- The Company is exempted from printing any share certificate for the shares issued. However, the issued shares should be registered with a centralized securities depository enterprise.
- Article 10: Unless otherwise provided for in the laws and securities regulations, stock transfer, if any, shall be handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies".

- Article 11: Unless otherwise provided for in the laws and securities regulations, stock loss or damage, if any, shall be handled in accordance with the “Regulations Governing the Administration of Shareholder Services of Public Companies”.
- Article 12: Registration for transfer of shares shall be suspended for a period of sixty days before the convening date of a regular shareholders’ meeting, thirty days before the convening date of a special shareholders’ meeting, or within five days before the date on which dividends, bonus, or other benefits are scheduled to be paid by the Company.
- Article 13: Unless otherwise provided for in the laws and securities regulations, the operationst of the shareholder services shall be handled in accordance with the “Regulations Governing the Administration of Shareholder Services of Public Companies”.

Chapter III Shareholders’ Meeting

- Article 14: Shareholders’ meetings are divided into the regular shareholders’ meeting and the special shareholders’ meeting. Regular meetings shall be convened at least once a year according to the law within six months after close of each fiscal year. Special meetings shall be convened whenever necessary according to the laws and regulations. A notice shall be made for convening shareholders’ meetings in accordance with the Company Act and the relevant statutory regulations, published by the competent authority. With the consent of shareholders, the notice for convening shareholders’ meetings shall be made by the electronic means.
- Article 15: Unless otherwise provided for in the Company Act and relevant statutory regulations, the resolutions at the shareholders’ meeting shall be made by attendance share in person or by proxy of shareholders who represent a majority of the total number of issued shares and with the concurrence of a majority of votes held by the shareholders present at the meeting.
- Article 16: Unless otherwise provided for in the laws, each shareholder of the Company is entitled to one vote for each share held.
- Article 17: When a shareholder is unable to attend the shareholders’ meeting for some reason, he/she shall prepare the power of attorney to authorize the proxy to attend the meeting. Matters related to use and cancellation of the foregoing power of attorney shall be handled in accordance with the “Regulations Governing the Administration of Shareholder Services of Public Companies”.
- Article 18: Matters relating to the resolutions of a shareholders’ meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The aforesaid meeting minutes shall be distributed by announcement.
The meeting minutes shall record not only the year, month, day, and place of the meeting, the chair’s full name, the methods by which resolutions were adopted, but also a summary of the deliberations and their results. The minutes shall be retained for the duration of the existence of the Company. The attendance book of the attending shareholders and the power of attorney for attendance by proxy shall be kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, they shall be retained until the conclusion of the litigation. The preceding meeting minutes may be produced and distributed in electronic form.
- Article 18-1: If the Company’s stock is intended to be cancelled for public offering, a special resolution shall be made at the shareholders’ meeting, and this article shall remain unchanged during the period of the company’s listing on the emerging market, the TWSE and TPEX.

Chapter IV Directors

- Article 19: The Company shall have 9 – 11 Directors, who shall be elected at the shareholders’ meeting from among the individuals of legal capacity, with a term of three years, and shall be reelected. However, in case no election of new directors is effected after expiration of the term of office of existing directors, the term of office outgoing directors shall be extended till the time new directors have been elected and assumed their office. After the directors are elected, the Company may only purchase the liability insurance for the elected directors only by a resolution at the meeting of the Board of Directors. The total shareholding ratio of the Company whole directors shall comply with the Company Act and the regulations of the

competent securities authority.

Article 19-1: The directors election adopts the candidate nomination system in accordance with Article 192-1 of the Company Act. Matters relating the method of acceptance and announcement, etc. of the director candidate nomination shall be handled pursuant to the Company Act, and the relevant laws and regulations of the Securities and Exchange Act. The election of independent directors and non-independent directors shall be concurrently conducted and the election quota shall be respectively calculated.

Article 19-2: Among the directors of the Company, the independent directors shall not be less than three in number and not less than one-fifth of the total number of directors. The candidate nomination system shall be adopted for the independent directors who shall be elected at the shareholders' meeting from among the independent director candidates. Matters regarding professional qualifications on shareholdings and concurrent positions held, assessment of independence, method of nomination, method of election, and other matters shall be handled in accordance with the Company Act and the relevant statutory regulations of the competent securities authority.

Article 20: Except otherwise approved by the competent authority, a majority of directors of the Company shall not have one of the following relations:

1. Spouse.
2. Relatives within the second degree of kinship.

Article 21: The Company shall have one chairman, who shall be elected from among the directors at the meeting of the Board of Directors, which is attended by more than two-thirds with the consent of a majority of attending directors, and one vice chairman shall be elected in the same manner. The Chairman externally represents the Company, and shall carry out all affairs of the Company subject to the laws, regulations, and the resolutions of the shareholders' meetings, and the Board of Directors meetings.

Article 22: Except the matters which shall be resolved at the shareholders' meetings, the business policies and other important matters of the Company shall be determined by the resolutions of the Board of Directors meetings. Except the first meeting of each newly elected Board of Directors, which shall be convened in accordance with Article 203 of the Company Act, other meetings shall be convened by the chairman who shall act as a chair of the meeting. In case the chairman fails to perform duties, the vice chairman shall act on his/her behalf. When the vice chairman takes leaves or fails to perform duties for some reason, the chairman shall designate one director on his/her behalf. In case of no designation, one director shall be appointed as his/her proxy from among the directors. Unless otherwise provided for in the Company Act, the resolution of the meetings of the Board of Directors shall be approved by a majority of directors who attend the meetings with the consent of a majority of attending directors. In case the directors are absent for some reason, they shall prepare the power of attorney, specifying the scope of authorization for convening cause, to authorize other directors to attend the meetings of the Board of Directors on his/her behalf. Only one power of attorney shall be issued by one director. The virtual meetings of the Board of Directors may be convened. Those directors who attend the virtual meetings shall be deemed to have attended the meeting in person.

Article 23: Matters relating to the resolutions of a Board of Directors meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each director within 20 days after the conclusion of the meeting. The meeting minutes shall record a summary of the deliberations and their results. The minutes shall, along with the attendance book of the attending directors and power of attorney for attendance by proxy, be retained for the duration of the existence of the Company.

The preceding meeting minutes may be produced and distributed in electronic form.

Article 24: This article is deleted.

Article 25: The Company appoints the Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. The Audit Committee shall be composed of whole independent directors. The Audit Committee or its members take charge of performing

duties and power of supervisors, as prescribed in the Company Act, the Securities and Exchange Act, and other laws and regulations.

Effective the date of establishment of the Audit Committee, the rights and responsibilities of the Company's supervisors are superseded by the Audit Committee, and the provisions in respect of supervisors shall be never applicable.

Article 26: The remuneration of whole directors shall be determined by the Board of Directors under authorization, based on their participation in the Company's operation and their contribution value, and by referring to the normal level of the same industry. In case the Company gains earnings, the profit-sharing compensation shall be distributed pursuant to Article 30.

Article 26-1: When the number of vacancies in the Board of Directors of the Company equals to one third of the total number of directors, the Board of Directors shall call, within the specified deadline, a special shareholders' meeting for by-election. The term of office of the succeeding directors shall only make up that of the former directors.

Article 26-2: This article is deleted (and incorporated into Article 19).

Chapter V Managerial Officer

Article 27: The Company may have one or more managerial officer. Appointment, discharge and the remuneration of the managerial officers shall comply with Article 29 of the Company Act.

Chapter VI Final Accounts

Article 28: The fiscal year of the Company is from January 1 to December 31 of each year.

Article 29: At the end of each fiscal year, the Board of Directors of the Company shall prepare the statements, as stipulated in Article 228 of the Company Act, send them to the Audit Committee for review within 30 days prior to the regular shareholders' meeting, and then submit the same to the regular shareholders' meeting for acceptance.

Article 30: In case the Company gains profit in the year, the following profit-sharing compensation shall be appropriated as follows:

1. 3% - 10% of profit-sharing compensation for employees.
2. No more than 5% of profit-sharing compensation for directors.

However, the accumulated losses of the Company, if any, shall be covered first.

The preceding profit-sharing compensation for employees shall be distributed in stock or cash, including the employees of subsidiaries who meet the specific requirements.

After closing of accounts, if there is profit, the Company shall first pay the income tax according to the law, make up the losses for the preceding years, then set aside a legal reserve of 10% of the net profit, and appropriate or reverse special surplus reserve pursuant to the regulations of the competent authority; the remaining profit shall be distributed to pay the dividend. Any earnings left shall be distributed, along with the undistributed earnings at the beginning of the period, by the resolution of the shareholders' meeting.

The development of the Company's industry is situated at the business expansion stage with urgent needs for capital, so the earnings distribution complies with the provisions of the Company Act and the Articles of Incorporation of the Company. In addition, the method of dividend distribution of each year shall be determined, depending on the company's capital planning and operation results. However, the stable and balanced dividend policy will be adopted in principle. The Board of Directors will make a resolution on the distribution method (cash dividend or stock dividend) and amount of the balance after distribution stated in subparagraphs 1 and 2 of the preceding paragraph plus the total amount of undistributed earnings in the preceding year, based on the operation results, financial status and capital planning, before the regular shareholders' meeting of each year. The bonus for shareholders, distributed by resolution shall not be less than 20% of the net amount of after-tax net profit deducting the legally-appropriated surplus reserve; among others, the ratio of cash dividend shall not be less than 20% of total dividend amount. However, the ratio of this cash dividend for shareholders shall depend on the actual profits and capital needs in the current year, and shall be adjusted by the resolution of the shareholders' meeting.

Article 30-1: The earnings distribution or loss make-up of the Company shall be made at the end of each fiscal year.

The proposal of earnings distribution or loss make-up for the first half of the fiscal year shall be submitted, along with the business report and the financial statements, to the Audit Committee for review and then to the Board of Directors for making a resolution.

The earnings, distributed according to the preceding provision, shall be estimated and reserved for paying the taxes, making up the losses and setting aside the legal surplus reserve according to the law. However, this shall not apply, when the legal surplus reserve has reached the paid-in capital.

The earning distribution by means of issuing new shares pursuant to the provisions of paragraph 2 shall be handled in accordance with Article 240 of the Company Act. The cash distribution shall be resolved by the Board of Directors meeting.

In case of the public offering of stock, the earnings distribution or loss make-up pursuant to the provisions of the preceding four paragraphs shall be based on the CPAs-audited or reviewed financial statements.

Article 30-2: In order to offer incentives and compensation for the employees of subsidiaries, including such incentives as employee's treasury stock, employee stock warrant, profit-sharing compensation for employees (stake), employee stock option and restricted stock award, etc., in addition to the Company's employees, the employees of the parent company and subsidiaries shall be entitled to the incentives.

Chapter VII Supplementary Provisions

Article 31: The organizational regulations and the operational bylaws of the Company shall be separately established by the Board of Directors.

Article 32: Any matters not covered in this Articles of Incorporation shall be handled in accordance with the regulations of the Company Act and other relevant laws and regulations.

Article 33: This Article of Incorporation was adopted on April 22, 1980.

The 1st amendment was made on June 10, 1980.

The 2nd amendment was made on July 1, 1980.

The 3rd amendment was made on September 10, 1982.

The 4th amendment was made on June 20, 1983.

The 5th amendment was made on November 16, 1984.

The 6th amendment was made on June 20, 1986.

The 7th amendment was made on October 28, 1989.

The 8th amendment was made on May 23, 1990.

The 9th amendment was made on October 5, 1991.

The 10th amendment was made on March 25, 1992.

The 11th amendment was made on October 15, 1993.

The 12th amendment was made on January 10, 1995.

The 13th amendment was made on March 6, 1997.

The 14th amendment was made on October 16, 1997.

The 15th amendment was made on December 1, 2001.

The 16th amendment was made on June 29, 2007.

The 17th amendment was made on October 9, 2009.

The 18th amendment was made on May 16, 2011.

The 19th amendment was made on October 25, 2011.

The 20th amendment was made on June 12, 2012.

The 21st amendment was made on May 27, 2015.

The 22nd amendment was made on May 31, 2016.

The 23rd amendment was made on May 26, 2017.

The 24th amendment was made on May 28, 2019.

The 25th amendment was made on May 27, 2020.

V. Shareholding of Directors

- (1) The paid-in capital of the Company is NT\$908,200,000 with 90,820,000 shares.
- (2) In accordance with Paragraph 2, Article 2 of the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”, to the effect that where the paid-in capital of the company is more than NT\$300 million but NT\$1 billion or less, the total registered shares owned by all directors shall not be less than ten percent of the total issued shares, it totals 7,265,600 shares (if two independent directors or more are elected, the total registered shares owned by all directors except independent directors is reduced to 80%.)
- (3) The numbers of shares held by the directors of the Company as recorded in the shareholders’ register as of the book closure date (April 2, 2024) of this annual shareholders’ meeting are as follows:

Unit: shares

Title	Account Name	Number of Shares Held	Shareholding Ratio
Chairman	Shen, Wen-Chen	9,654,182	10.63%
Director	Chu, Tong-Chen	3,469,789	3.82%
Director	Chang, Kuei-Lin	2,918,846	3.21%
Director	Shen, Pei-Ni	1,922,394	2.12%
Director	Lin, Kuo-Fen	1,392,935	1.53%
Director	Chang, Chao-Yueh	-	0.00%
Independent	Yang, Shih-Chien	-	0.00%
Independent	Ma, Chen-Chi	-	0.00%
Independent	Yang, Ying-Huang	-	0.00%
Independent	Lee, Cherng	-	0.00%
Total Number of Shares Held by Whole Directors		19,358,146	21.31%

**Thank you for your attendance at
the annual shareholders' meeting.**

**Your comments and advice
will be always welcomed.**