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TAIWAN CHELIC CO., LTD.

Procedures of 2025 Annual General Shareholders' Meeting

- I. Reporting on shareholding of attendants
- II. Announcing the meeting
- III. Message from the Presiding Officer
- IV. Reports Items
- V. Proposed Items for Ratification
- VI. Discussion Item
- VII. Extemporary Motion
- VIII. Meeting adjourned

TAIWAN CHELIC CO., LTD.

Procedures of 2025 Annual General Shareholders' Meeting

Meeting Time: 2025.05.29; 09:00 am.

Meeting Place: Conference Room of the Company (Room 301); 3F, No. 21, Guifeng Street, Taishan District, New Taipei City

Announcement of Shareholder's meeting (Report on the quantity of shares represented in the session)

Message from the Presiding Officer

I. Reports Items

- (1) 2024 Business Report.
- (2) Audit Committee Review Report on Account Settlement of 2024.
- (3) Report on Distribution of Remuneration to Directors in 2024
- (4) Report on the offering of the 3rd issuance of domestic secured convertible bonds by the Company.
- (5) Report on distribution of cash dividends from capital surplus.

II. Proposed Items for Ratification

- (1) 2024 Business Report and Financial Statements.
- (2) 2024 Profit and Deficit Statement.

III. Discussion Item

- (1) Amendment to the "Articles of Incorporation" of the Company in part.

IV. Extemporaneous Motion

V. Meeting adjourned

Reports Items

Motion No. 1 [Proposed by the Board]

Cause of motion: The 2024 Business Report of the Company for review.

Explanation: The 2024 Business Report of the Company, please refer to Attachment I (p.8~10 of the Handbook).

Motion No. 2 [Proposed by Audit Committee]

Cause of motion: Audit Committee Review Report on the 2024 Financial Statements for review.

Explanation: The Company has compiled the separate and consolidated financial statements covering the period, and has presented such to the Audit Committee for review. Please refer to Attachment II (p.11 of the Handbook).

Motion No. 3 [Proposed by the Board]

Cause of motion: Report on Remuneration to Directors in 2024 for review.

Explanation:

- (I) The association between the policy and standard of the remuneration to the Directors and Independent Directors, and business performance and risk in the future:
 - (1) Directors: The Director remuneration of the Company is based on the “Director Remuneration Payment Regulations,” including Director remuneration, transportation expenses, and travel expenses incurred in the performance of duties. According to Article 18 of the Articles of Incorporation and Article 235 - 1 of the Company Act, the Company shall appropriate the earnings before taxation before deducting the remuneration to the employees and the Directors for covering

carryforward loss, and allocate no more than 5% as remuneration to the Directors. The proposal for the distribution of remuneration to the Directors shall be based on the level of participation of the Directors in the operation, contribution and operation performance of the Company subject to the review and resolution of the Remuneration Committee and the Board. Independent Directors will not take part in the distribution of remuneration to Directors.

(2) Independent Directors: the Independent Directors of the Company receive fixed amount of payment monthly in accordance with the "Regulations Governing Remuneration to Directors" and the transportation allowance and traveling expenses incurred from business trips.

(II) In fiscal year 2024, the Company made no disbursements of director remuneration.

(III) For information on the distribution of remuneration to Directors in 2024, please refer to Attachment III (p.12 of the Handbook).

Motion No. 4 [Proposed by the Board]

Cause of motion: Report on the offering of the 3rd issuance of domestic secured convertible bond of the Company for review.

Explanation: The Company offered the 3rd issuance of domestic secured convertible bonds on 2022.09.05 totaled NT\$600 million with face value of NT\$100,000, coupon rate at 0% and maturity of 3 years. As of 2025.03.31, the outstanding balance of this issue of bond amounting to NT\$562,100,000.

Motion No. 5 [Proposed by the Board]

Cause of motion: Report on distribution of cash dividends from capital surplus.

Explanation:

- (I) According to Article 241 of the Company Act, the Company distributes cash of NT\$34,992,019 from the capital surplus by issuing ordinary shares at a premium over par value. Each share is distributed at NT\$0.5. In the event of subsequent changes in the number of outstanding shares, the Chairman is authorized to adjust the cash dividend ratio, based on the actual number of outstanding shares of the Company on the record date for cash dividends distributed from capital surplus.
- (II) Cash dividend will be paid in proportion to shareholding and round to the nearest NTD. Payment of less than NT\$1 will be adjusted on the basis of the value of the decimal places in descending order and the sequential order of the account number of shareholders (excluding overseas shareholders and institutional shareholders) until congruent with the total cash dividend for distribution.

Proposed Items for Ratification

Motion No.1 [Proposed by the Board]

Cause of motion: The 2024 Business Report and Financial Statements of the Company for recognition.

Explanation:

- (I) The Board of the Company has passed the 2024 Separate and Consolidated Financial Statements. These statements have been audited by CHENG-CHUAN YU and CHAO-MEI CHEN, CPAs from Deloitte Taiwan. They issued an Auditors' Report with unqualified opinion. The Business Report and the Financial Statements have also been reviewed by the Audit Committee with the issuance of the Audit Committee Review Report.
- (II) The Auditors' Review Report and the aforementioned financial statements were exhibited on Attachment IV (p.13 of the Handbook).
- (III) Request for recognition.

Resolution:

Motion No. 2 [Proposed by the Board]

Cause of motion: 2024 Profit and Deficit Statement for recognition.

Explanation:

- (I) A proposal for the profit and deficit statement was presented under the Company Act and the Articles of Incorporation of the Company, which is shown in Attachment IV (p.13 of the Handbook). The proposal has been passed by the Audit Committee and the Board on 2025.03.04 on record.
- (II) Request for recognition.

Resolution:

Discussion Item

Motion No.1 [Proposed by the Board]

Cause of motion: Amendment to the "Articles of Incorporation" of the Company for discussion.

Explanation:

- (I) In accordance with the amendments to Article 14, Paragraph 6 of the Securities and Exchange Act and the directives outlined in Financial Supervisory Commission Securities and Futures Bureau Letter No. 1130385442, the Company proposes to amend certain provisions of its Articles of Incorporation.
- (II) The mapping of related provisions before and after the amendment is exhibited on Attachment VI (p.15 of the Handbook).
- (III) For discussion.

Resolution:

Extemporary Motion

Meeting adjourned

Attachment I

TAIWAN CHELIC CO., LTD. 2024 Business Report

I. Business Highlight in 2024

1. Achievement of Business Plan

Unit: NT\$1,000

Item	2024	2023	Change in amount	Change in percentage
Consolidated Revenue	1,491,488	1,377,230	114,258	8.30%
Consolidated Gross Profit	388,691	372,876	15,815	4.24%
Consolidated Operating Income	(41,072)	(21,109)	(19,963)	94.57%
Earnings (losses) before Taxation	(37,298)	(25,807)	(11,491)	44.53%
Net income (loss) of current period	(50,743)	(33,673)	(17,070)	50.69%
Net income (loss) attributable to shareholders of parent company	(59,908)	(34,955)	(24,953)	71.39%
Earnings (losses) per share after taxation (NTD)	(0.86)	(0.51)	(0.35)	68.63%

2. Budget Execution: the Company did not disclose any financial forecast for 2024.

3. Analysis of financial position and profitability:

Unit: %; NTD

Item			2024	2023	2022
Analysis of financial structure	Liabilities to assets ratio		33.73	34.66	35.00
	Long-term capital to fixed assets ratio		161.47	186.45	172.31
Analysis of debt service coverage ratio	Current ratio		184.87	375.70	227.86
	Quick ratio		106.27	198.59	114.28
Analysis of profitability	Return on Assets (ROA)		-0.61	-0.25	4.32
	Return on Equity (ROE)		-1.75	-1.14	6.26
	Ratio to paid-in capital	Operating income	-5.90	-3.07	28.95
		Earnings before taxation	-5.36	-3.76	29.63
	Net profit margin		-3.40	-2.44	10.10
	Earnings per share (NTD)		-0.86	-0.51	2.55

II. Summary of 2025 Business Plan

- (I) **Business Objectives:** For 2024, both domestic demand and exports within the Company's primary market, Mainland China, exhibited weakness, leading to overcapacity and intensified product price competition. However, through the Company's ongoing product design optimizations and effective industrial layout adjustments, overall revenue demonstrated a quarterly upward trend, culminating in an 8% year-over-year increase in annual turnover. Looking ahead to 2025, while the shadow of global trade barriers persists, the Company anticipates enhanced market competitiveness for its pneumatic component products through continued design optimizations and centralized production cost reduction strategies, thereby facilitating gradual business growth. Furthermore, the introduction of new products targeting emerging applications in sectors such as semiconductors, medical devices, and chemicals, coupled with the expanded presence of its precision metal manufacturing business in the automotive and collaborative robotics domains, reinforces the Company's confidence in sustained growth for 2025.
- (II) **Research and Development Objectives:** In alignment with the Company's strategic business transformation, future product development will prioritize applications for new clientele in the semiconductor, medical, and chemical industries. The Company will focus on innovative research and development of various flowmeters and cleanroom products, while accelerating the market launch of electromechanical products, including electric cylinders and electric grippers, to meet the efficiency demands of automated production in future AI-driven environments.
- (III) **Production Objectives:** The Company will optimize existing product designs through part reduction and modular production to lower product costs. Simultaneously, the Company will enhance the integration of automated production equipment to reduce labor reliance and ensure consistent product quality, thereby improving production efficiency and strengthening product competitiveness. Furthermore, the Company anticipates the completion of trial and full-scale production at its Thailand

subsidiary in 2025, further expanding overall production capacity.

III. The influence of the external competitive environment, regulatory environment and overall operation environment

The overall operating environment remains challenging due to overcapacity in the Chinese market, which intensifies price competition through the 'involution' effect, coupled with the continuation of Sino-US trade conflicts and the progressive rise of global trade barriers. However, driven by the ongoing AI wave, the semiconductor industry is experiencing growth fueled by raw chip demand, which is gradually extending to new product applications and the issue of fully automated production. Robots are poised to become a future trend, contributing to an increase in overall industry demand and accelerating the development of intelligent automation in manufacturing, thereby enhancing industrial chain value. Consequently, it is anticipated that the pneumatic component industry will gradually return to a growth trajectory in 2025.

Ladies and gentlemen, dear shareholders, thank you for your time to attend this regular session of the Shareholder's meeting. Your continued support and encouragement will be deeply appreciated.

With best wishes for your health and success.

Chairman:

President:

Chief Accounting Officer:

Attachment II

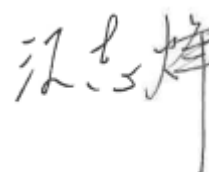
TAIWAN CHELIC CO., LTD. Audit Committee's Review Report

The Board of Directors of Taiwan Chelic Co., Ltd. has prepared the 2024 Business Report, Financial Statements, and Proposal for the Profit and Deficit Statement for Taiwan Chelic Co., Ltd. The aforementioned Financial Statements have been audited by CHENG-CHUAN YU and CHAO-MEI CHEN, the Certified Public Accountants of Deloitte Taiwan, with the issuance of the Auditors' Report. We have reviewed the aforementioned Business Report, Financial Statements, and Proposal for the Profit and Deficit Statement, and confirmed that they are properly prepared and fairly presented. We hereby present the aforementioned reports and documents for your review pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To

2025 Shareholder's meeting of Taiwan Chelic Co., Ltd. in regular session

TAIWAN CHELIC CO., LTD.
Convenor of the Audit



2025.03.04

Attachment III

Payment of remuneration to the Directors in 2024

2024.12.31: NT\$1,000; %

Title	Name	Remuneration to Directors								The sum of A, B, C, and D in proportion to net income		Related payment for acting in the capacity as employees								The sum of A, B, C, D, E, F, and G in proportion to net income		Remuneration received from investee companies beyond subsidiaries or parent company.
		Remuneration (A)		Pension (B)		Director fee (C)		Fee for service rendered (D)				Salaries, bonus, and special expense account (E)		Pension (F)		Remuneration to employees (G)						
		The Company	All companies included in the financial statements.	The Company	All companies included in the financial statements.	The Company	All companies included in the financial statements.	The Company	All companies included in the financial statements.	The Company	All companies included in the financial statements.	The Company	All companies included in the financial statements.	The Company	All companies included in the financial statements.	The Company	All companies included in the financial statements.	The Company	All companies included in the financial statements.			
Chairman	YU, PING-CHENG	0	0	0	0	0	0	42	98	42 (0.07%)	98 (0.19%)	3,189	3,591	0	0	0	0	0	0	3,231 (5.39%)	3,689 (7.27%)	None
Director	Cheng Hsiung Investment Co., Ltd.	0	0	0	0	0	0	0	0	0 (0.00%)	0 (0.00%)	0	0	0	0	0	0	0	0	0 (0.00%)	0 (0.00%)	None
	Representative of Cheng Hsiung Investment Co., Ltd.: CHEN, WEN-TUNG	0	0	0	0	0	0	42	86	42 (0.07%)	86 (0.17%)	1,127	3,362	58	58	0	0	0	0	1,227 (2.05%)	3,506 (6.91%)	None
Director	YU, PO-HSUN	0	0	0	0	0	0	42	112	42 (0.07%)	112 (0.22%)	1,660	1,660	89	89	0	0	0	0	1,791 (2.99%)	1,861 (3.67%)	None
Independent Director	TSAO, CHEN-HUA	540	540	0	0	0	0	42	42	582 (0.97%)	582 (1.15%)	0	0	0	0	0	0	0	0	582 (0.97%)	582 (1.15%)	None
Independent Director	CHIANG, CHIH-FENG	540	540	0	0	0	0	42	42	582 (0.97%)	582 (1.15%)	0	0	0	0	0	0	0	0	582 (0.97%)	582 (1.15%)	None
Independent Director	LEE, SHAH-RONG	540	540	0	0	0	0	42	42	582 (0.97%)	582 (1.15%)	0	0	0	0	0	0	0	0	582 (0.97%)	582 (1.15%)	None
Independent Director	WU, CHUN-KUANG	540	540	0	0	0	0	42	42	582 (0.97%)	582 (1.15%)	0	0	0	0	0	0	0	0	582 (0.97%)	582 (1.15%)	None
1. The Company shall appropriate no more than 5% of the earnings before taxation and deduction for remuneration of employees and Directors as remuneration to Directors and 0.5% - 5% as remuneration to employees. 2. Further to the disclosure in the above table, the remunerations to the Directors for rendering services to all other companies included in the financial statements (like the position as corporate advisor other than in the capacity as employees): None.																						

Note 1: The net loss after taxation for separate and consolidated financial statements are NT\$59,908,000 and NT\$50,743,000, respectively.

Attachment IV

Independent Auditors' Report

To TAIWAN CHELIC CO., LTD.:

Audit opinion

We have audited the consolidated balance sheet of TAIWAN CHELIC CO., LTD. and its subsidiaries (collectively referred to as the "Group" hereinafter) as of December 31, 2024 and 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flow for the period from January 1 through December 31, 2024 and 2023 and the notes to the consolidated financial statements (including the summary of significant accounting policies).

In our opinion, based on our audit, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2024 and 2022, and its consolidated financial performance and consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC interpretations, and SIC interpretations that were endorsed and enforced by the Financial Supervisory Commission (FSC).

Basis of Audit Opinion

We conducted our entrusted audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards. Our responsibilities under those standards are further described in the section titled "Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" in our report. We were independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China and fulfilled all other responsibilities thereunder. Based on our audits, 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 refer to, based on our professional judgment, the most important matters for auditing the Group's consolidated financial statements for 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon. As such, we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2024 are stated as follows:

Key Audit Matters

The Group has a wider customer base and is mainly engaged in production and sale of "pneumatic components". Considering marketplace competition and the obligation to fulfill shareholders' and external investors' expectations, the management should be facing the pressure to achieve the operating revenue targets. Given so, we believe that the authenticity of sales revenue from the Group's customers who constitute a relatively high proportion of sales and whose individual change in sales is greater than the average change in sales will materially impact the financial statements, so we identify sales revenue from the said customers as the key audit matter. For the accounting policy for the recognition of relevant revenue, please refer to Note 4 (11) of the Consolidated Financial Statements; for operating revenue, please refer to Note 21 of the Consolidated Financial Statements.

Our audit procedures include the following:

1. Understand and test the effectiveness of the design and implementation of the internal control system intended to control sales revenue of the above-mentioned customers.
2. Sample the details of sale to the above-mentioned customers, e.g., original order, external supporting documents, and payment collection, and check them for the authenticity of the sales transaction.

Other Matters

We have also audited the Parent Company Only Financial Statements of TAIWAN CHELIC CO., LTD. for the years 2024 and 2023, for which we have issued an independent auditor's report with an unmodified opinion for reference.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control

as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Group's governance body (including the Audit Committee) was responsible for supervising the financial reporting procedures.

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 auditing standards will always detect a material misstatement when it exists in these Consolidated Financial Statements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

We exercise professional judgment and maintain professional skepticism when carrying out the audit in accordance with the auditing standards. 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 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 relevant notes), and whether the consolidated financial statements fairly represent the underlying transactions and events.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities 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 under The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and communicate to 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 Group's consolidated financial statements for the year 2024 and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche Taiwan
CPA: CHAO-MEI CHEN

CPA: CHENG-CHUAN YU

Approval No. from the Securities and
Futures Commission:
Tai-Tsai-Cheng VI #0920123784

Approval No. from the Securities and Futures
Commission:
Tai-Tsai-Cheng VI #0930128050

March 4, 2025

TAIWAN CHELIC CO., LTD. and Subsidiaries

Consolidated Balance Sheet

December 31, 2024 and 2023

Unit: NT\$1,000

Code	Assets	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 827,224	19	\$ 740,489	17
1150	Notes receivable, net (Notes 4, 8 and 21)	47,890	1	50,428	1
1160	Notes receivable due from related parties (Notes 4, 8, 21, and 28)	2,239	-	-	-
1170	Accounts receivable, net (Notes 4, 8 and 21)	308,134	7	274,021	6
1180	Accounts receivable due from related parties (Notes 4, 8, 21, and 28)	34,594	1	22,887	1
1200	Other receivables (Notes 4 and 8)	1,299	-	2,204	-
1210	Other receivables due from related parties (Notes 4, 8, and 28)	-	-	9,866	-
1220	Current tax assets (Notes 4 and 23)	9,624	-	-	-
130X	Inventories (Notes 4, and 9)	844,405	19	925,832	21
1479	Other-current assets (Note 14 and 28)	66,120	2	55,076	1
11XX	Total current assets	<u>2,141,529</u>	<u>49</u>	<u>2,080,803</u>	<u>47</u>
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 7)	38,658	1	21,933	1
1600	Property, plant, and equipment, net (Notes 11, 28 and 29)	2,008,499	46	2,068,024	47
1755	Right-of-use assets (Notes 4, 12, and 29)	147,997	3	151,442	3
1821	Intangible assets (Notes 4 and 13)	9,434	-	12,163	-
1840	Deferred tax assets (Notes 4 and 23)	41,866	1	63,446	2
1990	Other non-current assets (Note 14)	13,546	-	11,798	-
15XX	Total non-current assets	<u>2,260,000</u>	<u>51</u>	<u>2,328,806</u>	<u>53</u>
1XXX	Total Assets	<u>\$ 4,401,529</u>	<u>100</u>	<u>\$ 4,409,609</u>	<u>100</u>
	Liabilities and Equity				
	Current liabilities				
2100	Short-term borrowings (Note 15)	\$ 269,560	6	\$ 286,540	7
2130	Contract liabilities (Note 21)	12,129	-	8,466	-
2150	Notes payable (Note 17)	218	-	-	-
2170	Accounts payable (Note 17)	136,010	3	97,280	2
2180	Accounts payable to related parties (Note 28)	-	-	1,775	-
2219	Other payables (Note 18)	112,832	3	112,886	3
2220	Other payables to related parties (Note 28)	356	-	351	-
2230	Current tax liabilities (Notes 4 and 23)	3,263	-	6,146	-
2280	Lease liabilities - current (Notes 4 and 12)	6,490	-	5,503	-
2321	Bonds payable, current portion (Notes 4 and 16)	556,139	13	-	-
2322	Long-term borrowings, current portion (Notes 15 and 29)	59,831	1	33,593	1
2399	Other current liabilities (Note 18)	1,556	-	1,313	-
21XX	Total current liabilities	<u>1,158,384</u>	<u>26</u>	<u>553,853</u>	<u>13</u>
	Non-current liabilities				
2530	Bonds payable (Notes 4 and 16)	-	-	584,228	13
2540	Long-term borrowings (Notes 15 and 29)	309,476	7	369,243	8
2570	Deferred tax liabilities (Notes 4 and 23)	746	-	-	-
2580	Lease liabilities - non-current (Notes 4 and 12)	15,439	1	20,273	1
2670	Other non-current liabilities (Note 18)	584	-	565	-
25XX	Total non-current liabilities	<u>326,245</u>	<u>8</u>	<u>974,309</u>	<u>22</u>
2XXX	Total liabilities	<u>1,484,629</u>	<u>34</u>	<u>1,528,162</u>	<u>35</u>
	Equity attributable to owners of the Company (Note 20)				
	Share capital				
3110	Common stock	699,840	16	693,132	16
3200	Capital surplus	729,041	16	733,519	16
	Retained earnings				
3310	Legal reserve	314,038	7	314,038	7
3320	Special reserve	190,924	5	155,050	4
3350	Undistributed earnings	975,298	22	1,071,080	24
3300	Total retained earnings	1,480,260	34	1,540,168	35
3400	Other equity interest	(86,376)	(2)	(172,679)	(4)
31XX	Total equity attributable to owners of the Company	2,822,765	64	2,794,140	63
36XX	Non-controlling interests (Notes 10 and 20)	94,135	2	87,307	2
3XXX	Total equity	<u>2,916,900</u>	<u>66</u>	<u>2,881,447</u>	<u>65</u>
	Total Liabilities and Equity	<u>\$ 4,401,529</u>	<u>100</u>	<u>\$ 4,409,609</u>	<u>100</u>

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

Chairman: YU, PING-CHENG

Manager: YU, PING-CHENG

Accounting manager: SU, CHIH-AN

TAIWAN CHELIC CO., LTD. and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 through December 31, 2024 and 2023

Unit: NT\$1000, except earnings (losses) per share, which is expressed in NT\$1

Code		2024		2023	
		Amount	%	Amount	%
	Operating revenue (Notes 4, 21, and 28)				
4100	Sales revenue	\$ 1,491,488	100	\$ 1,377,230	100
	Operating expenses (Notes 9, 22 and 28)				
5110	Cost of sales	(1,102,797)	(74)	(1,004,354)	(73)
5900	Gross profit	<u>388,691</u>	<u>26</u>	<u>372,876</u>	<u>27</u>
	Operating expenses (Note 22)				
6100	Selling expenses	(162,101)	(11)	(139,362)	(10)
6200	Administration expenses	(152,634)	(10)	(145,772)	(11)
6300	Research and development expense	(109,247)	(7)	(111,348)	(8)
6450	Expected credit reversal gains (Note 8)	(5,781)	(1)	<u>2,497</u>	<u>-</u>
6000	Total operating expenses	(<u>429,763</u>)	(<u>29</u>)	(<u>393,985</u>)	(<u>29</u>)
6900	Operating Losses	(<u>41,072</u>)	(<u>3</u>)	(<u>21,109</u>)	(<u>2</u>)
	Non-operating income and expenses (Note 22)				
7100	Interest revenue	6,438	1	6,324	1
7010	Other income	14,383	1	12,435	1
7020	Other gains and losses	12,565	1	4,356	-
7050	Financial costs	(<u>29,612</u>)	(<u>2</u>)	(<u>27,813</u>)	(<u>2</u>)
7000	Total non-operating income and expenses	<u>3,774</u>	<u>1</u>	(<u>4,698</u>)	<u>-</u>
7900	Net losses before tax	(37,298)	(2)	(25,807)	(2)
7950	Income tax expense (Notes 4 and 23)	(<u>13,445</u>)	(<u>1</u>)	(<u>7,866</u>)	<u>-</u>
8200	Net losses in the current year	(<u>50,743</u>)	(<u>3</u>)	(<u>33,673</u>)	(<u>2</u>)

(Continued)

(Continued)

Code		2024		2023	
		Amount	%	Amount	%
	Other comprehensive income (Note 20 and 23)				
8310	Items not reclassified subsequently to profit or loss:				
8316	Unrealized valuation gain (loss) on equity instruments measured at fair value through other comprehensive income	\$ 15,874	1	\$ 1,903	-
	Items that might subsequently be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	91,103	6	(48,866)	(4)
8399	Income tax related to items that might be reclassified to profit or loss	(17,607)	(1)	9,444	1
8360		73,496	5	(39,422)	(3)
8300	Other comprehensive income in the current year (net after tax)	89,370	6	(37,519)	(3)
8500	Total comprehensive income in the current year	\$ 38,627	3	(\$ 71,192)	(5)
8600	Net profit (losses) attributable to:				
8610	Owners of the Company	(\$ 59,908)	(4)	(\$ 34,955)	(2)
8620	Non-controlling interest	9,165	1	1,282	-
		(\$ 50,743)	(3)	(\$ 33,673)	(2)
	Total comprehensive income attributable to:				
8710	Owners of the Company	\$ 26,395	2	(\$ 70,829)	(5)
8720	Non-controlling interest	12,232	1	(363)	-
8700		\$ 38,627	3	(\$ 71,192)	(5)
	Losses per share (Note 24)				
	From continuing operations				
9710	Basic	(\$ 0.86)		(\$ 0.51)	

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

Chairman: YU, PING-CHENG

Manager: YU, PING-CHENG

Accounting manager: SU, CHIH-AN

TAIWAN CHELIC CO., LTD. and Subsidiaries
Consolidated Statement of Changes in Equity
January 1 through December 31, 2024 and 2023

Unit: NT\$1,000

		Equity attributable to owners of the Company						Other equity interest			
						Retained earnings	Unrealized valuation gains or losses on financial assets at fair value through other comprehensive income	Exchange differences on translation of foreign financial statements	Non-controlling interest	Total equity	
Code		Share capital	Capital surplus	Legal reserve	Special reserve	Undistributed earnings					
A1	Balance as of January 1, 2023	\$ 681,034	\$ 686,826	\$ 296,874	\$ 182,154	\$ 1,201,655	(\$ 2,196)	(\$ 134,609)	\$ 92,892	\$ 3,004,630	
	Appropriation and distribution of earnings in 2022 (Note 20)										
B1	Legal reserve	-	-	17,164	-	(17,164)	-	-	-	-	
B3	Special reserve	-	-	-	(27,104)	27,104	-	-	-	-	
B5	Cash dividends for shareholders of the Company	-	-	-	-	(105,560)	-	-	-	(105,560)	
O1	Cash dividends for shareholders of subsidiaries	-	-	-	-	-	-	-	(5,222)	(5,222)	
I1	Conversion of convertible corporate bonds (Notes 16 and 20)	12,098	46,693	-	-	-	-	-	-	58,791	
D1	Net profit (losses) for 2023	-	-	-	-	(34,955)	-	-	1,282	(33,673)	
D3	Other comprehensive income after tax in 2023 (Note 20)	-	-	-	-	-	1,903	(37,777)	(1,645)	(37,519)	
D5	Total comprehensive income for 2023	-	-	-	-	(34,955)	1,903	(37,777)	(363)	(71,192)	
Z1	Balance as of December 31, 2023	693,132	733,519	314,038	155,050	1,071,080	(293)	(172,386)	87,307	2,881,447	
	Appropriation and distribution of earnings in 2023 (Note 20)										
B3	Special reserve	-	-	-	35,874	(35,874)	-	-	-	-	
O1	Cash dividends for shareholders of subsidiaries	-	-	-	-	-	-	-	(5,452)	(5,452)	
O1	Increase in non-controlling interests (Notes 20)	-	-	-	-	-	-	-	48	48	
T1	Cash dividends distributed from capital surplus	-	(34,830)	-	-	-	-	-	-	(34,830)	
I1	Conversion of convertible corporate bonds (Notes 16 and 20)	6,708	30,352	-	-	-	-	-	-	37,060	
D1	Net profit (losses) for 2024	-	-	-	-	(59,908)	-	-	9,165	(50,743)	
D3	Other comprehensive income after tax in 2024 (Note 20)	-	-	-	-	-	15,874	70,429	3,067	89,370	
D5	Total comprehensive income for 2024	-	-	-	-	(59,908)	15,874	70,429	12,232	38,627	
Z1	Balance as of December 31, 2024	\$ 699,840	\$ 729,041	\$ 314,038	\$ 190,924	\$ 975,298	\$ 15,581	(\$ 101,957)	\$ 94,135	\$ 2,916,900	

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

Chairman: YU, PING-CHENG

Manager: YU, PING-CHENG

Accounting manager: SU, CHIH-AN

TAIWAN CHELIC CO., LTD. and Subsidiaries

Consolidated Statement of Cash Flow

January 1 through December 31, 2024 and 2023

Unit: NT\$1,000

Code		2024	2023
	Cash Flows from Operating Activities		
A10000	Net losses before tax	(\$ 37,298)	(\$ 25,807)
A20010	Income and Expenses		
A20100	Depreciation	167,826	170,967
A20200	Amortization	3,608	3,777
A20300	Expected credit loss (reversal gain)	5,781	(2,497)
A20900	Financial costs	29,612	27,813
A21200	Interest revenue	(6,438)	(6,324)
A21300	Dividend revenue	(722)	-
A22500	Gain on disposal of property, plant, and equipment	(6,207)	(5,088)
A23700	Loss on inventory devaluation	2,286	36,012
A24100	Net profit on foreign currency exchange	(4,204)	(1,648)
A29900	Lease modification gains	-	(2)
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	3,998	29,310
A31140	Notes receivable due from related parties	(2,227)	2,618
A31150	Accounts receivable	(30,926)	26,707
A31160	Accounts receivable due from related parties	(10,980)	104,610
A31180	Other receivables	1,023	183
A31200	Inventory	86,294	68,399
A31230	Prepayments	(10,228)	(1,349)
A31240	Other current assets	924	2,551
A32125	Contract liabilities	3,405	(1,346)
A32130	Notes payable	218	-
A32150	Accounts payable	36,012	(9,253)
A32160	Accounts payable to related parties	(1,827)	(3,318)
A32180	Other payables	3,351	(17,492)
A32190	Other payables to related parties	(7)	(83)
A32230	Other current liabilities	243	(212)
A33000	Cash inflow from operations	233,517	398,528
A33100	Interest received	6,415	6,356
A33300	Interest paid	(19,330)	(16,955)
A33500	Income taxes paid	(6,419)	(12,767)
AAAA	Net cash inflow from operating activities	<u>214,183</u>	<u>375,162</u>

(Continued)

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Code		2024	2023
	Cash Flow from Investing Activities		
B00040	Decrease in financial assets measured at amortized cost	\$ -	\$ 49,136
B02700	Acquisition of property, plant, and equipment	(69,737)	(101,436)
B02800	Proceeds from disposal of property, plant, and equipment	33,062	506
B03700	Increase in guarantee deposit paid	(331)	(836)
B04500	Acquisition of intangible assets	(701)	(434)
B06800	Decrease in other non-current assets	1,246	1,147
B07100	Increase (Decrease) in prepayments for equipment	(7,144)	4,765
B07600	Dividends received	<u>722</u>	<u>-</u>
BBBB	Net cash outflow from investing activities	(<u>42,883</u>)	(<u>47,152</u>)
	Cash Flow from Financing Activities		
C00100	Increase (Decrease) in short-term borrowings	(20,000)	205,940
C01300	Repayment of corporate bonds	-	(480,000)
C01600	Increase in long-term borrowing	-	350,000
C01700	Repayment of long-term borrowings	(33,529)	(78,439)
C04020	Repayment of principal of lease liabilities	(7,954)	(7,128)
C04500	Cash dividends distributed	(34,830)	(105,560)
C05800	Increase in non-controlling interests	48	-
C09900	Payment of cash dividends to non-controlling interests	(<u>5,452</u>)	(<u>5,222</u>)
CCCC	Net cash outflow from financing activities	(<u>101,717</u>)	(<u>120,409</u>)
DDDD	Effects of exchange rate changes on cash and cash equivalents	<u>17,152</u>	(<u>16,691</u>)
EEEE	Increase in cash and cash equivalents	86,735	190,910
E00100	Cash and cash equivalents - beginning of year	<u>740,489</u>	<u>549,579</u>
E00200	Cash and cash equivalents - end of year	<u>\$ 827,224</u>	<u>\$ 740,489</u>

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

Chairman: YU, PING-CHENG

Manager: YU, PING-CHENG

Accounting manager: SU, CHIH-AN

Independent Auditors' Report

To TAIWAN CHELIC CO., LTD.:

Audit opinion

We have audited the individual balance sheet of TAIWAN CHELIC CO., LTD. as of December 31, 2024 and 2023, and the individual statement of comprehensive income, individual statement of changes in equity, individual statement of cash flows for the period from January 1 through December 31, 2024 and 2023, as well as the notes to the individual financial statements (including the summary of significant accounting policies).

In our opinion, based on our audit, the accompanying individual financial statements present fairly, in all material respects, the financial position of Taiwan Chelic Co., Ltd. as of December 31, 2024 and 2023, and its individual financial performance and individual cash flows for the years then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis of Audit Opinion

We conducted our entrusted audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards. 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 were independent of CHELIC in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China and fulfilled all other responsibilities thereunder. Based on our audits, 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 CHELIC's Parent Company Only Financial Statements of 2024. 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.

Below is a summary of the key audit matters of CHELIC's 2024 Parent Company Only Financial Statements:

Key Audit Matters

CHELIC has a wider customer base and is mainly engaged in production and sale of "pneumatic components". Considering marketplace competition and the obligation to fulfill

shareholders' and external investors' expectations, the management should be facing the pressure to achieve the operating revenue targets. Given so, we believe that the authenticity of sales revenue from customers who constitute a relatively high proportion of sales and whose individual change in sales is greater than the average change in sales will materially impact the financial statements, so we identify the said customers as the key audit matter. For the accounting policy for the recognition of relevant revenue, please refer to Note 4 (11) of the Parent Company Only Financial Statements; for the operating revenue related information, please refer to note 19 of the Parent Company Only Financial Statements.

Our audit procedures include the following:

1. Understand and test the effectiveness of the design and implementation of the internal control system intended to control sales revenue of the above-mentioned customers.
2. Sample the details of sale to the above-mentioned customers, e.g., original order, external supporting documents, and payment collection, and check them for the authenticity of the sales transaction.

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 the Parent Company Only Financial Statements that are free from material misstatement, whether due to fraud or error.

During preparation of these Parent Company Only Financial Statements, the management was also responsible for evaluating CHELIC's ability to continue as a going concern, disclosing going concern matters, and applying the going concern basis of accounting, unless the management intended either to liquidate CHELIC or to terminate its operations, or had no feasible alternatives but to do so.

CHELIC's governance body (including the Audit Committee) was responsible for supervising the financial reporting procedures.

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 auditing standards will always detect a material misstatement when it exists in these Parent Company Only Financial

Statements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Parent Company Only Financial Statements.

We exercise professional judgment and maintain professional skepticism when carrying out the audit in accordance with the auditing standards. 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 CHELIC'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 CHELIC's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Parent Company Only Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause CHELIC to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the Parent Company Only Financial Statements (including relevant notes), and whether the Parent Company Only Financial Statements fairly represent the underlying transactions and events.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within CHELIC to express an opinion on the Parent Company Only Financial Statements. We are responsible for the direction, supervision, and execution of the audit of CHELIC. 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 under The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and communicate to 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 CHELIC's 2024 Parent Company Only Financial Statements and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche Taiwan

CPA: CHAO-MEI CHEN

CPA: CHENG-CHUAN YU

Approval No. from the Securities and
Futures Commission:

Tai-Tsai-Cheng VI #0920123784

Approval No. from the Securities and Futures
Commission:

Tai-Tsai-Cheng VI #0930128050

March 4, 2025

TAIWAN CHELIC CO., LTD.
Parent Company Only Balance Sheets
December 31, 2024 and 2023

Unit: NT\$1,000

Code	Assets	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 443,736	11	\$ 363,598	9
1150	Notes receivable, net (Notes 4, 7 and 19)	8,637	-	7,848	-
1170	Accounts receivable, net (Notes 4, 7 and 19)	39,105	1	32,730	1
1180	Receivables – Related parties (Notes 4, 7, 19 and 26)	61,094	2	50,455	1
1200	Other receivables (Notes 4 and 7)	38	-	13	-
1220	Current tax assets (Notes 4 and 21)	9,624	-	-	-
130X	Inventories (Notes 4, and 8)	253,853	6	310,474	8
1479	Other-current assets (Note 12)	5,736	-	7,400	-
11XX	Total current assets	<u>821,823</u>	<u>20</u>	<u>772,518</u>	<u>19</u>
	Non-current assets				
1550	Investments accounted for using equity method (Notes 4 and 19)	2,497,173	62	2,546,509	63
1600	Property net (Notes 4, 10 and 27)	653,702	17	675,749	17
1821	Intangible assets (Notes 4 and 11)	4,905	-	6,916	-
1840	Deferred tax assets (Notes 4 and 21)	41,866	1	63,446	1
1990	Other non-current assets (Note 12)	2,312	-	2,358	-
15XX	Total non-current assets	<u>3,199,958</u>	<u>80</u>	<u>3,294,978</u>	<u>81</u>
1XXX	Total Assets	<u>\$ 4,021,781</u>	<u>100</u>	<u>\$ 4,067,496</u>	<u>100</u>
	Liabilities and Equity				
	Current liabilities				
2100	Short-term borrowings (Note 13)	\$ 180,000	4	\$ 200,000	5
2130	Contract liabilities (Note 19)	1,992	-	1,513	-
2150	Notes payable (Note 15)	218	-	-	-
2170	Accounts payable (Note 15)	40,053	1	25,452	1
2180	Accounts payable to related parties (Note 26)	13,527	-	10,339	-
2219	Other payables (Note 16)	34,601	1	40,936	1
2230	Current tax liabilities (Notes 4 and 21)	885	-	6,737	-
2322	Long-term borrowings, current portion (Notes 13 and 27)	59,831	2	33,593	1
2321	Bonds payable, current portion (Notes 4 and 14)	556,139	14	-	-
2399	Other current liabilities (Note 16)	1,546	-	1,313	-
21XX	Total current liabilities	<u>888,792</u>	<u>22</u>	<u>319,883</u>	<u>8</u>
	Non-current liabilities				
2530	Bonds payable (Notes 4 and 14)	-	-	584,228	14
2540	Long-term borrowings, current portion (Notes 13 and 27)	309,476	8	369,243	9
2570	Deferred tax liabilities (Notes 4 and 21)	746	-	-	-
2670	Other current liabilities (Note 16)	2	-	2	-
25XX	Total non-current liabilities	<u>310,224</u>	<u>8</u>	<u>953,473</u>	<u>23</u>
2XXX	Total liabilities	<u>1,199,016</u>	<u>30</u>	<u>1,273,356</u>	<u>31</u>
	Equity (Note 18)				
3110	Ordinary share	699,840	17	693,132	17
3200	Capital surplus	729,041	18	733,519	18
	Retained earnings				
3310	Legal reserve	314,038	8	314,038	8
3320	Special reserve	190,924	5	155,050	4
3350	Undistributed earnings	975,298	24	1,071,080	26
3300	Total retained earnings	<u>1,480,260</u>	<u>37</u>	<u>1,540,168</u>	<u>38</u>
	Other equity interest				
3410	Exchange differences on translation of foreign financial statements	(101,957)	(2)	(172,386)	(4)
3420	Unrealized valuation gains or losses on financial assets at fair value through other comprehensive income	15,581	-	(293)	-
3400	Total other equity interests	(86,376)	(2)	(172,679)	(4)
3XXX	Total equity	<u>2,822,765</u>	<u>70</u>	<u>2,794,140</u>	<u>69</u>
	Total Liabilities and Equity	<u>\$ 4,021,781</u>	<u>100</u>	<u>\$ 4,067,496</u>	<u>100</u>

The accompanying notes are an integral part of the Parent Company Only Financial Statements.

Chairman: YU, PING-CHENG

Manager: YU, PING-CHENG

Accounting manager: SU, CHIH-AN

TAIWAN CHELIC CO., LTD.

Parent Company Only Statement of Comprehensive Income

January 1 through December 31, 2024 and 2023

Unit: NT\$1000, except
earnings (losses) per share
which is expressed in NT\$1

Code		2024		2023	
		Amount	%	Amount	%
	Operating revenue				
4100	Sales revenue (Notes 4, 19, and 26)	\$ 434,692	100	\$ 428,014	100
	Operating costs				
5110	Cost of goods sold (Notes 8, 20 and 26)	(307,063)	(71)	(324,545)	(76)
5900	Gross profit	127,629	29	103,469	24
5910	Unrealized gains on sales to subsidiaries, associates, and joint venture (Note 9)	(21,485)	(5)	(24,262)	(6)
5920	Realized gains on sales to subsidiaries, associates, and joint venture	24,262	6	45,729	11
5950	Realized gross profit	130,406	30	124,936	29
	Operating expenses (Note 20 and 26)				
6100	Selling expenses	(46,253)	(11)	(39,044)	(9)
6200	Administration expenses	(57,069)	(13)	(57,043)	(13)
6300	Research and development expense	(31,923)	(7)	(34,142)	(8)
6450	Expected credit impairment loss	-	-	(5)	-
6000	Total operating expenses	(135,245)	(31)	(130,234)	(30)
6900	Operating Losses	(4,839)	(1)	(5,298)	(1)
	Non-operating income and expenses (Note 20)				
7100	Interest revenue	2,615	1	2,276	1
7010	Other income	1,778	-	765	-
7020	Other gains and losses	5,769	1	(746)	-

(Continued)

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Code		2024		2023	
		Amount	%	Amount	%
7050	Financial costs	(\$ 24,742)	(6)	(\$ 24,588)	(6)
7070	Share of profit and loss in subsidiaries, associates, and joint ventures recognized using the equity method	(43,896)	(10)	(6,423)	(2)
7000	Total non-operating income and expenses	(58,476)	(14)	(28,716)	(7)
7900	Net losses before tax	(63,315)	(15)	(34,014)	(8)
7950	Income tax (benefit) expense (Notes 4 and 21)	3,407	1	(941)	-
8000	Net losses in the current year	(59,908)	(14)	(34,955)	(8)
	Other comprehensive income (Note 18)				
8310	Items not reclassified subsequently to profit or loss				
8316	Unrealized valuation gain (loss) on equity instruments measured at fair value through other comprehensive income	-	-	(708)	-
8330	Share of other comprehensive income in subsidiaries accounted for using the equity method	15,874	4	2,611	-
		15,874	4	1,903	-
8360	Items that might subsequently be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	88,036	20	(47,221)	(11)
8399	Income tax related to items that might be reclassified to profit or loss (Note 21)	(17,607)	(4)	9,444	2
		70,429	16	(37,777)	(9)

(Continued)

(Continued)

<u>Code</u>		<u>2024</u>		<u>2023</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
8300	Other comprehensive income in the current year (net after tax)	<u>86,303</u>	<u>20</u>	(<u>35,874</u>)	(<u>9</u>)
8500	Total comprehensive income in the current year	<u>\$ 26,395</u>	<u>6</u>	(<u>\$ 70,829</u>)	(<u>17</u>)
	Losses per share (Note 22)				
9710	Basic	(<u>\$ 0.86</u>)		(<u>\$ 0.51</u>)	

The accompanying notes are an integral part of the Parent Company Only Financial Statements.

Chairman: YU, PING-CHENG

Manager: YU, PING-CHENG

Accounting manager: SU, CHIH-AN

TAIWAN CHELIC CO., LTD.
Parent Company Only Statement of Changes in Equity
January 1 through December 31, 2024 and 2023

Unit: NT\$1,000

Code		Share capital	Capital surplus	Retained earnings			Other equity interest		Total equity
				Legal reserve	Special reserve	Undistributed earnings	Exchange differences on translation of foreign financial statements	Unrealized valuation gains or losses on financial assets at fair value through other comprehensive income	
A1	Balance as of January 1, 2023	\$ 681,034	\$ 686,826	\$ 296,874	\$ 182,154	\$ 1,201,655	(\$ 134,609)	(\$ 2,196)	\$ 2,911,738
	Appropriation and distribution of earnings in 2022 (Note 18)								
B1	Legal reserve	-	-	17,164	-	(17,164)	-	-	-
B3	Special reserve	-	-	-	(27,104)	27,104	-	-	-
B5	Cash dividends for shareholders of the Company	-	-	-	-	(105,560)	-	-	(105,560)
I1	Conversion of convertible corporate bonds (Notes 14 and 18)	12,098	46,693	-	-	-	-	-	58,791
D1	Net Loss for 2023	-	-	-	-	(34,955)	-	-	(34,955)
D3	Other comprehensive income (loss) after tax for 2023	-	-	-	-	-	(37,777)	1,903	(35,874)
D5	Total comprehensive income for 2023	-	-	-	-	(34,955)	(37,777)	1,903	(70,829)
Z1	Balance as of December 31, 2023	693,132	733,519	314,038	155,050	1,071,080	(172,386)	(293)	2,794,140
	Appropriation and distribution of earnings in 2023 (Note 18)								
B3	Special reserve	-	-	-	35,874	(35,874)	-	-	-
C15	Cash dividends distributed from capital surplus	-	(34,830)	-	-	-	-	-	(34,830)
I1	Conversion of convertible corporate bonds (Notes 14 and 18)	6,708	30,352	-	-	-	-	-	37,060
D1	Net Loss for 2024	-	-	-	-	(59,908)	-	-	(59,908)
D3	Other comprehensive income (loss) after tax for 2024	-	-	-	-	-	70,429	15,874	86,303
D5	Total comprehensive income for 2024	-	-	-	-	(59,908)	70,429	15,874	26,395
Z1	Balance as of December 31, 2024	<u>\$ 699,840</u>	<u>\$ 729,041</u>	<u>\$ 314,038</u>	<u>\$ 190,924</u>	<u>\$ 975,298</u>	<u>(\$ 101,957)</u>	<u>\$ 15,581</u>	<u>\$ 2,822,765</u>

The accompanying notes are an integral part of the Parent Company Only Financial Statements.

Chairman: YU, PING-CHENG

Manager: YU, PING-CHENG

Accounting manager: SU, CHIH-AN

TAIWAN CHELIC CO., LTD.

Parent Company Only Statement of Cash Flow

January 1 through December 31, 2024 and 2023

Unit: NT\$1,000

Code		2024	2023
	Cash Flows from Operating Activities		
A10000	Net losses before tax	(\$ 63,315)	(\$ 34,014)
A20010	Income and Expenses		
A20100	Depreciation	35,177	38,829
A20200	Amortization	2,511	2,789
A20300	Expected credit impairment loss	-	5
A20900	Financial costs	24,742	24,588
A21200	Interest revenue	(2,615)	(2,276)
A22400	Share of profit in subsidiaries, associates, and joint ventures recognized using the equity method	43,896	6,423
A23700	Loss on inventory devaluation	-	29,011
A23900	Unrealized sales gains	21,485	24,262
A24000	Realized sales gains	(24,262)	(45,729)
A24100	Unrealized foreign currency exchange gains	(3,866)	(1,152)
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	(789)	5,465
A31150	Accounts receivable	(6,270)	4,908
A31160	Accounts receivable due from related parties	(10,531)	45,637
A31180	Other receivables	(2)	-
A31200	Inventory	56,621	52,960
A31240	Other current assets	1,664	(786)
A32125	Contract liabilities	479	(49)
A32130	Notes payable	218	-
A32150	Accounts payable	14,601	(10,424)
A32160	Accounts payable to related parties	3,321	(485)
A32180	Other payables	(5,796)	(14,166)
A32230	Other current liabilities	<u>233</u>	<u>(212)</u>
A33000	Cash generated from operations	87,502	125,584
A33100	Interest received	2,592	2,308
A33300	Interest paid	(15,237)	(13,558)
A33500	Income taxes paid	<u>(7,350)</u>	<u>(7,852)</u>
AAAA	Net cash inflow from operating activities	<u>67,507</u>	<u>106,482</u>

(Continued)

(Continued)

Code		2024	2023
	Cash Flow from Investing Activities		
B00040	Decrease in financial assets measured at amortized cost	\$ -	\$ 49,136
B02200	Acquisition of subsidiaries (Note 9)	(24,142)	-
B02700	Acquisition of property, plant, and equipment	(13,232)	(24,290)
B04500	Acquisition of intangible assets	(500)	(170)
B06700	Decrease in other non-current assets	505	433
B07100	Increase in prepayments for business facilities	(1,430)	(728)
B07600	Dividends received from subsidiaries	<u>136,269</u>	<u>80,600</u>
BBBB	Net cash inflow from investing activities	<u>97,470</u>	<u>104,981</u>
	Cash Flow from Financing Activities		
C00100	Increase (Decrease) in short-term borrowings	(20,000)	140,000
C01300	Repayment of corporate bonds	-	(480,000)
C01600	Increase in long-term borrowing	-	350,000
C01700	Repayment of long-term borrowings	(33,529)	(23,489)
C04500	Cash dividends distributed	(<u>34,830</u>)	(<u>105,560</u>)
CCCC	Net cash outflow from financing activities	(<u>88,359</u>)	(<u>119,049</u>)
DDDD	Effects of exchange rate changes on cash and cash equivalents	<u>3,520</u>	<u>48</u>
EEEE	Increase in cash and cash equivalents	80,138	92,462
E00100	Cash and cash equivalents - beginning of year	<u>363,598</u>	<u>271,136</u>
E00200	Cash and cash equivalents - end of year	<u>\$ 443,736</u>	<u>\$ 363,598</u>

The accompanying notes are an integral part of the Parent Company Only Financial Statements.

Chairman: YU, PING-CHENG

Manager: YU, PING-CHENG

Accounting manager: SU, CHIH-AN

Attachment V

TAIWAN CHELIC CO., LTD. Profit and deficit statement 2024

Unit: NTD

Item	Amount	Remark
Undistributed earnings at the beginning of the period	1,035,205,305	
Less: net income in current period	(59,907,509)	
Plus: reversal of special reserve	86,303,518	
Distributable earnings at the beginning of the period	1,061,601,314	
Undistributed earnings at the ending of the period	1,061,601,314	

Chairman:
YU, PING-CHENG

Manager:
YU, PING-CHENG

Chief Accounting Officer:
SU, CHIH-AN

Attachment VI

Mapping of the Provisions of the "Articles of Incorporation" before and after amendment

Provisions	Original provision (before amendment)	Provision after amendment	Note to the amendment
Article 18	If the Company makes a profit for the year, it shall first allocate employee remuneration ranging from 0.5% to 5%. The recipients may include employees of subsidiary companies who meet certain conditions; the Company may then, based on the aforementioned profit, decide by the Board of Directors to allocate a Director's remuneration not exceeding 5%. The distribution of employee remuneration and Director's remuneration shall be reported to the shareholders' meeting. However, when the Company still has accumulated losses, an amount should be reserved in advance for offsetting losses before allocating employee remuneration and Director's remuneration in accordance with the aforementioned proportions.	If the Company makes a profit for the year, it shall first allocate employee remuneration ranging from 0.5% to 5%, <u>of which the portion of the remuneration to be distributed to the junior employees shall not be less than 30% of the aforesaid amount of the employees' remuneration.</u> The recipients may include employees of subsidiary companies who meet certain conditions. The Company may then, based on the aforementioned profit, decide by the Board of Directors to allocate a Director's remuneration not exceeding 5%. The distribution of employee remuneration and Director's remuneration shall be reported to the shareholders' meeting. However, when the Company still has accumulated losses, an amount should be reserved in advance for offsetting losses before allocating employee remuneration and Director's remuneration in accordance with the aforementioned proportions.	Amended in accordance with the amendment to Article 14, Paragraph 6 of the Securities and Exchange Act and the directives outlined in Financial Supervisory Commission Securities and Futures Bureau Letter No. 1130385442.
Article 20	Instituted on 1986.10.20. 1st to 24th instances of amendment omitted.	Instituted on 1986.10.20. 1st to 24th instances of amendment omitted. <u>Amended for the 25th instance on 2025.05.29.</u>	Addition of the date of the amendment for the 25th instance.

Appendix I

TAIWAN CHELIC CO., LTD. Articles of Incorporation (before amendment)

Chapter I General Provision

- Article I The Company, organized in accordance with the Company Act, is named Taiwan Chelic Co., Ltd.
- Article II The Company engages in the following businesses:
- I. CA02050 Valves Manufacturing.
 - II. CA02990 Other Fabricated Metal Products Manufacturing Not Elsewhere Classified.
 - III. CB01010 Mechanical Equipment Manufacturing.
 - IV. CC01010 Manufacture of Power Generation, Transmission and Distribution Machinery.
 - V. CC01080 Electronics Components Manufacturing.
 - VI. CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing.
 - VII. CD01030 Motor Vehicles and Parts Manufacturing.
 - VIII. CD01060 Aircraft and Parts Manufacturing.
 - IX. F401010 International Trade.
 - X. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- Article II-1 The total amount of outward investment by the Company is not subject to the restriction in Article 13, Paragraph 1 of the Company Act, which limits the investment total to forty percent of the paid-in capital.
- Article II-2 The Company may provide guarantees to affiliated enterprises or counterparts as necessary for business operations, and authorize the Board of Directors to execute such guarantees.
- Article III The Company has its headquarters in New Taipei City and may, when necessary and upon resolution by the Board of Directors, establish branches domestically and internationally.
- Article IV The Company's announcement methods shall be conducted in accordance with the provisions of Article 28 of the Company Act.

Chapter II Shares

- Article V The Company has authorized capital of NT\$1,000 million evenly split into 100 million shares. The amount of each share is NT\$10 and will be offered in tranches. The Company may issue employee stock options (ESO) by keeping NT\$50 million from the aforementioned authorized capital evenly split into 5 million shares. The unissued shares will be offered by the Board in tranches in the future where necessary. If the shares of the Company shall be bought back by the Company under applicable laws, the Board shall be authorized to proceed under law.

- Article V-1 If the Company elects to assign the shares to employees at a price lower than the average price for the actual buy-back price, the approval of the Shareholder's meeting in the nearest session attended by shareholders representing more than half of the outstanding shares and the consent of the shareholders representing at least two-thirds of the voting rights in the session will be necessary.
- Article V-2 The assignees of treasury shares bought back by the Company shall include the employees of the controlled entities or subsidiaries meeting certain conditions.
- Article VI Deleted.
- Article VII The shares issued by the Company may be issued without printing stock certificates, but shall be registered with a securities central depository institution.
- Article VIII The Company handles shareholder-related matters in accordance with the Company Act and the Regulations Governing the Administration of Shareholder Services of Public Companies, unless otherwise provided by laws or regulations of the competent securities authority.
- Changes recorded in the shareholders' register shall be suspended within sixty days before the annual general meeting, thirty days before the extraordinary general meeting, or five days before the record date for the distribution of dividends, bonuses, or other benefits determined by the Company.

Chapter III Shareholder's meeting

- Article IX There are two types of shareholders' meetings: regular meetings and extraordinary meetings. Regular meetings are convened once a year, within six months after the end of each fiscal year, by the Board of Directors in accordance with the law. Extraordinary meetings are convened when necessary according to the law.
- Article IX-1 The Company's shareholders' meetings may be conducted through video conferencing or other methods announced by the Ministry of Economic Affairs. Conducting video shareholders' meetings shall comply with the prescribed conditions, operational procedures, and other requirements. If the competent securities authority has other regulations, those regulations shall prevail.
- Article X When shareholders are unable to attend the shareholders' meeting due to reasons, they may issue a power of attorney issued by the Company, specifying the scope of authorization, to authorize a proxy to attend the shareholders' meeting. The use of the power of attorney shall be in accordance with the relevant provisions of the Company Act. If the Company is publicly listed, the Company shall handle the use of the power of attorney at the shareholders' meeting in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" issued by the competent authority.
- Article XI Each share held by the shareholders of the Company carries one voting right, except in circumstances governed by Article 179 of the Company Act, where certain situations may result in the loss of voting rights.
- Article XI-1 After the Company has gone public, shareholders may exercise their voting rights in writing or electronically at shareholders' meetings.
- Article XII Decisions made at shareholders' meetings shall be approved by a majority vote

of the total number of shareholders present or represented by proxy, with the voting rights of more than half of the total issued shares, unless otherwise provided by the Company Act.

- Article XII-1 The Presiding Officer of the shareholders' meeting shall be the Chairman of the Board of Directors, unless otherwise provided by the Company Act. In the event that the Presiding Officer is unable to preside over the meeting and requires representation by another person, the procedures shall be handled in accordance with the provisions of the Company Act.
- Article XII-2 After the Company has gone public, resolutions of the shareholders' meetings shall be recorded in the minutes, signed or stamped by the Chairman of the shareholders' meeting, and distributed to each shareholder within twenty days after the meeting. The aforementioned preparation and release of the minutes of meeting on record may be substituted by announcement.
- Article XII-3 After the Company has gone public, the decision to suspend the public issuance of stocks shall be approved by the Board of Directors and shall require the presence of a majority of the total number of issued shares and the consent of more than two-thirds of the voting rights represented by the attending shareholders' meeting. This provision shall remain unchanged during the period of listing on the stock exchange or the over-the-counter market.

Chapter IV Directors and Audit Committee

- Article XIII The Company shall establish 7 - 9 seats of Directors with tenure of 3 years each. The candidates for the seats shall be people of legal competence elected by the Shareholder's meeting, and may assume a successive term of office if reelected. The election of Directors will be held under the registered ballot in accumulation of votes. The holder of each share is entitled to the number of votes equivalent to the number of Directors to be elected. The candidate who receives the most votes shall be elected as a Director.
- Article XIII-1 In accordance with the Securities and Exchange Act, the Company shall appoint Independent Directors from the aforementioned number of Director positions. The number of Independent Directors shall not be fewer than three, and shall account for at least one-fifth of the total number of Directors. The appointment of Directors (including Independent Directors) in the Company follows the nomination system stipulated in Article 192-1 of the Company Act, where the shareholders' meeting selects the Directors from the list of Director candidates. The qualifications, shareholding, restrictions on concurrent positions, nomination and selection procedures, and other compliance matters related to Independent Directors shall comply with the relevant regulations of the competent securities authority. The total shareholding percentage of all Directors shall be handled in accordance with the regulations of the competent securities authority.
- Article XIII-2 In accordance with Article 14-4 of the Securities and Exchange Act, the Audit Committee is established and entrusted with the responsibility of exercising the duties of supervisors as stipulated in the Company Act, Securities and Exchange Act, and other laws and regulations. The Audit Committee is composed of all Independent Directors, and its relevant organizational regulations are

determined by the Board of Directors.

Article XIV The Board of Directors is organized by the Directors. The Chairman of the Board shall be elected by a two-thirds majority of the Directors present and with the consent of the majority of the attending Directors, and the Chairman shall represent the company externally.

Article XV When the Chairman of the Board is on leave or unable to perform his duties due to reasons, his proxy shall act in accordance with the provisions of Article 208 of the Company Act.

When the Board of Directors holds a meeting via video conferencing, Directors participating in the meeting through video conferencing shall be deemed to be present in person.

A Director who is unable to attend may authorize another Director to act as proxy, with the proxy limited to representing one individual.

Article XV-1 The resolutions of the Board of Directors shall be recorded in minutes, signed or stamped by the Presiding Officer, and distributed to each Director within twenty days after the meeting. The minutes of the Board of Directors' meetings shall specify the recording method, attendance roster of Directors, and proxy authorization forms. The retention period shall be handled in accordance with Article 207 of the Company Act.

Article XV-2 The Board meeting shall be convened once a year. The Board shall specify the cause of the convention in the meeting notice calling for a Board meeting and give 7 days of notice to all Directors. However, they may be convened at any time in case of emergencies. The notice for convening a Board meeting may be sent via fax, e-mail or other methods.

Article XV-3 The remuneration of Directors shall be determined by the Board of Director, taking into account their level of participation in the operation of the Company and the value of their contributions, and referencing industry standards both domestically and internationally. During the term of office of Directors, the Company may purchase liability insurance for them to cover the scope of their duties for which they are legally liable for compensation.

Chapter V Managers

Article XVI The Company may appoint managers, and their appointment, dismissal, and remuneration shall be handled in accordance with the provisions of Article 29 of the Company Act.

Chapter VI Accounting Officers

Article XVII The Company shall prepare financial statements at the end of each fiscal year, which shall be drawn up by the Board of Directors. They shall then be submitted for audit and presented to the shareholders' meeting for approval according to the statutory procedures.

(I) Business Report.

(II) Financial Statements.

(III) Proposal for earning distribution or profit deficit statement.

Article XVIII If the Company makes a profit for the year, it shall first allocate employee remuneration ranging from 0.5% to 5%. The recipients may include employees of subsidiary companies who meet certain conditions. The Company may then, based on the aforementioned profit, decide by the Board of Directors to allocate a Director's remuneration not exceeding 5%. The distribution of employee remuneration and Director's remuneration shall be reported to the shareholders' meeting.

However, when the Company still has accumulated losses, an amount should be reserved in advance for offsetting losses before allocating employee remuneration and Director's remuneration in accordance with the aforementioned proportions.

Article XVIII-1 In the event of surplus in the annual total settlement of the Company, taxes should be paid, followed by offsetting previous losses. Ten percent (10%) of the remainder should be set aside as the statutory surplus reserve. Subsequently, according to legal regulations, any remaining amount should be allocated or converted into special surplus reserves. If there is still a surplus after these allocations, along with the undistributed profits from previous years, a distribution plan should be proposed by the Board of Directors and resolution by the shareholders' meeting.

The future distribution of dividends by the Company will include both stock dividends and cash dividends. The ratio of dividends provided from this surplus for distribution may vary depending on factors such as the Company's current and future investment environment, capital needs, domestic and international competitive conditions, and capital budgeting. This decision should balance shareholder interests, dividend distribution, and the Company's long-term financial planning. The stock dividends distributed to shareholders shall adhere to the principle of not less than 40% of the after-tax profits of the current fiscal year. The ratio of cash dividends shall not be less than 10% of the total amount of the current stock dividends.

According to the Company Act and Article 18-1 of the Articles of Incorporation of the Company, if the Company elects to pay cash for dividend and bonus, as well as the legal reserve and capital reserve as stipulated in Article 241 in the form of cash, the Board will be authorized to make decision in a session with the presence of more than 2/3 of the Directors and the consent by a majority of the Directors in session, and report to the Shareholder's meeting.

Chapter VII Miscellaneous

Article XIX This charter does not stipulate specific matters, all of which shall be conducted in accordance with the Company Act and other relevant regulations. The organizational regulations and operating procedures of the Company shall be separately established by the Board of Directors.

Article XX Instituted on 1986.10.20.

Amended for the 1st instance on 1987.09.26

Amended for the 2nd instance on 1997.11.11

Amended for the 3rd instance on 1998.08.20
Amended for the 4th instance on 2003.05.19
Amended for the 5th instance on 2003.06.24
Amended for the 6th instance on 2005.10.01
Amended for the 7th instance on 2006.04.07
Amended for the 8th instance on 2006.05.02
Amended for the 9th instance on 2008.06.30
Amended for the 10th instance on 2008.07.24
Amended for the 11th instance on 2010.11.01
Amended for the 12th instance on 2010.11.29
Amended for the 13th instance on 2010.12.27
Amended for the 14th instance on 2011.07.25
Amended for the 15th instance on 2011.10.14
Amended for the 16th instance on 2012.06.30
Amended for the 17th instance on 2012.08.01
Amended for the 18th instance on 2016.06.22
Amended for the 19th instance on 2017.06.26
Amended for the 20th instance on 2019.06.25
Amended for the 21st instance on 2020.06.19
Amended for the 22nd instance on 2022.06.14
Amended for the 23rd instance on 2023.06.21
Amended for the 24th instance on 2024.05.30

TAIWAN CHELIC CO., LTD.
Chairman: YU, PING-CHENG

Appendix II

TAIWAN CHELIC CO., LTD.

Parliamentary Procedure for Shareholders Meetings

- Article I To establish a good shareholder meeting governance system, enhance supervisory functions, and strengthen management capabilities, these rules are formulated in accordance with Article 5 of the Corporate Governance Best Practice Principles for Listed and OTC Companies for compliance.
- Article II The rules of procedure for the Company's shareholders' meetings shall be governed by these rules, except where otherwise provided by other laws or regulations.
- Article III The Board shall call for the convention of a Shareholder's meeting unless the law provides otherwise.
- The Company may elect to call for Shareholder's meeting via videoconferencing by specifying in the Articles of Incorporation regarding the requirements of Regulations Governing the Administration of Shareholder Services of Public Companies which shall be resolved by the Board. Video shareholder meetings shall be conducted upon a resolution of the Board of Directors, with the consent of two-thirds or more of the Directors present and the majority of the attending Directors.
- Any change in the mode of convention of the Shareholder's meeting of the Company shall be passed by the Board and shall be made known to the shareholders no later than the time of sending the meeting notice.
- The Company shall prepare a soft copy of the notice of meeting, power of attorney, information on the motions like the motions for recognition, motions for discussion, election of relief of Directors, and the causes of these motions in an electronic file for transmission to the MOPS website 30 days prior to the scheduled date of the Shareholder's meeting in regular session, or 15 days prior to the scheduled date of the Shareholder's meeting in special session. The Company shall also prepare a soft copy of the Shareholder's meeting Handbook and supplementary information for the meeting in an electronic file for transmission to the MOPS website 21 days prior to the scheduled date of the Shareholder's meeting in regular session, and 15 days prior to the scheduled date of the Shareholder's meeting in special session. If the proportion of holding by foreign capital or capital from Mainland China accounts for more than 30% of the total outstanding shares as stated in the shareholder registry for the convention of a Shareholder's meeting in a regular session of the previous period, the aforementioned electronic files shall be delivered 30 days prior to the scheduled date for the regular session of the Shareholder's meeting. The Company shall prepare the Shareholder's meeting Handbook and supplementary information on the meeting 15 days prior to the scheduled date of the meeting and make them available to the shareholders for viewing. Also, they shall be displayed at the Company's premises and the professional shareholder service agency appointed

by the Company.

The Company shall provide the aforementioned Shareholder's meeting Handbook and supplementary information to the shareholders on the day the regular session of the Shareholder's meeting is held:

- (I) If the Shareholder's meeting convenes in physical session, the aforementioned documents and materials shall be released at the meeting place.
- (II) If the Shareholder's meeting convenes in physical session, the aforementioned documents and materials shall be released at the meeting place and also uploaded to the video conference platform in electronic format.

If the Shareholder's meeting convenes via videoconferencing, the aforementioned documents and materials shall be uploaded to the video conference platform in electronic format.

Notices and announcements shall specify the purpose of the meeting; if agreed by the counterparty, notifications may be conducted electronically.

The appointment or dismissal of Directors, amendments to the Articles of Incorporation, reduction of capital, application for suspension of public offering, Director's non-compete agreements, capitalization of earnings, capitalization of reserves, company dissolution, merger, division, or matters specified in Article 185, Paragraph 1 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, and matters specified in Guidelines for the Handling of the Offering and Issuance of Securities by Issuers, Articles 56-1 and 60-2, shall be listed and explained in the notice of convocation, and shall not be proposed by extemporary motions; the main content thereof may be posted on the website designated by the securities regulatory authority or the Company, and the URL shall be included in the notice. Shareholders holding more than one percent of the total issued shares may submit proposals for consideration at the shareholder meeting. However, each shareholder is limited to proposing one agenda item, and if they submit more than one item, none of them will be included in the agenda. Furthermore, if the proposals submitted by shareholders fall under any of the circumstances stipulated in Article 172-1, Paragraph 4 of the Company Act, the Board of Directors may decide not to include them in the agenda. Shareholders may propose advisory proposals aimed at urging the Company to enhance public interest or fulfill social responsibilities. Procedurally, it should adhere to the relevant provisions of Article 172-1 of the Company Act, with a limit of one proposal. Any proposals exceeding this limit will not be included in the agenda. The Company shall announce the proposals accepted from shareholders, the places and the period for submission before the suspension of stock transfer prior to the convening of the shareholders' meeting. The period for submission shall not be less than ten days.

Shareholder proposals are limited to three hundred words. Proposals exceeding three hundred words will not be included in the agenda. Shareholders submitting proposals should attend the shareholders' meeting in person or authorize someone

else to attend on their behalf and participate in the discussion of the proposal.

The Company shall notify the proposing shareholders of the results of their proposals before the date of the shareholders' meeting and include the proposals that comply with this provision in the meeting notice. The Board of Directors shall explain the reasons for not including the proposals not listed on the agenda at the shareholders' meeting.

Article IV Shareholders may use the power of attorney prepared by the Company to appoint a proxy to attend the meeting with the scope of authorization specified every time the Shareholder's meeting convenes.

Each shareholder may only issue one power of attorney and appoint only one proxy, and shall deliver the power of attorney to the Company 5 days prior to the Shareholder's meeting. If a repeated power of attorney is delivered, only that one which is received first will be served. However, the statement revoking the previous proxy is not subject to this limit.

If a specific shareholder elects to attend the meeting in person, or vote by correspondence by electronic means after the power of attorney previously sent was delivered to the Company, this shareholder shall notify the Company in writing for the revocation of the power of attorney 2 days prior to the Shareholder's meeting. In the case of a late revocation, the voting rights exercised by the proxy shall prevail.

If a specific shareholder elects to attend the meeting in person after the power of attorney previously sent was delivered to the Company, this shareholder shall notify the Company in writing for the revocation of the power of attorney 2 days prior to the Shareholder's meeting. In the event of a late revocation, the voting rights exercised by the proxy shall prevail.

Article V Shareholders Meetings shall be held at the business place of the Company or a location convenient for the shareholders. The meeting shall commence no earlier than 9:00 AM and no later than 3:00 PM. The venue and timing of the meeting should take into full consideration the opinions of Independent Directors.

If the Shareholder's meeting convenes via videoconferencing, the aforementioned limitation of time and place is waived.

Article VI The time, place, and other particulars pertinent to the registration of shareholders, parties requesting admission to Shareholder's meeting, and proxies (hereinafter collectively known as "the shareholders") for attendance to Shareholder's meeting of the Company shall be explicitly stated in the notice of meeting.

The Company shall allow for at least 30 minutes for the shareholders to register for attendance before the time set for the meeting. The registration place shall be clearly marked with sufficient staff assigned to help the shareholders for registration. The shareholder meeting via video conference shall accept registration on the video conference platform at least 30 minutes before the meeting begins. Shareholders who complete registration are considered as personally attending the shareholder meeting.

Shareholders or the proxies of the shareholders (hereinafter known as "shareholders") shall present their attendance pass, sign-in card, or any other

proving documents for admission to the Shareholder's meeting. The Company shall not arbitrarily request additional proving documents from shareholders attending the meeting based on their proof of identity. Those soliciting proxy votes shall bring identification documents for verification.

The Company shall prepare a sign-in registry for the shareholders to sign in. Shareholders may also surrender their sign-in card as a substitute for signing-in.

The Company shall give the Shareholder's meeting Handbook, annual report, attendance pass, message slip, ballots, and other meeting materials to the shareholders who attend the meeting. If there is an election of Directors in the meeting, ballots shall also be given to the shareholders.

If the shareholder is a government or an institution, more than one representative may be appointed to attend the meeting. If an institutional shareholder is appointed by another shareholder as a proxy to attend the meeting, only one representative may be appointed.

If the Shareholder's meeting convenes via videoconferencing, shareholders who elect to attend the video conference shall register with the Company 2 days prior to the meeting day.

If the Shareholder's meeting convenes via videoconferencing, the Company shall upload the Shareholder's meeting Handbook, Annual Report, and other related information to the video conference platform of the Shareholder's meeting at least 30 minutes before the meeting time, and continue the disclosure until the adjournment of the meeting.

Article VI-1 Article VI-1 The Company shall explicitly state the following in the notice of Shareholder's meeting if it convenes via videoconferencing:

- (I) The methods for the shareholders in participating in the video conference and the exercising of rights.
- (II) The responses to the interruption of the video conference or the failure of the mode of participation through videoconferencing due to natural disasters, incidents, or any other form of force majeure, which shall include at least the following:
 - 1. If the aforementioned interruption cannot be rectified that the Shareholder's meeting must be postponed or deferred, the date of the postponed or deferred meeting.
 - 2. Shareholders who did not previously register for participation in videoconferencing cannot take part in the postponed or deferred meeting.
 - 3. If videoconferencing is held alongside the physical session of the Shareholder's meeting but the video conference was interrupted and cannot be continued, but the quantity of shares represented by the shareholders participating in videoconferencing still qualify for a quorum, the Shareholder's meeting shall proceed. Shareholders participating via video conference shall have their shares counted towards the total shares represented at the meeting. They shall be

deemed to have abstained from voting on all agenda items at that Shareholders' Meeting.

4. If the results of all motions have been announced but the procedure for extemporary motions is still pending, the method of handling the situation.

- (III) If the Shareholder's meeting convenes via videoconferencing, the Company shall explicitly state the availability of appropriate substitutes for the shareholders who have problems in participating in videoconferencing. Further to the situations specified in Paragraph 6 under Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall at least provide the shareholders with connection devices and necessary assistance, and specify the time limit for the shareholders to apply with the Company for support and other particulars to be observed.

Article VII If the Shareholders' Meeting is convened by the Board of Directors, the Presiding Officer shall be the Chairman of the Board. In the event that the Chairman is absent or unable to perform his duties, a Director designated by the Chairman shall act on his behalf. If the Chairman has not designated a proxy, the Directors shall elect one among themselves to act as proxy.

The Presiding Officer appointed by a Director shall have served in that capacity for at least six months and shall be a Director who is familiar with the financial and business conditions of the Company. The same applies if the Presiding Officer is the representative of a corporate Director.

The Shareholder's Meeting convened by the Board of Directors shall be chaired by the Chairman in person, and there should be at least a majority of the Board of Directors and at least one representative from various functional committees present, with attendance recorded in the minutes of the Shareholder's Meeting.

If the Shareholder's meeting is convened by a person other than the Board of Directors, the Presiding Officer shall be appointed by that convener. If there are two or more conveners, they shall elect one person to act as Presiding Officer.

The Company may appoint managers or appointed lawyers, CPAs, or relevant personnel to attend the Shareholder's meeting.

Article VIII The Company shall keep track on the entire process of the Shareholder's Meeting from the time shareholders register for attendance, the proceedings of the meeting, the voting process, and the tallying of votes by continuous voice recording or videotaping. This record shall be kept for at least 1 year. If legal action was instated under Article 189 of the Company Act, the aforementioned record shall be kept until the conclusion of the legal proceedings.

If the Shareholders Meeting convenes via videoconferencing, the Company shall keep record on the registration, enrollment, sign-in for attendance, questioning, voting of the shareholders, the vote counting results of the Company, and keep track on the entire proceedings of the meeting without a pause by voice recording and videotaping.

The Company shall keep the aforementioned data and audiovisual record within

its perpetuity, and provide the aforementioned records to the video conference service providers for safekeeping.

If the Shareholder's meeting convenes via videoconferencing, the Company shall monitor the back-end operation interface of the video conference platform by voice recording and videotaping.

Article IX The attendance of shareholders to Shareholder's meeting shall be based on the number of shares represented. The number of shares represented in the Shareholder's meeting shall be based on the record of the sign-in registry or the surrendered sign-in cards, the quantity of shares represented for registration on the video conference platform, and also the quantity of shares being the votes cast by correspondence or electronically.

The Presiding Officer shall announce the meeting in session at the exact time set for the meeting. If the shareholders registered for admission to the meeting cannot represent more than half of the outstanding shares at that time, the Presiding Officer shall announce the postponement of the meeting for no more than two instances of postponement. The time for each postponement shall not be longer than 1 hour. If the meeting has been postponed twice and the number of shares represented by shareholders registered for admission to the meeting still falls below one-third of the outstanding shares, the Presiding Officer shall announce to adjourn of the meeting. If the Shareholder's meeting is held via video conference, the Company shall also announce the adjournment of the meeting on the shareholder meeting video conferencing platform.

If the number of shares represented by shareholders registered for admission to the meeting still falls below one-third of the outstanding shares after the postponement of the meeting for two times, tentative resolutions may be made pursuant to Paragraph 1 of Article 175 under the Company Act. When the Shareholders' meeting is held via video conference, shareholders wishing to attend via video must re-register with the Company according to the provisions of Article VI.

If the number of shares represented by shareholders registered for admission to the meeting exceeds half of the outstanding shares when the Shareholder's meeting is still in session, the Presiding Officer shall refer the tentative resolution previously made to the shareholders in session for voting pursuant to Articles 174 of the Company Act.

Article X If the Shareholder's meeting is convened by the Board of Directors, its agenda shall be determined by the Board of Directors. Relevant proposals (including extemporary motions and amendments to original proposals) shall be voted on separately. The meeting shall proceed according to the arranged agenda, and no changes shall be made without the decision of the Shareholder's meeting.

If the Shareholder's meeting is convened by someone other than the Board of Directors, the provisions of the preceding paragraph shall apply mutatis mutandis. Before the agenda set forth in the preceding two paragraphs is concluded, the Presiding Officer may not adjourn the meeting without a resolution. If the Presiding Officer violates the rules of procedure by adjourning the meeting, the

other members of the Board of Directors should promptly assist in convening the shareholders in accordance with the statutory procedures. With the consent of a majority of the voting rights represented by the attending shareholders, they shall elect a new chairman to continue the meeting.

The Presiding Officer shall provide ample explanation and discussion opportunities regarding the agenda, proposed amendments, or extemporary motions put forth by the shareholders. When deemed appropriate for a vote, the Presiding Officer may announce the cessation of discussions, proceed to a vote, and allocate sufficient time for voting.

Article XI Shareholders in session shall fill in the message slip and highlight the content, note down their shareholder ID (or attendance pass number), and the account title in order to express their opinion in the meeting. The Presiding Officer shall set the priority for the shareholders to deliver their message.

Shareholders who just presented message slips without taking the floor for delivering their message shall be deemed no expression of opinion. If the content of the message delivered on the floor is different from the content as stated in the message slip, the content of the message delivered verbally shall stand.

Each shareholder speaking on the same agenda item may not exceed two occasions without the Presiding Officer's consent, and each occasion may not exceed five minutes. If the shareholder acts in defiance of the rule or the content of the message delivered deviates from the content of the motion, the Presiding Officer shall restrain the shareholders in expressing an opinion.

If a particular shareholder is presenting a message on the floor, no other shareholders shall interfere with or interrupt, or the Presiding Officer shall stop such interference or interruption.

If a specific institutional shareholder appoints more than two representatives to the meeting, only one may express an opinion on a particular motion.

After a shareholder has expressed an opinion, the Presiding Officer may respond to the shareholder in person or appoint related personnel to respond.

If the Shareholder's meeting is convened via videoconferencing, shareholders who participate in the video conference may raise questions on the motions through texting on the Shareholder's meeting video conference platform from the time the Presiding Officer announces the meeting in session to the time the Presiding Officer announces the adjournment of the meeting. Each question on a motion may not exceed two times, with each time limited to two hundred words, not subject to the provisions of the first to fifth items.

If the aforementioned questions fall within the rules and within the scope of the motions, these questions shall be disclosed on the Shareholder's meeting video conference platform for the knowledge of the public.

Article XII The voting of shareholders to Shareholder's meeting shall be based on the number of shares represented.

The resolutions of the Shareholders' meeting shall not include the number of shares held by shareholders without voting rights in the total number of issued shares.

Shareholders who have a conflict of interest that may be detrimental to the interests of the company in the matters discussed at the meeting shall not participate in the vote and shall not represent other shareholders to exercise their voting rights.

The number of shares for which the voting rights are not exercised in accordance with the preceding paragraph shall not be counted as the voting rights exercised by the shareholders present.

Except for trust enterprises or stock service agents approved by the securities regulatory authority, when one person is entrusted by two or more shareholders simultaneously, the voting rights exercised by the proxy shall not exceed three percent of the total voting rights of the issued shares. Any excess voting rights beyond this limit shall not be counted.

Article XIII Shareholders are entitled to one vote for the holding of each share unless the shares are restricted or bear no voting rights pursuant to Paragraph 2 of Article 179 under the Company Act.

Voting by correspondence and electronic means shall be adopted by the Company in holding a Shareholder's meeting. When exercising voting rights in writing or electronically, the method of exercise should be specified in the notice convening the shareholders' meeting. Shareholders who cast votes by correspondence or electronic means shall be deemed attending the Shareholder's meeting in person. However, these shareholders shall be deemed abstaining from voting on extemporary motions and amendments to original motions. Therefore, the Company should avoid proposing amendments to original motions and making extemporary motions.

Shareholders electing to vote by correspondence or electronic means shall express their intent to the Company 2 days prior to the scheduled date of the meeting. In case of duplication, the one delivered first shall prevail. However, the statement revoking the previous proxy is not subject to this limit.

If a specific shareholder elects to attend the Shareholder's meeting in person or via videoconferencing after expressing their intent of voting by correspondence or electronic mean, this shareholder shall revoke the previous expression of intent in the same manner as the previous expression of intent in voting 2 days prior to the scheduled date of the meeting. For those who revoke their authorization after the deadline, their voting rights exercised in writing or electronically shall prevail. If a specific shareholder has expressed their intent of voting by correspondence or electronic means and also appoints a proxy to attend with the power of attorney, the votes cast by the proxy in the meeting shall stand.

Resolutions of motions shall be made by a simple majority of the votes cast by shareholders in a session unless the Company Act and the Articles of Incorporation of the Company provides otherwise. At the time of balloting on each motion, the Presiding Officer or the designated personnel shall announce the total number of votes represented by the shareholders in session, and cast votes on each motion one-by-one. On the same day as the Shareholders' meeting, the results of the shareholders' consent, opposition, and abstention shall be inputted into the

Market Observation Post System.

In the event of an amendment or substitute to a particular motion, the Presiding Officer shall determine the priority of voting on the original motion, the amendment, or the substitute. If either the motion or the amendment or substitute to the motion has been passed, it shall be deemed the successful passing of the motion that no further voting shall be required.

The Presiding Officer shall appoint the scrutineers and the tallying clerks at the time of balloting. Scrutineers must also be shareholders at the same time. The balloting in the Shareholder's meeting or the tallying of votes for election shall be conducted on the scene of the meeting in transparency. Moreover, after the completion of the vote counting, the voting results shall be announced on the spot, including the total number of votes, and recorded.

For Shareholders Meetings convened via videoconferencing, shareholders electing to participate in the video conference shall cast votes on the motion and for the election via the video conference platform after the Presiding Officer has announced the meeting is in session and shall complete the voting before the Presiding Officer announces the adjournment of the meeting. Voting beyond this time limit shall be deemed as abstention.

For Shareholders Meetings convened via videoconferencing, the votes cast in the meeting shall be counted at one time after the Presiding Officer has announced the adjournment of the meeting with the announcement of the voting and election results.

If a video conference is held alongside a physical session of the Shareholder's meeting, for shareholders who have registered to attend the video conference pursuant to Article VI change their mind and prefer to attend the physical session of the Shareholder's meeting later, they shall revoke the previous registration in the same manner as registration for attending the meeting 2 days prior to the scheduled date of the meeting. Shareholders who revoke the previous registration beyond the said deadline may only attend the video conference of the Shareholder's meeting.

If voting by correspondence or electronic mean has been selected by shareholders without revocation of their expression of intent to also participate in the video conference of the Shareholder's meeting, they cannot vote on the original motions or propose amendments to the original motions, or vote on any amendments to the original motions except for extemporary motions.

Article XIV When electing Directors at a Shareholder's meeting, the process should adhere to the relevant selection regulations set by the Company. The results of the election, including the list of elected Directors and the number of votes each received, should be announced on the spot.

The ballots for the elections mentioned in the preceding paragraph should be sealed and signed by the scrutineer, then stored securely for at least one year. If legal action was instated under Article 189 of the Company Act, the aforementioned record shall be kept until the conclusion of the legal proceedings.

- Article XV Resolution of the Shareholder's meeting shall be tracked as minutes of meeting on record, and affixed with the signatures or seal of the Presiding Officer, and released to the shareholders within 20 days after the meeting. The preparation and release of the minutes of meeting on record may be substituted by announcement. The preparation and release of the minutes of meeting on record may be substituted by announcement posted on the website of the MOPS. Information on the year, month, and day, and venue of the meeting, the name of the Presiding Officer, the means of resolution, the summary of the proceedings and the voting results (including the weight of the votes) shall be inscribed in the minutes of meeting on record. When electing Directors or Supervisors, the number of votes received by each candidate should be disclosed. The minutes of meeting on record shall be kept within the perpetuity of the Company. For Shareholders Meetings convened via videoconferencing, the minutes of meeting on record shall include the particulars specified in the preceding paragraph, the starting and ending time of the Shareholders Meeting, the mode of convention, the name of the Presiding Officer, the Record Keeping Clerk, and the response to interruption of the video conference due to natural disasters, incidents, or any other forms of force majeure that the video conference or the means of participation via videoconferencing cannot be continued, and the outcome thereof. If the Shareholder's meeting convenes via videoconferencing, the Company shall explicitly state the availability of appropriate substitutes for the shareholders who have problems in participating in videoconferencing in addition to the aforementioned requirements.
- Article XVI The number of shares represented by parties requesting appointment in order to attend a Shareholder's meeting, the number of shares represented by proxies, and the shares represented by shareholders electing to attend by correspondence or electronic means shall be disclosed at the scene of the Shareholder's meeting by the Company on the meeting day with the statistics presented in the required format. If the Shareholders' meeting is conducted via video conference, the Company should upload the aforementioned information to the Shareholders' meeting video conference platform at least 30 minutes before the meeting begins, and continue to disclose it until the end of the meeting. If the Shareholder's meeting convenes via videoconferencing, the quantity of shares represented by the shareholders in session shall be announced at the same time of the announcement of the meeting in session, and disclose at the video conference platform. The same procedure is applicable to any other statistical data on the quantity of shares represented by the shareholders in session and the number of votes cast on a separate basis. If the issues to be resolved by the Shareholder's meeting fall into the category of material information under applicable legal rules and the requirements of Taiwan Stock Exchange Corporation (Taipei Exchange), the Company shall upload the information to the website of MOPS within the required time limit.
- Article XVII The personnel managing the Shareholders' meeting should wear identification badges or armbands.

The Presiding Officer may direct inspectors or security personnel to assist in maintaining order at the venue. When inspectors or security personnel are present to assist in maintaining order, they should wear armbands or identification cards with the words "Inspector" displayed.

When there is an amplification system in the venue, the Presiding Officer may prohibit shareholders from speaking unless they use the equipment provided by the Company.

If a shareholder violates the rules of procedure, refuses to comply with the Presiding Officer's correction, and disrupts the proceedings despite being warned, the Presiding Officer may instruct the marshals or security personnel to ask them to leave the meeting venue.

Article XVIII During the meeting, the Presiding Officer may announce breaks at his discretion. In the event of unforeseen circumstances, the Presiding Officer may temporarily suspend the meeting and announce the resumption time based on the situation. If the venue for the meeting becomes unavailable before the scheduled agenda items (including extemporary motions) are concluded, the Shareholders' meeting may decide to find an alternative venue to continue the meeting. The Shareholders' meeting may, in accordance with Article 182 of the Company Act, resolve to postpone or continue the meeting within five days.

Article XIX If the Shareholder's meeting convenes via videoconferencing, the Company shall disclose the voting results on the motion and the election result immediately after the conclusion of voting at the Shareholder's meeting video conference platform as required, the said information shall continue to be disclosed at the platform for at least 15 minutes after the Presiding Officer has announced the adjournment of the meeting.

Article XX If the Shareholder's meeting convenes via video conferencing, the Presiding Officer and the Record Keeping Clerk shall be at the same location in the country, and the Presiding Officer shall announce the address of the location at the time of announcing the meeting as in session.

Article XXI If the Shareholder's meeting convenes via videoconferencing, the Company shall provide the shareholders with simple and easy connection test, and provide related services before and during the meeting for assisting shareholders in tackling technical problems in communication.

If the Shareholder's meeting convenes via videoconferencing, the Presiding Officer shall also announce at the time of announcing the meeting in session, that in case of interruption to the video conference platform or participation in the Shareholder's meeting in video conference due to natural disasters for more than 30 minutes continuously before the announcement of the adjournment of the meeting, the date for the postponed or deferred meeting within 5 days thereafter where Article 182 of the Company Act shall not govern except under the circumstances as stated in Paragraph 4 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies that it is not necessary to postpone or defer the meeting.

In the event of the aforementioned postponement or deferral of the Shareholder's

meeting, Shareholders who did not previously register for participation in videoconferencing cannot take part in the postponed or deferred meeting.

For a Shareholder's meeting to be postponed or deferred as stated in paragraph 2, shareholders who registered for participating in the video conference of the previous session of the Shareholder's meeting but did not attend the postponed or deferred session, the quantity of shares being represented and the votes cast on motions or election by these Directors in the previous session shall be included as an integral part of the total quantity of shares, the number of votes for the motion, and the election represented by the shareholders in session.

If the Shareholder's meeting is postponed or deferred as stated in paragraph 2 with voting and counting of votes completed and the voting results or the candidates elected to the seats of Directors and Supervisors announced, it will not be necessary to conduct a new round of discussion and resolution.

If videoconferencing is held alongside the physical session of the Shareholder's meeting of the Company but the video conference was interrupted and cannot be continued under the situations as specified in paragraph 2, and the quantity of shares represented by the shareholders participating in videoconferencing still qualify for a quorum, the Shareholder's meeting shall proceed. Accordingly, it is not necessary to postpone or defer the meeting as stated in paragraph 2.

If the Shareholder's meeting is to be continued as stated, the quantity of shares represented by the shareholders who participated in the video conference shall be included as an integral part of the quantity of shares represented by the shareholders in session but shall be deemed abstention in the voting of all motions in this session.

If the Shareholder's meeting of the Company is postponed or deferred as stated in paragraph 2, the rules under Paragraph 7 of Article 44-20 under the Regulations Governing the Administration of Investor Services of Public Companies shall be duly observed thereby related preliminary work shall be accomplished in accordance with the original date of the Shareholder's meeting and other requirements inscribed in this article.

Action shall be taken in accordance with the rear section of Article 12 and Paragraph 3 of Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, Paragraph 2 of Article 44-5, Article 44-15, Paragraph 1 of Article 44-17 of the Regulations Governing the Administration of Investor Services of Public Companies on the date of the Shareholders Meeting postponed or deferred as specified in paragraph 2.

Article XXII If the Shareholder's meeting convenes via videoconferencing, the Company shall provide appropriate substitutes for the shareholders who have problems in participating in videoconferencing. Further to the situations specified in Paragraph 6 under Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall at least provide the shareholders with connection devices and necessary assistance, and specify the time limit for the shareholders to apply with the Company for support and other particulars to be observed.

Article XXIII The regulations shall come into effect upon approval by the Shareholders' meeting, and the same shall apply to any amendments.

Appendix III

Shareholding by the Directors

- I. The Company's paid-in capital amounts to NT\$699,840,370, with a total issued share count of 69,984,037 shares.
- II. As of the suspension of share transfer date for this Shareholders' meeting (2025.03.31), the total number of shares held by all Directors of the Company is 20,303,750 shares, with all Independent Directors holding 0 shares. The total number of shares held by all Directors accounts for 29.00% of the total share capital of the Company. Individual Director's and Independent Director's shareholding is detailed below:

Title	Name	Quantity of shares held recorded	Shareholding ratio
Chairman	YU, PING-CHENG	6,609,500	9.44%
Director	YU, PO-HSUN	2,800,500	4.00%
Corporate Director	CHENG HSIUNG INVESTMENT CO., LTD.	10,508,000	15.01%
	Representative of Cheng Hsiung Investment Co., Ltd.: CHEN, WEN-TUNG	385,750	0.55%
Independent Director	TSAO, CHEN-HUA	-	-
Independent Director	CHIANG, CHIH-FENG	-	-
Independent Director	LEE, SHAH-RONG	-	-
Independent Director	WU, CHUN-KUANG	-	-

Appendix IV

Information on Directors Proposals

- (I) According to Article 172-1 of the Company Act, shareholders holding more than one percent of the total issued shares of the Company may submit proposals for the 2024 regular shareholders' meeting in writing to the Company. The proposal submission period is from 2025.03.21 to 2025.04.01.
- (II) Proposals by shareholders holding more than one percent of the total issued shares of the Company for the 2025 regular shareholders' meeting: None.