

Stock No.: 3357



**Tai-Tech Advanced Electronics Co., Ltd.**

**2024 General Shareholders' Meeting  
Meeting Handbook**

**Convention Method: Physical Convention of Annual General  
Shareholders' Meeting**

**May 31, 2024**

**1F, No. 3, Ln. 3, Qingnian Rd., Yangmei Dist., Taoyuan City  
(Conference Room, China-Motor Training Center)**

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**Tai-Tech Advanced Electronics Co., Ltd.**  
**2024 Annual General Shareholders' Meeting Procedures**

**I. Call the Meeting to Order**

**II. Chairman's Remarks**

**III. Report Items**

**IV. Ratification Items**

**V. Matters for Discussion**

**VI. Extraordinary Motions**

**VII. Meeting Adjourned**

**Tai-Tech Advanced Electronics Co., Ltd.**  
**2024 General Shareholders' Meeting Agenda**

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

**Venue: 1F, No. 3, Qingnian Rd., Yangmei Dist., Taoyuan City (Conference Room, China-Motor Training Center)**

**I. Call the Meeting to Order**

**II. Chairman's Remarks**

**III. Report Items**

**(I) 2023 Business Report.**

**(II) Audit Committee's Review Report on 2023 Financial Statements.**

**(III) Report on 2023 distribution of remuneration to employees and directors.**

**(IV) Report on 2023 distribution of shareholder dividends and bonuses in 2022**

**(V) Report on the execution of fundraising and issuance of corporate bonds in 2023.**

**(VI) Report on Amendments to the “Rules of Procedure for Board of Directors Meetings”**

**IV. Ratification Items**

**(I) 2023 Business Report and Financial Statements.**

**V. Matters for Discussion**

**(I) Removal of non-compete restrictions for directors.**

**VI. Extraordinary Motions**

**VII. Meeting Adjourned**

## **【Report Items】**

- I. 2023 Business Report, submitted for review.**  
(Please refer to Attachment 1, pages 05~09 of this Meeting Agenda for more details)
- II. Audit Committee's Review Report on 2023 Financial Statements, submitted for review.**  
(Please refer to Attachment 2, page 10 of this Meeting Agenda for more details)
- III. Report on 2023 distribution of remuneration to employees and directors, submitted for review.**  
Description : According to Article 235-1 of the Company Act and Article 26-1 of the Articles of Incorporation, NT\$41,348,577 is to be proposed as distribution of remuneration to employees and NT\$10,337,144 as remuneration to directors. This proposal has been approved by the Remuneration Committee and the Board of Directors, subject to reporting to the shareholders' meeting. Remuneration shall be distributed in cash.
- IV. Report on 2023 distribution of shareholder dividends and bonuses submitted for approval.**  
Description: (I) This proposal has been approved by resolution of the Audit Committee and Board of Directors on February 26, 2023.  
(II) The Company's net income after tax for 2023 amounted to NT\$593,382,903. After deducting the retained earnings adjustment of NT\$38,269,015 and the legal reserve provision of NT\$63,165,192, the available-for-distribution earnings for 2023 amounted to NT\$2,864,869,421. Shareholders' cash dividends are proposed to be distributed at NT\$4.5 per share. The total appropriated amount is NT\$459,153,000  
(III) According to the calculation based on the number of outstanding shares (a total of 102,034,000 shares), it is proposed to distribute cash dividends at a rate of NT\$4.5 per share. In accordance with the resolution on the total amount of earnings to be distributed based on this proposal, the Company is entitled to participate in the distribution and the calculation of the payout ratio to the eighth digit after the decimal point (numbers truncated after the eighth digit) on the base date. Cash dividends shall be calculated based on distribution ratios and the integer dollar value after truncating decimals. The sum of the odd share values less than 1 dollar are then distributed until the value reaches zero based on the decimal values after shareholder distributions arranged in descending order.  
(IV) If the total number of outstanding shares is affected by subsequent changes in the Company's share capital, and the dividend payout ratio is thus changed, it is intended to authorize the Chairman with full authority to handle such matters.
- V. Report on the execution of fund-raising and issuance of corporate bonds in 2023 submitted for review.**  
Description: The Company's 2023 1st domestic unsecured convertible corporate bond was conducted on October 30, 2023, with NT\$1,105,500 thousand raised. As of December 31, 2023, the amounts for the replenishment of working capital and repayment of bank borrowings were of NT\$379,940 thousand and NT\$500,000 thousand, respectively.
- VI. Report on amendments to the "Rules of Procedure for Board of Directors Meetings,"**

**submitted for review.**

Description: The Company has amended its “Rules of Procedure for Board of Directors Meetings” pursuant to TPEx Letter Jin-Guan-Zheng-Fa-Zi No. 1120383996.  
Comparison table of amended articles  
(Please refer to Attachment 3, page 11 of this Meeting Agenda for more details)

## **[Ratification Items]**

### **Proposal 1:**

**Proposed by the board of directors: the 2023 Business Report and Financial Statements, submitted for ratification.**

**Description:** (I) The Company's 2023 parent company only financial statements and consolidated financial statements were approved by the Board of Directors and audited by CPAs Wei-hao Wu and Ya-Hui Cheng, CPAs of PwC Taiwan, with an unqualified opinion issued on the other matters. These statements were submitted along with the business report for ratification.

(II) The Report of Independent Accountants, Financial Statements and 2023 Profit Distribution Table are attached. Please refer to the Attachments.

(III) Please ratify.

(For details on Attachments 1, 4 and 5, please refer to pp. 05-09, 12-24 of the meeting agenda. )

**Resolution:**

## **[Discussion Matters]**

### **Proposal 1:**

**Proposed by the Board of Directors: removal of non-compete restrictions for directors.**

**Description:** (I) It is proposed according to Article 209, Paragraph 1 of the Company Act that the Board of Directors removes the restriction that forbids directors from engaging in conduct within the scope of the company's business for himself/herself or on behalf of others.

(II) As Director Hsieh, Ming-Yen has new duties in other concurrent positions, or investment or operation of other positions in the Company or similar to the Company's business scope, the proposal for non-compete restrictions for directors has been submitted to the shareholders' meeting for approval to remove such director's non-compete restriction. Details are as follows:

(1) Chairman and director, TECHWORLD ELECTRONICS SINGAPORE PTE. LTD.

(2) Chairman and Directors, TECHWORLD ELECTRONICS (M) SDN. BHD.

(3) Chairman and director, Yu Chi Investment Co., Ltd.

**Resolution:**

## **[Extraordinary Motion]**

## **[Meeting Adjourned]**

# Attachments

## Attachment 1

### I. 2023 Business Report

Dear Shareholders,

In 2023, despite the gradual lifting of the global epidemic, multiple factors including the war, the expansion of the US and China chip ban, high interest rates, high inflation and the post-pandemic economic performance of the mainland China market was not as good as expected, leading to the overall economy significantly impacted. In particular, the passive component industry was also challenged by the weak demand for end products in the electronics industry, and the annual revenue and profit showed a downward trend compared to 2022. 2023 revenue was NT\$4,431,789 thousand, down 16.2% from 2022; gross profit margin was 25.2%, also down 8.4 percentage points from 33.6% in 2022.

Analysis of the Company's operating results and profitability for 2023 is as follows:

Unit: NT\$ thousands

Item	2023	2022	Growth rate
Net operating revenue	4,431,789	5,291,333	(16.2%)
Gross profit	1,117,683	1,779,525	(37.2%)
Gross margin	25.2%	33.6%	
Operating gains	463,144	1,019,017	(54.5%)
Non-operating income and expenditure	206,081	217,943	(5.4%)
Net Income After Tax	592,783	1,038,537	(42.9%)
Earnings per share (EPS)	5.82	10.11	

In 2023, computer-related customers accounted for 29.1%; communication electronics-related customers accounted for 22.0%; consumer electronics-related customers accounted for 13.3%; automotive grade electronics-related customers accounted for 27.8%; other applications accounted for 7.8%. Compared to 2022, revenues and gross profit margins in each application market declined; the sales decline in the communication electronics market was the most significant. It was the application market that had the greatest impact on overall revenues and profits in 2023.

In 2023, regarding the product revenue of TAI-TECH Advanced Electronics, the multilayer products accounted for 20.20% of the total revenue; wire-wound products accounted for 69.14% of the total revenue; LAN transformer products accounted for 9.30% of the total revenue; other products accounted for 1.36%, with the total sales reaching 21.24 billion products. The performance of the main product lines in 2023 is summarized as follows:

#### 1. Multilayer products

For the multilayer chip product line, due to weak demand from end customers in 2022, the Company began to adjust its inventory in the second half of 2022, which affected orders. After several quarters of inventory adjustments, inventory levels returned to their normal levels for end customers, distributors and agents. The Company also began to replenish inventory in Q3 2023, resulting in a significant growth of orders in the second half of 2023. The shipment volume throughout the year was approximately 16.5 billion, growing by 16.1% from 2022.

#### 2. Wire-wound products

##### (1) Wire-wound inductors

Such products include “sealed low profile power inductors,” “single-wire power inductors” and “ultra high current beads” products continued to be significantly

impacted by the poor economy and sluggish demand in the end-use consumer electronics market throughout 2023. The end demand for single-wire power inductors and sealed low profile power inductors was affected by the continuous adjustment of inventory by consumer electronics, network communications, panel and other customers, and customer orders were conservative. On the other hand, ultra high current beads, thanks to the contribution from the customers in the market for power management, were least impacted by the adverse economic climate, so their shipping volume slightly increased, making them the relatively performant items of this product line. A total of 1.51 billion pieces of precision wire-wound inductors were sold in 2023, falling slightly by 0.5% compared to 2022.

(2) Molded power inductors

This type of product line of the Company is mainly used in automotive grade electronics. The key automotive grade electronics customer in Q2 and Q3 of 2023 delayed some product orders. In addition, there was a significant decline in orders due to lower end-use demand for regular products used in consumer electronics throughout the year. The shipment volume in 2023 was approximately 760 million units, a decline of 10.7%, compared to 2022. This type of product is applied to a high percentage of automotive grade electronics. Therefore, despite the decrease in orders, the utilization rate was not at full load, the consolidated gross profit margin of the products was still able to be maintained at a normal level. The product line still accounts for the highest revenue ratio and the highest profit margin of the Company.

(3) Common mode filter

The common mode filters element of the Company were applied to high-speed network interface ports of various consumer products, such as HDMI2.1, USB3.0/3.1/4.0, etc. and the products were also widely applied to the filtering of common mode noise of various module interface ports of automotive grade electronics. Demand in the end market for this type of product was weak throughout 2023, and some automotive grade electronics customers also lacked orders due to inventory adjustments. The annual shipment was 580 million units, a decrease of 13.4% from 2022.

3. LAN transformer products

LAN transformers are mainly used in the Netcom market. In 2023, the post-pandemic demand in the mainland China market was sluggish and competitors rushed for orders at low prices. This impacted the shipment volume and average unit price of this type of product. The shipment of this type of product was 1.6 billion units, down by 41.8% from 2022. Such products of a new pattern are trending towards replacing traditional manually-made LAN transformer modules when it comes to networking applications. Nevertheless, due to the decline in demand in 2023, peer manufacturers turned to slash price in exchange for orders, driving down the average unit price and impacting the gross margin of products. This type of product is the main product line that affected the Company's poor performance in 2023 in terms of revenue and profit.

In the face of the sluggish economy in 2023, Tai-Tech Advanced Electronics adopted several strategies in terms of product research and development, in order to adjust the product mix and ensure the competitiveness in the market. The Company's primary strategy is to increase capital and manpower investment in the research and development of automotive grade electronic components, especially in response to the potential growth trend of the electric vehicle market. The Company will actively seek product certification from automotive grade electronics customers in Europe and the United States, in order to consolidate and expand long-term cooperative partnerships. Secondly, during the stage of destocking, the Company adjusted its order receiving strategy, chose to give up some orders for LAN transformers with low gross profit margins, and made use of the Company's core competitive advantages to develop new products in order to quickly recover the gross profit



margins of the products affected. Furthermore, the Company continues to optimize product design, manufacturing processes and materials to improve the performance and reliability of existing products and thereby increase their market share in the high-end market. Finally, the Company has invested heavily in the improvement of R&D capabilities, especially the development of popular products suitable for the current market such as AI servers. By doing this, we hope to incorporate our innovative products into customers' solutions at the early stage of design. The main development outcomes include the following:

- (1) Automotive grade high current resistance with low DC impedance ferrite chip beads HFZ 321611PF-500T120 products
- (2) Automotive grade 175°C ferrite chip beads HHZ1608 size series products
- (3) PASU3225 series, low-frequency UV-resin-covered induction antennas for auto grade use
- (4) SNLU2520/3225 Series of Auto Grade UV Glue All-covered Decoupling Power Inductors
- (5) Auto grade Open Alliance 10Base-T1S common mode filter ACM3225F2UV-241T007-D.
- (6) TLVR100512 series of dual wire-wound power inductors used in high-end servers
- (7) Common mode filter WCM4015/WCM5545 series (thin ferrite core type)
- (8) Innovative LAN transformer module
- (9) TMPC05~07HC series, hot process carbonyl high current molded power inductors.
- (10) Molded carbonyl base/alloy power induction hot pressing process THMC04~06/THMA04~05 series
- (11) 2PAD/4PAD/8PAD Series, carbonyl base material high current molded power inductor hot pressing process TVMP
- (12) THFD series, alloy material high current molded cold pressing process

## **II. 2024 Business Plan**

The multiple factors of the sluggish economy in 2023, which has continued to this day, has caused the Company to maintain a cautious outlook for its operations in 2024. However, with the vigorous development of high-speed computing, artificial intelligence, high-speed networking, 5G technology, Internet of Things, and future cars, we have high expectations and confidence in the potential growth of these areas. The Company will continue to make use of our core expertise, continue to innovate, and develop next-generation products to meet the needs of these growing markets.

In the face of the challenges and opportunities presented in 2024, the Company has formulated a series of strategies and guidelines, aiming to expand the innovative application market and international market layout, actively develop and upgrade products, and enrich the product portfolio to meet the evolving needs of the market. We will focus on improving production efficiency and yield, including strengthening expense control, cost reduction, production line automation and smart transformation, while continuing to promote the “zero defect” quality management concept and accelerating the upgrade of production and business processes through digital transformation and smart manufacturing technologies. In addition, we will strengthen the audit work of product certification and production line of the well-known foreign automotive grade electronics customers. The construction of the new plant in Malaysia will also be one of the key tasks of this year, hoping to further expand the Company's production bases and market layout.

In terms of new product development in 2024, we will focus on the development of Power Bead and TLVR products for AI servers, the development of high-performance power products. At the same time, we will develop highly reliable, low-resistance, high-efficiency

molded power inductors, and continue to innovate and develop new types of LAN transformer solutions, such as 2-in-1 and 4-in-1 products, in order to provide more diversified and high-efficiency options.

For the Company as a whole, we will continue to invest resources to strengthen the implementation of ESG-related matters and improve the overall competitiveness of the Company. Through these efforts, we look forward to returning to the track of sustainable growth, and continue to develop new products and services such as “Multi layer Chip inductor and Ferrite Bead,” “Wire-wound Inductors,” “Molded Power Inductors” and “Common Mode Filters and LAN Transformers.” The sales target for these four major product lines will account for a total shipment of more than 22 billion products.

### **III. Impacts of the external competitive environment, regulatory environment and general business environment**

In terms of external competition, due to the wide application of power inductor components in the fields of information, communication, consumer electronics, and automotive electric vehicles, the market demand is large, making the industry competition very fierce. The Company has been actively responding to such an environment for many years, and will continue to exert its key technical capabilities in magnetic materials, ferrite core design and manufacturing and highly automated production to maintain our core competitiveness.

In terms of legal compliance, the Company has always insisted on legal operation and fulfillment of corporate social responsibility since its establishment. Through the contingency strategies of professional managers and the consultation of legal experts, we ensured that all factories comply with regulatory requirements.

The macro-economic environment is volatile nowadays. In recent years, slowed market demand and soaring raw material price as a result of wars and inflation have had a broad impact on the electronics industry. New end electronic product functions continue to emerge, such that the demand for power inductor component products continues to be driven up, thereby providing continuous growth opportunity for the Company. In the future, the Company will actively engage in R&D and innovation along with the market trend, in order to provide high-value-added and quality products and improve customer services, as well as to understand the market’s competitive status and increase growth energy. The Company will also continue to adopt the business strategy of diverse products and application markets in order to achieve growth and spread risks, thereby establishing long-term competitive advantages.

### **IV. Future development strategy and prospect**

Looking into the future, new generations of electronic end products and applications will continue to emerge and evolve, which will in turn drive further advances of the electronic component industry technologies and result in increased demand and opportunities for ongoing business growth of the Company. In the upcoming years, TAI-TECH Advanced Electronics will actively plan and develop automotive grade electronics, network communication, high-speed digital computation, and AI. For product development, the Company will focus on satisfying the demands of the aforementioned application fields and will aim at the development direction of miniaturized products, and products of high frequency, high speed, high current resistance, increased working temperature, as well as increased product performance and reduction of current loss. The Company will continue to increase the product added value and to optimize product combination, in order to increase the output ratio of niche products, thereby further improving gross margin performance and profit performance. In the future layout of production lines, we will also increase the expansion of production lines in the main plant in Taiwan and the new plant in Malaysia. The risks of changes in the international political and economic situation will be taken into account in an effort to pursue the sustainability of the Company, striving to become the preferred

supplier of global magnetic components.  
We sincerely appreciate shareholders' long-term support and care. We wish you all the best.

Good Health and Prosperous

Tai-Tech Advanced Electronics Co., Ltd.



Chairman Hsieh, Ming-Yen



Managerial Officer Ming-Liang Hsieh



Accounting officer Hui-Yu Ho



## **Tai-Tech Advanced Electronics Co., Ltd.**

### **2023 Annual Review Report of the Auditing Committee**

The Board of Directors has submitted the Company's 2023 business report and financial statements, including consolidated financial statements and the statement of earnings distribution. The financial statements have been audited by CPAs Wei-Hao Wu and Ya-Hui Cheng of PricewaterhouseCoopers Taiwan and an audit report has been issued.

The business report, financial statements (including consolidated financial statements) and statement of earnings distribution stated above have been audited by the Audit Committee and found to be in compliance with the Company Act and other applicable laws and regulations. We have presented you the reports based on the provisions stipulated in Article 219 of the Company Act.

Please review.

Submitted to

Tai-Tech Advanced Electronics Co., Ltd.

Tai-Tech Advanced Electronics Co., Ltd.

Yang-Pin Shen, Audit Committee Convener

February 26, 2024

## **Tai-Tech Advanced Electronics Co., Ltd.**

### **Comparison Table of Articles set out in “Rules of Procedure for Board of Directors Meetings” before and after amendment**

Provision After Amendment	Current Provision	critical materials
<p>Article 8 Reference materials, attendees, and</p> <p>When the Company's board meeting is convened, the management department (or the body designated by the board of directors) shall prepare relevant information for the directors to review at any time.</p> <p>Depending on the content of the agenda, personnel from the relevant departments or subsidiaries may be notified to attend the board meeting.</p> <p>If necessary, CPAs, lawyers or other professionals may also be invited to attend meetings and give explanations. However, they shall leave the meeting during the discussion and voting.</p> <p>The chairperson of the board shall call the meeting to order immediately when more than half of the directors have attended the meeting.</p> <p>When the time of a meeting has arrived and one-half all board directors are not present, the meeting chair may announce postponement of the meeting time to later <u>on the same day</u>, provided that only two postponements may be made. If the quorum is still not met after two such delays, the chair shall re-call the meeting following the procedures provided in Article 3, paragraph 2.</p> <p>The term “all board directors” as used in the preceding paragraph and in Article 16, paragraph 2, subparagraph 2 shall be calculated as the number of directors then in office.</p>	<p>Article 8 Reference materials, attendees, and</p> <p>When the Company's board meeting is convened, the management department (or the body designated by the board of directors) shall prepare relevant information for the directors to review at any time.</p> <p>Depending on the content of the agenda, personnel from the relevant departments or subsidiaries may be notified to attend the board meeting.</p> <p>If necessary, CPAs, lawyers or other professionals may also be invited to attend meetings and give explanations. However, they shall leave the meeting during the discussion and voting.</p> <p>The chairperson of the board shall call the meeting to order immediately when more than half of the directors have attended the meeting.</p> <p>When the time of a meeting has arrived and one-half all board directors are not present, the meeting chair may announce postponement of the meeting time to later, provided that only two postponements may be made. If the quorum is still not met after two such delays, the chair shall re-call the meeting following the procedures provided in Article 3, paragraph 2.</p> <p>The term “all board directors” as used in the preceding paragraph and in Article 16, paragraph 2, subparagraph 2 shall be calculated as the number of directors then in office.</p>	<p>Pursuant to FSC Jin-Guan-Zheng-Fa-Zi No. 1120383996</p>

<p>Article 11 Discussion of Proposals</p> <p>The board meeting of the company shall proceed in accordance with the agenda scheduled in the notice of the meeting. However, the agenda may be changed with the approval of a majority of directors in attendance at the Board meeting.</p> <p>The meeting chair may not declare the meeting closed without the approval of a majority of directors present at the meeting.</p> <p>If at any time during the proceeding of a board of directors meeting the directors sitting at the meeting are not more than half of the directors present at the meeting, then upon motion by the directors sitting at the meeting, the chair shall declare a suspension of meeting, in which case Article 8, paragraph 5 shall apply <i>mutatis mutandis</i>.</p> <p><u>Article 7, paragraph 3 shall apply to the appointment of proxies of the chair who is unable to preside over the meeting or adjourned without complying with the provisions of paragraph 2 when board meetings are in progress.</u></p>	<p>Article 11 Discussion of Proposals</p> <p>The board meeting of the company shall proceed in accordance with the agenda scheduled in the notice of the meeting. However, the agenda may be changed with the approval of a majority of directors in attendance at the Board meeting.</p> <p>The meeting chair may not declare the meeting closed without the approval of a majority of directors present at the meeting.</p> <p>If at any time during the proceeding of a board of directors meeting the directors sitting at the meeting are not more than half of the directors present at the meeting, then upon motion by the directors sitting at the meeting, the chair shall declare a suspension of meeting, in which case Article 8, paragraph 5 shall apply <i>mutatis mutandis</i>.</p>	<p>Pursuant to FSC Jin-Guan-Zheng-Fa-Zi No. 1120383996</p>
<p>Article 19 Supplementary Provisions</p> <p>These Rules were reformulated on May 14, 2010</p> <p>The 1st amendment was made on October 31, 2012</p> <p>The 2nd amendment was made on March 19, 2013</p> <p>The 3rd amendment was made on November 8, 2017</p> <p>The 4th amendment was made on April 7, 2020</p> <p>The 5th amendment was made on August 7, 2020</p> <p>The 6th amendment was made on February 24, 2023</p> <p><u>The 7th amendment was made on February 26, 2024.</u></p>	<p>Article 19 Supplementary Provisions</p> <p>These Rules were reformulated on May 14, 2010</p> <p>The 1st amendment was made on October 31, 2012</p> <p>The 2nd amendment was made on March 19, 2013</p> <p>The 3rd amendment was made on November 8, 2017</p> <p>The 4th amendment was made on April 7, 2020</p> <p>The 5th amendment was made on August 7, 2020</p> <p>The 6th amendment was made on February 24, 2023</p>	<p>Newly added amendment dates</p>

## Attachment 4

### Tai-Tech Advanced Electronics Co., Ltd. Consolidated Financial Statements of Affiliated Enterprises

In 2023 (from January 1 to December 31, 2023), the related entities that are required to be included in the preparation of the Consolidated Financial Statements of the Company, under the “Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those defined in International Financial Reporting Standards (IFRS) No. 10 “Consolidated Financial Statements.” In addition, the information which shall be disclosed in the combined financial statements of affiliated companies is included in the consolidated financial statements of the parent company. Consequently, there will be no separate preparation of combined financial statements of affiliated companies.

Represented by

Company name: Tai-Tech Advanced Electronics Co., Ltd.

Person in charge: Ming-Yen Hsieh

February 26, 2024

## Report of Independent Accountants

(2024) Cai-Shen-Bao-Zi No. 23003893

To: Tai-Tech Advanced Electronics Co., Ltd.

### **Audit Opinions**

The audit of the Consolidated Balance Sheets for December 31, 2023 and 2022, as well as the Consolidated Income Statements, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement, and Notes to Consolidated Financial Statements for 2022 and from January 1 to December 31, 2023 (including the summary of major accounting policies) for Tai-Tech Advanced Electronics Co., Ltd. and its subsidiaries (hereafter “Tai-Tech Group”) has been completed by this CPA.

In the opinion of this CPA, based on our audits and the reports of the other auditors (see Other Matters), all major aspects of the aforesaid Consolidated Financial Statements are formulated in compliance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers as well as the guidelines, interpretation, and explanations announced by the International Financial Reporting Standards and the International Accounting Standards recognized and declared as effective by the Financial Supervisory Commission. They are sufficient to present the consolidated financial status of Tai-Tech Group for December 31, 2023 and 2022, as well as the Consolidated Financial Performance and Consolidated Cash Flow for January 1 to December 31, 2023 and 2022.

### **Basis of Audit Opinion**

We have conducted the audit according to the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Taiwan Standards on Auditing. 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 are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on the audit results of our accountants and the audit reports of other accountants, we are of the opinion that sufficient and appropriate audit evidence has been obtained to be served as the basis for expressing the audit opinion.

### **Key Audit Matters**

The key audit items refer to the most important audit matters for the 2023 Consolidated Financial Statements of Tai-Tech Group under the professional judgment of this CPA. 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.

The key audit items of Tai-Tech Group's 2023 Consolidated Financial Statements are described as follows:

### **Evaluation of Loss Allowance due to Inventory Impairment**

#### **Description**

Please refer to Notes 4 (13), 5 (2), and 6 (3) of the Notes to Consolidated Financial Statements for



detailed descriptions of the accounting policies, important accounting estimates, inventory evaluation assumptions, and accounting items for loss allowance due to inventory impairment. Tai-Tech Group's balances for inventory and loss allowance due to impairment as of December 31, 2023, were NTD 837,273 thousand and NTD 69,150 thousand, respectively.

The Group mainly engages in manufacturing and processing of electronic parts, magnet cores, multilayer wire-wound and other wire-wound products. Since the value of inventory is subject to market price fluctuation and its lifetime, the risk of becoming obsolete is relatively high. In addition, since the valuation process usually involves subjective judgments, the uncertainty in accounting estimates is high. As such, we determine the valuation of the allowance for inventory valuation loss as one of the key audit matters.

#### Responsive Audit Procedures

We perform the following procedures for the inventory that is ageing and individually obsolete:

1. Assess the reasonableness of inventory allowance evaluation policies and procedures adopted by Tai-Tech Group and its subsidiaries according to our understanding of the Company, including determining the degree of inventory depletion and judging the rationality of the inventory allowance evaluation policy based on past historical data.
2. Review the annual inventory plans of the Group, and observe their annual inventory and management status to assess their management performance and capacity to control obsolete inventories.
3. Verify the accuracy of the inventory aging report and depletion data, and ensure report data and policy consistency.
4. Evaluate and confirm the accuracy of the inventory depreciation loss calculation, and assess the adequacy of depreciation loss provisions.

#### **Other Matters - audits conducted by other certified public accountants**

We have not audited the financial statements of the investees under the equity method that are included in the consolidated financial statements of the Group, but other independent auditors have. Therefore, our opinion on the amount in the consolidated financial statements is based on the reports of other independent auditors. As of December 31, 2023, the investment in the aforementioned companies under the equity method was NTD 1,463,347 thousand, representing 13% of the consolidated total assets. The profit or loss was NTD 70,078 thousand, representing 10% of consolidated comprehensive income.

#### **Other matters - parent company only financial statements**

Tai-Tech Advanced Electronics Co., Ltd. has prepared the parent company only financial statements for 2023 and 2022, for which we have issued an unqualified opinion and the audit report with additional paragraphs for reference.

#### **The Responsibilities of the Management Level and Governance Units for the Consolidated Financial Statements**

The responsibilities of the management level are to comply with the Regulations Governing the Preparation of Financial Reports by Securities Issuers as well as the guidelines, interpretation, and

explanations announced by the International Financial Reporting Standards and International Accounting Standards as recognized and declared effective by the Financial Supervisory Commission during the preparation of the Consolidated Financial Statements; maintain the necessary internal control mechanism related to the formulation of the Consolidated Financial Statements; and insure that the Consolidated Financial Statements do not contain significant false statements that can lead to fraud or error.

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

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

### **The CPA's Responsibilities during 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 refers to a high degree of assurance, but the audit performed according to the TWSA cannot guarantee that material misrepresentations in the Consolidated Financial Statements will be detected. 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.

The CPA has exercised professional judgment and skepticism when conducting audits under the TWSA. 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 representation, structure, and content of the Consolidated Financial Statements (including the relevant notes) and determine whether the Consolidated Financial Statements have sufficiently expressed the relevant 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 the independence requirements set forth in The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

This accountant has decided the key audit items for the 2023 Consolidated Financial Statements of Tai-Tech Group based on the items communicated with the governance unit. 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.

PricewaterhouseCoopers Taiwan

Wei-Hao Wu

Certified Public Accountant (CPA)

Ya-Hui Cheng

Financial Supervisory Commission

Official Approval Letter No.: Jin-Guan-Zheng-Shen-Zi No.  
1080323093

Former Financial Supervisory Commission and Securities and  
Futures Bureau of the Executive Yuan

Official Approval Letter No.: Jin-Guan-Zheng-Liu-Zi No.  
0960072936

February 26, 2024

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries  
Consolidated Balance Sheets  
December 31, 2023 and 2022

Unit: NTD thousand

			December 31, 2023		December 31, 2022	
Assets			Amount		Amount	
Note			%		%	
Current assets						
1100	Cash and cash equivalents	6 (1)	\$ 2,152,634	20	\$ 1,528,877	17
1136	Financial assets measured at amortized cost — current	6 (1)	30,705	-	-	-
1150	Notes receivable, net	6 (2)	49,844	1	60,385	1
1170	Accounts receivable, net	6 (2)	1,464,122	13	1,625,040	18
1180	Accounts receivable from related parties, net	6 (2) and 7	94,850	1	112,545	1
1200	Other receivables		14,002	-	13,427	-
1220	Current income tax assets	6 (25)	6,717	-	-	-
130X	Inventory	6 (3)	768,123	7	944,195	10
1410	Pre-payments		42,632	-	32,764	-
1470	Other current assets		267	-	469	-
11XX	Total current assets		4,623,896	42	4,317,702	47
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6 (11)	880	-	-	-
1517	Financial assets at fair value through other comprehensive income - non-current	6 (5), 7 and 12 (3)	558,896	5	381,069	4
1550	Investment accounted for using the equity method	6 (4)	1,470,603	14	-	-
1600	Property, plant and equipment	6 (6) and 8	4,100,494	38	4,401,609	48
1755	Right-of-use assets	6 (7) and 7	37,587	-	35,390	-
1780	Intangible assets		49,980	1	43,403	1
1840	Deferred income tax assets	6 (25)	26,638	-	40,822	-
1900	Other non-current assets	6 (8)	17,075	-	31,924	-
15XX	Total non-current assets		6,262,153	58	4,934,217	53
1XXX	Total assets		\$ 10,886,049	100	\$ 9,251,919	100

**Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries**  
**Consolidated Balance Sheets**  
**December 31, 2023 and 2022**

Unit: NTD thousand

Liabilities and equity			December 31, 2023		December 31, 2022			
			Note	Amount	%	Amount	%	
Current liabilities								
2100	Short-term borrowings	6 (9)	\$	100,000	1	\$	-	-
2150	Notes payable			17,460	-		43,300	1
2170	Accounts payable			550,535	5		533,424	6
2180	Accounts payable - related parties	7		3,111	-		5,327	-
2200	Other payables	6 (10) and 7		553,461	5		651,233	7
2230	Current income tax liabilities	6 (25)		49,655	1		94,813	1
2250	Liability reserve - current			4,278	-		-	-
2280	Lease liabilities - current	7		4,085	-		5,722	-
2320	Current portion of long-term borrowings	6 (12)		37,733	-		37,733	-
21XX	Total current liabilities			1,320,318	12		1,371,552	15
Non-current liabilities								
2530	Corporate bonds payable	6 (11)		1,048,695	10		-	-
2540	Long-term borrowings	6 (12)		1,504,712	14		1,088,446	12
2570	Deferred income tax liabilities	6 (25)		257,748	2		251,772	2
2580	Lease liabilities - non-current	7		7,182	-		2,148	-
2640	Net defined benefit liabilities - non-current	6 (13)		1,053	-		778	-
2670	Other non-current liabilities - others			10,014	-		12,286	-
25XX	Total non-current liabilities			2,829,404	26		1,355,430	14
2XXX	Total liabilities			4,149,722	38		2,726,982	29
Equity attributable to shareholders of the parent								
	Share capital	6 (14)						
3110	Common shares			1,020,340	9		1,020,340	11
	Capital surplus	6 (15)						
3200	Capital surplus			1,854,279	17		1,798,320	19
	Retained earnings	6 (16)						
3310	Legal reserve			657,300	6		552,955	6
3320	Special reserve			76,642	1		76,642	1
3350	Unappropriated earnings			2,928,035	27		3,012,932	33
	Other equity	6 (17)						
3400	Other equity			139,049	1		63,748	1
31XX	Equity attributable to shareholders of the parent - Total			6,675,645	61		6,524,937	71
36XX	Non-controlling interests			60,682	1		-	-
3XXX	Total equity			6,736,327	62		6,524,937	71
	Significant Commitments or Contingencies	9						
3X2X	Total liabilities and equity		\$	10,886,049	100	\$	9,251,919	100

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Chairman of the Board: Ming-Yen Hsieh

Managerial Officer: Ming-Liang Hsieh

Accounting Officer: Hui-Yu Ho

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries  
Consolidated Statement of Comprehensive Income  
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

(Except Earnings Per Share in New Taiwan Dollars)

	Item	Note	2023		2022	
			Amount	%	Amount	%
4000	Operating revenue	6 (18) and 7	\$ 4,431,789	100	\$ 5,291,333	100
5000	Operating costs	6 (3)(23)(24) and 7	( 3,314,106)	( 75)	( 3,511,808)	( 66)
5900	Gross profit		<u>1,117,683</u>	<u>25</u>	<u>1,779,525</u>	<u>34</u>
	Operating expenses	6 (23) (24) and 7				
6100	Selling and marketing expenses		( 291,705)	( 7)	( 341,304)	( 6)
6200	General and administrative expenses		( 208,508)	( 5)	( 261,463)	( 5)
6300	Research and development expenses		( 155,250)	( 3)	( 157,741)	( 3)
6450	Expected credit impairment gain	12 (2)	924	-	-	-
6000	Total operating expenses		<u>( 654,539)</u>	<u>( 15)</u>	<u>( 760,508)</u>	<u>( 14)</u>
6900	Operating gains		<u>463,144</u>	<u>10</u>	<u>1,019,017</u>	<u>20</u>
	NON-OPERATING INCOME AND EXPENSES					
7100	Interest income	6 (19)	39,485	1	8,401	-
7010	Other income	6 (20) and 7	99,406	2	79,778	1
7020	Other gains and losses	6 (21) and 7	16,172	1	141,776	3
7050	Financial costs	6 (9)(12) and (22)	( 28,396)	( 1)	( 12,012)	-
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method	6 (4)	<u>79,414</u>	<u>2</u>	<u>-</u>	<u>-</u>
7000	Total non-operating incomes and expenses		<u>206,081</u>	<u>5</u>	<u>217,943</u>	<u>4</u>
7900	Income before income tax		669,225	15	1,236,960	24
7950	Income tax expenses	6 (25)	( 76,442)	( 2)	( 198,423)	( 4)
8200	Net profit (loss) for current period		\$ 592,783	13	\$ 1,038,537	20
	Other comprehensive income/(loss) for the year, net of income tax					
	Components of other comprehensive income that will not be reclassified to profit or loss	6 (17)				

(Continued)

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries  
Consolidated Statement of Comprehensive Income  
January 1 to December 31, 2023 and 2022

				Unit: NTD thousand (Except Earnings Per Share in New Taiwan Dollars)	
	Item	Note	2023		2022
			Amount	%	Amount
8311	Remeasurement of defined benefit plans	6 (13)	\$ -	-	\$ 4,919
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	6 (5)	192,848	5	16,040
8320	Share of profit (loss) of associates and joint ventures accounted for using equity method - Components of other comprehensive income that will not be reclassified to profit or loss		3,721	-	-
8310	Total components of other comprehensive income that will not be reclassified to profit or loss		196,569	5	20,959
	<b>Items that may be reclassified subsequently to profit or loss</b>	6 (17)			
8361	Exchange differences on translating the financial statements of foreign operations		( 71,946)	( 2)	64,155
8370	Share of profit (loss) of associates and joint ventures accounted for using equity method - Components of other comprehensive income that might be reclassified to profit or loss		( 13,801)	-	-
8360	Total of items that may be reclassified subsequently to profit or loss		( 85,747)	( 2)	64,155
8300	<b>Other comprehensive income/(loss) for the year, net of income tax</b>		\$ 110,822	3	\$ 85,114
8500	<b>Total comprehensive income (loss) for the current period</b>		\$ 703,605	16	\$ 1,123,651
	Net income attributable to:				
8610	shareholders of the parent		\$ 593,383	13	\$ 1,038,537
8620	Non-controlling interests		(\$ 600)	-	\$ -
	Total comprehensive income (loss) attributable to:				
8710	shareholders of the parent		\$ 706,953	16	\$ 1,123,651
8720	Non-controlling interests		(\$ 3,348)	-	\$ -
	Earnings per share (EPS)	6 (26)			
9750	Basic earnings per share attributable to shareholders of the parent company		\$ 5.82		\$ 10.11
9850	Diluted earnings per share attributable to shareholders of the parent company		\$ 5.73		\$ 10.01

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Chairman of the Board: Ming-Yen Hsieh

Managerial Officer: Ming-Liang Hsieh

Accounting Officer: Hui-Yu Ho

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries  
Consolidated Statement of Changes in Equity  
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

Equity attributable to shareholders of the parent												

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Chairman of the Board: Ming-Yen Hsieh

Managerial Officer: Ming-Liang Hsieh

Accounting Officer: Hui-Yu Ho



Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries  
Consolidated Cash Flow Statement  
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

	Note	January 1 to December 31, 2023	January 1 to December 31, 2022
<u>Cash Flow from Operating Activities</u>			
Income before income tax		\$ 669,225	\$ 1,236,960
Adjustments			
Adjustments for income and expenses			
Expected credit impairment gain	12 (2)	( 924 )	-
Depreciation expenses (including right-of-use assets)	6 (23)	511,098	492,984
Amortization	6 (23)	6,201	5,358
Net gain on financial assets and liabilities at fair value through profit or loss	6 (21)		
Loss (gain) on disposal of property, plant and equipment	6 (21)	( 1,672 )	( 512 )
Interest income	6 (19)	1,886	( 8,401 )
Dividends income	6 (21)	( 39,485 )	( 8,401 )
Interest expenses	6 (22)	( 33,534 )	( 44,097 )
Share of profit of associates accounted for using equity method	6 (4)	28,396	12,012
		( 79,414 )	-
Changes in operating assets and liabilities			
Changes in operating assets, net changes			
Financial assets compulsorily measured at fair value through profit or loss - current		1,232	512
Notes receivable		10,541	4,473
Accounts Receivable		161,849	557,083
Accounts receivable due from related parties		17,695	94,650
Other receivables	(	575 )	1,482
Inventory		176,072	( 96,101 )
Pre-payments	(	9,868 )	2,249
Other current assets		202	( 386 )
Changes in operating liabilities, net			
Notes payable		5,624	( 11,349 )
Accounts payable		17,111	( 325,104 )
Accounts payables to related parties	(	2,216 )	4,103
Other payables	(	101,186 )	( 76,605 )
Liability reserve - current		4,278	-
Net defined benefit liabilities		275	( 9,065 )
Other non-current liabilities	(	2,272 )	( 1,932 )
Cash generated from operating activities		1,340,539	1,829,913
Interest paid	(	25,454 )	( 12,012 )
Income taxes paid	(	104,754 )	( 143,100 )
Net cash inflow from operating activities		1,210,331	1,674,801

(Continued)

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries  
Consolidated Cash Flow Statement  
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

	Note	January 1 to December 31, 2023	January 1 to December 31, 2022
<u>Cash Flow from Investment Activities</u>			
Interests received		\$ 39,485	\$ 8,401
Dividends received		33,534	44,097
Acquisition of financial assets at fair value through other comprehensive income		( 49,918 )	( 128,734 )
Disposal of financial assets at fair value through other comprehensive income		64,431	-
Increase in financial assets measured at amortized cost		( 81,860 )	-
Decrease in financial assets at amortized cost		50,000	-
Investment accounted for using the equity method		( 1,458,000 )	-
Cash dividend of long-term equity investment under equity method		57,500	-
Acquisition of property, plant and equipment	6 (27)	( 248,208 )	( 744,636 )
Proceeds from disposal of property, plant and equipment		4,591	50,367
Acquisition of intangible assets		( 12,765 )	( 2,212 )
Increase in refundable deposits		( 93 )	( 5 )
Increase in other non-current assets		-	( 1,576 )
Net cash flows used in investing activities		( 1,601,303 )	( 774,298 )
<u>Cash Flow from Financing Activities</u>			
Increase in short-term borrowings		2,650,000	224,416
Decrease in short-term borrowings		( 2,550,000 )	( 641,631 )
Decrease in short-term notes and bills payable		-	( 20,000 )
Issuance of convertible bonds		1,100,502	-
Increase in long-term borrowings		453,999	660,490
Repayment for long-term borrowings		( 37,733 )	( 137,733 )
Repayment of the principal portion of lease liabilities	6 (28)	( 6,735 )	( 6,474 )
Cash dividends appropriated	6 (16)	( 612,204 )	( 721,938 )
Repurchase of treasury shares	6 (14)	-	( 99,367 )
Increase in non-controlling interests		64,030	-
Net cash generated from/(used in) financing activities		1,061,859	( 742,237 )
Exchange rate adjustments		( 47,130 )	29,607
Increase in cash and cash equivalents for the period		623,757	187,873
Cash and cash equivalents - beginning balance		1,528,877	1,341,004
Cash and cash equivalents - ending balance		\$ 2,152,634	\$ 1,528,877

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Chairman of the Board: Ming-Yen Hsieh

Managerial Officer: Ming-Liang Hsieh

Accounting Officer: Hui-Yu Ho

**Earnings Distribution Table**2023

	<u>Unit: NT\$</u>
Undistributed earnings at beginning of the period	\$ 2,296,382,695
Add: 2023 net profit after tax	593,382,903
Add (less): 2023 retained earnings adjustment	
Add: Disposal of equity instruments measured at fair value through other comprehensive income	38,269,015
Minus: Legal reserve appropriated	(63,165,192)
Plus: Reversal of special reserve	
Distributable earnings	<hr/> 2,864,869,421
Earnings distribution:	
Dividend to shareholders - cash (NT\$4.5)	459,153,000
Dividend to shareholders - shares	<hr/> 0
Ending undistributed earnings	<hr/> <hr/> \$ 2,405,716,421

## Notes:

Note 1: The amount of this earnings distribution is the earnings in 2023

Note 2: Cash dividends adopt the [integer dollar] - value after truncating of decimals for calculation

Note 3: Based on the outstanding stock of 102,034,000 shares on February 26, 2024

Responsible person:



Manager:



Accounting officer:



# Appendix

## Appendix 1

### **Tai-Tech Advanced Electronics Co., Ltd. Rules of Procedure for Shareholders' Meeting**

**Date of latest amendment: May 31, 2023**

#### Article 1

To establish a strong governance system and sound supervisory capabilities for the Company's shareholders' meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" jointly established by Taiwan Stock Exchange Corporation and Taipei Exchange.

#### Article 2

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

#### Article 3

Unless otherwise provided by law or regulation, the shareholders' meetings of the Company shall be convened by the board of directors.

Unless otherwise provided in the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company convening a shareholders' meeting with video conferencing shall expressly provide for such meetings in its Articles of Incorporation and obtain a resolution of its board of directors. Furthermore, convening of a virtual-only shareholders' meeting shall require a resolution adopted by a majority vote at a meeting of the Board of Directors attended by at least two-thirds of the total number of directors.

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

The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System of TWSE before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company shall prepare electronic files of the shareholders meeting agenda and supplemental meeting materials and upload them to the Market Observation Post System of TWSE at least 21 days prior to the date of the regular shareholders meeting or 15 days prior to the date of the special shareholders meeting. If, however, the Company has paid-in capital of NT\$10 billion or more as of the last day of the most recent fiscal year, or total shareholdings of foreign shareholders and PRC nationals reach 30% or more as recorded in the register of shareholders of the shareholders meeting held in the most recent fiscal year, transmission of these electronic files shall be made at least 30 days prior to the regular shareholders meeting. In addition, 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at

the Company and the professional shareholder services agent designated thereby.

The shareholders' meeting agenda and supplemental materials under the preceding paragraph shall be provided for review by the shareholders by the following means on the date the shareholder's meeting is convened:

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

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

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

A shareholder holding 1% or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any Subparagraph of Paragraph 4 of Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

A shareholder may propose a recommendation for urging the Company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

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

Shareholder-submitted proposals are limited to 300 words, and for a proposal containing more than 300 words, such proposal is not be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting

notice the proposals that conform to the provisions of this Article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

#### Article 4 Attending Shareholders' Meeting by Proxy and Authorization

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

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail; unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

#### Article 5 Principles for Shareholders Meeting Convention Time and Venue

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

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

#### Article 6 Preparation of Documents of Attendance Book, etc.

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

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

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

shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

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

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

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company 2 days before the meeting date.

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

#### Article 6-1 Convening of Virtual Shareholders Meetings and Particulars to be Included in Shareholders Meeting Notice

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

1. Shareholders' participation in video conference and methods for exercising their rights.
2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
  - (1) The duration of the preceding obstacles cannot be ruled out and the meeting shall be adjourned or adjourned and if it is necessary to postpone or adjourn the meeting ,
  - (2) Shareholders not having registered to attend the affected virtual shareholders' meeting shall not attend the postponed or resumed session.
  - (3) In case of a hybrid shareholders' meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders' meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on the meeting agenda of that shareholders' meeting.
  - (4) The way in which an extraordinary motion has not been carried out after all the proposals have been announced.
3. Convening of the shareholders meeting by video conference and shall specify the appropriate alternatives for shareholders who have difficulty in participating in the shareholders' meeting by video. Except under circumstances specified in Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall

at least provide shareholders with Internet connection equipment and necessary assistance, and shall specify the period during which shareholders may apply to the Company, and other particulars.

#### Article 7 Chair of shareholders' meeting and persons in attendance in the meeting

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

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for 6 months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

It is recommended that shareholders meetings convened by the board of directors be chaired by the Chairman in person and attended by a majority of the directors, at least one independent director in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes. If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

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

#### Article 8 Documentation of Shareholders Meeting by Audio or Video

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

The recorded materials of the preceding paragraph shall be retained for at least 1 year. However, if a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

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



#### Article 9 Calculation of Number of Attending Shares and Convention of Shareholders' Meeting

Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned on the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, Paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register with the Company in accordance with Article 6.

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

#### Article 10 Discussion of Proposals

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

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

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

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

## Article 11 Shareholder Speech

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

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

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

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chairperson shall stop any violation.

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

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

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

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

## Article 12 Calculation of Voting Shares and Recusal System

Voting at a shareholders' meeting shall be calculated based on the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

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

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3% of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

### Article 13 Proposal Voting, Vote Monitoring and Vote Counting Method

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

When the Company holds a shareholders' meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company 2 days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail; except when a declaration is made to cancel the earlier declaration of intent.

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

Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. In addition, on the same day after the conclusion of the shareholders' meeting, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the Market Observation Post System of TWSE.

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

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

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

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

voting.

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

When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration 2 days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

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

#### Article 14 Election Proposal

The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected, and the names of directors and supervisors not elected and number of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. However, if a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

#### Article 15 Meeting Minutes and Signing Requirements

Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the Market Observation Post System of TWSE.

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

Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.

#### Article 16 Public Disclosure

On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

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

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

#### Article 17 Maintaining Order at the Meeting Place

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

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

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

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chairperson may prevent the shareholder from so doing. When a shareholder violates the rules of procedure and defies the chairperson's correction, obstructing the proceedings and refusing to heed calls to stop, the chairperson may direct the proctors or security personnel to escort the shareholder from the meeting.

#### Article 18 Recess and Resumption of Shareholders' Meeting

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

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt

a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

#### Article 19 Information Disclosure of Virtual Meeting

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

#### Article 20 Location of Chair and Secretary of Virtual Shareholders' Meeting

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

#### Article 21 Handling of Disconnection

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

In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Paragraph 4 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, that the meeting shall be postponed to or resumed on another date within 5 days, in which case Article 182 of the Company Act shall not apply.

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

For a meeting to be postponed or resumed under Paragraph 2, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders meeting held under Paragraph 2, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.

When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in Paragraph 2, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the

minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under Paragraph 2 is required.

Under the circumstances where a meeting should continue as in the preceding Paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

When postponing or resuming a meeting according to Paragraph 2 herein, the Company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements laid out under Article 44-20, Paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or periods stipulated in the second half of Article 12 and Paragraph 3 of Article 13 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, Paragraph 2, Article 44-15, and Article 44-17, Paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle relevant matters in accordance with the date of the shareholders meeting that is postponed or resumed under Paragraph 2.

#### Article 22 Handling of Digital Divide

When convening a virtual-only shareholders meeting, the Company shall provide appropriate alternative measures to shareholders with difficulties in attending a virtual shareholders meeting online. 3. Except under circumstances specified in Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall at least provide shareholders with Internet connection equipment and necessary assistance, and shall specify the period during which shareholders may apply to the Company, and other particulars.

#### Article 23

These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.

#### Article 24 Supplementary Provisions

These Rules were duly enacted on June 28, 2012.

The 1st amendment was made on May 3, 2013.

The 2nd amendment was made on June 11, 2015.

The 3rd amendment was made on November 9, 2020.

The 4th amendment was made on July 23, 2021.

The 5th amendment was made on June 21, 2022.

The 6th amendment was made on May 31, 2023.

**Tai-Tech Advanced Electronics Co., Ltd.**  
**Articles of Incorporation**

Date of latest amendment: June 21, 2022

Chapter 1 General Provisions

- Article 1 The Company shall be incorporated according to regulations related to company limited by shares specified in the Company Act and its name shall be TAI-TECH ADVANCED ELECTRONICS CO., LTD.
- Article 2 The Company shall have its head office registered in Taoyuan City, R.O.C. When it is determined to be necessary, branch offices may be established at appropriate locations, and the establishment and abolishment of branch offices shall be determined by the board of directors.
- Article 3 The scope of business operated by the Company is as follows:
1. CC01080 Electronics Components Manufacturing
  2. Manufacturing, Processing and Trading of Multilayer Wire-wound and Other Wire-wound Products.
  3. Agency for distribution and quotation of domestic and foreign company products described in the preceding paragraph, tendering business and import/export trading business.
  4. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 4 The Company's external re-investments shall not be subject to the limitation under Article 13 of the Company Act prescribing that the re-investments shall not exceed 40% of the Company's paid-in capital.
- Article 4-1 The Company may provide external guarantee to operators in the same industry or its affiliates depending upon the business needs.

Chapter 2 Shares

- Article 5 The total capital of the Company shall be NT\$ 3,000,000,000, divided into 300,000,000 shares, at a par value of NT\$10 per share. For the unissued shares, the board of directors is authorized to perform issuance at discrete times depending upon the needs of business. Among which, an amount of NT\$ 20,000,000 dollars, divided into 2,000,000 shares, is reserved for employee share subscription warrant.
- Article 5-1 Where the shares repurchased by the Company according to the laws are transferred to employees at a price lower than the average price of the shares actually repurchased by the Company, or where employee stock option certificates are issued at a price lower than the market price (net worth per share), such issuance shall only be made based on the consents of attending shareholders representing more than two-thirds of the total voting rights in a shareholders' meeting attended by shareholders representing a majority of the total number of issued shares and shall be handled according to relevant laws.
- This article shall be applicable when the Company is a TWSE (TPEX) listed company.
- Article 6 The share certificates of the Company shall be in registered form and signed or sealed by the Director representing the Company and shall be certified for issuance of the share



certificates according to the laws.

For the shares issued by the Company, the printing of share certificates may be exempted; however, the shares shall be registered with the Centralized Securities Depository Enterprises.

Article 7 The administration of relevant shareholder services of the Company shall be handled according to the “Regulations Governing the Administration of Shareholder Services of Public Companies” announced by the competent authority and relevant laws.

Article 8 Prior to the public listing of the Company, any registration of assignment/transfer of shares shall not be made within 30 days prior to an ordinary shareholders’ meeting, 15 days prior to an extraordinary or shareholders’ meeting, or 5 days prior to the target date fixed by the Company for the distribution of dividends and bonuses or other benefits. After the public listing of the Company, registration of assignment/transfer of shares shall not be made within 60 days prior to the convening date of an ordinary shareholders’ meeting, or within 30 days prior to the convening date of an extraordinary shareholders’ meeting, or within 5 days prior to the target date fixed by the Company for distribution of dividends, bonus or other benefits.

### Chapter 3 Shareholders' Meeting

Article 9 Shareholders’ meetings are divided into two types of ordinary shareholders’ meetings and extraordinary shareholders’ meetings. The ordinary shareholders’ meeting shall be convened at least once annually and convened by the board of directors according to the laws within 6 months after the end of each fiscal year. The extraordinary shareholders’ meeting is convened whenever necessary according to relevant laws.

During the convention of the shareholders’ meeting, visual communication meeting or other methods announced by the competent authority may be adopted. Its operation procedure and other required compliance matters shall be handled in accordance with the regulations of the competent authority.

Article 10 Unless otherwise specified in the laws, each shareholder of the Company shall have one voting right for each share held.

Article 11 Where a shareholder for any reasons cannot attend a shareholders’ meeting in person, the shareholder may appoint a proxy to attend the shareholders’ meeting on his/her behalf by executing a signed or sealed power of attorney stating therein the scope of power authorized to the proxy.

The regulations for authorizing proxies to attend meetings on behalf of shareholders of the Company shall comply with Article 177 of the Company Act and shall also be handled accordingly to the “Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies” announced by the competent authority.

Article 12 Where a shareholders’ meeting is convened by the board of directors, the Chairman of the board shall be the chair of the meeting. In case where the Chairman is absent due to reasons, the Chairman shall designate one director to act as his/her proxy. Where no designation is made, the directors shall elect a chair from among themselves.

When a board of directors’ meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there

are two or more such convening parties, they shall mutually select a chair from among themselves.

Article 13 During the convention of a shareholders' meeting of the Company, the electronic transmission is provided as one of the methods for exercising the voting power. A shareholder who exercises his/her/its voting power at a shareholders meeting by way of electronic transmission shall be deemed to have attended the said shareholders' meeting in person, Relevant exercise of the voting power shall be handled according to the current laws and regulations.

Except when otherwise regulated by The Company Act, a shareholders' meeting resolution is passed when more than half of all outstanding shares are represented in the meeting, and voted in favor by more than half of all voting rights represented during the meeting.

To cooperate with the application for listing at TWSE/TPEX, the abolishment of Company's registration at the TPEX shall be submitted to the shareholder' meeting for resolution.

Article 14 Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting. The minutes of the shareholders' meeting shall record the date and place of the meeting, a summary of the essential points of the proceedings and the results of the meeting, meeting agenda summary and result, the name of the chairperson, the method of adopting resolutions. The meeting minutes shall be distributed to all shareholders within 20 days after the meeting, and shall also be kept persistently throughout the life of the Company. The meeting minutes may be produced and distributed in electronic form, and the aforementioned distribution of meeting minutes may be made via public announcement. The attendance list bearing the signatures of shareholders present at the meeting and the powers of attorney of the proxies shall be kept for a minimum period of at least one year.

#### Chapter 4 Directors

Article 15 The Company has five to eleven supervisors and the candidates nomination system is adopted, which shall be selected by the shareholders' meeting from the candidate list. The term of office shall be 3 years, and re-election shall be permissible. The shareholding ratio of all directors shall comply with the regulations specified by the competent authority of securities.

Article 15-1 The Company has three independent directors and shall not be less than one fifth of the total number of directors. The election method shall adopt the candidates nomination system, and independent directors shall elected by the shareholders' meeting from the independent director candidate roster. The professional qualification, shareholding, term of office, concurrent job position limitation, nomination and election method as well as other compliance matters related to the independent directors shall comply with relevant regulations specified by the competent authority of securities. The professional qualification, shareholding, term of office, concurrent job position limitation, nomination and election method as well as other compliance matters related to the independent

directors shall comply with relevant regulations specified by the competent authority of securities.

Article 15-2 The Company established its Audit Committee according to Article 14-4 of the Securities and Exchange Act. The Audit Committee shall be composed of all independent directors, and shall assume the powers and duties assigned to supervisors by the Company Act, Securities and Exchange Act, and other laws and regulations.

Article 16 The board of directors shall be formed by directors. A chairman of the board shall be elected from among the directors during a board meeting attended by more than two-thirds of the directors and with the consents of a majority of the attending directors. The chairman represents the Company to manage all affairs. In case where the chairman is on leave or cannot exercise his/her power and authority for any cause, a director shall be appointed to act as a deputy; where no appointment is made, the directors shall elect one person from among themselves to act as the deputy.

Article 17 For the convention of a board of directors' meeting of the Company, all directors shall be informed of the reasons of convention 7 days in priority. In case of emergencies of the Company, a board of directors' meeting may be convened at any time. The notice for the convention of Board of Directors' meeting of the Company may be made in writing, e-mail or facsimile method.

During the convening of a board of directors' meeting, if it is held with the video conference method, directors attending the meeting through video conference shall be deemed to attend the meeting in person.

Article 18 In case where the chairman cannot attend a board of directors' meeting, it shall be handled in accordance with the regulation of Article 208 of the Company Act. A director entrusting another director to attend a board of directors' meeting as a proxy shall issue a power of attorney each time, and the authorization scope of the reason of convention shall be indicated in order to entrust another director to attend the meeting as a proxy. The proxy described in the preceding paragraph shall be limited to accept the entrustment of one director only.

Article 19 Unless otherwise specified in the Company Act, resolutions of board of directors' meeting shall be executed based on the attendance of a majority of directors and the consents of more than half of the attending directors, and the resolutions of the board of directors meeting shall be recorded in meeting minutes. The meeting minutes shall be signed or sealed by the chair and preserved at the Company.

Article 20 The functions and powers of the board of directors are as follows:

1. Determination of business directives and business plan.
2. Stipulation and review of budget and final accounts.
3. Establish proposal for capital increase/decrease.
4. Determine distribution of earnings.
5. Other authorities according to the laws and granted by the shareholders' meeting.

Article 21 Deleted.

Article 22 Directors executing duties of the Company may collect compensation or attendance fee. The remuneration of directors of the Company may refer to the standard adopted in the

same industry, and the board of directors is authorized to establish the payment standard.

#### Chapter 5 Managers

Article 23 The Company may appoint several managers. Appoint, discharge and remuneration of the managers are subject to Article 29 of the Company Act.

Article 23-1 The Company may have one general manager, chief executive officer, vice executive officer and several business unit presidents and the appointment and discharge thereof shall be executed by the board of director's meeting attending by a majority of the directors and based on the consents of a majority of the attending directors.

Article 24 For other employees of the Company, the president shall be responsible for the employment and discharge thereof.

#### Chapter 6 Accounting

Article 25 At the end of each fiscal year of the Company, the board of directors shall prepare reports and statements of: 1. Business Report; 2. Financial Statements; 3. Proposal for Distribution of Earnings of Loss Compensation, for submission to the shareholders' meeting according to the laws in order to request for ratification.

Article 26 Where the Company has surplus earnings after the final account of a fiscal year, in addition to payment of taxes, the accumulated loss of previous years shall be compensated first, followed by setting aside 10% thereof as legal reserve; however, in the event that the legal reserve has reached the amount of the paid-in capital of the Company, it may be exempted from such appropriation. For the remaining amount, special reserve is further appropriated or reversed according to the law. If there is still remaining amount, it is combined with the accumulated undistributed surplus, which shall be submitted to the board of directors for the establishment of a surplus distribution proposal in order to report to the shareholders' meeting for resolution on the distribution of shareholders' dividends and bonuses.

When the dividends and bonuses or legal reserve appropriated and capital reserve distributed are made in the form of cash, the board of directors is authorized to execute the distribution in accordance with the resolution of the board of directors' meeting attended by more than two thirds of the directors and the consents of a majority of the attending directors. In addition, report to the shareholders' meeting shall also be made.

Article 26-1 Where the Company has a profit for a fiscal year, it shall appropriate not less than 6% as the compensation of employees, and the board of directors shall reach resolution of the distribution in stock or cash. The distribution subject may include employees of subordinate companies satisfying certain criteria. The Company may appropriate an amount not higher than 2% of the aforementioned profit as the remuneration of directors and supervisors through resolution of board of directors' meeting. The proposal for distribution of the compensation of employees and the remuneration of directors and supervisors shall be reported to the shareholders' meeting,

Article 27 Dividend policy:

The Company's dividend policy shall be determined based on the factors of the environment of its industry, Company's growth stage, future fund demand, financial structure and capital budget, etc., along with the benefits of shareholders, balance of

dividends and the long-term planning of the Company. Within the distributable range, the distribution proposal is to be established by the board of directors according to the laws, and the proposal is reported to the shareholders' meeting. No less than 30% of annual earnings are appropriated to shareholders. Shareholder's bonuses may be appropriated in cash or in shares, provided, however, that the appropriation in cash shall not be less than 10% of the total appropriated amount.

#### Chapter 7 Supplementary Provisions

- Article 28 The organizational charter and operational rules of the Company shall be further established separately.
- Article 29 Any matters not specified in these Articles of Incorporation shall be handled in accordance with the Company Act of R.O.C. and other relevant laws and regulations.
- Article 30 The establishment and amendment of these Articles of Incorporation shall be implemented after the approval and registration of the competent authority.
- Article 31 These Articles of Incorporation were duly enacted on October 27, 1992.
- The 1st amendment was made on July 31, 1993.
- The 2nd amendment was made on June 8, 1995.
- The 3rd amendment was made on August 10, 1999.
- The 4th amendment was made on June 2, 2000.
- The 5th amendment was made on October 2, 2000.
- The 6th amendment was made on November 13, 2000.
- The 7th amendment was made on November 27, 2000.
- The 8th amendment was made on June 20, 2001.
- The 9th amendment was made on November 23, 2001.
- The 10th amendment was made on June 9, 2002.
- The 11th amendment was made on January 13, 2003.
- The 12th amendment was made on May 10, 2003.
- The 13th amendment was made on June 4, 2004.
- The 14th amendment was made on June 4, 2004.
- The 15th amendment was made on June 3, 2005.
- The 16th amendment was made on May 14, 2010.
- The 17th amendment was made on May 31, 2011.
- The 18th amendment was made on June 26, 2012.
- The 19th amendment was made on May 3, 2013.
- The 20th amendment was made on June 11, 2015.
- The 21st amendment was made on October 6, 2015.
- The 22nd amendment was made on June 25, 2019.
- The 23rd amendment was made on June 24, 2020.
- The 24th amendment was made on November 9, 2020.
- The 25th amendment was made on July 23, 2021.
- The 26th amendment was made on June 21, 2022.

**Tai-Tech Advanced Electronics Co., Ltd.**  
**Shareholdings of All Directors**

List of Directors

Book closure date: April 2, 2024

Title	Name	Job Assumption	Number of shares held as of the register closure date			Remarks
		Date	Type	Number of Shares	Percentage over total issuance at that time %	
Chairman	Northwest Investment Corporation Representative: Hsieh, Ming-Yen	2022.06.21	Common stock	6,121,718	6.00%	
Director	Heng Yang Investment Corporation Representative: Yu-Hsiang Yu Hsieh	2022.06.21	Common stock	6,540,995	6.41%	
Director	Superworld Holdings (S) Pte. Ltd. investment account under custody of First Commercial Bank; Representative: CHEN CHIN SHENG	2022.06.21	Common stock	10,207,649	10.00%	
Director	Chien-Jung Lin	2022.06.21	Common stock	1,836,610	1.80%	
Director	Chih-Cheng Hung	2022.06.21	Common stock	1,225,615	1.20%	
Director	Kuei-Kuang Huang	2022.06.21	Common stock	2,265,591	2.22%	
Independent Director	Yu-Tsun Li	2022.06.21	Common stock	0	0	
Independent Director	Yang-Pin Shen	2022.06.21	Common stock	0	0	
Independent Director	Yi-Chun Chiang	2022.06.21	Common stock	0	0	
Total				28,198,178	27.64%	

Note: Calculated based on the Company's paid-in capital of 102,034,000 shares on April 02, 2024, on the book closure date.

Note: 1. The total number of shares required to be held by all directors of the Company is 8,000,000

shares. As of April 2, 2024, the actual number of shares held is 28,198,178.

Note: 2. The Company has established the Audit Committee; accordingly, the requirement on the minimum shares to be held by supervisors is not applicable.